

MYANMAR-JAPAN RELATIONS, 1988-2013

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DOCTOR OF PHILOSOPHY

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DECLARATION

I declare that the thesis entitled “MYANMAR-JAPAN RELATIONS, 1988-2013” submitted by me for the award of the degree of **DOCTOR OF PHILOSOPHY** of Jawaharlal Nehru University is my own work. The thesis has not been submitted for any other degree of this University or any other university.

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CERTIFICATE

We recommend that this thesis be placed before the examiners for evaluation.


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LIST OF ABBREVIATIONS

ADB	Asian Development Bank
AFO	Anti-Fascist Organization
AFPFL	Anti-Fascist People's Freedom League
ASEAN	Association of Southeast Asian Nations
AMM	ASEAN Ministerial Meeting
AIPMC	ASEAN Inter-Parliamentary Myanmar Caucus
BIA	Burma Independence Army
BCG	Burma Consultative Group
BHN	Basic Human Needs
BNA	Burma National Army
BSPP	Burmese Socialist Programme Party
BCP	Burmese Communist Party
CCP	Chinese Communist Party
CNPC	Chinese National Petroleum Company
DMLSDM	Diet Members' League in Support of Democracy in Myanmar
EU	European Union
JBA	Japan Burma Association
JETRO	Japan External Trade Organization
JFE	Japan Steel Engineering/ Japan Future Enterprise
JICA	Japan International Cooperation Agency
JMPFL	Japan Myanmar Parliamentarians' Friendship League
JSDF	Japan Self-Defense Forces
Lao PDR	Lao People's Democratic Republic
LDC	Least Developed Country

LDP	Liberal Democratic Party
METI	Ministry of Economy, Trade and Investment
MITI	Ministry of International Trade and Industry
MOFA	Ministry of Foreign Affairs
MOF	Ministry of Finance
MOU	Memorandum of Understanding
MJI	Myanmar Japan India
MRTV	Myanmar Radio and Television
NAM	Non Aligned Movement
NCA	National Ceasefire agreement
NEC	Nippon Electric Company
NHK	Nippon Hoso Kyokai
NHRC	National Human Rights Commission
NLD	National League for Democracy
NUP	National Union Party
ODA	Official Development Assistance
PDP	Parliamentary Democracy Party
PLA	People's Liberation Army
RMB	Ren Min Bi
SEATO	Southeast Asian Treaty Organization
SEZ	Special Economic Zone
SDPJ	Social Democratic Party of Japan
SLORC	State Law and Order Restoration Council
SPDC	State Peace and Development Council
TBS	Tokyo Broadcasting System

UN	United Nations
UNHCR	United Nations High Commissioner for Refugees
UNSG	United Nation Secretary General
UNWFP	United Nation World Food Progamme
USAID	US Agency for International Development
USDP	United Solidarity and Development Council
WFP	World Food Programme

CHAPTER ONE

INTRODUCTION

This introductory chapter analyses the relationship between Myanmar and Japan, which begins with the Japanese occupation of Myanmar and how these countries were quickly able to engage with each other, from a hostile to that of a friendly one. This chapter then discusses how the “special relationship” between these countries, was formed under the U Nu government and continued by the Ne Win government in the 1960s, when both the countries developed “the most intense relationship” ever marked between the two countries. The chapter also discusses the important role of the 1954 reparation agreement. The personal equation between the political elites of these countries in taking forward the bilateral relationship has also been discussed. This chapter introduces the hypotheses, research questions, objectives and tries to explain the rationale of the study.

1.1 OVERVIEW

The proposed study deals with a key dimension of evolving East Asian security paradigm and the economic order, i.e., the bilateral relationship between Myanmar and Japan. While in normal circumstances, it would not have attracted much attention, yet when the region has undergone fundamental shifts with the post-Cold War paradigm of US-led unipolarity making way to a regional multipolarity, this particular bilateral relationship acquires enormous salience, both economically and geostrategically. As Myanmar becomes a democratic nation and undertakes market-oriented economic reforms, the regional equations are being fundamentally re-written. What used to be virtually a satellite of China, Myanmar is now looking at ways to expand its potential partners. Japan has stepped in to be a major benefactor, of a rapidly changing Myanmar. This obviously has considerable implications, given Myanmar’s geostrategic location and a rich resource base not merely for Southeast Asia, but for East Asia and indeed, for India.

Close relations between Myanmar and Japan could be recorded back to the Second World War era during the British occupation of Myanmar when the Japanese helped the Burmese nationalist leaders to overthrow the British. Eventually, this had helped in developing

closer ties between the political leaders on both the sides. But this relationship has been through both ups and downs, from the reign of terror during the rule of the Japanese-backed puppet government in Myanmar, to Japan becoming the largest aid donor during Ne Win era and then the pursuit of “quiet diplomacy” during the 1990s, to proactive engagement after the civilian government came to power in 2011. During the initial phase, the Burmese people were greatly inspired by the Japanese success in the Russo-Japanese War in 1905 and hence, wanted the Japanese help for their independence against the British (Furnwill 1948:143). But the establishment of a puppet government under Ba Maw changed the friendly relationship to a hostile relationship. After Myanmar gained its independence, diplomatic relations were established, which eventually paved the way for Japan assuming a crucial role in Myanmar’s development, by providing it with a huge amount of aid and investments, for post-War reconstruction. Myanmar’s relationship with Japan is a very pragmatic one, as this engagement serves the economic and strategic interests of both the countries. While Myanmar used the aid for its development process, as well as to deal with the political unrest, Japan has used the same to increase its economic and political clout in Myanmar. Though economic relations have been an important part of their relationship, yet the historical ties have also been equally important in Myanmar’s engagement with Japan (Ganesan 2005:41).

1.2 MYANMAR UNDER THE JAPANESE OCCUPATION

Myanmar had been under the British rule since 1824, but the Japanese had set up a puppet government in the mid-1940s. During the Second World War, the British and the Japanese had practically turned Myanmar into a major battlefield (Seekins 2015:113). For Japan, the conquest of Myanmar was strategically important because of the hostilities of the British and the US. Japan wanted to rid Southeast Asia from Western domination (JPRI Working Paper No.87, August 2002). The Japanese government had adopted a policy of “the Greater East Asia Co-Prosperity Sphere”, which was aimed at creating a new order in Asia, which was dreamt to be free from the Western domination. In November 1942, they had further formed a Greater East Asia (GEA) Ministry and under Kazuo Aoki, which worked towards building an Asian cooperation under the Japanese leadership, by administering the economic, political and cultural affairs of the Asian countries (CIA Report, Current

Intelligence Study Number 35, R and A 337S, 10 August 1945). Myanmar was an important part of the plan and hence, the Japanese wanted to invade it and establish a puppet government. Before the Second World War broke out, Myanmar was part of the British Empire and had been invaded during three Anglo-Burmese wars in the 19th century. The Japanese believed that the British would have become weary after the First World War and hence, would not be able to defend itself in Myanmar. Moreover, they wanted to have access to Myanmar's natural resources like timber, rubber, tin, tungsten, petroleum, jade, silver, rubies and large quantities of rice.

It was only in 1935 with the formation of the Burma-Japan Association that proper interaction between the two countries began, although many Burmese newspapers like “The Thandaw Sint daily”, “The Yangon Time daily”, and the “Yangon Gazzette daily”, had already published articles about the Japanese victory over the Russians as early as 1905 (Kyaw 2007:7). This Japanese victory gave a thrust to the nationalist movement in Myanmar. Hence, the Burmese needed the Japanese help in getting independence from the British. Both Myanmar and Japan had their own specific objective regarding the British. While Myanmar wanted to throw them out to get independence, Japan, on the other hand, wanted to drive them out of Asia, in order to establish their supremacy in the region.

Their common goal to drive out the British eventually paved the way for establishing a “special relationship”. Many military and political leaders, who played an important part in the independence movement and who were a part of the “Thirty Comrades”, and had received training from the Japanese army officers. Aung San, who was a student leader supporting communism, was forced to go exile by the British in China. He thought that he would get some help from the Chinese communists, for Myanmar’s independence movement. Since he did not get any help from them, he went to Japan, where he met Colonel Suzuki. He helped Aung San to go back to Myanmar undercover, in order to bring back more Burmese men to form an anti-colonial army (Seekins 2007: 19). Dr Ba Maw also had played a crucial role by approaching the Japanese consul in Yangon to help the Burmese financially in their struggle against the British (Maw 1968:62). The “Thirty Comrades” consisting of twenty-nine men selected by Aung San, were trained by the Japanese army and the BIA (Burma Independence Army) was established in 1942. With

the help of the “Thirty Comrades”, Japan was able to drive the British out in 1942. Apart from training these nationalist leaders, the Japanese government tried to spread their influence in Myanmar, by offering to teach the Japanese language to the Burmese (Kyaw 2007:21). This would serve the interests of the Japanese government, for it would become easier for them to rule if the Burmese knew the language.

After driving out the British, the Japanese set up a puppet government under Dr Ba Maw in Myanmar in August 1943, which was a part of its Greater East Asia Co-Prosperity Sphere. This enabled the Japanese government to have unhindered access to the rich natural resources of Myanmar. Thus, this meant that there was only a change of rulers from the British to the Japanese, instead of genuine independence to Myanmar. Though Myanmar did not gain from this arrangement, yet the Japan had been credited for the building of a Burmese army during this period. The members of the “Thirty Comrades” later formed the Burma National Army (BNA), where Aung San became the defence minister and Ne Win was the commander-in-chief of the army under the Ba Maw government (Maung 1989:84-85). Interestingly, the Burmese people welcomed the Japanese, as they saw them as their liberators; however, the euphoria was short-lived, as they soon realised that the Japanese rule was no different and in fact, worse in many ways than the British. One of the significant reasons behind the failure of the Greater East Asia Co-Prosperity Sphere was the Japanese unleashing a reign of terror, especially during the construction of the railway lines, linking Myanmar to Thailand, known as the “Railway of Death”; through which the Japanese wanted to move their supplies from Myanmar to Thailand. The Burmese labourers were promised several privileges by the Japanese officers, however, in reality, the labourers were forced to work under inhuman conditions and those who tried to run away were caught and beaten up (Express 1 April 2014). The Japanese government had viewed Myanmar, mainly as a source of raw materials and hence, did not have any regard for the local people. Ba Maw practically had no power to act independently and was considered to be a puppet in the hands of the Japanese government. The highhandedness of the Japanese officers resulted in the growing hatred among the Burmese towards the Japanese. Japan also destroyed much of the infrastructure, including “rail lines, most of the river boats operated by the Irrawaddy Flotilla, oil refineries, and communications

networks, in their attempt to drive out the British” (JPRI Working Paper No. 87, August 2002).

Though they did not get full independence under the Japanese, the spirit of nationalism had already been instilled in the minds of the Burmese, which accelerated the process of the end of colonialism. Disappointment with the Japanese rule made the Burmese turn against them and instead, they joined hands with the British to drive them out. Aung San joined hands with the communists and socialists Burmese leaders to form the Anti-Fascist Organisation (AFO) in 1944 and by the next year, they collaborated with the British to drive away the Japanese. On 27 March 1945, the Burma National Army (BNA) revolted against the Japanese and this came to be celebrated as “Resistance Day”, until the military renamed it “Tatmadaw (Armed Forces) Day”. After the Japanese withdrawal from Myanmar, the AFO was transformed into Anti-Fascist People’s Freedom League (AFPFL) (Kipgen 2016: 75). After driving out the Japanese, the Burmese did not want to be under British occupation again. Finally, the British had to accept their demand for independence, which they got in January 1948.

The Second World War had a huge impact on the Burmese society. The Tatmadaw, which controlled the Burmese society for more than forty years, was formed with the help of the Japanese and thus, the founding members of the Burmese Independence Army (BIA) had very close relations with them. Several Burmese leaders, like U Nu and Ne Win, held ministerial positions under the Japanese rule later became the leaders of independent Myanmar, played an important in the strengthening of the relationship between these countries.

1.3 INDEPENDENT MYANMAR UNDER U NU

Things began to change dramatically after the end of the Second World War, as Myanmar began to develop one of the most intense relationships with Japan. The Second World War saw several Japanese soldiers travelling to Myanmar to fight against the British and many of them died there due to disease and starvation and this led family members of these soldiers to visit Myanmar. Several war veterans continued to maintain a relationship with the Burmese people, which helped in creating an emotional bond between the people of

these countries. Thus, the positive outcome of the Japanese rule was an emotional bond was formed between these countries, due to losses suffered by the Japanese in Myanmar, the poverty of the Burmese people and the common religion of Buddhism (Steinberg 2010: 71).

U Nu had written about the positive image that the Japanese had in Myanmar, after the end of the War that

Everyone in Burma who had any interest in politics knew all about the Japanese. They knew that in Japan a handful of war-lords oppressed millions of the people; they knew that in China the Japanese were committing murder and robbery and rape; they knew that Tanaka and his followers were planning to conquer the whole world. Yet apart from very few men like Didok U Ba Cho, Thakin So and Than Tun, they refused really to believe all these things. This can easily be explained [...] The Japanese seemed to be the only eastern people that could hold their own against the West, and we came to look confidently to Japan for leadership. So people made excuses for the Japanese. There was probably some reason for what they did; the various charges might not be true, and in any case, it was only to Japan that we could look for freedom from the western rule. So Burmans were very reluctant to believe anti-Japanese propaganda (Nu 1954:1-2).

These writings of U Nu prove the good will, which the Japanese had among the Burmese political elites. Even Aung San had mentioned several times about the Japanese influence in his thinking (Houtman 1999: 250). The Japanese government, in turn, had recognised Myanmar as crucial to its economic recovery, in the post-War era. Surprisingly, the Japanese government was able to re-establish ties with Myanmar rather quickly. Myanmar and Japan resumed a bilateral trade relationship, before the establishment of diplomatic relations, particularly in response to Myanmar's need for reparations and Japan's urgent need for food imports. Japan's food shortages in the aftermath of the War, led to an increase in Myanmar's rice exports to Japan, which came to 70,000 tonnes in 1949 and rose to 300,000 tonnes in 1954 (Tanabe and Nemoto 2003: 65).

The U Nu government urgently wanted to sign the reparation agreement with the Japanese government for its post-independence nation building process. "After an initial agreement on 4 November 1954, both governments finally exchanged the ratification instrument on a bilateral peace treaty, as well as, the official document on war reparations, in Tokyo in

April 1955” (Yoichiro 1958:7 quoted by Edstrom 2009:17). This agreement was considered a landmark in Myanmar-Japan relationship, which played a crucial role in bringing about a change in the equations between Myanmar and Japan. This treaty had huge significance for the Japanese government as it marked its re-entry in the Southeast Asia, with a series of reparations treaties being signed with “the Philippines, Indonesia, and the Republic of Vietnam (South Vietnam)” (MOFA, Japan).

The diplomatic relations were established in 1954, with the signing of a treaty with the Burmese government in the same year, by which “Japan gave the latter US\$250 million in war reparations over a period of ten years and also agreed to contribute towards the rehabilitation and advancement and social welfare of the Union of Burma” (Treaty of Peace between Japan and Union of Burma, Article 5, 1954). These reparations helped in developing productive relations during the Ne Win era. The Burmese government had been eager to reach an agreement with Japan since Myanmar’s state finances were in a desperate condition (Edstrom 2010:18). As a result, the Japanese government had praised the Burmese government, for its efforts to quickly sign the treaty. Immediately, after getting independence from the British, Myanmar had to deal with the problems of nation-building and economic development. When the British left Myanmar, they had destroyed both agriculture and industry, due to their scorched earth policies. Myanmar took help from Japan in the reconstruction process. The Burmese were in need of such aid, as the economy was in a deplorable condition. The main compulsion for Japan to sign the reparation agreement was the need for markets and natural resources. After the War, Japan became “totally dependent on the US, for both economic survival and security, in the absence of Chinese markets, and the US, in turn, pushed Japan, to establish economic links with Southeast Asian countries” (Singh 2010:393). Apart from the economic development, Myanmar also used the Japanese support to deal with the communist problem in the border areas, which was a source of trouble for the Burmese government (Seekins 2007:82). This also served the Japanese interest of acting as a bulwark against Communism in Myanmar.

In order to strengthen its ties with Japan, Myanmar highlighted the contribution of the Japanese in their independence movement. The Japanese Prime Minister, Kishi Nobusuke, chose Myanmar to be the first country to visit after he took office in 1957, and this further

helped in strengthening personal ties between the leaders of both the countries. Since the time of U Nu government, Japan had continued to provide huge aid, including non-military assistance to Myanmar. Veterans' families still continue to visit the battlefields and cemeteries in Myanmar. "There were several pro-Myanmar groups in Japan, like the Japan Myanmar Parliamentarian Association, Japan Myanmar Friendship Association, Japan Myanmar Association consisting of top businessmen, veterans, who pressurised the Japanese government, to assist Myanmar with its development" (Myo Ma Ma, Professor, Yangon University 16 March 2016). The Japanese soldiers had a positive image of Myanmar, which they promoted among their fellow citizens. They also wrote about their experiences in Myanmar, which was helpful in building good relations, between these two countries. The war reparations provided by Japan played an important role in laying the foundation for further aid.

A large portion of the Japanese war reparations had been used for the building the Baluchaung hydroelectric power plant, which was built along the Salween River, in the Karenni (Kayah) state. This was one of the most successful Japanese projects and hence, it later became a symbol of Japan-Myanmar ties. "This project, which was started in 1954, which provided 24 percent of the country's total annual electricity production, and was Myanmar's first hydroelectric power plant. The overall power plant and three generators out of six were installed in 1960 with postwar reparations from Japan, and the remaining three were installed by Myanmar in 1974" (MOFA, Japan 10 May 2002). Nippon Koei Co. Ltd. and Kajima Construction were the main Japanese companies involved in the project. Apart from the severe natural constraints like difficult terrain and access to the region, there were several anti-government groups, who were creating troubles in the construction of the project. As a result, Nippon Koei Co. Ltd had to negotiate with the local anti-government forces, in order to prevent the project from being stalled, which created tension with the Burmese government. Despite this, the Japanese were able to complete the first stage by March 1960 (JSCE The International Infrastructure Archives).

1.4 ERA OF CLOSE RELATIONSHIP DURING NE WIN PERIOD

Ne Win, who took over the government after a coup d'état in 1962, also continued with the same engagement policy with Japan. Since he was a part of the “Thirty Comrades”, trained by Japan, he developed a personal relationship with the Japanese political elites. So, after Aung San’s death, Ne Win made sure that the special relationship with Japan was continued.

Ne Win introduced ‘Burmese Way to Socialism’, which was based on the Soviet style centralised control of the economy. Under this policy, he nationalised foreign firms and also banned domestic private enterprises (Seekins 1992: 252). The army played an important role in state building since it helped Ne Win to consolidate his hold over power (Callahan 2001: 415). This resulted in Ne Win facing a lot of criticism due to his erratic policies and complete disregard for democracy. Aung San Suu Kyi had described Ne Win’s rule, by saying that “it is the belief of the majority people of Myanmar that the army is being manipulated and misused by a handful of corrupt fanatics, whose powers and privileges are dependent on the survival of the system” (Kyi 1995: 205).

The Ne Win regime turned down economic assistance from major countries, like the US, the Soviet Union and China. Despite, spending so much on the modernization of the military, the Ne Win regime could not control the insurgency activities. Hence, “Myanmar’s relationship with the US and China deteriorated as Ne Win strongly suspected that the U Nu-organized Parliamentary Democracy Party (PDP)’s anti-Ne Win demonstrations and guerrilla activities, were partly supported by the Western bloc, especially by the US, while the Chinese provided external support to the Burmese Communist Party(BCP)” (Kumada 2001: 12 quoted by Morii 2011:74). In fact, Ne Win always suspected that foreign governments assisted these anti-government groups in order to remove him from power, and hence, it followed an isolationist foreign policy.

During the Cold War, due to its strategic position, Myanmar received huge importance with regard to the major powers. But the isolationist policies followed by Ne Win decreased its importance in the international arena. The US lost its interest in the country due to Ne Win’s ‘Burmese Way to Socialism’. As a result of his erratic economic policies,

Myanmar had to face a lot of political and economic crises. Eventually, it started accepting foreign assistance from Japan, in order to deal with its economic and political development. Japan was the only country which provided large amounts of Official Development Assistance (ODA) during the Ne Win period. The visit of the Japanese Prime Minister, Ikeda Hayato, after the 1962 coup, helped in improving their relations with Myanmar. He was warmly welcomed by the Burmese government and he promised to increase the aid to Myanmar (Masaya 1996:138 quoted by Edstrom 2009: 26). In 1965, at the completion of the compensation agreement, additional compensation of US\$ 140 million was offered under the economic and technical cooperation treaty since Myanmar had received less reparation compared to other Southeast Asian countries from Japan (Win 2012:2). This aid over the period kept increasing and eventually, Japan became the largest aid donor to Myanmar. In the beginning, the amount of ODA to Myanmar was less, due to Ne Win's policy of 'Burmese Way to Socialism'. But in the late 1970s, the Ne Win government took advantage of its close relations with Japan and managed to get more ODA, to overcome its economic crisis. During his rule, Myanmar received US\$ 2.1 billion from Japan, with 400 billion yen in ODA loans and over 95 billion yen in grants (MOFA, Exchange of Notes Japan). Though Ne Win used this aid to consolidate his power and to not improve the condition of the Burmese people, still Japan continued to provide huge aid. The huge Japanese aid helped him to stay in power, without bringing about any serious economic reforms. The Japanese government wanted a continued access to Myanmar's rich natural resources, like energy, mineral, forest and agricultural resources along with cheap labour and hence, Myanmar remained among the top ten aid recipients of Japan (Steinberg 2015:125).

"In Japan, a "Burmese lobby" was formed in Tokyo whose members among others included Nobusuke Kishi (former prime minister), Shintaro Abe (former foreign minister), Watanabe Michio (successor to the Nakasone faction of the ruling LDP) and Yoshiko Yamaguchi (LDP member) in the 1960s" (Steinberg 1990:59). These members formed the Japan Burma Association in 1933, which played an important role in influencing the Japanese government, to continue engagement with the military government in Myanmar in 1988.

Kei Nemoto, a renowned scholar of Myanmar-Japan relationship, had written about the ‘special relationship’ between these countries that

Ever since the compensation after the World War II, Japanese influential in diplomatic and economic matters have referred to a “special relationship between Japan and Burma” or “historically friendly relationship”. The thinking behind this expression is that while Japanese brought a great deal of inconvenience to Burma during World War II, it also made significant contributions to the country. Young nationalists such as the “Thirty Comrades”, which included Aung San and Ne Win, were educated by the Japanese Army officers known as the Minami Kikan, leading to the birth of Burma Independence Army (BIA). This army developed into Burma National Army (BNA). Japan also accepted many Burmese students, providing them scholarships during the war. Many of these people (military and civilians) rose to positions of national leadership in Burma after independence. Therefore, when they stood up to build a new Burma, the feeling was that Japan should give them support (Nemoto 2007: 54).

Since Japan exercised a considerable influence on the Ne Win government, the number of Japanese companies increased from two in the 1960s, to fifteen in the late 1990s. Ne Win had accepted the Japanese economic assistance, due to its non-threatening nature. The Japanese government also thought that this assistance would serve its strategic interest of preventing communism from spreading in Myanmar. Since, China wanted to set up a communist government in Myanmar, by helping the BCP to carry out armed attacks against the government, Ne Win used the Japanese aid to keep in control the communists in the border areas.

Thus, the ODA provided by the Japanese government formed the basis of the special relations between them. Initially, the Japanese assistance had mainly been for large-scale projects and did not meet the basic human needs of the people. As a result, most of the projects did not contribute much to Myanmar’s self-sufficiency, as they were depended on Japan; for most of the components. As a result, the Japanese assistance increased between 1978 and 1988, which helped Myanmar to survive the economic crisis, during that time. Japan's policy of “strictly separating the political from economic policy (seikeibunri), its allocation of aid on the basis of requests from recipient governments (yosei-shugi), and its generally low profile in foreign relations made it a less threatening source of foreign

capital, than either of the superpowers or Myanmar's old colonial master Britain” (Seekins 2000: 336).

The Ne Win regime had a very friendly and accommodating attitude towards the Japanese government, which could be seen from the priority access to the Japanese leaders and continuously praising their shared history (Tanabe and Nemoto 2003: 68-69). The Burmese government had stressed on the positive contribution of the Japanese, in establishing the Myanmar Independent Army in the history books. In 1980, Ne Win awarded the former members of the Minami Kikan for their contribution to Myanmar’s independence movement. The Burmese President, San U, had publicly mentioned that the Japanese not only played an important role in Myanmar’s independence but also helped in developing political skills. Due to the close relations with Ne Win, the Japanese ambassadors throughout the 60s and 70s enjoyed more access to the government, than any other nations (Nemoto 2007:103). The Burmese leaders had great expectations from Japan that it would help them in their political and economic development (Nemoto 1995, Burma Library). Four Japanese Prime Ministers had visited Myanmar during Ne Win’s rule and he also reciprocated, by visiting Japan several times to request for more ODA. Many high ranking officers in Ne Win’s government had received training and education from Japan and thus, they were fluent in the Japanese language as well. During Ne Win’s rule, Brigadier Aung Gye, referred to the relations between Myanmar and Japan, as that of “an elder brother and a younger brother” during his visit to Japan in 1963; to convince the Japanese government to increase its war reparations. He was able to conclude a treaty, whereby the Japanese government would pay US\$140 million of additional grant aid, within a period of twelve years, starting from 1965, which was the so-called “quasi-reparations” (Treaty of Peace between Japan and the Union of Burma). The Burmese textbooks on the independence struggle, described the Minami Kikan “as a group of Japanese people, who understood the Burmese nationalist aspiration for independence” (Ganesan 2007: 102). The next year, when the Japanese Foreign Minister, Shintaro Abe, visited Myanmar, the Burmese President had acknowledged that the role of the Japanese Army in the training of the young Burmese nationalists. Ne Win also continued to meet informally, with the members of Minami Kikan in the 1980s. Se Win, who formed the government for only seventeen days, was also trained by the Japanese. In addition to the

“pro-Burmese politicians and NGOs, there were certainly many Japanese, the so-called ‘biru-kichi’ (Birumakichigai, crazy about Burma), who have a strong emotional attachment to Myanmar after visiting as diplomats, technical advisors and so on” (Seekins 1999:8).

The visit of the Japanese Foreign Minister, Shintaro Abe, to Myanmar in 1983 was quite significant since during his visit he emphasised the significance Myanmar. Japan needed the support of Myanmar for its strategic interests in the region since it was a pro-Japanese country. The Burmese President San Yu, also mentioned about the Japanese contribution in the Burmese independence movement. These exchanges are an indication of the soft corner which these countries had for each other.

The foundation for the close relationship was laid during U Nu’s rule with the signing of the reparation agreement. The Japanese government not only wanted to provide assistance to Myanmar out of a guilt feeling due to the devastation during the Second World War but also to serve its own strategic interests. Japan wanted to expand its economic influence in the Southeast Asia, for that, it was important for Japan to develop close ties with Myanmar and provide it with huge assistance, which eventually, would change its image of an aggressor, among other Southeast Asian countries. The Ne Win period witnessed Myanmar-Japan relationship transform into one of Myanmar’s most intense relationship. The personal ties along with economic and strategic interests of both the countries were hugely responsible for the deepening of the ties. Yet this relationship also had its ups and downs.

Things took a different turn from 1988 onwards when the State Law and Order Restoration Council (SLORC) came to power in Myanmar through a military coup. The Ne Win government faced a huge economic crisis mainly because of huge debts due to the rise in the value of yen, decrease in foreign exchange due to fall in the value of Burmese exports and low foreign currency reserves after funding of huge-budget projects (MOFA, Japan 1988). These economic problems resulted in anti-government protests, which eventually resulted in Ne Win’s downfall. With the end of the Cold War, the US did not take any interest in the Southeast Asian region. Japan also made changes in its ODA policy. The suspension of the Japanese aid had a huge impact on Myanmar’s economy, though it continued to give humanitarian assistance to Myanmar, in order to help the military

government deal with the political crisis. The changing international scenario led Myanmar to develop economic and military relations with China, which affected the strategic interests of Japan. But with the election being held in Myanmar in 2010, things began to change. Japan has resumed its aid and also waived off the loan which Myanmar had to pay. The opening up of Myanmar has also led to Western countries trying to take an interest in it. As a result, Myanmar found an opportunity to decrease its excessive dependence on China.

The Japanese officials have emphasised the positive developments in Myanmar, as a new page in their bilateral relationship, but Japan needs to prove through its actions to work for the betterment of the conditions in Myanmar. On one hand, maintaining cordial and friendly relations with Japan would enable Myanmar to reach out to the Western world and thus, increase its strategic options. This involvement with Japan would lead to the engagement with the Western world which, eventually would lead to regional stability, peace and development. On the other hand, it will be helpful for Japan to exert its influence on Myanmar and thus, eventually reduce Myanmar's dependence on China. To achieve this, a lot of effort is required on the behalf of both the government, so that the relations remain cordial in future as well.

1.5 RATIONALE AND SCOPE OF THE RESEARCH

This is a macro-level study and would focus on the bilateral issues between Myanmar and Japan, their various contours and their progress post-SLORC coming to power in Myanmar. The study should be covering the period from 1988 to 2013. This period is fair enough to make an assessment of the bilateral relation between the two countries. This period has acquired enormous significance as Myanmar-Japan relations have undergone an unprecedented transformation since then. This is because these countries have had a special relationship since the end of the Second World War. The experiences of the members of the "Thirty Comrades", who were trained and educated by the Japanese army, were helpful in developing this special relationship.

This study will try to examine the policy shift that took place post-1988. It shall also focus on why Myanmar needs Japan's help in order to move away from the excessive Chinese dependence. An attempt will be made to analyse how the political and economic reforms

undertaken by Myanmar, have pushed the bilateral relations forward. The issues of convergence and divergence and how a burgeoning relationship between them will impact on the regional security will be examined.

Though bilateral relations between Myanmar and Japan provide a very interesting area of study, recent studies on the bilateral relations, are relatively scarce. The limited literature available mainly focuses on the economic and trade cooperation, between these two countries. Most of the works have tried to analyse the bilateral relationship, within the broader study of Japan and Southeast Asia relationship. They have failed to analyse the significance of Myanmar-Japan relations in the post-Cold War period. Newer developments are visible in the bilateral relations. This provides the incentive to conduct the research.

This research will attempt to fill in the gap in the existing literature available on the strategic relations between Myanmar and Japan, by taking into account the recent developments. It will further try to understand if the changes in the political system of Myanmar have helped in bringing the two countries closer. The study will also focus on the question of a US push behind Japan warming up to Myanmar. The role of China and how its closeness with Myanmar affects the latter's relation with Japan will also be analysed.

1.6 REVIEW OF LITERATURE

The relevant literature available on the concerned study is critically reviewed under the following themes:

HISTORICAL BACKGROUND

During the Second World War, Japan occupied almost the entire Southeast Asia and it was for the first time that this region was under a single power. This gave the region a common historical experience. Myanmar during that period attracted a lot of attention because of its position between Japan's Southeast Asia possessions and British India. The Japanese victory was a blow to the prestige of the Western colonial power and quickened the process of independence. In this context David I. Steinberg in *Burma/Myanmar What*

Everyone Needs To Know (2010) mentions that the Japanese occupation accelerated the end of colonialism and helped in the rise of nationalism among the Burmese. They destroyed the invincibility of the Western colonial powers. Both the countries share a special bond which has been enhanced by sympathy for losses suffered by the Japanese in Myanmar and the poverty of the Burmese people. This ultimately resulted in Japan becoming the largest donor of economic assistance during the Cold War period.

Many authors believe that the relationship between Myanmar and Japan started a long time back in 1899 through sea trade. Thanyarat Apiwong and Yoshihiro Bamba in *The Role of the Japanese in Myanmar: Economic relations between Japan and Myanmar in historical perspective* (2009) mentions that Japan started trading with Myanmar in the beginning of the 20th century and since then it has played an important role in Myanmar trade. The Japanese were favoured since they did not take over the jobs of the Burmese, unlike the Indians and Chinese. The “Thirty Comrades” comprising of Burmese nationalists who were trained by the Japanese believed that with their help they would be able to drive the British out of the country. The Japanese occupation brought many Burmese nationalists in the limelight who later on held significant positions in independent Myanmar. This has been supported by Bert Edstrom in *Japan’s Myanmar Conundrum* (2009) who has also mentioned that the Japanese policies during the Second World War laid the foundation for Japan-Myanmar relations. The Japanese presented before the Burmese an image that they would help them get independence from the British oppressors. Myanmar was very important for the resource poor nation Japan. But soon the real nature of the Japanese rule became revealed. The Burmese people soon understood that Japan had no intention to give them independence in 1943 which they had promised earlier. Resentment towards the Japanese began to grow. As a result, they joined hands with the British to drive out the Japanese. The Burmese people had mixed opinion regarding Japan. Some leaders like Aung San had a positive image of Japan. On the other hand, Ba Maw who was appointed as the Prime Minister by Japan described their rule as being much more brutal than the British rule.

Similarly, Mary P. Callahan in *Making Enemies War and State Building in Burma* (2003) in her book writes that Japan needed resources to continue in the Second World War. As a result, they tried to develop friendly relations with the Burmese. In this endeavour, they

took the help of different Burmese groups. She further mentions an interesting point that the Japanese had started to establish relations with Myanmar from 1939 itself. The Japanese officers disguised themselves and established relations with some of the political leaders in Myanmar. They tried to promote anti-British feelings among the Burmese people to stop the supplies which were being sent to China from Myanmar. With the support of the local elites, it took only five months for the Japanese to drive out the British troops. One positive thing that came out during the Japanese rule was the creation of the BIA consisting of ethnic majority Burmans rather than Indians and some Burmese minorities. The members of the BIA believed that they would be able to convince the Japanese to grant them independence after they were successful in overthrowing the British. But their hopes were shattered when they noticed the pace at which the Japanese were invading the country. Kei Nemoto in *Between Democracy and Economic Development: Japan's Policy towards Burma/Myanmar Then and Now* (2007) mentions that after the end of the Second World War Japan had lost all its colonies and was facing food shortage. During that period, Myanmar despite having no diplomatic relations with Japan supplied rice to the country. The amount of rice exported from Myanmar to Japan began to increase in the following years.

Donald M. Seekins in *Burma and Japan Since 1940: From "Co-prosperity" to "Quiet Dialogue"* (2007) points out that the Japanese rule in Myanmar was a turning point for the country. Most of Myanmar's post-independence leaders came to prominence with the support of Japanese rule from 1941 to 1945. It was for the first time that the Burmese became aware of the idea of a post-colonial state. Japan brought along with them arms in huge numbers. This led to arms playing an important role in Burmese politics. Many of the Japanese soldiers who served in Myanmar on returning home carried with them a positive image of the country.

Nemoto in *Between Democracy and Economic Development: Japan's Policy towards Burma/Myanmar Then and Now* (2007) writes that after the end of the Second World War, Japan retained its special position in Myanmar politics. The main reason for this according to the author was the training received by the "Thirty Comrades" who participated in the Burmese independence movement. The relationship between them in the Cold War period

was mainly economic in nature. The relations in the Cold War started with the reparations agreement in 1954. Ne Win who took power through a military coup in 1962 also took steps to continue having good bilateral relations with Japan. The total amount of Japanese ODA to Myanmar from the time Japan began its funding until 1988 amounted to 511.7 billion yen. This amount was high when compared to the Japanese ODA to other countries. During Ne Win's government, the Japanese ambassadors had more access to him compared to other nations. This helped obtain more aid from Japan.

POST-COLD WAR ENGAGEMENT

Myanmar was one of Japan's major aid recipients since they signed the reparations agreement in 1954. But things changed after the SLORC was established in 1988 by the military authority. Toshihiro Kudo in *Myanmar and Japan: How Close Friends become Estranged* (2007) writes that the changing international, as well as the regional environment in the post-Cold War era, brought about a break in the camaraderie between both the countries. This resulted in changes in Japan's ODA policy and the military government in Myanmar also started strengthening its economic ties with other countries. In 1990 elections were held where NLD won a majority. The military government did not accept the election results and put Aung San Su Kyi under house arrest. As a result, the Western countries imposed sanctions on Myanmar. The Japanese policy towards Myanmar was very ambiguous. It could not decide whether to continue its ties with Myanmar or follow the Western countries and impose sanctions. Takeda Isami in *Japan's Myanmar policy: Four principles* (2001) writes that Japan thought that having good relations with Myanmar would help them promote regional cooperation in Southeast Asia. So it decided to follow its "sunshine policy"- to continue its engagement with Myanmar. Japan had the view that it was only through dialogue that they could influence Myanmar to adopt democracy. Japan has basically followed a policy of dialogue and active engagement vis-a-vis Myanmar. Hidetaka Yoshimatsu in *Regional Linkages and Japan's Foreign Aid Policy* (2004) mentions that there were several reasons for the flexible Japanese policies towards Myanmar. It was reluctant to break the special ties with Myanmar. There was also pressure from the business community to resume ties with Myanmar.

The release of Aung San Suu Kyi in 1995 brought about a change in Japan's policy. Thus, the bilateral relations entered a new phase. Japan believed this was a result of their

persuasion. Japan held several meetings with leaders of the military government in Myanmar. This enabled them to build mutual trust. Japan maintained its contact with Aung San Suu Kyi at the same time. The Japanese government decided to give 1 billion yen as assistance for food production. They explained that this was a part of humanitarian aid. In the 1995 Japanese ODA White Paper, it has been mentioned that “economic development and stability form important foundations to democratisation and the introduction of a market economy.” Kei Nemoto in *Between Democracy and Economic Development: Japan’s Policy towards Burma/Myanmar Then and Now* (2007) writes that Japan was among the first nations to recognise the military junta in 1989. The Japanese position towards SLORC has been that of soft persuasion. It did not follow the Western powers by imposing sanctions on the country. It has always tried to influence the military government to open their economy and move towards democracy. They believe that economic development will be followed by democratisation. As a result, Japan wanted to use the aid to encourage the government to move towards democratization. This move was criticised by the Western powers as they thought that the military government has not undertaken any reforms to move towards democracy.

