

Burma Issues

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BUILDING PEACE - A BETTER WAY TO DEVELOPMENT



A painting by 13 year-old refugee Saw Mae Ta Eh, telling his vision of peace in his home village.

This painting and five other similar ones, all in full color, are available from Burma Issues as note cards.

Information for Action +++ International Campaigns for Peace +++ Grassroots Education and Organizing

The Middle Way?

by Anna Mitchell

There are signs that things are shifting in Burma. After the July ASEAN meeting in Bangkok, both the European Community and Australia appeared to soften their isolationist stance. The SLORC has now met twice with Aung San Suu Kyi. The first occasion was reported on the back page of the state-run *New Light of Myanmar* and the nature of the discussion was undisclosed. The second occasion made the front page, and was covered also on state-run television. A short, fairly meaningless statement as to the topics discussed ("the current political and economic situation of the country"*) was issued and the Judge Advocate-General, Brig-Gen Than Oo and Inspector-General Brig-Gen Tin Aye were present.

A week later Thomas Hubbard, from the U.S. State Department visited Rangoon, apparently to wave both carrot and stick in front of the regime. He was not permitted to meet with Aung San Suu Kyi, but made no complaint about this, at least not in public. The following week the British Foreign Office under-secretary for Asia and the Pacific also paid a visit to Rangoon. These were the first visits from such high-ranking US and UK officials since the 1991, when the SLORC ignored the results of the Burmese election and imprisoned or murdered many of their political opponents in the NLD.

There is a feeling in the air that neither strict isolationism nor constructive engagement has succeeded in bringing about democratic change in Burma. Now a compromise solution is being suggested, one which at least holds out hope of being acceptable to both Asian and Western powers. This new policy is variously called 'benchmark diplomacy', 'critical dialogue' or 'instructive arrangement'.

Benchmark diplomacy consists in drawing up a list of changes which the international community requires before it is willing to fully incorporate Burma into the global economic system. Without such integration, Burma will undoubtedly remain the sick man of Asia. No matter how much financial or military support it receives from its friends, political instability, a grossly unrealistic exchange rate, and the cumbersome bureaucracy of a police state will always deter the majority of potential investors in the country. And Burma simply cannot revalue its currency realistically without assistance from the World Bank and the IMF. Nor can it begin to address its pressing social problems without international aid.

Burma needs the aid, and the world wants to trade. There must be some way this can be brought about, and maybe benchmark diplomacy offers a creative new approach. It could be more effective than all the years of talk about democracy has proved to be.

"Benchmark diplomacy can be defined as a process of negotiations with the SLORC regime to secure their commitment to a series of specific, achievable objectives. Progress in achieving these objectives would be defined and measured by the implementation of a series of actions and reforms (benchmarks) designed to effect real, not cosmetic change."** It carries the assumption that the SLORC genuinely desires, or at least sees the need for, dialogue and change. While Burma's rulers have, in the past, shown themselves far more interested in the appearance than the reality of change, there are now economic and political factors pressing on them which may be impossible for them to ignore. In politics it is far safer to trust to self-interest than idealism, and the best possible insurance against the SLORC reneging on its agreements is the guarantee that any benefits accruing to it from compli-

ance will be immediately cancelled at the first sign of back-sliding.

Assuming general agreement that benchmark diplomacy is the best policy - agreement which has by no means yet been reached - there remain two difficult questions to be resolved. The first is, which organisation is to be entrusted with the task of negotiating with the SLORC? It has been suggested that ASEAN could play this role. Given its relative success in bringing a measure of unity to a region formerly divided by diverse ideologies, races and religions, this is certainly a possibility. The main factor against ASEAN is that consensus amongst its member nations is extremely fragile, and only maintained at the cost of shelving matters of serious disagreement. Also, all ASEAN countries have engaged in business dealings with the SLORC, which somewhat reduces their credibility as watchdogs over the regime. On the other hand, composed as it is of Asian countries with at least some level of shared culture, ASEAN may have a better understanding than any other organisation of the most effective ways to handle the SLORC.

Another alternative might be for the UN to carry out the negotiation. The main problem here is that some may perceive the UN as little more than an instrument of American policy. The correctness or otherwise of this perception is not really the issue. Perhaps more seriously, the dialogue between a representative of the Secretary-General and SLORC, suggested in February and accepted in July, appear to have made a very slow start. This does not bode well for a process which, above all, will require strict adherence to a timetable.

