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## Engagement Versus Disengagement

At the time of my appointment as Ambassador to Burma/Myanmar, there was an ongoing debate over ‘engagement versus disengagement’, which would run through the early 2000s. Earlier initiatives seeking to engage with the Myanmar military regime, such as the ‘benchmarks’ proposals of Alexander Downer’s predecessor as foreign minister, Gareth Evans, had failed conspicuously to win support from either the international community or the military regime. These ‘benchmarks’, floated as early as 1992, suffered from being more dirigiste, more prescriptive, more rigorous, and more redolent of international pressure than other ‘openings’.<sup>1</sup> Not much of this debate about engagement versus disengagement surfaced in public in Australia, but it was very much to the forefront in government-to-government diplomatic contacts at the time: it would routinely arise in Australia’s participation in expanded ASEAN meetings, and with Australia’s ‘like-minded’ regional partners, such as Japan.<sup>2</sup>

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1 Gareth Evans reflected publicly on this failure for the first time when opening The Australian National University’s Myanmar Update on 5 June 2015. See his remarks at [www.gevans.org/speeches/speech573.html](http://www.gevans.org/speeches/speech573.html). Even his efforts to visit Myanmar as foreign minister up until 1996, or as President of the International Crisis Group from 2000–09, were rebuffed by the military regime at the time. He was not to visit Myanmar in this kind of role until 2014.

2 Alexander Downer mentioned the broader context of his initiative with Burma in an address to the NSW Branch of the Australian Institute of International Affairs on 5 August 1999, referring to ‘the benefit of concentrating on outcomes rather than rhetoric in bilateral human rights diplomacy’. See [foreignminister.gov.au/speeches/1999/990805\\_aiaa.html](http://foreignminister.gov.au/speeches/1999/990805_aiaa.html).

One motivation for closer engagement with the military regime at this time was the possibility that it might be susceptible to being persuaded to introduce political change. This was not necessarily an unrealistic expectation: for a variety of reasons, the post-1988 military regime had chosen to drop Ne Win's policy of isolation and to open up Myanmar (to foreign investment, tourism, etc.); while the regime was secretive and suspicious, and while it often denied many international observers access, it was also allowing much more exposure and scrutiny of the country through UN agencies and its participation in ASEAN than previous Burmese governments. Moreover, Myanmar remained a member of most UN agencies and international financial institutions, although its participation was not necessarily very active.

Obviously, the countries with potentially the greatest influence, or leverage, were the major powers who could, hypothetically or otherwise, offer the most aid, or business and investment. Australia was not in this league. By the end of the twentieth century, US policymakers had come up with new foreign policy instruments which the United States could apply unilaterally, either under presidential authority or certification, or congressional processes — for example, legislation with built-in accountability mechanisms. Often these involved the categorisation of countries as compliers or non-compliers with international conventions or with unilateral US requirements where US policymakers did not regard international conventions as sufficient. Frequently, this would involve the US Government compiling a 'black list' of countries deemed to be at fault, who would not qualify to receive any beneficial treatment from the US Government. The only way to qualify for US assistance, for a country on such a list, would be for the president to 'de-certify' the country in question, usually on the request or recommendation of the US Congress. Narcotics, human rights, and weapons proliferation were the most common subjects of these lists. 'Burma' was very often on these lists. Australia had no capacity to apply such policies, even though sometimes they matched Australian policy objectives. At times, US officials tried to use these procedures to shift the behaviour of non-complying countries such as Myanmar, but at other times it served US interests to be able to 'name and shame' certain countries by publicising their non-conformity.

Sometimes US policy was painted into a corner by the ideological imperatives close to the heart of many members of the US Congress, to which US administrations needed to be extremely sensitive. Among these reporting mechanisms were the annual reports on religious freedoms, which presented a highly critical image of Myanmar. To people on the ground in Myanmar, this criticism seemed remote from what one saw around the streets of multicultural Yangon, with its numerous cathedrals, mosques, and Buddhist temples and shrines; a panoply of religious events with designated official holidays for every major religion; mass Christian events in the form of festivals or theological college degree awards ceremonies; the substantial Catholic/Protestant enclaves which one saw when visiting the middle of cities such Yangon (in Insein), or Kalay (in Sagaing State); and in the form of charitable activities or organisations such as the YMCA. Few authoritarian states have a Ministry of Religious Affairs, but Myanmar/Burma has always had such a ministry, reflecting the importance Buddhism plays in society. It was not inappropriate that, under the military regime, the Minister for Religious Affairs was usually a general (since the military were quite comfortable being both Buddhists and soldiers).

Essentially, the usual methods for influencing other countries were either through some form of active engagement *with* the government, or through the imposition of costs and punishment *against* the government via sanctions. In other words, 'carrots and sticks'. Australian policy towards Myanmar after 1988 followed a little of both approaches. Australia clearly aligned itself with criticism of Burma's anti-democratic regime and widespread human rights abuses, but, privately, Australia sought to differentiate itself from the countries pursuing hard-line unilateral sanctions by not ruling out certain kinds of direct engagement with the military regime. Australia was among a small group of Western countries that still provided humanitarian assistance, mainly through UN agencies and NGOs.

US sanctions against Myanmar were, unsurprisingly, a major source of irritation as far as the Myanmar Government was concerned. Myanmar officials — and the Myanmar official media — missed no opportunity to criticise US sanctions as being unfair, discriminatory, involving double standards, and punitive in their impact on the ordinary Myanmar people and the Myanmar economy — which Myanmar officials did not attempt to deny. In 2003, the official Burmese media

even publicised a petition from the Myanmar business community to the US Government protesting against the loss of jobs as a result of US bans on garment imports from Myanmar. Unsurprisingly, the Myanmar Government steadfastly denied that US sanctions had any political impact, either in terms of attracting wider international support or in the sense of influencing the State Peace and Development Council (SPDC) to change policies. In a later chapter, I examine the evidence that certain US sanctions had quite a powerful and direct economic impact.