Suppakarn Pongyular *The Implications of Japanese Engagement Policy towards Myanmar: 1988-Present* (2007) mentions that Japan wanted to break free from its over-dependence on the U.S. It had also realized that their interests did not necessarily coincide with those of the US. Tokyo had come to view Myanmar as another important front-line in diplomatic manoeuvre with China and in Japan’s search for a more independent identity from the US sphere in Asia. As a result, Japan supported Myanmar’s inclusion in ASEAN in 1997. It believed that its membership of ASEAN would help them to constructively influence the military government as well reduce their dependence on China.

After the 2003 incident where members of the NLD were attacked and Aung San Suu Kyi was put under house arrest again, the Japanese government stopped its ODA to Myanmar. But after a year, aid was resumed, though only in the form of humanitarian aid. Over the years the Japanese influence on Myanmar has reduced. As a result, they have always tried to find an opportunity to resume the relations with Myanmar.

POLITICAL AND SECURITY RELATIONS

The entire Southeast Asia region was under the Japanese rule from 1940 to 1945. The primary motive behind the Japanese rule in Southeast Asia was economic in nature. Even after the end of the Second World War, Japan remained involved in the Southeast Asian politics. This points to the huge interest Japan had in this region. Bhubhindar Singh in *The Evolution of Japan's Security Role in Southeast Asia* (2010) writes that this was mainly to serve the US goal to contain communism in the region. During the Second World War, Japan completely depended on the Chinese markets and hence, Japan became reliant on the US for its economic needs, which in turn resulted in Japan creating economic links with Southeast Asian countries for their markets and natural resources. But it soon became aware of the anti-Japanese feelings in the region. As a result, it started to establish diplomatic relations with the Southeast Asian countries. Taizo Miyagi in *A History of Post-War Asian International Politics* (2011) writes about how the Japanese attempt to establish diplomatic relations was barred by the unresolved issue of war reparations. The Southeast Asian countries began to change their perception of Japan. Myanmar was the first country in the region to sign a war reparation agreement with Japan in 1954. This acted as a gateway to Japan's re-entry in the region and led to a genuine dialogue between Japan and Southeast Asia. From the 1970s the links between Japan and Southeast Asia have grown stronger. Over the years Japan has tried to play a proactive role in the affairs of Southeast Asian Nations. Even the countries of Southeast Asia have accepted the role of Japan assuming such a role.

The US factor has also played an important reason behind Japanese interest in Myanmar. The US could not ignore the strategic location of Myanmar between India and China. Sometimes the US and Japan have differed over the stand on the human rights condition in Myanmar. Ming Wan *Human Rights and the U.S. - Japan Relations in Asia: Divergent Allies* (1998) writes that the US had adopted a harsher policy towards Myanmar. It imposed sanctions and stopped all kinds of economic assistance after the SLORC came to power in 1988. But the business community of both the US and Japan were in favour of relaxing the sanctions as they had already invested in Myanmar and thus would suffer huge losses. Japan maintained economic ties with Myanmar but urged them to improve the human rights situation. Along with other Western powers, the US waged an unsuccessful

diplomatic campaign to prevent Myanmar from joining ASEAN in 1997. On the other hand, Japan had favoured the membership of Myanmar in ASEAN. This was because Japan wanted to engage with the country rather than isolate it. As a result, the US influence on Myanmar has reduced over the years due to its decision to impose sanctions on Myanmar. In recent years the U.S. has started taking an interest in Myanmar and wants to return to this region.

The China factor is also very integral to the bilateral relationship between Myanmar and Japan. Japan's strategic competition with China has further motivated it to continue diplomatic, political and technical assistance programmes within Myanmar. The bilateral relations between China and Myanmar became stronger after 1988. China replaced Japan as the major donor country of Myanmar. The latter became heavily dependent on its economic ties with China. Poon Kim Shee in *The Political Economy of China-Myanmar Relations: Strategic and Economic Dimensions* (1997) had talked about the various stages of China and Myanmar relations. He discusses how in the post-1988 the relationship transformed from that of 'strategic neutrality' to 'strategic engagement'. The main reason behind this was the isolationist policies of the Western countries. Due to the economic difficulties Myanmar was facing at that time, it approached China. But Myanmar never liked the fact of being too close to China. So from the 1990s onwards, it became busy in trying to encourage Japan, India and other countries to start investing in Myanmar again. Yun Sun in *China and the changing Myanmar* (2012) and Toshihiro Kudo in *China's Policy toward Myanmar: Challenges and Prospects* (2012) have described that cracks have been developing in Myanmar-China relations since 2011. China has exploited their natural resources in return for the investment and support which it gave to Myanmar. Myanmar has realised that it should reduce its over-dependence on China. In order to do that Myanmar needed to diversify its relations with other countries. The policy of sanctions and engagement made it necessary for the Myanmar government to undertake reforms. It had to open up its economy and undertake political reforms and set up a civilian government as well. The political reforms adopted by Myanmar were welcomed by the US. Thus, with the Chinese influence being reduced, Japan has found an opportunity to resume its ties with Myanmar.

ECONOMIC LINKS BETWEEN MYANMAR AND JAPAN

The main reason behind normalising relations with Southeast Asia has been to have access to the raw materials of those countries. Japan's post-War economic cooperation had its origin in reparations. Patrick Strefford in *How Japan's Post War Relationship with Burma was shaped by aid* (2010) writes that the U.S. containment of China closed off the Chinese market. As a result, Japan had to look for markets and resources in Southeast Asia only. To have access to their markets, it was necessary for Japan to establish diplomatic relations with the countries of Southeast Asia. Since the end of the Second World War Japan has been the largest donor country of Myanmar.

In 1954 Japan signed a reparation treaty with Myanmar whereby it received US\$ 250 million over ten years. This aid from Japan kept on increasing from US\$ 20 million in 1960 to US\$ 200 million in 1970. This helped Japan to reach out to Southeast Asia from where it was cut off during the Second World War. This reparation's treaty laid down the foundation of future aid. David I. Steinberg in *Japanese Economic Assistance To Burma: Aid in the "Tarenagashi" Manner?* (1990) writes that Japan-Myanmar reparation was different from most reparations negotiated after the War. This was because in the case of Myanmar official assistance was primary and investments and trade were very minimal. This was an indication of the special relations between the two countries. With the help of these agreements, the Japanese government promoted their economic recovery. The ODA system was very important for their economic growth. But the recipient country also benefitted from it. Donald M. Seekins *Japan's Aid Relations with Military Regimes in Burma, 1962-1991: The Kokunaika Process* (1992) writes that during the Ne Win period, the Japanese aid to Myanmar was the highest. Though the Ne Win government followed socialism, but Japan continued to give aid to Myanmar to deal with the on-going economic and political crisis in Myanmar. Even though it was evident that Myanmar would not be able to pay back, aid continued coming in huge amount. The coup of 1988 changed the equations between the two countries. After the military coup in 1988, Japan stopped its ODA and aid was given only in case of humanitarian needs. There was pressure on the Japanese government from both sides-the Burmese wanted them to continue with the financial assistance, but the Western countries wanted them to stop the aid flow. In 1989 Japanese corporations like Mitsubishi and Mitsui requested the Japanese government to

resume diplomatic relations with Myanmar. They thought that the void created by the Japanese would have been filled by some other regional powers. The members of the JBA requested the Japanese government to restore normal relations with Myanmar. This was because of the huge financial loss they would have to incur if Japan followed a policy of non-engagement with Myanmar. It would also allow Japan to pressurise Myanmar to bring about democracy and democratic liberalisation. As a result, the Japanese government agreed to their proposal, but they informed Myanmar that economic reforms are a pre-condition for receiving aid.

But in 1992 Japan announced a change in its ODA policy whereby more importance would be given to issues like democracy, human rights and market economy. James Reilly *China and Japan in Myanmar: Aid, Natural Resources and Influence* (2013) points out that Japan provided around US\$ 600 million to Myanmar between 1991 and 2003 as a debt relief. Yet Myanmar went into arrears. As a result, Japan's aid also reduced eventually. At this juncture, China jumped in to take Japan's position as a major donor of economic assistance.

In the recent years, Japan has reaffirmed their support for Myanmar. They have closely observed the progress of Myanmar's efforts at reforms for one year. They have appreciated their efforts and have decided to back their efforts up by cancelling the debt. Also, certain events that took place in 2010 have given an opportunity to Myanmar to resume its economic engagement with Japan. Myanmar was always on the look out for a chance to resume its ties with Japan. On several platforms, Japan had tried for greater engagement with Myanmar. In December 2006, Tokyo established the Mekong–Japan Partnership Program, including Myanmar along with Cambodia, Lao PDR, Thailand and Vietnam. Apart from this, through many projects, Japan had tried to provide aid to Myanmar. In 2010 the political and economic reforms undertaken by the new Myanmar government led the Japanese government to cancel the debt which Myanmar had to pay. The two sides further have agreed that Japanese funding would support infrastructure construction in Myanmar's planned Thilawa SEZ, particularly its port facilities.

Most of the literature that is available has mainly focussed on the Japanese point of view in the bilateral relations. They have talked about why Japan needs to engage with Myanmar. They have not dealt in detail about Myanmar's need for Japanese engagement. Neither has

the issue of Myanmar trying to reduce its excessive dependence on China and trying to reach out to Japan have been discussed in detail. Significant developments are noticeable in the recent times in terms of strengthening of relations between the two countries and a strong sense of trust has developed. Japan has already announced waiving off much of the debt claims of Myanmar and offer fresh loans to support infrastructure development. Myanmar was also successful in getting the Japanese support for the democratic transition, boosting economic development as well as encouraging national reconciliation. This definitely is a signal marking a new chapter between Myanmar and Japan. These developments have not been discussed in the available literature.

1.7 OBJECTIVES OF THE STUDY

- To analyse the nature of the bilateral relationship till 1988
- To examine the changing international and regional political backdrop which had an impact on the bilateral relations
- To examine the factors that affected the bilateral relations in the post -1988 period
- To examine the importance of Japan in Myanmar's calculations
- To identify the important factors affecting the policy of both the countries towards each other
- To assess the China factor in Myanmar-Japan relations

1.8 RESEARCH QUESTIONS

- How did the changing international environment have an impact on Myanmar-Japan relations?
- What are the new areas and issues of bilateral cooperation and how they are affected by regional and international security environment?
- How has the China factor affected bilateral relations?
- What are the likely hurdles in the relationship?
- Why did Japan make an exception in the case of Myanmar with regard to its ODA policy?

- What are Myanmar's compulsions to seek close relations with Japan and vice versa?

1.9 HYPOTHESES

- Myanmar was too important to be ignored by Japan and hence pursued a different policy despite pressures by the West in the post-1988 period
- The political and economic reforms undertaken by the Thein Sein government have paved the way for Myanmar to improve its ties with Japan remarkably

1.10 RESEARCH METHODOLOGY

The proposed study will be based on the literature collected from both primary and secondary sources. It will seek to understand the shift in the position of close engagement to limited engagement and then to active engagement due to the changing international and regional scenario.

The deductive approach will be used to analyse the relationship between Myanmar and Japan during this period. There are books, journal articles and government publications for this purpose. To understand the changing dynamics, interviews with the policy makers, contemporary articles and newspaper reports will be used. This will be substantiated by primary data which would include government records and documents which would help to analyse the respective policies. The views and opinions of major scholars and journalists expressed will provide an insight into the politics of the Myanmar-Japan engagements. Field survey work would go a long way in making the study credible and validate the hypotheses.

1.11 CHAPTERIZATION

This thesis has been categorised into six chapters.

The first chapter of the thesis is an introduction to the research theme, its objective, the significance of the study. An attempt has been made to examine the various phases that the two countries underwent in bilateral relations till the time the military junta took power in Myanmar. An analysis of the important events and issues of this period will be useful in understanding the period of study in a comprehensive manner.

Chapter two is titled as “Post-Cold War engagement between Myanmar and Japan”. This chapter deals with the relationship between Myanmar and Japan in the post-Cold War era at the backdrop of the changing international environment. The various international events beginning with the end of the Cold War and the collapse of the Soviet Union, SLORC coming to power in Myanmar, the China factor and the policy of the Western countries, especially the US towards Myanmar which influenced the relationship between Myanmar and Japan has also been explained. The various instances where the military government had continued to face international condemnation due its human rights abuses and yet how Japan continued its positive engagement policy has also been evaluated.

The third chapter has been titled as “Determinants of Myanmar-Japan Relations”. This chapter shall discuss the role of several countries who play a significant role behind the deepening of Myanmar-Japan relationship. It has analysed how Myanmar’s proximity with China has played a vital role behind Japan’s policy towards Myanmar in the post-1988 period. It shall also analyse whether the US is playing a positive role behind the warming up of Myanmar-Japan relationship. The role of India and the ASEAN in deepening of Myanmar-Japan relationship have also been discussed.

The fourth chapter is titled as “Political and Security Relations between Myanmar and Japan”. This chapter has focused on the political and security dimensions of Myanmar-Japan relations. It has tried to find out the factors which influenced political relations between them. It has further look into the various initiatives taken by both the countries to take the relationship forward and whether such initiatives have been translated into desired outcomes for both the countries. Their interactions not only through the bilateral channels,

but also in the multilateral forums like ASEAN has been discussed. The way in which Myanmar undertook reforms and which in turn led Japan to divert its policy from isolationist to that of engagement has been analysed.

The fifth chapter has been titled as “Economic Relations Between Myanmar and Japan”. This chapter has focussed on the complexities of the economic relations between Myanmar and Japan. It has traced Japan’s policy of ODA and investment in Myanmar and their role in influencing Myanmar’s policy towards Japan. It has also examined the trends in bilateral trade between Myanmar and Japan. It has also examined how the wavering off the debts and the offering of the fresh new loans from the Japanese side has provided a positive thrust to the bilateral relations.

The final chapter will conclude by summarising the key findings through the analysis undertaken in the preceding chapters. It will review the hypotheses based on the analysis undertaken in this study and highlight the shortcomings to provide new insights on how both the countries should manage their complex relations by moving past the obstacles that are there in the way of their bilateral relations.

CHAPTER-2

POST-COLD WAR ENGAGEMENT BETWEEN MYANMAR AND JAPAN

INTRODUCTION

The main part of this study begins with this chapter, which traces the relationship between Myanmar and Japan, in the post-Cold War period. In the post-Cold War period, there was a drastic change in the international scenario with the collapse of the Soviet Union, which made the US the sole superpower. But at the same time, there was the rise of regional powers like China, which affected the balance of power. Another important change that took place was the declining importance of military power and the increasing importance of issues like, economic cooperation, trade and human rights. The political situation changed in Myanmar after the State Law and Order Restoration Council (SLORC) capturing power in 1988. The post-Cold War relationship with Japan, assumes special significance when otherwise the smooth relationship was upset with the internal political developments in Myanmar. When anti-government demonstrations and protests broke out in Myanmar in early 1988, Japan was faced with a complicated situation. On one hand, it did not want to jeopardise its relations with Myanmar, but on the other hand, it also did not want to alienate the US, which supported the pro-democracy movement. Initially, Japan had followed the bandwagon of the Western powers and had stopped its aid to the military government. But within a few months, Japan resumed its aid to Myanmar.

This chapter examines Myanmar-Japan relations since 1988 and is divided into five sections. The first section of the chapter focuses on the 1988 military coup in Myanmar, which was a crucial event in Myanmar-Japan relations. The second section deals with the Japanese reaction to the 1988 events in Myanmar and how various international events, beginning with the end of the Cold War and the collapse of the Soviet Union, the policy of the Western countries, especially the US towards Myanmar, along with the deepening Myanmar-China relations, played a crucial role for future engagement between Myanmar and Japan. The third section is followed by a discussion of the 1992 Japanese ODA charter and its impact on Myanmar-Japan relations. The fourth section is a discussion on the

success of the Japanese policy, with the military government releasing several political prisoners, including Aung San Suu Kyi. The fifth section is an analysis on the Japanese government's reluctance from cutting off of relations with Myanmar when the military government again, put Aung San Suu Kyi under house arrest and continued to be under the international limelight for its human rights abuses.

2.1 THE CHANGES IN POLITICAL SCENARIO OF MYANMAR

THE MILITARY COUP OF 1988

The changing political scenario in Myanmar, with the 1988 military coup (also known as “8888” incident) followed by the 1990 election, brought about a dramatic change in Myanmar-Japan relationship. The ousting of Ne Win from power due to a popular uprising against him, the end of the ‘Burmese Way to Socialism’ and its replacement by a more brutal military rule under the name of the SLORC were the few revolutionary changes that took place. Not only the students, but also the general public took part in the protests. The Buddhist monks who were the most respected people in the state also participated along with the general public. Food shortages and most importantly, Ne Win's economic policies, like the demonetization policy which resulted in most of the kyat currency being rendered worthless, were the reasons behind the 1988 uprising, which created lots of hardships for both the poor and rich.

The popular discontent arose not only because of the economic hardships and atrocities by the regime on the unarmed demonstrators, but also because of the attempt by the government to cover up its faults. Finally, under public pressure, General U Ne Win resigned and General U Sein Lwin was made the chairman of the Burmese Socialist Programme Party (BSPP) on 26 July 1988. He was more brutal in dealing with the demonstration and the public started protesting again. They demanded U Sein Lwin to resign, as well as a democratic government to come in place of the BSPP. In order to control the situation, the government declared martial law and ordered troops to open fire on all demonstrators (Steinberg 1989: 186). U Sein Lwin resigned on 12 August after only twelve days in power and was replaced by Maung Maung on 19 August (MOFA, Japan 1988). However, the unrest did not lessen and violent protests continued. What the people

demanded was not a change of leader, but an end to the military and the one party rule to be followed by widespread political and economic reforms. Maung Maung promised a referendum on a multi-party system, but protestors demanded an interim government. As a result of the huge public protests, the BSPP collapsed by the end of the month.

On 18 September, Maung Maung was removed as the head of the state and the SLORC led by General Saw Maung seized power to improve the deteriorating conditions all over the country and for the sake of the interest of the people (Steinberg 2010:81). Thus, the hope for democracy was not fulfilled and another military government came to power through a coup. During that time Aung San Suu Kyi, the daughter of Aung San who had played an important role in Myanmar's nationalist movement, formed the National League for Democracy (NLD) party, in support of the pro-democracy protests in 1988. To control the situation, the SLORC promised the public that multi-party elections would take place soon after the political instability in the country ended. Apart from this, the military government also

enacted the Foreign Investment Law, legalized border trade with China and Thailand in October 1988, and passed the State-owned Economic Enterprises Law in March 1989, thus promoting a notable opening-up policy. Further, at the end of March 1989, the present Administration formally announced the abolishment of the socialist economic system. On June 1989, it changed "the English name of the country from Burma to Myanmar" to give it a distinctly anti-colonial identity (MOFA, Japan 1989).

These measures by the military government marked a break from the isolationist policies of the Ne Win government, which had brought about the economic decline of Myanmar. Hence, the military government opened up its economy to receive aid and investments, necessary for its economic development. This positive change in the military government's policies was in fact, a result of pressure from the Japanese government in March 1988 to undertake economic reforms in order to continue receiving aid from Japan (Steinberg 2010:98-99).

The end of the Cold War restructured the whole international balance of power. The emergence of the military junta in 1988 coincided with the end of the Cold War, which led to many significant changes in the international, as well as, regional affairs. The collapse

of the Soviet Union in 1991 had a major impact on the military government in Myanmar. The sudden disintegration of the Soviet Union, which had a strong central government, instilled fear in the minds of the military junta. This led them to crush any kind of protests which might lead to the fragmentation of the Union of Myanmar. With the disintegration of the Soviet Union, the US had emerged as the sole superpower. The SLORC members needed to have a strong hold over the country, it would become a puppet in the hands of democratic countries like the US and eventually, would lose its independence.

The domestic political crisis in Myanmar, arising out of the tension between the SLORC and Aung San Suu Kyi-led NLD, resulted in the Japanese government keeping a track of the human rights situation and democratisation in the country (MOFA, Japan 1997). The Japanese government's eagerness to continue its engagement with Myanmar prompted it to take a keen interest in the democratisation process of Myanmar in the post-Cold War period.

2.2 THE CHANGES IN THE RELATIONSHIP BETWEEN MYANMAR-JAPAN

THE INITIAL PHASE OF CRITICAL DISTANCE (AUGUST 1988 TO FEBRUARY 1989)

The period from September 1988 to February 1989, can easily be referred to as the worst period in their bilateral relations, with the Japanese government announcing to freeze its ODA to Myanmar. As a result, the relations between Myanmar and Japan became more strained. Myanmar's economic problems increased since the Japanese government had stopped its ODA in September 1988 and the Japanese ambassador Otaka declared that it will not be renewed until there was some progress in the political and economic situation in Myanmar (Seekins 2007:159). This made the Burmese leaders believe that the Otaka was mainly responsible for the decision of the Japanese government. Though he shared a close relationship with Ne Win, he joined the Western countries in criticising the military government. Hence, the military leaders were surprised by the Japanese government's decision since it believed that Japan would support them during this political crisis. Despite several requests from the Japanese government to bring about reforms, Ne Win had continued his unsuccessful economic programmes, and then also the Japanese

government had provided huge aid (MOFA, Japan 1988). Hence, they were shocked when the Japanese government decided to cancel its aid worth US\$ 7.3 million to Myanmar (Lintner 1989:254, 255). The Japanese Ambassador also did not attend the SLORC's celebration of Myanmar's Independence Day on 4 January 1989 (Lintner 1989:289:254,255). The Western countries, especially the US, also supported his decision regarding the suspension of aid.

There were opposing views among the Japanese policy makers regarding the situation in Myanmar. Many officers in the Japanese MOFA did not agree with Otaka's opinion and were trying to look out for ways to continue its aid to the military government. This was evident from the Japanese daily highlighting the views of the Japanese foreign policy establishment in which it was mentioned that "the worsened economy fueled social unrest, plunging the country into turmoil" (MOFA, Japan 1988). Moreover, the Japan Burma Association had also lobbied for the resumption of aid by recognising the military government. They had stressed on the fact that many Japanese companies, who had made huge investments in Myanmar would be suffering huge losses if the ODA was suspended (Usui and Debenham 1993, mentioned in Edstrom 2009:30). Due to the freeze on ODA, "Myanmar did not receive 36.9 billion yen for the grant aid projects. Some of the big projects which got affected due to ODA freeze were: the Baluchaung hydropower project, the repair of Yangon's international airport, a gas turbine generator and a caustic soda plant at Kyaiklat near Yangon" (Sayre 1989: 7-8). The pressure from these groups, emphasising the crucial Japanese economic interests in Myanmar, helped to end this phase of critical distance, which lasted only for a few months and eventually, lead to the normalisation of relations between these countries.

RECOGNITION OF THE SLORC BY JAPAN (FEBRUARY 1989)

Japan was facing a dilemma whether to continue with the aid to a country which indulged blatantly in human rights violations. The international and regional reaction to the "8888" incident, helped in shaping the Japanese government's relations with the military government.

The international community was divided into two groups on the Myanmar issue- pro-sanctions, which included the Western countries, especially the US and EU and pro-engagement groups that included the neighbouring countries like China and ASEAN.

Since Myanmar did not have a government with political legitimacy, the US no longer wanted to maintain relations with an undemocratic government. The primary goal of the US government was to improve the human rights situation in Myanmar and hence, it stopped its bilateral aid (US, Department of State, 2001). This decision of the US government was mainly intended to diplomatically isolate the country and pressurise the military government to make way for a democratic government.

This hard stance of the Western countries drove China to make changes in its policy towards Myanmar to gain a strong foothold, in the post-Cold War period. Whereas the Western countries were more interested in criticising the military government's lack of legitimacy, China realised that it could use the political crisis in Myanmar to its best advantage, by improving its relationship with its geopolitically crucial neighbouring country. But there was a deterrent in the path of developing a close relationship. Initially, China followed a dual track policy with Myanmar-party-to-party relations and state-to-state relations (Kudo 2007: 267). The Chinese Communist Party (CCP) was very suspicious of Ne Win's socialist policies and used to support the Burmese Communist Party (BCP) in their struggle against the military government, which had soured relations between Myanmar and China. But China wanted to improve its relations with Myanmar, especially when it saw that the Western countries were isolating it. Moreover, several countries, like Korea, Singapore, Malaysia and Thailand, had already started investing in Myanmar because of its huge natural resources and cheap labour (Yoshimatsu 2004:417). China realised that in order to improve relations with its immediate neighbour, CCP had to stop helping the BCP. Without any support from the CCP, the BCP disintegrated in Myanmar in 1989, which ultimately removed a major impediment to their bilateral relations. Not only, was China interested in grabbing the opportunities, but Myanmar also wanted to reach out to its immediate neighbour in order to deal with its economic difficulties, in the face of Western countries' isolation policies.

Apart from the Chinese, the ASEAN countries also followed an engagement policy with the military government due to strategic reasons. These countries did not want the political instability in Myanmar to spread throughout the region, hence, they preferred to encourage the military government to bring reforms through actively engaging with it (MOFA, Japan Mekong Watch Report 15 December 2001).

Japan, on the other hand, had a distinct position on the Myanmar issue. Japan could not continue its full engagement policy with the military government, due to the international outrage over the SLORC's decision of ignoring the 1990 election result. The Japanese government's stand was

a position which places importance on human rights and democracy as a matter of course, but on the other hand, together with our fellow Asian countries, we prefer not to use sanctions, but to speak as friends. What are the expectations of the international community? What needs to be done for Myanmar to be accepted into the international community? These are things we are in a position to discuss quietly (MOFA, Japan Mekong Watch Report 15 December 2001).

The changing regional equations in the aftermath of the "8888" events, influenced the Japanese government's decision of recognising the military government in February 1989, and also resume partial aid. The main reason behind the Japanese government decision was that Myanmar's geo-strategic location was of huge significance to Japan and hence, it was important for the Japanese government to assist the military government in maintaining political stability. The Japanese government believed that the economic problems in the Ne Win period resulted in such a political crisis and hence, it was crucial for Japan to support the military government, to attain economic stability by helping them with relief measures, as well as, keeping a watch on the internal developments in Myanmar (MOFA, Japan 1988). This would enable the Japanese government to maintain a stable external environment, needed for its pursuit of economic and strategic interests in the region. Another significant reason was the pro-Japanese stand of Myanmar since the time of U Nu and Ne Win had made Myanmar a priority country for the Japanese government. Hence, the military government benefitted from the Japanese strategic interest in Myanmar along with the personal ties, both of which played a crucial role in the Japanese government's decision of recognising the military government.

The military government's announcement to conduct elections in 1990, made it easier for the Japanese government to arrive at a decision. The Japanese government justified their stand by stating that the military government was abiding the laws and also conducting the election, so it was necessary to recognise the government (MOFA, Japan March 2009). The Japanese government resumed its aid mainly because of the Japanese fear of the

increasing Chinese influence in Myanmar. The Japanese government was concerned with the defence ministers of Myanmar, visiting China to negotiate an arms deal worth US\$ 1.4 billion in 1989 (Roy 1998:174). China started providing huge economic assistance to the military government. It emerged as a major trading partner with Myanmar opening the border trade with China, with the outcome of a 26 percent increase in total trade in 1989 over 1988 (Shee Kim 2002:44). Hence, it was crucial for the Japanese government to keep its communication channels open with the military government, in order to maintain its influence in Myanmar and prevent the military government from coming under the complete control of China.

Another important reason behind the quick recognition of the SLORC by the Japanese government was the attending of the funeral ceremony of the Showa emperor by the Burmese delegation on 24 February 1989 (Teruko 2001:371). This made it easier for the SLORC leaders to be able to be present at the state funeral ceremony of the late Japanese Emperor Hirohito otherwise they would have to sit along with unrecognized delegation which would have been an insult to the country, given the close relations shared between Myanmar and Japan during Ne Win period (Oishi and Furuoka 2003: 899).

Finally, the Japanese government

recognized the Saw Maung Government in February 1989 and resumed economic assistance to Myanmar step by step, starting from feasible projects which had been already started and were suspended afterwards under the nation-wide unrest of the country in 1988, while awaiting the extending of new assistance for the time being (MOFA, Japan 1990).

The Japanese government clarified its decision to resume aid, which was closely linked to normalisation of relations that it would gradually resume the on-going projects, but not extend any new aid until there is further progress on the part of the military government (MOFA, Japan 1989). The Japanese government's aid to Myanmar has mostly been for debt relief for Myanmar owed huge debts to Japan. The rationale behind this decision was that this aid was only a positive incentive to encourage the military government to undertake reforms. This helped to the Japanese government to not only maintain its presence in Myanmar, but it also tried to

maintain a fine balance of not antagonising both the military government, as well as, the US. The Japanese government's decision of not providing any new aid was to impress the US that the aid was meant for humanitarian purposes, which would benefit the people and not economically supporting the military government to continue stay in power.

THE 1990 ELECTION IN MYANMAR

The 1990 election in Myanmar was a major event whereby the Japanese government partially resumed aid on the pretext that the military government was successful in conducting the election. The military had already placed Aung San Suu Kyi under house arrest for her increasing popularity due to pro-democracy activities among the Burmese people. Along with her, most of the NLD members were also put under house arrest in 1989 for criticising the military regime. Thus, the SLORC had made several attempts at keeping Aung San Suu Kyi out of politics and finally they were able to persuade the NLD to remove her from the executive committee to prevent the dissolution of the party (Teruko 2001:373). Hence, the military government was confident that the National Union Party (NUP), the party that they had formed to contest the election, would win, since Aung San Suu Kyi, who was their biggest opponent, was under house arrest, which would give them an open hand in controlling the government.

The SLORC had nullified the 1990 election result. Though the opposition NLD won by an overwhelming majority by getting 392 out of 485 seats, still, the SLORC remained in power by stressing on the need for a formal constitution before transferring power to the civilian government (MOFA, Japan 1990). The Japanese government was on a look out for an opportunity to resume its aid and hence, the Japanese government not only “welcomed the holding of the general elections and expressed its hope for smooth transfer of power at an early date” (MOFA, Japan 1990), but to encourage the military government for further reforms, the Japanese government announced a grant of 5 billion yen in 1991 (MOFA, Japan White Paper on ODA, 1999).

Apart from financial aid, the Japanese government also supported the military government at the UN, by helping to “delay the 1990 UN General Assembly's Third Committee's adoption of a Swedish-sponsored UN Committee resolution calling on

SLORC to hold new elections and release political prisoners. Japan even helped defer voting on the resolution for a year to see the results of the upcoming elections and asked Sadako Ogata, the Japanese United Nations High Commissioner for Refugees, to head a study mission to appraise conditions in Myanmar but refused to release Ogata's final report" (Arase 1993:946). These positive incentives of the Japanese government were in a major way responsible for the strengthening of ties with Myanmar, which could be observed from the military government's decision to allow

Yozo Yokota of Japan, a special rapporteur on the situation of human rights in Myanmar, who made four visits to Myanmar between December 1992 and October 1995, to conduct missions, investigate allegations of human rights violations, and assess and verify complaints from alleged victims. Hence, when the UN decided to send the next representative, who was from Mauritius, the military government did not allow him entry to Myanmar (International Peace Institute Report, UN 2012:6).

When General Than Shwe became the Chairman of the SLORC in 1992, replacing General Saw Maung, it was seen as a positive development by the Japanese government. The Japanese government emphasized that after coming to power, Than Shwe had already undertaken several measures, like

setting a date for the meeting of the National Convention, holding dialogues with political party leaders, partial releasing of political prisoners, permitting Ms. Aung San Suu Kyi, under house arrest since July 1989, to meet with her family, and lifting martial law. The military government had also announced that the National Convention, which would include the parliamentarians, representatives of minority groups and intellectuals to discuss the basic principles of the new constitution (MOFA, Japan 1992).

Thus, the Japanese government was impressed by the military government's genuine efforts towards bringing about a democratic government and hence, provided a grant of 10 billion yen along with technical assistance (MOFA, Japan, White Paper on ODA 1999). The Japanese government justified the aid, by stating that its main intention was to bring reforms and hence,

had pointed out the Government of Myanmar at every opportunity the importance of making positive efforts to improve the human rights situation as well as to make an early transfer to a civilian government. As for economic cooperation, Japan has suspended its economic cooperation to Myanmar, in principle, in light of the political situation. However, projects which had been implemented before the political changes in September 1988, as well as the

assistance of humanitarian emergency nature, have been considered on a case-by-case basis (MOFA, Japan 1992).

The Japanese government had always claimed that these aids were provided to persuade the military government to conduct negotiations with the NLD, but it prominently points to the fact that the Japanese government was heavily prejudiced towards the military government, in order to maintain its economic and political clout in Myanmar. Though the Japanese government was not successful to push the military government to transfer to a civilian government, it was reluctant to change its engagement policy. This diplomatic posture of the Japanese government of trying to convince the military government to transfer power was to serve its strategic interests in Myanmar.

2.3 JAPAN'S 1992 ODA CHARTER AND ITS IMPACT ON MYANMAR-JAPAN RELATIONS

In 1992 there was a major shift in Japan's ODA policy with the adoption of the ODA Charter, first approved by the cabinet in 1992. Japan made changes in its foreign policy after the Second World War, where it gave more emphasis on pursuing its economic interests and not getting involved in political and security matters. But the events taking place in Myanmar, with the military coup and the human rights abuses, resulted in a shift in Japan's ODA policy (Edstrom 2009:32). After the end of the Cold War and the disintegration of the Soviet Union resulted in an easing of tensions in general, but many developing countries began to be plagued by civil wars and regional conflicts and it became important for countries like Japan to support these countries in their peacebuilding process. The way in which authoritarian governments, like that in Myanmar showed no regard for international norms and went on ruthlessly suppressing any attempts at democracy, led Japan to make changes in its ODA policy.

The principles of the ODA Charter, which Japan had to follow while providing ODA were

firstly, for environmental protection and sustainable development; secondly, it cannot be used for military purposes; thirdly, attention should be paid to cases of excessive military expenditure, production of weapons of mass destruction, and involvement in the arms trade; and finally, promotion of market economy, democracy and human rights (MOFA, Japan 1994).

The Japanese government explained its stand on Myanmar, whereby

Japan actively expands its ODA to recipient countries which show positive trends in light of these principles, it calls the attention of or reviews the aid policy toward recipient countries that show negative trends, comprehensively taking into account their economic and social conditions, their relations with Japan, etc. In the case of countries such as ... Myanmar ... where human rights are seriously violated or democratic process is reversed, Japan has suspended its ODA except those of emergency and humanitarian nature (MOFA, Japan 1994).

Though Myanmar was identified as a negative trend of Japan's ODA Charter, due to Aung San Suu Kyi's house arrest since 1989 along with human rights abuses, the Japanese government continued to provide ODA to the military government. These aids were essentially for the economic development of the country and hence, made it necessary for the Japanese government to continue aid on a "humanitarian basis". The Japanese government though hoped that the military junta "would take these aids as Tokyo's political message that Tokyo wants to see improvements in human rights in Myanmar" (MOFA, Japan 1995). The Japanese aid policy was partially successful in persuading the military government to take steps to improve the political condition in Myanmar. This could be seen from the changing attitude of military leaders towards Aung San Suu Kyi, by agreeing to meet her in September and October 1993, and also allowing the US Congressman Bill Richardson to meet with her in February 1994 (Seekins 1999:22). The military government also released few political prisoners in 1994 (MOFA, Japan 1996). These small gestures of the military government were welcomed by the Japanese government and it announced a grant of 1 billion yen to help the military government in its food production. Moreover, the Japanese government also started six Grassroot Grant Programme (GGP) in 1994, mainly in sectors, such as agriculture, mining, education, health and transportation, to help meet the basic needs of the Burmese people (MOFA, Japan White Paper on ODA 1999). This decision was basically to reward the military government for its willingness to bring about reforms, at the risk of upsetting the Western countries, especially the US.

The Japanese ODA has played a very crucial role in developing relations between Myanmar and Japan. Initially, Myanmar started receiving aid from Japan because of the Japanese guilt of the Second World War, but soon these countries developed "special ties"

due to political, economic, as well as, personal reasons. Japan has always had a “soft approach” towards Myanmar. This priority given to Myanmar is not only because of the “special ties” between them, but the Japanese government’s policy of promoting democracy through dialogue with the military government (MOFA, Japan 1997). The Japanese government emphasised on dialogue with the military government to gradually encourage it to bring about reforms. This served the economic and strategic motives of Japan in Myanmar, by enabling the Japanese government to continue economic engagement with the country. By continuing dialogue with the military government, the Japanese government was trying to regain its leverage with the political elites in Myanmar, which it had enjoyed during the Ne Win regime. With an increasing influence on the military government, Japan would be able to play a crucial role in Myanmar’s democratisation process. A viable democratic government in Myanmar was in the interest of Japan, for it would pave the way for active engagement between these countries.

2.4 THE RELEASE OF AUNG SAN SUU KYI IN 1995

After several years of persuasion by the Japanese government, Myanmar-Japan relations reached a new phase in 1995, with the release of Aung San Suu Kyi in 1995, after six years of being house arrested. This marked a huge success for Japan’s policy towards Myanmar since the Japanese government was “informed about her release before the public announcement” (Isami 2001:57). This benefitted the military government, as very soon there was a press release by the Japanese Acting Foreign Ministry Spokesman Ken Shimanouch mentioning, that the release of Aung San Suu Kyi was a significant step towards democratisation and an improved human rights situation in Myanmar. The Japanese government would carefully observe further developments, in order to decide on the full resumption of ODA (MOFA, Japan 18 July 1995). This was followed by an official announcement from the Japanese government that

due to the positive moves by the military government, such as the release of Aung San Suu Kyi from house arrest in July 1995, the Japanese Government reviewed its aid policy toward Myanmar and decided to consider and implement suspended ongoing projects and projects that would directly benefit the people of Myanmar by addressing their basic human needs (BHN), on a case-by-case basis meanwhile monitoring democratization and the improvement of human rights (MOFA, Japan March 1997).

