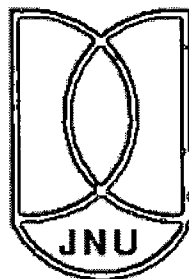


**ENGAGING MYANMAR: A STUDY OF REGIONAL
RESPONSES, FROM 1990-2008**

*Dissertation submitted to the Jawaharlal Nehru University in partial fulfillment
of the requirements for the award of
the degree of*

MASTER OF PHILOSOPHY

PAODE A



**SOUTHEAST ASIA
CENTRE FOR SOUTH, CENTRAL, SOUTHEAST ASIAN AND
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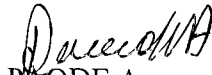
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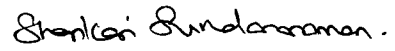
I declared that the dissertation entitle "Engaging Myanmar: A Study of Regional Responses, From 1990-2008" submitted by me for the award of the degree of MASTER OF PHILOSOPHY of Jawaharlal Nehru University is my own work. The dissertation has not been submitted for any other degree of this University or any other university


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WITH LOVE & GRATITUDE

DEDICATED TO MY PARENTS

(Late) D. Akha and T.H. Yaoru

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Preface

Myanmar is located in a strategic position of China in the north, India in the west and Southeast Asian countries in the south. Due to political instability Myanmar could not prosper and develop like any other country in the region. It remained quiet unimportant and ineffective in decision making in the regional and international affairs or forum unlike other countries. Myanmar followed a static diplomatic ideology which is also the reason why other country gives less attention for purposeful interaction and cooperation. What the world sees of Myanmar is only its political problem and domestic crisis.

Today, as the world reaches its competitive and globalized standard every nation becomes a part of any international discourse where all the country bind together for mutual development, benefits and peaceful settlement. Moreover, every nation comes to interplay in any issue and plan for developing at equal footing.

Any threat to global stability from any country is ultimately perceived as a common concern at the international forum. Myanmar came to the attention of the world seriously since 1990, subsequently concerning Myanmar's issue has opened up wide discourse in the foreign policy in the international forum. It is not only because of internal political impasse, but security threat to regional and international economy is perceived as serious issue. Contrary to establishment of peace and harmony within the country, majority of the countries engaged with Myanmar to gain economic opportunity. Myanmar has abundant unexplored natural resources and high financial liquidity that attracts many countries to engage with Myanmar.

Therefore, it is important to understand the reason why Myanmar's neighbouring states engage with the military junta. The geographical proximity is another important determinant factor which led the neighbouring countries to engage. However, it is also important to elucidate how the engaging states can really gain from engaging with Myanmar.

The regional countries engaging states with Myanmar does not have concrete coordinated response to transform or democratise Myanmar. They all have vested individual foreign

policy and strategy towards Myanmar and also political differences among themselves to reconcile with their neighbouring state. The role of China, India and ASEAN towards Myanmar shows distinct foreign policies in the international spheres of competition. Their divided interests in Myanmar exemplify the ambiguity of fostering peace and building confidential measures in any disputes in the region.

Abbreviation

AADMER	ASEAN Agreement on Disaster Management and Emergency Response
ABSL	All Burmese Students League
AFTA	ASEAN Free Trade Area
AHTF	ASEAN Humanitarian Task Force
AICHR	ASEAN Intergovernmental Commission of Human Rights
AIPMC	ASEAN Inter-Parliamentary Myanmar Caucus
AMM	ASEAN Ministerial Meeting
APMM	ASEAN Post Ministerial Meeting
ARF	ASEAN Regional Forum
ASC	ASEAN Security Council
ASEAN	Association of Southeast Asian Nations
BCIM	Bangladesh, China, India and Myanmar
BIMSTEC	Bangladesh, India, Myanmar, Sri Lanka and Thailand Economic Cooperation
BIPA	Bilateral Investment Programme Agreement
BFDA	Burmese Freedom and Democracy Act
BSPP	Burmese Socialist Programme Party
BTA	Border Trade and Agreement
CNOOCM	China National Offshore Oil Corporation-Myanmar
CNPC	China National petroleum Corporation
CPB	Communist Party of Burma
EU	European Union

FY	Fiscal Year
GAIL	Gas Authority of India (Ltd)
GMS	Greater Mekong-Subregion
GSP	Generalised System of Preferences
HRD	Human Resource Development
ILO	International Labour Organisation
IMF	International Monetary Fund
ISEAS	Institute of Southeast Asian Studies
KNU	Karen National Union
LEP	Look East Policy
MEB	Myanmar Economic Bank
MEIS	Myanmar Export and Import Services
MEIC	Myanmar Export and Import Corporation
MFTB	Myanmar Foreign Trade Bank
MGC	Mekong Ganga Corporation
MNCs	Multinational National Corporation
MOGE	Myanmar Oil and Gas Enterprises
MoU	Memorandum of Understanding
NAM	Non Alignment Movement
NATO	North Atlantic Treaty Organisation
NC	National Convention
NCGUB	National Coalition Government of the Union of Burma
NGOs	Non-Governmental Organisations
NHPC	National Hydro Power Corporation

NLD	National League for Democracy
NSCN	National Socialist Council of Nagalim
ODA	Official Development Assistance
ONGC	Oil and Natural Gas Cooperation
PRC	People's Republic of China
PSC	Production Sharing Contracts
SLORC	State Law and Order Restoration Council
SPDC	State Peace and Development Council
TCG	Tripartite Core Group
UBI	United Bank of India
ULFA	United Liberation Front Asom
UNSC	United Nations Security Council
USA	United States of America
YMIEC	Yunnan Machinery Imports and Exports Corporation

Chapter 1

Introduction: Engaging Myanmar: A Study of Regional Responses, From 1990-2008

Myanmar¹ after years of self-imposed isolation and political stalemate in associating with the conduct of human rights violation, social and economic turmoil shielding from international interference have gained world-wide response. During the wake of 1988 domestic uprisings, the military junta or the so called 'Tadmadaw' have indiscriminately hit-back the civilian population and the pro-democratic protesters who are demanding an end to military rule. Additionally, the military junta rejected the result of 1990 election, a landslide victory by the National League for Democracy (NLD) party.² All these incidents and events happen to draw a world-wide criticism and responses with steadfast intervention to stabilise and reconcile Myanmar.

The issue of Myanmar encompasses human rights, undemocratic governing authority, ethnic insurgent movements, forced labour, ethnic migrations in neighbouring borderlines, and dilapidating society denote an internal problem of a sovereign state. However, since late 1980s, the conflated Myanmar problem came into the parlance of international affairs and globally recognized. It is exposed discernibly to the world and led to speculate in a wide international discourse especially because of inappropriate consolidation of power by the junta and human rights violation in the country.

The mediation role from both the Myanmar's Asian neighbouring states and Western States are responded in different policies through bilateral and unilateral constructive responses. The two commonly known responses to Myanmar are the policies of sanctions

¹. In 1989, the military regime changed the name of the country from Burma to Myanmar, the historical Burmese-language name. The name Myanmar is not accepted by most opposition groups and some states, because the regime lacks legitimacy to engage in any government function. Whatever the differences may be, or without any political bias, here I will prefer and take the new name, 'Myanmar'.

². The uncompromising nature of both the SLORC and the NLD, when the former refused to transfer power to the latter until a government is formed and written a new constitution. See Maung Aung, Myoe, "A historical Overview of Political Transition in Myanmar Since 1988", (2007) Singapore, Asia Research Institute.

and engagement. First of all, the West imposed economic sanctions and, second was the engaging policy pursued by some Asian regional countries. As such, till now, both the policy of sanctions and engagement are practiced as the method to transform Myanmar within their respective directions.

As there has been two major responses, their motives and ideology are also different in practice. Responding to the issue of Myanmar through the policy of sanctions or isolationist stance which seeks to cut off all financial, economic, social, diplomatic and moral support of Myanmar was primarily in the hope that it would lead to collapse of government, or at least pressure the military into making the required change in order to prevent collapse. On the other hand, the Asian regional states like China, India and ASEAN followed the 'engaging' policy with Myanmar, and a larger-term approach, which assures the military's ongoing, 'leadership role' in Myanmar, to bring consensus government. It is believed that increase diplomatic ties, humanitarian assistance and an increased foreign presence in the form of aid worker and companies will gradually encourage in general to loosen their hold on the political strings.³

In a conventional way, that many analysts and scholars have pointed out the inefficacy of sanction due to unprogressive political structure and considered ineffective in alleviating social and economic problems within the country. In addition, that the civilian population of the targeted state still suffers the consequences of sanctions, which create a humanitarian backlash in or against the sender country. Similarly, the argument of engagement has also been speculated to bring any constructive development. To sanction or to engage; to provide aid or to isolate: these are the key dilemmas to which government, corporations, international organizations and non-governmental organizations (NGOs) are faced with when considering the Myanmar issue.⁴

³. *Challenges to Democratization in Burma: Perspectives on Multilateral and Bilateral Response*, (2009) Sweden, Published by International Institute for Democracy and Electoral Assistance (IDEA), P. 180.

⁴. Christopher B. Roberts, (2006) 'Myanmar and the Argument for Engagement: A Clash of Contending Moralities'?, *Institute of Defence and Strategic Studies*. (No.108) P.5.

Background of Sanctions and Engagement

In order to properly frame the sanction policy against the government of Myanmar, and as well as engaging policy, it is important to understand Myanmar's domestic and international tensions and the course of events that culminated in the imposition of comprehensive sanctions by the senders.⁵

Since the beginning of freedom movement, Myanmar has been in a state of political inertia. The imprint of Ne Win's coup in 1962 consolidating the military forces in the country and venturing out for national integration, social and economic development with the philosophical idea of '*Burmese Way to Socialism*' under the banner of Burmese (Myanmar) Socialist Programme Party (BSPP). However, it did not bring any major changes both in political, social and economy in the country, but continued in taking up dictatorial ruling system without concerning other party or the representative of the ethnic communities. Referring to this character of the junta, Mathew says, "It is one of the ironies of political life everywhere that those in power think their system to be the best, whether fascist, communist, democratic or despotic. Myanmar's rulers are no exception".⁶ This is in regard of the military takeover in 1962 after so much of failure in the past, but as a transition of power that was justified (and even welcomed by some) under the increasingly chaotic circumstances. Such has been a justification for military rule in Myanmar. The military junta ruled the government exclusively in any activity, prohibiting free speech, and attempted to legitimize the power undemocratically. And also, the BSPP further insisted that only a unified and strong Myanmar would be able to resist alien ideas and values from abroad, which are destroying the fabric of the Burmese culture. To this end, Myanmar isolated itself from the international community for twenty-six years⁷.

⁵ . Thihan N, Nyun (2008) "*Feeling Good or Doing Good: Inefficacy of the U.S Unilateral Sanctions Against the Military Government of Burma/Myanmar*", *Washington University Global Studies Law Review*. Vol. 7:455, United States of America Google Books. The author defined that sanction nomenclature classifies the country or coalition of countries imposing the sanctions as the sender, while the country subjected to economic sanctions is design as the target. P. 465.

⁶ . Bruce, Mathews, (1998), "The Present Fortune of Tradition-bound Authoritarianism in Myanmar", *Pacific Affairs*. Vol, 71, No. 1, PP. 7-23.

⁷ . Ibid, Bruce, Mathews, P. 20.

A prolonged political and socio-economic unrest in the country led to an economic decline and pervaded a huge mass protest against the military government in 1987-8. It became what had since been called 'Democracy Summer'; a popular democracy movement that gained considerable momentum under the leadership of Daw Aung Sang Suu Kyi, at which military junta suppressed the civilian population indiscriminately involved in the movement. As a result, the military regime then, faced with both domestic and world-wide criticism of its violent usurpation of power. And within this political clash, the military then held national election to reconstitute the general assembly as the first step in restoring democracy. However, State Law and Order Reconciliation Council (SLORC) nullified the result of 1990 national election, in which the National League for Democracy (NLD) overwhelmingly defeated the military-backed National Unity Party (NUP) by winning over sixty percent of the vote and 392 of the 485 assembly seats, compared to 10 for the NUP. Therefore, the policy of sanctions began to apply from the West due to inconclusive legitimate political authority and dialogue and human rights violation by Military junta in Myanmar.

While imposing economic sanctions, the U.S. and the EU reinforced another round of economic sanctions against Myanmar after the incident of Depayin, 30 May, 2003, when the alleged State Peace and Development Council (SPDC)- instigated attack on Daw Aung Sang Suu Kyi and her supporters which led to an outbreak of another violence. The incident was labeled as, "Black Friday", few people lost their life, and arrested Aung Sang Suu Kyi.⁸ As a result, the then Secretary of United States, Colin Powel called the SPDC "thugs" and promised a strong response to "Black Friday".

Again another incident what has been characterised as the "Saffron Revolution", witnessed in the cities of Myanmar in August-September 2007, attracted huge international media attention when the military junta hit-back the protesters indiscriminately. In response to this suppression the U.S. and EU issued a strong

⁸ . Kate, Mossman, (2003) "Without International Intervention, it will ultimately be the People of Burma Who Will Suffer Most: Win." The Manitoban, July, 23, URL:http://www.archive.themanitoban.com/2003/07/27/new_3.shtml

condemnation together with another new round of sanctions.⁹ International Donors, institutional organizations, and some nations initiated sanctions against Myanmar and steadily strengthened throughout the 1990 and early 21st century as the Myanmar government has made no progress towards in democratization, domestic violence and human rights abuse.

Between Sanctions and Engaging Policy

Sanctions Policy: In the post Cold War era, U.S. foreign policy adopted a ‘unilateral economic sanctions’ which undermining the competitive position of its companies by preventing them from doing business in targeted nations and damaging trade the same way traditional tariffs and quotas do.¹⁰ According to Tihan, “economic sanctions are the actual or threatened withdrawal of normal trade or financial relations, imposed by the sender against the target (group, organisations or nations), for foreign policy purpose. It limits to restriction on trade, investment, and other economic activity that reduce the target country’s revenues, thereby facilitating the desired change without resorting to military action”.¹¹ Theoretically, the imposition of economic sanctions is designed to compel a behaviour or policy change in a target country by inducing economic losses, and then foster the civilian population to rise up against its leaders to demand change, forcing the target government to reverse its objectional-behavioural policies. Alternatively, the leaders in the target country, after realizing the error of their ways, will acquiesce to the outside demand and change their behaviour and policies.¹²

The US unilateral sanction is categorised into two interconnected components; trade sanction and financial restriction. Trade sanction consists of export control, import control, and denial of certain trade preference. Financial restriction, on the other hand, includes freezing the target country’s foreign assets, banning foreign investment, and

⁹ . Xiaolin, Gou, (2008) *‘Dealing with Myanmar: A Unity of Divided Interests’*, Institute for Security and Development Policy. Singapore, June, 2008, P.7.

¹⁰ . Leon T. Hadar, (1998) “U.S. Sanctions against Burma: A Failure on All Fronts”. *Trade Policy Analysis*, CATO Institute No.1. <http://www.cato.org/pubs/trade/tpa-001.html>. March 26.

¹¹ . n. 5. Thihan N. Nyun, p.464.

¹² . n. 5. Thihan N. Nyun. p. 467.

withdrawing foreign development and security assistance. Logically, the U.S. sanction in general, is a tool for foreign policy, represent a substitute for war, the avoidance of a military conflict. The U.S. policy of sanction which has been in place since the Myanmar military regained control of the country in the wake of the 1990 election- is pursued with bipartisan backing by the U.S. government and favoured by a majority of EU member states.¹³

The U.S. first imposed broad sanctions after the military junta cracked down on student-led protests.¹⁴ The U.S. President George H.W. Bush revoked Myanmar's benefits under the 'Generalised System of Preferences'¹⁵ (GSP) ostensibly because of Myanmar's violation of internationally recognized workers' rights. The Custom and Trade Act of 1990 was passed by the U.S. Senate and Congress,¹⁶ requiring the U.S. President to impose economic sanctions against Myanmar or as the U.S. prefers to call it, Burma, if specific condition were not met, including progress of human rights and suppression of the outflow of narcotics. Again on July 22, 1991, President Bush invoked the Custom and Trade Act and refused to renew the bilateral textile agreement with Myanmar that had expired on December 31, 1990. In 1997, President Clinton signed the 'Foreign Operations Act', which prohibits the U.S. from giving any new assistance to Myanmar, prohibiting individuals in the United States from initiating "New Investment" in Myanmar, and then followed by the 'Foreign Operations Appropriations Bill on May 20, which prohibit new investment by U.S. persons in Myanmar and barred any modification or expansion of existing trade commitments.

The U.S. response to the alleged SPDC- instigated attack on Daw Aung Sang Suu Kyi and her supporters on May 30, 2003, Depayin incident, and imprisonment of her was the 'Burmese Freedom and Democracy Act' (BFDA) of 2003. In July 29, 2003, President

¹³ . n. 9, Xiaolin, Gou, P. 8

¹⁴ . *Factbox: Sanctions on Myanmar.*(2009) Reuters. Monday, May 18. URL:[http:// www.uk.reuters.com](http://www.uk.reuters.com)

¹⁵ . Myanmar was withdrawn from the list of GSP countries in 1997 based on article 9 of Regulation (EC) No 3218/94. It provided that preferences could be withdrawn in circumstances including the practices of any form of forced labour, as defined by ILO Convention No. 29 and 105, quoted from '*European Commission Trade, Generalised System of Preferences: Everything But Arms.* www.ec.europa.eu

¹⁶ . Michael, Ewing-Chow, (2007) "First Do No Harm: Myanmar Trade Sanctions and Human Rights". *Northwestern Journal of International Human Rights, Media and Society in Asia and the Pacific*, Vol, 5, Issue 2, Spring. P. 156.

George W. Bush signed into law the “Burmese Freedom and Democracy Act”, a much stronger set of economic sanctions than the non-retroactive ban on American investment passed by President Bill Clinton in 1997¹⁷ after the U.S. House of Representatives voted on July 15, 2003 by vote of 418-2 and by the US Senate on 16 July 2003 by vote of 94-1.¹⁸ The BFDA banned the importation of any goods produced, manufactured, grown or assembled in Myanmar, requires the US treasury to direct US financial institution to freeze assets in the United States of “those individuals who holds union positions in the SPD, and expand a ban on visas to the U.S. for officials of the SPDC. The BFDA states that U.S. will also block any application by Myanmar for soft loans from the IMF and the World Bank.¹⁹ The preamble of U.S. “Burmese Freedom and Democratic Act” listed a number of overarching goals; to sanction the ruling Burmese military, to strengthen Myanmar’s democratic forces and support and recognize the National League for Democracy (NLD) as the legitimate representative of the Myanmar people’s. The goals expressed in the preamble are supplemented by additional conditions that must be met before the sanctions are disengaged; that the SPDC make substantial and measurable progress to end violation of internationally recognized human rights, a democratic government by realizing all political prisoners; allowing freedom of association; permitting the peaceful exercise of religion; and arguing on the transfer of power to a civilian government.²⁰ Moreover, because of the majority of economic enterprises, including banks are owned by or closely connected to the SPDC, the measures were designed to hit hard at the military regime’s economic foundation in order to persuade it to release Aung Sang Suu Kyi and make genuine progress toward democracy.²¹

The “Burmese Freedom and Democratic Act” was set to expire on July 28, 2006, however, on August 1, 2006 President George W. Bush extended for another 3 years, and then later, President Bush further tightened U.S. unilateral sanction in the aftermath of the

¹⁷ . Donald M. Seekins, (2005) “Burma and U.S. Sanctions: Punishing an Authoritarian Regime”, *Asian Survey*, vol.45, No 3. University of California Press. P. 439.

¹⁸ .Ibid, Michael, Ewing-Chow, P. 157.

¹⁹ . n. 16, Michael, Ewing-Chow, P.157.

²⁰ . n. 16, Michael, Ewing-Chow, P. 158 and in n. 5, Thihan N. Nyun, P.484.

²¹ . n. 17, Donald M. Seekins, P. 440.

brutal cracked down of the protesters in September 2007,²² what has been characterised as the “Saffron Revolution”, witnessed in the cities of Myanmar in August-September and welcomed huge international media attention.

Following the US lead, the European Union also had taken extensive diplomatic and economic sanction against Myanmar, though not nearly as comprehensive as the U.S. unilateral practice. The European Union adopted a Common Position on Myanmar since October 1996. Apart from confirming existing sanctions such as an arms embargo and the suspension of all defense cooperation and all non-humanitarian bilateral aid, the EU ‘introduced a visa ban on the member of the military regime, the member of the government, senior military and security officers and members of their families, as well as the suspension of high-level government visits to Myanmar’.²³ And in 1997, the EU also revoked Burma’s benefits under the Generalised System of Preferences (GSP) and withdrawn from the list of GSP countries, affecting US \$30 million, or 5 percent of Burmese exports. On May 22, 2000, the EU imposed a freeze on assets held abroad by persons related to Burmese governmental functions, and banned the export of “equipment that might be used for internal repression or terrorism” to Burma. Since then, European Commission (EC) Council Regulation has been amended several times to expand the list of people whose financial assets have been frozen in the EU.

EU decided to suspend the implementation of further sanctions until October 29, 2003, pending substantial progress on key issues such as the start of a substantive dialogue with Aung Sang Suu Kyi and the NLD, the release of political prisoners and a reduction of violence and human rights violations. However, similarly to U.S. response, after the events of May 30, 2003 and the placement of Aung Sang Suu Kyi under house arrest, the EU decided on June 16, 2003 to impose the new expanded sanctions, to target more persons linked to the economic or political activities of the SPDC by extending the visa ban and asset freeze, and by amending and strengthening the arms embargo.²⁴

²² . n. 5. Thihan N. Nyun, P. 481.

²³ . n. 16, Michael, Ewing-Chow, P. 157.

²⁴ . Tint, Swe, (2010) ‘Myanmar (Burma)- The Efficacy of Sanctions’, *South Asia Analysis Group*. Paper No. 43, December 13, [URL:http://www.southasiananalysis.org/paper43.html](http://www.southasiananalysis.org/paper43.html).

The U.N. General Assembly and the Human Rights Commission have repeatedly adopted annual resolutions condemning Myanmar's human rights practices, with the Human Rights Commission having a special rapporteur appointed to Myanmar since 1992. The World Bank has suspended economic aid to Myanmar since the crackdown on the democratic uprisings and has used incremental restoration of aid as leverage to improve political and human rights conditions in Myanmar. Additionally, the International Labour Organisation (ILO), after investigating the country's forced labour practices and after the regime's failure to comply with the ILO's recommendations, effectively expelled Myanmar from the organization²⁵. In 2000, delegates to the International Labor Conference passed an unprecedented resolution invoking Article 33 of the ILO Constitution, calling upon Burma to implement the recommendations of the report and to end its practices of forced labor. SLORC responded to this with the decree of October of 2000 that instructed all local officials to stop using forced labor except in public emergencies. The order stated that such action is a violation of Section 374 of the Burmese penal code, which punishes those compelling others to work against their will. Correctly concluding that the SLORC decree was nothing more than empty words, the ILO took further action in a resolution of November of 2000 that threatened sanctions against Burma.

In dealing with Myanmar, the divided policy between regional and international actors is becoming increasingly salient and visibly apparent, with western governments continuing to demand democratic change in Myanmar while keeping sanctions in place, and with a majority of Asian countries consistently engaging and upholding the non-inference principle in their policy-making vis-à-vis Myanmar.²⁶ Due to divergent policy and ambivalent in responding in Myanmar issue, many analyst has pointed out that Myanmar has been a focal point in international politics not necessarily because of what is going on inside the country as such, but rather, ironically because it presents a point of contention between different international actors and their ideologies.²⁷ Therefore, the issue of

²⁵ . n. 5. Thihan N. Nyun, PP. 477-4778.

²⁶ . n. 9. Xiaolin, Gou, P. 17.

²⁷ . n. 9. Xiaolin, Gou, P. 20.

political transition in Myanmar has generated scholarly interest and debate on the nature and outcomes of the whole process.

Engagement Policy: Western governments took a forcefully principled approach to Myanmar in a coercive diplomacy and economic sanctions as an effort to force the military government to implement the result of the multiparty election of 1990 and avoidance of human rights abuse. The human rights violations, socio-economic depression, the pro-democratic opposition –although it maintains broad popular support has lost much of its momentum and international actors had demonstrably failed to protect and bring new democratic form of government in Myanmar. The contemporary ‘Seven-Step to roadmap democracy’ laid out by the SPDC is seen by the opposition as a way of stalling development, and a way of clinging on to power indefinitely without any real commitment to the democratization of the country- a view that is understandable since the opposition is excluded from the roadmap and is largely unaware of the process.²⁸

In contrast to western sanctions, some of Myanmar’s Asian neighbouring states had embraced a much gentler policy of “engagement” or “constructive engagement” as the policy allowing an opportunity for gradual transitioning process in Myanmar. Till date, the three regional states, China, India and ASEAN are engaging Myanmar in the policy of ‘Five Principles of Peaceful Co-existence and Integration’, “Look East Policy” and “Constructive-Engagement” or the “ASEAN Way” respectively.