(continued as **The Middle Way** on page 3)

The Chin

Wedge between India and Burma, the area traditionally known as Chinland comprised about 91,000 square miles and had a population of about 4 million. The Chins lived in complete independence and stood as a nation before the arrival of the British. However, in 1890, the British divided Chinland into thirds and annexed parts to India, Burma and East Pakistan (now Bangladesh) for administrative convenience. It remains divided to this day, though the Chin in all three countries share strong bonds of tradition, custom, culture and language.

Half of East Chinland has been carved out and named Chin State, while the rest has been incorporated into Burma's Sagaing and Magwe divisions. Even in this reduced area, the Chin do not enjoy any of the rights and privileges of statehood, as all important decisions on Chin affairs are made in Rangoon. There is no consultation with the Chin people, who are not permitted to voice even constructive criticism.

The mountainous state has no airstrip, no railroad, and no state transport bus. The Chin are not allowed to study in their own language, and there is not one college, let alone a university, in the state.

The Chin are 90% Christian and suffer religious intolerance and discrimination on this account. In some cases their own religious symbols have been torn down and pagodas erected on hill and mountain tops in their place. As a means

of enforcing Buddhism, the SLORC has cut off aid from foreign church organisations, who formerly played a role in educating poor Chin children, and then offered food and money to the same children to persuade them into education in Buddhist monasteries. Christian literature, preaching and teaching is censored. Unless they embrace Buddhism, Chin career and employment opportunities are limited.

A railway line is now under construction to link Chin State to India. This is being built with forced labour, unfed and unpaid, which has led to a number of deaths from starvation, illness and maltreatment. The army has also forced the Chin to work on their military bases, roads and bridges. Amongst other consequences, this has meant that the people forced into labour for the military have been unable to earn their living.

Thousands of Chin have fled the country and sought refuge in India. They estimate that there are currently more than 50,000 Chin in Mizoram State alone.

Source. Burma Issues Documentation Centre



(The Middle Way, continued from page 2)

A workable timeframe is the second and perhaps most difficult point of negotiation. To date SLORC has proved itself a master of deceit and procrastination, so great firmness will be required here. Without this timeframe in place, well-cemented with penalties for non-compliance and safeguarded by the presence of neutral observers, the whole benchmark concept will collapse.

Peter Globensky, director of programs for the International Centre for Human Rights and Democratic Development in Montreal, Canada, has defined the following benchmarks as essential:

- the release of Aung San Suu Kyi and acceptance of her central role in all negotiations;
- the release of all political prisoners;
- an equitable peace for ethnic groups;
- a cessation of state and state-sanctioned abuses of human rights;
- the transfer of power to democratically-elected representative.

To this list one might add that not only Aung San Suu Kyi but other leaders, including those of the ethnic groups, should be consulted; the members of the current constitutional convention should be replaced by elected representatives of various sectors (which could, of course, include the military); and neutral observers must be permitted open access to the

decision-making process to ensure that no coercion is involved.

While the process of 'benchmark diplomacy' may be tortuous and full of pitfalls, it does appear to hold out some hope of breaking the long deadlock in Burma.

Sources:

* NLM 941029

* *(Peter Globensky, BP 941008 & TN 941006)

Other source: 'A more active Burma Policy' by Vitit Muntarbhorn, TN 940629



Weaving a Tangled Web

by Anna Mitchell

'Oh what a tangled web we weave,

When first we practice to deceive' - W.S

The Myanmar Fund, the first direct investment fund focused exclusively on Burma, has been launched by Kerry Investment Services (Jersey) Ltd, a subsidiary of Hong-Kong based Kerry Financial Services Ltd. (KFSL).

Or, according to a slightly different report, the Myanmar Fund is to be managed by Kerry Investment Management Ltd., a company controlled by Malaysian sugar tycoon Robert Kuok Hock Nien, via KFSL. In yet another report, the Kuok group is described merely as 'a major shareholder' in KFSL.

The Myanmar Fund will be a closed-end investment vehicle with a 10-year lifespan. It is seeking a listing on the Dublin stock exchange. (Burma has no stock exchange, tho' several overseas brokerage houses are trying to nudge the Rangoon Government towards setting up exchanges, and KFSL is confident this will occur within the next 3 years.) Minimum subscription is US\$250,000. The subscription price is US\$10 per share, including a placement fee of 4%. KFSL expects to raise between US\$50 and US\$100 million, with 70% of the funds raised to be invested in the first year.