Thus, one thing could be gauged from these statements that Japan was eager to continue its relations with the Myanmar by responding positively with more aid for Myanmar and the release of Aung San Suu Kyi provided it with the opportunity. Hence, General Maung Aye, deputy chairman of the SLORC, along with the economic planning minister, David Abel visited Japan to discuss the increase of ODA (The Japan Times 27 October 1995, quoted in Seekins 2007:133).

After the release of Aung San Suu Kyi, the military government invited her along with other NLD members to participate in the National Convention in 1995 to draft a new constitution. But the NLD boycotted the National Convention, as most of the participants were selected by the military government and hence, there was no place for negotiation (US Department of State, March 1996). Aung San Su Kyi believed that this National Convention was a farce and the military leaders were still unwilling to engage in a genuine negotiation with the NLD. Hence, she went ahead and organised NLD Convention in 1996, which led the military government to arrest several NLD members (MOFA, Japan 1996). This resulted in a tense situation between the military government and the NLD, which was a major setback for Japan's Myanmar policy. It became necessary for the Japanese government to issue a strong message to the military government to avoid criticism for its policies from the international community.

Thus, when the foreign ministers of Japan and Myanmar met in Jakarta in July 1996, Japan's Yukihiko Ikeda made it clear to Myanmar's Ohn Gyaw that the Government of Japan believes that SLORC should seek for ways and means to initiate dialogue with Suu Kyi's NLD and should incorporate the NLD in the process of drafting a new state constitution. Moreover, the Government of Japan is availing itself of every opportunity, through the Japanese ambassador in Myanmar and other channels, to press for democratization and human rights improvements (MOFA, Japan March 1997).

This strict attitude of the Japanese government towards Myanmar was basically to maintain a fine balance in its equations with both the military government and the NLD. This incident had put Myanmar in the international limelight with Aung San Suu Kyi being identified as the voice of democracy in Myanmar. The Western countries, especially the US had imposed sanctions on the country to condemn the attack on the NLD members. The increasing popularity of Aung San Suu Kyi and NLD, forced Japan to take a firm stand on the issue. Thus, the Japanese government made it clear through its statements that

it was willing to assist the military government to undertake real efforts towards democratisation.

The Japanese government's decision to give 2.5 billion yen loan for the "safety- related repair" of the Yangon International Airport Extension Project in 1997, which was initially, agreed upon in 1983, shocked the international community (MOFA, Japan ODA Annual Report 1999). The Japanese government had to face huge criticism both in Myanmar and international community due to its decision to provide yen loans without any improvement in the human rights situation in Myanmar. The Japanese government emphasised that this was not a new aid, and hence, was not a departure from the Japanese position of providing only humanitarian aid to Myanmar. This loan was to repair the airport, which was in deplorable condition and in dire need of renovation to avoid accidents. Masahiko Koumura, Japanese State Secretary for Foreign Affairs, emphasised that this was to encourage the military government to start "meaningful dialogue" with the NLD (MOFA, Japan 11 March 1998).

Further, this non-threatening approach of the Japanese government towards the military government pushed it to bring positive reforms such as

the Government of Myanmar started to reopen universities in the country gradually from June 27 this year [2000]; these universities had been closed since December 1996. As of July 24, all universities in Myanmar are functional again. Concerned about the impact that the closure of the universities might have on the younger generations of Myanmar, Japan has been urging the Government of Myanmar on various occasions to reopen the universities soon. The present decision by the Government of Myanmar should be highly regarded as a positive measure, which is also a response to the voices from Japan and the international community (MOFA, Japan 24 July 2000)

2.5 JAPAN'S ENGAGEMENT POLICY WITH THE MILITARY GOVERNMENT

THE DETENTION OF AUNG SAN SUU KYI IN 2000

The Japanese government had to face another stumbling block in its relations with Myanmar in 2000 with the detention of Aung San Suu Kyi. The military government had put Aung San Suu Kyi under detention when she tried to travel to Mandalay, despite her travel restrictions (MOFA, Japan 2004). Under pressure from the international community, the military government released few NLD members in January 2001. The Japanese Foreign Minister Yohei Kono released a statement on the behalf of the government, that “it was a positive step in promoting confidence-building in the dialogue between the Government of Myanmar and the NLD, including Daw Aung San Suu Kyi” (MOFA, Japan January 2001). The military government’s decision to again release a few political prisoners in June 2001 resulted in the Japanese government announcing the success of the engagement policy (MOFA, Japan 22 June 2001). These government statements indicated that though Japan appreciated the military government’s efforts, it also kept silent on the issue of detention of Aung San Su Kyi. This was a deliberate attempt on the part of the Japanese government to avoid a situation of discomfort between these countries.

Dr Myo Ma Ma, Professor at University of Yangon, mentioned that observing the positive efforts on the part of the military government,

in 2000, the Japanese government had sent a team to look into the condition of the Baluchaung hydroelectric power project, which submitted a report that the plant required urgent repair since out of the six turbines, only two were working. The Chinese had also requested the military government to allow them to repair the six turbines in hydropower plant, but Japan said it was a symbol of Japan-Myanmar close ties. They didn’t want China to do the repair work. Also, there are many pro-Myanmar groups in Japan- Japan Myanmar Parliamentarian Association, Japan Myanmar Friendship Association, Japan Myanmar Association, whose members include top businessmen, veterans and they don’t want China to get involved in the Baluchaung hydroelectric power project (Myo Ma Ma, Professor, Yangon University 16 March 2016).

The decision of the Japanese government to consider repairing the Baluchaung hydropower project finally led to the release of Aung San Suu Kyi on 6 May 2000

(MOFA, Japan 6 May 2002). The release of Aung San Suu Kyi meant that she could actively participate in the political process. This was followed by another landmark in Myanmar-Japan relationship, which was the announcement of 3.5 billion yen for the repair of the Baluchaung hydroelectric power plant in 2002. The Japanese government justified their stance that

Myanmar has been suffering from a chronic power supply shortfall caused mainly by the shortage of fuel for thermal power plants and problems of existing power generation equipment. Since 1990 the situation has been so serious that the country needed to cut off the power supply for six to twelve hours a day. The Baluchaung No. 2 Hydro Power Plant is the power plant of the largest scale in Myanmar with an installed capacity of 168 MW, accounting for about 24 percent of the total annual electricity production in the country. The overall power plant and three generators out of six were installed in 1960 with postwar reparations from Japan, and the remaining three were installed by Myanmar in 1974. The plant was partly renovated with a loan extended by Japan in 1986, enabling the plant to sustain its operation. If the plant were left in its present condition, however, it would run into a complete halt by damaged water turbines or by fires caused by insulation failure, affecting enormously the daily life of the people of Myanmar. In this situation, the Government of Myanmar formulated the rehabilitation project and has requested the Government of Japan to provide grant aid necessary for the procurement of materials and equipment to repair heavily damaged parts such as water turbines, generators, and electrical transformers, by replacing part of the equipment and adding electric lines. The project will prevent serious accidents in the plant and will enable the plant to distribute a stable power supply necessary for the people of Myanmar. The Government of Japan welcomes the lifting of the restrictions on the movements of Daw Aung San Suu Kyi on May 6. Japan has been supporting Myanmar's efforts for democratization and nation building, and from this point of view has decided to extend this grant assistance (MOFA, Japan 10 May 2002).

Thus, the release of Aung San Suu Kyi resulted in a more proactive engagement from the Japanese side and this led to a landmark visit by the Japanese Foreign Minister Kawaguchi Yoriko to Myanmar in August 2002. This visit was significant since it was the first visit by a Japanese foreign minister to Myanmar, after the military takeover in 1988. During her visit, she not only met Aung San Suu Kyi, but also stressed on the close historical ties between these countries. She further stated that the importance of dialogue between the

military government and the NLD and if progress in “policy dialogue in the humanitarian areas’ between the government and Daw Aung San Suu Kyi brings to light BHN [Basic Human Needs] projects which the people of Myanmar really need, Japan is prepared to actively support such projects” (MOFA, Japan 6 August 2002). Due to the geo-strategic importance of Myanmar, it was one of the most important countries for the Japanese government in the region. This visit was significant for the Japanese government for another reason, the approval of Aung San Suu Kyi for “foreign assistance, which will reach the really needy people, adding that transparency and accountability must be guaranteed in that process” (MOFA, Japan 6 August 2002). This was considered to be a positive signal by the Japanese government to further increase its aid to Myanmar. Before this, the NLD members, especially Aung San Suu Kyi had been critical about the Japanese aid to the military government. But this acceptance by NLD helped Japan to further increase its influence in Myanmar. The military government released several political prisoners, including some NLD members (MOFA, Japan 6 May 2003). Thus, the Japanese government was hoping that the military government is on the right track of reforms with greater confidence achieved between the military government and the NLD and hence, this made it easier for Japan to continue engagement with Myanmar.

THE BLACK FRIDAY INCIDENT IN MYANMAR

In May 2003, the attack on Aung San Suu Kyi and other NLD members by a government-backed mob resulted in huge international criticism (Pongyelar 2007:8-9). The decision of the military government to put Aung San Suu Kyi and other NLD members under house arrest was a blow to the national reconciliation process (MOFA, Japan 5 June 2003). This unpredictable behaviour of the military government was a source of trouble for the Japanese government’s engagement with Myanmar. The Japanese Foreign Minister Yoriko Kawaguchi condemned the attack and the house arrest of Aung San Suu Kyi. She further emphasised that the military government should undertake genuine reforms by removing Aung San Suu Kyi and other NLD members from house arrest (MOFA, Japan 5 June 2003). The Japanese government also claimed that it had cancelled the ODA in order to show support to Aung San Suu Kyi, but there was no official confirmation about the suspension of aid (The Irrawaddy October 2004). This half-hearted enthusiasm on the part

of the Japanese government to support the democracy movement proved that this announcement was basically done under the international pressure rather than with a genuine intent of punishing the military government.

Interestingly, the Japanese government decided to provide human resource scholarships and an afforestation grant to the military government in the next year (The Irrawaddy October 2004). Despite the diminishing chances of the military government to transform into a democratic one, the practice of the Japanese government to continue providing aid pointed to the underlying reality of the Japanese government giving priority to its economic and strategic interests rather than the democracy movement in Myanmar.

The re-opening of the National Convention in 2004, which included representatives from several ethnic communities, marked the military government towards democratisation. The Japanese government welcomed the efforts by the military government, yet the absence of the NLD members from the National Convention compelled the Japanese government to emphasise the need for constructive dialogue between all the parties in a genuine discussion at the National Convention (MOFA, Japan 17 May 2004).

The detention of Aung San Suu Kyi continued to remain a hurdle for the Japanese government for full engagement with Myanmar. The Japanese government was concerned with the decision of the military government to keep Aung San Suu Kyi under house arrest, even though the specified term was over (MOFA, Japan 26 May 2006). Through the official statements, the Japanese government kept on emphasising the need for democratisation in Myanmar. The Japanese government used its ODA, as a diplomatic tool to continue engagement with Myanmar but also encourage the military government to start negotiations with the NLD. The Japanese government believed that through the policy of positive engagement Japan had been able to convince the military government to improve the political situation like release of several political prisoners, which paved the way for more aid from the Japanese side.

THE 2007 ANTI-GOVERNMENT PROTESTS IN MYANMAR

In mid-August 2007 there was a peaceful anti-government protest after the rise in fuel prices by the military government without any prior warning. The “Saffron Revolution”, for the monks were leading the protests, resulted in a huge crackdown on the protesters by

the military government. The images of the military government brutally suppressing the protests were hugely circulated in the international community by anti-government activists, which was a huge blow to the image of the military government (Thawngmung and Myoe 2008:16). The death of a Japanese photojournalist, Kenji Nagai in September, who was covering the protests, transformed the domestic crisis to a concern for the entire international community, had a huge impact on the Japanese government's engagement with the military government. The military government was successful in "regaining control of the streets of Rangoon, leaving an estimated 80–110 people killed and thousands more injured or imprisoned" (UN News Centre 24 October 2007). There was a huge public outcry in Japan over the incident and the Japanese media launched an anti-Burmese campaign. The Japanese public along with the Burmese living in Japan started protesting outside the Myanmar embassy in Tokyo requesting the Japanese government take a hardline approach by stopping aid to the military government. The Japanese government released a press statement that "the government of Myanmar ... [to] make sincere efforts, including dialogue for national reconciliation and democratization, taking into account the wishes expressed in the protests by the people of Myanmar" (MOFA, Japan 25 September 2007). The Japanese government also faced a lot of criticism from the opposition party, Hatoyama Yukio, then Secretary-General of the DPJ, stated that, 'although I believe that Japan is one of the few countries that can play a bridging (*hashiwatashi*) role between the military junta and Daw Aung San Suu Kyi, the current state of affairs is extremely regrettable" (Diet 3 October 2007 mentioned in Black 2013:349). The domestic opinion in Japan had completely turned into anti-military government and there was pressure on the Japanese government to cooperate with the UN to persuade the military government to improve the political unstable conditions by undertaking democratic reforms. These affected the Japanese engagement with the military government. As a result, the Japanese Foreign Minister, Masahiko Koumura, agreed to support the Special Advisor of the UNSG's efforts in improving the situation in Myanmar, but also stressed on the need for "dialogue" to encourage the military government (MOFA, Japan 26 October 2007). Under the public pressure, the Japanese Foreign Minister Komura had insisted that the military government should provide a public apology (The Irrawaddy December 2007).

Finally, the Myanmar Deputy Foreign Minister Maung Myint recently sent a three-sentence letter to the Japanese MOFA

addressed to the family of Kenji Nagai. He failed to even acknowledge that Nagai was shot expresses, and just send "heartfelt condolences" for Nagai "who lost his life unfortunately while in Myanmar." He termed Nagai's death "regrettable" (The Japan Times 17 November 2007).

The Japanese government also cancelled 552 million yen grant for the construction of a human resource centre. Thus, there was no major change in Japan's policy, except for the minuscule amount of aid that was suspended since Japan wanted to avoid the risk of alienating the military government in order to protect its economic interests in the country. "The Special Advisor to the UN Secretary-General, Gambari, praised the efforts of Foreign Minister Komura at the January 2008 Japan-Mekong Foreign Ministers Meeting in negotiating the timing of Gambari's follow-up visit to Myanmar in March 2008" (MOFA, Japan 7 March 2008). Maintaining its influence in Myanmar had huge strategic implications for the Japanese government, hence the Japanese government tried to cajole the military government by providing it with aid.

THE CONSTITUTIONAL REFERENDUM IN MYANMAR

Myanmar faced a humanitarian crisis on 2 May 2008 when it was hit by the "Cyclone Nargis", affecting almost 1.5 million people near the Irrawaddy River Delta in southern Myanmar (JPRI Working Paper No. 114, January 2009).

It was announced that from May 2 (Fri) to 3 (Sat), areas in the southern parts of the Myanmar surrounding the Irrawaddy district and the Yangon District were caught in a severe storm, which affected many people, including more than 350 who were reported dead; the storm also destroyed public buildings including schools and hospitals, and also more than 20,000 houses (as of May 5). The surrounding areas, at present, are also suffering from serious problems, including food shortages caused by obstructed access to transportation, drinking-water shortage caused by unusable wells, and lack of accommodation for the victims. In the present situation, the Government of the Union of Myanmar, while making relief efforts of its own, has requested the emergency assistance from the Government of Japan, which has decided to give emergency assistance to the country in light of its urgency and humanitarian character (MOFA, Japan 5 May 2008).

Though the military government allowed the medicine, food, temporary shelters and other relief goods from foreign parties, but refused to accept any foreign aid workers, for its xenophobic nature as the foreign workers might report about the situation, which would

have led to domestic political crisis. Thus, the Japanese Prime Minister Yasuo Fakuda tried to convince Than Shwe the significance of foreign aid due to the graveness of the situation and had sent a letter to Than Shwe, mentioning that

Japan had already provided emergency assistance in kind including tents and electric generators worth about \$570,000. In addition to the assistance, today, May 9, Japan decided to extend emergency assistance of US\$10 million to Myanmar. I hope that this assistance will help disaster-afflicted people. It is important to deploy aid workers swiftly, and Japan is ready to dispatch an emergency medical team to Myanmar. Given the vastness of the disaster-hit areas and the great number of sufferers, it is also important for you to accept assistance and aid teams from other countries or international organizations. I hope that you will give positive consideration to accepting them (MOFA, Japan 9 May 2008)

Following this, Hitoshi Kimura, the Japanese Senior Vice-Minister for Foreign Affairs, met the Burmese Ambassador U Hla Myint to discuss the Japanese support to the military government. The Burmese Ambassador acknowledged the positive role of the Japanese government and mentioned that the Burmese government was taking steps towards accepting foreign aid and pointed out that the government had already provided visas to the UN workers and several NGOs (MOFA, Japan 13 May 2008). The Japanese government provided around

US\$10 million to Myanmar. About US\$2.53 million through the World Food Programme (WFP), about US\$2.73 million through the United Nations Children's Fund about US\$1.73 million through the Office of the United Nations High Commissioner for Refugees. The emergency assistance mentioned above comes up to about \$7 million yen. The remaining US\$3 million, approximately will be used to purchase shelters, construction equipment and materials, etc (MOFA, Japan 25 May 2008).

The Japanese government became Myanmar's largest donor during that time (The Japan Times 13 May 2008). Apart from the financial assistance, the Japanese government also provided technical assistance, medical help and had sent several survey teams to assist the military government in preparing the situation for accepting foreign assistance teams. Myanmar's economy depended on the rice production from the Irrawaddy Delta Region as it produced 65 percent of the annual rice production (The Japan Times 13 May 2008). The cyclone had badly damaged the rice fields and the Japanese

government assured to assist in the reconstruction process (MOFA, Japan 26 May 2008). The goodwill between these countries resulted in a Japanese medical team, dispatched at the request of Myanmar, successfully accomplishing their mission of providing medical treatment and returning back on 11 June 2008 (MOFA Japan, 9 June 2008). These statements clearly highlight the quick response of the Japanese government to assist the military government and continue engagement with Myanmar at a time when the international community had criticised the military government due to its delayed actions for disaster relief and the initial refusal to accept foreign assistance. The Japanese government had also collaborated with the UN to provide emergency assistance to the military government. Though the military government had refused any foreign assistance, at the same time, it had requested the Japanese government to provide aid and relief measures to deal with the damage caused by the cyclone. The military government's positive approach towards the Japanese government's assistance signaled the camaraderie between the political elites in these countries. This was a success for the Japanese government as it was able to engage the military government through aid at a time when the entire international community was busy criticizing Myanmar for its failure to take appropriate action in the cyclone-hit areas.

The military government further faced the wrath of the international community, when in the midst of a humanitarian crisis the military government decided to go ahead with the referendum in areas not affected by the cyclone and postponed it until 24 May in the affected areas. The Japanese government again demonstrated its support by emphasising that the military government needed to allow foreign observers for monitoring and hence, the Japanese government had sent three officials to monitor the referendum (MOFA, Japan 9 May 2008). Yet the international community had criticised the military government due to its insensitive behavior, for using the funds to hold the referendum, instead of utilising it for cyclone relief measures (McCarthy 2010:18). The military government declared that the referendum was successful with 98.12 percent people casting their vote, with 92.48 supporting the Constitution. The Japanese Foreign Minister Komura Masahiko underlined the importance to “watch the

democratization process before taking any action against the military government” (Black 2013:350). Thus, the LDP’s soft stance by emphasising on positive engagement towards the military government prevented any kind of friction between these countries. The Japanese government was able to enhance its linkages with the military government, which was crucial to its strategic interests.

2.6 CONCLUSION

The 1990s presented a complex situation for the Japanese government’s engagement with Myanmar. Internal developments in Myanmar such as the brutal suppression of civilian protest by the ruling junta, the refusal by the SLORC to transfer power to the NLD neglecting the election result which took place in May 1990, the arrest of opposition leaders and along with the human rights abuses initially affected its relations with Japan. After the 1988 military coup, Myanmar was criticised by the Western governments because of human rights violations. Japan faced a very tricky situation after 1988 since it was pressurised from both the business groups as well as the Burmese lobby in the country, but from the international community to suspend aid. The international community had become more sensitive towards human rights and hence, Japan was pressurised by the US to stop its engagements with the military government. There were varied responses from different countries to the Myanmar problem which resulted in a complex situation. On one hand, the US along with the Western countries criticised SPDC due to its poor human rights record. The Western governments focused on the issue of democracy and the military government’s deplorable human rights records. As a result, these countries imposed a number of sanctions on the military regime. They believed that the ruthless suppression of pro-democracy protests and severe human rights violations should be dealt with firmly by imposing sanctions. On the other hand, ASEAN countries were supporting Myanmar in its nation building process. Hence, the Japanese government has emphasised on a pragmatic approach to the Myanmar problem, which would serve its strategic needs.

Soon the Japanese recognised the military government as the legitimate government of Myanmar and started providing humanitarian assistance to it. Japan believes that encouraging the military government by giving it incentives is a better way to improve the

domestic situation in Myanmar. Japan had always provided aid in return of small gestures from the military government to encourage it to enter into negotiation with the opposition. The Japanese government encouraged the SLORC to hold elections and afterwards transfer power by promising to increase its ODA. The signing of a ceasefire by the SLORC with the ethnic minorities and the release of Aung San Suu Kyi from house arrest in 1995, paved the way for Japan to reconsider to open some of the remaining yen loan projects. Japan wanted to play a big role during 1988 to bring about democracy. The MOFA, Japan has always issued the statement whenever some positive development happened in Myanmar and had provided more aid and emphasised on better engagement, if the military government released political prisoners especially, Aung San Suu Kyi. Thus, the Japanese government had used its grant-aids to encourage the military government to gradually move towards democratisation.

The engagement with the military government had huge strategic and economic ramifications for the Japanese government and hence, it did not follow the US's policy of isolation. It did not give up on the military government and continued to provide aid on a humanitarian and emergency basis. The Japanese government believes that providing aid is a positive incentive to bring about significant reforms towards democracy. The changing international and regional scenario in the post-Cold War compelled to develop positive linkages with the military government. The Japanese government pursued a policy of positive engagement to continue its engagement with the military government.

CHAPTER 3

DETERMINANTS OF THE MYANMAR-JAPAN RELATIONSHIP

INTRODUCTION

With Myanmar and Japan are trying to improve their relations in the recent times, it becomes essential to discuss the determinants of the relationship. Myanmar has realized the need to diversify its foreign relations and encourage the major countries to invest in the country. There has been a huge transformation in Myanmar's relations with China, India and the US over the years. Initially, the US and India shared cordial relations with Myanmar while China did not share a close relation with Myanmar. In recent times, these powers can no longer afford to ignore the geo-strategic location of Myanmar. On one hand, the recent reforms have paved the way for these countries to improve their relations with Myanmar. But on the other hand, China is facing tough competition from these powers to advance its interests towards Myanmar. It claims that all these powers are trying to diminish its influence on Myanmar. The growing rapport between Myanmar, India and the US has definitely been a positive development for Myanmar- Japan relations.

ASEAN has been an important factor in Myanmar-Japan relationship. Japan, along with help from the ASEAN, had tried to resolve the political deadlock in Myanmar. The Japanese government coordinated its policy with the ASEAN to help integrate Myanmar with the international community. Myanmar's membership of the ASEAN in 1997 was supported by Japan against the wishes of the Western countries. Japan had sided with ASEAN's "constructive engagement" with Myanmar. Apart from the fact that the Western countries sanction approach to Myanmar had proved futile, the increasing Chinese influence in Myanmar, as well as, in the Southeast Asia, had made Japan side with ASEAN over Myanmar issue. The Japanese government also backed Myanmar's membership in ASEAN in 1997, for it would be able to persuade the military government to change its oppressive policies which would eventually help Myanmar, ASEAN and Japan to work together to counter Chinese influence in the region. Japan has realized that it needed ASEAN's help to convince Myanmar to bring about democratisation. A stable and

an economically developed Myanmar is important for both Japan and the ASEAN countries.

This chapter shall focus on the important factors that influence the relationship. The first section is an analysis on how Myanmar's closeness with China affects the bilateral relationship between Myanmar and Japan. The second section would focus on whether there is a US push behind these two countries warming up to each other. This is followed by a discussion on the positive role of the ASEAN in strengthening Myanmar-Japan relations. In the fourth section, India as a factor in Myanmar-Japan relations has been discussed.

3.1 THE CHINA FACTOR IN MYANMAR-JAPAN RELATION

After its independence, Myanmar did not share a cordial relationship with its immediate neighbour-China. In 1949, the CCP took control of China after successfully driving out the Kuomintang. The Kuomintang government had fled to the Burmese border and started unsuccessful attacks in the Yunnan province near Sino-Burmese border. Since the Kuomintang were backed by the US, Myanmar being a newly independent country was not able to prevent them from using its territory to carry on attacks on China. Myanmar had appealed to the UN about the political instability in the border areas caused by the Kuomintang's activities. Although thousands of Kuomintang soldiers were evacuated to Taiwan, the UN resolution was thwarted as Rangoon was unable to stop the provision of reinforcements to remaining forces via secret airstrips in northeastern Myanmar in aircraft provided by the US (Lintner 2017:6). Myanmar was the first non-Communist country to recognize the communist government in China (Liang 1997:72). In 1950, these countries started their diplomatic relations and had signed agreements on the Five Principles of Peaceful Co-existence (MOFA, Myanmar 2007), yet the relationship was not that cordial. Myanmar had the notion that China with the excuse of attacking the Kuomintang, would forcefully occupy it (Fan 2007:60). The visit of the Chinese Premier Zhou Enlai to Myanmar in 1956 put an end to these suspicions and the Burmese army joined hands with their Chinese counterpart to finally drive out the Kuomintang.

After Ne Win came to power, the relationship suffered a setback due to his non-aligned foreign policies under the “Burmese Way to Socialism”. This resulted in Myanmar cutting off its trade ties with China. Moreover, the Chinese government’s policy of supporting the BCP also was a barrier to close ties between these countries. The communist insurgents backed by the Chinese government crossed over to Myanmar and had created a ‘liberated zone’ in the northeastern part of Myanmar (Foreign Policy 12 January 2016). The Chinese communists supplied arms to the BCP which created mistrust between both the governments. It was only in 1970s, that the relationship started moving forward with Ne Win visiting China in 1977. The CCP also reciprocated by reducing its aid to BCP. With little aid coming from China, BCP found it hard to continue its attack on the Ne Win government. With the main hurdle to the relationship gone, Myanmar started its engagement with China.

The 1988 coup in Myanmar presented before China a chance to take forward its relationship with the military government. China immediately signed a border agreement with Myanmar in 1989. China could identify with Myanmar’s situation since it was also facing international criticism over the Tiananmen Square incident in 1989. Myanmar also sympathised with China regarding the Tiananmen Square incident as both the countries were criticised by the international community for their actions to control the political unrest. Thus, the international isolation provided the condition for these countries to develop close ties.

The SLORC needed foreign exchange as well as technical and military expertise to control the ethnic insurgencies. In order to control the political crisis, the military government urgently needed to modernize the army and hence, after a visit to “China by Burmese defence officials in 1989, an arms deal of US\$ 1.4 billion was signed in mid-1990, and one for US \$400 million in 1994” (Arnott 2001: 72). The personal ties between the Tatmadaw officials and Chinese PLA was instrumental in getting economic assistance from China. The Chinese also assisted them in developing infrastructure like roads and railways in Myanmar. Thus, Myanmar under the SLORC formed a special relationship with China.

Myanmar’s relations with Japan had an advantage China, as Myanmar had developed close ties with Japan as early as the Second World War. The personal ties between the political

elites in Myanmar and Japan helped not only in developing an intense relationship in the aftermath of the Second World War, while, the relationship between Myanmar and China rapidly developed after 1988. After 1988 Myanmar could no longer continue full engagement with Japan as the latter was forced by the US to discontinue its relation with the military government. This made Myanmar reach out to its northern neighbour, who was also willing to help at a time when both the countries were heavily criticized for their human rights abuses.

Myanmar and China relations started warming up in the aftermath of the US sanctions imposed on the military government in 1997. The “Black Friday” incident in 2003, resulted in the US imposing stricter sanctions and China took advantage of the situation to further increase its influence in Myanmar. As Japan froze all new aid under the US pressure, China capitalised on Myanmar’s isolation and became the principal ally of the military government. Japan followed a middle path between sanctions and engagement. The military government continued to receive humanitarian assistance from Japan. The aid was stopped several times, but it was renewed every time the military government took steps towards improving the political instability in Myanmar. “In 1997, China gave a 70 million Ren Min Bi (RMB) loan to Myanmar and they also signed a new economic cooperation agreement” (Green 2003:183). “Myanmar had cooperated on several projects in the field of energy, such as the China-Myanmar oil and gas pipelines, the China-Myanmar economic corridor and hydro-power development which increased Japan’s concerns about the rapidly growing Chinese influence in Myanmar” (Hong 2014: 5). Thus, the fear of losing out Myanmar to China made the Japanese government increase its aid to the military government, despite the military government’s continuing attacks on NLD members.

Japan was locked in a geostrategic competition with China, and it felt that it was losing out to China “on the Myanmar front as their fortunes had essentially reversed” (Schoff 9 September 2014). Japan was Myanmar’s major trading partner during the Ne Win rule, but it was replaced by China in the 1990s. Once the SLORC announced that general elections would be held in 1990, the Japanese Government in February 1989 recognised the military regime as the legitimate government and decided to resume aid to the country by “pledging

debt relief grants and small-scale humanitarian aid” (Edström 2009:30). Thus, with the suspension of the Japanese government’s active engagement, Myanmar increased its economic cooperation with China. This was evident from the fact that

while Japan-Myanmar bilateral trade increased 3.4 times, from US\$324 million in 2000 to US\$1.1 billion in 2012, China-Myanmar bilateral trade increased 10.4 times, from US\$659.5 million to \$6.8 billion over the same period (Hong 2014:7).

The Chinese investment in Myanmar was US\$ 1.8 billion dollars, which speaks about the huge Chinese economic presence in Myanmar (Reilly 2012:152). However, the economic relation between Myanmar and China in the recent years got affected due to the public reaction against several Chinese projects in Myanmar.

China had supported Myanmar at the time when the Western countries had cut-off Myanmar by imposing sanctions. Being its immediate neighbour, China was concerned about the political situation in Myanmar-with the deadlock between the military government and the NLD, it provided unconditional support to Myanmar without interfering in its internal matters. Due to the internal isolation, Myanmar had allowed China to expand its strategic interests in the country. China has been one of the closest allies of the military government in Myanmar and over the years they have supported each other on issues like democracy, human rights which has resulted in criticism from the Western countries. Myanmar was desperate for money, markets, investments, aid, and military hardware fight the insurgents, and China became the principal economic and military ally of Myanmar. Whenever the military government got mauled at the UN for its human rights abuses, China bailed Myanmar out. There are a number of examples where China received huge criticism due to its support to the military regime in Myanmar. In 2007, China had vetoed the Security Council’s draft resolution to condemn the human rights situation in Myanmar (UN Press Release 12 January 2007).

The dramatic political transformation of Myanmar in 2011 has resulted in a change of equations between Myanmar and China. The signing of a “Strategic Economic Partnership” between them during the visit of Thein Sein to China, in May 2011, led China to believe that not much has changed in their relations. But soon China was surprised to know that the Thein Sein government had suspended the Myitsone dam project on 30

September, 2011. The Myitsone project was very important to China because it would have taken care of 90 percent of its electricity need. The Myitsone Dam, which was to be constructed in northern Myanmar, faced objection from the local people who feared that this dam would affect their livelihood. This project began in 2006 when the military government was still in power in Myanmar and hence, no consultation was made with the concerned people over its impact on the environment. Both the government, as well as, the opposition in Myanmar had called for the suspension of the project. The Thein Sein government's aim is to sign ceasefire with the ethnic minorities and hence, it does not want to push for the Myitsone project which would have a negative impact on the peace process.

The Myitsone dam project is a bitter experience for us. The previous government signed the project and didn't consider the environmental and other social impact. The public and the environmentalists worried about the Irrawaddy River. It might get polluted or dry because of Myitsone dam. This is an area of cultural heritage of Kachin people. Kachin Independence Army (KIA) is a very strong armed group blaming that many areas have to be rehabilitated. Blamed the government is destroying cultural heritage of their group. They have lived in Myitsone area for hundreds of years and now have to move to new areas with no farmlands. Because of public protests and media attention which forced the Myanmar government to reconsider the agreement. According to this agreement 50 percent to Chinese companies, 40 percent to joint Myanmar-China joint venture companies and 10 percent to the public. Very notorious ministers of the military government signed. So the public disliked the Myanmar Company owned by the military government. Myanmar now has to pay 3.6 billion million. The Chinese ambassador said when the nomination of the president came out, he would continuing negotiation on the project with the new government in Myanmar (Myo Ma Ma, Associate Professor, Department of International Relations, Yangon University, 16 March 2016).

Another controversial project is the Letpadaung copper mining in Monywa town in Myanmar. In 2012, the police attempts to brutally stop the protesters resulted in Aung San Suu Kyi asking for an investigation of that incident (The Myanmar Times 19 February 2016).

Copper Mining project in lepataungdaung- problem between the Chinese company and local people. Canadian company extracted copper for 15 years. But no problem then. Then the military government bought copper mine shares from the Canadian company and gave the Chinese companies' rights to work for

some years. China then, dig soil around 20-30 feet and move it to nearby farmlands. The Chinese did not respect the conditions and promises in the agreement-like they have to help in the welfare of local community. While the Canadian company followed all the conditions. The local people, especially the women, protested in front of the Chinese companies about the moving of soil to their farmlands. The companies asked the police to stop the demonstrations. So protests between the Myanmar police who tried to stop the protests in front of the company gate and used gun and very big problem starts. Aung San Suu Kyi chairman of the investigation committee (Myo Ma Ma, Associate Professor, Department of International Relations, Yangon University, 16 March 2016).

Despite this, the construction has not been stopped and this has further increased anti-Chinese feelings among the people. Another controversial project is the CNPC to build oil and gas pipelines which has come under severe public opposition due to its effect on the local farmlands. The Thein Sein government has made it clear that China cannot continue doing business without any consideration to the Burmese interests. Hence, China not only postponed almost all its new major investment projects in Myanmar, but it also considered Myitsone a festering thorn in bilateral relations (Asia Times 19 February 2014).

With opening up of its economy, Myanmar has attracted a lot of attention among the Western countries like the US and EU and hence, China is facing a lot of competition in Myanmar. Myanmar has started to reach out to other countries in order to transform into a modern economy and China's unilateral approach of dealing only with the military government has become outdated. As a result, China started negotiating with Aung San Suu Kyi and her party NLD in 2011 and held meetings with her as well (Seven Days Weekly News 2012). This was the first time an opposition leader was invited by the Chinese government, which shows the strategic importance Myanmar has for China.

Due to its close proximity with Myanmar, China does not want Myanmar to be influenced by any power that is hostile to it. It is also aware that it cannot openly oppose the ongoing friendship between Myanmar and Japan. This would affect its own relationship with Myanmar. There is a rising anti-Chinese feelings among the people of Myanmar due to China's close relationship with the military government. Being its immediate neighbour, China has a geo-strategic motive to maintain relation with Myanmar. Its Yunnan province,

which is land-locked, over the years has developed into an economic hub, is completely depended on Myanmar for its trading outlet to the Indian Ocean. It needs access to the Bay of Bengal through Myanmar which would be the fastest route and China would be able to avoid the risky voyage through the Straits of Malacca (Deccan Chronicle 25 August 2016). China wants to increase its influence in the Indian Ocean, but it has a geographical disadvantage that there is no direct connectivity. Myanmar is bordering the Indian Ocean to its south, and is connecting Yunnan to its north. Thus, China may reach the Indian Ocean through Myanmar with a convenient and rapid pathway (Zhihua 2012:163). China is planning to build a US\$ 280 million deep water port in Kyaukphyu in the Rakhine province and hence, it is trying to woo the new government in Myanmar, so that it does not meet the same fate as the Myitsone dam project, as it is a crucial part of its Indian Ocean strategy (South Asia Journal 26 May 2016).

Myanmar also has huge strategic interests to maintain cordial relation with China. The Thein Sein government in its attempt to attract the Western countries with its political and economic reforms cannot afford to ignore its immediate northern neighbour. The rise of China is quite alarming and the most immediate effect would be in Myanmar. Even Aung San Suu Kyi and the NLD who had been very critical about China's military and economic support to the SPDC, had stressed on the need to develop friendly relations with the neighbour. Thus, when the NLD came to power in 2015, Aung San Suu Kyi has started negotiations with China to reach a solution to the stalled Myitsone dam project, which is beneficial to both countries. China is of crucial importance to Myanmar in its transition to a democracy and hence, Aung San Suu Kyi had to change her hard stance against the Myitsone dam construction. Not only, China can help Myanmar in its economic development, but it has a significant role to play in the peace process due to its huge influence on the Sino-Myanmar border areas. The border areas have become a difficult area to manage for the Thein Sein government. Hence, Myanmar needs to cooperate with China to negotiate with the ethnic groups. The Chinese have a huge economic presence in Myanmar. The civilian government has received a lot of support not only from Japan, but also from those countries like the US and EU who had severed relation with Myanmar when it was under the military rule. Myanmar can take advantage of this positive

development to reduce its over dependence on China by putting its own interests above China's demands.