First of all, China since the late 1980s, due to its economic clout and political ascendancy in Asia began to court astutely with the reclusive state of Myanmar in different aspects like in military assistance, economic development, industrial infrastructure, rail-road development and financial assistance. Historically, the preamble of the 1950s ‘Five Principles of Peaceful Co-Existence’ and ‘Non-interference’ of both the country had opened up a new horizon of closeness and diplomatic fora. The visit of Zou Enlai to

²⁸. Xiaolin, Gou & Johan, Alvin, (2007) “Engaging with the Issue of Myanmar: A New Perspective”, *Institute for Security and Development Policy*, Stockholm-Nacka. Sweden. Policy Paper, October. P. 13.

Myanmar nine times between 1954 and 1965 concluded an agreement allowing China to access in a large, untapped consumer market; exploration rights in oil and gas reservoir, the rights to extract timber, minerals and gems; and contact to build new energy and transport route to support the development of southern west Yunnan (source). All these economic and energy security agreement allowing China to perform within Myanmar and the initiation came to see more effective and reality in 1990s.

In the line of critics and arguments, China engaging Myanmar is for its geostrategic implication and national security. Further, many analysts had argued that China engaging Myanmar is not more than just quest for economic and energy security. And China engaging Myanmar would not be so effective in resolving the issue of Myanmar when it looks only for national security reason and regional autonomy. However, despite the argument and perceptions of China in engaging Myanmar for self interest, in 'realpolitik' some has argued that China had a paramount of rampant, conduit of drugs and narcotic trafficking, immigration and prevalence of HIV/AIDS inflicted from the domestic problems of Myanmar after 1988. Therefore, as an instance, China is cautiously taking up different economic assistance and financial aid to Myanmar to sort out these problems and also concurrently trying to resolve political issue. It is also considerable that China rejecting the tactics of Western isolationist and sanction policy, believing in political change through gradual process with which can be best in engagement and encouraging economic development.²⁹ Diplomatically, China also clearly viewed Myanmar's problem as an internal issue and to solve the problem lies within the country itself along with mediating from the regional states. Moreover, many scholars and analysts had stated that coercive external intervention according to China will hold no any good to the problem; rather institution building and engagement would be a better chance to mitigate the problem when the issue of Myanmar is tabled in the international forum.

China's response to 2007 "Saffron Revolution" was to urge the Myanmar government in receiving the Secretary- General special advisor Ibrahim Gambari and later was granted access to senior Generals and Aung Sang Suu Kyi. Although, Gambari mission to

²⁹. 'Myanmar: Sanctions, Engagement or Another Way Forward?', *International Crisis Group Asia*, Report No.78. Yangon/Brussels. URL:<http://www.releifweb.int/sites/files/resources/>

Myanmar did not come out favourably as planned and the result of his visit was mere resourceful and success. According to one report: Gambari met with National League for Democracy (NLD) leader Aung San Suu Kyi twice during his five-day trip, but 'was denied a meeting with the junta's supreme leader, Senior-Gen. Than Shwe. Gambari's last visit to Burma in November 2007, Kyaw Hsan used the occasion of his latest meeting with the UN representative to send a clear message that the junta does not appreciate international interference in its affairs.³⁰ Nevertheless, China continued to provide consistent support to the Secretary General's good offices and his special advisor and maintained outspoken participation in supporting the Secretary General's "Group of Friends of the Secretary –General on Myanmar".³¹ On 9 February, 2008, the General announced a timeline for implementing its roadmap, with a nationwide referendum on the draft constitution to be held in May, followed by ratification and then multiparty democratic elections in 2010.

China having a close relation with Myanmar, has played an important role especially after the cyclone Nargis on May 2, 2008 when U.S. Secretary of State Condoleezza Rice make a direct press to China to influence the military government to accept more external disaster assistance.³² China along with ASEAN played a critical role in convening the military government to accept international aid with coercive step in receiving Admiral Timothy J. Keating, commander of the U.S. Pacific Command at Yangon Airport. China intervention in the issue of Myanmar is quite essential and has the potential role to play with the military junta in any circumstances.

Next to China, India is also another nation-state engaging with Myanmar. But, the initial stage of India and Myanmar relationship was unprogressive due to Myanmar's military inhuman response to civilian and pro-democratic protester. And India followed the policy of engaging much later than China. Initially unlike China, India's relation with Myanmar was more strained due to its support of pro-democracy students, and especially the icon

³⁰ . Wai, Moe, (2008) ' Juntas's Snub signals Failure of Gambari's Missioin', *The Irrawaddy*, March, 10, [URL:http://www.pseudonymity.wordpress.com/categories/saffron-revolution](http://www.pseudonymity.wordpress.com/categories/saffron-revolution).

³¹ . n. 28, Xiaolin, Gou & John, Alvin, PP. 11-12

³² . Pak K. Lee, Gerald, C. and Lai Hai, Chan, (2009) "China's "Realpolitik" Engaging with Myanmar", *China Security*, Vol. 5 No. 1. P. 112.

of NLD party leader, Aung Sang Suu Kyi who strived to end military rule. Since 1988 and till mid 1990s India overtly showed a policy of open commitment to the Democratic Party. At this point of time India followed the idealist and humanist stance and proved to itself by high commitment to the restoration of democracy in Myanmar with the guidance of Gandhian and Nehruvian principles.³³

A new shift in the foreign policy of India begins to take shape in 1991 and 1992 after reviving its economic, political and global outlook with a new important perception towards Southeast Asia and Myanmar closely. Undoubtedly, there are important factors that had influenced India to engage with Myanmar from 1990s. Firstly, India had apprehension about the possibility of China encircling its security structure in ocean. It also fretted about the possibility of China establishing a presence in the Bay of Bengal and Andaman Sea. Secondly, economic and strategic interests coalesced in New Delhi's 'Look East Policy' under Prime Minister P.V. Narasimha Rao. And Thirdly, India sought urgently to address its security problems in the Northeast.³⁴ With the perception of threat from China and its extension into Southeast Asia, the "Look East Policy", for India cautiously sought to engage with Myanmar and dropped the isolationist stance towards Myanmar. More compatibility in their relationship is visible when India declared its idea of Non-interference and considered the issue of Myanmar as internal matter.

Subsequently, a number of high level ministers and official meetings was conducted and a treaty of bilateral trade relations was signed in 1994. Wide range of economic and political relationship between India and Myanmar is seen when the ASEAN members included Myanmar and became a full fledged member of ASEAN in 1997. Furthermore, Myanmar became a member of BIMSTEC in December 1997 and Mekong-Ganga Cooperation in 2000.

³³ . Renaud, Egrateau, (2003) "India and Burma/Myanmar Relations: From Idealism to Realism", *Institut d'Etudes politique de Paris, France, Centre de Sciences Humaines*, New Delhi, India, P. 14.

³⁴ . Jurgen, Haacke, (2006) '*Myanmar's foreign Policy: Domestic influences and international implications*', *Adelphi Paper*, International Institute for Strategic Studies, P. 34.

Moreover, the cooperation also included fields like energy cooperation. The indigenous companies like Oil and Natural Gas (ONGC) and Gas Authority of India. Ltd. (GAIL) had looked at the potential for extracting oil and natural gas from the coastal region (offshore and onshore). Military assistance and joint military training began to collaborate too. In regard of aid and development, India after the natural disaster of 'Cyclone Nargis' hit in the coastal region of Myanmar in 2008, launched an operation 'Sahyata' with two Indian Navy ships and two Indian Air Force aircraft supplied the first international relief materials to Myanmar.³⁵ Most recently, India response to Myanmar 2007, "Saffron Revolution" was of the opinion that Myanmar's process of political reform and national reconciliation should be more inclusive and broad based.

Consequently, the implications of India and Myanmar growing relationship and diplomatic receptions had induced the international community to press India to mediate in the issue of Myanmar. Compare to China, India is less in effective in the issue of Myanmar as well as in the arena of economic and influences in Myanmar.

ASEAN member states took up a policy of "constructive engagement" as the role to follow with regards to the issue of Myanmar. The most significant achievement of ASEAN so far is the inclusion of Myanmar in the organization in 1997, in the hope that it could influence change in Myanmar. However, with greater emphasis on economic development and the prime focus of its "Non-interference" policy, the impact remained ineffective in pushing the junta towards national reconciliation. It needs to look at wider and more tangible factors such as collective responses and assistance from UN to engage in Myanmar's issue; pressure from individual members of ASEAN, ASEAN as a group, and the will of the international community, have all still remained ineffective.

Compounding Problem of Issue of Myanmar

Addressing Myanmar's issue, both international and regional states had essentially used the 'divided' policy that is sanctions and engagement in resolving the problems with

³⁵ . Cyclone Nargis (2011) From Wikipedia, the free Encyclopedia, URL: http://www.wikipedia.org/wiki/Cyclone_Nargis

many different ways and ideology. Certain countries from the West like the United States since 1988, and European Union in 1996 have engaged Myanmar by disengaging through imposition of sanction. In contrast, the neighboring countries like China, India, and ASEAN have geared up to engage with Myanmar's military junta with political as well as economic policy, to find confidence in Myanmar's government to open up for negotiation leading to political reform.

The policies of China, India and ASEAN's member states, using engagement as response to Myanmar rather than sanctions, creates a huge debate over the means of engaging as a method of influencing political transitioning in Myanmar. Many analysts, strategists and scholars had commented and argued on the basis of effectiveness and conducive to mitigating further violence and political transition in Myanmar both from the Sanction group and engaging group. Many have argued that taking on the view point of ineffective of Western sanctions, engaging have more imperative efficacy in terms of response and more conducive in exerting political reform. Further, sanctions from the West had just employed another obstacle into Myanmar struggle for transition, because the impact of sanctions which include economic, trade relations, financial and Official Development Assistance are cut off and simply it hampered the civilian population.³⁶

On the other hand, critics and arguments of engagement role in Myanmar state that the engaging states were influenced and manoeuvred by their own interests; to influence, national security and autonomy in the region. To some, the argument on the essential policy of sanctions and engaging of Myanmar is that, either sanctions and engagement had achieved what they aim for, as far as wishing for political change in Myanmar is concerned, the international community have 'divided interest'.³⁷ Also arguably, there has been a sharp contrast between the West (i.e. U.S. and EU) and Asian countries which is underpinned by states geostrategic importance, and ideology.

Lastly, the domestic problem, despite the failure so far has been because of untenable policies, and strategies devoid of sincerity towards resolving Myanmar's' problems. Not

³⁶ . n. 17, Donald M. Seekins, P. 448.

³⁷ . n. 9. Xiaolin, Gou, P. 18.

only the weakness of external actors is taken into account here, but also the domestic problems which project Myanmar beyond reconciliation.

Arguably, the policies of sanctions had impacted not just the welfare of the people, but also the capacity to implement positive change. It has added to the risks of fueling social unrest with the potential to result in the downward spiral of domestic deteriorations. Therefore, the study will analyse Myanmar's issue vis-à-vis other actors and would seek plausible strategy and policy to engage Myanmar towards transition and change.

Possibilities of Approaches

The role of mediation to solve Myanmar issue is studied, within the context of both economic sanctions from West and engagement from Myanmar's Asian neighbouring states. Though both policies were critical from their respective states foreign policy but it could not bring a great impact on reconsolidating democratic transition from the military junta. As the cyclical political turmoil associating with social and economic deteriorations, the responses from regional and international community are more interested in democratization and human rights violation. The analyses of the present paper will limit itself to the period from 1990 to the announcement of the military government's 'the New 2008 Constitution' and conveyed the message to hold multiparty elections in 2010. Following are the areas that would cover the scope of the study:

- *To study how "engaging" from the regional actors like China, India and ASEAN had conducive and compatible aspect in assisting dialogue in many ways.*
- *To study how political and non-political engagement will give effective relevance to justify the problems on the political impasse and state development in economic and domestic issue of Myanmar.*
- *To study how has Myanmar's foreign policy since 1990, opened up a new modus operandi for engaging as an ultimate process for bonding regional security development.*

- *To study how the overall features of the three regional states engaging with Myanmar overtly opposite and concomitant to sanctions has more efficacy and essential to mediate congenially with the military junta in any circumstances than sanctions.*

The study does not focus on the issues relating to democratization, but looks more at the question of regional responses to engage Myanmar. And also to create a picture of how one might formulate for future policies and strategies on the failing of the international and regional effort on Myanmar's issues. Therefore, without measuring the scale of the effectiveness of international policy of 'sanctions', or the regional ideology of 'constructive engagement' which is much adhered by China and ASEAN engaging as a non-coercive response to Myanmar's issue is important to study and analyse with due reference to sanctions which is not effective and inconceivable for sudden alteration of junta's hard-line agendas.

The present study will look into the matter of China, India, and ASEAN and their increasingly developing relationship or engaging with Myanmar from 1990 to 2008 as option to resolve Myanmar's internal impasse. Diverse aspects of the three Actors engaging with Myanmar in socio-economic, military, political and regional security dimensions will be studied. Further, the role of the three regional states will show how they are incorporated within the reclusive state's foreign policy contrary to western sanctions. Hence this study will corroborate the hypotheses by way of analyzing through descriptive and analytical method.

Chapter 2

China Engaging Myanmar

For almost two decades, the issue of Myanmar has been widely acknowledged and known as one of the most unstable country in the world. The brutal human rights violations and illegitimate consolidation of power by the military junta had become a wide regional and international discourse to reconsolidate and transform Myanmar into a democratic country. The level of intervention with different policies and dialogues from international community and regional states come to the forefront in the issues of Myanmar as the role of mediation is needed to stabilise the country. Notwithstanding, the policy of intervention or the responses to consolidate, there is an immense difference within the Western policy and Myanmar's neighbouring States in the process of dialogue to engage Myanmar. Remarkably, the two essential different policies of the West and regional states which imply as the responses to Myanmar are delved in the principles of "economic sanctions" and the policy of "engagement or constructive engagement". This two divergent or the 'divided interests' of Western and regional response to Myanmar's issues is dissimilarly influence by their ideologies and principles befitting to the concept of intervention.¹

The economic sanctions is spearheaded by U.S. and EU, 'Hard-liners', and some other states favouring formal and informal economic sanctions, condemnation of the military regime human rights violation and imposition of effective ban on international financial assistance and trade facilities of Myanmar. On the other hand, the policy of "constructive engagement" or the "gentler" one is followed by China, India, and ASEAN states

¹. There are differences in international reactions to the political situation in Myanmar underpinned by geography and ideology. Generally in the sharp contrast between the west and Asian countries has complicated their efforts in matter of supporting the democratic movement in Myanmar and offering humanitarian aid. Xiaolin, Guo, (2008) 'Dealing with Myanmar: A Unity of Divided Interest'. *Institute for Security and Development Policy*, (policy paper) Stockholm-Nacka, Sweden.

favouring of greater prosperity and to stabilise through bilateral relationship under their multifaceted bilateral cooperation.

The military juntas continued to govern the authority of the government and the political structure remain unchanged even both sanctions and engagement policies had been operationalised upon them. So, the effectiveness of both the policy towards Myanmar reconciliation had become a recent discourse and speculated by many scholars and analysts and compounded a debate in the midst of an overarching search for Myanmar transition. And, as yet, the military junta that stole the country's election is still in power and do not show any sign of changes in the structure of the government particular in a democratic system of governing for decades. So, it is not surprising that 'neither' sticks nor 'carrots' have brought a tangible effect and concrete solution in the ongoing political deadlock.

The present Myanmar's political impasse is not entangling only in political and democracy, but coalesces with human rights violation, ethnic insurgent movements, spread of HIV/AIDS and security problem within and outside the national and regional states. Politically, the key triggering events of the crushing of student-led 1988 democracy protestors and the junta's subsequent failure to implement the results of May 1990 election to the winning NLD party remained a big issue in Myanmar. Behind these issues - politically aside, the cyclical human rights abuses, the memory of 30 May, 2003, the Depayin incident, instigated by the SLORC and arrest of Aung San Suu Kyi, and September 2007, the "Saffron Revolution" led by Buddhist monks forcibly suppressed by the military machinery had risen wide international examinations.

Additionally, the early months of 2008 junta launching a campaign of political intimidation in support of a "Yes" vote for constitutional referendum². With all these junta's imprudent political control and cyclical unresolved problems, the military junta has been viewed by many states as an 'outlawed regime'. Therefore, international and regional actors, and also moderately some institutions and organizations had intervened

² . 'Despite Deadly Cyclone: Myanmar Junta Calls for 'Yes' Vote on Constitution'. Agence France-Presse. May 09, 2008. URL:<http://www.services.inquirer.net>.

and involved in the dialogue process with the military junta to resolve the intolerable acts and consequences of the state behaviour.

Myanmar has been at odds with the West (U.S. and EU) isolated by the essential policy of economic sanctions which is the principle policy in dealing the military government of Myanmar as applied in South Africa. As such, the approach of economic sanctions is to mount pressure on the military rulers and the assumption that it will in due course cripple the country's economy, which will lead to widespread dissatisfaction and ultimately turn the population against the government and bring it down.³

Reflecting on the weaknesses of economic sanctions inferred by persistent domestic turmoil in Myanmar and military rule, the US government had called for bringing the issue of Myanmar to the UN Security Council for discussion in 2005, and again in 2006, which was finally put to vote in 2007 to include the issue of Myanmar in the UN on the ground of regional and international threat. But, in conclusion many states disagreed with such intention, China as a member of UN absolutely rejected the proposal of bringing the issue of Myanmar into UN Security Council. Contrary to West economic sanctions and shielding Myanmar from UN intervention, China cautiously engaged and continued to follow an "Open Engagement" policy with Myanmar.

Since late 1980s, China staunch support to Myanmar in military, economic, political and border issues and aid development left a deep impact in leveraging Military junta from insurmountable recuperations of the past 'stalled economic reforms' and the effects of economic sanctions as well. However, the effectiveness of both sanctions and engagement towards Myanmar is alike in transitioning, China with political interest and sound bilateral relations coped up since late 1980s had played an important role in developing the juntas economic, domestic issues and especially initiated full involvement in any issue when sometimes influenced from the international community. Limitation abounds in China's Myanmar foreign policy and strategic interest, but there is

³ . n. 1, Xiaolin, Gou, *P.* 70.

no doubt that China is more reliable to Myanmar for any political dialogue and better placed to influence the junta for political dialogue.

Hence, the present chapter will focus on China engaging Myanmar since 1990. It will look at the impact on the ways which the SLORC developed, and on how the pariah state broke away from the isolationist stance and began to associate with other regional states. The chapter also examines the impact of China upon Myanmar on the economic and financial corporation, and looks at the possibility of how a political process can be developed in Myanmar. The logic of China's engagement Myanmar will focus diplomatic, military, economic, aid and development assistance. Lastly, the imperatives of China engaging Myanmar since the uprising and the arguments of engagement will be presented and show that it provides sum effectual measures in regard of Myanmar political issues and offers some recommendations drawn from the evidence that sanctions is less effective and counterproductive in transitioning Myanmar.

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China-Myanmar Relations: The Early Phase

The present picture of China-Myanmar bilateral relations from the late 1980s would not have developed if there had not been early historical contacts and relationships; a policy has led to increased ties between the two peaceful co-existence and mending and normalisations of relations. Many of the opinion has deliberated that the present bilateral relationship of China and Myanmar has grown in depth in late 1980s due to 'world-wide compatibility' of when both were isolated from external world and began to develop their natural proximity to one another.⁴ And discernibly, the Western economic sanctions have some influences on Myanmar aligning and associating with some Asian neighbouring states, more extensively towards China.

Genuinely, it is important to look at the past as decades of the relationships between China and Myanmar. As Gou has said that "in the international relations, internal dynamics were the sources of change and this is not an exception to China-Myanmar

⁴ .Donald M. Seekins, "Burma-China Relations: Playing with Fire", *Asian Survey*, Vol. 37, No. 6 (Jun., 1997) University of California Press. P. 53.



relations due to its new foreign policy”.⁵ The past ups and downs relationship of China and Myanmar and the factors that eventually led to set up a good relationship which is comparatively different with the outlook of 1990s foreign policy of both the country. The rationality of the “Five Principles of Peaceful Co-existence” and the phrase of ‘Good Neighbourliness’ phrased by China constituted an important factor in establishing a relationship with neighbouring states and especially with Myanmar. This feature is not banished from the present realms of China-Myanmar relationship.

Historically, China had posed several threats to Myanmar and their relationship underwent a series of ups and downs. In the year following the establishment of the People’s Republic of China (PRC) in 1949, Myanmar was the only country in Southeast Asia to recognize the new Chinese government. But, in the meantime, China supported the Myanmar’s underground communist group and their bilateral relations remained ambivalent for four decades as Myanmar’s communist party chose arm struggle against the military junta as the route to power and to gain legitimate authority.

In the early years of PRC’s formation border security posed a great challenge because in Southwest China underwent a major socio-political transformation in land reform, nationality identification, and the designation of regional autonomy facing near-constant cross-border incursions by hostile forces. As a result, China’s diplomacy was oriented towards building friendly relations with her neighbouring nation-states. As much as Myanmar relied on China to rein in the anti-government tendencies from the overseas Chinese communities, China was counting on Myanmar cooperation in solving longstanding border disputes and border security.⁶ Gradually, China with its interest on Myanmar’s geostrategic importance pronounced its ‘Good Neighbourliness’ policy to engage with neighbouring countries which would develop the hill-locked region of South-western Yunnan province.

⁵ . Xiaolin, Gou, ‘*Towards Resolution: China in the Myanmar issue*’, *Central Asia-Caucasus Institute Silk Road Studies Programme* . March, 2007. P. 52

⁶ . n. 5, Xiaolin, Gou. P. 33.

The two countries formally began to establish a diplomatic relationship in June 1950, when China remained notably wary of U Nu cultivating ties with Great Britain and United States and expressed its dislikeness of Myanmar leadership readiness to open up to the two powers in politics and economy.⁷ At this point of time, the visit of Zou Enlai to Myanmar between 1954 and 1965 and premiere U Nu's return visit to China in the following year concluded a treaty and established the 'Five Principles of Peaceful Co-existence'. The bilateral truce was declared in the Sino-Burmese Joint Declaration on 29th of June, 1954. The five important points which included in the treaty are as followed:⁸

- Mutual respect for each other's territorial integrity and sovereignty.
- Non-aggression.
- Non-interference each other's internal affairs.
- Equality and mutual benefits.
- Peaceful co-existence and Peace Settlement of Dispute.

With its focus on the 'Five Principles of Peaceful Co-existence', China also pledged to pursue an independent foreign policy designing to defend China's independence, state sovereignty and territorial integrity; create a favourable international environment for reform and opening up to the outside world and to modernise the nation; and to maintain world peace and promote common development.⁹ There is also a common ideology of both countries in terms of defense of national sovereignty and independence, as Seekin said that "both Beijing and Rangoon have invoked the Five Principles- especially mutual respect of sovereignty and territorial integrity and non-interference in internal affairs- in reacting to Western country's criticism of their policies, and later even in the area of human rights".¹⁰ Moreover, in connection with China-Myanmar relations, both have set

⁷ . n. 5, Xiaolin, Gou. P. 32.

⁸ . Zou, Keyuan, (2003) "China's Possible Role in Myanmar's National Reconciliation", The Copenhagen Journal of Asian Studies. Vol, 17. P. 60.

⁹ . n. 8, Zou, Keyuan, P. 61.

¹⁰ . n. 4, Donald M. Seekins, P. 532.

up a fine tradition known as ‘Paukphaw’ (Myanmar word for sibling or brotherly) and strengthened the personal rapport of both the leaders.

In 1960, on the eve of the PRC National Day, the arrival of U Nu and Ne Win in Beijing with 300 members delegation, in the Great Hall of the people on October 1 signed together with the Chinese government the ‘Boundary Treaty Between the People’s Republic of China and Union of Burma’ which put an end to the border question –“a result of the long-term aggressive policy of imperialism” as put by the Chinese PM Zhou Enlai in his speech delivered on the day of boundary treaty.¹¹

However, within few years the diplomatic relations between China-Myanmar was impeded by the cult of Mao’s ‘Cultural Revolution’ in 1967. The ‘Cultural Revolution’ convulsed Chinese society and caused a huge rift when the propaganda of Mao’s thought infuriated the minds of the Myanmar population, and Ne Win strongly prohibited the cult of Mao Zedong. As a result, clashes between Burmese and Chinese (Chinese-Burmese) perpetrated violence in the mainland of Myanmar. After the mass protest in Beijing and Yangon escalated, China called off its aid to Ne Win, and according to Xinhua News Agency broadcast China’s statement of urging the Burmese people to support the Communist Party of Burma (CPB) in overthrowing Ne Win government, and further with humiliation, China began to allowed the CPB leaders in China to appear in public settings’.¹² Therefore, the anti-Chinese riots in 1967 hampered their bilateral relations and stand-off remained until 1970s when the step of ‘fence mending’ and a voice of rebuilding friendly relations begin to resurface.

Diplomatic relations began to re-establish in early 1970s during the official visit of General Ne Win to Beijing at the invitation of Premier Zhou Enlai, and formalised the normalisation of ‘state-to-state’ relations inspite of the continuous Chinese ‘dual track policy’,¹³ and with reciprocal Ne Win assured step of ‘fence-mending’ and a voice of

¹¹ . n. 5, Xiaolin, Gou. P.37.