The fund strategy is to be first into what the Asia Wall Street Journal describes as 'a greenfield situation'. This means the Myanmar Fund can buy cheaply into many sectors where previous investment has been minimal or non-existent. To have, in fact, what KFSL's corporate finance director, Richard Neville, calls 'a pseudo-monopoly'.

Neville claims his company is unperturbed by Burma's political instability. This insouciance stems from the fact that the Myanmar Fund will enjoy a high level of autonomy, since between the Kuok group and the Ho family, many deals will be available to it. The Ho group deals in jewellery and property, and is run by a Burmese-Chinese family, now based in Thailand. The family left Burma in 1962 (the year Ne Win commenced the disastrous 'Burmese Way to Socialism'), but is reputed to retain business interests there. Neville plans to invest approximately 50% of the Myanmar Fund in Ho or Kuok group projects.

The Fund will be advised by Irrawaddy Advisors Ltd., a joint venture between the Ho group and KFSL. Both Ho and KFSL are active in Burma's hotel sector. The Myanmar Fund, too, plans to channel investment into tourism, as well as agro-industry, infrastructure and light manufacturing projects.

The Myanmar Fund will also explore opportunities in the privatisation of state-owned companies or government-sponsored infrastructure projects, and in debt instruments. Burma has a debt of about US\$5 billion, most of it held by South-East Asian banks. Clearly the Myanmar Fund sees an opportunity to maximise its profits by swapping debt for equity, yet another way of entering the 'green fields' at minimal cost.

So what does all this mean? We have here a company owned by Hong Kong interests (KFSL), domiciled in Jersey (a long-time tax haven), registered in Dublin, investing in Burma, advised by a company owned by the Ho family and Robert Kuok through KFSL. It looks like a perfect merry-go-round.

But is there any chance that some of these flying funds might pause long enough to sink down and take root on Burmese soil? Or will they remain precisely what they are at the moment - pieces of paper bearing large figures which are quite untranslatable into food, shelter, health or any kind of well-being for Burmese people? Direct investment funds, debt management, listed and unlisted securities - all these are such stuff as financier's dreams are made of, for they are better at putting diamonds round necks than rice into bowls. Once again, it looks as if only the Rangoon military, with its ubiquitous reach into Burma's economy, stands to gain even the crumbs falling from the rich men's tables.

Sources:

AWJ 940708

BP 940920

TN 940920

TN 940915



Sources in the issues include:

NLM = New Light of Myanmar, AWJ = Asia Wall Street Journal, BP = Bangkok Post, TN = The Nation

Empowerment for a Culture of Peace and Development

Extracts from an address to a meeting of the World Commission on Culture and Development, Manila, 21 November 1994, presented on behalf of the author and at her request by Mrs Corazon Aquino

by Aung San Suu Kyi

The view that economic development is essential to peace, human rights, democracy and cultural pluralism, and the view that a culture of peace, democracy and human rights is essential to sustained human development, may seem on the surface to differ only in the matter of approach. But a closer investigation reveals that the difference in approach itself implies differences of a more fundamental order. When economics is regarded as "the most important key to every lock of every door" it is only natural that the worth of man should come to be decided largely, even wholly, by his effectiveness as an economic tool. This is at variance with the vision of a world where economic, political and social institutions work to serve man instead of the other way round; where culture and development coalesce to create an environment in which human potential can be realized to the full. The different views ultimately reflect differences in how the valuation of the various components of the social and national entity are made; how such basic concepts as poverty, progress, culture, freedom, democracy and human rights are defined and, of crucial importance, who has the power to determine such values and definitions.

The value systems of those with access to power and of those far removed from such access cannot be the same. The viewpoint of the privileged is unlike that of the underprivileged. In the matter of power and privilege the difference between the haves and the haven-nots is not merely quantitative, for it has far-reaching psychological and ideological implications. And many "economic" concerns are seldom just that, since they are tied up with questions of power and

privilege...It is not enough merely to provide the poor with material assistance. They have to be sufficiently empowered to change their perception of themselves as helpless and ineffectual in an uncaring world.