China and Japan are both aware of the strategic importance of Myanmar and the benefits of developing close relations with it. Japan had played a major role in helping Myanmar to deal with its post-independence problems. The Japanese government was very quick in re-engaging with the Thein Sein government. After the 2012, by-elections, where the NLD won the majority, Japan started negotiating with Aung San Suu Kyi and her party in order to gain leverage in the relationship. China is quite suspicious about its arch rival country, Japan's attempts at wooing the Thein Sein government with huge aid. Japan wants to balance China through Myanmar, cutting off China's major energy route leading to the Indian Ocean while competing through its financial and technological advantages for a greater market share and energy supply in Myanmar (Yonghong 2014:5). Hence, it has been proactively engaging with Myanmar to counter the Chinese presence. Japan has some advantages in its re-engagement with the Thein Sein government due to the personal ties between the ruling elites in both the countries. The Japanese also have a better image in the political circles compared to the Chinese due to the latter's policy of no consideration to Myanmar's concerns as could be seen in the case of the Myitsone Dam project. The Thilawa SEZ is one of the largest investment project of Japan in Myanmar is a sign of the growing friendship between Myanmar and Japan. Several scholars feel that it is a measure to contain the Chinese economic influence in Myanmar, though both countries have denied this claim as they are more interested in cooperation than competition (The Christian Science Monitor 11 November 2014).

The fear of increasing Chinese influence in Myanmar has resulted in Japan aggressively pursuing its relation with Myanmar. Myanmar has realized that it stands to benefit from the Japan-China rivalry, since both these countries would try their best to woo the government by helping it with more aid. This is a favourable condition for Myanmar as it is in dire need of huge aid to fund its development process. Japan and China have been trying to leverage their position by negotiating with both Thein Sein and NLD. Both Japan and China wants to counter each other's economic and strategic clout in Myanmar. This would ensure that the economic cooperation between Myanmar and Japan, does not only serve the

Japanese economic interest, but also benefits the Myanmar government. During the military rule in Myanmar, the country was reduced to one of the poorest countries in Southeast Asia due to the sanctions imposed by the Western countries. The internal conflict between the military government and the ethnic groups created political instability which resulted in Myanmar being branded as a “pariah state” (BBC News 2 May 2017). This has made the Thein Sein government realize that it is important to maintain political stability and hence, it is not in its interest to become over dependent on one country. Moreover, the Chinese aid is not directed at sustainable development of Myanmar, which is the foremost concern of the Thein Sein government and the civilian government coming to power has paved the way for strengthening of Myanmar-Japan relationship, which would enable to keep China away from Myanmar (Asian Century Institute 25 March 2016).

3.2 THE US PUSH IN MYANMAR-JAPAN RELATION

Since time immemorial, Southeast Asia has been figured as a strategic area; by the Western powers as well as neighboring areas (Morrison 1994: 143). After the end of the Second World War, the US started taking interest in this region mainly because of ideological reasons. As a result, when China became a communist country, it became worried that the entire Southeast Asia would become communist due to the result of the domino theory. Thus, in the entire Cold War period, Myanmar remained a major area of concern for the US. In the post-Cold War period, the US emerged as the sole superpower and democracy emerged as the best option to run a government. Myanmar government had distanced itself from the US during the 1950s, when the Kuomintang had stationed them in the northern part of Myanmar. Myanmar did not want to get embroiled in the civil war in China and hence, Myanmar was reluctant to maintain close relationship with the US. In the latter half of the 1950s, Myanmar started accepting aid from the US, which led to these countries to develop cordial relations. In the 1960s, the Ne Win government with its neutralist policy stopped taking aid from the US. But eventually, Ne Win realized the flaws of his policies and requested aid from the US for humanitarian assistance (NBR Analysis April 2004). Thus, the US aid removed all suspicions from Ne Win’s mind about the US’s intentions and this paved the way for cordial relationship. Myanmar aid continued till

1988 when the SLORC seized power in a military coup, which was followed by the sanctions being imposed by the US. With the end of the Cold War, the US began to focus on the democracy and human rights issues in Myanmar. There was a disagreement over the Myanmar issue in the US, with the US Congress supporting engagement with Myanmar, while the human rights lobby in favour of applying sanctions. The US opinion of the military government was based on the views of Aung San Suu Kyi and she had a huge influence in the US, which resulted in the US's hard stance towards the military government. The US turned its focus to democracy promotion, human rights and supporting Aung San Suu Kyi and her party. The US has always pressurized the government to hold talks with the opposition and finally, honouring the election results of 1990. After a brief period of democratic rule, Myanmar, since 1962, came under military rule. As a result, the US turned its focus to promoting democracy in Myanmar. Despite being a democratic country and a close ally of the US, Japan's approach was different in dealing with the military government of Myanmar. While the US believed in the policy of sanctions, Japan believed that flexible engagement policy is the optimal solution to the Myanmar problem and hence, it always tried to persistently maintain engagement with the military government. The US had followed a 'democracy first' approach, while Japan followed a middle path for its own strategic interests. Japan had both economic and geo-strategic compulsions to engage with the military government. Several neighbouring countries of Myanmar, like Singapore, Thailand and China had increased their investments in Myanmar. The Japanese did not want to be left out and hence, increased the aid to Myanmar to maintain its economic presence in the country. Another significant reason was the rapidly warming up of Myanmar-China relation. This made Japan constantly trying to maintain relationship with Myanmar.

After the military government came to power in 1988, the relations between Myanmar and the US countries became very tense. The SLORC changed the name of the country from Burma to Republic of Myanmar. While Japan accepted the change of the name, this new name was not recognized for a long time by the US. The election held in 1990, where the NLD won the majority and subsequently the government's failure, to honour the results further negatively affected Myanmar's relations with the US. The US imposed the hardest sanctions, while Japan did not toe the US line and continued its flexible engagement with

the military government. The US was the first country to link its aid policy with the human rights condition. In 1997, the US imposed its first sanctions on the military regime due to its continuous refusal to transfer power to the NLD as well as the detention of Aung San Suu Kyi. The sanctions were further strengthened after the attack on Aung San Suu Kyi in 2003. Thus, the US approach towards Myanmar has been termed as the “North Wind policy” for its criticisms and the sanctions imposed on the military government, while the Japanese approach has been similar to the “Sun” by resolving the crisis through dialogue (Seekins 1999:2).

The 2007 Saffron revolution that took place in Myanmar, further deteriorated the relationship. The military government’s forceful suppression of the movement against the rise in the price of petrol and diesel, led to more sanctions being imposed on the country by the US. The US wanted to take up this issue in the UN and impose further sanctions on the country.

With the Obama administration coming to power in the US in 2009, things began to improve. His administration realized that imposing sanctions did not bring about the intended change in Myanmar. As a result, a new approach was adapted by them, which was to maintain a balance between sanctions and engagement policy (US Department of State, 2009). The US introduced the dual policy whereby they would start engaging with the government to encourage them to adapt more democratic reforms. The new democratic government in Myanmar, elected in 2010, with its President U Thein Sein, had started implementing reforms in both political and economic spheres. The Obama government had criticized the 2010 elections held in Myanmar as being ‘neither free nor fair’ and did not lift the sanctions. The NLD could not participate in the elections, which made the election process flawed. It was only when Aung San Suu Kyi was released from house arrest on 13 November 2010 that the US appreciated the positive initiative of the Thein Sein government and decided to lift some of the sanctions. The US policy makers declared that “if you change, we too shall change” (Foreign Policy 10 August 2015). As a result, Myanmar found a golden opportunity to receive support from the US to successfully transform into a democratic country. The visit to Myanmar by the US Secretary of State,

Hillary Clinton, on December 1, 2011 was a significant move. During her visit there, she clearly stated the US stance

It is firmly believed that the relations between the two countries would be developed, based on mutual respect; the United States pledged to cooperate in Myanmar's reform process as a partner country and acknowledged Myanmar's role in ASEAN. The United States welcomed the significant reforms the new Myanmar government has carried out and desired to respond the remarkable progress with the matched cooperation (US Department of State, 2011).

The historic transition of Myanmar from a military to a civilian government in 2011 provided a strategic opportunity to the US to encourage the Japanese government to formulate policies for supporting Myanmar in its reforms. The relationship between Myanmar and the US was an all time low during the military government's rule. Due to the sanctions imposed by the US, Myanmar was completely isolated and this affected its economic development, making it one of the poorest countries in the region. Myanmar and the US have come a long way from being labeled as an "outpost of tyranny" in 2005 to the lifting of sanctions in 2012 (Dalpino March 2014).

The US cannot ignore the geo-strategic location of Myanmar and hence, it wants to support Myanmar's democratic process. The US had two main intentions behind the dramatic shift in its policy towards Myanmar. The foremost reason was the promotion of democracy and human rights in Myanmar, which they have been trying to do for almost two decades. The next reason was to check the Chinese influence in Myanmar. Thus, the shift in Obama's policy towards Myanmar is a part of his greater agenda of "US re-balancing in Asia". This prompted several high-level exchanges between these countries along with the lifting of the sanctions in 2012.

Aung San Suu Kyi is in favour of the US engagement as it would help Myanmar's democracy moving in the right direction. But the US lacks experience in dealing with Myanmar due to the long period of isolation as a result of the sanctions imposed it. The US policy of supporting Aung San Suu Kyi and her movement for democracy had limited its strategic options in Myanmar. The Myanmar issue presents a diplomatic challenge to Japan and the US and these countries need to carefully deal with the government, so that it does

not backtrack from its path of democracy. Japan had a huge influence during the Ne Win period and it has been using its ODA to increase its leverage in Myanmar. Hence, the US requires the Japanese help to formulate policy in dealing with the Thein Sein government. The Japanese government already has started re-engagement with the new government by offering to waiver off its debt, as well as, providing new aid.

Myanmar realizes the importance of maintaining good relation with the US. Myanmar needs the US assistance for the national reconciliation process, establishing democratic structures and protection of human rights. When President Obama visited Myanmar in November 2012, he announced a development assistance package of US\$170 million for 2012 and 2013. USAID subsequently reopened its mission in Myanmar soon thereafter and signed a bilateral agreement on June 2013 outlining the framework for the US assistance (US Fact Sheet 13 August 2013).

Myanmar is aware that with the opening of its economy, the US is interested in integrating Myanmar with the international community. After coming to power, Thein Sein had mentioned in a speech about Myanmar's intentions of reaching out to the international community to get help from them in its democratic process. Myanmar stands to gain from the US push behind the Japanese government to provide significant aid for its development. The different approaches of Japan and the US to Myanmar can help in formulating an effective policy for Myanmar. The Japanese "quiet diplomacy" had resulted in developing close links with the military, while the US support for the democratic movement had garnered a close relation with Aung San Suu Kyi.

The Thein Sein government needs not only economic assistance from Japan and the US, but also assistance in the field of education, training and peace process. Most of the government officials in Myanmar lack expertise in handling the problems in a democracy. Since the military government preferred loyalty over competence, there was complete mismanagement which had affected the economic development of Myanmar. But with the opening up of the economy, Myanmar needs competent and well-trained officials to manage the huge flow of aid, as well as, the peace process with the various ethnic groups. Myanmar is now collaborating with Japan and the US to meet its economic and political development needs. One of the major problems faced by Myanmar is that the national

legislature does not have the capacity either to assess societal needs or develop legislation to address them. Myanmar needs the US help to train its legislative bodies to develop capacity to analyze local needs, prescribe approaches for ameliorating problems, and monitor progress (Steinberg 2015: 10). In this collaboration, Myanmar needs to ensure that it is considered to be an equal partner by both Japan and the US, often a tendency is seen that the donor countries taking decisions without consulting with the host country (Steinberg 2015: 13). Another impediment in Myanmar's path of democracy is the balance between civil-military relations. The military leaders are reluctant to give away their power and influential position which makes it a difficult situation for Myanmar to bring about reforms. Myanmar seeks the Japanese and the US cooperation on this front which would help with successful transformation to a democracy. While Myanmar can use the Japanese help in the training of its military, but the US is still reluctant in engaging directly with the military. Thus, Obama and Shinzo Abe agreed to coordinate their policies in a summit in Tokyo in 2014, and they outlined an agenda for policy coordination that includes regional institutions, ASEAN connectivity, women's empowerment, disaster risk reduction, and maritime security capacity building, among other issues.

Myanmar's decision of cancelling the Myitsone Dam project, send a positive signal that Thein Sein was genuinely interested in bringing democracy. Myanmar was able to convince Japan and the US that Thein Sein was willing to cancel the deals signed under the military government's rule. This project had come under international criticism as this would only serve the needs of China, without any consideration to the environmental costs. Strategically, it is crucial for Myanmar that Japan and the US collaborate on policies to help it to follow an independent foreign policy and eventually, reducing the Chinese influence in Myanmar. The US's shift in policy to support Myanmar's recent democratisation, is being perceived by China as part of the global American effort to complicate and constrain China's rise. China is concerned with the growing Japan-US engagement with Myanmar, which might affect its own strategic interests- "its access to the Indian Ocean and economic interests- increasing competition from the Japanese and American companies in the country" (Alam 2013: 10). The biggest concern of China is that, the increasing influence of Japan and the US on Myanmar's foreign policy would affect China's efforts to reach the Indian Ocean through Myanmar.

Myanmar is looking forward to get assistance from Japan and the US, which would enable it to have an upper hand in its relationship with China. Both Japan and the US share a common strategic goal in Myanmar-promotion of democracy and its integration with the international community, the US government has appointed a Senior Advisor for Myanmar, who consults with the Japanese counterpart which helps in coordination of policies (Scoff 2014:57). There is “an informal division of labor between the US and Japan, where the US prioritizes delivering political rewards for Myanmar’s reform while Japan focuses on the economic front by offering aid and investment” (Sun 2014:5). Myanmar’s transition to democracy is a complex process and Myanmar and Japan need to coordinate their policies with the US to bring about genuine reforms.

3.3 THE ASEAN FACTOR IN MYANMAR-JAPAN RELATIONS

ASEAN’s policy towards Myanmar has changed over time from-an initial short-lived interest at the time of its foundation in 1967 to over two decades of disassociation and then constructive engagement from the late 1990s (Zaw 2001:37). The ASEAN members were interested in getting Myanmar into the organization not only because of geographical proximity, but also to jointly deal with the communist threat, which most of these countries were facing that time. Initially, in 1967 when the organization first invited Myanmar to join, it had refused to join ASEAN because it thought it to be contradictory to its neutrality policy. Some of its members, like Thailand and Philippines were members of SEATO and had US bases in their countries.

After ASEAN’s initial interest in Myanmar, it disappeared from the ASEAN agenda for the next two decades, because of internal problems among its own members-Malaysia and the Philippines (Zaw 1999: 38). Myanmar had also adopted the policy of socialism and went into isolation. As a result, Myanmar had “become increasingly irrelevant except to Thailand, which shared 2,100-mile border with it and had a sustainable interest at stake” (Ott 1998: 71). Very soon, Myanmar under Ne Win faced an economic crisis and from being one of the richest countries in Southeast Asia, was reduced to one of the poorest countries in the world, with a per capita income around US\$250 (Carey 1997: 1). As a result, the SLORC after coming to power in 1988 started to reach out to its neighbours and thus, it found it necessary to join ASEAN in order to deal with the sanctions imposed by

the Western powers. With the opening up of Myanmar, the ASEAN members also found an opportunity to engage with Myanmar.

The ASEAN members were interested in engaging with Myanmar, due to a number of reasons. One very significant reason that led ASEAN to approach Myanmar was that most of the countries also had similar experiences of being under foreign domination, as well as, communist insurgency. The ASEAN members wanted to stop communist expansion in the region and hence, they wanted to put aside their differences and invite Myanmar to join the association. According to Kyaw Soe Thein, Director of ASEAN Division, Foreign Economic Relations Department of the Ministry of National Planning and Economic Development, “strengthening external security..., increasing trade and investment links within the region and achieving greater development were key factors that led to Myanmar’s decision to join ASEAN” (Thein 25 February 2013). The idea of inviting Myanmar had found political backing from Jakarta, which was worried about the increasing Chinese influence in Myanmar (Buszynski 1998: 295). Moreover, the ASEAN members were not keen on punishing Myanmar for its bad human rights record, since most of the members also had similar problems. Though Thailand and the Philippines had initially opposed its membership due to Myanmar’s poor human rights records, but the ASEAN members felt that, this was a great opportunity that the SLORC had agreed to join ASEAN, given its track of isolationist policies since the time of independence (Cribb 1998: 53). The Southeast Asian countries, especially Malaysia, believed that the US was trying to force western values on Myanmar. These countries felt that they should not let the US dominate this association by dictating which country should be allowed to become a member of ASEAN. At the July 1992 meeting in Manila, of ASEAN and its dialogue partners, the US Secretary of State, Baker, had requested ASEAN to take a strong stand against human rights abuses in Myanmar. The ASEAN states, most of which have their own human rights problems prefer instead to have a "constructive dialogue" although, both Malaysia and Indonesia as Muslims states issued statement criticizing Myanmar's handling of Muslims in the Arakan (Steinberg 1993:182). This appeal by the US prompted the Philippines President Fidel Ramos comment that “ASEAN cannot be bullied’ in a press conference in 1997” (Cribb 1998:54). These countries felt that the Western countries were trying to turn these countries against each other. In order to reject the Western countries’

domination, the Malaysian Prime Minister Mahathir Mohamad strongly supported Myanmar's membership in ASEAN. Thus, the appeal of the US in fact proved to be counterproductive. Mahathir and others admitted that Myanmar was a way to point out the rejection of those values. In 1994, Myanmar was invited to attend the AMM in Bangkok. The next year, Myanmar expressed its interest in joining ASEAN by complying with the Treaty of Amity and Cooperation, as well as, by releasing Aung San Suu Kyi from house arrest. It was offered the observer status in Jakarta, in 1996. Finally, the support of three of the association's most influential members-Malaysia, Indonesia and Singapore, helped Myanmar to become a member of ASEAN in 1997.

The Thai foreign minister, Arsa Sarasin, first used the term "constructive engagement" with regard to Myanmar when the Western powers asked the ASEAN countries to reconsider the membership of Myanmar (Chongitavorn 1997:18). The political developments in Myanmar resulted in ASEAN adopting the "constructive engagement approach" which meant active engagement along with the purpose of motivating Myanmar to bring about democratic reforms. The ASEAN members hoped that the ASEAN-style engagement with Myanmar would bring about its integration with the entire region as well as promote democracy in the country. The Western countries did not like the 'constructive engagement policy' of the ASEAN, which intended to bring about changes in Myanmar through dialogue. In 1996, when the ASEAN had decided to grant observer status to Myanmar, it resulted in a tense situation between them and the Western governments. In 1997, the Western countries pressurized the ASEAN members not to admit Myanmar as a member. The US State Department Spokesman, Nicholas Burns, asserted that the country "should not be rewarded with membership in one of the most prestigious and important pan-Asian organizations, and told the press that Washington was trying to use our influence with the ASEAN partners to make the point that Myanmar should be given a stiff message that it's not welcome" (Reuters 26 April 1997). The Malaysian Foreign Minister Abdullah Badawi responded the next day that "we understand the issue better than the United States" (Jegathesan 1997). But the US failed to convince the ASEAN members and Myanmar became a member of both the ASEAN and ARF in 1997.

But this move was criticized by the Western countries, as well as, the NLD members. In 1999, Aung San Suu Kyi had written a letter to the leaders of ASEAN to pressurize the

SLORC to recognize the result of the 1990 elections. The NLD argued that the ASEAN membership would make the SLORC the legitimate government and embolden them to continue their brutal rule. Aung San Suu Kyi had been very critical about the ASEAN policy of constructive engagement. She believed that the ASEAN membership did not bring about any positive development in Myanmar. It only served the interests of the ruling regime instead of bringing about democracy in the country. Investments from ASEAN helped Myanmar to sustain its economy at the time when the Western countries had imposed severe sanctions on it. Thailand's Deputy Foreign Minister, Sukhumbhand Paribatra, replied that by imposing economic sanctions, the desired goal had not been achieved. So they believed that ASEAN's membership would be able provide a positive push to the military government to adopt the necessary reforms which would improve its image in the international community. For the ASEAN interfering in internal affairs was detrimental to democracy and they believe that sanctions would affect the economic development of Myanmar and its efforts at reaching out to the world (Hongwei 2012: 63). Though they were aware of the human rights abuses, but their main concern was the rise of China. The members wanted Myanmar to move away from the Chinese sphere of influence. Since the late 1980s, Beijing had become actively involved in supporting the military government in Myanmar which the ASEAN members did not approve. There was a "general conviction that China was an emerging superpower that could not be relied upon to act according to law and practice in international affairs" (Cribb 1998: 55). Most of the countries were cautious of the Chinese influence in Myanmar. They were concerned that the Chinese support to the military government would create instability in Myanmar, which would affect the regional stability (Storey 2011:55).

Another important reason to engage with Myanmar was its rich natural resources and markets. Most of the ASEAN countries like Singapore, Thailand, Indonesia and Malaysia had become leading investors in Myanmar. Myanmar's export to ASEAN countries amounted to 43.7% of its total volume of foreign trade, and import 45.7%. (Hongwei 2012: 57). Therefore, these countries had played an important role in the economic development of Myanmar at a time when it was shunned by the Western countries. Japan also followed a similar policy of the constructive engagement. Apart from the humanitarian assistance, it continued to support projects designed to assist members of the ASEAN or Indochina as a

whole, which included Myanmar as an aid recipient (MOFA, Japan 2005). Japan collaborated with the ASEAN to pressurize Myanmar to establish a democratic government. In January 1997, Prime Minister, Ryutaro Hashimoto, made his first foreign visit to Southeast Asia to support ASEAN's decision of accepting Myanmar's entry. He conveyed Japan's position to the leaders of ASEAN member states in words to the following effect

Japan does not feel international isolation is the optimal way for the improvement of the domestic situation in Myanmar. Rather, Japan thinks it is important to give Myanmar incentives to behave in line with international norms by drawing it out as a member of the international community. From that point of view, Japan appreciates ASEAN's agreement to grant official membership to Myanmar sometime in the future. On the other hand, Japan also thinks that ASEAN membership should not provide a smokescreen for oppression in Myanmar. Accordingly, Japan hopes that ASEAN will handle the membership issue in such a manner as to contribute to the improvement of the domestic situation in Myanmar (MOFA, Japan March 1997).

Hashimoto realized that the ASEAN membership would help Myanmar to engage with its neighbouring countries, which would encourage the military government to reach a solution to the political crisis in the country. Thus, Japan's approach to the Myanmar problem was closer to the ASEAN position that incentives would encourage the military government to bring about reforms. By supporting Myanmar's entry to ASEAN, it was also able to justify its own engagement with the military government as the most pragmatic approach (Hook 2012: 210). Japan had sent delegates to Myanmar who met the SLORC's Secretary One and advised him to make some reforms before its admission to the ASEAN. Even after joining the ASEAN, the military government did not put a stop to its undemocratic ways. In fact, they had increased its oppression against the members of the opposition as they thought that the ASEAN approved of its policies. ASEAN became concerned about Myanmar's continued human rights violations by the military regime. ASEAN's international reputation was damaged, and its relations with several of their major dialogue partners were also affected, and moreover, increased attention was drawn to "democratic shortcomings in other ASEAN countries" (Cribb 1998: 51). As a result, in 1998, few ASEAN leaders like Philippine Foreign minister Domingo Siazon, chairman of a two-day ASEAN foreign ministers conference in Manila, tried to convince the military

rulers to initiate dialogue with the NLD leaders to resolve their differences. Thailand also suggested that it was necessary to interfere in Myanmar's internal affairs as there was a huge influx of refugees from Myanmar in Thailand. Thus, the Thai foreign minister, Dr Surin Pitsuwan, introduced the concept of "flexible engagement" as an alternative to "constructive engagement" suggesting a change in ASEAN's policy of non-intervention in member states internal affairs. This new concept of "flexible engagement" could gather the support of only the Philippines and failed to gain ASEAN-wide support (Zaw 2001: 55). But finally, these countries agreed on "enhancing cooperation" by which the countries could "openly criticize" and pressurize Myanmar to change its policies. However, this was not the ASEAN policy, but the policy of individual countries (Hongwei 2012:58).

From 2000 onwards, in order to improve its image, Myanmar hosted a number of ASEAN meetings, including the first ministerial meeting involving economic ministers in early May and later a labour minister's meeting. The military leaders used these meetings to improve their regional image and gain legitimacy among the ASEAN members. After the Depayin incident in 2003, the US and other Western countries, tried to politicize the Myanmar problem at multilateral forums, especially at the UN Security Council, which put pressure on the ASEAN and Japan, who were aiding the military regime. On the one hand, the Depayin incident disappointed both the Japanese government and the ASEAN about the possibility of Myanmar carrying out democratic reforms and it affected the image of these countries. On the other hand, after the ouster of Khin Nyunt in October 2004, the SPDC started following an isolationist foreign policy. Khin Nyunt understood the significance of international coordination for Myanmar and thus, with him no longer in power, the Japanese had to now deal with a military government which showed an uncompromising posture. Due to extreme international criticism against the house arrest of Aung San Suu Kyi in 2003, Myanmar also announced the road map to democracy that year.

The US believed that Myanmar was using Japan, as well as, ASEAN as a shield for their repressive policies. So it made it clear that it was unacceptable for Myanmar, to act as ASEAN's chair country and this would have a negative impact on the US-ASEAN relationship. The ASEAN members believed that Myanmar would decrease ASEAN's unity and credibility as a regional political framework. The ASEAN members themselves

did not want Myanmar to chair the session. As a result, the AIPMC, which was established in November 2004 by parliamentary members of ASEAN countries insisting on Myanmar's democratization, urged Myanmar not to take the chair's role. Myanmar was forced by the ASEAN to resume efforts towards national reconciliation and dialogue with all parties concerned for a peaceful transition to democracy. In 2006 under the pressure from the Western powers, Myanmar had to give up its turn for chairmanship of ASEAN. Myanmar considered this to be a national humiliation. Despite Myanmar assurances that Aung San Suu Kyi's arrest was temporary and there would be an early lifting of restrictions placed on her and other party members, the ASEAN members could not change the decision due to pressure from the US.

From 2004, the SPDC held the National Convention in order to finalize the process of formulating a new constitution as one step in its roadmap. Not only, did it not consult with the members of the NLD but, Aung San Suu Kyi was also put under house arrest. The SPDC maintained its authoritarian rule, even though there were mass protests in September 2007. The Buddhist-led Saffron Revolution in response to the removal of fuel subsidies in 2007 resulted in a sharp and harsh response from ASEAN. The ASEAN members put pressure on Myanmar not to use force to suppress the protests. The human rights situation worsened during this period. After the brutal attack on the monks in 2007, Singapore as ASEAN Chair condemned the violence and further urged the Myanmar Government to grant Ibrahim Gambari, the UNSG special advisor, full access to all parties and to cooperate fully and work with him (Statement by ASEAN Chair 27 September 2007). The SPDC had no intention of national reconciliation and pursued its own roadmap toward 'disciplined democracy'. The SPDC was not much affected by the Western countries' sanction policy due to the support from Japan and the ASEAN. ASEAN became disappointed with the SPDC's efforts for domestic political reconciliation and human rights protection.

The SPDC held a constitutional referendum for approving the new constitution on May 2008, though it was postponed until 24 May in areas hit by Cyclone Nargis. The SPDC's response to the cyclone resulted in widespread international criticism. This was due to its belated actions for disaster relief, its initial refusal to accept foreign personnel for disaster relief, and that it tried to conduct the constitutional referendum in spite of the disaster. The

main intention was to maintain military hold on the government through the new constitution. SPDC claimed that 98.12 per cent of eligible voters cast their votes in the referendum, with 92.48 per cent supporting the draft constitution. But, the international media maintained that this outcome was manipulated. They also extended Aung San Suu Kyi's house arrest to May 2009. At the 41st annual meeting, ASEAN foreign ministers expressed displeasure regarding Aung San Suu Kyi's renewed house arrest and repeatedly asked the military regime to release her and other political detainees and emphasised that the Myanmar Government should engage in a meaningful dialogue with all groups, and work towards a peaceful transition to democracy in the near future.

“Holding that international isolation did not offer a way forward, Tokyo said that it ‘appreciate[d]’ ASEAN’s move. At the same time, it insisted that, ASEAN membership should not provide a smokescreen for oppression in Myanmar” (MOFA, Japan 2005). Japan had been arranging meetings with the Southeast Asian countries which helped to influence Japan’s decision to resume aid to Myanmar. Japan wanted help from ASEAN to reach a consensus for the solution of Myanmar problem. Japan and the ASEAN have always argued that the human rights situation in Myanmar is a domestic issue and hence, believed that external interference to bring about democracy would be counterproductive. The ASEAN also thought it better to have the Japanese support to counter the growing Chinese presence in the region. At the same time, these countries also did not want to lose out on Myanmar’s huge market to the Chinese. Hence, Japan strategically cooperated with the ASEAN countries to reduce the Chinese economic and political influence in Myanmar. Though, the Japanese administration under Koizumi, was less proactive in its Myanmar policy, especially after late 2004, Shinzo Abe, who was appointed as the Chief Cabinet secretary of the third Koizumi Cabinet in October 2005 and who later served as Prime Minister from September 2006 to September 2007, had a personal attachment to Myanmar ever since his visit to Myanmar in 1983 as his father’s secretariat. As a result, Abe preferred to adopt a friendship engagement policy rather than shift to a sanctions approach. The next Prime Minister Fukuda tried to play a mediation role between the US and the SPDC, especially when the SPDC was highly reluctant to accept foreign personnel for disaster relief activities after Cyclone Nargis in May 2008. Taro Aso, who served as Prime Minister from September 2008 to September 2009 and Foreign Minister from October

2005 to August 2007, also followed an engagement policy line towards Myanmar. He believed that the Western Countries paid excessive importance to Aung San Suu Kyi rather than the strategic importance of Myanmar. Thus, Japan's strategy was to use ASEAN as a platform for protecting its own interests and giving legitimacy to its involvement with the Myanmar military regime, relieving the Western pressure being put on it and balancing China's influence in Myanmar (Hongwei and Xiaomin 2011).

The 2011 civilian government coming to power, along with political, economic and administrative reforms in Myanmar have made it possible for Myanmar to play a more active role in regional and international affairs and finally able to undertake the ASEAN Chairmanship in 2014 (MOFA, Myanmar 2014). This enabled Myanmar to portray as a responsible country committed to promote democracy and regional stability. The NLD coming to power in 2015 had created an atmosphere of uncertainty in the ASEAN, given Suu Kyi's criticism of their constructive engagement with the military government. But she clearly spelled out that it is Myanmar's interests to foster good relations with all the countries and hence, would actively support Myanmar's involvement in ASEAN (Myanmar Times 13 February 2017).

3.4 THE INDIA FACTOR IN MYANMAR-JAPAN RELATION

Myanmar's border with India is around 1600 km long which is the second longest after its border with China. These countries share a historical legacy, for being governed together for a long time by the British. They also became independent around the same time and joined the Non Aligned Movement (NAM) to avoid becoming a part of the bloc politics during the Cold War period. U Nu and Nehru had played a vital role in the creation of NAM. A treaty of friendship was also signed in 1951 which helped in enhancing their bilateral relations. In 1988 when the SLORC came to power in Myanmar, relations were affected, with India not recognizing the SLORC as the legitimate government in Myanmar. India supported Aung San Suu Kyi and her party NLD, so many political activists, refugees and dissidents were allowed to launch a movement against the military regime from India.

Myanmar's geo-strategic location made India realize that it could not afford to cut-off relations with it. Not only, Myanmar is India's gateway to the Southeast, but Indian needs its help to resolve the insurgency problem in the north-eastern states which share a border with Myanmar. So, it started a dialogue with the military regime on issues such as cooperation on anti-insurgency and anti-drugs. However, the relationship suffered a setback with the Indian government announcing to honour Aung San Suu Kyi with the Jawaharlal Nehru Award for international understanding in 1993. Myanmar felt insulted by the Indian government and hence, suspended the anti-insurgency operations with India. India realized that a tense relationship would help in pushing Myanmar towards China and create problems in India's north-eastern states. Hence, India decided to apply the principle of non-intervention in its relation with Myanmar, laying aside its initial principled support for human rights and democratization in the country. The military ties between the military government and China, especially Chinese radar technicians in Myanmar's Coco islands, which shares a border with Andaman and Nicobar islands, raised concerns among the Indian policy makers about Chinese intention to naval activities in the region (Reuters 15 July 2015).

The dramatic political developments in Myanmar were a turning point for India to enhance its relations with the new civilian government in Myanmar. Myanmar considers both Japan and India to become its important strategic partners in its attempt to move away from the Chinese influence. 'The Thein Sein government considers that 'the best strategy for Myanmar always stands on seeking a balanced diplomacy among strong powers to increase its profits and leverage due to its given territorial reality' (Yun 2014:5).

Japan and India have strategic interests in Myanmar largely due to their mounting concern about China's overwhelming dominance over Myanmar. Apart, from this, these countries have shared values like, respect "for the nation-building being carried out by the Suu Kyi government, based on the universal values we share – freedom, democracy, human rights and the rule of law" (Swarjya 11 November 2016). This makes it easier for these countries to work together to enhance cooperation with Myanmar. As a result, the JICA has planned to invest US\$100 for developing infrastructure in the northeast region of India, which will ultimately help in improving connectivity between Myanmar and India (The Diplomat 7

April 2015). India can play a crucial role in further strengthening of Myanmar-Japan relationship with these countries agreeing to work together in Myanmar. This may result in these countries trying to form a new Asian triangle-MJI (Swarjya 11 November 2016).

Japan is trying its best so that Myanmar does not become a client state of China, of which there is a huge possibility. India and Japan both have their own strategic interest of not making this happen. So out of its own interests, India is supporting Japan's entry into Myanmar. Aung San Suu Kyi had a polar opposite view of India, which Japan can use for its advantage of getting India's cooperation to break the ice between Japan and Suu Kyi. India is the only country that can help Japan on this issue (Ghosh, Assistant Professor, Department of Political Science, Presidency University, 19 April 2017).

Both Japan and India can work together in many areas to promote socio-economic cooperation, like building institutions, connectivity and development of infrastructure. Japan is also helping India in linking the Chennai port with Dawei in Myanmar. India and Japan could also help Japan and India have been cooperating to develop Myanmar's information technical sector by establishing training institutions (The Diplomat 7 April 2015). China has been using its 'soft power' to enhance its economic clout in Myanmar. This has made the Japanese and the Indian use their soft power cooperation which would help Myanmar in its development process. The Chinese policymakers have become wary about the current pace of India-Japan relationship. Japan and India are also seen to be ideal partners to keep China in check in Asia (Panda 29 October 2010). India and Japan have agreed to for joint development of the Kaldan multi-modal transit transport facility project that aims to connect Kolkata with the Sittwe port in Myanmar and then link Sittwe to Mizoram via river and road transport. This would be a strategic move to increase connectivity between Myanmar and India, to counter China's connectivity with Myanmar. Another factor that unites these three countries is Buddhism and these countries have been collaborating to set up world class research centres on Buddhism in Myanmar. Myanmar can pursue an independent foreign policy by enhancing cooperation with Japan and India.

3.5 CONCLUSION

The 2010 historic election in Myanmar has made all the major powers-India, China, the ASEAN countries and the US to re-think their policy towards Myanmar. Earlier, the US was very critical about Japan engagement with the military government. Eventually, the US realized that it cannot afford to isolate Myanmar especially with the growing influence of China in the region. The Thein Sein government has emphasized the need to foster good relations with all countries; hence the new found interest of the major power in Myanmar is of huge strategic advantage to the country. The competition between India and the US and China tends to be advantageous for Myanmar- Japan relationship, for India and the US have been proactively supporting Myanmar's re-engagement with Japan. India and the US have been supporting the Japanese efforts to promote democracy and reforms in Myanmar by increasing trade, investment, aid, as well as, assisting in the peace-process and training of bureaucrats.

The Chinese fear of a joint strategy between Japan, India and the US is also a driver for enhancing cooperation between Myanmar and Japan. In order to contain the Chinese presence in Myanmar, Japan has been assisting the Thein Sein government in the peace process, especially in the border areas; otherwise, these ethnic groups might create trouble which the Chinese would use to create political instability in Myanmar. The political transformation of Myanmar has made China to re-evaluate its Myanmar policies and has started taking into consideration Myanmar's interests.

Myanmar's ASEAN membership has helped them to cooperate with Japan to maintain regional stability. These countries had cajoled the military government to bring about change through their constructive engagement policy. Thus, Myanmar's transition to civilian government paved the way for it to assume the ASEAN Chairmanship. The ASEAN members appreciated Myanmar's effort to conduct election in 2010 and these countries have been cooperating with Japan to help Myanmar with its political and economic development.

Hence, the sudden increase in the interests of major countries in Myanmar definitely gives a positive push to Myanmar-Japan relationship. The positive role of these countries will help Myanmar to deepen its relationship with Japan.

CHAPTER 4

POLITICAL AND SECURITY RELATIONS BETWEEN MYANMAR AND JAPAN

INTRODUCTION

This chapter shall focus on the political and security dimensions of Myanmar-Japan relations. It shall try to analyse the political relations between Myanmar and Japan, which are characterised by various complexities, arising essentially due to different policies followed by these countries. It tries to analyse the internal political dynamics in Myanmar—such as the Aung San Suu Kyi factor and her relationship with the military government and its influences on Myanmar-Japan relations. Myanmar-Japan political relations are significantly influenced by the Aung San Suu Kyi factor. The military government had put her under house arrest and did not accept the election result of 1990 which created problems for the Japanese policymakers to continue its engagement with Myanmar since being a democratic country; Japan attaches huge importance to human rights protection. As a result, Japan had to pressurise the military government to conduct talks with the NLD and release Aung San Suu Kyi.