¹² .n. 5, Xiaolin, Gou. P. 42

¹³. China had long adopted a dual track approach towards Myanmar by endorsing party-to-party relations between the CCP (Chinese Communist Party) and the CPB (Communist Party of Burma), but just before

rebuilding friendly relation. Also, since the introduction of China's economic reforms in 1979, Beijing's Myanmar policy conformed to its general policy of ensuring a stable external environment with neighbouring states so that its domestic modernisation and development would proceed unhindered. Following with the economic reforms, China adopted a pragmatic foreign policy reinstated the 'Five Principles of Peaceful Co-existence', increased international economic and political exchanges in order to fuel economic development at home.¹⁴ At the same time, China dropped the ideology of exporting revolution and the policies and practices in which it had found expressions in the earlier period. As China began to prosper along with a series of reforms in agriculture, industry and foreign trade, CPB was left to face its own demise deep in the jungle.¹⁵ With the re-establishment of normal relations between the two countries, the Kunming-Yangon route became the focal point of recurring state visits, and the provincial government of Yunnan played a key role in facilitating bilateral relations.¹⁶

China 'Open Engagement' with Myanmar

A dramatic change in the bilateral relationship of China and Myanmar in the late 1980s is enhanced when the State Law and Order Restoration Council (SLORC), later reconstituted as the State Peace and Development Council (SPDC, 1997) took power after the nationwide political unrest in 1988. Due to nation-wide uprising in Myanmar, the Japanese, West Germany and U.S. stopped their development aid that had helped keep the puny Myanmar economy afloat in the past decades. Further, SLORC was ostracized for not forfeiting the legitimate authority to the 1990 elections winning party, the National League for Democracy (NLD) Party and received harsh economic sanctions curtailing international financial assistance, trade, arms embargo and disrupted military, economic trade system from the 'Hard-liners', led by the US and then by EU in early 1990s.

the end of the cold-war, China departed from its dual track diplomacy and renounced its policy stance favouring the CPB.

¹⁴. China in Burma: "The Increasing Investment of Chinese Multinational Corporations in Burma's Hydropower, Oil, Gas, and Mining Sectors". Published by *Earthrights International*. September, 2008. P. 6. (online <http://www.burmalibrary.org>.)

¹⁵. n. 5, Xiaolin, Gou, p. 44.

¹⁶. n. 5, Xiaolin, Gou, p. 48.

Links have been particularly vibrant since the late 1980s, when in the space of less than nine months, after Myanmar pro-democratic uprising in 1988 and then in China in 1989, the Tiananmen incident, the rulers of both states brutally repressed student-led pro-democracy movements and were subject to international condemnation and isolation.¹⁷ Additionally, the precept of non-interference and equal and mutual benefits of both the countries, led China to pursue the gentler approach of engagement toward Myanmar. China engaging Myanmar is also highly favoured by the demise of the Communist Party of Burma (BCP) in 1989. The other factor which is most reasonably commented by many analysts and scholars is that, when the West imposed economic sanctions against Myanmar and isolated, Myanmar as an alternative began align with some regional neighbouring states to alleviate from the effects of sanctions and circumvent in associating with the non-sanctioning group. And amounting pressures on the military regime from the international community left no choice but to approach Beijing for survival. As diplomatic, political and security ties grow closer, economic relations were strengthened between the two countries.¹⁸ China's domestic political interest towards neighbouring countries, especially Myanmar could be seen with the end of cold-war equation in Southeast Asia.

In assessing China's foreign policy, Pak, Gerald and Chan had commented that "China's state-centric approach to global governance is to be built on individual state at the basic level, regional intergovernmental organizations at the middle level and the United

¹⁷. The momentum of China-Myanmar better relations is also seen when both faced domestic and international predicaments due to 1988 uprising (Myanmar) and 1989, Tiananmen incident in June (China). Both isolated from the external world and brought them into closer alignment. Jurgen, Haacke, (2006) '*Myanmar's Foreign Policy: Domestic Influence and International Implications*'. The International Institute of Strategic Studies, p. 26, and in Ian, Holiday, (2005) "Doing Business with Rights Violation Regimes Corporate Social Responsibility and Myanmar's Military Junta". *Journal of Business Ethic*, Vol. 61, No. 4, P. 4.

¹⁸. This is an argument which has been postulated by many analysts and scholars due to the failure of U.S. unilateral sanction toward Myanmar. See in Thihan N.Nyun (2008) "Feeling Good or Doing Good: Inefficacy of the U.S. Unilateral Sanctions against the Military Government of Burma/Myanmar", *Washington University Global Studies Law Review*, vol. 7:455, and in Toshihiro, Kudo, (2005) "Myanmar's Economic Relations with China: Can China Support the Myanmar Economy?" Institute of Developing Economic, Discussion Paper No. 66

Nations at the global level.¹⁹ Contextualizing the historical border issues with Myanmar and the search for border security in Southeast Asia, the foreign policy of China called ‘Open Door Policy’ led to engaging with most of the regional states. According to Donald Seekins, “The open economic policy towards Burma after 1988 must be understood primarily in power political terms – a device for generating revenues for the military and building a stronger state”.²⁰ These are the important factors which influenced and exerted both China and Myanmar foreign policy for engagement rather than to disengage.

Military Engagement: After post-independence, Neutralism and Non-alignment in the foreign policy of Myanmar meant not to avoid security alliances with foreign states, but the security cooperation in any form, including technology transfers, was minimized. Outside of a joint venture with a state-owned West German firm to manufacture small arms and the receipt of helicopters and other aircraft for using in narcotics eradication from the United States government, foreign countries provided Myanmar with little military support. But, Myanmar’s weak military equipments and disadvantages have changed drastically since the post-military coup when military junta cemented a closer military cooperation with China.

Regarding China’s military engagement with Myanmar, Donald, Seekins have manifested the military assistance of China to Myanmar in three ways; first, the sale by Beijing of approximately US\$1.4 billion worth of relatively advanced weaponry to SLROC; second, Chinese assistance in the construction of military facilities that paved way for a significant Chinese presence in the Indian Ocean; and third, Chinese pressure on ethnic minority insurgents in the China-Burma border area to make peace with

¹⁹. Although China adopts a ‘realpolitik’ approach to Myanmar; recognitions of its presence and prominence, adopt a ‘business-as-usual’ which is a suitable approach to Myanmar as other regional states follow too. Pak K. Lee, Gerald Chan & Lai-Ha Chan, (2009) “China’s “Realpolitik” Engagement with Myanmar”. University of Technology Sydney. P. 113.

²⁰. n. 4, Donald M. Seekins, P. 553.

SLORC. In addition, high ranking Burmese (Myanmar) and Chinese officers have visited each other often and strengthened personal ties between themselves.²¹

The first military delegation during the arrival of General Khin Nyunt and Than Shwe to Beijing in 1989 negotiated the arms deal which was worth US\$1.4 billion. The weapons in this purchase include fighter aircraft, patrol boats, tanks, armoured personnel carrier, missile, anti-aircraft guns and trucks. This deal was financed with low interest loans and barter trade (natural resources of weapons). Beside this procurement of weapons, China also constructed a small arms and ammunitions near Magwe in Central Burma in 1993, and concluded a second arms sale agreement amounting approximately to US\$400 millions which include the acquisition of helicopters, armoured vehicles, and additional missiles and patrol boat.²² Accompanied by years of exchanges between dozens of technical and regional delegations, the flurry of diplomatic activity culminated with the visit of Jiang Zemin to Myanmar in 2001, which marked the first visit by a Chinese president since 1985.²³

Besides the supply arms, China offered training to Myanmar soldiers and officers in 1990 with the arrival of the first installment of Chinese weapons to Myanmar. Under the 'Five-Point' agreement of co-operation signed in 1996, 300 Myanmar air force and naval officers units were trained in signal and intelligence duties as well as in the handling of fighters, naval, communications and other equipment. Moreover, Myanmar officers regularly went to China 'Staff Colleges and Military Academy, including the National Defence University for training and refresher course,²⁴ and the most significant results of arms deals with China was the reorganization and expansion of Myanmar armed forces

²¹. n. 4, Donald M. Seekins, *P.* 534.

²². n. 4, Donald M. Seekins, *P.* 535.

²³. Helene, Le Baile and Abel, Tourneir, , "From Kunming to Mandalay: The New "Burma Raod"; Development along the Sino-Myanmar Border Since 1988", *The Institute of Francais des Relations Internationals*, Centre Asie Vision 25. March, 2010. P. 9.

²⁴. S.D. Muni, (2002) '*China's Strategic Engagement with the New ASEAN: an exploratory Study of China's Post-Cold War Political, Strategic and Economic Relations with Myanmar, Laos, Cambodia and Vietnam*'. Institute of Defence and Strategic Studies, Nanyan Technological University. Singapore, p. 80

enabled by the Chinese arms and training, and the increase military control.²⁵ Due to western arms embargo, the west forced junta to China and it got a favourable response in the form of relatively modern armaments, ostensibly on favourable terms, allowing the Myanmar Armed Force to redress the huge shortcoming in conventional war-fighting capacity.²⁶ Another important feature of military engagement is the technical advises and support from China which contributed to the expansion of military capacity from 200,000 troops in 1988 to an estimated 350,000 in the late 1990s.²⁷

In analysing China military engagement with Myanmar, some have postulated that Myanmar government had succeeded in bringing an end to some insurgents' movement by the striking deals known as "arms for peace". Through the "arms for peace" there were forced compromises upon the junta and the ethnic communities and it also provided a sense of stability and greater confidence to deal with the challenges of democratic opposition. However, Muni argued that, 'this ad hoc "armed for peace" cannot be possible for stability and opportunity or arrangements for finding a lasting political solution between the Juntas and ethnic minority insurgents and to rebuild the economy in large'.²⁸ The important thing to understand about the 'arms for peace' is that through Chinese military assistance and modernization of military equipments had boosted Myanmar some responsibility or circumstances in thawing down the military ethnic groups, opined for cease-fire agreement.

Border-Trade Relations: Another key important strategy of China engaging Myanmar is the bilateral trade co-operation in associating with aid development assistance and infrastructure development. Following with the liberalizations of Myanmar's trade policy and lifting the restrictions of private sector in trade and commercial activity, and the

²⁵. 'Challenges to Democratization in Burma: Perspectives on multilateral and bilateral responses'.(2001) International Institute for Democracy and Electoral Assistance (International IDEA) p.23. http://www.archive.idea.int/newsletters/2001_12/off_the_press.htm.

²⁶. Tin, Maung Maung, Than, (2007) "Asian Regional Powers: Junta's Lifelines but Not Change Agents"? *Friedrich-Ebert-Stiftung, Singapore, P. 8*. URL: <http://www.myanmar.com/Union/history.html>.

²⁷. n. 23, Helene le, Baile and Abel, Tourneir, P. 9.

²⁸. n. 24, S.D. Muni, P, 85.

influx of Chinese trade and commercial agents into Myanmar's markets gave a great push to Myanmar's weak economic.

The border trade relationship of Myanmar and China is lined in 'Trade Agreement' signed in Beijing in 19 November, 1970. To implement this early border trading agreement, Chinese delegation led by the then Deputy Governor of Yunnan Province came to Yangon in July 1988,²⁹ and signed the agreement with Myanmar Export and Import Services (MEIS) and Yunnan Machinery Import Export Corporation to use bank transactions between Myanmar's Foreign Trade Bank and the Kunming Branch of China Bank on 5 August 1988. In the 1989-1990 fiscal year, Myanmar Export and Import Corporation (MEIC) exported K (kyat) 17.020 million and imported K (kyat) 13.128 million worth of goods. The private firms and cooperative societies were allowed to trade all goods except 16 items under state monopoly by following the normal procedures at customs department. New border trading posts were opened at Muse-105 mile, Laizar Lweje, Chinshwehaw and Ruili (Yunnan). The Border Trade Office was establish and extended to the full-fledged Border Trade Department of the Ministry of Commerce in August 1996.

Myanmar exports items include raw material, agriculture products livestock, fishery products and forest products to China, while China flooded Myanmar markets with machines and machinery equipment, garment accessories, construction materials, electronic and electrical products and consumer goods.

In 1994, a governmental border trade agreement was signed to pave the way for increase transactions, and since then, border trade with China, especially through the renovated Myanmar Road and the Ruili-Muse border post became the "lifeline" of Myanmar economy.³⁰

From November 2000, local currencies such as the Myanmar Kyat and Chinese Yuan could again be used for payment of border trade and both regularised and institutionalised

²⁹. Myoe A. Maung (2007) *Sino-Myanmar Economic Relations since 1988*. Asia Research Institute. (Working Paper Series No. 86). National University of Singapore. P. 27.

³⁰. n. 23, Helene Le, Baile, and Abel, Tourneir, P. 28.

cross-border transactions and road development contributed to boosting border trade between the two countries in the beginning of 21st century.

In the fiscal years of 2005-06, Myanmar imports value from China were at US\$ 468 million, out of a total of US\$ 1.95 billion; Singapore stands at the top with US\$ 558 million worth of good being imported from there to Myanmar. China's exports to Myanmar through border posts increased by 2.1 times, from US \$261.2 million in FY (Fiscal Year) 2001 to US \$540.6 million in FY 2005, whereas China's imports from Myanmar via border trade expanded by 2.4 times, from US \$93.7 million in FY 2001 to US \$223.5 million in FY 2005.³¹

Investment and Development Assistance: Apart from military and trade engagement, with the moratorium of Official Development Assistance (ODA) imposed by western states, Japan and institutes like World Bank and Asian Development Bank, China stepped into the vacuum to meet Myanmar's attempt to modernise its obsolete industries and decaying infrastructure. Chinese development assistance usually comes in the form of grants, interest free loans, or concessional loans and debt relief.

Between 1997 and 2006, China had offered a total of Yuan 200 million in grants, USD 400 million and Yuan 685 million in soft loans, and Yuan 10 million in debt relief to Myanmar and had become the largest ODA donor country.³² According to Myanmar government, between 1989 and 2006, the PRC government provided over Yuan 2.15 billion and US\$ 400 million in various forms of loans. There were also debt relief of Yuan 10 million and Yuan 200 million grant aids. Moreover, the Chinese government also helped the Myanmar government in securing private financial loans from Chinese banks and business firms.

In the early 1990s, Myanmar military junta embarked upon an ambitious program of building roads, bridges, dams, hydroelectric schemes, and import-substitution state owned industries. But, due to severe constraint on human and financial resources, especially technical expertise and scarce foreign exchange, Myanmar had to heavily rely

³¹ . n. 19. Toshihiro, Kudo, PP. 11-13

³² . n. 26, Than, Tin Maung Maung . P. 13.

on Chinese expertise and ODA-link imports of machinery and equipment.³³ According to one agency report, 'Chinese companies had constructed six hydro-power plants and one Thermal power station within the period of 1996 and 2005.'³⁴ This project includes the 'Paunglaung Hydro-power' project, which was completed under the assistance of the Yunnan Machinery Imports and Exports Corporation (YMIEC) in March 2005. Other projects include the Yeywa Hydro-power plan having the capacity of 790 MW approved by China Exim Bank with a loan of US\$ 200 million at preferential interest rates for construction. Another significant Chinese economic cooperation in infrastructure development is the Ayayawaddy Transportation Projects; it provides a transport line from Yunnan to Thilawa Port in Yangon, and containing port near Bhamo, upgrading the road from the new container port to Muse/Lwejel on the Chinese border, and dredging the river to secure a vessel lane.³⁵ China was also involved in establishing Myanmar's 'state-owned enterprises' such as sugar and textile factories, plywood plant, cement plant, rice mill, coal-fired power plant, pulp and paper mill, mobile liquefied petroleum gas plant, agriculture, equipment plant and other light industrial factories. China also provided coastal liners, irrigation pumps, construction of materials, an auto telephone exchange, and a satellite ground station. Construction of the Yangon-Thanyin Bridge, Mandalay International Airport, and upgrading of roads near the Myanmar-Yunnan border were carried out with Chinese assistance.³⁶

Major development assistance from China has also planned out after the visit of Senior General Than Shwe to China in January 1996. During his visit, Senior General Than Shwe signed another agreement on economic and technical cooperation with China. Moreover, on the same occasion, the two governments signed a framework agreement on the provision of interest subsidised credits by the Chinese government. Under the interest subsidized loan agreement, the Myanmar government took a loan of Yuan 150 million for

³³. n. 26, Than Tin, Maung Maung. PP. 13-14

³⁴. Myanmar Launches Hydropower Plan to Fulfill Electricity, (2010) Malaysia National News Agency. URL:<http://www.topic.com/mm/myitnge/2010/12/myanmar-launches-largest-hydropowe-to-fulfill-electricity>.

³⁵. n. 19, Toshihiro, Kudo, PP. 14-15

³⁶. n. 19, Toshihiro, Kudo. P. 14.

the procurement of machines for factories in Indagaw Industrial Zone. Moreover, the Myanmar government received an interest free loan of Yuan 50 million for machines to be installed at the No. 1 Agricultural Machinery Factory in Sinde.

In February 2006, the Chinese government committed a grant of Yuan 70 million and a low interest concessional loan of US\$ 200 million during the state visit of Prime Minister General Soe Win for the procurement of drilling materials for oil drilling rigs and Urea fertilizer plant at Taikgyi.³⁷ Furthermore, during his meeting with Chinese Premier Wen Jiabao in Beijing on 14 February 2006, General Soe Win explained that there were some agreed projects left to be implemented under the economic and technical cooperation between the two countries and he wanted them to be materialized as soon as possible. He also mentioned that there were new projects for negotiation which included dredging of waterway for 20,000 tonnage vessels to be able to cruise along the Yangon River in connection with Thilawa Industrial Zone, the construction of Lashio-Muse railway under the financial and technical assistance from China and also presented 130 train coaches for the Myanmar Railways, and building of a glass factory in Myeik and a tyre factory in Taikkyi.

Many observers believe that the machines procured from China are outdated and of poor quality. Nevertheless, low price machinery, equipment and services, long-term and low-interest loans, and export credits by Chinese public financial institutions have made it possible for Chinese firms to play an important role in the Myanmar economy. Therefore, Myanmar economy is now heavily dependent on its economic ties with China, through bilateral development assistance since 1988.³⁸

Since 1988, China helped Myanmar government in building 8/9 sugar mills [US\$ 158 million], 20 hydroelectric plants [US\$ 269 million], 13/45 new factories for the Ministry of industry-1 US\$ 198 million], and 12/21 new plans for the Ministry of Industry-2 [US\$ 137 million]. Also, China upgraded 6 factories for the Ministry-2 [US\$ 346 million], provided 6 ocean-going vessels, and built a dry dockyard [US\$25 million].

³⁷. n. 29, Maung A, Myoe, PP. 22-23.

³⁸. n. 29, Maung A , Myoe, P, 23.

On February 2006, Prime Minister General Soe Win discussed the dredging of the Yangon River with his Chinese counterpart. In connection with this project, two cross border road-links were constructed. Local county governments in the Yunnan Province built 95-kilometer long Tengchong-Myitkyina [via Kanpeikti] at the cost of Yuan 192 million [US\$ 23.2 million] and upgraded Zhangfeng-Bhamo road at the cost of Yuan 28 million [US\$ 3.38 million]. The agreement to build the Tengchong-Myitkyina road was signed in Yangon on 19 May 2004 and Tengmin Road Construction and Maintenance Co. Ltd, based in Tengchong of Yunnan Province, would build the road under the build-and-transfer system and it would take care of the road maintenance for 10 years.³⁹ Two Chinese firms have invested in nickel mines: Tagaung in Thabeikkyin and Mwetaung in Tetain and Kalay. Contracts for the study of feasibility and survey were signed with the China Non-Ferrous Metal Mining and Construction (Group) Co. Ltd and Kingbao Mining Ltd in 18 July 2004 (during General Khin Nyunt's visit to China) and in 12 August 2005 respectively.⁴⁰

Oil and Natural Gas Exploitation and Investment: The longstanding China's interest in Myanmar natural resource was mentioned in the early 1985 by Pan Qi, yet it had increased over the year with the swift growth of Chinese economy especially since China became dependant on fossil fuels in 1993 and subsequently several Chinese Companies have signed substantial contracts with Myanmar Oil and Gas Enterprise (MOGE) since 2004.⁴¹

Myanmar has proven recoverable reserves of 510 billion cubic meters out of a total 2.54 trillion cubic meters estimated reserves of offshore and onshore gas. Between 1988 and 2005, the Myanmar ministry of energy developed 71 onshore and offshore blocks, and entered 67 productions sharing contracts with 59 Chinese companies. At least 16 Chinese Multinational Corporation (MNCs) have been involved in 21 onshore and offshore oil and natural gas projects in Myanmar, including all three major Chinese oil and natural

³⁹. n. 29, Maung A. Myoe, P. 31.

⁴⁰. n. 29, Maung A. Myoe, P. 14.

⁴¹. n. 23, Helene Le, Baile, and Abel, Tourneir, P. 10.

gas companies 'Sinopec', China National Petroleum Corporation (CNPC), and China National Offshore Oil Corporation with Myanmar Oil and Gas Enterprises (MOGE).⁴²

The China National Offshore Oil Corporation Myanmar Ltd (CNOOC- Myanmar Ltd) signed three contracts on production sharing includes exploring crude oil and natural gas in the three deep-sea blocks off the Rakhine coast in blocks AD-1, AD-6 and AD-8, which cover a total area of 10,000 square-kilometers.⁴³

China had planned to build an oil pipeline from Myanmar to China. The proposal was made by a team of Chinese professors from Yunnan's Social Science Academy. The CNPC and the MOGE had launched a feasibility study on building a gas pipeline and an oil pipeline from Myanmar to Kunming, the capital of Yunnan province. In connection with the gas pipeline, Petro China signed a MoU (Memorandum of Understanding) with the MOGE (Myanmar Oil Gas Enterprise) to buy 6.5 trillion cubic feet of natural gas from Block A-1 over a period of 30 years starting from 2009. The gas pipeline will initially supply 600 million cubic feet of gas a day and this will eventually increase to 1 billion cubic feet a day. The proposed oil pipeline will have an annual capacity of 20 million metric tons.⁴⁴

The oil for the pipeline will be mainly import from the Middle East and Africa. The gas pipeline may speed up efforts by China to tap gas reserves in Myanmar to meet strong domestic demand, while the oil pipeline will boost security for China's oil imports from the Middle East and Africa by reducing the country's sole reliance on the Malacca Strait.⁴⁵ Completion of the pipeline is expected in 2013, when local natural gas and Middle Eastern or African oil should start flowing through Myanmar to Yunnan.

China and Myanmar had also engaged together with in other regional and sub-regional multilateral organizations, schemed for economic development and etc. The two sub-regional development schemes where China and Myanmar engaged are the Greater

⁴².n. 14, P. 10.

⁴³. n. 29, Maung A. Myoe, P. 15.

⁴⁴. China-CNPC-China-Myanmar Oil & Gas Pipeline, (2010) Energy World, Net Author:Net View. (Online: web) URL: <http://www.cceec.com.cn/English/Projects/China/2010/0914/8530.html>

⁴⁵. n. 29, Maung A. Myoe. PP. 16-17.

Mekong Sub-region (GMS) and Bangladesh, China, India and Myanmar (BCIM) regional economic cooperation which was launched in China in 1999. These technical multilateral projects and economic and transportation connectivity were welcomed by the Myanmar government with an intension to re-enter the regional diplomatic and commercial scene after decades of isolation. Also these regional organisations aim at enhancing trade and investment opportunities in Myanmar, especially through infrastructure construction programs like the Trans Asia Highway project.⁴⁶

Border Security and Social Problems: Since the era of new bilateral relations and border connectivity of China and Myanmar, many problems like narcotics and drug smugglings, small arms dealing, illegal immigration, illegal economic transactions, spreading narcotics epidemic like HIV/AIDS and prostitution are quite visible within the border areas. Therefore, in March 1997, in an effect to contain narcotic problems China and Myanmar signed an agreement on border administration and cooperation. During the counter-narcotic conference in Kunming in 2000, the then Minister of Public Security, Jia Chunwang ordered the border defense forces in Southwest China to join with their counterparts in the railway, communication, and aviation sectors to crack down on the rampant narcotic trade. Besides other curriculum in containing narcotics, China paid special attention in bringing about social change in the border region and promulgated ‘alternative crop cultivation’ which include in the first PRC Narcotic Prevention Law encouraging the opium poppy growers to grow alternative crops such as rice, rubber, sugar cane, and banana.⁴⁷

Although the legacy of prolonged conflict in the border region is visible till now, ethnic insurgent movements are quite prevalent within and the border area of China and Myanmar. Therefore, China moved towards coordinated effort on both side of the border to keep stable. It surged in the middle of the 1980s along the border between China, Myanmar, Laos and Thailand- the so-called Golden Triangle- amid border instability and

⁴⁶. Renaud, Egrateau, (2008) “India’s Ambition in Burma: More Frustration than Success?”, *Asian Survey*, vol. 48, No. 6, Nov/Dec. P. 942.

⁴⁷. n. 5, Xiaolin, Gou, PP. 61-62.

disorder as ethnic insurgencies across the border between Myanmar and Thailand intensified and China's economic reform opened up the border for trade.

