

Is Japan Really Getting Tough on Burma? Not Likely.

Burma Information Network – Japan (www.burmainfo.org)

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There was a flurry of articles last week about how Japan plans to suspend, or in fact suspended, economic aid (ODA: Official Development Assistance, which is comprised mainly of yen loans, grants and technical assistance)

to Burma, thereby stepping up the pressure on the military junta to release Daw Aung San Suu Kyi. Most news reports say that the aid that is being frozen is further, or new, ODA. Given that Japan has long pursued an engagement policy with Burma, and is the largest provider of economic aid to Burma (2.1 billion yen of grants-in-aid was provided in fiscal year 2002), a suspension would carry a certain weight with the military regime.

The effect and implications of such a suspension are unclear, however, and the pressure on Japan to take a tougher stance on Burma must be kept up.

Suspension Terms Hazy

The exact terms of the suspension are hazy. There has been no official public announcement regarding the suspension from the Japanese Ministry of Foreign Affairs as of this writing. Press reports range from saying that Japan already "froze all financial aid" to Burma ("Japan punishes Myanmar over Suu Kyi," Reuters, June 25) to saying that Japan "plans to freeze ODA until Aung San Suu Kyi is released" ("Freeze set on ODA to Myanmar," Daily Yomiuri, June 26). In terms of timeframe, most articles say that the freeze will be lifted once Suu Kyi is released, although at least one article quotes an official from the Ministry of Foreign Affairs, who states vaguely: "[W]e will . . . decide whether to resume depending on the situation" ("Japan halts new aid to Myanmar," Asahi Shimbun, June 26). The Straits Times is more specific. It reported that Japan would notify the military regime of its decision if Suu Kyi was not released by June 30 ("Japan threatens aid ban if Suu Kyi not freed," Straits Times, June 26).

Further, some news articles reported that Japan froze "all" economic assistance, which is incorrect ("Japan ends aid to Myanmar over jailed leader," New York Times, June 25; Reuters article above). In fact, Japan already had frozen a key component of its ODA to Burma - new yen loans - in 1989. For most of the past decade, Japan has been providing mainly grants and technical assistance to Burma. The recent suspension will not affect current, ongoing ODA. Thus, the suspension may not affect Japan's 2002 grant to rehabilitate the controversial Baluchaung hydropower plant in Karenni State. Japan's suspension of new grants and technical assistance is similar to the ban on new investment in Burma that the U.S. imposed on American companies in 1997; ongoing investment schemes were not affected by this ban, including Unocal's participation in the notorious joint venture on the Yadana gas pipeline.

It should also be noted that Japan historically has interpreted "new" narrowly. In 1998, for example, despite the freeze on new yen loans in 1989, Japan decided to provide such a loan of about 25 billion yen to repair and expand the international airport in Rangoon, amid protest from the U.S. and pro-democracy activists around the world. Japan argued that the loan for the airport was not "new" because it had been promised to Burma prior to 1988.

No Fundamental Change

A Reuters article portrayed the news of the suspension overly optimistically, saying that "Japan appears to be rethinking its policy of engagement with the junta in a dialogue with promises of aid." ("Japan punishes Myanmar over Suu Kyi," June 25). Despite the suspension, however, there are no indications of fundamental change in Japan's policy toward Burma.

No one in the Japanese government has said anything about changing or even reviewing the policy on Burma. Indeed, official statements suggest the contrary. On June 24, for instance, Prime Minister Junichiro Koizumi said that Japan's policy on Burma was necessarily "different from the policy taken by the U.S. and E.U.," the implication being that Japan would not alter its policy to bring it closer in line with the tougher, sanctions-oriented approach of the U.S. and Europe. Moreover, on June 26, Senior Vice-Minister for Foreign Affairs Tetsuro Yano, who had just returned from a one-day trip to Rangoon, showed considerable discomfort about the suspension of ODA. "Some may say that we should stop ODA unless the situation is resolved as soon as possible," he stated, "but I strongly conveyed our [Japanese government's] request that Myanmar resolve the situation, in part so that Japan and Myanmar will be able to continue the friendly bilateral relations they have had so far I think that, under these circumstances, it is extremely difficult to extend further ODA, but on the other hand, I am increasingly determined that we should resolve the situation as soon as possible and resume our normal bilateral relations." "Normal bilateral relations" means, at a minimum, lifting the suspension on new grants and technical assistance.

Further, despite formal statements from Japan's Ministry of Foreign Affairs calling for the immediate release of Aung San Suu Kyi, the message conveyed to Burma's military rulers by Japanese officials seemingly has lacked a sense of urgency. For example, after Yano had given a letter from Prime Minister Koizumi to First Secretary Khin Nyunt, he told Khin Nyunt that he expected him to discuss the letter with Chairman Than Shwe, and that it was "all right if you put off answering for one day, two days; we will wait until the answer is given." Even Japan's Foreign Minister, Yoriko Kawaguchi, when asked whether she had any timeline or deadline in mind for Aung San Suu Kyi's release, said: "I think we should give the Government of Myanmar enough time for [our demands] to sink in and lead to a decision [to release Suu Kyi.]

Conclusion

Japan's engagement policy with Burma has always been based on a "carrot and stick" approach, which traditionally has involved far more "carrots" than "stick." Notwithstanding the uncertainties surrounding the suspension of new ODA, Japan's freeze is a rare, and probably short-term, application of a "stick." The Japanese government's preference has been, and will continue to be, for "carrots," a posture that is due in part to apparent concern about China replacing Japan as a likely source of economic assistance to, and political influence on, Burma. In this context, therefore, it is essential that governments and non-governmental groups monitor Japan's Burma policy -- and be wary of overly optimistic or inaccurate news accounts concerning that policy. There is little doubt that, without pressure from other countries (notably the U.S.) and interested citizens, even a decision to suspend new ODA would likely have been much slower in coming. Such pressure must continue.