Despite differences in political stances and opinions, both Myanmar and Japan have felt a constant need to forge close relations with each other. The chapter shall further look into the various initiatives taken by both the countries to take the relationship forward and whether such initiatives have been translated into desired outcomes for both the countries. Their interactions not only through bilateral channels but also in multilateral forums like ASEAN will be discussed. The civilian government coming to power in Myanmar has paved the way for warming up of relations between these countries. The way in which Myanmar undertook reforms and which in turn influenced Japan's policy towards it will also be analysed.

4.1 AUNG SAN SUU KYI FACTOR IN MYANMAR- JAPAN RELATION

In the constituent assembly election of May 1990, the NLD coalition led by Aung San Suu Kyi won an overwhelming victory. The SLORC cancelled the results of the election and suppressed the NLD, placing Aung San Suu Kyi under house arrest. The military regime then arrested the NLD leaders and punished them with imprisonment, torture, expulsion, and summary executions (Arase 1993: 946). The house arrest of Aung San Suu Kyi was criticised by the Japanese government and it had tried to persuade the military government to reconcile with the opposition party. The popularity of Aung San Suu Kyi resulted in bringing to limelight the human rights issue in Myanmar. As a result, even though the business lobby in Japan pressurised the government to carry on relations with the military government, but still Japanese government had to show support to her movement for democracy.

Aung San Suu Kyi's father, Aung San, had a close historical association with Japan as he received training as a part of the “Thirty Comrades” from Japan. Aung San Suu Kyi was at Kyoto University's Center for Southeast Asian Studies during the mid- 1980s, where she conducted research on her father's life. Due to her popularity in Japan, many books have been written on her and many of her works have also been translated into Japanese. In 1996, the series won an award from the Japan Publishers and Editors Association (Seekins 1999: 24).

In August 1990, Watanabe Michio, a powerful Diet member and LDP faction leader met with SLORC chairman Saw Maung and he insisted for the transfer of power to the NLD as well as the release of Aung San Suu Kyi. In 1994, Japan had signed a petition along with other countries for her release addressed to the Secretary General of the United Nations. Several members of the Diet like Eda Satsuki and Hatoyama Yukio, organised a “Parliamentary coalition to seek the release of Aung San Suu Kyi” (Amnesty International Japan Branch 1995: 85-86). This angered the military government as the Japanese government was trying to pressurise for a change by bringing attention to the deplorable human rights situation in Myanmar. The Japanese government, on the other hand, believed that it was a result of their engagement policies with the military government that Aung San Suu Kyi was released in 1995. Japan had also supported Aung San Suu Kyi under international pressure. It had withheld aid to pressurise the military government to release

her from house arrest. Japan was also the first country to receive the news of her release. This resulted in Japan announcing more humanitarian aid of 1.6 billion yen for rebuilding a nursing school in Myanmar. It believed that this aid would encourage the military government to bring about democracy in the country. The Japanese media also reported about her mistreatment by the military government. The public opinion in Japan is favoured towards Aung San Suu Kyi and they had insisted that the Japanese government should be more sensitive towards the worsening human rights situation in Myanmar. Aung San Suu Kyi had disapproved that Japan had provided aid to the military government believed that this aid would, in fact, encourage the SLORC to carry on its repressive policies. She argued that Japan should have waited for some time to see tangible improvements in the human rights situation (Oishi and Furuoka 2003: 900). Aung San Suu Kyi did not like the fact that Japan had announced to give more aid to the military government. She said in an interview that

the reason I oppose all ODA is that I don't think it is effective in improving the people's livelihood One of these [ODA] programs [involves] construction of new facilities for the nursing college [Rangoon Nursing College]. This will not benefit the people as a whole. Those who will secure contracts for construction of the facilities are people with close ties to the regime. They'll make money on the contracts. Those who will be chosen to attend the school will be those with close ties, including blood ties, to the junta. There is no guarantee that in future these people will work to benefit the nation as a whole. To get money, they may work in a private hospital or go overseas ... (Seekins 1999: 24)

She further mentioned in an interview in 1995 about Japan's decision to increase aid

I think they should wait and see a bit and not rush into it. Aid should get to people who need it most and it should

be given in the right way at the right time. If it is a reward for my release, I'm just one political prisoner released, and there are others as well. The change in conditions of just one person is not enough (Seekins 1999: 23).

Aung San Suu Kyi's emergence as a national symbol of democracy in Myanmar had two contradictory consequences. Firstly, her opposition to SLORC made it possible to keep Myanmar in the international limelight. Without her popularity, the democratic movement would not have probably gained so much attention throughout the world. Aung San Suu Kyi's prominence meant that Japan, as well as the other major democratic countries, had to give her at least symbolic gestures of support even if they preferred to conduct business as usual. Secondly, she became a bargaining point in SLORC's efforts to receive more Japanese ODA. The SLORC continued to receive aid from Japan as an incentive to bring about improvements in the human rights situation in Myanmar.

The Japanese government continued its engagement with the military government. In October 1992, Japan's ambassador to Myanmar, Tomoya Kawamura, informed SLORC member Tin Tun that Japan was "satisfied" with improvements in the political situation despite SLORC's continued refusal to release Aung San Suu Kyi and honour the results of the 1990 elections (Arase 1993: 946). The military junta did not like the fact that the popularity of Aung San Suu Kyi was increasing and they did not want the Japanese government to engage with the NLD. Myanmar's Foreign Minister U Ohn Gyw on 1 October 1998 told the United Nations that "the world had no right to interfere in his country's internal affair" (CNN 1 October 1998). Many political figures in Japan had done 'Suu Kyi bashing' because of her opposition to full engagement with the military government (Seekins 2007: 120). In 1995, a Japanese newspaper published an article that "Suu Kyi was the only obstacle to better relations" (Steinberg 1999:22). Many academicians had also criticised Aung San Suu Kyi's uncompromising stand against the military government.

From the beginning, Aung San Suu Kyi had criticised the nature Japanese aid and in one of her "Letters from Burma", she states that

to observe businessmen who come to Burma with the intention of enriching themselves is somewhat like watching passersby in an orchard roughly stripping off blossoms for their fragile beauty, blind to the ugliness of despoiled branches, oblivious to the fact that by their actions they are imperiling future fruitfulness and committing an injustice against the rightful owners of the trees. Among these despoilers are big Japanese companies. Forced labor projects where men, women, and children toil away without financial compensation under hard taskmasters reminiscent of the infamous [Japanese-built] railway of death of the Second World War (Mainichi Daily 22 April 1996 mentioned in Seekins 2007:114).

The military government was quite offended when the 'Letters from Burma' was translated in Japanese as this would further increase her popularity in Japan. The military government argued that by giving her attention would affect their bilateral relationship as Aung San Suu Kyi was considered to be a barrier in the way of full engagement between Myanmar and Japan.

On 9 November 1996, a convoy of cars carrying Aung San Suu Kyi and other NLD leaders passing through the streets of Yangon was attacked by a mob, which was recruited by the SLORC. This resulted in student demonstrations against the military regime. Subsequently, Aung San Suu Kyi was placed under house arrest again and some of the NLD leaders were arrested to suppress the protests. The Japanese Prime Minister, Hashimoto Ryutarō, criticised that SLORC was going against the democratisation process in detaining the NLD members. Hashimoto warned that this would affect Japan's aid to Myanmar. Later, the Chief Cabinet Secretary, Kajiyama Seiroku, also warned that the Japanese government would take strict actions if Aung San Suu Kyi was arrested. In 1996, the Japanese Economic Planning Agency and the three ministries of Finance, Foreign Affairs, and International Trade and Industry, wanted to re-start the committed funds for the Mingaladon Airport modernisation project; which was stopped as a result of the SLORC's crackdown on the NLD, but later they decided again to postpone the project due to international pressure (MOFA, Japan 1996).

Aung San Suu Kyi was pleased to know about the Japanese decision of stopping aid and she wrote a letter to the Prime Minister, Hashimoto, through the Japanese embassy in Yangon to thank both the prime minister and the foreign minister for their moral support

following the SLORC's detention of NLD representatives. She also requested Japan and the international society, to use its economic influence to promote democratisation as prescribed in the fundamental principles of ODA adopted by the Japanese government, but the prime minister did not reply back (Seekins 1999: 23). Thus, in 2002, the Japanese foreign minister Kawaguchi Yoriko met Aung San Suu Kyi after the military government had lifted up the restrictions on her. Her visit was significant since she was the first foreign minister to visit Myanmar in nineteen years and the only one to visit while holding office. She proposed that “if progress in ‘policy dialogue in the humanitarian areas’ between the government and Daw Aung San Suu Kyi brings to light BHN projects which the people of Myanmar really need, Japan is prepared to actively support such projects” (MOFA, Japan August 2002). But in the next year, the military junta arrested several NLD leaders, along with Aung San Suu Kyi after “the Depayin massacre”. This made the Japanese government declare that they would stop aid until Aung San Suu Kyi was freed. The military government justified its action that she was placed under house arrest for her own safety. But the Japanese government was not satisfied with the justification. As a result, the military government had to release 91 prisoners in October which finally led to the resumption of the Japanese aid.

The business lobby in Japan did not like that the increasing popularity of Aung San Suu Kyi and considered her to be an obstacle in the path of full economic engagement with the military government in Myanmar. The members of the LDP who had a lot of influence in the Japanese Parliament were also not very supportive to Aung San Suu Kyi and they used their influence to continue engagement with the military government. The SLORC government, in order to receive ODA from Japan, released Aung San Suu Kyi time and again. But it refused to engage in dialogue with her to bring about democracy in the country. Some scholars were of the opinion that stopping the aid was a part of Japan’s strategy to encourage the military government to stop brutalising the members of the opposition party. But this had been for a short while as Japan used to resume its ODA in the form of human resource development scholarships and the afforestation project in the dry zone of Myanmar even if the SLORC would not have made any real changes in its policy.

4.2 HUMAN RIGHTS ISSUES IN MYANMAR AND THE JAPANESE RESPONSE

Since its establishment, the SLORC has been suppressing the political rights of its citizens. The military government denied its citizens the basic freedom of speech, association and assembly. It had arrested a number of NLD leaders and kept their leader Aung San Suu Kyi under house arrest. They also held unfair trials behind closed doors. This action of the military junta was a gross violation of human rights. The SLORC's basic intention was to hold on to power by not allowing genuine political participation. Despite the fact that Japan has its economic interests in Myanmar, it was deeply concerned about these human rights violations in Myanmar and provided assistance to the country for improving the situation through its "quiet diplomacy". Though it attached huge importance to democracy, human rights and freedom, but Japan's engagement with Myanmar is against its own ODA Charter adopted in 1992. According to the Japanese government,

Japan has traditional ties with Myanmar and engages in various forms of dialogue with both SLORC and the pro-democracy forces led by Aung San Suu Kyi. Japan's policy is to promote democratisation and human rights, not by isolating Myanmar but by working patiently and persistently for improvements through ongoing dialogue with the present regime" (MOFA, Japan March 1997).

It believes in promoting democracy and protecting the human rights in Myanmar through dialogue and not through sanctions as followed by the Western countries. Yoshimori Yokabe, a foreign ministry official had commented that sanctions have only led to deteriorating conditions for the ordinary people living in that country rather than promote democracy.

As a result, the Japanese government has been trying to encourage the SLORC to bring democratic reforms which would also help them to justify their aid policy to the international community. In July 1996, the Japanese Foreign Minister Yukihiko Ikeda, told his counterpart from Myanmar, Ohn Gyaw, that the SLORC should try to involve the NLD while drafting a new constitution (MOFA, Japan March 1997). He further mentioned that "Japan's basic position is that any attempt to turn back the tide of democratisation cannot be overlooked" (MOFA, Japan 1997).

The military government had taken steps to improve the situation in the country, under the influence of Japan. The SLORC had shut down universities in Yangon, over an extended period from 1988 to 2000. Whenever the military government felt that anti- government demonstrations were going out of control, they decided to close down the universities. The military government arrested the students protesting and demanding to free Aung San Suu Kyi from house arrest. The army was directed to put barbed wires around the university campus to prevent students from coming inside. The students were also encouraged to take drugs and alcohol, which would prevent them from participating in politics. The Japanese government had condemned this decision by pointing out that Myanmar needs an educated work force which would help them in their economic development. The military government finally re-opened the universities in 2000 after a request by the Japanese Prime Minister Ryutaro Hashimoto (Mitton 14 January 2000). Japan also stopped aid from time to time to put pressure on the military government to carry out reforms.

In 2001, the Japanese Prime Minister, Junichiro Koizumi, met his Myanmar counterpart, Senior-General Than Shwe, in Brunei Darussalam and expressed the desire to support the country on its path towards democracy (MOFA, Japan 2001). The two countries had also shown interest to explore different areas of cooperation for an increasingly friendly and cooperative relationship between them. This would serve the interest of the two countries in particular and the Southeast Asia in general. In 2002, the Japanese Foreign Minister, Kawaguchi, visited Myanmar and this visit was very significant because it was the first visit by a Japanese Foreign Minister in nineteen years. During her visit, she met with both senior members of the Myanmar government as well as Aung San Suu Kyi. During her meeting with both the government leaders and with Aung San Suu Kyi, she appreciated the efforts by the military regime toward democratisation like the release of political detainees in Myanmar. She also emphasized the importance of reconciliation among the armed groups and ethnic minorities in Myanmar. She also stressed the importance of the historical friendship between the two countries and Myanmar's strategic location. She further emphasized the need for Myanmar's stable development and its democratisation not only for ensuring stability and prosperity in Southeast Asia, but also to further develop Japan-Myanmar relations. Japan also supported the initiative by the United Nations Secretary General, Kofi Annan and Razali Ismail, Special Envoy of the United Nation

Secretary-General. The Japanese government hoped that the military government should try to incorporate the suggestions by these delegates to bring about genuine reforms.

Japan used its engagement policy to pressurize the military government to improve the situation in the country. After the release of Aung San Suu Kyi from house arrest in 2002, the Japanese government, as well as the other major countries, welcomed this effort. Japan believed that this was a step forward to achieve democratisation. But in the next year, Aung San Suu Kyi was again arrested after the Depayin incident in 2003. The Japanese government criticised the military government for its actions. Ms Yoriko Kawaguchi, Minister for Foreign Affairs, said that ‘it is deeply regrettable that Aung San Suu Kyi and other leaders of NLD have been put into custody. Japan strongly calls on the Myanmar Government for rectifying the current situations, including an immediate assurance of the freedom of political activities by Aung San Suu Kyi and other members, of NLD, and for disclosing relevant information to the international community’ (MOFA, Japan 5 June 2003). During the cyclone Nargis disaster in 2007, the Japanese government decided to provide around 107 million yen of material support, some of which was distributed through the Japan Platform, a system providing emergency relief through a partnership among Japanese NGOs, business sectors, the government, media and other actors, as well as up to US\$10 million of emergency aid which was provided jointly with other international organizations.

Japan being a democratic country itself, actively supports human rights issues and democratisation process and has emphasised the importance of democratisation in Myanmar in various meetings between them on the sidelines of ASEAN+ 3 summit meetings, as well as, during the official visits by high-level dignitaries to Myanmar. At the same time, Japan had also tried to protect the military government in these forums by trying to use their influence to protect them from sanctions by the international community.

The relationship reached a real low when a Japanese photojournalist Kenji Nagai was killed by the army when he was covering an anti-government demonstration in 2007. The Japan government wanted the military government to investigate his death. The Japanese government announced that it would protest against the military government, though it did not stop its aid. The Japanese government was criticised for taking a soft stance against the military government. According to a Japanese diplomat, “we are greatly concerned ... and

are urging Myanmar's government to take immediate steps to end this situation peacefully and through dialogue” (Reuters 28 September 2007). This incident led to a discussion among the Japanese policymakers about its Myanmar policy. Some members of the DPJ, the largest opposition party, raised questions about Japan’s Myanmar policy and stressed on the need to take strict action against the military government. Yukio Hatoyama, a member of the DPJ commented that “now is the time for the Japanese government to lead the international community and ask the military junta to fulfil its responsibility and immediately end this bloody tragedy” (Reuters 28 September 2007). Many people started criticising the government’s slow response to the Myanmar problem, claiming that Japan should try to act as a mediator between the military government and Aung San Suu Kyi. Japan’s Myanmar policy as a result, during this period, was mostly about maintaining an engagement policy line in a low-key manner. They were reluctant to conduct a proactive policy because of the lack of effort on the part of the SPDC to bring about reforms, as well as because of the increasing costs imposed by the international structure in conducting proactive engagement. The Japanese government under pressure released a press statement, whereby calling on “the Myanmar government to exercise restraint in its response to the protests and encouraged the ‘the Government of Myanmar ... [to] make sincere efforts, including dialogue for national reconciliation and democratisation, taking into account the wishes expressed in the protests by the people of Myanmar” (MOFA, Japan 25 September 2007). The death of the Japanese photographer who was filming the protests was an insult to Japan. The SLORC clearly denied that they had any role in the death of the photographer which led the Japanese foreign minister mention in a press conference that Japan did not support Myanmar’s stand and announced the reduction in the humanitarian assistance to only those projects which directly benefit the people. The Japanese government criticised the military government’s inaction regarding the investigating raising doubt that the journalist might have been killed point blank (Black 2013: 348). But after a few months, the Japanese government stopped criticising the military government and continued with its engagement policy. The Japanese government due to its strategic interests was not proactive in taking strict measures against the military government. The Japanese government did not want their equation with the SPDC to be

affected by stressing on human rights issues as this would further push Myanmar towards China.

Due to the soft stance of the Japanese government towards the SLORC by favouring them over Aung San Suu Kyi, it has been often criticised for putting economic interest before democracy. But Japan had stopped providing new aid to Myanmar due to pressure from the international community for its deplorable human rights situation except for humanitarian assistance. Over the years, the military government had made some improvements in the human rights situation mainly due to encouragement from the Japanese government by promising them with more aid.

4.3 WARMING UP OF MYANMAR- JAPAN RELATIONS

As a result of the economic sanctions and isolation in the international community, Myanmar issued a seven-step road map to democracy in 2003. The roadmap to democratic transition was announced in 2003 which contained the seven steps to democracy. Till 2007, there was hardly any progress towards bringing about any change. The SPDC had tried to convene the National Convention in 2004 without the NLD's participation, as Aung San Suu Kyi was put under house arrest after the 'Black Friday' incident. In 2004 general Khin Nyunt was jailed on corruption charges which put to doubt the possibility of an end to the political stalemate (Holliday 2015: 397). It was only in 2007 that the military government started taking concrete steps to implement the road map. This was because of the three events that took place during that time, which forced the SPDC to bring about democratic reforms. The Saffron revolution in 2007 which was a very significant event after the '8888 protest' received a huge international response unlike the '8888 protest'. The local people had used the internet to send pictures and news about the brutal treatment of the protestors by the SPDC to the foreign media who in turn broadcasted it throughout the world (Selth 2008: 284). This time the monks were leading the protests against the rise in the price of fuel when the government had suddenly removed fuel subsidies. The ruthless suppression of the protests led to severe international criticism against the SPDC. Along with that, the killing of the Japanese photojournalist during the demonstration whereby the Japanese government was thinking of taking up the issue to the ICJ affected the image of the military government. The entire community was pressurising Japan to adopt a hard stance to force the military to take concrete steps towards democratisation.

The other significant event that badly affected the SPDC's image was the cyclone Nargis in the next year when the government decided to hold the constitutional referendum on a new constitution on the scheduled date; despite so many crises in the country. The SPDC's way of handling the situation was criticised by both local public as well as the international community. The Japanese Prime Minister, Fukuda Yasuo, urged Chairman Than Shwe to accept Japanese emergency medical teams in a letter dated 9 May 2008 (MOFA, Japan 25 May 2008). The military government's failure to handle the crisis resulted in the international community calling for armed intervention (Bellamy 2008). To save itself from further humiliation, the military government announced the referendum. The international community criticised that the referendum was rigged, but the SPDC claimed that 98 percent of the citizens voted. These two events put Myanmar in the international limelight. To divert the attention of the Western countries from these events, the military government decided to continue its road map to democracy. After the referendum was held, it was decided to hold the election in 2010 based on the 2008 Constitution. The Japanese government requested the international community to wait for the military government to take further action on democratisation. Tension arose between Myanmar and Japan during a meeting in 2009 where the foreign minister of Myanmar accused his Japanese counterpart of 'undermining Myanmar's efforts to improve its relationship with the international community. He further mentioned that "political and economic issues should be dealt separately and hence, Japan should stop withholding aid to Myanmar" (MOFA, Japan 25 May 2009).

The relationship was further affected when DPJ came to power in Japan in 2009. This party was known to have a hard-line approach towards the military government. The military government felt insulted when Japan changed its stance of not giving refugee status (Dean and Nagashima 2007). Apart from this, the Japanese government under the DPJ continued with the previous government's engagement policy and

Aung San Suu Kyi was released in November 2010 after fifteen years of house arrest, but she was not allowed to participate in the elections. These made the Western countries critical about the fairness of the election. The military government wanted the NLD to participate in the elections to give credibility to the elections. Many political prisoners were released, but the NLD boycotted the election as the members believed that the 2008

constitution was undemocratic. In 2010, elections were finally held in Myanmar after a gap of twenty years, which marked the return of multi-party parliamentary democracy. This election was an important step towards democracy. This was the fifth step in the seven steps to the roadmap to democracy by which the military government successfully completed its transition to a civilian government. The elections were won by a pro-junta party- USDP with U Thein Sein being sworn in as the President by the parliament the following February. The Western countries considered this election to be nothing more than hogwash with the military trying to legitimise its rule. In March 2011, the road map to democracy was completed with the launch of the new administration. The Japanese government hoped that ‘the new government would ensure that these elections mark the start of a more inclusive phase by implementing measures such as the release of political detainees ... in order to realise transition to a civilian and accountable system of government’ (MOFA, Japan 7 November 2010).

In his inaugural speech, Thein Sein assured the people to bring about democratic reforms and ensure fundamental rights for all the citizens. As promised, Thein Sein government brought about an array of reforms. He actively made efforts towards democratisation, including dialogue between Aung San Suu Kyi and members of the Cabinet, the release of political prisoners, and cease-fire agreements with ethnic minorities. He announced to release political prisoners who were under arrest due to the draconian laws of the SLORC. The civilian government is trying to reconcile with the NLD members for impressing the Western governments to remove the sanctions. Exiled pro-democracy activists were also granted permission to visit Myanmar. Media and Internet censorship had been relaxed, and domestic newspapers were now allowed to print photos of Aung San Suu Kyi. Private television stations had also been established. The government had committed itself to reaching ceasefire agreements with Myanmar’s various ethnic minority groups and has reportedly agreed to establish a federal system in Myanmar. Thus, with the new government coming to power in 2011, the local people have enjoyed more freedom than ever before. Thein Sein abolished the law which prevented any party from participating whose members had been imprisoned thereby allowing NLD to participate in the by-elections in 2012. Thus, now the NLD had the right to freely express their opinion in Myanmar. After her release, Aung San Suu Kyi travelled to various countries trying to

convince the Western countries to remove their sanctions on Myanmar. This resulted in the EU removing some of its restrictions in 2011. The earlier need to take approval before publishing any non-news publication had been stopped. Several websites like YouTube, Voice of America were unblocked. Thein Sein government from the beginning had stressed on the need for international engagement and for that he had undertaken a series of reforms. The civilian government was successful in improving its image as the US President Obama appreciated the efforts made by the new government and also extended support for further reforms. Myanmar has been able to change its image as an ‘international pariah’ under the Thein Sein government.

There are a lot of challenges ahead for Myanmar regarding governance, power-sharing and the insurgency problem. There are disagreements between the NLD and Thein Sein government over the USDP’s membership as some of its members are believed to have been involved in corrupt practices under the military rule. There are also a lot of conflicting issues between the government and the ethnic minority insurgency group. In this regard, Japan has been helping Myanmar in its national reconciliation process by appointing Nippon Foundation Chairman Yohei Sasakawa as special representative to help achieve ethnic reconciliation in Myanmar. The Thai-Japan Education Development, a Japanese nonprofit organisation operating in Myanmar has helped minority groups conduct ceasefire negotiations with the government. Katsuyuki Imoto, who is the vice president of the organisation, worked to integrate different minority groups for collective ceasefire negotiations with the government, which led to the establishment of the United Nationalities Federal Council, a coalition of ethnic minority armed forces (Katsuyuki 2013). This helped the Thein Sein government to reach cease-fire with the ethnic groups.

The NLD members won a majority in the by-elections held in 2012 which is a clear indication of her popularity among the people of Myanmar. NLD’s winning in the by-elections definitely is a big indication that the process of democratisation has started. Aung San Suu Kyi was allowed to travel to foreign countries after a gap of two decades. Suu Kyi said after her release, ‘what we want is value change...Regime change can be temporary, but value change is a long-term business. We want the values in our country to be changed. We want a sound foundation for change. Even if there’s regime change, if these basic values have not changed, then one regime change can lead to another regime change and so

on and so on' (The New York Times 23 November 2010). Thus, genuine democracy is what is needed to provide legitimacy to the government. The Abe administration has been trying to improve its relationship with the NLD, as Aung San Suu Kyi was highly critical about the Japanese aid to the military government. Japan has been actively supporting the democratic process in the country as it believes that Aung San Suu Kyi is going to play a significant role in the country.

The Thein Sein government has also set up a National Human Rights Commission to improve the human rights situation in the country. He also initiated the peace process with the ethnic groups to sort out of the long standing differences. In 2012, Thein Sein also reshuffled his cabinet and removed those members who were not in favour of the ongoing reforms. These countries have realised the importance of high-level exchanges for communication between them. Myanmar has expressed its desire to enhance exchanges and cooperation with Japan. It needs to learn from Japan the experience of running a democracy and managing political affairs. The top leader's conference between former Prime Minister Noda of Japan and President Thein Sein of Myanmar has been held in Jakarta in November 2011. The Japanese government had declared to contribute 10 billion yen in five years for the improvement in the living standards of ethnic minorities that have suffered under the military rule. This would help to speed up the peace talks between the Thein Sein regime and ethnic rebels. This is a positive indication that Japanese aid will be provided to support the national reconciliation process. The Japanese Parliamentary vice minister for Foreign Affairs, visited Myanmar on 29 June 2011 to mark the beginning of a new chapter in Myanmar-Japan relations. The Japanese officials keenly observed Thein Sein's reforms on both the political and economic fronts. During the first Myanmar-Japan Summit on 12 April 2012 held in Tokyo on the sideline of Mekong Japan Meeting, the Japanese Prime Minister said he was impressed by the pace of reforms in Myanmar. A Memoranda of Intent for the development of a master plan for Thilawa was signed between them. With the civilian government coming to power in Myanmar, several high-level exchanges have taken place which definitely has set the ball rolling for Myanmar-Japan relations. In 2012 Shinzo Abe's coming to power in Japan has not only increased mutual trust but has made possible the normalisation process. When the Deputy Prime Minister Taro Aso visited Myanmar in January 2013, he emphasised on expanding

cooperation in various sectors-industry, law, culture, sports, electric power, education, medical care and transportation infrastructure of Yangon city. The visit of the Japanese Prime Minister Shinzo Abe to Myanmar in 2013 was an important step in furthering Myanmar-Japan relations. He was the first Japanese Prime Minister to visit the country after a gap of thirty-six years. One reason behind Shinzo Abe's push for Japan's engagement with Myanmar is that his grandfather was a part of Japan's Burma lobby. He pledged his commitment to enhancing communications in the economy, politics, security cooperation and democratisation and national reconciliation. He also emphasised on cultural exchanges as well as student exchange programmes between these countries. Japan further has agreed to support Myanmar for its ASEAN Chair in 2014 by increasing dialogue on regional security and defence exchanges (Shihong 2016:162). Japan sincerely welcomes the NCA as a major step toward achieving national reconciliation. Both the leaders agreed "in laying a new foundation for taking the relationship between Japan and Myanmar to a higher level and establishing a lasting, friendly and cooperative relationship, Japan and Myanmar will work together to bolster their relationship" (MOFA, Japan 26 May 2013). His visit was at a crucial time, for these countries would be celebrating the 60th anniversary of their diplomatic relationship in 2014. This is a milestone in their relationship, which gives them more incentives to take their relationship to the next level.

When Aung San Suu Kyi visited Japan in April 2013, she received a warm welcome from the Japanese government. This visit was quite significant, as it pointed to Japan's efforts to engage with both the ruling, as well as, the opposition party in Myanmar which would help to enhance Japan's influence in the country. Hence, during her visit to Japan, Aung San Suu Kyi was allowed to meet Shinzo Abe alone to discuss the Japanese assistance for Myanmar's reforms. She had requested Japan for assistance in vocational training and agronomy education, which would enable the local people to enjoy the benefits of democratisation.

Japan has been actively assisting Myanmar with its peace process and has contributed 10 billion yen through various NGOs to help the refugees, improve health facilities. This helps Myanmar to take into consideration the ethnic people in the path to a genuine democracy (Ichihara 25 January 2015). Japan has also decided to provide US\$ 70 million

as a support package for MRTV for impartial broadcasting and decrease the information gap among the members of the public, and support the country's democratisation (MOFA, Japan 25 October 2015). Myanmar appreciates these significant efforts by the Japanese government for democracy promotion and it has helped in enhancing mutual trust between these countries.

After the massive victory of the NLD in 2015 elections, Aung San Suu Kyi, who is the State Councillor and the Foreign Minister, made her first visit to Japan in November 2016 after taking office. This is a milestone for Myanmar in its transition to democracy and she had come to request the Japanese government's support for Myanmar's peace-building process with its ethnic minorities (The Myanmar Times 2 November 2016). Myanmar's first ever democratic government coming to power is a positive development and the Japanese government has pledged its full support to the government. The Nippon Foundation has promised to continue to provide humanitarian assistance, with the building of schools and distribution of food and nonfood essentials to conflict-hit areas, and that its work with Myanmar's peace process will continue (The Japan Times 3 November 2016). Aung San Suu Kyi has come a long way from criticising the Japanese aid and has taken a pragmatic approach towards Japan. Myanmar needs help from Japan to deal with its internal problems, as well as, in its foreign policy challenges to counter the Chinese presence. Aung San Suu Kyi appreciated the Japanese government's efforts at helping the national reconciliation in Myanmar. Despite a change of government in Myanmar, relationship with Japan is on a positive note and these countries are taking efforts to further strengthen the relationship. These countries have also been trying to promote people-to-people exchanges and cultural exchanges. Most of the local people in Myanmar have a positive image of Japan. Both the ruling party as well as the NLD members have shown a strong willingness enhance cooperation with the Japanese government. The Japanese government has set up a Japan East Asia Network for Exchange of Students and Youth to promote student exchanges between these countries which would enhance their knowledge about the history and culture of these countries and enhance mutual understanding and trust.

4.4 MILITARY COOPERATION BETWEEN MYANMAR AND JAPAN

Despite the close ties between the militaries of both the countries from the time as early as Second World War, military cooperation between Myanmar and Japan is quite minimal which makes it important for these countries to take steps to improve their military relations. The military is still a crucial player in Myanmar's political system and hence, it is important to enhance military cooperation between these countries. Increasing military cooperation would also help them to deal with the Chinese influence effectively. To increase military exchanges between both the countries, the Nippon Foundation launched a Japan-Myanmar Military Officials Exchange Programme to facilitate exchanges between Japan's Self Defense Forces and Myanmar's military. The chief of the army in both the countries agreed to cooperate on human resource development, self-defense policy, troop utilisation, and international assistance. In 2012, Japanese Vice Defense Minister Kanazawa visited Myanmar. Later in May 2014, General Iwasaki, Japanese Chief of Joint Staff went to Myanmar. In July 2014 Vice Defense Minister, Takeda, visited Myanmar. This was followed by the visit of the Senior General Min Aung Hlaing, Commander-in-Chief of Myanmar Defence Service to Japan in September 2014 (Japan Defense Focus 2012). These meetings helped in exchanging views regarding the promotion of bilateral defense exchanges. They have been cooperating to tackle disaster relief and maintenance of vehicle fleets. In September 2013, three maritime training vessels made the first-ever Japanese Self-Defense Force port call in Myanmar at Thilawa which marked the beginning of direct military relations between these countries (Schoff 2014). The Japanese Defense Minister Gen Nakatani discussed Tokyo's potential assistance to Myanmar's military during his visit to Myanmar in 2016, and he decided that the JSDF would support the capacity-building for Myanmar's military, part of Tokyo's efforts to boost its assistance to Naypyidaw across a range of areas (The Diplomat 8 June 2016). These exchanges help to take the bilateral relationship to a new level.

4.5 MYANMAR- JAPAN COOPERATION AT MULTILATERAL FORUMS

Japan as a regional power, has played an important role in trying to resolve the political deadlock in Myanmar between the military government and the NLD which had been going on for almost fifteen years by adjusting its aid policy to the political developments in Myanmar. Despite differences in political opinion, the relationship between these countries has been quite consistent. Even when sanctions were imposed by the Western countries, Japan had always kept its diplomatic channels open to engaging with both the NLD as well as the military government. It had followed a policy of constructive engagement by providing humanitarian assistance to Myanmar. In various multilateral forums, Myanmar had the backing of Japan, which helped the military government to deal with the international opposition. After Thein Sein came to power, these countries have continued their cooperation both bilaterally as well as, at the multilateral level. In resolving Myanmar's challenges, multilateral actions are more effective and also help to gain regional support. During the Japan-ASEAN Summit held in November 2011, Japanese Prime Minister Noda expressed his support for President Thein Sein's efforts at bringing about reforms. Thein Sein also assured to carry on the democratisation and national reconciliation process. The rise of China has strengthened the need for political and security cooperation between these countries. Japan wants to protect its position in the region and hence, has been cooperating with the Mekong countries to reduce their dependence on China.

Under the Japan-Mekong Summit held in 2009, both Myanmar and Japan reinforced their commitment towards maintaining peace and development in the Mekong region as well as East Asia. These countries have been trying to increase connectivity in the Southeast Asia by strengthening the relationship with the ASEAN countries. Myanmar along with other Mekong countries-Vietnam, Laos, Cambodia and Thailand were promised 600 billion yen by Japan at the fourth annual Mekong-Japan Summit held in Tokyo in 2012. In 2012, President Thein Sein attended the Mekong-Japan Summit in Japan, which was a landmark in the Myanmar-Japan relations as he was the first head of state in Myanmar to visit in twenty-eight years. At the Japan- Mekong Summit in April 2012, Japan offered US\$ 7.4 billion over three years to help five Mekong states build up their infrastructure. This would

help to reduce the economic dependence of these countries on China. Apart from adopting the “Tokyo Strategy 2012” for Mekong-Japan Cooperation, both the countries signed an agreement regarding the waiving off Myanmar’s debts of US\$ 3.12 billion. Through this strategy, these countries try to encourage prosperity and stability in the region. Japan has an image of a peaceful state and hence, these countries believe that it would play a constructive role in the development of the region.

Thein Sein met Shinzo Abe before attending the 4th Mekong-Japan Summit in Tokyo. Abe expressed his gratitude for Myanmar’s attendance at the Mekong-Japan Summit Meeting, and for its assistance in formulating the New Tokyo Strategy. He mentioned that both the public and private sectors of Japan would continue to support democratisation and social and economic reforms in Myanmar, and would like to provide cooperation for the implementation of free and fair general elections (MOFA, Japan 2015). Through the Mekong-Japan cooperation, Myanmar and Japan have been trying to improve the security environment in this region by cooperating with Vietnam, Laos, Cambodia and Thailand. During his visit to Japan, three memoranda of understanding were signed, namely MoU on Japanese government’s assistance to Myanmar government for human resources development fellowship program, MoU on cooperation in the main project development of Thilawa Special Economic Zone, and an MoU on Japan’s assistance in preventive measures against natural disaster for rehabilitation of mangrove forest in Ayeyarwady delta (Myanmar President Office, 13 December 2013). Myanmar appreciates the Japanese support for its reforms and hence, these multilateral forums have helped in deepening their relationship. These forums also provide a platform to share opinions on various international and regional issues, like nuclear disarmament, human rights issues, transnational crimes.

On November 2014, the Japanese Defense Minister visited Myanmar to attend the first Japan-ASEAN Defense Ministerial Roundtable and they also held a bilateral defence ministerial meeting with Myanmar to discuss common challenges like maritime security, humanitarian assistance and disaster relief. This meeting was a huge success with Myanmar and Japan, along with other ASEAN countries pledged to work together for maintaining peace and stability in the region (Japan Defense Focus 2014). Myanmar and

Japan attended the Japan-ASEAN Summit in 2013, which marked the 40th anniversary of ASEAN-Japan relations. Thein Sein government emphasised the strategic importance of increasing Japan-ASEAN Cooperation for the region (President's Office Republic of Myanmar, 9 October 2013). The Japan-ASEAN members have come a long way by cooperating together based on the values of mutual respect, understanding and friendship. These multilateral interactions help these countries to work together with the ASEAN countries to develop common solutions to the regional problems. These countries have realised the importance of working together, which can also help to effectively work to meet the challenge of a rising China in the region.

4.6 CONCLUSION

The democratisation process in Myanmar has definitely given a positive push to Myanmar-Japan relations. With the transformation from military to civilian government in 2011, its leaders have been able to make more visits to Japan to seek their cooperation. The results of the 2012 by-elections marked a milestone in Myanmar's path to democracy. Both Thein Sein and Aung San Suu Kyi have been cooperating to get more assistance from Japan. This has also resulted in Japan increasing its commitment to promoting democracy in Myanmar. But Myanmar has a long way to complete its democratic transition and for that, it needs the help of Japan to support it. By releasing political prisoners as well as signed cease-fire agreements with ethnic groups, Myanmar has been making efforts to improve the human rights situation. The Japanese government is very keen to help Myanmar in its democratic transition. This is beneficial for ASEAN countries as this would prevent Myanmar from coming under the influence of China.