Imperative of China's Engaging Myanmar

Within the context of close diplomatic, military, economic, political, and security ties between China and Myanmar, China's policy of 'open engagement' has undoubtedly benefited the reclusive state of Myanmar. While the domestic policy of China in 1970s was heralded and shaped for possible flexibility of interaction with other external affairs, the domestic policy of Myanmar was headed by its inert philosophical idea of "*Burmese Ways to Socialism*" under the banner of BSPP (Burmese Socialist Program party) and obstructed the of building comprehensive bilateral and multilateral relationships. Hence, Myanmar's Foreign Policy remained weak and underdeveloped. Economically and politically it remained isolated from the world, even though it was a member of Non-Alignment Movement (NAM). Also, Myanmar's post-independence foreign policy of non-alignment and independence was very much a reflection of the perceived external sources of threat, particularly in its immediate environment, as well as its domestic problems.

However, in the late 1980s, Myanmar's foreign policy began to reflect both the domestic conditions –its insecurity and weakness and the military's prescription to overcome as well as the nature of and change in its external environment. Having squandered substantial international development and disqualified after 1988 from receiving assistance such as soft loans from international financial institutions, the country's foreign policy gradually served to promote economic cooperation with neighbouring economies to supplement national development.⁴⁸ Therefore, the Myanmar's foreign policy is redefined in contact with China in late 1980s with immense help in military, economic and financial assistance. China is now a major supplier of consumer and capital goods to Myanmar, in particular through border trade, and provides a large amount of economic cooperation in the areas of infrastructure, energy and state-owned economic enterprise, and comparatively interplayed in Myanmar's political issues as well.

⁴⁸ . n. 17, Jurgen, Haacke, P. 20.

The 'Open Engagement' policy of China had assisted extensively and incorporated with Myanmar's new foreign policy. The border direct trade agreement and with the route connecting between Upper Myanmar and Yunnan of China had greatly impacted on Myanmar's substantial economic development. Chinese and particularly the Yunnanese state companies played a major part in the economic reconstruction of northern Myanmar, especially in roads, bridges, telecommunication facilities, institutionalisation of cross-border transaction- including "one-stop service" and constructions of multi-hydro power stations.

Once Myanmar was a significant exporter of textiles to United States and all the transactions were dealt in U.S. dollars by the Myanmar traders. However, the effect of 'Burmese Freedom and Democratic Act' of 2003 prohibited trade relations and economic transactions with the Americans financial institution. More seriousness in the effect is the band of local industry where many employed textiles industries lost their jobs, mostly young women who provided supplementary income for impoverished families.⁴⁹ However, in the early 2003, massive constructions of the State-owned Factories such as textile mills, plywood plants, rice mill, pulp and paper mill, agriculture equipment factories, and other light manufacturing facilities were initiated under the assistance of China.⁵⁰

Moreover, Myanmar suffered a severe shortage of electricity since the end of 1990 and the government has initiated massive dam-building programs for hydro-power generation. Subsequently, Chinese companies involved in contracts and constructed six hydro-power plants and one thermal power station in the period between 1996 and 2005. Among this power projects, the Paunglang Hydro-Power was financed and completed with the technical capabilities of Chinese companies- the Yunnan Machinery Import and Export Corporation (YMIEC) in March 2005.⁵¹ Similarly, in March 2006, eleven major

⁴⁹ . Donald M. Seekins,(2005) "Burma and U.S. Sanctions: Punishing an Authoritarian Regime", *Asian Survey*, Vol. 45. No. 3, Published by University of California Press. P. 442.

⁵⁰ . n. 19, Toshihiro, Kudo, P.15.

⁵¹ . n. 19, Toshihiro, Kudo. P. 14.

on-going hydro-power projects, with a total generating capacity of 17, 34 MW was implemented by China.

Politically, China deflected Western human rights criticism targeting Myanmar. Although China's influence has not resulted in Myanmar's transition, however after the military crackdown against the protestors provoked vocal condemnation to the junta and the international community turned to China to convince further avoidance of bloodshed and concurrently pressing the military junta to take a less confrontational approach to the protestors. Thus, China probably has more influence over the Burmese regime than most other countries, but it certainly cannot manipulate the ruling junta at will.⁵² It is noticeable that China had and would have better Chance to negotiate with the junta as well as have a high regard for the military Junta than Western states.

In January 2007, China and Russia reiterated that human rights problems were not in the purview of the Security Council unless they endangered regional or international peace and security; which Myanmar did not. As the Chinese Ambassador to the UN, Wang Guagya said that "forcing the Security Council to discuss issues that are essentially the internal affairs of a country can only make the situation in that country even more complicated and inevitably damage the Council's authority and legitimacy.

Chinese authorities in Yunnan have also been active in assisting SLORC to make cease-fire agreements with border insurgents, especially the Kachin Independence Organization which had been one of the best-organized and motivated rebel movements. Rebels who make peace with Rangoon have been allowed to keep their arms and profited from the increasingly active trade across Myanmar-China border. In the words of one newspaper report, "the Burmese junta is grateful to China for enabling it to get a better grip on its minorities."⁵³

⁵². Renaud, Egretreau, (2003) "India and Burma/Myanmar Relations: From Idealism to Realism", *Institut d'Etudes politique de Paris, France, Centre de Sciences Humaines.(Conference Paper)* P. 954.

⁵³. Kenneth A. Mackay, (1995) "China-Burman-Shadow over Asia", *Burmese Relief Center, Japan, June 2*, <http://www.burmalibrary.org>.

In understanding the rationale of ties between China and Myanmar many analysts and scholars argue that China's geostrategic implication and economic interests engage Myanmar. However its influence in establishing political reconciliation is limited. Eventhough, the policy of sanctions remains ineffective in bringing about political change it has impacted the life in Myanmar. But, some argued that US intervening in the issue of Myanmar is to obstruct China's influences in the region and in Asia and Southeast Asia. In the same way that Chinese development assistance and commercial-based loans made available to the Myanmar government is for its benefit and national interest. Contextualizing with this line of critics and arguments, China's close ties with Myanmar, beyond military and economic and energy security quest, however, it is important to look on the other side of China's policy that how meticulously it engaged with Myanmar and breakthrough some domestic problems and economic disadvantages. Some have argued that, although China influence in Myanmar is been watched cautiously by other states power in the context of orbit of influence and regional and legitimacy interest, but, China's ties are through open engagement policy and is more compatible and reliable for any political dialogue with the junta.

In defense, according to a spokesperson for China National Offshore Oil Co. (CNOOC), which has interests in several oil and natural gas blocks in Myanmar, "We, in the oil business, have no choice but to go to places with oil ... a company is in business for profits, not for politics". However, due to sharp criticism from the West China's government voiced strongly views about the situation in Myanmar, and has urged Myanmar military leaders to "push forward a democracy process that is appropriate for the country", while stressing that it is Myanmar's people who must decide its future, not the international community. From China's perspective, investment in Myanmar is mutually beneficial as it encourages economic development in both countries and promotes regional economic, political, and social stability.

What is today being identified as 'an overall failure by the international community to prevent the actual occurrence of military conflicts' is indeed reflected as a breakdown in conflict management (in terms of conception and moral values), but also because of

increasingly blurred lines between internal and international affairs. Also, as the issue of Myanmar is concerned the country's colonial history, multi-ethnicity, and natural endowment all make finding a solution intricate.⁵⁴

Many have viewed Beijing's attempts to court the unsavoury government of Myanmar through the lens of energy security and shielding it from United Nations Security Council (UNSC) action and other foreign sanctions. In the analysis of China's "realpolitik" of engaging Myanmar, Pak, Gerard and Chan argued that a 'business as usual' adopted by China is an approach not only for the interest of energy security and quest for regional and international identity. But it has also regarded as an appropriate way of China to strengthen the moral legitimacy of an international society based on the state-centric principles of national sovereignty and non interference.⁵⁵ This is with what China extensively promulgated as way to developed Myanmar and exercise in mediating to bring reforms and reconciliation rather than sanctions.

Gou argued that the West sanctions policy applied in Poland and South Africa have bolstered the efforts of democratic movements seeking political change, and that "sanctions put economic pressure on repressive governments, give hope to the democratic opposition inside the country, and focus international attention on human rights abuses and suppression of democracy. While in the case of Myanmar, from a practical perspective, the expectation is to see "economic sanctions against the Burmese regime adversely affect industries that directly benefit the military and deprive the common people from the source of revenue".⁵⁶ As Christopher said that 'the policy of isolation and sanctions continue to reduce not the welfare of the people; but the capacity to implement positive change and reform'. Because of economic sanctions Myanmar received low levels of Official Development Aid (ODA) compared with other neighbouring states and the society is under unimaginable conditions with improper educational institutions, government's negative resource mobilization in corollary to

⁵⁴ . n. 5, Xiaolin, Gou, P.67.

⁵⁵ . Pak K. Lee, Gerald Chan and Lai-Ha, Chan, (2009) "China's "Realpolitik" Engaging with Myanmar", *World Security Institute*, Vol. 5, No. 1. p.113.

⁵⁶ .n. 5, Xiaolin, Gou, P. 70.

isolation from foreign aid, trade and investment.⁵⁷ China's concern in the issue of Myanmar is that a failed state of any political persuasion may lead to the disintegration of the country and revival of civil war, which will have serious repercussions in the region".⁵⁸ Further, that the cease fire agreements that the Myanmar government has reached with various ethnic minority forces, the effort it has made to rein in opium production and trade, and the economic reforms that have been implemented not just in "Burma Proper" but in the frontier region as well, are crucial to national reconciliation and would not have been possible without the economic cooperation of neighbouring countries, most importantly, China.⁵⁹

According to Keyuan, there are many potential problems and issues that exist between China and Myanmar. However, the resolution will depend on the wisdom and actions within themselves. On the other hand, as the plan for 'Golden Quadrangle' encompassing Yunnan Province of China, Upper Burma, Northern Thailand and Laos comes to fruition, the Sino-Myanmar relationship will be maintained and developed in a friendly and stable manner, as manifested by their historical transactions.⁶⁰ To the extent, in regard to the critics of Myanmar played with China's Card, and Myanmar seemed to be drawn increasingly into a Chinese sphere of influence. But, the Myanmar leaders shared the same view as the Chinese leaders that an open economy could enhance the country's stability and increase the nation's economic strength.⁶¹

Christopher argued that the morality of seeking to provide 'the people of Myanmar' with adequate human security and a viable economic future is greater than a 'principal refusal' to engage with the regime. However, his argument for engagement does not imply the contention that all sanctions are bad. A unified global approach to Myanmar was not possible and will not be possible in the future so long as Myanmar remains strategically

⁵⁷ . Christopher B. Roberts, (2006) "Myanmar and the Argument for Engagement: A Clash of Contending Moralities?", *Institute of Defense and Strategic Studies*. (No.108) P. 33.

⁵⁸ .n. 5, Xiaolin, Gou, p.77.

⁵⁹ .n. 5, Xiaolin, Gou, p. 84.

⁶⁰ .n. 8, Zou, Keyuan, PP. 73-74.

⁶¹ .n. 8, Zou, Keyuan. p. 65.

important to China, and to a lesser degree India, or even the current government of Thailand.

As a recommendation the international community needs to at least start to formulate some long-term strategies for appropriate aid and engagement so that the people of Myanmar can, as a minimum, have the opportunity to choose a pathway that might just deliver a better future. That constructive engagement has more advantage over sanctions cannot be ruled out, but most commonly speculated of China and Myanmar relations is that Myanmar is a “Client State” of China due to asymmetric dependence, a key economic partner amid of western sanctions, and source of investment. However, without measuring the scale of the effectiveness of internationally policy of ‘sanctions’, or the regional ideology of ‘constructive engagement’, the engaging policy of China have a great impact on Myanmar state development and as well as a better chance to respond and acquiesce the juntas for any political dialogue in the international forum.

Chapter 3

India's Response to Myanmar

Historically, India's relations with Myanmar is known from the early historical contacts. The legacy and influence of India in Myanmar is seen in the religious influence of Buddhism when Emperor Ashoka (3rd century BC), who sent some Buddhist emissary to South and Southeast Asia to spread the doctrine called "Dhamma". Buddhism was practiced in the mainland of Myanmar by adopting 'Pali' which originated from India and was the sources of many Myanmarese words; earliest law book in Burma the "Wagaru Dhammathat" of India, which in Burmese is known as "Manusara Shwemin"¹. The Buddhist holy language and the religion became the medium of expanding of Buddha's philosophy in Myanmar in the subsequent years.

Geographically, the border-line of India and Myanmar- Northeast Indian states and Chin and Kachin states of Myanmar had been a porous borderline (1,643 km). Many ethnic groups such as Naga, Chins, Mizo, Kachin and Manipuri (meitei) had made their home on the border areas and ethnically thus shared some cultural similarities and as well as remained under the yoke of colonial administration. During the heyday of colonialism merging from the west in late 18th and 19th century, the British occupied both the states and ruled together until Myanmar was separated from India in 1937.

During the colonial period, people of Indian descent estimated to be one million out of Myanmar's total population of 14 million and constituted half of the Rangoon population. And the predominance of Indians in the province of Myanmar colonial socio-economic configuration created a strong resentment to the indigenous majority in 1920s and 1930s.

After the triumphant of complete sovereignty both from the British rule, people of Indian origin located in Myanmar moved back to India in huge numbers because the Burmese

¹ .Than Thin, Aung and Soe, Myint, (2001) 'India-Burma relation', P. 88,(Chapter 4). In '*Challenges to Democratization in Burma: Perspective on Multilateral and Bilateral Responses*', (ed) International Institute for Democracy and Electoral Assistance. Stockholm, Sweden.

government enacted the property and citizenship laws². During the era of Nehru and U Nu, a close relationship developed, leading to the signing of the treaty of Friendship in 1954. The Treaty was initiated early in 31st January, 1952 with the exchange of instruments of ratification in Rangoon in accordance with *Article VII* of the treaty. *Article II* of the treaty stipulated that “(T)here shall be everlasting peace and unalterable friendship between the two States who shall ever strive to strengthen and develop further the cordial relations existing between the peoples of the two countries”. *Article IV* of the treaty says, “(T)he two States agree that their representatives shall meet from time to time and so often as occasion requires to exchange views on matters of common interest and to consider ways and means for mutual cooperation in such matter”.³ Following this India’s first Prime Minister, Jawaharlal Nehru and Myanmar’s Premier U Nu shared common views on many issues in the conduct of international politics and pioneered the Non-Alignment Movement (NAM). As such, there have been regular consultations between Nehru and U Nu in the ideas of preserving their newly-won independence from threats both within and outside.

The two countries became estrange soon after Ne Win’s coup in 1962, and their bilateral relation was shattered with the increased xenophobia and ‘Burmanisation’ of the new economic and state laws. Ne Win’s political states function and regulation of rejuvenating citizenship led to a large exodus of Indians from Myanmar. Even after immigration, approximately 500,000 people of Indian origins lived in different parts of Myanmar and integrated with the local population. But, as a consequent, majority of Indians suffered due to lack of status as citizens of Myanmar after the implementation of the Citizenship Act in 1964.⁴ From 1962 to 1988, India and Myanmar’s official relationship waned-off.

A slight improvement in India and Myanmar relationship is seen during the visit of the then India Minister of External Affairs, A.B. Vajpayee in 1997, followed by Ne Win’s

². Renaud, Egrateau, (2008) “India’s Ambitions in Burma”, *Asian Survey*, Vol, 48, No. 6. November-December, P. 938.

³. n. 1, Than Thin Aung & Soe Myint, P. 90.

⁴. Sudhir, Devare, (2006) ‘Myanmar: A Challenging Frontier’, P.196, (chapter 6), In *India & Southeast Asia: Towards Security Convergence*’ (ed). *Institute of Southeast Asian Studies*, Singapore.

visit to India in 1980. Following this the next official visit by Indira Gandhi and Rajiv Gandhi, in 1980s and early 1990s also remained limited in scope and depth. At this point of time, India remained neutral and absent from Myanmar foreign policies because a “commitment to democratic values” was prioritized with “security concerns” in the Indian foreign policy agenda towards Myanmar.⁵

Even this limited diplomatic interaction deteriorated dramatically in 1988 after India sided with the pro-democracy students and leaders and offered sanctuary to Myanmarese dissidents. Since then after the 1988 people’s uprising in Myanmar, as according to Egrateau, “India did not develop a strong threat perception from Burma, largely because of the latter’s economic autarky and self-imposed political isolation. An idealist approach suited Indian policymakers perfectly well when Burma was torn apart by 1988 pro-democracy uprising”.⁶ Comprising two and a half decades of Ne Win’s totalitarianism, Myanmar cut itself off from the rest of the world and went into a self-imposed exile and Myanmar relations with India and many other countries in the globe remained severed.

Between 1988 and 1990, when the issue of Myanmar was fresh, the relations of India and Myanmar reached its nadir as a result of India’s strong opposition against the Myanmar military’s brutal suppression of the pro-democracy uprising and the subsequent takeover of power annulling the result of 1990 election. Since then, New Delhi strongly supported the student’s movement and clearly outlined its open door policy to the Burmese refugees. With solidarity, All India Radio stepped up its Burmese language broadcasts, and the Indian embassy provided financial support to the Pro-democratic students set up by Myanmar’s dissidents’ in India. The Indian Government together with the US and Western countries isolated Myanmar, condemned of human rights violation and the illegitimate consolidation of power. The impact of these developments severely affected the past-old relations and both detached from any kind of engagement until India reviewed its foreign policy in 1991 and 1992.

⁵ . Yogendra, Singh, (2007) ‘India’s Myanmar Policy: A Dilemma between Realism and Idealism’, *Institute of Peace and Conflict Studies*, No. 37, March, P.2.

⁶ . n. 2, Renaud, Egrateau, P. 939.

Revival of India's Engagement with Myanmar

Decisively, as the regional strategic order begins to change in Asia in 1990 with the effects of the end of cold war, India gradually redefined its foreign policy. India discarded the moralistic approach determined by "Nehruvian Idealism" towards Myanmar and adopted a pragmatic stance, yielding to the imperative of geopolitics, economic liberalization and national security interest.⁷

Wisely, or rather politically, China suddenly maneuvered its foreign policy in Southeast Asia, especially in Myanmar in the political and economic spheres exerted by its strategic importance and perceptions of the region. Unsurprisingly, China and Myanmar developed high diplomatic relation and extensively China accumulated its foothold in the beleaguered state in multifaceted economic, military and aid and development infrastructures relation. On the other hand, India following a policy based on self-reliance moved for a degree of economic cooperation based on realist approach in the case of its own security interests. Regionally, New Delhi's perception of Myanmar became critical as a potential continental gateway to mainland Southeast Asia and also to protect and enhance its emerging geopolitical interests on its eastern flank.⁸

India's Engagement Policy towards Myanmar

As part of its Look East policy India began to look at Southeast Asia as a vital aspect of its foreign policy. India's strategic importance towards Southeast Asia and its courting the Myanmar military regime began in the early 1990s. In the context of India's forged closer ties with Southeast Asia and also began to increase its ties with the military junta because of China's immense influence in the region. Some has argued that the reason for the changed relationship with Myanmar was the presence of China at the doorsteps of India, leading to fear of Chinese encirclement as too simplistic an argument. However, on the other hand, India in the late 1990s, embarked on an economic policy both at a domestic and international levels which become the core of its economic foreign policy,

⁷.Tin Maung Maung, Than, (2007) "Asian Regional Powers: Junta's Lifelines but Not Change Agents?", www.myanmar.com/Union/history.html. p. 20.

⁸.n. 2, Renaud, Egrateau, p. 939.

not only with regard to Myanmar, but also with the South East Asian at large.⁹ Several factors accounted for India reassessing its policy in political and geographical concerns towards Yangon. The three crucial and commonly understanding of them are as follows: the search for stability in troubled India Northeast region; the economic and strategic interest tendered by Burma which matched with New Delhi 'Look East Policy; and the attempt to counterbalance China's growing regional presence, and the possibility of China establishing a presence in the Bay of Bengal and Andaman Sea.¹⁰

Quest for stability in Northeast India: Since independence in 1947, India experienced a persistent political instability due to insurgent movements in the Northeastern region. The Northeastern region of India bordering Myanmar with 1,643 km is densely inhabited by different ethnic communities and the node of establishing clandestine networks of jungle training camps, arms and drug trafficking routes, and an elaborated extortion system by the ethnic insurgency prevalent in the border areas of India and Myanmar.

Since independence, numbers of ethnic minorities have been demanding more autonomy or independence and organized themselves into separatist movements, fuelling violent insurgencies such as the Naga rebellion (led by the National Socialist Council of Nagalim) and Manipur and Assam insurgency.

For decades, Myanmar authorities turned a blind eye to the presence of this anti-India ethnic groups operating out of the remote Naga, Patkai, and Lushai hills. For political reasons, the military junta tacitly allowed the group to build up an extensive underground connection in remote regions marginally under the Myanmar central government. Eventually, in the late 1980s and early 1990s a huge common mistrust between New Delhi and Yangon fueled up when India supported pro-democracy party of Myanmar and on the other side the military junta increased its support to the anti-India ethnic insurgent groups. Some have pointed out that New Delhi lost one of its strongest allies, the kachin rebels (Myanmar ethnic rebel) fighting against northeast insurgent group when it made a

⁹. Marie, Lall, (2008) "India-Myanmar Relations – Geopolitics and Energy in Light of the New Balance of Power in Asia", Institute of South Asian Studies, Singapore. January, 2. P. 5.

¹⁰ .n. 2, Renuad, Egrateau, P. 939, and in Jurgen, Haacke, (2006) ' *Myanmar's Foreign Policy: Domestic Influence and International Implications* ', *International institute for Strategic Studies*, Routledge, P. 34.

ceasefire agreement with the SLORC in 1993. As a result, India decided to engage and to seek the support of military junta to wipe out all the anti-India insurgency.

Thus in 1993, J.N. Dixit visited Rangoon and marked a new turning point in the Indo-Myanmar relationship. A bilateral relationship was developed and took a concrete step in April 1995 in conducting a joint counterinsurgency operation called “Operation Golden Bird” against various ethnic rebels in the borderlines.¹¹ But, within a short while, the joint operation against counter-insurgency was aborted by Myanmar when India awarded the Jawaharlal Nehru Award for International Understanding to Aung San Suu Kyi in 1995.¹² Thus, one of the main components of improving Indo-Myanmar relations-military cooperation in confronting the various ethnic insurgencies along their frontier – appeared to have failed. Both resumed in carrying out military operations in 2001, and more extensively in 2007 Myanmar military launched against the India insurgent groups. Cooperation to confront the insurgencies was crucial for India’s national security.

Economic Aspects: The economic interests of India have pushed to establish a good relationship with the Myanmar junta. Indian economic relations with other ASEAN countries like Thailand and Singapore are relatively good compared to Myanmar until India began to see the potentiality of Myanmar not only in economic cooperation but also geostrategic and geographical proximity in 1990s.

P.V. Narasimha Rao, the new Indian prime Minister, who had long years of experience in foreign policy led the policy of rapprochement with the booming Southeast Asian. During his tenure India launched the ‘Look East Policy’ which is fully kept in with its liberal economic ‘swing’ in 1991, and the Indian policymakers have included the eastern neighbouring states in the emerging economic strategy in order to open the region to development and reduce the impact of insurgency in the region.¹³

The inclusion of Myanmar in India’s eastern policy was seen as logical when Myanmar joined the ASEAN club in July 1997 and initiated several proposals in enhancing the

¹¹. n. 2, Renaud, Egrateau. P. 941.

¹². Brian Mc Cartan, (2010) “India, Myanmar: Reluctant Brothers in Arms”, Asia Times, online: <http://www.atimes.com/atimes/south/asia/lb19DF01.htm>.

¹³. Renuad, Egrateau, (2003) ‘*Wooing the Generals: India’s New Burma Policy*’, Author Press, P. 102.

potential interests in Indo-China especially with Myanmar becoming the geographical axis; cooperating and advancing in organizations or institutions like BIMSTEC, The Kunming Initiative (BCIM) and Mekong-Ganga Cooperation (MGC)

As a part of India's "Look East Policy", many India and Myanmar joint multilateral institutional projects were initiated like BIMSTEC in 1997, and then followed by BCIM in 1999 and Mekong Ganga Cooperation in 2000 which enable Myanmar to re-enter the regional diplomatic and commercial scene after decades of isolation. Thus under the rubric of 'Look East' policy the diplomatic choice for development and institutionalising has enabled India to move closer with Myanmar. It is also quite noticeable that India achieved political diplomatic relations with the military junta under the purview of Look East policy. India's willingness to cater into dialogue with the Myanmar dictatorship exposed the hidden intent for reshaping of Asia's strategic map by putting the South East Asian countries at the centre of a possible strategic competition between India and China.¹⁴ Yet, giving a detailed analysis on India's Look East policy and contextualising in India's Myanmar foreign policy and border trade, the new relationship in light of India's volte-face in foreign policy made India search for energy security.

Countering China's Growing Influences: The military junta in 1988 made a remarkable rapprochement with the People's Republic of China, at a time when the dictatorial government were outlawed by the international community. As the junta's main supporter, China gradually expanded its presence in Myanmar. China with its economic viability increased its influence in Southeast Asia. As a result, India begins to observe the influences of China in Southeast Asia while calculating its due obstacles to strengthen its economic relations with Southeast Asia. Notably, the presence of China in Myanmar with close economic tie and numerous infrastructure development and military assistance, more seriously with the presence of China naval force and naval strategic in the Indian Ocean specifically in the Bay of Bengal and Andaman Sea. Additionally, in referring to the past situation the Sino-Indian war of 1962 left a deep scar to India's military and political elite and perceived China as being a "threat" despite high-level

¹⁴. n. 15, Renaud, Egrateau, P. 112.

diplomatic visits and number of bilateral agreements.¹⁵ When the Sino-Myanmar rapprochement made concrete bilateral relations in 1988, China meticulously took the advantages in political and economic vacuum left by the international community and the imposition of economic sanctions against Myanmar. Indian foreign policy agendas towards Myanmar, focuses on China's relative gains and motivated India's Myanmar policy to take the neo-realist path and begins to court with the junta.

