

What to Do with Burma?

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Monday, June 25, 2007

Asian Development Bank denied providing direct financial backing to developmental efforts in Burma under the Greater Mekong Sub-region cooperation framework, according to *Mizzima* news agency based in India.

Responding to inquiries by the human rights group EarthRights International, the ADB stressed that no direct loans have been provided to Burma since 1986. The article quoted the ADB's e-mail reply thus: "There is no connection of the ADB, either bilaterally or through GMS, with any government project the Government of Myanmar may be implementing, including the Tasang dam and the East-West Corridor highway in Myanmar." The ADB's financial support to Burma as a GMS member consists of "rather nominal" amounts in technical assistance, it added.

On May 10, the *People's Daily online* of China presented additional insights on the construction and financing of the Burmese section of the East-West Corridor. It reported that work has started on the Thingan Nyainaung - Kawkareik section, in between the just-completed segment from Myawaddy and the to-be constructed final section to the Mawlamyne deep-sea port on the Bay of Bengal, thanks to aid from Thailand.

When finished, this long-awaited road would link the Indian and the Pacific oceans, greatly facilitating intraregional transportation and trade. It would bring a step closer to realization the vision of the Asian Highways, a pan-Asian network of roads stretching from Europe to the Far East.

The hesitance by the ADB and the contrasting willingness by neighboring governments to provide financial support to Burma under the same GMS scheme are emblematic of the regional bloc's unresolved position toward its most "controversial" member state.

The military regime of Burma (called the State Peace and Development Council, or SPDC) is widely condemned for its repressive rules and economic mismanagement. International pressure is mounting on the SPDC to set a democratic process in motion through political reform and national reconciliation.

The US maintains extensive sanctions, including visa restrictions, an arms embargo, and bans on aid, investments and imports. The EU has restrictions on selected Burmese state-run enterprises and has recommended that its member states vote against international financial aid to Burma. Development assistance by UN agencies and other international bodies is justified only for "humanitarian reasons."

Gradually, even Burma's neighbors in Southeast Asia are becoming more concerned about its internal situation. In 2004, the Asean Inter-Parliamentary Myanmar Caucus was established to foster political change in Burma. In 2005, Asean issued a declaration asking for reforms and for the release of political prisoners, including Nobel laureate Aung San Suu Kyi. In 2006, Burma was compelled to renounce its turn to chair Asean, and there are now calls to suspend its membership. Still, no one country in the region has so far implemented economic sanctions against Burma. Corporate investment and development aid continue unabated and have even been increasing on the part of some countries.

As a sub-regional bloc, the GMS has shown even less inclination than Asean to use political and economic sanctions to "reform" Burma.

GMS states are committed to working together for socio-economic development through "solidarity" and "mutual respect" and adhere to the principle of non-intervention in one another's national matters. There is agreement among them that the GMS is an economic and not a political arrangement. Therefore, it is argued that it is not the GMS's role to put pressure on Burma, and that Asean is the appropriate locus for this thorny issue.

As far as GMS countries are concerned, Burma ought to have the same rights and obligations as other member states. To exclude Burma would imply giving up the entire vision of the riparian Mekong countries as constituting a unique sub-region, thus undermining the very fundamentals of the GMS program.

The economic and geo-political interests of individual GMS countries, and their corporate sectors, favor market-based rather than human rights considerations. Burma is rich in much-needed energy resources and has a role to play in Asia-wide military and trade strategies, thanks to its access to the Indian Ocean and its closeness to India. Burma's main investors are from Asia. Of the four largest, two—China and Thailand—are GMS countries (the other two being Singapore and Japan).

This cooperative stance is not well received by the growing movement of civil society groups in the region and abroad that wish Burma's neighbors would finally bring pressure to bear on the SPDC.

In their view, the implementation of GMS programs in Burma's repressive environment, even if well intentioned, will inevitably lead to rights violations, including forced labor and relocations, and widespread violence against women, ethnic minorities and other vulnerable groups.

What is more, the promised economic benefits of regional development do not reach the intended beneficiaries, such as the people of Burma, but instead help maintain and enrich the military regime that oppresses them.

The ADB and other financial backers of the GMS cooperation program have started to take into account these arguments, being sensitive to negative publicity and having to respond to activist constituencies in the West. Besides the withholding of direct loans to Burma, the sponsoring of sub-regional meetings in the country has been reduced. The headquarters of GMS-funded projects are preferably located in other GMS countries.

However, the member states have not followed suit, as is apparent from the Ayeyawady-Chao Praya-Mekong Economic Strategy, a complementary economic agreement involving all GMS countries except China. Spearheaded by Thai aid and without a prominent role for the ADB, the strategy was launched in 2003 in Pagan and upheld recently in Mandalay—both these cities are in Burma, as if to stress this country's vital place in the coalition.

To expect GMS governments with authoritarian inclinations to be moved by rights arguments may seem somewhat unrealistic. The timid reaction of Thailand and the lack of comments from other GMS countries about the SPDC's decision to extend the house arrest of Aung San Suu Kyi for another year does not bode well for those aspiring to see a clear pro-democratization stand from the bloc. Nonetheless, GMS countries are ever more part of a global community that puts pressure on them to pressure Burma.

And, if not political convictions, then maybe pragmatism will be the critical factor in this situation. The same process of regional integration that compels GMS countries to include Burma in developmental plans is confronting them with the transnational impacts of such inclusion.

Poor national governance of Burma's macroeconomics, resulting in the exacerbation of poverty and other social ills, slows down regional growth and causes wider sub-regional disparities. Conflict and ethnic tensions, compounded by poverty, are leading to unsafe migration and trafficking to neighboring countries. The cover-up and insufficient control of epidemics poses a threat to the health of the people in the GMS as a whole. The boycott of tourism to Burma impacts on regional plans to promote the sub-region as a unique travel destination.

It is not unthinkable that if the situation deteriorates further, and structural legal and financial adjustments fail to be undertaken, even GMS corporations will lose some of their enthusiasm for investing in development projects and for-profit ventures in Burma, endangering market integration as a driver for sub-regional development.

Paradoxically, the sub-regional development agenda may be jeopardized by the same governance issue that GMS countries have been so careful to avoid in order to formulate and implement their joint plans. Burma's unquestioned inclusion in the GMS may eventually be challenged by the spill-over impacts of well meant, but ill-governed, cooperative efforts.

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