Though the international media believed that the 2010 elections were not free and fair, President Thein Sein's commitment to bringing about reforms to improve Myanmar's image has been welcomed by them. Myanmar opening up its economy has helped in regional cooperation. Through Japanese help and support, Myanmar is trying to bring the ethnic minorities in the mainstream. There has been a change in Aung San Suu Kyi's approach to Japan after the civilian government was formed. She has stressed the need for Japanese assistance for Myanmar's development. Japan also has been trying to engage with her, given the important role she plays in the development of Myanmar. With the NLD coming to power, the relationship is on a positive track and Japan has pledged its

active support behind the Aung San Suu Kyi government by providing huge aid for the promotion of democracy.

CHAPTER- 5

ECONOMIC RELATIONS BETWEEN MYANMAR AND JAPAN

INTRODUCTION

Economic engagement has played an important part in Myanmar-Japan relations. The economic relations between Myanmar and Japan have continued since the pre-Second World War period, despite huge economic differences between them. Myanmar needs capital and technology from Japan. On the other hand, Japan, being a resource hungry country needs to engage with Myanmar because of raw materials. The huge importance of Japanese aid could be assessed from the fact that the Ne Win government survived mainly on the Japanese aid. Japan continued to provide aid to Myanmar, even after the military takeover in 1988 which created a lot of controversy among the major powers. As a result, Japan had to strike a delicate balance between maintaining its alliance with the US and continuing its engagement with Myanmar (Strefford 2010: 35). The study of how under such circumstances these countries have sustained economic relations makes it an interesting one. Economic relations between the two countries came to comprise of trade, reparations and economic cooperation, the latter of which included investments and technical assistance. While the Myanmar government was desperate for the financial support, the Japanese side ensured that Japanese firms also benefited from the arrangements. The most important thing in this bilateral relation was that Japan did not interfere in Myanmar's internal policies.

This chapter shall focus on the history as well as the current complexities of the economic relations between Myanmar and Japan. The first section deals with a brief historical background of the Myanmar-Japan economic relations. The second section shall trace Japan's policy of ODA and investment in Myanmar and their role in influencing Myanmar's policy towards Japan. It will also examine the trends in bilateral trade between Myanmar and Japan. It shall also examine how the wavering off the debts and the offering of the fresh new loans from the Japanese side has provided a positive thrust to the bilateral relations. The quasi-civilian government coming to power in 2011 in Myanmar has resulted in a remarkable increase in Japanese aid. Japan was the first country who

enthusiastically responded to the new development by not only cancelling a large part of the debt but also providing new yen loans. The incentives behind Japan providing Myanmar have also been discussed. The importance of Japanese ODA in Myanmar-Japan relationship has also been analysed.

5.1 HISTORICAL BACKGROUND

Economic engagement between Myanmar and Japan began as early as 1899 when rice and sugar were traded between these countries. Myanmar considered Japan to be an important trading partner since it did not compete with the local businessmen, unlike India and China. In 1933 the Japanese exports had increased which resulted in the signing of an agreement in 1937 whereby Japanese cotton exports to Myanmar increased enormously. The Japanese traders were now able to compete along with the British traders in Myanmar. Aung San believed that “the help of Japan is important...Japanese investments in Myanmar, preferential treatment for Japanese goods, joining the yen bloc will be part of our new economic life” (Yoon 1971: 271). Hence, Japan from the earliest times had made connections with the Burmese businessmen which helped them to eventually play a significant role in Myanmar’s economy.

After the end of the Second World War, most of the members of the “Thirty Comrades” were a part of the administration, which helped in getting huge economic assistance from Japan, and when Ne Win was in power, he was criticised for surviving on Japanese aid (Kudo 2007:4). Though Myanmar was largely an agricultural economy, it also had huge supplies of tungsten, jade, rubies and timber.

In the 1950’s Burma was seen as one of the Asian economies with the most potential. It was the world’s largest rice exporter, exported oil to India, had timber, gems, minerals and good supplies of many other natural resources. It was also underpopulated, with a well-educated workforce and a parliamentary system (Steinberg 2012: 1).

All these factors ensured that after the Second World War, Myanmar was moving towards becoming the first “tiger” economy of Southeast Asia. Because of its rice production, Myanmar became the rice bowl of Asia. Before the Second World War, Japan was facing food shortage and Myanmar had provided 70,000 tonnes of rice to Japan at a very low price. The amount of rice that was exported increased very rapidly in the post-War period.

Japan imported 170,000 tonnes of rice in 1950 and it increased to 300,000 tonnes in 1954 (Nemoto 2007: 99). This favourable behaviour towards the Japanese was mainly, due to the close links between the “Minami Kikan” and the Burmese political elites who were a part of the “Thirty Comrades”.

The treaty signed between the Japanese Foreign Minister and the Burmese Industries Minister. Myanmar helped in building a special relationship with Japan. The economic condition of Myanmar was quite deplorable and hence, Myanmar was quite eager to sign the reparation treaty. Thus, with the signing of the reparation agreement with Myanmar, Japan emerged as a significant player to influence the political situation there. The Japanese government had agreed to pay “US\$ 200 million for war reparation through the services of the Japanese people and goods of Japan over a period of ten years and US\$ 50 million for economic development assistance” (Peace Treaty between Japan and the Union of Burma, 1954, Article V).

This reparation treaty was quite significant for Myanmar-Japan relations since it laid down the foundation of future aid for Myanmar. Myanmar was the first Southeast Asian country to sign the reparation treaty which paved the way for the other Southeast Asian countries like the Philippines, Indonesia to also quickly sign the treaty. This treaty also pointed out how Japan in order to make the arrangement beneficial to it, decided the amount of reparations for each country (Dower 1979:457). Japan was also able to decide that it would pay in goods and services, which would help in creating a market for its goods in Myanmar.

A large part of “this aid was used for the “building of the Baluchaung Dam in Karenni State and four major industrialisation projects: light vehicle production, heavy vehicle production, farming machinery production, and electrical machinery production to promote industrialisation in Myanmar” (Nemoto 2007: 98).

These projects, except for the Baluchaung Hydropower project, did not result in much success since the main purpose of Myanmar’s self-sufficiency in terms of Burmese made parts could not be achieved. The Japanese companies like Mazda, Hino, Kubota and Matsushita continued to supply parts to the factories. The Japanese company, Mazda had manufactured jeeps which were commonly used by the Burmese people. But still, these projects continued to receive ODA amounting to 140 billion yen till 1987. Finally, after 1988, these projects were abandoned due to

criticism that there was no success even after so much aid (Seekins 2007:61-62).

The Baluchaung Hydropower Plant was the first and largest project that Japan has supported as a post-war construction project, which met 24 percent of the country's power supply (MOFA, Japan 10 May 2002). The Japanese companies Nippon and Kajima were heading the construction work. Renovations and upgrades of the power plant have also been carried out with Japan's assistance through the decades. Several Japanese companies were allowed to operate till the early 1960s and even received official encouragement through the investment policy statement 1955 of the government and the Union of Burma investment Act, 1959.

During the 1970s, Ne Win realised that his policies were ineffective in bringing about self-sufficiency. There was an acute shortage of food, inflation and this led to protests by the public. In order to overcome these problems, he began to accept ODA from Japan to deal with the on-going economic and political crisis. The Japanese government started assisting the Ne Win government through various ways, by "giving yen loans from 1968, general grants in 1975, cultural grants in 1976, food production grant in 1977 and debt relief from 1979" (Kudo 2009:270). Ne Win also undertook some reforms to get aid from the World Bank. Due to Myanmar's past record as a responsible debtor, helped it to get aid during the late 1970s (Trager and Scully 1978: 79-87).

The World Bank and Japan, along with ten other donor countries also formed the Burma Aid Group met in Tokyo in 1976 and agreed upon some recommendations for Myanmar's economic development (Seekins 2007: 77). Japan also provided help through multilateral channels, like ADB, which Myanmar had joined in 1974.

Table 1: Japanese Aid to Myanmar by Sector, 1978-87 (in billions of yen)

Sector	Amount	% of Total	Average Cost of Projects	(Numbers)
Planning Administration	0.9	0.3	0.9	1
Public Utilities, public work	65.7	21.2	4.4	15
Agriculture, fishing	58.4	18.9	3.4	17
Mining, manufacturing, energy	87.2	28.2	5.4	16
Commerce, travel industry	0	0	0	
Human Resources	6.9	2.2	0.9	8
Health, medicine	8.3	2.7	1.0	8
Social Welfare	0	0	0	
Other	82.5	26.5	20.5	4
Commodity loans	79.0	25.5	7.2	11
Total	309.4	100.0	4.5	69

Source: JICA, Series Number 79, September 1989, p-19-38

After the 1970s, the Japanese aid had increased significantly for Ne Win had changed its economic policies. Myanmar was ranked among the top five as one of the largest recipients of Japan's ODA in 1985 and 1986. From the above table, it can be deferred that the Japanese loans and grants concentrated in the mining and manufacturing, energy sector, public works and commodity loans. These aids helped in increasing Japanese exports since most of the times, the Japanese government supplied the components, which resulted in the rise of Japanese goods in Myanmar. Through these grants, Myanmar was to develop to infrastructure, but at the same time, the Japan also prospered by getting a market for their goods. The Japanese government provided agricultural aid, which helped in increasing the rice production. The Japanese aid was not forthcoming in the healthcare, social welfare and human resource sectors. The Japanese did not consider these sectors to be much profitable. In 1987, Japanese ODA constituted 20 percent of Myanmar's national budget providing US\$ 1.94 billion (Oishi and Furuoka 2003:898). Thus, it is evident that Japan continued to give aid to Myanmar to deal with the on-going economic and political crisis in the country during Ne Win's rule and hence, the relationship had reached its peak during this time.

Despite an increase in foreign aid, Ne Win's isolationist policies had damaged Myanmar's economy so much that it could not repay its foreign debt in 1987. As a result, it had to accept the status of Least Developed Country (LDC) at the UN General Assembly in 1987. The rice exports to Japan had also reduced due to less rice production. This had resulted in food shortages for the first time in Myanmar. Ne Win's economic policies pushed the country into bankruptcy and it became totally dependent on Japanese ODA. Japan advised the Ne Win government to undertake reforms in order to receive aid from Japan. The Japanese exports were far greater in value compared to Myanmar's exports. Thus, Japan was benefitting from this scenario. This led to many scholars to criticise Myanmar's policy of aid management. Moreover, most of the aid was used for mining, manufacturing and energy sector instead of improving the condition of the public. Ne Win took steps to liberalise the economy, but within a few days, he had announced the demonetization of currency. Though this policy was aimed at eliminating black market merchants, it affected the common people, resulting in protests against the government. The Burmese people had long been suffering economic hardships and political oppression which finally resulted in mass protests against the government in 1988.

5.2 THE JAPANESE ODA TO MYANMAR

The Japanese government's definition of the term ODA includes grants, technical aid, and concessional yen loan, along with non-concessional lending provided by the Import-Export Bank of Japan. Initially, the MOFA along with JICA deal with the implementation of ODA, but after 2008 JICA became the sole ODA implementing body (Japan's ODA White Paper 2014:148).

The Japanese ODA has played an important role in strengthening the economic and diplomatic relations between these countries. Since 1954 Myanmar has received aid from Japan in one form or the other. Initially, Japan provided war reparations, but later it started to provide ODA to Myanmar. The amount of ODA was small in the beginning as Ne Win; who ousted U Nu in a military coup in 1962, introduced a policy of the "Burmese Way to Socialism". However, from the late 1970s, Myanmar changed its isolationist policy in order to receive ODA from Japan. Without the Japanese aid, Myanmar could not have handled the economic crisis during the 1970s and 1980s. the Ministry of International Trade and Industry (MITI) reported that the grants and loan aid had 450 percent from 1976

to 1977 (MITI 1978:424). Throughout Ne Win's rule, Myanmar had been one of the largest aid recipients of the Japanese government. By 1987, Japan's ODA constituted 20% of Myanmar's national budget, making up 71.5% of the total foreign aid that Myanmar received (Oishi and Furuoka 2003:898).

Till 1988, Myanmar had placed Japan in a pre-eminent position since it was the highest aid donor. But with the SLORC coming to power in 1988, Japan had to put a freeze on new loans due to the pressure from the US. The Japanese government agreed to resume its ties with Myanmar both for diplomatic and economic reasons. It was important for Japan that Myanmar does not get too close to China, which would affect its interests in Southeast Asia. Moreover, at a time when countries like Korea, Thailand and China had established ties with the military government, Japan did not want to be left out. Soon after the establishment of SLORC, a leading Japanese economist commented on the need to keep politics out of aid policy

this is a difficult problem. I may be misinformed, but because aid is a part of diplomatic relations between countries, there is no other alternative but to work with the existing political regime (Diplomacy Forum 1988: 35).

Despite Japan's decision of a ban on new loans, it provided aid for projects that have agreed upon before 1988. On July 24 1990, the Japanese announced a US\$23.3 million debt relief grant, which was a reward for the military government's decision to hold elections.

Despite any substantive improvement in the human rights condition by the military government, till 1993, Japan continued to be the highest aid donor to Myanmar (Oishi and Furuoka 2003: 899). The Japanese government had realised that most of the neighbouring countries of Myanmar like China, Singapore, Thailand, and Malaysia had started investing in the country to have a share of the rich natural resources. As a result, the Japanese government ordered the Keidanren to conduct a survey regarding the conditions for doing business. According to the report, there were a number of obstacles like poor infrastructure, the gap between official and free-market exchange rates, insufficient financial and legal framework (Yoshimatsu 2004: 417). Despite this report, most of the Japanese industries had expressed interest in doing business in Myanmar. The report recommended that the Japanese government should expand its ODA to Myanmar which

would eventually lead to an expansion of business opportunities there (The Daily Yomiuri 1 March 1996 mentioned in Yoshimatsu 2004:418).

In 1995, Myanmar received 1 billion yen as agricultural aid from Japan. This was Japan's way of encouraging the military government to quickly release Aung San Suu Kyi from house arrest. This was a huge amount of aid for the military government since the time it came to power (Yoshimatsu 2004:416). This actually paved the way for her release and the military government was further rewarded with 1.6 billion yen for the construction of a nursing school in Rangoon in 1996 (Oishi and Furuoka 2003: 900). These are Japan's positive trend of ODA to support the military government in their efforts to improve the human rights condition. Though the military government was happy with the Japanese government's decision, Aung San Suu Kyi had criticised this action as she believed that the military government did not bring about any major changes in its policies to be rewarded by Japan.

The military government had been using the Aung San Suu Kyi card to get ODA from Japan. When they were in need of Japanese assistance, they played the politics of releasing Aung San Suu Kyi from house detention. After Myanmar authorities release Aung San Suu Kyi from house arrest in 1995, Japan restarted its ODA on a limited basis "for those projects committed before 1988 and projects which would directly benefit the people of Myanmar by addressing their basic human needs, on a case-by-case basis" (Strefford 2007:68). Unfortunately, the military government failed to make much progress towards reforms and thus, Japan's hands were tied to resume full-scale aid. Japan could only provide grass-roots assistance through NGOs during this time (Yoshimatsu 2004:419).

The military government was disappointed that the Japanese government was not forthcoming with its aid. The Japanese government was on a look out for an opportunity to resume loans to the military government. On March 1998, "Japan finally decided on disbursing a yen loan of 2.5 billion solely for safety-related repairs to facilities built as part of the Yangon International Airport Expansion Project, which is one of the pre-existing yen-loan aid projects" (MOFA, Japan 1999). This project was started by these countries in 1986 and the Japanese government had paid 4.2 billion yen, but this project was stalled after the "8888" incident. The resumption of the yen loans for this project created a controversy. Aung San Suu Kyi openly criticised the funding of this project as non-

humanitarian assistance by the Japanese government. The US also strongly condemned this resumption of yen loan to Myanmar. Even within the ruling party in Japan, there was a disagreement over this issue. The LDP was in favour of a resumption of ties, but its two coalition partners-SDPJ and Sakigake did not approve of the decision. After a lot of convincing by the LDP, the other parties finally agreed to resume loan assistance to Myanmar.

The Japanese Prime Minister Junichiro Koizumi had defended their decision by arguing that the Japanese policy towards Myanmar was different from the policy taken by the US and EU (Burma Information Network 28 June 2003). The Japanese government had followed the policy that “economic development and stability form important foundations to democratisation and the introduction of a market economy” (MOFA, Japan 1995). When Japan was forced to suspend its aid in 2003, the Japanese Senior Vice-Minister for Foreign Affairs Tetsuro Yano, who had just returned from a one-day trip to Yangon in 2003, showed considerable discomfort. He had said that,

some may say that we should stop ODA unless the situation is resolved as soon as possible, but I strongly conveyed our [Japanese government's] request that Myanmar resolve the situation, in part so that Japan and Myanmar will be able to continue the friendly bilateral relations they have had so far. . . I think that, under these circumstances, it is extremely difficult to extend further ODA, but on the other hand, I am increasingly determined that we should resolve the situation as soon as possible and resume our normal bilateral relations (Seekins 1999:14).

He had brought a letter from the Japanese President for the Chairman Than Shwe and supporting the military government had said that

all right if you put off answering for one day, two days; we will wait until the answer is given.’ The Japan's Foreign Minister, Yoriko Kawaguchi, when asked whether she had any timeline or deadline in mind for Aung San Suu Kyi's release, said: ‘I think we should give the Government of Myanmar enough time to take the decision regarding her release (Seekins 1999: 14).

This shows the casual attitude of the Japanese ‘stick’ policy for the military government. Thus, the military government continued to have the Japanese support even though there were pressures from the US to stop giving aid to Myanmar. This was the result of the growing Chinese interest in Myanmar. China had started helping out the military government after sanctions were imposed by the US. The ASEAN countries mainly, Singapore, Thailand and Malaysia had also increased their investments in Myanmar. Japan

did not want to lose out on the economic opportunities in Myanmar to any other country. The Japanese had implemented a strategy of a unity of politics and strategy instead of separating economics from politics to gain a foothold in Myanmar. By continuing to provide humanitarian assistance, Tokyo kept the diplomatic channels open, unlike its counterparts in the West.

Than Shwe mentioned to Ambassador Takashi that the Myanmar had a very positive image of Japan and he further said that “Myanmar got its independence due to Japanese aid”.

Ambassador Tajima Takashi mentioned that

because I had managed to increase aid and built up a good relationship with Myanmar government, I was able to speak frankly to the leadership and pushed for Suu Kyi’s release. At that time, Myanmar was also on good terms with China so there were areas where only myself and the Chinese ambassador could go (Yoshimatsu 2004: 422).

The Japanese were always seeking an opportunity for the resumption of full-scale loan aid projects.

Myanmar and Japan had been increasing their economic linkages by establishing a number of associations like the Chamber of Commerce and Industry of Japan in Yangon and the Japan-Myanmar Business Council of the Chamber of Commerce and Industry (Yoshimatsu 2004:420). In November 1998, the Japan-Myanmar Business Cooperation Committee was established for training the businessmen and government officials of Myanmar. In his inaugural speech at the opening the Committee, SLORC’s Secretary One Khin Nyunt stated that “(t)he relations between Myanmar and Japan have been characterised by close friendship, mutual understanding and genuine goodwill. It is based on this firm foundation that concerted efforts should be made for long lasting friendship between the peoples of Myanmar and Japan” (Nyunt September 1998). These efforts were aimed at improving economic cooperation between these countries.

The first Japanese Cabinet Minister Takashi Fukaya of MITI visited Myanmar in May 2000 where he promised “US\$ 500 million assistance package to the regime to develop its human resources and nurture small and medium-size firms as a reward for its transition to market economy” (The International Herald Tribune 1 June 2000 mentioned in Pongyelar 2007:7). After Aung San Suu Kyi’s arrest in 2000, the Japanese aid was reduced. After her release in 2002, the Japanese government resumed its ODA to Myanmar to improve

Myanmar's information technology sector (Pongyelar 2007: 8). In 2003, under the US pressure, Japan had to announce a freeze on new ODA to Myanmar.

Though the Japanese government announced to stop aid after the house arrest of Aung San Suu Kyi in 2003, it provided 344 million yen as a part of its effort to help Myanmar in dealing with deforestation in the central part of the country human resource development scholarships to the value of about US\$4.86 million. In addition, Tokyo has provided nearly 30 small ODA grants to non-governmental organizations for various operations in Myanmar (The Irrawaddy October 2004).

John Badgley wrote that

Japan's interests and policies towards Myanmar have been more consistent than those of any major power. Since recognising U Nu's government in 1948, Japan has offered a steady stream of loans and grant aid, and more non-military assistance than any other country in the past half-century (Badgley 2004: 19).

Due to the positive attitude of the Japanese aid, the military government had taken steps to bring democracy. Various institutions like the Sasakawa Peace Foundation (SPF) and the Nippon Foundation has taken an interest in Myanmar's economic development. Since 1999, SPF has provided almost US\$4 million in grants, most of which were for human resource development and capacity building. The Nippon Foundation has also provided almost US\$ 73 million since 1976, pursuing programmes in such areas as rural access to traditional medicines, assisting those with disabilities, and providing support for conflict-afflicted communities (Steinberg 2015: 12).

Table 2: Japan's ODA Disbursements to Myanmar (US\$ million)

Year	Grant Aid	Technical Cooperation	Loan	Total
1988	81.69	9.56	168.29	259.55
1989	40.36	3.52	27.53	71.41
1990	30.18	3.16	27.98	61.32
1991	37.17	4.54	42.81	84.52
1992	31.58	4.98	35.51	72.06
1993	35.98	5.77	26.86	68.61
1994	99.95	7.37	26.49	133.82
1995	139.27	12.16	-37.19	114.23
1996	101.98	9.87	-76.65	35.19
1997	55.15	9.28	-49.59	14.83
1998	47.01	11.01	-41.94	16.09
1999	9.08	15.47	9.36	34.13
2000	17.97	22.38	11.43	51.7
2001	33.64	27.10	9.12	69.86
2002	30.03	35.21	-15.84	49.39
2003	18.52	24.56	-	43.08
2004	8.41	18.41	-	26.81
2005	6.65	19.03	-0.19	25.49
2006	6.32	16.46	-	22.78
2007	4.34	15.62	-	19.96
2008	9.04	18.47	-	27.51
2009	9.40	17.28	-	26.68
2010	11.34	16.62	-	27.96
2011	9.14	16.65	-	25.79
2012	240.94	36.25	1897.72	2174.91
2013	153.93	58.77	487.14	699.84

Source: S.Javed Maswood (ed.) (2001), *Japan and East Asian regionalism* London: Routledge, p. 79; Japan's ODA White Paper, 2002-06, JICA Report (2014)

From the above figure, we can observe that there has been an inconsistent trend in the level of Japan's ODA to Myanmar. The ODA is divided into grant aid, loan aid and technical assistance. In 1988, Japan provided a total amount of US\$ 259.55 million and the following year Japanese ODA had dropped to US\$ 71.41 million. From 1988 to 2013, Japan has provided total grant aid of US\$ 1394.28 million. In technical cooperation, Japan has given a total amount of US\$ 506.77 million and the loan aid provided by Japan amounts to US \$ 3487.5 million. Overall, Japan had provided a total ODA of US\$ 5386.99 million to Myanmar during the period between 1988 and 2013.

The total ODA has shown a decline over the years from the peak of 259.55 in 1988 to 25.49 in 2005. The major reason for the decline of the total ODA since 1988 was the change in Japan's policy towards the military regime of Myanmar which came into power in September 1988. The human rights violation by the military regime and the suppression of the democratic movements in the country changed Japan's ODA policy towards Myanmar. In 1991, Japan increased its ODA marginally after the military regime indicated signs of releasing some political leaders. There was resurgence in grant aid to Myanmar from 1993 reaching a peak in 1995. In 1994 and 1995, the Japanese ODA reached US\$ 133.82 million and US\$ 114.23 million respectively. The reason for the increase in the Japanese ODA can be attributed to NLD leader Aung San Suu Kyi's release from house arrest in 1995. However, since then there has been a sharp decline stabilising only after 1999 and has more or less remained so at that level. However, Japan continued to provide ODA to Myanmar even though there was not much improvement in the process of democratisation and human rights.

From 2011 onwards, Myanmar started receiving large scale assistance from Japan in the field of developing infrastructure as well as urban planning due to the request of both Thein Sein and Aung San Suu Kyi. Between 1988 and 2013 Japan has provided a total grant of US\$ 1394.28 million. Most of these grants to Myanmar have actually been in the form of debt relief. Grant aid is also given to Myanmar for important projects such as the eradication of drugs, reduction of maternal and infant mortality rates, the Baluchaung Hydropower Plant. After Myanmar opened its economy in 2011, Japan became the first country to cancel its debts and start providing new aid to the country. In 2012, Myanmar replaced Vietnam to become the highest ODA recipient of Japan.

There is less fluctuation in Japan's technical cooperation with Myanmar. However, it had remained low exhibiting only a slight increase since 1988. But it has increased at a fast pace since 2012. From 1988 to 2013, the total amount of Japan's technical cooperation with Myanmar is about US\$ 506.77 million.

Loan aid to Myanmar has sharply declined over the years, even indicating negative figures from 1995 to 1999 and also in 2002. Since 1988, Japan has stopped most of the loan aid to Myanmar except for repairing the Yangon international airport. There were mainly two reasons behind Japan's inability to give further loans to Myanmar. Firstly, the military government was not able to pay back the amount borrowed before 1988 and hence, the Japanese government could not provide new loans. The second and the most significant reason was the political chaos and the human rights abuses by the military government. But since 2011, the Japanese government has provided loan aid to the Myanmar government to improve infrastructure in Thilawa. Myanmar has also requested Japan for a loan for Dawei SEZ which is a joint venture between Thailand and Myanmar.

JAPANESE ODA PROJECTS IN MYANMAR

Some of the ODA projects sponsored by Japan in Myanmar have been discussed in this section. In order to improve the livelihood of the farmers, JICA launched

the Small-scale Aquaculture Extension Project for Promotion of Livelihood of Rural Communities in Myanmar in five municipal zones in the southern delta region of Myanmar in June 2009. Under this project, the farmers are given assistance to cultivate freshwater fish in small ponds and paddies in their villages (ODA White paper 2012).

The Japanese government has also announced to help Myanmar to deal with the ethnic minorities, especially in the field of agriculture. In the northern part of the Shan state, Japan has provided assistance to the people by distributing drug crop alternatives.

While in the southern part of Shan state, Japan provided technical cooperation in developing sustainable agriculture. In the Chin state, Japanese technology was used for the cultivation of medicinal plants. Apart from the agricultural field, Japan also provided aid in various fields such as health, food and human security. The Japanese government provided assistance to improve maternal and child health in the Kokang Self- Administered Zone of Shan State (Grant Assistance for Japanese NGO Projects used

by AMDA Multisectoral and Integrated Development Services) (MOFA, Japan ODA White Paper 2012).

Food aid was provided in six states; including Rakhine and Shan 14 million yen of Grant Aid in collaboration with the UNWFP, and assistance for internally displaced people (200 million yen) was implemented through the UNHCR. Also, for refugees who fled to Thailand, Grant Assistance for Grass-Roots Human Security Projects was used to provide fireproof facilities and disaster risk reduction training (9.8 million yen), as well as to build vocational training centres (¥14 million) at 9 refugee camps in Thailand. Japan appointed Mr. Yohei Sasakawa, Chairman of the Nippon Foundation as “Special Envoy of the Government of Japan for National Reconciliation in Myanmar” in February 2013 in order to embody and contribute to the progress of national reconciliation in Myanmar (Japan ODA White Paper 2012).

In 2012, when Shinzo Abe came to power, he has strongly emphasised that Japan’s aid to Myanmar would help in furthering democracy in the country, which was also reiterated in the 2012 ODA White Paper that “Japan’s intention was to strengthen democracy abroad, but also prioritised it above traditional focuses of Japanese foreign aid such as human security and hard infrastructure assistance” (MOFA, Japan ODA White Paper 2012).

Japan helped in the construction of thirteen primary schools which were also cyclone shelters in the Irrawaddy region, which was badly affected during the Cyclone “Nargis” which had hit Myanmar in 2007. These shelters were useful when Cyclone “Mahasen” was about to hit Myanmar in May 2013 (MOFA, Japan 2015). In November 2014, the Japanese government had also provided three ferries to help with transportation for commuting and shopping. They have been named cherry and is considered to be a symbol of Myanmar-Japan friendship (MOFA Japan 2014).

Throughout the military government rule’s, Myanmar continued to receive ODA from Japan consistently under ‘humanitarian assistance’, which points to the fact that Japan wanted to enhance its economic and political clout in the country.

GRASSROOT GRANTS PROGRAMME

The Japanese government started GGP in 1989 to support the NGOs and other local bodies in developing countries who are working in various sectors- agriculture, mining, education, health and transportation and energy sectors. This programme is known for its ability to quickly respond to the basic needs of the people. It had achieved huge success in Myanmar which was under economic sanctions at that time (MOFA Japan 2001). These programmes

are very effective in timely meeting the needs of the people since they are not under the control of the central government. These activities help the military government in the political development and help improve the livelihood of the people. This assistance is expected to benefit the people of Myanmar and further help in deepening their relationship. The Japanese government has provided assistance under this programme even during the military government's rule. This assistance was considered to be a part of the humanitarian aid. In 1995, Japan provided medical help to the MMCWA (Myanmar Maternal and Child Welfare Association) in Myanmar under this programme. In 1997, it also had paid US\$ 1.1 million under this 'grassroot grant programme' (Houtman 1991: 151). After the civilian government came to power in Myanmar, the Japanese government wants to support its efforts towards democracy and hence, it is helping the Thein Sein government so that the fruits of development can reach the local people as well.

5.3 JAPANESE INVESTMENT TO MYANMAR

Japanese companies were permitted to operate till the early 1960s and received official encouragement through the Investment Policy Statement, 1955 of the government and Union of Burma investment Act, 1959. However, the military coup of 1962 where General Ne Win came to power adopted a policy of international isolation in his bid to pursue "The Burmese Way to Socialism". This period was characterised by nationalisation and curtailment of FDIs. In 1988, the new military junta which took over the power from the Ne Win government embarked upon a policy of economic liberalization for a brief period and the Japanese companies were interested in investing in Myanmar due to its huge economic potential. Therefore, Japan has been providing FDI to Myanmar from time to time. The table below shows the Japanese FDI towards Myanmar from 1988 to 2014.

Table 3: Japanese Investment to Myanmar (in US\$ million)

YEAR	INVESTMENT
1988	-
1989	-
1990	1
1991	0
1992	-
1993	-
1994	1
1995	23
1996	10
1997	4
1998	2
1999	10
2000	10
2001	-
2002	-
2003	-
2004	-
2005	-
2006	0
2007	0
2008	4
2009	4
2010	10
2011	56
2012	54
2013	55
2014	85

Source: Japan External Trade Organisation (JETRO), ASEAN Statistical Yearbook 2012, pp.125-143, MIC September 2014

Note: "0" indicates an amount of less than one million US \$

"-" indicates no investment record during the corresponding period

The Japanese investments in Myanmar have been marginally low since the political change in 1988. During the first two years of SLORC, Myanmar did not receive any investments from Japan. Then in 1990, with the little progress in the bilateral relations between the two countries, Myanmar received investments from Japan of about US\$ 1 million. The following year Japan reduced the investment in Myanmar below US\$ 1 million. On 30 November 1988, the military junta passed the Foreign Investment Law (FIL) in order to integrate the economy with the world economy (McCarthy 2000: 235). But the principles restricted the foreign investors in their functioning. Moreover, there was a lack of transparency in the military regime's political and administrative systems. The number of Japanese companies in the Japanese Chamber of Commerce and Industry Yangon was 60 in the fiscal year of 1996. It increased to 86 in 1998 but started declining since 1999. The Japanese investments in Myanmar have been very fluctuating mainly because of Japan's helplessness due to the US pressure not to increase investments. Due to the military regime's Foreign Investment Law, the Japanese companies were unwilling to invest in Myanmar. From 1962 to 1988, Japanese companies Mazda and Hino transferred their automobile technology to Myanmar Automobile and Diesel Engine Industries (MADE) as an import substitution industrialisation policy¹ of Myanmar as a part of the compensation of Second World War. It stopped its production for a short time in 1988 due to the military coup in Myanmar. Though, it started production base in 1988 but on a strict control of imports. “At that time, MADE, SPA and Suzuki established Myanmar Suzuki and produced Wagon R locally. After some time, the production was stopped due to difficulty in getting parts from Japan” (Sadio and Aung 2015). This figure shows that in 2005-07, there were no Japanese investments. After 2011, Japan has responded enthusiastically to take advantage of the investment opportunities in Myanmar. There has been a “gold rush” among the Japanese companies whose numbers have increased more than double, 53 companies in 2011 increased to 133 by the end of March 2013 (The KW Network 22 July 2014). Most of those companies are involved in the service sector and they hope to start manufacturing plants in Myanmar. Some of the big Japanese trading companies like Mitsubishi Corp., Marubeni Corp., Mitsui & Co. Ltd. and Sumitomo Corp. have been

¹ It is a government policy to replace imports by production in the domestic market. Its main objective is to reduce foreign dependency by local production mainly of industrial goods (The SundayTimes 6 November 2011)

moving aggressively to invest in Myanmar after the sanctions were lifted. Suzuki has also announced to start a production site in the Thilawa Industrial area. The Japanese decision to forgive Myanmar's huge debt has paved the way for more investments.

5.4 BILATERAL TRADE BETWEEN MYANMAR AND JAPAN

Trade between Myanmar and Japan can be traced back to mid twentieth century when Japan started its occupation of Southeast Asian countries. During this time Myanmar was one of the richest economies of the Southeast Asian countries. Myanmar was one of the leading exporters of rice. The value of Japan's import from Myanmar in the financial year 1988 was US\$ 33.94 million. The Myanmar government reports showed that Japan remained the largest single-country source of imports in the post-1988 period, accounting for 40.3 percent of imports in 1987-88, 16.3 percent in 1990-1991, and 28.6 percent in 1992-1993 (Economist Intelligence Unit 1995: 94). By 2005, Myanmar's export value stood at US\$ 182.78 million. Export commodities from Myanmar to Japan include agricultural products, marine products and forest products. Myanmar needs finished goods as well as technology from Japan while Japan needs natural resources from Myanmar. Japan's exports to Myanmar include agricultural machinery, electronic goods, scientific and medical apparatus, motor vehicles and their parts and other consumer goods.

Table 4: Trade balance between Myanmar and Japan (US\$ million)

YEAR	IMPORTS	EXPORTS	TRADE BALANCE
1988	190.40	33.94	-156.46
1989	115.89	38.91	-76.98
1990	115.89	49.57	-66.32
1991	91.06	55.46	-35.6
1992	99.34	51.32	--48.02
1993	91.06	65.40	- 25.66
1994	57.12	63.74	6.62
1995	124.17	72.02	-52.15
1996	231.79	91.06	-140.73
1997	215.23	99.34	-115.89
1998	198.67	99.34	-99.33
1999	173.84	99.34	-74.5
2000	173.84	107.61	-66.23
2001	190.40	99.34	-91.06
2002	115.49	115.89	0
2003	115.89	132.45	16.56
2004	91.06	157.28	66.22
2005	82.78	182.12	99.34
2006	44.23	56	11.77
2007	109.2	155.2	46
2008	102.33	147.23	-44.9
2009	94.43	142.23	-47.8
2010	91.06	212.56	-121.5
2011	513.25	1296.24	-782.99
2012	556.23	1749.38	-1193.15
2013	236.18	980.19	-744.01

Source: Statistics Bureau and Statistical Research and Training Institute, Ministry of Internal Affairs and Communications, Government of Japan and MOFA, Japan, 2009

From the above figure, it can be seen that from 1988 to 2001, the trade balance as was in favour of Japan as the value of the goods imported from Japan was higher than the goods which were exported to it, except in 1994 when the trade balance was in Myanmar's favour with US\$ 6.62 million. In 2002, trade balance was zero, which means that trade balance was neither in favour of Myanmar nor Japan. Then, from 2003 to 2005, the trade balance was in favour of Myanmar. Japan is Myanmar's sixth largest bilateral trade partner behind China, Thailand, Singapore, South Korea and India with a total trade value standing at US\$ 822.4 million in the last fiscal year of 2011-2012. From 2000 to 2002, around twenty experts from both Japan and Myanmar cooperated to devise a road map for the rehabilitation and reconstruction of Myanmar's economy. Though they had submitted the report to Myanmar Prime Minister Khin Nyunt in 2003, it had not been put to effective use by the Myanmar military government (Asia Society 2010: 65). After 2007, the bilateral trade between these countries began to rise and after the opening up of the economy in 2011, several Japanese companies have expressed their interest in starting joint ventures with Myanmar companies. "Most of the people in Myanmar prefer high-quality Japanese products over cheaper Chinese products, which is one of the reasons behind increasing Myanmar-Japan trade in the recent years"(Lyn, Joint Secretary One, Myanmar Institute of International and Strategic Studies, 18 March 2016).

5.5 IMPLICATIONS OF THE JAPANESE AID TO MYANMAR

Myanmar and Japan have always shared very close relations irrespective of what kind of government was in power. Myanmar has the most important economic relationship with Japan since the 1950s, which slowed down after the SLORC came to power, but again picked up after the civilian government came to power. For Myanmar, a country that traditionally viewed foreign regimes with great suspicion, a Japanese aid program that did not demand any condition attached to aid was viewed as attractive. After its independence, Myanmar was in dire need of aid, to spend a large amount to control the insurgency problem. Another problem was that the price of rice had reduced after the end of the Korean War. These problems forced Myanmar to sign the reparation agreement with Japan in 1954. Myanmar realised that it would benefit from Japan's aid policy. Myanmar had signed the 1954 reparation agreement whereby Japan provided US\$250 million over a

period of ten years. During the 1960s, Myanmar had cut off relations with all other countries as it thought that Myanmar would come under the influence of big powers and lose its independence. In such an environment, Japan was seen as a peaceful country with lots of business opportunities. During the Ne Win period, Myanmar became one of the largest recipients of Japanese ODA. Japan played a crucial role during this period when the government had completely isolated itself from the international community. Despite receiving huge amounts of aid, the Ne Win government was criticised for not spending the aid on the development of social infrastructures like education and health. Most of the funding was used to develop the military, due to Ne Win's suspicions about the big powers trying to invade Myanmar.