First, China's assistance to Myanmar in rebuilding roads, bridges, and other infrastructure allowance surprised Indian strategists as being a potential threat fearing that the aid could give China access to India's northeast. Second, India worried that China could establish a maritime bridgehead on the Indian Ocean near vital sea lanes of communications in the Andaman Sea by upgrading port facilities and naval bases along the Myanmar coastline. Third, India was also prompted to change its policy toward Myanmar after suspicions arose about Chinese plans to set up a surveillance network along the Myanmarese coast, especially on Great and Little Coco islands. Lastly, the huge military relationship and assistance and modernization of weaponry of Myanmar by China left a deep suspicion to Indian military group.¹⁶ Thus, to maintain a good relation with Myanmar became the central idea to India's new foreign policy. Therefore, according to Indian strategists and think tanks, befriending the Myanmar generals with a policy of "constructive engagement" and trying to gain a strategic foothold in Myanmar would enable India to deal with the potential threat posed by a rising China on its eastern flank and also counter China's thrust in other neighbouring countries as well. Additionally, India firmly believed that endemic poverty, unemployment and drug trafficking would be best addressed through border trade and greater connectivity and people-to-people contacts on both side.

Thus, to maintain a good relation with Myanmar became the central idea of India's new foreign policy. According to Indian strategists and think tanks, befriending the Myanmar generals with a policy of "constructive engagement" and trying to gain a strategic

¹⁵. Renaud, Egreteau, (2003) "India and Burma/Myanmar Relations: From Idealism to Realism", *Institut d'Etudes politique de Paris, France, Centre de Sciences Humaines*. P. 12.

¹⁶ . n. 2, Renaud, Egrateau, P. 944.

foothold in Myanmar would enable India to deal with the potential threat posed by a rising China in the eastern flank and also counter China's thrust in other neighbouring countries as well.¹⁷ Additionally, India firmly believed that the endemic of poverty, unemployment and drug trafficking would be best to address through border trade and greater connectivity and people-to-people contacts on both side.¹⁸

On the other hand, Myanmar's India policy has been largely based on its desire to diversify its external engagement. The need for diversification was felt in the face of increasing dependence on China in the late 1990s, which prompted its leadership to reach out to other countries and India is seen as potential counter-weight to china, and as well as to boosts its international image and legitimacy. New Delhi cultivated the interest with Myanmar and added push to its ties with Myanmar.¹⁹

Thus, the China factor weighed heavily in India's revised Myanmar policy. Whilst China might indeed be a growing presence in Myanmar and around India, it will be argued here that if anything India has not taken that fact into account to a sufficient degree and that the new relationship between the two countries is not driven solely by this change in regional geopolitics.

India's Initial Response: Pro-democracy and Isolation

India's initial response or the stand upon Myanmar issues is different from China and with some ASEAN member States after the immediate State Law and Order Reconciliation Council (SLORC) took power from the civilian population in 1989. Quite visibly, the initial strategic perceptions of India towards Myanmar is ventured in the idealist structure. And the initial responses of India to Myanmar followed exactly to what the responses of Western policy of economic sanctions and isolationist position. Comparatively with the past strong political and economic relations, India did not outline any geopolitical strategic interest towards Myanmar rather stand-off from the realms of engagement and diplomatic resolution alike in early 1990s. Politically India followed a

¹⁷. n. 2, Renaud, Egrateau, PP. 944-945.

¹⁸. Dipankar, Banerjee, (1996) "Myanmar and India Security Concerns", *Strategic Analysis*, P. 189.

¹⁹. K.yhome, (2009) "India-Myanmar Relations (1998-2008): A Decade of Redefining Bilateral Ties". *Observer Research Foundation*, P. 7.

policy showing overt commitment for the support of the Democracy Party and “completely disengaged” with the ruling military junta till the mid 1990s when it reviewed its foreign policy.

The lowest point of diplomatic stand-off between India and Myanmar came to light when the former strongly criticised the junta’s brutal crackdown against the students in September 1988 and annulling the result of free and fair election, a landslide victory by the National League for Democracy (NLD) in 1990. As a consequent, the political viewpoint of India is to support Myanmar under democratic government and urging the military junta to transfer the legitimate authority to the winning party, Aung San Suu Kyi.

Many Indian homeland personalities and newly-formed organizations and institutions in India ostracised the military dictatorship in Myanmar, and with full commitment towards democratization in Myanmar supported the exiled pro-democratic students and dissidents in the country and abroad. One such attitude is seen with the backing of Rajiv Gandhi, and association (the India-Burma Friendship Society, later oddly became the India-Myanmar Friendship Society) which brought together intellectuals and politicians like K.R.Narayanan, P.N. Haskar and organized first big rally on June 20, 1990 in New Delhi in favour of the policy of isolation and criticising the SLORC.²⁰ In February 1992, R. Venkatraman, the then president of the Indian Republic, gave a curt welcome to the new Myanmarese ambassador in New Delhi, and expressed his concern about the sluggish implementation of the constitutional convention of Rangoon. The government of India has also permitted the National Coalition Government of the Union of Burma (NCGUB) to open an office in New Delhi in July 1992, presided by Sein Win, (Aung San Suu kyi’s own cousin) which led Yangon perceive India’s blatant interference in Myanmar’s internal affairs.²¹

²⁰ n. 13, Renaud, Egrateau, P. 124.

²¹ For more details see, Maung Aung Myoe, (2007) ‘*A historical Overview of Political Transition in Myanmar Since 1988*’. Asia Research Institute. National University of Singapore, Working Paper Series No. 95.p. 124. After the 1990 election the SLORC become more assertive and said that “those elections will produce only a national assembly to write a new constitution” and “it would not relinquish power until a government is formed and a new constitution is written”. A group of NLD’s representative elected formed a parallel government and the government cracked down this attempt; some of them escaped the arrest and

In 1994, George Fernandes, the former Indian Minister of Defence, was among Indian political circles adopted a position of assistance and support to Myanmarese refugees in his own home (3, Krishna Menon Marg in New Delhi) especially to All Burma Student League (ABSL) and set up an office with computer access and logistical support to the Myanmarese students. The primary objective of ABSL members in India is to collect the maximum information of Myanmar political, economic and social situation and distributed it to the international press and international community and channeled the exactions and atrocities of the military junta. Moreover, supporting Aung San Suu Kyi and the NLD's efforts for a peaceful democratic transition and share information on the prolonged human rights abuses during decades of military dictatorship.

In 1988, India set up three refugee camps in Manipur and the main camp called the 'Burmese Refugee Camp was situated at Leikhun in Chandel district (Manipur). Other camps were also set up by local authorities in Mizoram, situated at Champhai camp and also in Nagaland.²² Today, officially, thousands of Myanmar refugees were given the Subsistence Allowance (by the UNHCR), a monthly sum of Rs. 1,400 to every refugee in India.

In this juncture of India's policy aiming at denouncing the military regime, Egrateau delineates a "blame game" between India and Myanmar which arose due to border tension between the two countries and interfering respective internal affairs and suspicious to one another. After consolidation of military rule in Myanmar, the military junta set up an elite military and paramilitary unit to fight against the ethnic insurrections and also to hunt down the political opposition under the "Counter-Insurgencies Operations" in Myanmar. In this pretext of hunting down the insurgency, the Tatmadaw penetrated into India territory in small Mizo village which is beyond the official state-controlled border and hunted down some Burmese students who took refuge. The Military junta forces had conducted and penetrated more than 30 kilometers into Indian Mizoram without the permission of Indian authorities. Hence, the incursion of Burmese

went into exile and formed a parallel government known as "National Coalition Government of the Union of Burma (NCGUB)" in India.

²². n. 13, Renaud, Egrateau, P, 125-126.

military into Indian Territory exacerbated tension between New Delhi and Yangon. On the other side, India has perceived and objected to Myanmar's support to the Northeast India insurgent groups; accusing that a number of rebel groups like the National Socialist Council of Nagalim (NSCN-IM & K) the United Liberation Front of Assam (ULFA) and Manipuri insurgency held sanctuary and sheltered in the Burmese Sagaing Division and assisted them with arms, ammunition by some Myanmar regional military generals. In response, India purportedly financed and supported militarily one of the most important insurgent groups in the North Myanmar- the Kachins (Kachins Independence Army) fighting against the military junta. Therefore, in early 1990s, both Myanmar and India had ample means at their disposal to cause a nuisance by supporting their neighbour's ethnic insurrections through clandestine means and they involve themselves in a 'blame game'.²³

The first stance India opted for vis-à-vis the new Myanmar Junta was definitely an idealist one, a policy of opposition and denunciation of the Myanmar military regime. However, in the early nineties, a new regional order began to take shape after the end of the Cold War and the Indochina Wars, and geopolitics of the region changed and Myanmar's geopolitical position seemed to have been rediscovered.

India Engagement with Myanmar: political, economic and security interests

Political and Officials Diplomatic Relationships: Coupling with well-established engagement policy and growing influences of China and some Asian countries in Myanmar (China and ASEAN's member state), the Indian policy-makers began to open up a new door for political and diplomatic ties with the military Juntas by putting an end to its radical isolation attitude and overt pro-democratic stances. The interesting development of India's changed policies vis-à-vis Myanmar in the late 1990s has been discussed by many analysts and scholars and elucidated India's rapprochement with Myanmar has to be understood in the light of India's worry of being encircled by China and China's allies, instability in the northeast regions and drafting of the "Look East" in 1991.

²³. n. 13, Renaud, Egrateau, P. 131.

First of all, the real shift in India-Myanmar relations, however, took place under the advent of the Political thinkers and the pursuing of the “Eastern Strategy” of the ruling government.

In March 1993, J.N.Dixit, the Indian Ministry of External Affairs (Foreign Secretary) visited Yangon and met all the Myanmar top military chiefs and demonstrated India’s awareness of the importance of establishing a dialogue. The purpose of his visit also clarified the accusations of both India and Myanmar following the pro-democratic uprising. And then in January 1994, Myanmar’s Deputy Foreign Minister U Nyunt Swe visited India and held series of meetings with Indian ministerial officials and discussed wide-ranging issues to improve bilateral relationship.

In regard of Myanmar internal political situation the new policy of India began to confirm and agree not to interfere in the internal affairs of Myanmar, and vice versa. This new attitude of India towards Myanmar was announcement by Pranab Mukherjee in March 1996, and the Indian diplomats and high-level politicians henceforth refused to express any opinion, much less any support for any potential democratic transition process in Myanmar.²⁴ During the burgeoning of diplomatic ties and mutual trust, in 1994, Myanmar and India has attempted to intensify the dialogue by setting up numerous bilateral institutions, notably at the regional level and signing of bilateral agreement on cross-border trade, economic cooperation, border security and other border security problems like human trafficking, spread of HIV/AIDS.

However, during the first phase of engagement, India’s Myanmar policy is quite ambiguous. It is quite noticeable that the India government did not completely turn down the commitment of supporting the pro-democracy and enthusiasm for democratising Myanmar. In May, 1995, India voluntarily took one step back in the rapprochement with the Myanmar Generals by conferring the prestigious Jawaharlal Nehru Award for international Understanding to Aung San Suu Kyi. As a result, the Myanmar military junta suddenly dropped the military operation called “Golden Bird” in 1995, and their bilateral relationship remained strained.

²⁴. n. 1, Than Thin Aung & Soe Myint, p. 133.

In the late mid-nineties, New Delhi's Myanmar policy ventured an indubitable strategic rapprochement towards the Myanmar junta. In July 1999, a meeting was held between the home ministries of both countries in New Delhi to identify the means to strengthening cooperation on issues like cross border terrorism and setting up better communication links. As part of the visit the Myanmarese delegation met Home Minister L. K. Advani, amongst other senior BJP politicians. Military to military contacts started in 2000 with meeting of General V. P. Malik and General Maung Aye. This was the first high level contact since 1988 and security was the main item on the agenda.²⁵

The twice official visits of Myanmar Chief of Army Staff, General Maung Aye to India in January and November, 2000, gave a great impact to the process of improving bilateral relations. The growing frequency of top-level visits between the two countries has reached a high mending and consensus platform during the visit of Senior General and Chairman of the SPDC Than Shwe to India from 25 to 29 October 2004. The most interesting and intriguing story of Than Shwe visit to India was that after a major political shake-up in Myanmar, when General Khin Nyunt, the most important person in Myanmar who spearheaded the 'road map to democracy' of Myanmar in 2001, was removed from the post of Prime Minister. In the meantime, in India, a conference of NGOs supporting pro-democracy movement in Myanmar was held before Senior General Than Shwe's visit, but the event did not seem to affect the tenor of discussion between Myanmar and India. Infact, India welcomed the visit as an important official dialogue with Myanmar.

Economic Engagement: Focusing on India engagement Myanmar, the economic relationship in the areas of trade, investment, energy exploitations, infrastructure development, and human resources development had opened up a new era of high diplomatic relationship. India began to rapidly assert its commercial ambitions in Myanmar, knowing full well the potential economic benefits the country has to offer after decades of self-imposed autarky and the underexploitation of its natural resources. This plan and strategy of India in engaging with Myanmar are quite befitting to the commitments and plan of the auspices of "Look East Policy".

²⁵. n. 9, Marie, Lall, p. 13.

Some of the initial high-level ministers, officials exchange visits and agreements of India and Myanmar in promoting bilateral trade are highlighted below;²⁶

1. A 10 –members Indian Trade delegation led by Mr. Ashok Jha, Joint Secretary, Ministry of Commerce visited Burma from 10 to 14 March, 1993. During the visit, the member of the delegation met with Lt. Gen. Tun Kyi, the then Minister for Trade, Brig. Gen. D.O. Abel, Minister for National Planning and Economic Development, Lt. Gen. Sien Aung, Minister for Industry-I, U. Than Shwe, Minister for Industry- II and discussed matters of mutual economic cooperation, industrial Joint ventures and counter-trade arrangements.
2. A five-member delegation led by Mr. J.N. Dixit, the then foreign Secretary visited Rangoon from 29-31 March, 1993, discussed matters relating to strengthening of bilateral relations and mutual cooperation. An arrangement on mutual cooperation in suppression of narcotic drugs and psychotropic substance was also signed during the visit of the delegation.
3. In January 1994, Myanmar's then Deputy Foreign Minister U Nyunt Swe arrived at New Delhi and Memorandum of Understanding (MoU) was signed to promote informal trade across the border areas of the two countries.
4. The Indian commerce Secretary, Mr. Tejendra Khanna, led an official delegation to Rangoon on 10-11 June, 1994 in order to review the arrangement for operationalising of Border Trade Agreement with Myanmar.
5. In 1995, from January 10-12, a round of talks was held with Burma at Imphal regarding the border post of Tamu on the Myanmar side and Moreh on the India side to review the arrangement for commencement of border trade.
6. From April 3 to 12, 1995, at the invitation of the then Indian Minister of State for Commerce, Mr. P. Chidambaram, a Myanmar trade delegation led by the

²⁶. Indo-Burma Bilateral Trade, (1999) (part Two) MIZZIMA News Group: Indo-Burma trade (r), 28 June, (Online source: URL:[http:// www.burmalibrary.org](http://www.burmalibrary.org)) and n. 1. P 95-96.

member of SLORC, Minister of Trade, Lt. Gen. Tun kyi, visited India to discuss matters relating to bilateral relations, economic and border trade.

7. The Deputy Home Minister of Burma Col. Tin Hlaing, accompanied by four officials and the Myanmar Ambassador in India, called on the Commerce Minister of India on 17th August 1995 and had a wide-ranging discussion on various aspects of boosting bilateral trade relations.
8. Indian Minister of State for External Affairs Mr. Saleem I. Shervani visited Myanmar in November 1997 and he announced that India offered a \$ 10 million line of credit to Myanmar government. He also inaugurated the second Indian Trade Exhibition in Rangoon. The first Indian trade exhibition was held in Rangoon in February 1995 and inaugurated by then Indian Commerce Minister Mr. P. Chidambaram.
9. Indian Commerce Secretary Mr. P.P. Prabhu visited Burma in the first week of November 1998 to promote the trade between the two countries, during his visit that a proposal for India came out to enter into joint ventures for exploration and exploitation of nickel and coal deposits in the upper Burma.
10. Maj. General Nyunt Tin, Burmese Minister of Agriculture and Irrigation visited Delhi in August 1998, exploring the possibilities of India's participation in Myanmar's agriculture sectors. In February this year, a 10-member strong delegation from Myanmar Computer Federation visited Delhi and Bangalore with the arrangement of Confederation of Indian Industry (CII).²⁷
11. Indian foreign Secretary Mr. K. Raghunath visited Burma on 25th-28th February 1998 with the invitation of Deputy Foreign Minister of Burma.

²⁷. n. 26, and in n. 1. Than Thin, Aung and Soe, Myint. P 95-96

12. A delegation from Myanmar's Ministry of Science and Technology led by Minister U Zhaung visited in 1999 and travelled Delhi, Bangalore and Mumbai. On June 24, he signed an agreement with Indian Human Resources Minister Dr. Murli Manohar Joshi in cooperation in science and technology between the two countries.²⁸

Following with the signing of Memorandum of Understanding (MoU) of Trade and Economic Co-operation between India and Myanmar in 1994, the Border Trade Agreement (BTA) identified 22 items for exchange (barter trade) between the two countries and they are as follow: Mustard /Rape seed, Pulses and Beans, Fresh Vegetables, Fruits, Garlic, Onion, Chillies, Spices (excluding nutmeg, vace, cloves, cassia), Bamboo, Minor forest products excluding Teak, Food items for local consumption, Tobacco, Tomato, Reed Broom, Sesame, Resin, Coriander Seeds, Soybean, Roasted Sunflower Seeds, Katha, Ginger.²⁹

The most important initial trade agreement of India and Myanmar was held in 1994, the agreement included the border trade link of Moreh-Tamu on the Manipur border and Champhai-Rhea on the Mizoram border and designated as border trade points. Ashok Jha, Joint Secretary, Ministry of Commerce of India was accompanied by an inter-Ministerial delegation and Khin Maung Oo, M.D. Inspection and Agency Services, was accompanied by a 16 member official delegation, held talks at Imphal, which included visits to the border posts of Tamu in Myanmar and Moreh in India to review the arrangements made for commencement of border trade. India also built a friendship bridge on the Mizoram–Myanmar border to facilitate a new border trade route. The 170-foot long bridge, built by India with Rs. 146 lakhs (about US\$ 3 lakhs), connects Zokhuthar village in Mizoram and Rih village in Chin State of Burma.³⁰ In 2001 Indian Foreign Minister, Jaswant Singh inaugurated the Indian-built 160 km Tamu-kalewa-

²⁸. n. 26, and n. 1, Than Thin Aung & Soe Myint p. 105

²⁹. n. 1, Than Thin Aung & Soe, Myint p. 105.

³⁰. n. 1, Than Thin Aung & Soe, Myint p. 101.

Kalemyo highway as part of a project intended to link Moreh in Manipur with Mandalay and the Thai border at Mae Sot.³¹

The bilateral trade between India and Myanmar was around US\$216 million in 1999/2000 (April-March), and Myanmar exports to India in 1999-2000 were to the tune of about US\$141.14 million while imports from India were worth US\$75.36 million. According to available figures, during the first 10 months of 1998, India's imports from Myanmar increased to US\$ 124 million from US\$ 114 million during the same period in 1997, showing an increase of nearly 10%. However, India's share in Burma's total exports during the first 10 months of 1998 declined to 14.5% compared to the share of 16.2% during the same period in 1997 (the effect of Asian Financial Crisis) India's exports to Burma fell sharply from the level of US\$ 89 million in first 10 months of 1997 to US\$ 59 million during the first 10 months of 1998, showing a decline of 34%.³² Two-way trade in 2001-2002 stood at US\$428 million, with US\$345.74 million as Myanmar's exports and US\$82.26 million as Myanmar's imports.

In June 2008, the two governments signed four economic cooperation agreements during former Minister of Commerce and Power Jairam Ramesh's Visit to Myanmar which include a Bilateral Investment Programme Agreement (BIPA) to facilitate greater Indian investment in Myanmar and vice versa.³³

In addressing the financial transaction problems in Northeast India and Myanmar, (two-way trade), an agreement for banking arrangement was signed between United Bank of India (UBI) and Myanmar Economic Bank (MEB) on 24 June 2008. Then, in a major step to boost border trade, the two countries during the 3rd India-Myanmar Joint Trade Committee meeting held in October 2008, agreed to convert the existing points—Moreh in Manipur and Zowkhathar in Mizoram—to normal trade centres and to develop Avangkhu in Nagaland in to a third point. The meeting also agreed to expand the list of commodities from the existing 22 to 40 items and to operationalise the banking arrangement.

³¹.Jurgen, Haacke, (2009) '*Myanmar's Foreign Policy: Domestic Influences and International Implications*', International Institute for Strategic Studies p. 36.

³². n. 1, Than Thin Aung & Soe, Myint, PP. 102-103.

³³. n. 19, K. Yhome, see in appendix, P. 30.

Oil and Gas: India's exploration of gas in Myanmar began in the Rakhine coast in 2000 where huge natural gas deposits were discovered in 2003. It was during the 2001 visit of Jaswant Singh to Myanmar that India started negotiations about buying gas from Myanmar. The Oil and Natural Gas Corporation (ONGC) and Gas Authority of India Ltd (GAIL) have been involved in the Myanmar oil and natural gas resources exploration. Essar Oil Ltd, another Indian private sector company has also signed two productions Sharing Contracts (PSCs) with Myanmar for oil exploration in two blocks – one offshore (Block A-2) and the other onshore (Block L) in May 2005. In 2007, the ONGC's subsidiary ONGC Videsh signed a deal with Myanmar Oil and Gas Enterprise (MOGE) to explore for gas in three more offshore blocks under the pledge to invest US\$ 150 million. The GAIL has been appointed by Myanmar as the agency responsible for marketing gas from A-1 Block. The Myanmar Ministry of Energy decided against imposing any duty on export of oil and natural gas and gave concession to GAIL to export 90 per cent of any gas produced from fields in the A-1 block.³⁴

After the failure of the prospect of bringing a pipeline from Myanmar to India via Bangladesh due to Bangladesh's intransigence, India plans to build a pipeline from Myanmar through its Northeastern region. With the help of a detailed feasibility report prepared by a technical consultancy, Tractable, GAIL has envisaged the import of gas through a 1,5,73 km overland pipeline from Myanmar via the Northeastern Indian states of Mizoram and Assam to west Bengal and finally to Gaya in Bihar, and the proposed pipeline is expected to run along the Kaladan River from Sittwe in Myanmar to India's state of Mizoram, Assam, West Bengal and join the Haldia-Jagdishpur pipeline in Gaya, Bihar.³⁵

After the September 2007 crackdown, "the Saffron Revolution", while the international community vehemently criticized both India and China for not putting pressure on the Myanmar government to reform the economy, India's oil Minister Murli Deora signed the deep sea block deal with the Myanmar government, investing US\$150 million over

³⁴. Namrata, Panwar, (2009) "India and China competing over Myanmar Energy resources". A working draft for BISA Conference, December, University of Leicester, Leicester. URL: <http://www.bisa.ac.uk/index.php?option=com> P.90.

³⁵. Ibid, Namrata, Panwar, P. 13-14.

the next five years with the state-run MOGE at blocks AD-2, AD-3 and AD-9 off the Rakhine coast.

Hydro-project: A major dam was proposed at Tazon near Tamanthi, just below the confluence of the Phek River with the Chindwin, about 40 km east of the Nagaland border with an installed capacity of 1,000 MW. In 2004, India signed an agreement to build the Tamanthi project (1,200 MW) on the Chindwin River near India-Myanmar border, but the projects have, for the present, been stalled. The state-run National Hydro Power Corporation (NHPC) signed a MoU with Myanmar on 16 September 2008 for joint ventures in the Chindwin River basin which include a 1,200 MW hydropower dam at Tamanthi and a 600 MW capacity dam at Shwezaye.³⁶ On 29 October, 2007, India's EXIM Bank signed a US\$ 60 million Line of Credit with Myanmar Foreign Trade Bank (MFTB) for the construction of the Thathay Chaung Hydropower project in Rakhine State.

Development Aid: According to data available from India's Ministry of External Affairs annual reports, it has extended over Rs.100 crore aid to Myanmar since 2000 and the volume has been increasing over the years.³⁷ In February 1999, the Indian government has provided a loan of US\$ 2 million to the Myanmar's Ministry of Industry-2 for undertaking projects including the building of 5 new Plant/factories such as; 1, Oxygen Plant, 2, Acetylene Plant, 3, Bolt and Nut Factory 4, LPG casing Plant 5, Aluminum Conductor Steel Reinforced Plant.