The question of empowerment is central to both culture and development. It decides who has the means of imposing on a nation or society their view of what constitutes culture and development and who determines what practical measures can be taken in the name of culture and development. The more totalitarian a system the more power will be concentrated in the hands of the ruling elite and the more culture and development will be used to serve narrow interests. Culture thus defined is dynamic and broad, the emphasis is on its flexible, non-compelling qualities. But when it is bent to serve narrow interests it become static and rigid, its exclusive aspects come to the fore and it assumes coercive overtones. The "national culture" can become a bizarre graft of carefully selected historical incidents and distorted social values intended to justify the policies and actions of those in power. At the same time development is likely to be seen in the now outmoded sense of economic

growth. Statistics, often unverifiable, are reeled off to prove the success of official measures.

Many authoritarian governments wish to appear in the forefront of modern progress but are reluctant to institute genuine change. Such governments tend to claim that they are taking a uniquely national or indigenous path towards a political system in keeping with the times....

(continued next page)

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SPECIAL REPORT



Poverty degrades a whole society and threatens its stability while ethnic conflict and minority discontent are two of the greatest threats to both internal and regional peace...

It is often in the name of cultural integrity as well as social stability and national security that democratic reforms based on human rights are resisted by authoritarian governments.

It is insinuated that some of the worst ills of western society are the result of democracy, which is seen as the progenitor of unbridled freedom and selfish individualism. It is claimed, usually without adequate evidence, that democratic values and human rights run counter to the national culture, and therefore to be beneficial they need to be modified - perhaps to the extent that they are barely recognizable. The people are said to be as yet unfit for democracy, therefore an indefinite length of time has to pass before democratic reforms can be instituted...

It is precisely because of the cultural diversity of the world that it is necessary for different nations and peoples to agree on those basic human values which will act as a unifying factor. When democracy and human rights are said to run counter to non-western culture, such culture is usually defined narrowly and presented as monolithic. In fact the values that democracy and human rights seek to promote

can be found in many cultures. Human beings the world over need freedom and security that they may be able to realize their full potential. The longing for a form of governance that provides security without destroying freedom goes back a long way. Support for the desirability of strong government and dictatorship can also be found in all cultures, both eastern and western: the desire to dominate and the tendency to adulate the powerful are also common human traits arising out of a desire for security. A nation may choose a system that leaves the protection of freedom and security of the many dependent on the inclinations of the empowered few; or it may choose institutions and practices that will sufficiently empower individuals and organizations to protect their own freedom and security. The choice will decide how far a nation will progress along the road to peace and human development.

Many countries in the third world now striving for meaningful development are multiracial societies where there is one dominant racial group and a number - sometimes a large number - of small groups: foreign, religious or ethnic minorities. As poverty can no longer be defined satisfactorily in terms of basic economic needs, "minority" can no longer be defined merely in terms of numbers....

The provision of basic material needs is not sufficient to make minority groups and indigenous people feel they are truly part of the greater national entity. For that they have to be confident that they too have an active role to play in shaping the destiny of the state that demands their allegiance. Poverty degrades a whole society and threatens its stability while ethnic conflict and minority discontent are two of the greatest threats to both internal and regional peace...

The democratic process provides for political and social change without violence. The democratic tradition of free discussion and debate allow for the settlement of differences without resort to armed conflict. The culture of democracy and human rights promotes diversity and dynamism without disintegration; it is indivisible from the culture of development and the culture of peace. It is only by giving firm support to movements that seek to empower the people through democratic means that the United Nations and its agencies will truly be able to promote the culture of peace and the culture of development.



No Colorful Coat of Paint for the Majority

The following report was recently smuggled out from Rangoon. It suggests that the majority of the people in Burma are not benefiting from any of the "economic improvements" presented by SLORC, and that most of them still live in a state of fear and discontent.

by a special reporter

The policy of the State Law and Order Restoration Council (SLORC) for the urban areas so to make them appear peaceful and orderly. This is done to impress the growing number of foreigners visiting Rangoon and Mandalay as tourists and investors. However, the remote rural regions do not receive such guests and so they receive no "colorful coat of paint" by the military regime.

The people of Burma can now be divided into three major groups.

1) **The government employees** are the most important force for the SLORC. So long as the government offices function, the SLORC can control the whole nation with the gun. There are few jobs for people other than as government workers, so people have to depend only on the military regime for their living. For this reason, few of them want to criticize the regime as they fear their livelihood will be cut off. This gives little freedom to government employees. There can be no strikes anywhere in the country, no protest posters, and no news articles criticizing the rulers. All are strictly prohibited.

Government workers receive little pay, but since there are very few other jobs available, they have to quietly accept their meagre pay check each month. A teacher will receive 700 to 1000 kyats pay per month (US\$7 to US\$10). Often, on pay day, the local officials will take as much as 50% of the pay check as donations for special projects in the area, such as for the building of a new pagoda, or for a Buddhist festival.