Japan had a huge economic presence through reparations till 1988 which helped Myanmar in its nation building process. After the 1988 coup where the SLORC took power, it sought aid from Japan since it was the only country which did not attach any political conditions to its aid programme. The SLORC needed Japanese assistance to survive when most of the countries had severed ties with it. Japan understood Myanmar's fear of foreign interference in internal matters and hence, it regarded the human rights condition as a part of domestic issues and did not criticise the government regarding its human rights situation. The Burmese lobby in Japan, which had influential members also contributed a lot in the increasing engagement between these countries.

Since the international scenario was not favourable to the military government, it tried to control the internal political crisis and hence, used the Japanese aid to modernize its army. Though it contributed to the economic growth of Myanmar, the Japanese aid failed to improve the conditions of the local people. Apart from developing the army, the Japanese aid was concentrated in the large-scale hardware projects, which helped in building the infrastructures of the country like, airport, dam and bridges, which served the military government's interests.

Japan had been viewed as a peaceful, non-threatening and stable country. Myanmar considered Japan to be a major economic country in Asia with whom Myanmar would be able to develop a strong economic relationship. Both these countries have complimentary needs. Japan has a lot of financial and technical advantages for Myanmar. Similarly,

Myanmar is rich in natural resources, which is of interest to the Japanese government. Myanmar is situated between two important players-China and India, which, boosts its opportunities and potential. Over the years, Myanmar has used the Japanese aid to maintain economic and political stability and the opening up of the economy and ongoing transition out of international isolation have further created opportunities for Japan to re-establish ties and for Naypyitaw to capitalise on its location and attract more investment from Japan. The civilian government has started using the Japanese aid to improve the livelihoods of Myanmar's people, fosters capacity building and institution development to sustain the economy and society, and help develop infrastructure and related systems necessary for sustainable economic development (Schoff 2014: 55).

5.6 ECONOMIC REFORMS UNDERTAKEN BY THEIN SEIN GOVERNMENT

Thein Sein had inherited a dysfunctional economy due to decades of isolation and sanctions imposed by the Western countries. He knew that the country was far lagging behind in terms of economic growth. So his main task was to bring about a market-oriented economy. This would also help to improve its image in the international community which was an all-time low during the military rule. As a result, when he came to power in 2011, he announced that he would bring about radical economic reforms to integrate Myanmar's economy with the global economy. There are a lot of expectations from these reforms to bring about substantial improvement in the lives of the people. Myanmar's geo-strategic location is ideal for trade and attracting foreign investment. Thein Sein is hence trying to diversify Myanmar foreign relations by stating that "we will make friends with all countries".

In 2011, President Thein Sein said that,

we have to ensure proper market economy designed to reduce the economic gap between the rich and the poor, and development gap between urban and rural areas. We will attract foreign investments and establish special economic zones to create jobs and technical know-how and we will provide assistance to national entrepreneurs for development of their industries and boost productivity (BurmaNet News 31 March 2011).

Some important economic reforms have been announced like the gradual reunification of the market and official exchange rates, the introduction of a daily foreign exchange auction

and the approval of a new foreign investment law which would help in removing the economic distortions. The government has also passed two new agricultural laws with important implications for land rights and land use, it is also thinking about privatising some state enterprises, and a new draft law is being considered to give the central bank greater autonomy to design and implement monetary policy (Nehru 2012: 3). Privatisation of state-controlled enterprises has resulted in reducing state control over major sectors of the economy. The new agricultural laws have been aimed at improving the livelihood of the farmers by allocating more agricultural loans. The government has simplified the exchange rate in order to attract foreign investment. The banking system was also revised by removing heavy transaction cost which affected its trade relations with other countries (Brookings Report 6 September 2012). The government is trying to improve the infrastructure in the country like the supply of electricity and technological know-how. Many economic experts from the US and EU have been invited to advise and assist in the reform process.

Under the SPDC, decision making was non-transparent with the actual power being in the hands of few individuals. But under the new government, there is an openness and transparency and it has stopped the policy of giving privileges and monopolies which had a huge impact on the military and political elites as well as businessmen having close relations with the military elites. These groups have the fear of losing control of monopolies as well as privileged access to permits, licenses, and major government contracts and hence have been opposing the Thein Sein government's actions. Tin Aung Myint Oo, Vice President, a hardliner had been trying to save the old economic system and prevent the economic reforms from being implemented. But his resignation paved the way for smooth implementation of reforms. Thein Sein has reshuffled many economic departments and appointed economists and reform-minded ministers for implementing necessary economic reforms (Nehru 2012: 3). They have suggested reducing barriers to trade in order to encourage investment and economic growth. Along with this, a few sectors have been identified like power, telecommunications and transport links to neighbouring countries, as well as, employment-intensive industry for investment priorities. In 2012, a new foreign investment law was formed, which was designed to help the foreign firms to operate freely and get tax exemptions and long land leases (Qingrun

2013:5). This has resulted in an increase among the foreign countries to invest in Myanmar. President Thein Sein has been called the ‘reform icon’ in Myanmar due to his efforts at launching sweeping reforms in Myanmar (Financial Times 4 April 2013).

Myanmar needs capital and technology from Japan. But the Japanese investors have expressed their concern regarding the transparency, stable political and economic as well proper rules for conducting business and investment. Hence, Myanmar has been trying to remove infrastructure, administration and policy related barriers to attract more Japanese investments.

5.7 RESPONSE FROM THE INTERNATIONAL COMMUNITY TO THE REFORMS IN MYANMAR

For more than two decades, the Western countries had tried hard to push Myanmar to bring about democratisation by imposing economic sanctions. After the 2010 elections, with Thein Sein becoming the President, it brought an end to the two decades of military rule in Myanmar. Immediately, after assuming office, he had embarked on a road to reform. The basic intention has been to re-engage with the international community for several years of isolation had reduced Myanmar to one of the poorest nation in Southeast Asia. The international community was surprised at the pace of its reforms and was highly impressed by the genuine efforts of the Thein Sein government. As a result, they strongly support Myanmar’s efforts for political and economic reforms. Thein Sein has also made an appeal to the international community that the democratic process is a slow process and hence, Myanmar needs their assistance in overcoming the challenges in their path.

Due to the genuine efforts of the government, the US decided to remove restrictions on investment in 2012. Similarly, the EU also announced to suspend all sanctions on Myanmar except the arms embargo. The strategic location of Myanmar-linking South Asia, Southeast Asia and East Asia, along with its rich natural resources and huge markets and cheap labour force, has attracted the international community to engage with the country. This was heralded as a new beginning for Myanmar. The reforms undertaken by Thein Sein have helped Myanmar to normalise its relations with the international community. Some of the Western countries have also opened their markets to Myanmar’s products at lower tariff. Several scholars are of the opinion that Myanmar should take advantage of its strategic location by opening up to trade, maintaining economic stability,

adopting “best fit” not “best practice” policies, and supporting manufacturing (Nehru 2012: 7). Thus, it is now up to Myanmar to work towards its promise to reform, so that these countries do not have turn back on their decision of lifting up of sanctions.

With the opening up of Myanmar, these countries are interested in accessing its unexplored business opportunities. According to the IMF, “Myanmar has a high growth potential and could become the next economic frontier in Asia”(Dawn 26 January 2012). The Thein Sein government has made debt clearance a top priority in its economic policies to start re-engaging with the international community. These reforms by Thein Sein encouraged the Paris Club (an informal group of creditors from industrialised countries), in clearing off the foreign debts owed by Myanmar. Myanmar cleared off the debts of US\$ 960 million to the World Bank and ADB with bridge loans from JICA (Financial Times 28 January 2013). Japan played an important role in convincing the Paris Club that Myanmar was on the right track and it resulted in writing off half of the debts. The World Bank and Asian Development Bank have promised US\$ 440 million and US\$ 512 million as loans to support Myanmar in its implementation of the economic reforms (Reuters 26 May 2013). Furthermore, the World Bank has decided to give a grant of US\$ 80 million to improve the conditions in rural areas of Myanmar by building roads, bridges and schools. It also promised an additional aid of US\$ 165 after Myanmar was successful in repaying its debt. This was important for Myanmar as it was the first aid promised by an international lending body in almost over a quarter decade (Pan 2014: 30).

5.8 MYANMAR REVIVING ITS RELATIONS WITH JAPAN

After coming to power, the Thein Sein government had acknowledged the Japanese government’s efforts in helping Myanmar’s successful transition from a military to a civilian government. Japan also quickly took steps for full engagement with Myanmar. The Japanese Parliamentary Vice-Minister of Foreign Affairs visited Myanmar in June 2011, which was the first visit of a high-level government official in three years; also coincided with the restarting of ODA for projects which would benefit the common people in Myanmar. The Japanese government thought that this aid would help Thein Sein in the economic development of Myanmar by providing aid to the ethnic minorities, medical treatment to the people, helping in human resource development, as well as infrastructural

development. In 2011, the meeting between Myanmar's foreign minister Wunna Maung Lwin and her Japanese counterpart Koichiro Gemba at Tokyo helped in revitalising the relationship between the two countries. This was followed by the members of the Japanese Business Federation and the Japan Association of Corporate Executives visiting Yangon and Nyapitaw to discuss economic opportunities with the Myanmar government as well as the Japanese businessmen. In 2011, both the Myanmar and Japanese government decided to collaborate in developing policies for education, health and governance.

In 2012, the Japanese Prime Minister Noda announced to exempt Myanmar from its debt of 303.5 billion yen (Shihong 2016: 167). The two sides agreed that Japan would fund infrastructure construction in Myanmar's planned Thilawa Special Economic Zone, particularly its port facilities. The Japanese government announced this just before the fourth Japan– Mekong Summit, in which Japan pledged to provide 600 billion yen in development aid and expertise to Myanmar, along with Thailand, Vietnam, Cambodia and Laos (MOFA, Japan 2011). The Japanese private sector also started engaging with Myanmar and it also led to the resumption of regular airline service for the first time in twelve years. This paved the way for other countries to start investing in Myanmar. In 2012, a new foreign investment law was legalised by the Myanmar government following the Thilawa MOU, which has also helped in the conclusion of an investment treaty between these countries. Many officials from Myanmar also visited Japan to convince the Japanese businessmen about the favourable environment there.

After Shinzo Abe came to power in 2012, there has been a flow of investments along with waiving off debt. Both the governments also shared the intention to work together in various areas such as acceleration of their work towards the early signing of a bilateral investment agreement, an enhancement of their efforts towards a bilateral agreement on technical cooperation and the development of the Thilawa SEZ, in order to strengthen bilateral economic relations including through trade and investment. When the Japanese Finance Minister Taro Aso visited Myanmar in January 2013, he promised to waive off Myanmar' 500 billion yen and also delivered US\$ 942 million and reaffirmed Japan's commitment to support Myanmar's democratic movement. He mentioned that "the Myanmar side has thanked us for waiving their debts, many times. Wing Aung, head of the Japan-Myanmar Association from Myanmar side also confirmed that, with the help of

Japan and its technology, we will be able to create jobs for the people and enter a new age of economic development” (Reuters 4 January 2013). After two months, the Japanese government announced to resume loans to Myanmar.

In 2013, Shinzo Abe visited Myanmar to announce Japan’s decision of waiving off the debt of US\$ 1.74 billion and also ODA loan US\$ 503 million for three projects. The Japanese government thought that the cancellation of the debts would help in re-starting the developmental assistance (Schoff 2014: 37). The first ODA loan was for the “Regional Development Project for Poverty Reduction Phase 1” which emphasised on the infrastructural development of the rural areas. The second ODA loan was for “Urgent Rehabilitation and Upgrade Project Phase 1” which was intended to resolve the power shortage problem in Yangon by upgrading existing power facilities. The third ODA loan was for Infrastructure Development Project in Thilawa Area Phase 1” (JICA, 7 June 2013). This marks the joint venture by Myanmar and Japan to develop SEZ near Yangon.

Shinzo Abe was accompanied by representatives from Japanese companies to interact with the prime minister and other ministers and businessmen in Myanmar. Around 300 Japanese businessmen visited Myanmar during the first half of 2012 alone. During his trip, Shinzo Abe also met Aung San Suu Kyi and he promised to help Myanmar to build hydropower system, high-speed communication network, water channels and roads (Shihong 2016: 163). This visit of the Japanese prime minister has helped in deepening economic ties between these countries. Japan has emphasised that their economic relationship is mutually beneficial. Myanmar is taking help of Japan to develop into a manufacturing base. During the Japan- ASEAN Summit in December 2013, Japan provided 63.2 billion yen as aid to help Myanmar in its infrastructural development (MOFA, Japan 15 December 2013).

In 2012, Thein Sein requested Japan to increase its investments in Myanmar which led to an MOU being signed between Japan’s giants: Mitsubishi Corp., Sumitomo Corp. and Marubeni Corp., the Japan International Cooperation Agency and the Myanmar government to develop the 2,400 hectare Special Economic Zone in Thilawa near Yangon that has displayed Japan’s good will and friendship as well as a principal alliance gesture that changed both countries’ regional politics and economic dynamics (Reuters 23 September 2015). Myanmar owns 51 percent of the share in the Thilawa project with the

government's Thilawa Special Economic Zone Management Committee owns 10 percent and the rest 41 percent is owned by Myanmar Thilawa SEZ Holding Public Ltd. (MTSH), which is a consortium of nine Myanmar companies. From the Japanese side, 39 percent is owned by MMS Development Co Ltd, led by three major Japanese firms Sumitomo Corp, Mitsubishi Corp and Marubeni Corp, and 10 percent is owned by the JICA (Myanmar Business Today 21 February 2014). The Japanese government gave 20 billion yen for the development of port and power facilities in the Thilawa SEZ. This has been the biggest Japanese investment project in Myanmar and huge strategic importance for both the countries. It is located on the outskirts of Yangon and is Myanmar's first ever SEZ. "Thilawa is going to be Southeast Asia's first industrial park where the financial, insurance and medical service sectors, light industries (labour intensive, but nontraditional sector), logistics and transportation sectors, new township and commercial sectors, and R&D, incubation, and vocational training are likely to form the major component of Thilawa" (Mishra 2014:3). This project is supposed to be completed by mid-2015 and once completed; it would have huge benefits for Myanmar in term of job creation, attracting foreign investment and setting up of local businesses.

Apart from this project, Myanmar has invited Japan to join as a strategic partner in the Dawei SEZ which is a joint venture between Myanmar and Thailand. These countries want to build a sea-port and an industrial zone near the Thai border, which has been stalled due to lack of funding. Hence, Myanmar has requested Japan to provide funding for this project, which would reduce transport time and increase shipping security (VOA 27 May 2013).

In 2013, the JICA announced that it would give US\$ 503 million for infrastructural development. It had already given US\$ 200 million for the development of Yangon as a part of the 30-year urbanisation plan. It has announced to help in the infrastructural development of the Greater Yangon city as a part of the 40-year strategic plan (JICA 7 June 2013).

Myanmar needs technology to develop its infrastructure and Japan has been helping by providing 17 billion yen for infrastructure construction and 14 billion yen separately to develop power supply in Yangon (Guangming Daily 25 May 2013). Myanmar has taken

help from Japan to develop its information and communication technology. The JICA also provided aid for the renovation of Yangon-Mandalay railway. Apart from this, Japan has also been providing support in the electricity sector by helping to set up thermal power stations which would meet Myanmar's power supply needs. Through these aids, Japan is trying to dominate the infrastructure construction sector in Myanmar.

Several analysts view these moves as part of President Thein Sein's strategic calculation to maintain an appropriate distance with China, which had virtually monopolized economic relations with Myanmar over the past twenty years. The Thilawa SEZ is seen as an attempt to counter Chinese influence in Myanmar. But both Myanmar and Japan have denied any such motives. Hence, Japan is willing to support Myanmar's development process to increase their influence in the country. Japan's medium-term and long-term loans have helped Myanmar in managing its economy.

Though there has been an increase in Japanese aid, investment in Myanmar that same year was only about \$US2.7 billion in 2012 (World Bank Report 2 October 2013). This was mainly, due to the challenges of doing business in Myanmar. JETRO mentioned in its reports about the problems in conducting business in Myanmar like the lack of critical infrastructures such as reliable electricity and clean water supply, roads and transport system. Despite these problems, Japan has opened several business support centres in Yangon for the Japanese businessmen to help promote trade and investment between these countries (JETRO 2013). Japan cancelled the arrears due after 2003 and for the pre-2003 payment dues, a small concessional amount was agreed to be paid by Myanmar to Japan.

Myanmar signed an investment treaty with Japan in December 2013 to enhance Japanese investments for infrastructure-related projects, including a hydropower plant by Marubeni; air transportation and related technology by Sumitomo, NEC, and Toshiba; a water supply project by Kubota; and a steel production joint venture between JFE Steel and Myanmar's Ministry of Construction (Schoff 2014).

After the NLD formed the government, Aung San Suu Kyi visited Japan in November 2016 to request for more investments. She mentioned about the success of the Thilawa project, which was going to begin its second phase of development. The main intention behind this visit was to convince Japan about the improved investment opportunities in Myanmar, which would enable more and more Japanese companies to invest in the country

(Reuters 1 November 2016). Over the years, the Japanese government had an experience of dealing with the military government, but now with the NLD being elected to power, both the governments trying to develop economic cooperation programmes to develop robust bilateral ties.

The political transformation of Myanmar has removed the major barrier in their path of active engagement. The Japanese government has been helping Myanmar in its economic reforms by waiving off the arrears and announcing new loans for it. Through their joint efforts, these countries would be able to bring improvement in the livelihood of the people in Myanmar. Japan has emphasised that Myanmar has benefitted from its economic cooperation with it. Japan is hopefully that Myanmar would be able to continue its progress in economic reforms which would help to diversify their economic relationship.

5.9 CONCLUSION

Japanese ODA has played a vital part in maintaining the bilateral relationship between Myanmar and Japan. After the sanctions imposed by the Western government on Myanmar, Myanmar stopped receiving aid for new projects, but it continued to receive aid on a humanitarian basis from the Japanese government. Japan had never completely cut off its relations with Myanmar. The ‘quiet diplomacy’ of the Japanese government resulted in the military government getting huge aid from the Japanese government. The Japanese government has used the ODA as a strategic tool to enhance its economic and political clout in Myanmar.

The civilian government coming to power in Myanmar has marked a new chapter in their relationship. The Abe government also quickly tried to cultivate its relationship with Myanmar. As a result, Japan once again regained its position as Myanmar’s largest economic development donor. There are strong incentives for both sides to continue economic engagement. Japan has been trying to capitalise on this situation by increasing its economic cooperation in Myanmar. Japan had a crucial role in helping other countries to re-engage with Myanmar. With improved economic and financial ties and pro-market reforms in Myanmar, bilateral trade is expected to increase. Myanmar has always considered Japan to be an important economic power. Myanmar’s economic engagement with Japan would help it to transform into a modern economy. Hence, Japan is trying to re-establish the influence which they once enjoyed during the Ne Win period. Myanmar can

never ignore Japan's role in the development of its economy. Myanmar-Japan economic relationship has huge potential, which both these governments have to explore.

CHAPTER SIX

CONCLUSION

Myanmar-Japan relationship is one of the most successful bilateral relationships for its ability to swiftly transform from a hostile one into an intense relationship. The relationship which began with the Japanese training several Burmese nationalists as a part of the “Thirty Comrades” had come a long way in creating an emotional bond between the political elites of both the countries. These personal ties played a significant role in the post-War era, when Myanmar formed an intense relationship with Japan. The Japanese economy was in a devastated condition after the Second World War and hence, the most immediate concern for the Japanese government was its survival. The Japanese government had realized that military conquest would not serve its interests and hence, wanted to re-enter Southeast Asia through its economic diplomacy. The Japanese government turned to Southeast Asia, especially Myanmar when it realized the huge economic potential in Myanmar, with its huge natural resources and cheap labour.

Myanmar-Japan relationship began in the post-War period with the signing of the reparation treaty in 1955, which played a crucial role in normalising relations between these countries. The Japanese government’s “quasi reparation” from 1963 till 1988 was a major contributor behind Myanmar’s economic development. The Baluchaung hydropower project, which the Japanese companies, Nippon and Kojima had initiated, became an important symbol of the close ties between these countries. The Japanese invested in large projects such as Baluchaung hydropower project, light vehicle, heavy vehicles, electrical parts and agricultural machinery. These sectors were profitable for the Japanese as it created a market for Japanese products and hence, it continued to provide aid for these projects till 1988. Thus, Myanmar had played a crucial role in the recovery of the Japanese economy in the post-War period.

The Ne Win government, which followed a neutralist foreign policy, had requested the Japanese government for assistance due to its non-threatening policies of Japan. The Japanese government had given unconditional support to Myanmar and hence, the relationship had reached its peak during the Ne Win government. Myanmar was among the

top ten recipients of Japanese ODA. Apart from the personal equations, the economic needs of both the countries were also significant reasons behind Myanmar receiving such a huge share of aid. The Japanese government wanted to ensure that its own economic interests are also served while providing reparations. The socialist policies of the Ne Win government had resulted in stagnant economy and hence, it was in urgent need of aid. During this period, the Japanese government provided US\$ 2870 million as reparations and “quasi reparations”, which had helped Ne Win manage the economic crisis till 1988.

The Japanese government was also interested in advancing its economic interests in Myanmar, as well as to prevent the spread of communism in Myanmar. The CCP after taking power in 1949 had started sponsoring the BCP to carry on anti-government attacks and the Japanese government provided aid to the Ne Win government to bring stability in the country, which would prevent communists from creating a political crisis. Hence, Japan tried to act as a communist bulwark in the region.

The “8888” incident in Myanmar had resulted in significant changes in Myanmar’s economic and political conditions. The Japanese response to the military coup in Myanmar was influenced by the international political structure in the post-Cold War period was also a dominant factor in shaping of Myanmar-Japan relationship. The varied reaction of several countries like the US, China, India and the ASEAN had a significant impact on Japan’s response towards Myanmar. India followed a low-key engagement with Myanmar, while the US, especially under the Clinton administration adopted a strict sanctions approach. The sanctions approach of the Western countries was not beneficial for Japan’s strategic and economic interests in Myanmar. Japan was reluctant to toe the line and follow the US strategy indicated that Japan was interested in following an independent foreign policy towards Myanmar. The rise of China along with its closeness with the military government in the post-Cold War played a crucial part in Japan’s engagement policy with Myanmar. Hence, the Japanese government cooperated with the ASEAN on Myanmar issue, to not only legitimize its stand on the Myanmar issue, but also reduce the Chinese influence in the region.

The SLORC’s decision to nullify the result of the 1990 election had put the international limelight on Myanmar. The 1990 election created a tense situation with the SLORC

holding on to power, without having a political legitimacy to rule, while the NLD despite winning a majority was not allowed to form the government. The military government's intention of clinging on to power resulted in a brutally crushing the protests, which politicised the human rights condition in Myanmar. Japan could not afford to isolate Myanmar due to its strategic and economic interests. The US isolation policy had already done the damage of pushing Myanmar towards China. Hence, the Japanese government continued its engagement with the military government by providing "humanitarian assistance". Japan provided significant aid during the economic mismanagement of the military government in the late 1990s. The Japanese policy makers had realized that the military government is here to stay and hence, it would be a wise thing to provide it with aid in order to continue engagement with Myanmar. The Japanese government had always released official statements to encourage the military government in its efforts towards democracy. The Japanese government had constantly rewarded the military government by announcing more aid and resuming loans for the projects that were stopped after the 1988 coup. The Japanese government stand was that democratization could be brought about through economic development. Hence, they continued humanitarian assistance in order to prevent Myanmar from suffering economic crisis. Even when the military government had been severely criticised by the international community for the Black Friday incident or the Saffron Revolution or be its handling of the cyclone situation, it was evident from the Japanese government statements that the Japan had always stressed on encouraging the military government by continuing dialogue.

The Japanese government has always been cautious to avoid pressurising the military government, which would push it further towards China. China's growing economic and diplomatic engagement with the military government had raised suspicions among the Japanese policymakers. Thus, the Japanese government had realized that in order to resume active engagement, it was significant for Myanmar to bring about democratic reforms. Hence, it was always looking out for opportunities to increase its engagement with Myanmar by providing it with more aid to encourage the military government to negotiate with the NLD and transfer to a democratic government. Thus, Japan did not cut-off its links with the military government under the international pressure and has followed a positive engagement policy for its own strategic and economic interests.

The dramatic election that took place in 2010, with the USDP winning the election and Thein Sein forming the government in 2011 has heralded a new beginning in Myanmar-Japan relationship. As soon as the civilian government came to power, the Japanese government was the most enthusiastic in engaging with it. The Japanese government quickly cancelled the long-standing debts along with announcing new aid to help the Thein Sein government in promoting further reforms in the country. The Thein Sein government's reform agenda like the release of political prisoners, allowing freedom of the press and several economic reforms like the reforming the banking system, introducing a new Foreign Investment Law has facilitated further cooperation between these countries. In 2012, the LDP formed the government under Shinzo Abe, has prioritised Myanmar's democratization process by providing assistance for bringing about further reforms. The Japanese government not only cancelled US\$ 1.74 billion aid, but it agreed to provide US\$ 50 billion for infrastructural development. Apart from this, the Japanese government also assisted Myanmar to clear of its debts to several international lending bodies like the World Bank and the ADB. It provided a bridge loan of US\$ 942 million to Myanmar, which helped it to not only clears its arrears to these bodies, but also receive US\$ 512 million from the ADB and US\$ 440 million credit from the World Bank. Since the Thein Sein government had come to power, the Japanese government had been actively providing huge investments, as can be seen from the Thilawa SEZ. Several Japanese companies have also shown interest in investing in Myanmar. There has been regular visit of top high-level officials which signals improving bilateral relations.

The Thein Sein government policies clearly signal that it wants to diversify its foreign relations. The Chinese government had been involved for several years in unlawful deals with the military government, which has, eventually resulted in anti-Chinese sentiments among the Burmese people. The Thein Sein government's policy of diversifying foreign relations along with the halt of the Myitsone dam project has convinced the Chinese government that it had to change its policy and take into consideration Myanmar's interests while dealing with the Thein Sein government. On the contrary, the Japanese government's influence has escalated with the civilian government coming to power in Myanmar. The Japanese government is involved in several infrastructural projects in Myanmar which contribute to the reform process.

The US has also shown considerable interest in engaging with Myanmar. It has huge strategic interests in the Indian Ocean region and it knows that China has been trying to increase its influence in the Indian Ocean through Myanmar. Hence, the US is interested in backing the Japanese government in its engagement with Myanmar. The US had been providing unflinching support for the democratic movement in Myanmar since 1988 and hence, Obama had welcomed the new civilian government by removing several sanctions. The Obama administration had been keenly following Myanmar's democratic movement. The US government has collaborated with the Japanese government to provide economic assistance to Myanmar in several areas, like health, education and peace process.

Myanmar and Japan celebrated their 60th anniversary of the establishment of diplomatic relations. After the NLD was elected to power, the initial apprehension of the Shinzo Abe government of an uneasy relationship Myanmar was put to rest when Aung San Suu Kyi, who is the de facto leader, adopted a pragmatic approach towards Japan and hence, chose to ignore the past policy of the Japanese government to provide aid to the military government. The new government's emphasis on robust investments and economic assistance from foreign countries fits well with the Japanese economic interests. With the new government trying to improve the investment climate in Myanmar, it is a positive development for the Japanese government, which would enable it to actively engage with Myanmar.

It's very crucial for the Japanese government to coordinate its policies with the Indian government to reduce the Chinese influence in Myanmar. The Chinese government due to its close ties with the military government, faces a very tricky situation with the NLD coming to power in 2015. Aung San Suu Kyi had been very critical of the Chinese support to the military government. India can play a positive role since Aung San Suu Kyi has very close ties with India, for it supported NLD's democratic activities, which Japan can use it to its advantage. Japan and India have their own strategic interests in preventing Myanmar to come under the Chinese influence and hence, India is supporting Japan's engagement with Myanmar. These countries are cooperating to promote soft power in Myanmar by building institutions and developing cultural ties.

The Japanese government needs to develop policies which would help the NLD government to meet the challenges of democratization. The Japanese government needs to

increase its investments in Myanmar which would create job opportunities. Apart from bilateral assistance, Japan also should provide economic assistance through multilateral engagements like ASEAN and Mekong Summit, which would go a long in deepening of bilateral relations

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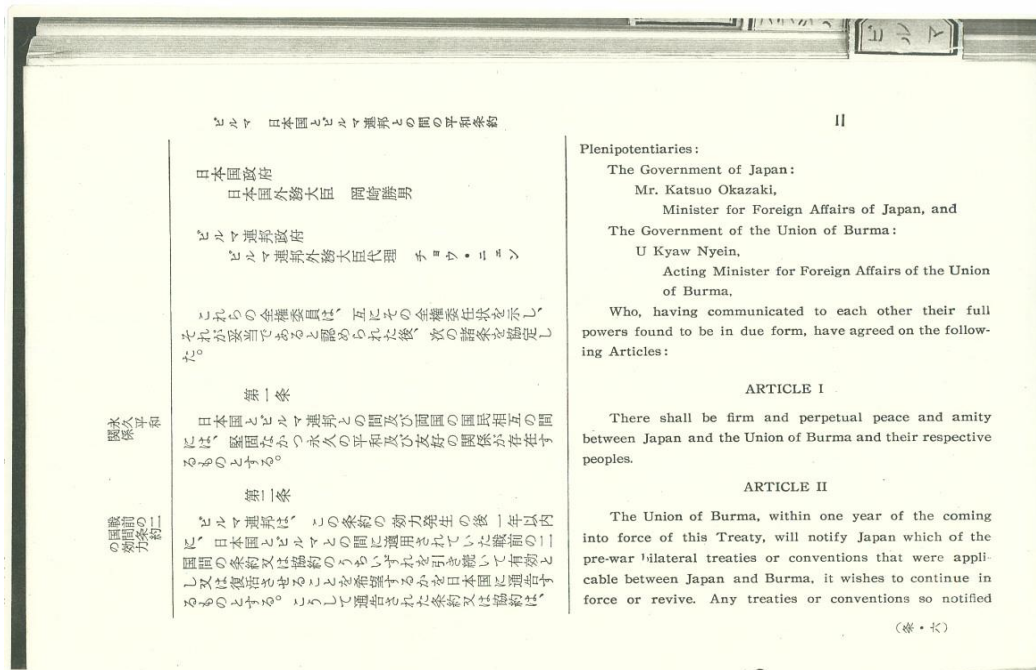
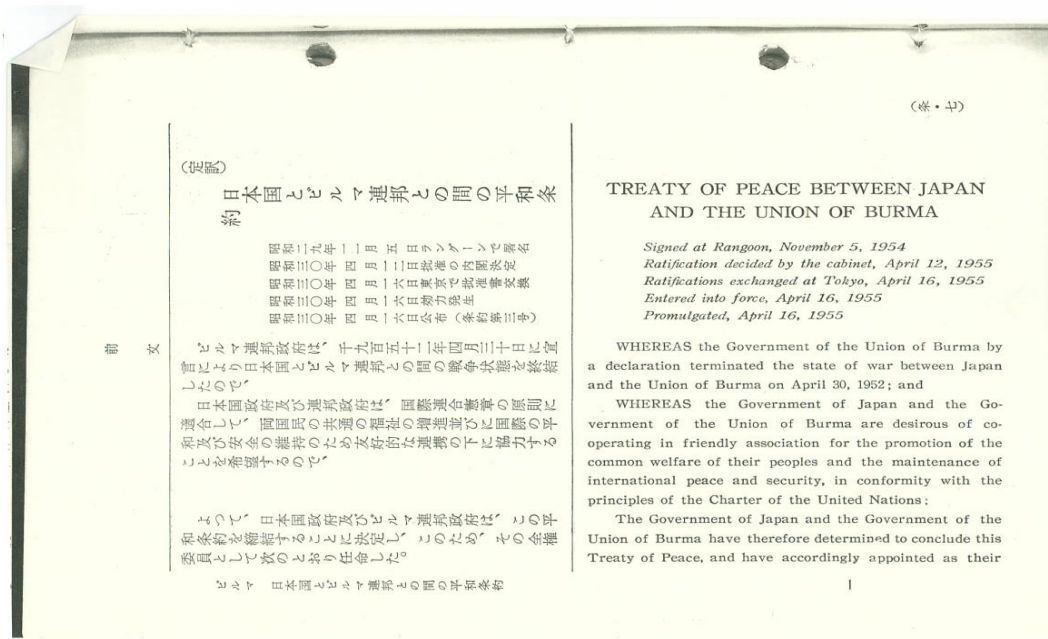
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PPENDIX

TREATY OF PEACE BETWEEN JAPAN AND THE UNION OF BURMA, 1954



通商
協定

この条約に適合することを確保するための必要な修正を
をただで、引を續いて有効とされ、又は復活さ
れる。こうして通告された条約及び協約は、通告の日
の後三箇月で、引を續いて有効なものとなされ、又
は復活され、かつ、国際連合事務局に登録されるもの
とする。
日本国にこうして通告されないすべての条約及び協
約は、廢棄されたものとなす。

第三條

両締約国は、その貿易、海運、航空その他の通商の
関係を安定しなかつ友好的な基礎の上に置くために、
条約又は協定を締結するための交渉をできる限りすみ
やかに開始することに同意する。

第四條

漁業協定

日本国は、ビルマ連邦が希望するときは、公海にお
ける漁業の規制又は制限並びに漁場の保存及び開発に
ついて規定する協定を締結するため、ビルマ連邦と交
渉を開始することに同意する。

第五條

ビルマ 日本国とビルマ連邦との間の平和条約

(案・六)

shall continue in force or be revived subject only to such
amendments as may be necessary to ensure conformity with
this Treaty. The treaties and conventions so notified shall
be considered as having been continued in force or revived
three months after the date of notification and shall be
registered with the Secretariat of the United Nations.

All such treaties and conventions as to which Japan is
not so notified shall be regarded as abrogated.

ARTICLE III

The Contracting Parties agree to enter into negotiations
for the conclusion of treaties or agreements at an earliest
practicable date to place their trading, maritime, aviation
and other commercial relations on a stable and friendly
basis.

ARTICLE IV

Japan agrees to enter into negotiations with the Union
of Burma, when the latter so desires, for the conclusion of
an agreement providing for the regulation or limitation of
fishing and the conservation and development of fisheries
on the high seas.

ARTICLE V

III

賠償
の
方法

ビルマ 日本国とビルマ連邦との間の平和条約

I 日本国は、戦争中に日本国が与えた損害及び苦痛
を償ふためビルマ連邦に賠償を支拂ふ用意があり、
また、ビルマ連邦における経済の回復及び發展並び
に社会福祉の増進に寄与するに努むる意思を有
する。しかし、日本国が存立可能な経済を維持すべ
きものとすれば、日本国の資源は、戦争中に日本国
がビルマ連邦その他の国に与えたすべての損害及び
苦痛に對し完全な賠償を行い、かつ同時に、日本国
の他の債務を履行するためには充分でないことが承
認される。

よつて、

(a) (I) 日本国は、別に合意される細目規定に従うこ
とを条件として、年平均二千万アメリカ合衆國
ドルに等しい七十二億円の価値を有する日本人
の従務及び日本国の生産物と、十年間、賠償と
してビルマ連邦に供与することに同意する。

(II) 日本国は、別に合意される細目規定に従うこ
とを条件として、年平均五百万アメリカ合衆國

四

1. Japan is prepared to pay reparations to the Union
of Burma in order to compensate the damage and suffering
caused by Japan during the war and also is willing to render
co-operation in order to contribute towards the economic
rehabilitation and development and the advancement of
social welfare in the Union of Burma. Nevertheless it is
recognized that the resources of Japan are not sufficient,
if it is to maintain a viable economy, to make complete
reparation for all the damage and suffering of the Union
of Burma and other countries caused by Japan during the
war and at the same time meet its other obligations.

Therefore,

(a) (I) Japan agrees, subject to such detailed terms as
may be agreed upon, to supply the Union of
Burma by way of reparations with the services
of Japanese people and the products of Japan,
the value of which will be on an annual average
seven thousand two hundred million yen
(¥7,200,000,000), equivalent to twenty million
United States of America dollars (\$20,000,000),
for the period of ten years.

(II) Japan agrees, subject to such detailed terms as
may be agreed upon, to take every possible

(案・六)

ドルに等しい十八億円の価値に達する日本人の
役務及び日本国の生産物を、十年間、ビルマ連
邦の政府及び国民の使用に供することにより行
われる経済協力を容易にするため、あらゆる可
能な措置を執ることに同意する。

(III) 日本国は、また、他のすべての賠償請求国に
対する賠償の最終的解決の時に、その最終的解
決の結果と賠償総額の負担に向けることができ
る日本国の経済力とに照らして、公平なかつ衡
平な待遇に対するビルマ連邦の要求を再検討す
ることに同意する。

(b) (I) ビルマ連邦は、この条約の効力発生の時にそ
の管轄内にある日本国及び日本国民(法人を含
む)のすべての財産、権利及び利益を差し押
え、留置し、清算し、その他なんらかの方法で
処分する権利を有する。この(I)に掲げられる財
産、権利及び利益は、現在、封鎖され、若しく
は名義を委えられており、又はビルマ連邦の敵

ビルマ 日本国とビルマ連邦との間の平和条約

measure to facilitate the economic co-operation
wherein the services of Japanese people and the
products of Japan, the value of which will
aggregate on an annual average one thousand
eight hundred million yen (¥1,800,000,000),
equivalent to five million United States of
America dollars (\$5,000,000), will be made
available to the Government or people of the
Union of Burma for the period of ten years.