On 17 November 2000, the two governments signed another loan agreement of US\$ 15 million, out of which the Myanmar Ministry received US\$4.8 million to build a plant to make cables, meter units, and power sub-stations. And the Ministry also received US\$ 4.95 million to build a plant at Indagaw to produce various types and sizes of electric motors for cars. The five new factories India built under Myanmar's Ministry of Industry are: Bicycle factory at Yangon, Bicycle factory at Kyaukse, Sewing Machine Factory at

³⁶. Shivanand. H. (2011) "Tamanthi Hydelporject: India's Eastern Foothold", *Institute for Defence Studies and Analysis*. June 6. URL: <http://www.idsa.in/idsacomments/tamnthihydelporject>

³⁷. n. 19, K.Yhome, P. 11.

Kyaukse, Dyeing and Printing factory at Kyaukse, Sewing machine factory (Ext) at Kyaukse.³⁸

In July 2004, the Indian railways have supplied rails and rolling stock for rehabilitating for modernizing Myanmar's metre-gauge railway system, and a special line of credit of US\$56.358 million was extended for the upgrading of the Yangon-Mandalay trunk-line and allied facilities. Technical and Economic Services (RITES) have completed a project report for the construction of a 260 – kilometer highway, inland waterway and a gas pipeline route from Nengpui in Southern Mizoram to Sittwe port along the Kaladan River.³⁹ In addition to the programmes of infrastructural development in Myanmar, India has also committed itself to assist in Human Resource Development (HRD), science and technology, education and IT. India has also extended assistance to Myanmar in setting up a Space Technology Remote Sensing and Data Processing Centre.

Bilateral and Multilateral plan and project: India and Myanmar had also ventured in some joint projects like in the sectors of infrastructure, telecommunication, hydroelectric generation, transportation and highways, education and culture. The plan and project includes Electric Power, Trilateral (India-Myanmar-Thailand) highway project, financing telecom project, Revamping of Thanlyin refinery in 25 October 2004, the Thathay Chaung hydropower project in October 2007 and Kaladan Multimodal Transport in April 2008. Under the banner of Mekong Ganga Corporation (MGC), a 1,360- kilometer trilateral highway projects between India, Myanmar and Thailand programme is currently in progress and one of the sections in Myanmar has been completed last year (2008).⁴⁰ The MGCI has not only boosted regional trade, especially between Vietnam and India, but also fostered a forum for Indo-Myanmar engaging with several developmental projects and plans. In June 2007, India also signed the inter-governmental agreement on the proposed Trans-Asian Railway that will connect 28 nations and the route will enter India at Tamu border of Myanmar.

³⁸ n. 19, K, Yhome, p. 17.

³⁹ n. 4, Sudhir, Devare, p, 197.

⁴⁰ n.19, K.Yhome, P. 13 (see in table)

Military Co-operation: Since India's decision to award the Nehru Prize for International Understanding to Burmese dissident Aung San Suu Kyi in 1995, both India and Myanmar relations remained strained. However, their relationship improved in the subsequent years and improved military-to-military contacts. High-ranking bilateral visits by military officials from 1999 onwards contributed to a better understanding between the Indian and Burmese navies. Three main goals were pursued during the high level military official visits from both sides: gaining rights to berth and refuel in Burmese ports, conducting joint naval operations, and acquiring intelligence on the Chinese presence. In December 2002, an Indian Navy flotilla was allowed to berth for the first time in Thilawa, the port built by Singaporean and Chinese companies near Rangoon. In May 2003, two vessels of the Indian Coast Guard followed suit and later the first Indo-Myanmarese joint naval exercises were conducted in the Andaman Sea. Indo-Myanmarese naval cooperation continued when two Indian warships made a port call at Rangoon's harbour in May 2004 and two other rounds of joint exercises were held in December 2005 and January 2006.⁴¹

In October 2004, during General Than Shwe landmark visit to New Delhi, India again presented the general with a model of effective counter-insurgency collaboration which is formulated with Bhutan in confronting ULFA rebels during "Operation All Clear" in December 2003. According to one report the Myanmar side reiterated its strong commitment to building a modern democracy state suited to Myanmar's needs and conditions and briefed the Indian leadership about the process of national reconciliation". The other important military cooperation of both the countries is the issues of border insurgency and both the leaders agreed on the economic development of the two countries' common borders as well, and to clear out current hot-bed of cross-border drug trafficking and weapons smuggling in the border region. At the same time, the two sides agreed that maintenance of peace and security along border areas was an essential pre-requisite to successful implementation of cross-border projects and bringing about economic prosperity in the area.⁴² In 2002 India sent arms shipments to Myanmar besides the counterinsurgency weaponry and a wide range of equipments such as radar produced

⁴¹. n. 2, Renaud, Egrateau, p. 952.

⁴². 'Myanmar strongman vows to crush anti-India Rebels', (2004) *The Peninsula*, 30th October, online ; [http:// www.archive.thepeninsulaqatar.com](http://www.archive.thepeninsulaqatar.com)

by India's state-owned Bharat Electronic, 105-mm light artillery guns, and airborne surveillance radios were also sent to Myanmar.⁴³ Later, a closer military relation is underscored by regular visits of Indian ships to Myanmar and participating in joint naval exercise. Myanmar participated in MILAN 2003, with multilateral meeting organized by the Indian navy to foster confidence-building among 'Indian Oceans Navies'. In MILAN 2006, the home-built Myanmar Navy corvette UMA Anawratha docked at India's Port Blair in the Andaman Islands. Myanmar has reportedly also proposed that the Indian Navy train its sailors and officers in weapons and sensors, engineering and offshore operations.⁴⁴ Moreover, in May 2006, the visit of President Abdul Kalam to Myanmar signed an agreement on occupation in remote-sensing technology and two memoranda of understanding (MoU) on cooperation with the petroleum sector and in Buddhist studies.

Major military visits in the recent past include that of Vice Admiral Soe Thane, C-in-C of Myanmar Navy in April 2007 and the visit of Admiral Sureesh Mehta, Indian Navy Chief in May 2007, and also resumed in carrying out military operations and more extensively in 2007.

The Implication of India's Constructive Engagement Towards Myanmar

It is clear that India strongly supported the democratic movement since 1988 people's uprising in Myanmar and aligned with U.S. policy of economic sanctions and isolation. An overt support to Myanmar pro-democracy students and dissidents leaders by India and the relations between the two countries remained at a low key. Unlike China, India due to political problem of Myanmar was not inclined to engage in any political, economic relations, but, except surfacing in the arena of confrontations and disagreement until the mid 1990s.

However, in late 1990s, India engaged Myanmar and developed a new string of attachment. As a result, their new bilateral relations came into light and opened a wide

⁴³. n. 2, Renaud, Egrateau. P.946.

⁴⁴.n. 31, Jurgen, Haacke, p.36.

discourse in the international community, scholars, media, journalist, and activists, intellectual and in governmental affairs. Eventually, the stand point of India support for democratic movement had been scaled down in contact with the military government. And also looking at the present trend of bilateral relationship, some have postulated that the government of India had become cautious in speaking about the Myanmar's democratic movement and rarely commented on the political situation in Myanmar. Nevertheless, the government of India is still in support of furthering democracy and national reconciliation as a principle of foreign policy. The more interesting part is how India can play a role while changing in the attitude of its implication for constructive measures and motives of democratization in Myanmar from the principles to the practical implementation of constructive engagement policies. This ambiguity in India's foreign policy towards Myanmar will remain critical.

The role of India in Myanmar in prioritised in seeking security, economic and political assurance. In this parlance, Sudhir Devare suggested that a complementary reason or factor should exist within the concerns and needs of India and Myanmar. While India required Myanmar's cooperation in dealing with the ethnic insurgency movement in northeast, Myanmar is looking for economic partners, and found the Indian market attractive for its exports.⁴⁵ This complementary of concerns and needs can also be seen in the perceptions China's growing influences in the region and challenge in the orbit of influence in Myanmar.

Initially, during the heat of nation-wide uprising in 1988, about 1000 pro-democracy political and student activist came to India with hopes and expectations and received assistance. In October 1988, at the United Nation General Assembly, the then External Affairs Minister of India (later Prime Minister) P.V. Narasimha Rao says, "India had watched with growing concern the trials and tribulations faced by the people of Burma with whom the people of India are bound by close ties of history and culture". Refugees' camps were set up in Manipur, Mizoram and in Nagaland and extended whatever assistance available to the Myanmarese activists. In 1991, the release of two Rangoon

⁴⁵. n. 4, Sudhir, Devare, P. 194.

University students who hijacked the plane of Thai International Airway in 10 November 1990 showed unconditional support to the Burmese students.

With the advice of Rajiv Gandhi, some political leaders and intellectuals formed an India–Myanmar Friendship Society in late 1988 with an aim to strengthen the ‘people-to-people’ relationship between India and Myanmar led by K.R. Narayanan, a former Ambassador to Burma (later President of India). Leaders of the various political parties and statesmen of India expressed solidarity with the struggle for democracy in Myanmar at a meeting of the India–Myanmar Friendship Society held at New Delhi on 20 June 1990. In his inaugural address, the eminent statesman P.N. Haksar, former Deputy Chairman of Planning Commission of India, characterized the Myanmar people’s struggle in the context of a “century of turbulence and massive awakening to the cause of human liberty”. “Tied not only by history but by geography and common aspirations, Indians should rejoice in the fact that the people of Burma are overwhelmingly asserting their desire for liberty and political democracy”.⁴⁶

In February 1992, when the new Ambassador of Myanmar presented his credentials to the President of India, Mr. Venkatraman “expressed concern over the delay and uncertainty in forming a popular government in Myanmar and he hoped for an early and peaceful transition to democracy in the country”. It was against this background that India decided to allow the National Coalition Government of the Union of Burma (NCGUB) to open its office in New Delhi in July 1992.⁴⁷

According to Aung and Myint, ‘India since the building of a new shift in the foreign policy, pursuing friendly relation with Myanmar, tilted away from its initial attitude. Apparently due to economic, aid development and infrastructure assistance, India turned to a more diplomatic opportunism with the Myanmar’s top leaders and meticulously played a great role in engaging with the junta. During the top Myanmar leaders visit to India, the Indian authorities have taken precautionary measure against any embarrassment in time of diplomatic visits. Some of the events during the visit of

⁴⁶. n. 1, Than Thin, Aung and Soe, Myint, P. 109.

⁴⁷.n. 1, Than Thin, Aung and Soe, Myint. P. 110.

Myanmar leaders to India, many pro-democracy protestors were charged and arrested while staging protest against the visit of Myanmar's top leaders. They are as follows;⁴⁸

- On 4 September 1998, 64 Myanmarese activists were arrested while were staging a Demonstration against the visiting of Burmese Health Minister, General Ket Sein, in New Delhi.
- In December 1998, the Indian Home Ministry, at the last minute, cancelled the venue of a seminar on Myanmar, when the Myanmar democracy activists tried to organize a protest at the Constitution Club in New Delhi. Moreover, Indian police and intelligence personnel have been closely monitoring the activities and movements of Myanmarese activists in Delhi
- Again in July 1999, the Indian government banned a 'Burma Democracy Conference' (scheduled to be held in Calcutta on 6–8 July) and did not issue a visa to those Burmese exile activists who planned to participate in the meeting.
- On 29 July 1999, a Myanmarese activist who is working as an India-based stringer for Radio Free Asia (Burmese Language Service) was arrested by the local police in Moreh, Manipur State of India. He was later released on 30 July.

Due to the fall-out of India's constructive policy of engaging Myanmar since late 1990s has led to assume that India showed less effort in Myanmar political reforms. Disappointed with the India's changed policy, Aung Sann Suu Kyi, in conversation with Indian journalist in December 1995, said that "she expects India to help the movement for democracy more than from China as India was a democratic neighbouring country". In line of assessment of India's constructive motive towards Myanmar, Sanjoy Hazarika, a senior fellow of the Center for Policy Research says, "What has Changed, however, is the government of India's emphasis and public recognition of the importance of the

⁴⁸. n.1, Than Thin, Aung and Soe, Myint, P. 97.

regime in Rangoon both from the security point of view and in terms of economic relations with that country”.⁴⁹

An editorial in *The Hindu* newspaper reminded that India’s engagement with the Burmese junta should not mean neglect of India’s consistent policy of supporting democracy in Burma. It said that “There are strong trade-cum-strategic arguments in favour of engaging the military regime in neighbouring Myanmar, but these should not be allowed to cloud or sideline India’s principled policy of supporting the democratic forces in that country. Engagement is not endorsement; apologists for the trade-led policy...Let India engage the junta in Myanmar but let us also simultaneously pile pressure on the regime to return the country to the democratic path. Let us reiterate at every possible forum that a ruthless dictatorship in Myanmar is a major destabilizing force in a region strategically important for this country.”⁵⁰

Since late 1990s, India sustained its pragmatic policy towards Myanmar’s issues, or more accurate to what Egrateau expressed of turning from idealist to realist position towards Myanmar. In the case of Depayin incident, May 2003, New Delhi did not issue any statement of concern or hard feelings compared to earlier strong support of pro-democracy. Instead it responded positively when then-foreign Minister U Win Aung travelled to India as special envoy of Than Shwe in July 2003 in an apparent bid to explain Myanmar’s domestic conditions.⁵¹ Similarly, after the 2007 crack-down, strong international criticism, extension of sanctions and pressure for political reform in Myanmar international community and organizations, India acted with diplomatic restraint and shared that Myanmar process of political reform and national reconciliation should be more inclusive and broad-based and that the process should be speeded up. Despite following suit with sanctions policy, India stepped up its investment in Myanmar by sending Union Petroleum Minister Murlu Doera to Myanmar on 23 September, 2007 and signed exploration in the three blocks off the Rakhine Coast. According to Myuang, India seems to have no inclination to press for political change and remains committed to

⁴⁹. n. 1, Than Thin Aung & Soe Myint, p. 98.

⁵⁰. *The Hindu*, (Newspaper) 18 November, 1997.

⁵¹. n. 31, Jurgen Haacke. P. 37.

the maintenance of the Status quo, despite occasional rhetoric about releasing Daw Aung San Suu Kyi, establishing national reconciliation, fostering democracy and offering electoral support in the eventual elections predicated on the conclusion of the junta's road map. The leverage from India's part seems to be more dependent on Myanmar for its insatiable energy needs and northeastern border security than the other way round.⁵²

The outlook of India for the future of Myanmar appears to be not different from that of ASEAN and China. According to Dipankar Banerjee, "India and some ASEAN states are democracies, conscious of people's aspirations and human rights. Both like to see national reconciliation and democracy in Myanmar. The pluralist societies of their countries have much in common with Myanmar". During the visit of senior general Than Shwe to India in October 2004, he conveyed to the Indian leadership that India with its well-established tradition of democracy could support Myanmar in the process of national reconciliation and democracy; and the Indian Prime Minister while conveying best wishes to General Than Shwe in his efforts to establish a democratic government in Myanmar, agreed with him that transition to democracy was complex and yet it offered the best possibilities for addressing the problems both of political stability as well as economic development. During the foreign minister of India, K.Natwar Singh, visit to Myanmar in March 2005, it was stated that, "India attaching high priority to its relation with Myanmar as a valuable neighbour and strategic partner, and stressing that an inclusive and broad-based process would be able to achieve the objectives set by Myanmar for itself".⁵³

Viewing from the present bilateral relationship of India and Myanmar, the impact of India's multifaceted development programmes is less compared to China, however, it serves the acute needs of the common man in Myanmar and is also important for India's national security. Marie argued that India Changed its stand toward Myanmar, but there are many drawbacks and failures in the eyes of its "Look East Policy" regarding building greater trade links, getting the gas to 'Eastern India and hurrying up with infrastructural developments has been lost. The Look East policy has had little effect on the North East,

⁵². n. 7, Tin Maung Maung Than. P. 24.

⁵³. n. 4, Sudhir, Devare, pp. 201-202

only Moreh is open. Whilst there is a general sense that Myanmar wants to balance out Chinese influence, India is recognized as being too slow and is not having an organized vision about its relationship with Myanmar.⁵⁴

In conclusion, India has faced and continues to face a dilemma over its policy towards the democratic movement of Burma. The Indian foreign policy establishment believes that India must have normal relations with whosoever is in power in Myanmar. In fact, despite adverse comments, India needs to engage with Myanmar for many reasons and unseen consequences, and also look extensively in the matter of influencing transition in Myanmar simultaneously. The importance of India's engaging is, according to many analysts, that it would be imprudent on India's part to shun its South East Asian neighbor for the absence of democracy, as the situation is more complex than that. The on-going situation in northeast region has to be collectively worked out with the SPDC, and enhance trade relations along the border. As energy is of concern, India has to address the potentiality for procuring energy from Myanmar and strive that Myanmar would not be driven further into China's arms and lose its independence to Chinese domination.

⁵⁴ . n. 9. Marie Lall, p. 30.

Chapter 4

ASEAN Response

The Association of Southeast Asian Nations (ASEAN) is a regional institution whose stated mission is “promotion of regional peace and stability”. It was formed during the ‘Bangkok Declaration’, 8 August 1967, due to intense conflicts among the member states which greatly undermined the stability of the region and to establish a framework for regional order. The first five founding members of the association are Indonesia, Malaysia, the Philippines, Singapore, and Thailand. The other five new members joined after 1967 are Brunei in 1984, Vietnam in 1995, Laos and Myanmar in 1997 and Cambodia in 1999 respectively.

The fact that ASEAN was established at all is remarkable given the highly charged relations among its five founding members during 1960s. Not only were the disputes over inter-state borders, but in addition, Indonesia and Philippines were under the big contention over the legitimacy of the independent state of Malaysia. Indonesia under President Sukarno launched a unlimited guerrilla war against Malaysia in 1963 and 1965, termed as *Konfrontasi* (Confrontation) to protest Malaysia’s formation through the 1963 merger of Malaya, independent province since 1957, with the British colonies of Singapore, Sabah and Sarawak.¹ The other eminent factors which influenced the founding members to expand the association (in 1990s the dreams to include the four Indochina states) could also be due to Indochinese conflict and the People’s Republic of China’s (PRC) support for revolutionary communism in East Asia. And insightfully, the hope of the leaders was to form a bulwark to represent their presumed mutual interest and strengthen their role in the region to counter external interests. With all these issues of contention the ASEAN member states strictly adhered to the policy of ‘Non-interference’ in deterring potential threats and aggression undermining one’s territorial integrity and

¹. Helene E. S. Nesadurai, (2008) “The Association of Southeast Asian Nations (ASEAN)”. *New political Economy*, Vol. 13, No. 2, P. 1.

national security. The policy of Non-interference was cautiously exercised and advocated in any circumstance and condition where tension was high within the region.

Myanmar was not a member state of ASEAN until 1997. The repercussion of the military crack-down upon the pro-democratic students in the country unleashed a severe response from the international and regional community. Particularly in the case of ASEAN, geographical proximity shook ASEAN's premiere principles of peace and stability. Some of the major consequences that affected ASEAN because of Myanmar's domestic turmoil are ethnic violence in the border region, illegal citizen migration, drug trafficking, illegal economic transactions and other epidemic like HIV/AIDS. As a result, Myanmar has been a continuing controversial issue for ASEAN. It has constantly challenged the member states and there has also been growing pressure from U.S. and Europe to act as a go-between in the problem of finding a peaceful political transition in Myanmar.²

As a matter of disapproval and condemnation of violation of human rights in Myanmar ascendancy of military regime, and in addition, with such sources of instability, the ASEAN member states were wary of the spill-over effects from Myanmar. Contrary to Western sanctions, ASEAN has historically espoused a policy of non-interference in the internal affairs of its member states, and continued this policy of non-interference towards Myanmar also.

As a response to Myanmar, however, ASEAN does not have any common or coordinated stand except the policy of non-interference. From its inception, ASEAN took the principle of Non-interference as the possible means to stabilise and reconcile the issue of Myanmar among the members of ASEAN. Six years before Myanmar's admission to ASEAN, the resolution of 1991 ASEAN Ministerial Meeting (AMM) which came out in the way of "constructive engagement" despite extreme pressure from the European Union and the United States was applied as a response towards Myanmar.³ Besides many changes and global influences in Southeast Asia, the political deadlock over Myanmar

². Ruukun, Katanyuu, (2006) "Beyond Non-Interference in ASEAN: The Association's Role in Myanmar's National Reconciliation and Democratization", *Asian Survey*, Vol. 46, No. 6. P. 840.

³. Stokke, H and Tostensen, A (1999) (eds) '*Human Right in Development: Global Perspectives and Local Issues*', London: Kluwer Law International Nordic Human Rights. P. 104.

prompted ASEAN to intervene through only 'constructive engagement' policy. As a result, ASEAN did not follow suit with Western Sanctions or proactive engagement policy, but contrary to that, they followed its historically espoused policy of non-interference on the issue of Myanmar. Therefore in the case of Myanmar the policy of non-interference began to assume a new policy relevance under the guise of constructive engagement framed from 1991 onwards.

One major achievement of ASEAN's 'constructive engagement' with Myanmar was the inclusion of Myanmar into its member states in 1997. Beyond the fact of membership, which is important in itself, having Myanmar in ASEAN has enabled the other member countries to question and seek explanation about developments in Myanmar. To many in ASEAN circles, the admission of Myanmar, the last odd man out in the region with Laos and Cambodia, amounted to fulfilling the thirty-year old dream of uniting the region as envisaged by the founding members. Partly or partially, after Myanmar's inclusion into ASEAN fold show some constructive steps and improvement in fostering dialogue and timely comprehensive agreements and statements in the process transitioning Myanmar.⁴

But analysing the vision of ASEAN member states which made it clear in the inception that 'Yangon's eventual admission into its organization would require to make progress in the domestic front and bring reconciliation to many criticisms and arguments as it did not come into reality. The association has tried to engage Myanmar over the years, but it also came under much criticism because of its seemingly soft stance of constructive engagement toward the ruling generals. Owing to ineffectiveness of its non-interference policy, ASEAN faced problems about its fundamental principle of non-interference as it proved to be unable to better the internal human rights conditions and political deadlock between National League for Democracy (NLD) and the military regime.⁵ Gradually, the association framed out many discreet policies and statements owing to the failure of constructive engagement, and planned out many policies beyond constructive

⁴. Aung, Zaw, ASEAN-Burma Relations, P. 45, in "Challenges to Democratization in Burma: Perspectives on Multilateral and Bilateral Response", (ed) IDEA. Stockholm.

⁵. John, Funston, (2000) "The Trends in Southeast Asia: ASEAN and the Principle of Non-Interference-Practice and Prospects", *Institute of Southeast Asian Studies*. P. 14.

engagement. Without any comparison on the effectiveness of sanctions and engagement policy towards Myanmar, the constructive engagement policy of ASEAN continued to be exercised within the organization. The question of ASEAN's non-interference policy has been raised and much of the criticism has also been directed to the association's handling or non-handling of Myanmar both before its admission in 1997 and afterward.

ASEAN “Non-interference of Constructive Engagement” towards Myanmar

As a response, ASEAN applied the concept of non-interference towards Myanmar. It is evident that this policy and aimed to stabilise and bring reconciliation in Myanmar. However, there are many other important factors why ASEAN also took up this non-coercive method towards Myanmar. Like China and India, engaging the military junta and endeavouring for reconciliation and expediting for democracy in Myanmar, ASEAN's policy was based on pragmatism rather than on principle.

The ‘Non-interference’ principle lays down three important codes of conduct governing intra-ASEAN relations. First, it discourages member states from criticizing or intervening in members' internal affairs. Second, it commits members to deny sanctuary or support to groups seeking to subvert or overthrow the governments of member state. Third, particularly during the 1960s and 1970s the principle discouraged members from providing external powers with any form of support deemed subversive to other members.⁶

Initially, the policy of non-interference owed much of its origin to almost all kinds of differences conceivable- historical, racial, religious, cultural, political and economic. The issues of democracy and human rights violations came into being in the principle of ASEAN non-interference policy especially after Myanmar's domestic turmoil. As mentioned earlier, politically, the origin of conflict involving Indonesia, Malaysia, and the Philippines in the early 1960s led to the development of non-interference policy. It was formed when the member states realized that bolstering domestic ethnic or separatist group to foment secession and allowing criticism or interference would provide an

⁶ . n. 2, Ruukun Katanyuu, P. 826.

avenue for clashes and undermine ones' territorial integrity. Therefore, the member states adhered to non-interference to deter potential assistance to state's conflict and avoid belligerent military conflicts.⁷

Although the situation of Myanmar is an internal problem and since 1990, ASEAN entertained no mechanisms for sanctions against any state or member states, because it believes that imposing sanctions would be tantamount to interfering in members' internal affairs or non member states as well. Instead, it has put in place a series of consultations as a means to enhance cooperation and resolve conflicts.⁸ It set out what would eventually come to be a long-standing "hands-off" practice among member states when it come to each other's domestic affairs. Under these circumstances the policy of non-interference was attractive to ASEAN when it was established in 1967 and even in the issue of Myanmar. ASEAN seems to be content with the principle of non-interference as it prevented the early conflicts between members such as Indonesia and Malaysia, Konfrontasi/confrontation and hostility to Singapore after becoming independent, the bitter separation of Singapore from Malaysia and the Philippines claim to Sabah were all issues which reinforced the need for non-interference. Accordingly, in regard of Myanmar's complex political deadlock and human rights records, ASEAN's preferred solution is a policy that best reflected the principle of "non-interference".