2) **The farmers** make up the largest group in Burma. Although they are the vast majority, they lack good education, and have few true leaders. They suffer immeasurably under the SLORC policies. As an example, in the dry zone regions near Mandalay, the average rice production is now about 25 baskets per acre. It costs farmers at least 5000 kyats to produce one acre of paddy rice. If the farmers can sell the rice on the open market, they only receive 5000 baht for the 25 baskets. They make no profit at all. However, they must sell six baskets per acre to the government at one half the market price as a tax. Consequently the farmers must often borrow 1200 kyats per acre at very high interest rates, simply to continue farming. They fall deeper in debt and will be imprisoned if they can not sell the amount demanded by the government as a tax.

3) **The business people** are not affected much by the government's policies. They adjust their living to the inflation rate so, like the lotus flower, they rise as the water level

rises. There are very few people in Burma who can work in private business.

In order to improve its control over the country, SLORC is demanding total surrender by the insurgents and other opposition groups. They claim that their National Convention is legal and must be supported by everyone. However, they show no interest at all in the federal state system which could help ease tensions and bring peace to the country.

SLORC plans to build at least 90 hotels in Rangoon for the tourists they hope to lure here in 1996 (Burma's Year of Tourism). Since these hotels must be guaranteed a regular supply of water and electricity for the comfort of these foreign guests, most of the people living in the city are already facing daily shortages of these necessities. As more and more hotels are completed and occupied, the problem for the city people will also increase.

Students in the universities are still very angry at the military regime. They do not like the situation, but there are so many military inside the campuses that the students can not move. If they move even a little bit, the guns are immediately pointed at them.



For refugees fleeing military campaigns, there is no "colorful coat of paint" to make things look better.

NEWS BRIEFS

Important Items of the Month

Second Meeting of Leaders - Rangoon's military leaders held a second meeting with Aung San Suu Kyi late in October. The coverage on the front page of "the New Light of Myanmar" and on state television, as well as the presence of the Judge Advocate General and armed forces Inspector General, encouraged some diplomatic sources to feel that genuine progress towards might be underway. However, no meaningful statement of the substance of their discussion was issued and there were no independent witnesses. Both the ABSDF and the NCGUB are concerned that the talks may be nothing more than a smokescreen, and have called on the SLORC to demonstrate its sincerity by releasing Aung San Suu Kyi and all other political prisoners. (TN & BP 941029 and 941030, and TN 941105)

Visitors to Rangoon -

1) Thomas Hubbard, a high-ranking official from the US State Department, led a delegation to Rangoon early in November to reiterate the United States' position on Burma. He told junta leaders the US was prepared to normalise relations if there are positive developments towards democratization, improvements in the human rights situation and greater efforts to suppress drug trafficking. (TN & BP 941104)

2) The British Foreign Office Under-Secretary for South Asia and the Pacific visited Rangoon for 3 days to open 'critical dialogue' with the junta. This was the first official visit from Britain since 1991. (BP 941109)

3) General Suchinda, who master-minded the February 1991 coup in Thailand and resigned as Prime Minister after soldiers opened fire on unarmed protestors in Bangkok in

May 1992, visited Khin Nyunt on November 6. (BP 941106)

4) The UN Special Rapporteur on Human Rights in Burma, Yozo Yokota, reported in his preliminary findings that Burma shows scant improvement over the past year. Torture, rape, forced labour, destruction of property, looting and summary execution are still widespread. His full report will be available shortly. (BP 941123)

Germ Warfare - Christian Solidarity, an international human rights group, has investigated Karen allegations that the severe cholera-type epidemics, which have killed more than 300 of their number, were caused by germs deliberately dropped over their isolated villages. A delegation, which included the deputy speaker of Britain's House of Commons and an Australian tropical diseases expert, concluded there was strong evidence to support this claim. (TN 941117)

Muslim Refugees

1) More than 1,500 Rohingya refugees returned to Burma during the first week of November, under the supervision of local Bangladeshi officials and representatives of the UNHCR. This brings the number of returned Muslim refugees to over 100,000 since September 1992, with 150,000 more still in Bangladesh refugee camps. (TN 941113)

Tourism - By the end of the year tourists will be granted 28-day visas on arrival, in an attempt to achieve the target of 1 million visits in 1996, designated "Visit Myanmar Year". (941102)



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