(III) Japan also agrees to re-examine, at the time of
the final settlement of reparations towards all
other claimant countries, the Union of Burma's
claim for just and equitable treatment in the
light of the results of such settlement as well
as the economic capacity of Japan to bear the
overall burden of reparations.

(b) (I) The Union of Burma shall have the right to
seize, retain, liquidate or otherwise dispose of
all property, rights and interests of Japan and
Japanese nationals (including juridical persons)
which on the coming into force of this Treaty
were subject to its jurisdiction. The property,
rights and interests specified in this sub-para-

四

ビルマ 日本国とビルマ連邦との間の平和条約

産管理当局の占有若しくは管理に係る財産、権
利及び利益で、同当局の管理の下におかれた時
に日本国又は日本国民(法人を含む)に属し、
又はこれらのために保有され、若しくは管理さ
れているものを含む。

(II) 次のものは、(I)に定める権利から除く。

(i) 日本国政府が所有し、かつ、外交目的又は
領事目的に使用されたすべての不動産、家具
及び備品並びに日本国の外交職員又は領事職
員が所有したすべての個人の家具、用品類そ
他の投資的性質をもたない私有財産で外交
機能又は領事機能の遂行に通常必要であつた
もの

(ii) 宗教団体又は私的慈善団体に属し、かつ、
もっぱら宗教又は慈善の目的に使用された財
産

graph shall include those now blocked, vested
or in the possession or under the control of
enemy property authorities of the Union of
Burma, which belonged to, or were held or
managed on behalf of, Japan or any Japanese
nationals (including juridical persons) at the
time such assets came under the control of
such authorities.

(II) The following shall be excepted from the right
specified in sub-paragraph (I) above:

(i) all real property, furniture and fixtures
owned by the Government of Japan and
used for diplomatic or consular purposes,
and all personal furniture and furnishings
and other private property not of an
investment nature which was normally
necessary for the carrying out of diplom-
atic and consular functions, owned by
Japanese diplomatic and consular person-
nel;

(ii) property belonging to religious bodies or
private charitable institutions and used
exclusively for religious or charitable pur-

- (iii) 日本国とビルマ連邦との間における千九百四十五年九月二日後の貿易、金融その他の関係の再開の結果としてビルマ連邦の管轄内にはいつた財産、権利及び利益
- (iv) 日本国若しくは日本国民の債務、日本国に所在する有体財産に関する権利、権原若しくは利益、日本国の法律に基づいて組織された企業に関する利益又はこれらについての証書。ただし、この除外は、日本国の通貨で表示された日本国及びその国民の債務にのみ適用する。
- (III) (II)に例外として掲げられた財産は、その保存及び管理のために要した合理的な費用が支払われることを条件として、返還しなければならない。これらの財産が清算されているときは、その代金を返還しなければならない。
- (IV) (I)に定める財産を差し押え、留置し、清算し、その他なんらかの方法で処分する権利は、ビルマ 日本国とビルマ連邦との間の平和条約

poses;

- (iii) property, rights and interests which have come within its jurisdiction in consequence of the resumption of trade, financial and other relations subsequent to September 2, 1945, between Japan and the Union of Burma; and
- (iv) obligations of Japan or Japanese nationals, any right, title or interest in tangible property located in Japan, interests in enterprises organized under the laws of Japan, or any paper evidence thereof; provided that this exception shall only apply to obligations of Japan and its nationals expressed in Japanese currency.
- (III) Property referred to in the exceptions set forth in sub-paragraph (II) above shall be returned subject to reasonable expenses for its preservation and administration. If any such property has been liquidated, the proceeds shall be returned instead.
- (IV) The right to seize, retain, liquidate or otherwise dispose of property as provided in sub-paragraph

+

ビルマ 日本国とビルマ連邦との間の平和条約

△

ビルマ連邦の法律に従つて行使されるものとし、所有者は、これらの法律によつて与えられる権利のみを有するものとする。

(I) above shall be exercised in accordance with the laws of the Union of Burma, and the owner shall have only such rights as may be given him by those laws.

2 ビルマ連邦は、この条約に別段の定がある場合を除くは、戦争の遂行中に日本国及びその国民が執つた行動から生じたビルマ連邦及びその国民のすべての請求権を放棄する。

2. Except as otherwise provided in this Treaty, the Union of Burma waives all claims of the Union of Burma and its nationals arising out of any actions taken by Japan and its nationals in the course of the prosecution of the war.

第六条

ARTICLE VI

日本
産に
あ
マ

日本国は、この条約の効力発生の後九箇月以内に申請があつたときは、その申請の日から六箇月以内に、日本国にあるビルマ連邦及びその国民の有体及び無体財産並びに種類のいかんを問はずすべての権利又は利益で、千九百四十一年十二月七日から千九百四十五年九月二日までの間のいずれかの時に日本国にあつたものを返還するものとする。ただし、所有者が強迫又は詐欺によることなく自由にこれらを処分した場合は、この限りでない。

Upon application made within nine months of the coming into force of this Treaty, Japan will, within six months of the date of such application, return the property, tangible and intangible, and all rights or interests of any kind in Japan of the Union of Burma and of its of nationals which were within Japan at any time between December 7, 1941 and September 2, 1945 unless the owner has freely disposed thereof without duress or fraud.

前記の財産は、戦争があつたために課せられたすべての負担及び課徴金を免除し、かつ、その返還のための課徴金を課さず返還しなければならない。所有者により若しくは所有者のために又はビルマ連

Such property shall be returned free of all encumbrances and charges to which it may have become subject because of the war, and without any charges for its return.

紛争の解決

並びにビルマ又はビルマ連邦の手中にあつた日本人の捕虜及び被抑留者に関して生ずる請求権及び債権が含まれる。ただし、千九百四十五年九月二日以後に制定されたビルマ又はビルマ連邦の法律で特に認められた日本国民の請求権を含まない。

第九条

この条約の解釈又は適用から生ずる紛争は、まず交渉により解決するものとし、交渉の開始の時から六箇月の期間内に解決に至らないときは、いずれか一方の締結国の要請により、国際司法裁判所に決定のため付託されるものとする。

第十条

この条約は、批准されなければならない。この条約は、批准書の交換の日に効力を生ずる。批准書の交換は、東京でできる限りすみやかに行われなければならない。

批准

本文

以上の証拠として、下名の全権委員は、この条約にビルマ 日本国とビルマ連邦との間の平和条約

(英・長)

and the coming into force of this Treaty, as well as any claims and debts arising in respect to Japanese prisoners of war and civilian internees in the hands of Burma or the Union of Burma, but does not include Japanese claims specifically recognized in the laws of Burma or the Union of Burma enacted since September 2, 1945.

ARTICLE IX

Any dispute arising out of the interpretation or application of this Treaty shall be settled in the first instance by negotiation, and, if no settlement is reached within a period of six months from the commencement of negotiations, the dispute shall, at the request of either Contracting Party, be referred for decision to the International Court of Justice.

ARTICLE X

This Treaty shall be ratified and shall come into force on the date of exchange of ratifications which shall take place as soon as possible at Tokyo.

IN WITNESS WHEREOF the undersigned Plenipotentiaries have signed this Treaty and have affixed hereunto their seals.

II

ビルマ 日本国とビルマ連邦との間の平和条約

署名調印した。
千九百五十四年十一月五日にラングーンで本館二通を作成した。

日本国のために
岡崎勝男 (署名調印)

ビルマ連邦のために
チヨウ・ニェン (署名調印)

tiaries have signed this Treaty and have affixed hereunto their seals.

DONE in duplicate at Rangoon, this fifth day of November of the year one thousand nine hundred and fifty-four.

For Japan:
(Signed) Katsuo Okazaki (Seal)

For the Union of Burma:
(Signed) Kyaw Nyein (Seal)

(英・長)

AGREEMENT FOR REPARATIONS AND ECONOMIC CO-OPERATION BETWEEN JAPAN AND THE UNION OF BURMA

Signed at Rangoon, November 5, 1954
Approval decided by the cabinet, April 12, 1955
Notifications of approval exchanged at Tokyo, April 16, 1955
Entered into force, April 16, 1955
Promulgated, April 16, 1955

Japan and the Union of Burma,
Desiring to conclude an agreement for implementing the provisions of Article V, paragraph 1 (a) of the Treaty of Peace between Japan and the Union of Burma signed at Rangoon on November 5, 1954 (hereinafter referred to as "the Treaty"),

Have accordingly appointed their respective representatives for this purpose, who have agreed as follow:

ARTICLE I

1. Japan shall supply the Union of Burma by way of reparations with the services of Japanese people and the

1 四

(定訳)

日本国とビルマ連邦との間の賠償及び経済協力に関する協定

昭和二十九年一月五日ラングーンで署名
昭和三十一年四月二日承認の内閣決定
昭和三十一年四月一日東京で承認通知書交換
昭和三十一年四月一日六日効力発生
昭和三十一年四月一日六日公布(条約第四号)

前文

日本国及びビルマ連邦は、
千九百五十四年十一月五日にラングーンで署名された日本国とビルマ連邦との間の平和条約(以下「条約」といふ)第五條一(ウ)の規定の実施に関する協定を締結することを希望し、

よつて、このためそれぞれ代表者を任命した。これらの代表者は、次のとおり協定した。

第一条

1 日本国は、年平均二千五百万アメリカ合衆国ドルに等しい七十一億円の価値を有する日本人の役務及びビルマ 賠償及び経済協力に関する協定

賠償及び経済協力

1 四

products of Japan, the value of which will be on an annual average seven thousand two hundred million yen (¥ 7,200,000,000), equivalent to twenty million United States of America dollars (\$ 20,000,000), for the period of ten years from the date of coming into force of the Treaty.

2. Japan shall take every possible measure to facilitate the economic co-operation wherein the services of Japanese people and the products of Japan, the value of which will aggregate on an annual average one thousand eight hundred million yen (¥1,800,000,000), equivalent to five million United States of America dollars (\$ 5,000,000), will be made available in the form of joint enterprises between Japanese people and the Government or people of the Union of Burma, for the period of ten years from the date of coming into force of the Treaty.

3. The services and products referred to in paragraphs 1 and 2 above shall be supplied or made available for the economic rehabilitation and development and the advancement of social welfare in the Union of Burma as envisaged and agreed in principle on the Annex to this Agreement. Such services and products shall be determined by agreement between the Governments of the two countries.

ARTICLE II

(英・米)

ビルマ 賠償及び経済協力に関する協定

本国の生産物を、条約の効力発生の日から十年間、賠償としてビルマ連邦に供与するものとする。

2 日本国は、年平均五百万アメリカ合衆国ドルに等しい十八億円の価値に達する日本人の役務及び日本国の生産物を、条約の効力発生日から十年間、日本人とビルマ連邦の政府又は国民との共同事業の形式で供用に使することにより行われる経済協力を容易にするため、あらゆる可能な措置を執るものとする。

3 1及び2にいう役務及び生産物は、この協定の附属書に掲げられ、かつ、原則として回復されたビルマ連邦の経済の回復及び発展並びに社会福祉の増進のため供与し、又は供用に使するものとする。供与され又は供用に使される役務及び生産物は、両政府の合意により決定されるものとする。

第二条

- 1 ビルマ連邦は、この協定の第一条の規定を円滑に実施するため必要な措置を執るものとする。
- 2 ビルマ連邦は、日本国がこの協定の第一条にいう役務及び生産物を世帯できるようにするにため、利便を供することのできる現地の労働、資材及び設備を振興するものとする。
- 3 ビルマ連邦は、ビルマ連邦の政府及び国民がこの協定の第一条にいう経済協力が円滑に行われるように共同事業の資本のうちその当然負担すべき部分を提供することを確保する。
- 4 ビルマ連邦は、この協定に基づいて供与され、又は採用に供せられる日本国の生産物が、両政府間で別段の合意をした場合を除くほか、ビルマ連邦の領域から再輸出されないようにすることを約束する。

第三条

共同事業

- 1 この協定の第一条にいう共同事業におけるビルマ連邦の政府又は国民の持分又は所有株式の割合は、当事者間で別段の合意をした場合を除くほか、六十五パーセントより少くないものとする。
- ビルマ 賠償及び経済協力を図る協定

1. The Union of Burma shall take measures necessary for the smooth implementation of the provisions of Article I of this Agreement.
2. The Union of Burma shall provide such local labour, materials and equipment as may be made available in order to enable Japan to supply the services and products referred to in Article I, paragraph 1 of this Agreement.
3. The Union of Burma undertakes that the Government or people of the Union of Burma shall so provide their due shares of capital in joint enterprises as to ensure the smooth performance of the economic co-operation referred to in Article I, paragraph 2 of this Agreement.
4. The Union of Burma undertakes that the products of Japan supplied or made available under this Agreement shall not be re-exported from the territories of the Union of Burma except as otherwise agreed between the Governments of the two countries.

ARTICLE III

1. The proportion of ownership or shares of the Government or people of the Union of Burma in the joint enterprises referred to in Article I of this Agreement shall not be less than sixty per cent except as otherwise agreed.

ビルマ 賠償及び経済協力を図る協定

- 2 共同事業における日本人の持分又は所有株式は、個々の契約が結ばれる時にビルマ連邦政府がその日本人に対して取用しないことにつき保証を与えた期間中は取用されることはないものとする。
- 3 ビルマ連邦政府が共同事業における日本人の持分又は所有株式を前記の保証期間の経過後に取用しようとするときは、その取用は、前記の個々の契約が結ばれる時に同政府が定めなければならない条件に従つてのみ行われるものとする。
- 4 ビルマ連邦政府は、前記の取用に対する補償金、共同事業における日本人の持分又は所有株式の売却代金、その持分又は所有株式から生ずる利子及び配当金並びに日本人が共同事業から受け取る債務その他の所得の日本国への送金等、個々の契約が結ばれる時に同政府が定めなければならない条件に従つて許可するものとする。

2. The ownership or shares of Japanese people in the joint enterprises shall not be expropriated by the Government of the Union of Burma for such length of time as that Government may respectively assure those Japanese people against expropriation at the time the individual contracts concerned are made.
3. In the event that the ownership or shares of Japanese people in the joint enterprises should be expropriated by the Government of the Union of Burma after the lapse of the time of assurance referred to above, such expropriation shall be made only in accordance with the terms and conditions which shall be prescribed by that Government at the time the individual contracts referred to above are made.
4. The Government of the Union of Burma shall permit the remittance to Japan of the proceeds from the expropriation referred to above or the sale of the ownership or shares of Japanese people in the joint enterprises, and the interest and dividends derived from such ownership or shares, as well as the salaries or other earnings which Japanese people may receive from the joint enterprises, in accordance with the terms and conditions which shall be prescribed by that Government at the time the individual

contracts concerned are made.

ARTICLE IV

There shall be established a joint committee to be composed of representatives of the Governments of the two countries, which shall be an organ for consultation, and recommendation to the Governments of the two countries, on matters concerning the implementation of this Agreement.

ARTICLE V

Details for the execution of this Agreement shall be agreed upon through consultation between the Governments of the two countries.

ARTICLE VI

1. Any dispute between the two countries concerning the interpretation and implementation of this Agreement shall primarily be settled through diplomatic channels. If the Governments of the two countries fail to reach a settlement, the dispute shall be referred for decision to a tribunal of three arbitrators, one to be appointed by each Government and the third to be agreed upon by the two arbitrators so chosen, provided that such third arbitrator shall not be

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合同委員

第四条

両政府は、その代表者から構成されるべき合同委員
会を設けしむるものとする。この合同委員会は、この協
定の実施に関する事項についての協議及び両政府への
勧告のための機関とする。

実施細目

第五条

この協定の実施に関する細目は、両政府の協議によ
り合意せらるるものとする。

紛争の解

第六条

1 この協定の解釈及び実施に関する両国間の紛争
は、まず、外交上の交渉を通じて解決するものとな
す。両政府がこれに解決することができなかつた
ときは、その紛争は、各政府が任命する各一人の仲
裁委員とこうして選定された一人の仲裁委員が合意
する第三の仲裁委員と三人の仲裁委員からなる仲
裁判断所を決定のため付託するものとする。ただし、
第三の仲裁委員は、両国のうちいずれかの国の

とルヤ 賠償及び復讐能力に関する協定

15

a national of either country. Each Government shall appoint an arbitrator within a period of thirty days from the date of receipt by either Government from the other Government of a note requesting arbitration of the dispute and the third arbitrator shall be agreed upon within a further period of thirty days.

2. The two countries undertake to comply with any decision given under the preceding paragraph.

ARTICLE VII

This Agreement shall be approved by each country in accordance with its legal procedures, and this Agreement shall enter into force upon the date of exchange of notes indicating such approval.

IN WITNESS WHEREOF the undersigned, being duly authorized by the respective Governments of the two countries, have signed this Agreement.

DONE in duplicate at Rangoon, this fifth day of November of the year one thousand nine hundred and fifty-four.

For Japan:

(Signed) Katsuo Okazaki

とルヤ 賠償及び経済協力に関する協定

国民であつてはならない。各政府は、いずれか一方
の政府が他方の政府から紛争の仲裁を要請する公文
を受領した日から三十日以内に一人の仲裁委員を任
命しなければならない。第三の仲裁委員について
は、前記の期間の後の三十日の期間内に合意されな
ければならない。

2 両国は、前項の規定に基づいて行われた決定に従う
ことを約束する。

第七条

この協定は、それぞれの国により、その国内法上の
手続に従つて承認せらるるものとする。この協定
は、その承認を通知する公文が交換された日に効力を
生ずる。

発効

本文

以上の証拠として、下名は、両国のそれぞれの政府
から正当に委任を受けて、この協定に署名した。

千九百五十四年十一月五日にラングーンで本書二通
を作成した。

日本国のために

岡崎勝男 (署名)

ビルマ連邦のために
チウ・ニオン (署名)

For the Union of Burma:
(Signed) Kyaw Nyein

附 属 書

- 1 水力発電所の建設
- 2 製鉄所の建設
- 3 2 港灣施設の復旧
- 4 3 病院の建設及び医薬品の提供
- 5 ビルマ人の技術者及び学生の本国における教育
- 6 ビルマ人の技術者のビルマにおける技術訓練
- 7 肥料工場の建設
- 8 鉄道施設の復旧
- 9 造船所の建設
- 10 爆薬及び砲弾の製造
- 11 セメント工場の建設
- 12 塩田の開発
- 13 砂糖工場の建設
- 14 化学工場の建設
- 15 河川運送施設の復旧

ビルマ 賠償及び経済協定に関する協定 附属書

ANNEX

- 1. Construction of hydro-electric plants
- 2. Construction of steel plants
- 3. Rehabilitation of port facilities
- 4. Construction of hospitals and provision of medical services
- 5. Education in Japan of Burmese technicians and students
- 6. Technical training in Burma of Burmese technicians
- 7. Construction of fertilizer plants
- 8. Rehabilitation of railways
- 9. Construction of a shipbuilding yard
- 10. Manufacture of explosives and shells
- 11. Construction of cement factories
- 12. Development of salterns
- 13. Construction of sugar factories
- 14. Construction of chemical industries
- 15. Rehabilitation of river shipping

一六

ビルマ 賠償及び経済協定に関する協定 第六公文

- 16 非鉄金属工場の建設
- 17 機械工場の建設
- 18 電気通信施設の復旧
- 19 両政府間で合意される他の生産物及び役務の提供

- 16. Construction of non-ferrous metal industry
- 17. Construction of engineering industry
- 18. Rehabilitation of telecommunications
- 19. Provision of other products and services to be agreed upon between the Governments of the two countries

前文

日本国とビルマ連邦との間の経済及び技術協力に関する協定

日本国及びビルマ連邦は、ビルマ連邦の経済及び社会の発展のため協力すると並びに両国間の友好関係を強化することを希望し、この協定を締結することに決定し、よつて、次のとおりそれぞれの全權委員を任命した。

日本国

外務政務次官 飯塚定輔

ビルマ連邦駐在特命全權大使 小田部謙一

ビルマ連邦

外務大臣 チィ・ハン

これらの全權委員は、互いにその全權委任状を示してそれが妥当であると認められた後、次の諸条を協定した。

第一条

ビルマとの経済技術協力協定及び賠償再検討要求に関する協定書

AGREEMENT BETWEEN JAPAN AND THE UNION OF BURMA ON ECONOMIC AND TECHNICAL CO-OPERATION

Japan and the Union of Burma,

Desiring to co-operate for the economic and social development of the Union of Burma and to strengthen the friendly relations between the two countries,

Have decided to conclude the present Agreement and have accordingly appointed as their Plenipotentiaries:

Japan:

Mr. Sadasuke Iizuka, Parliamentary Vice-Minister for Foreign Affairs

Mr. Kenichi Otabe, Ambassador Extraordinary and Plenipotentiary to the Union of Burma, and

The Union of Burma:

U Thi Han, Minister for Foreign Affairs,

Who, having communicated to each other their full powers found to be in due form, have agreed upon the following Articles:

ARTICLE I

〱

無償の生産物及びサービスの供与

ビルマとの経済技術協力協定及び賠償再検討要求に関する協定書

〱

1 日本国は、現在において五百四億円(五〇、四〇〇、〇〇〇、〇〇〇円)に換算される一億四千四百零九万五千七百九十九(一四、〇〇〇、〇〇〇、〇〇〇)ドルに等しい円の額の価値を有する日本国の生産物及び日本人の役務からなるビルマ連邦の経済と社会の発展と増進するための無償の援助を、千九百六十五年四月十六日から十二年の期間内に、ビルマ連邦に供与するものとする。

2 前記の生産物及び役務の供与は、最初の十一年の期間に、毎年平均して、現在において四十二億二千五百円(四、二二二、〇〇〇、〇〇〇円)に換算される千七百七十七万九千零九十九(一、七〇〇、〇〇〇、〇〇〇)ドルに等しい円の額となるものに行ない、十二番目の年に、残存について行なうものとする。

第二条

要求品

1 この協定に基づいて供与される生産物及び役務は、ビルマ連邦政府が要請し、かつ、両政府が合意するものとならなければならない。

1. Japan shall extend to the Union of Burma assistance on a grant basis for the purpose of contributing to the economic and social development of the Union of Burma, composed of the products of Japan and the services of Japanese people, the total value of which will be so much in yen as shall be equivalent to one hundred and forty million United States dollars (\$140,000,000) at present computed at fifty thousand four hundred million yen (¥ 50,400,000,000), within the period of twelve years as from April 16, 1965.

2. The supply of such products and services shall be made at an annual average of so much in yen as shall be equivalent to eleven million seven hundred thousand United States dollars (\$11,700,000) at present computed at four thousand two hundred and twelve million yen (¥ 4,212,000,000) during the period of the first eleven years, the outstanding balance to be settled on the twelfth year.

ARTICLE II

1. The products and services to be supplied under the present Agreement shall be those requested by the Government of the Union of Burma and agreed upon

供生
産物
の
供与

2 両政府は、各年度に日本国が供与する生産物及び
役務を定める実施計画（以下「実施計画」という）
を協議により決定するものとする。

第三条

1 この協定に基づいて供与される生産物は、主とし
て資本財とする。

2 この協定に基づく生産物の供与は、日本国とビル
マ連邦との間の通常の貿易が阻害されないように、
かつ、外国為替上の追加の負担が日本国に課されな
いように、実施しなければならない。

第四条

証書
及び
の
認

1 第六条の使節団は、この協定に基づいて生産物及
び役務の供与が行なわれるため、ビルマ連邦政府に
代わつて、日本国民又は日本国の法人と直接に契約
を締結するものとする。

2 1の契約（その変更を含む）は、(a)この協定の規
定、(b)両政府がこの協定の実施のため行なう取極の
規定及び(c)の適用される実施計画に合致するものでな
なければならない。これらの契約は、前記の基準に合
致するものであるかどうかについて認証を得るた
め、使節団により、日本政府の指定された官庁に
送付されるものとする。この認証は、原則として十
四日以内に行なわれるものとする。定められた期間
内に認証が得られなかつたときは、その契約は、第
八条の合同委員会に付託され、合同委員会の勧告に
従つて処理されるものとする。その勧告は、合同委
員会がその契約を受理した後三十日以内に行なわれ
るものとする。この項に定めるところに従つて認証
を得た契約は、以下「認証契約」という。

3 1の規定にかかわらず、この協定に基づく生産物
及び役務の供与は、認証契約なしで行なふことにな
る。ただし、両政府間の合意によるなければならない。

between the two Governments.

2. The two Governments shall fix through consul-
tation a schedule (hereinafter referred to as the "Sched-
ule") specifying the products and services to be supplied
by Japan each year.

ARTICLE III

1. The products to be supplied under the present
Agreement shall be mainly capital goods.

2. The supply of products under the present Agree-
ment shall be carried out in such manner as may not
prejudice the normal trade between Japan and the Union
of Burma, nor impose additional foreign exchange burden
upon Japan.

ARTICLE IV

1. The Mission mentioned in Article VI of the
present Agreement shall conclude, in behalf of the Gov-
ernment of the Union of Burma, contracts directly with
any Japanese national or any Japanese juridical person,
in order to have the products and services supplied under
the present Agreement.

2. The contracts mentioned in paragraph 1 above

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ビルマとの経済技術協力協定及び賠償事務協定に関する議定書

六〇

定、(b)両政府がこの協定の実施のため行なう取極の
規定及び(c)の適用される実施計画に合致するものでな
なければならない。これらの契約は、前記の基準に合
致するものであるかどうかについて認証を得るた
め、使節団により、日本政府の指定された官庁に
送付されるものとする。この認証は、原則として十
四日以内に行なわれるものとする。定められた期間
内に認証が得られなかつたときは、その契約は、第
八条の合同委員会に付託され、合同委員会の勧告に
従つて処理されるものとする。その勧告は、合同委
員会がその契約を受理した後三十日以内に行なわれ
るものとする。この項に定めるところに従つて認証
を得た契約は、以下「認証契約」という。

(including modifications thereof) shall conform with (a)
the provisions of the present Agreement, (b) the provi-
sions of such arrangements as may be made by the two
Governments for the implementation of the present
Agreement and (c) the Schedule applicable. These con-
tracts shall be forwarded by the Mission to the designated
authority of the Government of Japan for verification as
to the conformity of the same with the above-mentioned
criteria. This verification will as a rule be effected within
fourteen days. In case of failure in verification within
the stipulated time, such contract shall be referred to the
Joint Committee mentioned in Article VIII of the present
Agreement and acted upon in accordance with the recom-
mendation of the Joint Committee. Such recommendation
shall be made within a period of thirty days following the
receipt of the contract by the Joint Committee. A con-
tract which has been verified in pursuance of this para-
graph shall hereinafter be referred to as a "Verified
Contract".

3. Notwithstanding the provisions of paragraph 1
above, the supply of products and services under the
present Agreement may be made without Verified
Contracts, but only by agreement between the two

第五 条

1 日本国政府は、第六 条の使節団が認証契約により負う債務並に第四 条の規定による生産物及び役務の供与の費用に充てるための支払を、第九 条の規定に基づいて定まる手続によつて、行なふものとす。この支払は、日本円で行なふものとす。

2 日本国は、1 の規定に基づく日本による支払を行なうことにより、及びその支払を行なつた時に、その支払に係る生産物及び役務をビルマ連邦に供与したものとみなさる。

第六 条

1 ビルマ連邦政府は、この協定の実施（第四 条1 の契約の締結及び認証契約の実施を含む。）を任務とする同政府の唯一の専管の機関として、ビルマ連邦政府の使節団を日本国内に設置する。

ビルマとの経済技術協力協定及び産業専横協定等に関する議定書

六 一

Governments.

ARTICLE V

1. The Government of Japan shall, through procedures to be determined under Article IX of the present Agreement, make payments to cover the obligations incurred by the Mission mentioned in Article VI of the present Agreement under Verified Contracts and the expenses for the supply of products and services referred to in Article IV, paragraph 3 of the present Agreement. These payments shall be made in Japanese yen.

2. By and upon making a payment in yen under the preceding paragraph, Japan shall be deemed to have supplied the Union of Burma with the products and services thus paid for.

ARTICLE VI

1. The Government of the Union of Burma will establish in Japan a Mission of the Government of the Union of Burma as its sole and exclusive agent to be charged with the implementation of the present Agreement, including the conclusion of contracts referred to in Article IV, paragraph 1 of the present Agreement and the

ビルマとの経済技術協力協定及び産業専横協定等に関する議定書

六 二

2 使節団の任務の効果的な遂行のため必要であら、かつ、もつぱらその目的に使用される使節団の日本国における事務所は、東京及び両政府間で合意することとなる他の場所に設置することができる。

3 使節団の日本国における事務所の構内及び記録は、不可侵とする。使節団は、暗号を使用することができ。使節団に属し、かつ、直接その任務の遂行のため使用される不動産は、不動産取得税及び固定資産税を免除される。使節団の任務の遂行に直接関与する使節団の所得は、日本国における課税を免除される。使節団が公用のため輸入する財産は、課税その他輸入について又は輸入に關連して課せられる課税金を免除される。

4 使節団は、他の外国使節団に通常与えられ行政上の援助と使節団の任務の効果的な遂行のため必要とされるものを日本国政府から与えられるものとす。

5 ビルマ連邦の国民である使節団の長、使節団の上

performance of Verified Contracts.

2. Such office or offices of the Mission in Japan as are necessary for the effective performance of its functions and used exclusively for that purpose may be established at Tokyo and other places to be agreed upon between the two Governments.

3. The premises of the office or offices, including the archives, of the Mission in Japan shall be inviolable. The Mission shall be entitled to use cipher. The real estate which is owned by the Mission and used directly for the performance of its functions shall be exempt from the Tax on Acquisition of Real Property and the Property Tax. The income of the Mission which may be derived from the performance of its functions shall be exempt from taxation in Japan. The property imported for the official use of the Mission shall be exempt from customs duties and any other charges imposed on or in connection with importation.

4. The Mission shall be accorded such administrative assistance by the Government of Japan as other foreign missions usually enjoy and as may be required for the effective performance of its functions.

5. The Chief and two senior officials of the Mission

6 認職員一人及びその規定に従つて設置される事務所の長は、国際法及び国際慣習に基づいて一般的に認められる外交上の特権及び免除を享受せらる。使節団の任務の効率的な遂行のため必要であると認められたときは、前記の上級職員の数、両政府間の合意により増加することができらる。

6 ビルマ連邦の国民であり、かつ、通常日本国内に居住していない使節団のその他の職員は、自己の職務の遂行について受ける報酬に対する日本国における課税を免除され、かつ、日本国の法令の定めるところにより、自用の財産に対する関税その他輸入について又は輸入に關連して課せられる課税金を免除せらる。

7 認証契約から又はこれを關連して生ずる紛争で、他の方法により解決することから能ならぬため日本国の裁判所に提起せらるるものについては、使節団の法務部長の職にある者は、訴え、又は訴えらるること及び受けるものとし、その他ら使節団における自己の事務所において訴状その他の訴訟書類の送達を受けることが出来るものとする。ただし、訴訟費用の

ビルマとの経済技術協力協定及び賠償再検討要求に関する議定書

六四

as well as the chiefs of such offices as may be established in pursuance of paragraph 2 above, who are nationals of the Union of Burma, shall be accorded diplomatic privileges and immunities generally recognized under international law and usage. If it is deemed necessary for the effective performance of the functions of the Mission, the number of such senior officials may be increased by agreement between the two Governments.

6. Other members of the staff of the Mission who are nationals of the Union of Burma and who are not ordinarily resident in Japan shall be exempt from taxation in Japan upon emoluments which they may receive in the discharge of their duties, and, in accordance with Japanese laws and regulations, from customs duties and any other charges imposed on or in connection with importation of property for their personal use.

7. In respect of those disputes arising out of or in connection with Verified Contracts which, failing other methods of settlement, are brought to the Japanese courts, the person who holds the post of Chief of the Legal Section of the Mission may sue or be sued and accordingly he may be served with process and other pleadings at his office in the Mission. However, he shall be exempt from

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8 最終の裁判の執行にあたり、使節団に属し、かつ、その任務の遂行のため使用せらるる土地及び建物並びにその中にある動産は、いかなる場合にも強制執行を受けることはない。

第七條

1 両政府は、この協定の円滑なかつ効率的な実施のため必要な措置を執るものとする。

2 ビルマ連邦は、日本国がこの協定に基づいて生産物及び役務を供与することができるようにするため、利用することができる現地の労働、資材及び設備を提供するものとする。

3 この協定に基づき生産物又は役務の供与に關連してビルマ連邦内において必要とせらるる日本国民は、その作業の遂行のためのビルマ連邦への入国及び同

the obligation to give security for the cost of legal proceedings. While the Mission enjoys inviolability and immunity as provided for in paragraphs 3 and 5 above, the final decision rendered by the competent courts in such cases will be accepted by the Mission as binding upon it.

8. In the enforcement of any final court decision, the land and buildings, as well as the movable property therein, owned by the Mission and used for the performance of its functions shall in no case be subject to execution.

ARTICLE VII

1. The two Governments shall take measures necessary for the smooth and effective implementation of the present Agreement:

2. The Union of Burma shall provide such local labour, materials and equipment as may be available in order to enable Japan to supply the products and services under the present Agreement.

3. Japanese nationals who may be needed in the Union of Burma in connection with the supply of products or services under the present Agreement shall be accorded

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国における滞在に必要な便宜を与えられるものとす
る。

4 日本国の国民及び法人は、この協定に基づき生産
物又は役務の供与に關連して生ずる所得に關し、ビ
ルマ連邦における租税を課せられない。

5 ビルマ連邦は、この協定に基づいて供与される日
本国の生産物が、両政府間で別段の合意がした場合
を除くほか、ビルマ連邦の領土から再輸出されない
ようにすることを約束する。

第八條

この協定の実施に關する事項についての両政府間の
協議及び両政府への報告のための機關として、両政府
の代表者で構成される合同委員会を東京に設置する。

第九條

この協定の実施に關する手續その他の細目は、両政
府間で協議により合意するものとする。

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such facilities as may be necessary for their entry into
and stay in the Union of Burma for the performance of
their work.

4. With respect to the income derived in connection
with the supply of products or services under the present
Agreement, Japanese nationals and juridical persons shall
not be liable for taxation in the Union of Burma.

5. The Union of Burma undertakes that the products
of Japan supplied under the present Agreement shall not
be re-exported from the territories of the Union of Burma
except as otherwise agreed upon between the two Govern-
ments.

ARTICLE VIII

There shall be established at Tokyo a Joint Committee
to be composed of representatives of the two Governments
as an organ for consultation between them and for recom-
mendation to their respective Governments, on matters
concerning the implementation of the present Agreement.

ARTICLE IX

Details including procedures for the implementation
of the present Agreement shall be agreed upon through

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六五

第十條

この協定の解釈及び実施に關する両政府間の紛争
は、まず、外交上の経路を通過して解決するものとす
る。両政府が解決に達することができなかつたときは
は、その紛争は、各政府が任命する各一人の仲裁委員
とこのようにして選任された二人の仲裁委員の合意に
より定める第三の仲裁委員との三人の仲裁委員からな
る仲裁裁判所に決定のため付託するものとする。ただ
し、第三の仲裁委員は、いずれか一方の国の国民であ
るてはならない。各政府は、いずれか一方の政府が他
方の政府から紛争の仲裁を要請する公文を受領した日
から三十日の期間内に各一人の仲裁委員を任命しなけ
ればならず、第三の仲裁委員は、前記の期間と二十日
を加えた期間内に合意されなければならない。いずれ
か一方の政府が当該期間内に仲裁委員を任命しなかつ
たとき、又は第三の仲裁委員について当該期間内に合
意されなかつたときは、いずれの一方の政府も、それ
ぞれ当該仲裁委員又は第三の仲裁委員を任命すること
を国際司法裁判所に要請することができる。両政府
は、この条の規定に基づいて与えられた決定に服する
ことを約束する。

consultation between the two Governments.

ARTICLE X

Any dispute between the two Governments con-
cerning the interpretation and implementation of the present
Agreement shall be settled primarily through diplomatic
channels. If the two Governments fail to reach a settle-
ment, the dispute shall be referred for decision to a
tribunal of three arbitrators, one to be appointed by each
Government and the third to be agreed upon by the two
arbitrators so chosen, provided that such third arbitrator
shall not be a national of either country. Each Govern-
ment shall appoint an arbitrator within a period of thirty
days from the date of receipt by either Government from
the other Government of a note requesting arbitration of
the dispute and the third arbitrator shall be agreed upon
within a further period of thirty days. If, within the
periods respectively referred to, either Government fails
to appoint an arbitrator or the third arbitrator is not
agreed upon, the President of the International Court of
Justice may be requested by either Government to appoint
such arbitrator or the third arbitrator, as the case may
be. The two Governments agree to abide by any award

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第十一條

この協定は、批准せられたらならぬ。この協定は、批准書の交換の日から起る。批准書は、ひとつずつを互に交換せらるゝものとす。

以上の協定を以て、下名の全權代表が、この協定を署名した。

一九三三年三月二十九日、ラカウ、英領

日本國の代表
飯塚 賢二
小田 通謙

ミャンマー聯邦の代表
チン・スウ

以上は、協定に署名した全權代表の署名と印を有する複製本

given under this Article.

ARTICLE XI

The present Agreement shall be ratified. The Agreement shall enter into force upon the date of exchange of the instruments of ratification. The instruments of ratification shall be exchanged as soon as possible.

IN WITNESS WHEREOF the undersigned Plenipotentiaries have signed the present Agreement and have affixed hereunto their seals.

DONE in duplicate, in the English language, at Rangoon, this twenty-ninth day of March of the year one thousand nine hundred and sixty-three.

FOR JAPAN: FOR THE UNION OF BURMA:
Sadasuke Iizuka Thi Han
Kenichi Otobe

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