ASEAN response to the military regime began to seek ways for cooperative discussion within UN and other International institutions. When the dialogue partners from the EU, the US, Australia, Canada, and New Zealand raised the issue of human rights violations and the political stalemate in the country during the ASEAN Ministerial Meeting in Malaysia, Kaula Lumpur, in July 1991, the non-interference clause became a critical rallying point for ASEAN.⁹ So, in the meantime, Thai Foreign Minister, Arsa Sarasin, laid down the policy of "constructive engagement" and Thailand was given a special role as a spokesman of the association. The constructive engagement policy became a

⁷. n. 1. Helena E.S. Nesaduarai, P. 228.

⁸. n. 2, Ruukun, Katanyun, P. 827.

⁹. Joint Communiqué of the Twenty-Fourth ASEAN Ministerial Meeting, Kaula, Lampur, July 19-20, Online: <http://www.aseansec.org/956.htm>

centerpiece for showcasing the “ASEAN Way”, an approach that stresses decision-making by consensus and non-interference. The idea is to try to engage the military Junta through quiet diplomacy and economic ties as it finds its roots in ASEAN’s values and conflict management style.

In the conjecture and journey of ASEAN’s constructive engagement, many analysts and scholars have offered a number of reasons why Myanmar was accepted into ASEAN despite the country’s volatile political situation and rejection of the country’s democratically elected representatives (the NLD candidatures). Further, the rationality and the effectiveness of ASEAN’s engagement came under speculation and controversy among the member states and from the West as well.¹⁰ The proponents of the idea of constructive engagement feared that isolating Myanmar would be counterproductive given its long history of self-imposed solitude. And believing that more effective results can be seen through the wielding of ‘economic carrots’ which can materially benefit all Myanmarese. Furthermore, economic sanctions would have run counter to the policy of non-interference in domestic affairs despite the fact that Myanmar had not yet become a full member. ASEAN believed that a policy of isolation and pressure on State Law and Order Restoration Council (SLORC) would only heighten its domestic insecurity, leading to even more brutal repression within the country.¹¹ So, the resolution of 1991 ASEAN Ministerial Meeting came out in the way that ASEAN chose a policy of constructive engagement with Myanmar despite the pressure from the European Union and the United States to recognise the victory of Aung San Suu Kyi’s NLD party in the 1990 national election.

Behind the Usage of ASEAN’s Constructive Engagement: ASEAN’s adaptation of constructive engagement policy is the goal of its response to Myanmar. It is opined that there are many factors behind the usage of constructive engagement of ASEAN as a responses to the Myanmar issue. And all the factors were not to be deemed inclusively

¹⁰. Rodolfo C. Severino., (2006) ‘*Southeast Asia in Search of an ASEAN Community*’, *Insights from the former ASEAN Secretary-General*, Singapore: Institute of Southeast Asian Studies (ISEAS) P. 135.

¹¹. Mann (Mac) Bunyanunda, (2002) “Burma, ASEAN, and Human Rights: The Decade of Constructive Engagement, 1991-2001”, *Stanford Journal of East Asian Affairs*. Volume 2, P. 123.

within the model of constructive engagement of the association and responses to Myanmar.

In 1980s, in Southeast Asia, the realignment had its own local flavour; a combination of changes in the regional security order, threats to ASEAN's political and economic position, and the opening up of Myanmar marked the emergence of a new regional landscape and priorities in Southeast Asia.¹² One important consequence of this trend was the rekindling of ASEAN's interest in Myanmar as a means to fortify its security, economic and political position.

First of all, the latent suspicions and threats of China in South China Sea, and the decrease in the US military presence in East Asia is viewed by ASEAN as making it less of a deterrent to China's growing assertiveness in Southeast Asia. In February 1992, the Standing Committee of China's National People's Conference passed a law reaffirming its claim to the South China Sea. This assertion caused insecurity at a time of flux in the larger security structure of the region.¹³ Therefore, constructive engagement is seen as the pathway to the future admission to ASEAN and was a means to rid itself of the threat perceptions and the feeling of animosity existing from previous disputes especially in the case of Cambodian conflict.¹⁴

The economic factor is considerably the most important determinant behind the organisation's decision as it had the ambition to enlarge the size of intra-regional market and trade as well as open the new investment opportunities in the four Indochina states. With AFTA (ASEAN Free Trade Area), ASEAN established guidelines to liberalise trade and investment regulations declared in 1992 and set out the terms for tariff reduction that would lay the foundation for the establishment of the ASEAN Free Trade Area by 2007. Expansion of investment area and incentives, the expansion to include Laos, Cambodia,

¹². n. 4, Aung, Zaw, P. 38-39.

¹³. n. 4, Aung, Zaw, P. 39.

¹⁴. Pailin, Kittisereechai, (2008) "The Democratic Uprising in Burma and the Response of ASEAN: Constructive Engagement, Neo-Liberalism and their Failures", *Political Studies Association*. National Office Department Politics, University of Newcastle. p. 8.

and Myanmar offered ASEAN the opportunity to enhance its attractiveness as an investment area.

For Malaysia and Indonesia, the treatment of Muslims in predominantly Buddhist Myanmar was a major concern. The Myanmar regime allowed the repatriation of thousands of Muslim Rohingyas refugees from Bangladesh in 1992, paved the way for full acceptance by Malaysia and Indonesia, but it did nothing to address the problem of the regime's mistreatment of Myanmar's many other ethnic and religious minorities. Singapore had little interest in human rights issues and no real objections to the Myanmar regimes' treatment of its political opponents, but was concerned about its handling of the country's economy and particularly its policies towards foreign investment, and greater access to natural resources and huge market for weapons.¹⁵

In geopolitical considerations, the fear that excluding Myanmar from ASEAN could be viewed as an invitation to China to take a more prominent role in the country, Western condemnation of the regime, culminating in sanctions imposed by the US, was perceived by some as an attempt to impose alien values on the region.¹⁶ Thailand shared 2,400 kilometer-long border with Myanmar and any effective solutions to unrest in Myanmar was in Thailand's own interests. Gradually, constructive engagement became a centerpiece for showcasing "the ASEAN Way", an approach that stressed on decision-making by consensus and non-interference.

The political ambition of 'One Southeast Asia' was ASEAN's fundamental goal since 1967 that the association likes to encompass all ten countries within the region. Therefore, Myanmar Foreign Minister, U Ohn Gyan attended the 1994 ASEAN meeting at the invitation of Thai Foreign Minister Prasong Soonsiri in Bangkok as an observer, bringing the Myanmar issue back on the spotlight. Myanmar then made key gestures signaling its interest in joining ASEAN Treaty of Amity and Cooperation (TAC), after the release of Aung San Suu Kyi in 1995. Then In July 1996, Myanmar became an official observer of ASEAN and as a member of ASEAN Regional Forum (ARF). In July

¹⁵. n. 2, Ruukun, Katanyuu, P. 834-838.

¹⁶. n. 4, Aung, Zaw, P. 43.

23, 1997, despite intense pressure from U.S the association granted full membership to Myanmar and was admitted in the ASEAN fold. After inclusion into ASEAN fold, the regime has also played a somewhat taciturn role in ASEAN and adapted to the workings of Southeast Asia's premier multilateral diplomatic vehicle.¹⁷

ASEAN has, for instance, demonstrated solidarity with Myanmar in regional relations, though Europe's deliberate attempt to persuade ASEAN for exclusion of Myanmar from the framework of ASEAN-EU cooperation and the ASEM. In the meeting involving the cooperation agreements, EU commented that Myanmar would be present, but there would be no country name plates, no individual country flag on display, and so on. But ASEAN responded that, if new member of the EU had the right to take part in ASEM by virtue of their EU membership, the new ASEAN members ought to have the same right. Finally, EU agreed to the participation of Myanmar, as well as of Cambodia and Laos, in the ASEM in Hanoi in October 2004.¹⁸

ASEAN beyond 'Constructive Engagement'

After the joining of Myanmar into the ASEAN fold in 1997, many of the international community expected ASEAN to improve human rights record and transitions of its member state. Beyond the fact of membership, which is important in itself, having Myanmar in ASEAN is effective, but the motive for transitioning Myanmar remained unaltered. It also prompted a debate among the ASEAN member states on how the organization would maintain its principle of 'Non-interference' when the domestic situation of Myanmar had degraded regional security and had effective cross-border implication.¹⁹

Expansion of ASEAN focused attention on issues of Myanmar for two reasons. First, the United States and European Union countries were then in the process of stepping up

¹⁷. Khwangho, Chun, (2008) "External Intervention and Democratic In Myanmar: A Policy Evaluation"

¹⁸. ASEM Summit: ASEM 5 Summit, 08 Oct 2004 to 09 Oct 2004. Hanoi, Vietnam (2004), URL:<http://www.burmacampaign.org.uk>.

¹⁹, n. 10, Rodolfo C. Severino, P. 135.

pressure on Myanmar in an attempt to secure concessions on issues of human rights and democracy. The United States even pressured ASEAN to delay Myanmar's admission, action that may in fact have strengthened ASEAN's resolve to expedite Myanmar's membership. Secondly, the new members made it clear from the outset that an important reason for being attracted to ASEAN was precisely the doctrine of non-intervention, intensifying the organisation's introspection over how the doctrine might be applied.²⁰

Therefore, Critics opined that ASEAN is totally incapable of 'extracting change' from Myanmar, with some going as far as questioning the relevance of ASEAN as a political alliance. Others suggest ASEAN has the capability to influence change in Myanmar, primarily due to the country's dependence on its economic investments, but have failed to fully exploit this avenue of approach because of potential financial and political losses. Needless to say, ASEAN made little improvement as the military junta continued to practise intolerable on its civilians.

At the backdrop of constructive engagement, serious diplomatic disagreement with Myanmar and with the effect of Asian Economic and Financial Crisis, in June 1998, former Thai Foreign Minister Surin Pitsuwan called on members of the Association of Southeast Asian Nations (ASEAN) to adopt the concept of "flexible engagement" as a corporate policy. As a proposal to review the non-interference policy, it suggests to allow ASEAN governments to publicly comment on and collectively discuss fellow members domestic policies when they would have cross-border implications, i.e. adversely affect the disposition of other ASEAN states. Surin Pitsuwan's bold proposal constituted a multi-pronged challenge to ASEAN's diplomatic and security culture.²¹ First, "flexible engagement" appears to challenge the principle of non-interference in the sense that agreement on the concept seems designed to pave the way for unsolicited involvement in the domestic affairs of other states. Second, the proposal challenged the norm of quiet diplomacy because the concept is to explicitly allow for public discussion and criticism

²⁰. n. 5. John, Funston, P. 111.

²¹. Jurgen, Haacke, (2005) ""Enhanced Interaction" with Myanmar and the project of a security: Is ASEAN Refining or Breaking with its Diplomatic and Security Culture?", *Contemporary Southeast Asia: Journal of International and Strategic Affairs*, Vol, 27, No. 2, P. 583-585.

of one ASEAN country by another. And, third, by suggesting that the Association should become involve in intra-state issues if these entailed adverse consequences for other members, "flexible engagement" also challenged the long-standing norm that ASEAN should not take up collectively what for the most part would previously have been regarded as bilateral disputes.²² However, the idea was strongly opposed by Myanmar and other ASEAN members except Philippines. After extensive debate "flexible engagement" was replaced with "enhanced interaction."

Ali Alatas, Foreign Minister of Indonesia cited the informal adoption of the principle of "enhanced interaction" in 1998, which calls for the group to comment on domestic issues that portray all member nations in a negative light. "The 'enhanced interaction' approach... should continue to be honoured and further refined," he said. "ASEAN should be able to develop an agreed mechanism through which member states could work together to help a member country in addressing internal problems with clear external implications." He said "one result of the principle is Myanmar's willingness to discuss its internal problems within ASEAN and the larger ASEAN Regional Forum (ARF), a security grouping that includes the United States, Russia, China and other powers."²³ Having repulsed "flexible engagement", ASEAN governments nevertheless informally agreed to henceforth allow for "enhanced interaction". This decision reflected the realization of ASEAN decision-makers that they ultimately could not prevent each other from publicly commenting on those intrastate developments that had a perceived detrimental social, economic or political impact on other members or the Association as a whole.

ASEAN Response and Changes in the Model of Constructive Engagement

The response of ASEAN toward Myanmar is distinctively characterised by the policy of 'constructive engagement'. The idea was to try to engage the military Junta through quiet diplomacy and political and economic ties, and relying on the belief that peaceful change

²². n. 21, Jurgen, Haacke. P, 587.

²³. ASEAN-Myanmar-Policy – 'ASEAN Must Reinvent Itself, Loosen Non-interference Policy', (2004) by Alatas, July, 01. <http://www.asean.org>.

would be promoted in the authoritarian regimes rather than to ignore and isolate. As a result of constructive engagement not making any progress after several years of engagement, some ASEAN leaders began to consider alternative approaches. Due to constructive engagement between ASEAN and the military junta which followed gentler steps compared to an interventionist approach failed to make any headway in democratization and mitigating human rights violation. Therefore, ASEAN member states looked beyond this ineffectual method in different ways to transform Myanmar, stop government incarceration of opposition leaders, and lack of progress in addressing social and economic reforms, and delays in curbing sources drug production and distribution located inside Myanmar and in some regional states.

First of all, under the constructive engagement (response) Aung Sann Suu Kyi was released in 1995 in order to facilitate Myanmar's accession, and then Myanmar got to sign the ASEAN Treaty of Amity and Cooperation which conferred on it an observer status. Later, the inclusion of Myanmar into the fold of ASEAN in 1997 was a great achievement of ASEAN's constructive engagement policy in undertaking the problem of Myanmar. It is quite certain to say that the ASEAN's hope for regional cooperation and greater coordination among the member states was successful by the inclusion of Myanmar. In 1998, Philippine foreign minister Domingo Siazon, chairman of a two-day ASEAN foreign ministers conference in Manila, urged Burma's junta leaders and the NLD to resolve their differences at the negotiating table, adding that they should be prepared to enter a dialogue unconditionally. He also called on Burmese expatriates to participate in a "people power uprising".²⁴

However, after Myanmar's inclusion, the stakes are high for ASEAN in the economic and security arenas, which directly affect the organization's international and regional standing. In addition, coupled with individual ASEAN members' exigencies, international catalysts leave ASEAN with no choice but to further nudge the Myanmar junta toward democratic reform and political dialogue with opposition and ethnic groups. Thus, the association moved slightly beyond its traditional 'non-interference' policy and overtly

²⁴. n. 4, Aung, Zaw. P. 46.

pressured Myanmar to expedite democratic reform and to release political detainees. In 1998, a two-day ASEAN foreign ministers conference, Chairman Philippine foreign minister Domingo Siazon, urged Burma's junta leaders and the NLD to resolve their difference at the negotiating table, adding that they should be prepared to enter a dialogue unconditionally. He also called on Myanmar expatriates to participate in a "people power uprising". Moreover, in response, some ASEAN member states censured junta and even suspension of Myanmar from the association was signaled showing the willingness to take a more committed stand on the state of political governance in member states.²⁵ ASEAN's accommodation of Myanmar, despite being an uneasy one, was also prompted by the need to maintain ASEAN's internal cohesion. Although the introduction of the concepts of flexible engagement and enhance interaction as an alternative to constructive engagement did not result in dramatic break with established policy, they did mark a subtle shift in thinking about intra-ASEAN relations and gave a serious thought on junta than earlier instances.

During the ASEAN and EU representatives meeting in Bangkok in May 1999, despite the EU ban on visas for Myanmar's official, the ASEAN leaders nudged the regime to change its ways. In fact, the EU agreed to include Myanmar in the ASEAN delegation during the scheduled ministerial talks in Vientiane in 2000. Despite assurances that Myanmar would be willing to discuss any issues raised at a meeting with European leaders, the regime made no secret of its intention to pursue its own political agenda regardless of what the rest of the world might think. Support for Myanmar remains significant as a litmus test of ASEAN solidarity, however, and such may gain importance even as the organization itself comes under increasing fire for its apparent incapacity to tackle crises.

In the midst of ASEAN meddling in the issue of Myanmar and rendering some positive changes in Myanmar, ASEAN changed its course of action towards its member state in resolving the issue and problems perpetrated by the junta. The Depayin, 30 May 2003 placed ASEAN in an awkward position with respect to its principles of non-interference

²⁵. ASEAN MPs call on the tougher ASEAN actions on Myanmar including Suspension, (2009), *ASEAN Interparliamentary Myanmar Caucus*, (Document) online: <http://www.aseanmp.org/?p=2155> .

and gained immense pressure from the west. The SPDC's actions were an unnecessary embarrassment that impinged upon ASEAN's credibility as an organization. In response, Dr. Mahathir Mohamed suggested for expulsion of Myanmar from ASEAN as 'a last resort' if Yangon fail to release Aung San Suu Kyi.²⁶ But, Thailand's Prime Minister Thaksin Shinawatra rejected Mahathir's threat to Myanmar and 'urged ASEAN to give Myanmar's leader more time to demonstrate their sincerity in returning to national reconciliation and develop into democratic system'.²⁷ After the incident, the members in the 36th ASEAN Ministerial Meeting urged Myanmar to promote peace and development. Further, the members urged Myanmar to resume the efforts for national reconciliation and dialogue among all parties concerned leading to a political transition to democracy', and welcomed Myanmar's assurance for early lifting of restriction placed on Daw Aung San Suu Kyi and NLD member.²⁸

Completing the third phase of its efforts, Thailand hosted the "Forum on International Support for National Reconciliation in Myanmar" (generally called the "Bangkok Process") in December 2003. Participants represented several countries in Asia and Europe and included Myanmar as well as U.N. envoy Razali Ismail. It was the first breakthrough for engagement of the international community in Myanmar's internal affairs. Three main factors are believed to have led the junta to participate in the forum. First, the meeting was not intended to criticize or put harsh pressure on Myanmar. Second, the road map was scheduled to proceed at a pace comfortable to the junta, although some progress would have to be made. Finally, Yangon seemed keen to reduce the pressure from its ASEAN counterparts and the international community.²⁹ As a response, in 2004, the ASEAN Ministerial Meeting (AMM), the joint communiqué reported:

²⁶. Myanmar Issue may be Referred to UN Security Council for Resolution, (2003), Burmese Related News- July 21-21-2003, Indonesia, online: www.burmalibrary.org/Tinkyi/archives/2003-07/msg00023.htm. Also see in , *Chun, Khwangho, (2008) "External Intervention and Democratic In Myanmar: A Policy Evaluation"* P. 259.

²⁷. ASEAN must give Myanmar more time to "Prove Themselves";: Thai PM, (2003) Burmese Related News-July 21-22-2003, Bangkok, Online: www.burmalibrary.org/Tinkyi/archives/2003-07/msg0023.htm.

²⁸ . Joint Communiqué of the 36th ASEAN Ministerial Meeting, (2003) Phnom Penh, June 17-18 , (website from the Association of Southeast Asian Nations; <http://www.asean.org>)

²⁹ . n. 2, Ruukun Katanyuu. P. 832.

*“We noted the briefing given by Myanmar on the reconvention of its national convention and the development thereon. We acknowledge the potential of the convention in paving the way for new constitution and the holding of election in keeping with it. We recalled and emphasized the continued relevance of the Joint Communiqué of the 36th AMM and the chairman’s Press Statement of the 9th ASEAN Summit. In this regard we underlined the need for involvement of all strata of Myanmar society in the on-going National Convention. We encourage all concerted parties in Myanmar to continue their efforts to effect a smooth transition to democracy. We recognized the role of the Special Representative of the United Nations Secretary-General in assisting Myanmar to achieve this goal”.*³⁰

This statement, evidently negotiated painstakingly put a positive spin on Myanmar’s efforts and, at the same time, prodded Yangon to make a “transition to democracy” through “dialogue” and “national reconciliation”, involving “all strata of Myanmar Society, presumably including the participation of the NLD and the “Nationalities”, stated by Rodolfo C. Severino, former ASEAN Secretary-General.³¹

Further after the AMM, the roadmap to release Aung San Suu Kyi was unacceptable to Junta, but assured the roadmap to start the National Convention to lead a “disciplined democracy”. In August 2003, Khin Nyunt declared the Myanmar ‘Seven steps roadmap to democracy’ before he was arrested in October 2004. The roadmap to disciplined democracy includes the reconvening of the National Convention, then the drafting of a new constitution, its adoption by general referendum, the holding of free and fair elections according to the new constitution, the convening of legislative bodies or Hluttaw, and the building of a modern, developed and democratic nation by the newly elected state leaders.³²

The Seven Steps roadmap to democracy was further emphasized and put a harsh comment on junta in the subsequent years. After the “Saffron Revolution” occurred in

³⁰. n. 10, Rodolfo C. Severino, P. 137.

³¹. n. 10, Rodolfo C. Severino, PP. 139-140.

³². “Burmese Activist Flee Rangoon for the Border”, *Irrawaddy*, 18 May, 2004.

September 2007 in Myanmar, the State Peace and Development Council (SPDC) again became the centre of international attention. The incident gave another hard-blow to ASEAN members and its constructive engagement policy. Consequently, the juntas seven steps roadmap to democracy came under harsh examination, and mentioned the release of Aung San Suu Kyi. But the junta did not release Aung San Suu Kyi, while the roadmap to 'disciplined democracy' was welcomed by ASEAN which adopted a more conciliatory tone toward the country afterwards.³³ Yangon in fact gained some credibility because the regime released more than 9,000 prisoners in the days leading up to the summit. Myanmar embarked on the National Convention (NC) in full conformity with its political-security imperative, but continued to defy ASEAN's collective call for the release of ASSK.³⁴

In response to Cyclone Nargis, 2 May 2008, on 5 May, ASEAN Secretary-General Surin Pitsuwan called on all member states to provide urgent relief assistance through the framework of the ASEAN Agreement on Disaster Management and Emergency Response (AADMER) as a response to Cyclone Nargis. After the Myanmar government agreed to work in coordination with the ASEAN Secretariat, ASEAN Emergency Rapid Assessment Team was deployed and then submitted its report to a special ASEAN Ministerial Meeting on 19 May. In the meeting, ASEAN agreed to establish an ASEAN-led coordinating mechanism to 'facilitate the effective distribution and utilization of assistance from the international community.'³⁵ The ASEAN Secretariat, further consultation with experts from member states and designing for appropriate mechanism resulting a two-tiered structure, the ASEAN Humanitarian Task Force (AHTF) and Yangon-based Tripartite Core Group (TCG) which consists of ASEAN, Myanmar government and the United Nations. While ASEAN's actions have been acknowledged as key in providing leadership, structure and legitimacy to the Nargis response, it took some time for ASEAN and the Myanmar government to recognise the role of NGOs and

³³ . n. 17, Khwangho Chun, P. 259.

³⁴ . Jurgen, Haacke, (2006) *'Myanmar's Foreign Policy: Domestic Influences and International Implications'*, Adelphi Papers No. 381. Routledge. P. 54.

³⁵ . n. 35, Yves-Kim H, Creac and Lilianne, Fan.

international aid community present in Myanmar.³⁶ The ASEAN took the lead in coordinating assistance offered by the international community, with full support from the United Nations, and also closely worked with other international institutions, including the World Bank. When the SPDC irrationally interpreted the situation as a security issue rather than a humanitarian crisis and forbidding international aid and assistance, in the end, ASEAN provided the most constructive response by depoliticizing the delivery of aid and acted as a mediator between Myanmar and the international community.

Further, The ASEAN Security Community (ASC) first appeared in skeletal form in October 7, 2003 Bali Concord II, its Plan of Action was adopted in 2005 Vientiane Action Program (VAP). The ASEAN Security Community was Indonesia's attempt to inject norms and instruments into ASEAN, anticipation that they would make ASEAN better able to grapple with Myanmar, and in addition, resolving other regional crises. Consequently, ASEAN formally announced its commitment to establish a Charter in the Kuala Lumpur Declaration. It emphasis to strengthen ASEAN internal economic linkages, ensure the implementation of agreements, promote human rights and democracy, and promote regional cooperation, among other activities

As a pro-active engagement, the idea of an ASEAN Security Community, promotes an ASEAN-wide political and security framework. Within this framework, the ASEAN Security Community encourages member states to work together on sensitive security issues, particularly those of a transnational nature, without being constrained by previous interpretations of non-intervention and non-interference. The ASEAN Security Community Plan of Action specifically says "ASEAN Member Countries shall not condone unconstitutional and undemocratic changes of government or the use of their territory for any actions undermining peace, security and stability of other ASEAN Member Countries."³⁷

³⁶ . n. 35, Yves-Kim Creac'H & Lilianne, Fan.

³⁷ . "Proactive Engagement on Myanmar: ASEAN's only Option", Malaysia, ASEAN Inter-Parliamentary Myanmar Caucus.

At the eleventh ASEAN Summit held in December 2005 in Malaysia, the grouping departed significantly from its traditional taboo on commenting on Myanmar. ASEAN openly urged the junta to release political prisoners and expedite democratic reforms. Malaysia made clear that Myanmar must help the group to "convince the world "in order to enhance ASEAN's credibility; Indonesia disclosed that ASEAN wanted to voice "as strong as possible" disappointment over Myanmar's stagnant situation. Jakarta also added that member states could not "claim gross violations of human rights as a domestic matter" and that the issue ought to be discussed at the ASEAN Summit level.³⁸

The ASEAN Inter-Parliamentary Myanmar Caucus (AIPMC) is a network formed by and for Parliamentarians from ASEAN countries to advocate for human rights and democratic reform in Myanmar. Since its inaugural meeting in Kuala Lumpur, 26-28 November 2004, it called on the military government of Myanmar to bring about changes and democratic reforms and releasing Aung San Suu Kyi and other political leaders of Myanmar.³⁹ Its members represent both the ruling and non-ruling political parties of Malaysia, Indonesia, Singapore, Thailand, Philippines and Cambodia. It has also created networks and affiliation with member/partners of national caucuses and parliamentary groups outside ASEAN, namely in New Zealand, Australia, Japan, Canada and in Europe, also the body worked closely with Myanmar's international civil-society movement, elected MPs from Myanmar and members of Myanmar's government-in-exile.⁴⁰ In 2007, Adapted from the statement of Philippine Senator Aquilino Nene Pimentel at the Opening Ceremony of the International Conference of Japanese and ASEAN Members of Parliament at the House of Representatives, Tokyo, Japan, May 21, 2007 report; *"We respectfully suggest that at this point it looks like there is no other way to achieve the peaceful resolution that we seek but to engage the military junta in a*

³⁸ . n. 2, Ruukun, Katanyuu. P. 840.

³⁹ . AIPMC- ASEAN Interparliamentary Myanmar Caucus, June 10, 2007, Online: <http://www.asean.org>

⁴⁰ . Ibid, ASEAN Inter-Parliamentary Myanmar Caucus.

*meaningful dialogue that should include all the key players needed to establish a democratic government for Burma”.*⁴¹

The AIPMC have argued that the association’s reputation has been tarnished by Myanmar’s violent acts and repressive policies. Although the association is in the process of passing a new ASEAN Charter that will include the protection of human rights, critics have pointed out that this new document does not spell out punitive measures such as embargoes, sanctions, or expulsion for violations of these clauses. Although the association has recently established a security cooperation accord, this grouping is primarily focused on defense cooperation as opposed to policing action within the region. Clearly, criticisms against “constructive engagement” have not been unfounded and ASEAN will have to address these deficiencies in order to become more effective in persuading change in Myanmar.⁴²

Further, speculating the effectiveness of ASEAN constructive engagement policy, and looking beyond constructive engagement, some of the member states have attempted to initiate more effective measures as the earlier policy remained ineffectual for the cost of Myanmar issues. For much of its history, ASEAN operated without a formal charter, however, in 2005, the member states began discussing the construction of a formal charter for ASEAN. Therefore, the Institute for Southeast Asian Studies (ISEAS) published a study that explained why such a charter would be beneficial to ASEAN;

“ASEAN has no central institutions to uphold compliance with them. It has nobody to call a member-state to account for non-compliance with the agreements. ASEAN has no credible mechanisms for settling disputes in an objective and binding manner. . . . Without a comprehensive set of values and principles explicitly adopted, ASEAN cannot on the basis of objective and agreed-upon criteria call its members to account for acts

⁴¹. “AIPMC Pledges to Advance the Cause of Democratization in Burma”, *Burma Digest*, 30th May 2007, www.burmadigest.info

⁴². n. 39. AIPMC

that have adverse impacts on fellow-members or on the region as a whole. Without it, ASEAN cannot credibly set the direction in which it is headed”.⁴³

The goal of the policy of constructive engagement is gradual change in the human rights situation of Myanmar through cooperation between ASEAN and Myanmar on a variety of issues. However, critics have alleged that the true aim of the policy is to deflect pressure for EU and U.S. sanctions so that economic activities between ASEAN and the SPDC can continue unimpeded. Regardless of the true ambition of the constructive engagement policy, the Charter contains some powerful language that dramatically affects this stance. The charter was signed in 20 November 2007 at the 13th ASEAN Summit in Singapore, but it came into force on 15 December 2008 when all ten ASEAN members ratified despite some hesitation on the part of some members over the Myanmar problem. The ASEAN Charter states that the purposes of ASEAN are;⁴⁴

- To strengthen democracy, enhance good governance and the rule of law
- To promote and protect human rights and fundamentals
- To enhance the well-being and livelihood of the peoples of ASEAN by providing them with equitable access to opportunities for human development, social welfare, and justice.
- Adhering to the principles of democracy and constitutional government.

The most dramatic change effected by the Charter is the newfound concern for human rights and the idea of structuring ASEAN human rights body- Working Group for an ASEAN Human Rights Mechanism (“Working Group”). But, on the other hand, a number of countries both inside and outside of ASEAN argued for a legitimate human rights body that would feature enforcement capabilities in addition to mere advisory capacity.⁴⁵ Therefore, the Working Group ultimately recommended that the human rights body be a commission, “constituting comprehensive human rights protection and reporting mechanisms.” Such a body would have advisory and reporting functions, but no

⁴³. John, Arendshorst, (2009) “The Dilemma of Non-Interference: Myanmar, Human Rights, and the ASEAN Charter”, (Place), *Northwestern Journal of International Human Rights*. Vol, 8, Issue 1. P. 111.

⁴⁴. Ibid, John, Arendshorst, 113,

⁴⁵ Ibid., John, Arendshorst, P.112

binding enforcement capabilities. The Working Group proposed that the primary task of the nascent human rights body should be to “promote and protect human rights,” which in its view includes raising awareness, advising, sharing information, and advocating, but not to pass judgment regarding human rights in any member nation.⁴⁶ It will and has opened the space publicly to take Myanmar to task, to become more accountable for its actions and to address political problems at home which include the need to hold the long-awaited national elections.

But Arendshorst commented that although the formation of the AICHR is a step in the right direction, as it formally recognizes the importance of promotion of human rights among ASEAN member countries, it cannot have a significant impact because it lacks any substantial means of penalizing human rights violators.⁴⁷ However, the new ASEAN Charter and the formation of the (AICHR), ASEAN International Commission of Human Rights presented an opportunity for the ASEAN to make a serious push for change in Myanmar. Perhaps more importantly, the Charter and the AICHR would squander their opportunity to build confidence among other treaty organizations, such as the European Union, North Atlantic Treaty Organisation (NATO), and NAFTA, that ASEAN is a legitimate, respectable partner.

In address made by Sukhumbhand Paribatra, Deputy Minister of Foreign Affairs of the Kingdom of Thailand, that “In the mind of critics, the term “constructive” amounted to no more than tacit consent with everything that has been going on in Myanmar, and the term “engagement”, a justification for efforts to seek economic benefits in the resource-rich country”.⁴⁸

The shift to an open-door economic policy and the granting of business deals to ASEAN firms seem to be driven by survival and business considerations rather than an embrace of

⁴⁶ n. 43, John, Arendshorst, P. 13-14.

⁴⁷ n. 43, John, Arendshorst. P. 13.

⁴⁸ . This statement was given in the Address made by M.R. Sukhumbhand Paribatra, Deputy Minister of Foreign Affairs of the Kingdom of Thailand At the ,Conference on "Engaging Myanmar in East Asia" Organised by Institute of Strategic and Development Studies, Inc.,(1998). The Republic of the Philippines, and Konrad Adenauer Stiftung, On 29 November, at the Shangri-La EDSA Plaza Hotel, Manila.

the ASEAN's role in Myanmar politics. In addition, Zaw and Grieg said that 'the ASEAN claims about spill-over benefits from good behaviour through involvement in webs of institutional links and official engagement was somewhat limited by the strict "non-interference" guiding the official conduct within the association.'⁴⁹ While not only in the issue of Myanmar, the ASEAN failed in the apprehension of China's influence on Myanmar became more complex.

Visibly, the constructive engagement was, in part, an attempt to bring an eventual end to the harsh treatment and repression of the civilian population. But after a decade of its implementation and endurance for transition and lifting up of human rights violation, the constructive engagement policy failed to yield a tangible outcome and transform the reclusive state. As mentioned by Mann, 'the generals seemed quite satisfied with the status quo on many issues of regional cooperation that were to be assuaged by constructive engagement, and the junta is exploiting the concession and conciliatory gestures of constructive engagement'.⁵⁰

The ASEAN way is now ready to move forward to the next stage with a focus on 'people' under the forthcoming *ASEAN Charter*. This is important as the role of the 'people' (public participation) plays a part in shaping the management of natural resources. Ong Keng Yong, Secretary General of ASEAN said: 'a certain formality based on a more legal regime will help ASEAN grow into a more effective regional organization'.

Khwangho argues that 'no democratic conditionality was to be respected in order to be granted accession, and even though public requests were made for democratic changes to take place before accession, this was not a formal requirement but just an informal

⁴⁹. Zaw, Oo & Kai, Grieg, (1998) "*Carrots and Sticks for Democratisation in Burma: Policies of the EU and the ASEAN*", in '*Human Right in Development: Global Perspectives and Local Issues* (eds), Hugo Stokke and Ame Tostensen, (Place) published by Kluwer Law International Nordic Human Rights Publications. P. 19.

⁵⁰. n. 11, Mann (Mac) Bunyanunda. P. 128.

initiative relying more on Myanmar's willingness to please its neighbours than on compelling conditions to enter a regional organization.⁵¹

The debate over ASEAN non-interference, and the various steps taken to enhance cooperation between ASEAN states and to resolve the problem of Myanmar, do reflect ASEAN's strong will and initiatives to address the principle (with varying degrees of success) in the issue of Myanmar. ASEAN continues to demonstrate its interest and importance to bring Myanmar into a stable process and acted more proactive in the early 21st century especially in the human rights violations while keeping intact with non-interference policy.

It is clear that a number of contradictory views on ASEAN's non-interference policy have come to light and mean time discredited the prestige of the association since Myanmar inclusion in 1997. But, however, it is also quite important to note that ASEAN's inclusion of Myanmar in the association has deeply impacted the ongoing solution to Myanmar problem, because if ASEAN would have opted for sanctions and exclusion of Myanmar from the association, there would not have been any high diplomatic-political relations and cooperation within the regional countries.

⁵¹. n. 17, Khwangho, Chun, p. 260.

Chapter 5

Conclusion

Democratisation and augmentation of human rights values in Myanmar have been the most important vision of Western and Asian regional states since 1990, after the immediate uprising in 1988. Although prolonged, Myanmar's political deadlock and immeasurable domestic crises is recognised as a state's internal affair, and it gained a wide international criticism and drew intense incentive and disincentive policies from the external actor as a response to further democratisation and national reconciliation. As a matter of pressing Myanmar to democratise and would consequently address its domestic problem and human rights violation, the mechanism of 'sanctions' from the West and 'engagement' from Asian regional states were distinctively applied in course of responding to Myanmar.

Both their policy of 'economic sanction' and 'open engagement' had been extensively operationalised since 1990, and their scopes and means for transitioning Myanmar were maneuvered in different ways. The main 'aspiration' behind the usage of Western economic sanction is to disrupt the juntas' economy and trading system in an effect that would oblige the juntas to reverse its objectionable behaviour and change the government. On the other hand, the engaging policy is cautiously followed by Myanmar's neighbouring states especially China, India and ASEAN. They followed a non-coercive response as the better choice to influence and resolve the problem along with state-to-state relationship. Though both policies applied the method to bring tangible effect in Myanmar, many had analysed and postulated that both failed to render a credible influence upon the junta to reconcile and expedite the furtherance of a democratic system.

China

The age-old bilateral relationship of China and Myanmar which underwent a series of ups and downs had motivated in the burgeoning of their high-level diplomatic exchanges and close-up engagement in 1990. The most significant qualitative and quantitative aspect of

their bilateral relationships came to light when Myanmar was castigated and isolated from the international community due its tyranny against the civilian population, and as a result aligned with China in search of its external sources of economic and military support. The most important ‘basic position’ of China and how it managed to engage Myanmar rather than sanction is through adhering to the principle of ‘non-interference’ policy in state-to-state relations and national reconciliation as a domestic issue. Contrary to Western economic sanctions as a response to Myanmar, China overtly expressed that the problem of Myanmar is an internal issue and would be unfair to intervene in ones’ state affairs. This response of China Myanmar issue and its engagement policy is seen by many analysts and scholars as China’s due strategic importance towards Myanmar especially in the quest for economic, energy security and international autonomy.

Without ignoring the above argument, however, China engaging with Myanmar since 1990 up to present day, China had staunchly assisted Myanmar’s disadvantageous military status, economy and beleaguered infrastructural development status. With the regulation of normal border trade agreement of 1990 China became the major supplier of consumer goods, machinery and equipment, international products, and offered markets for Myanmar’s export such as wood products, agricultural produce, marine products, mineral, and recently oil and gas. Economically, the regime’s economic and financial position had also been overwhelmingly re-inforced by the discovery of oil and natural gas resources which attracted large foreign investment especially from China and other regional states.

From the Myanmar side, the close political, military and economic bonding with China rendered a major source of comfort and economic development to the SPDC, specifically when it faced economic sanctions and barred from receiving humanitarian aids and Official Development Aid. It is certain that without the massive influx of Chinese products, opening up export market and long-term loans with low interest rates, the Myanmar military government would not have risen from shortages of commodities, foreign exchange currencies, or initiated massive construction of state-owned factories and hydro-power stations in the country.

The 'Open Engagement' policy of China had assisted extensively and incorporated with Myanmar's new foreign policy. The border direct trade agreement and land route connection between Upper Myanmar and Yunnan of China had greatly impacted on Myanmar's substantial economic development. Chinese and particularly the Yunnanese state companies played a major part in the economic reconstruction of northern Myanmar, especially roads, bridges, telecommunication facilities, institutionalization of cross-border transaction- including "one-stop service" and in construction of multi-hydro power stations in Myanmar.

Prior to Western economic sanctions, Myanmar has already been recognised as one of the most underdeveloped countries in the world due to various inefficient economic structures and stalled economic reforms. This perception of Myanmar's poor economic status and inefficient economic growth underwent further deterioration when all important economic trade system, financial transactions and humanitarian aid or Official Development Assistance were cut-off due to Western imposition of economic sanctions. However, as a consequent, Myanmar initiated new foreign policy and cautiously aligned with China for economic assistance and circumventing the effects of economic sanctions.

Not only in the subject matters of finance, economy and development assistance which Myanmar gained from the role of China's engaging policy, China also in parallel played a significant role in response to Myanmar's political issue, acquiescing the junta for 'dialogue process' and consensus building measures in collaboration with UN and other international community. This is what China astutely envisaged for and the reason behind the 'usage' of its engagement policy. Moreover, China was also concerned with the spill-over effects of Myanmar's repercussion of migration in the border-line, drugs trafficking, spread of HIV/AIDS and border dispute and sporadic war (skirmishes) in the ethnic region contiguous to Yunnan border. China believed that it would be more feasible to open a dialogue between the junta and NLD rather than disengage through economic sanctions. Therefore, it would be naïve to think that China engaging Myanmar is just for securing economic, energy and regional autonomy. Myanmar's economy, devoid of Western assistance and hobbled by sanctions, has become rather dependent upon China

(Yunnan in particular) and China's moral and symbolic support has not only shielded the Myanmar regime from Western opprobrium and reinforced the military's attempt to legitimize itself with the domestic polity, but also enhanced Myanmar's diplomatic bargaining power in relations with regional states and international community. China seems to have more leverage and encouraging Myanmar's leaders to undertake wide-ranging economic reforms and speed up the roadmap to disciplined-democracy process. As China expresses its willingness to see national reconciliation in Myanmar, Yangon had and would more likely listen to Beijing's advise than the pressure and exertion persuaded by the Western 'Hard-liners'.

India

Compared to China and ASEAN, India was rather late in engaging with the Myanmar military regime. Despite the fact that India and Myanmar had great historical linkages, colonised by British, and both high political diplomatic relations in the post immediate independence, their relationship became estranged due to the military coup in 1962 in Myanmar under the leadership of General Ne Win. And as a result, Myanmar's nationalistic and socialist economic policies of Ne Win hit-hard many Indian communities settled in Myanmar.

In the aftermath of 1988 popular uprising and juntas' refusal to dispense the power to the National League for Democracy (NLD), the winning party of 1990 election, India consequently strongly supported democratic movement in Myanmar and followed suit partially or impartially with U.S. economic sanctions and isolationist stance towards Myanmar. India's overt support to Myanmar's pro-democracy students and dissidents leaders had led to a strained relationship with Myanmar's military junta. Therefore, unlike China, India in the early 1990s declined any kind of political, economic engagement with Myanmar, except surfacing in the arena of confrontations and disagreement with the junta's illegitimate consolidation of power and human rights violation.

However, in the midst of 1990s, India revived its new foreign policy towards Myanmar and began to engage with the military regime. Consequently, the new bilateral relationship and India's new paradigms shifted from strong commitment toward pro-democracy polity to 'quiet diplomacy' stance towards juntas opened a wide discourse in the international affairs, media, journalist, activist and intellectual and governmental affairs. This new foreign policy is influenced by three important factors which broadly identify as the reason for India's shift in policy. They are as follows; 1) the need for secure borders to foster north-eastern regional development, 2) the imperative regional economic relations with Southeast Asia, 3) countering China's influence in Myanmar in the regional context.

India, like China and ASEAN, pursued personal diplomacy to forge government-to-government and military-to-military relationship with Myanmar. As a result, India improved its relationship with the military junta, secured the desired economic and strategic hold in Myanmar and operationalised trade relations, countered insurgents in Northeast India and speeded up in oil and gas exploration in Myanmar. India increased bilateral and sub-regional economic interaction and co-operation with Myanmar through trade, aid and investment played an important role in addressing some common issues in the borderline.

Some supporters of pro-democracy movement both in India and outside had criticised that India had scaled down its harsh inclination to press for political change and remained committed to the maintenance of the status quo of military junta, despite occasional rhetoric about releasing Daw Aung San Suu Kyi, and national reconciliation, fostering democracy and offering electoral support in the eventual elections predicated on the conclusion of the junta's road map. Arguably, as many have pointed out, that the primary aim of India to engage Myanmar and the shift in its policy was induced by economic-energy sources, security in the northeast region and counteracting China's influence. Therefore, India's role in the issue of Myanmar and transition of Myanmar is seen as less effective.

ASEAN

The result of Myanmar's military crack-down upon pro-democratic students, human rights violation, and the impact of ethnic violence in the border region, illegal citizen migration, drug trafficking, illegal economic transactions and other epidemic like HIV/AIDS had also greatly affected ASEAN member states. As an institution, ASEAN has not taken concrete steps or policy in responding to Myanmar issue, expediting to reconcile and transform Myanmar, except the age-old policy of 'Non-interference'. Thus, from inception, ASEAN took the principle of Non-interference as the possible means to stabilise and reconcile Myanmar with its three important codes of conducts; it discourages member states from criticizing or intervening in members' internal affairs; it commits members to deny sanctuary or support to groups seeking to subvert or overthrow the governments of member state; lastly, particularly during the 1960s and 1970s the principle discouraged members from providing external powers with any form of support deemed subversive to other members.

The constructive engagement policy became the centerpiece for showcasing the "ASEAN Way", an approach to Myanmar reconciliation stressed on decision-making by consensus and non-interferences. The main fundamental principle of this ASEAN policy was to engage the military Junta through quiet diplomacy and economic ties as it find its roots in ASEAN's values and conflict management style. It came into effect in 1991, responding to the Myanmar issue and succeeded in expanding the organization along with economic and trade relationship with the new four member states as well. ASEAN inclusion of Myanmar into its fold in 1997 is opined as a good move of ASEAN in processing dialogue with the military junta and NLD. Moreover, it would also be true that Myanmar's inclusion in ASEAN member states had altered the military junta from their persuasion of isolation, to associating in multilateral organizations.

After years of consultation and 'dialogue process', the association moved beyond its traditional 'non-interference' policy and overtly pressured the junta to speed-up democracy and release all political detainees. Although the introduction of the concepts

of 'flexible engagement' and 'enhance interaction' as an alternative to constructive engagement did not result in dramatic break with established policy, they did marked a subtle shift in thinking about intra-ASEAN relations and gave a serious thought on the issue of Myanmar domestic progress. After the Depayin incident, the military junta after ASEAN's intense pressure and harsh examination in the roadmap to democracy responded back with the declaration of seven steps roadmap to democracy in 2004.

The ASEAN Inter-Parliamentary Myanmar Caucus (AIPMC) was formed to advocate for human rights and democratic reform in Myanmar. Since its inaugural meeting in Kaula Lumpur, 26-28 November 2004, it called on the military junta to bring about changes and democratic reforms and releasing Aung Sann Suu Kyi and other political detainees. Further speculating on the role of constructive engagement and beyond, the ASEAN Charter came into force on 15 December, 2008 which looked at the issue of human rights violation and presented a new opportunity for the ASEAN in taking a serious push in responding Myanmar issues.

Further, after the cyclone Nargis, the ASEAN took the lead in co-ordinating assistance offered by the international community, with full support from the United Nations, and also closely worked with other international institutions, including the World Bank. When the SPDC irrationally interpreted the situation as a security issue rather than a humanitarian crisis and forbidding international aid and assistance, in the end, ASEAN provided the most constructive response by depoliticizing the delivery of aid and acted as a mediator between Myanmar and the international community.

Evidently, after decades of both sanctions and engagement policies as the responses to Myanmar issues and the method to reconcile, many analysts and scholars, government reports and institutional papers had expressed that both the policies were ineffective. Sanctions from the West had just employed another obstacle into Myanmar's struggle for transition, because the impact of sanctions which include economic, trade relations, financial and Official Development Assistance are cut off from Myanmar and simply it hampered the civilian population whose incomes and daily livelihood are substance from it. Critics and arguments on engagement role in Myanmar state that the engaging states

were influenced and manoeuvred by their own interests; to influence, national security and autonomy in the region. To some, the argument on the essentiality of sanctions and engaging in the context of Myanmar, neither sanctions nor engagement had achieved what they aimed for, as far as wishing for political change in Myanmar is concerned, the international community have 'divided interest'. Also arguably, there has been a sharp contrast between the West (i.e. U.S. and EU) and Asian countries which is underpinned by states geostrategic importance, and ideology.

But, it is quite discernable that both the policy of sanctions and engagement had influenced the junta. To some extent the latter had moved forward in political dialogue with external actors and the NLD party. There seems not any home body or civil society in Myanmar which had effectively persuaded the junta for dialogue or uplifting domestic socio-economic problems. Anything that the military junta took up or moved ahead for 'national convention' which remained stalled in 1996 is assumedly due to immense pressure from the external actor, or the international community rather than the NLD or ethnic minority groups.

In regard of beleaguered socio-economic conditions of the peoples' in Myanmar, or in mitigating of human rights, the NLD, ethnic groups and the civil society has lesser pressure or impact upon the junta to look upon all these matters. The regional states or the engaging groups engaging with junta have more capacity in improving all the areas where the NLD, ethnic group or civil society in Myanmar could not have interfered and exert pressure on the junta.

Myanmar after harsh economic sanctions from the West and curtailment of international aid agencies pushed the juntas to open up new foreign policy and engaged with state-to-state relations in different perspective. Corresponding to regional states engagement, the new foreign policy of Myanmar since 1989 took a new shift from the traditional state's policy of isolation. At the same time, China and some ASEAN member states stepped into the vacuum left by the West and met Myanmar's attempts to modernise its obsolete industries and decaying infrastructures. Engaging rather than sanctions had also led

Myanmar to distance away from the isolationist stance and incorporated with many bilateral, multilateral and international organisation.

More effectively as compared to sanctions, engagement policy of China, India and ASEAN has rendered greater opportunity and was reliable in pressuring the junta to move forward in the roadmap to disciplined democracy and general national election from their inception of responsive engagement. Additionally, because of having good relation between military junta and the three engaging states, the three actors have more influential capacity upon the former and would more likely to listen to the three actors rather than to the western hard-liners.

Today, many argued and criticised that both the National referendum of 2008 and multi-party election in 2010 as a steps for political transition is merely a repackaging of the military government. According to the announcement made by the SPDC in February 2008, a constitutional referendum was held in Myanmar on 10 May 2008 (24 May 2008 in some township) and ensured the creation of a “Discipline Flourishing Democracy”.¹ The regime claimed that 92.4 percent of the voters approved the new constitution and that 26 million out of 27 million eligible voters (96 percent) had turned out to vote. However, foreign media, activists and supporters of pro-democracy had criticised constitutional referendum and conducted election as a sham and fraud. The opposition party and those outside Myanmar regarded the creation of constitution was fraudulent and undemocratic.²

In March 2011 the military junta had transferred its power to the civilian government and replaced the junta’s Peace and Development Council office by ‘General Administration Office’. However, the election results were accepted by the engaging states. Therefore it is through consistent intervention and pressure from regional states perhaps more effectively from China, ASEAN and India to some extent had pushed the military junta for national referendum in 2008 and nationwide election in November in 10, 2010 as the

¹. “Burmese Constitutional Referendum, 2008”, (2011), Wikipedia, the free encyclopedia. http://en.wikipedia.org/wiki/Burmese_constitutional_referendum_2008.

². Constitution of Burma (2011), Wikipedia, the Free Encyclopedia, 29, June, http://en.wikipedia.org/wiki/Constitution_of_Burma.

roadmap to democracy of Myanmar. While several key members from the international community in the midst of a period of critical self-reflection regarding their Myanmar policies, recent political developments within Myanmar have also become a source of significant international attention and critical analysis. What is significant from the present recent political transition in Myanmar is that would it provide the best means for the country, to ensure a slow but significant change rather than be pushed back by policies of isolation.

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