One focus of the ‘engagement versus disengagement’ debate that affected ordinary people — in Myanmar and elsewhere — was tourism. Even in 2000, the Lonely Planet guide to Myanmar (Burma) (already in its seventh edition)<sup>3</sup> still felt the need to begin with an introduction in which it sought to defend its promotion of tourism to Myanmar by answering the question: ‘Should you visit Myanmar?’ Its publishers, Australians Tony and Maureen Wheeler, lived in Melbourne and visited Myanmar from time to time — including while I was there — to keep in touch with developments, and to ensure the integrity of the Lonely Planet’s research on Myanmar. Their introduction sets out the different nuances between Aung San Suu Kyi/National League for Democracy (NLD) and government-in-exile (NCGUB) views about tourism: the expatriate views tended to be harder, arguing that ‘much’ of any tourism revenue ‘went into the pockets of the ... generals’.<sup>4</sup> The Wheelers obviously favoured tourists visiting Myanmar, but were openly unsympathetic to the military regime and were, unsurprisingly, very dismissive of the military regime’s 1997 ‘Visit Myanmar’ campaign.

Pressure for sanctions against Burma was mobilised through ‘Burma Campaigns’, broadly supported by the NLD, which resulted in the European Union adopting a ‘Common Position’ on Burma in 1996, discouraging trade and investment, and calling for a tourism boycott. However, many EU member governments did no more than urge companies to apply boycotts, without imposing any enforcement —

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3 The first Lonely Planet guide to Burma appeared in 1979. It was not unusual when travelling around Myanmar even much later to meet tourism sector workers claiming proudly to have assisted the Wheelers undertake their research.

4 Some of the arguments for and against the boycott are outlined in Andrew Buncombe, ‘Boycott Burma: To go or not to go?’, *Independent*, 2 June 2008. Available at [www.independent.co.uk/travel/news-and-advice/boycott-burma-to-go-or-not-to-go-837207.html](http://www.independent.co.uk/travel/news-and-advice/boycott-burma-to-go-or-not-to-go-837207.html).

although the absence of legal sanctions against tourism was not always made clear to the public. European tourism was indeed discouraged, but it continued at a low level. Responding to different pressures, Australian governments openly proclaimed their unwillingness to contemplate restrictions on trade, investment, and tourism, but did not promote any of these activities officially; they were never tempted to associate themselves with economic sanctions until 2007, when the 'Saffron Revolution' occurred amidst international publicity.

During this period, Australia was seen by all concerned as belonging to the engagement camp, even though it had not eased its political sanctions and did not deviate from its basic association with Western policies against the military regime. So it would be more accurate to characterise Australian policies at this time as directed towards 'limited engagement'. Myanmar was a country of limited direct significance for Australia, and Australian policies were reasonably altruistic, motivated by what was best for the people, the country, and the region. This was not always the case, but with Burma/Myanmar the 'historical baggage' for Australia was smaller than usual. Australia was widely regarded internationally as being well intentioned in relation to Myanmar. If Australia's approach was at times a little more independent, this seemed to be expected by the international community and was respected by most of the people of Myanmar. The only Myanmar organisation that openly sought different Australian policies was the NLD, which favoured sanctions and wanted all Western countries to follow a single-minded approach. (The NLD also at times criticised Japan for diverging from the mainstream Western approach.)

When he was Australian Foreign Minister (1987–96), Gareth Evans perhaps straddled this engagement versus sanctions approach, articulating what he called his 'benchmarks' for actions by Myanmar a proposal he launched officially via the ASEAN-Plus meetings around 1995. In his opening address at the 2015 Myanmar Update Conference at The Australian National University in June 2015, he reflected ruefully on the lack of support he had received domestically and internationally for his proposals.<sup>5</sup> Perhaps these ideas were ahead of the times. But they were also probably far more prescriptive than a 'sovereignty sensitive' regime could tolerate.

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5 See [gevans.org/speeches/speech573.html](http://gevans.org/speeches/speech573.html).

While Western governments maintained their official sanctions on political contacts with the SPDC into the first decade of the twenty-first century, and while restrictions on multilateral, including UN, 'engagement' remained, some other countries — including Myanmar's Asian neighbours — gradually relaxed their attitude towards the SPDC in the late 1990s. Moreover, following the SPDC's more cooperative attitude and the release of Aung San Suu Kyi from de facto house arrest in May 2002, a few other 'Western' governments experimented by reinstating ministerial visits. Most significant were the visits in August 2002 by the Japanese and Australian foreign ministers after gaps of 19 years in both cases. Regrettably, the more moderate SPDC policies did not last beyond May 2003, when regime-sponsored thugs attacked Aung San Suu Kyi and regime policy hardened again, to be met with new Western sanctions.

It is difficult to say whether the division in Western policies towards Myanmar in this period generated problems, or whether it served useful political and/or economic purposes, either in creating leverage with Myanmar or differentiating Australian policy from that of other countries. It certainly had a slightly polarising effect, in that Australia and Japan (and to a certain extent Korea) were openly recognised as pursuing policies distinct from the US and the UK. The SPDC definitely realised this, but did not try to take unreasonable advantage of it. Ordinary educated Myanmar citizens were quite aware of these distinctions between different Western countries, and did not seem to find them confusing or complicating. Interestingly, but perhaps unsurprisingly, international agencies (including UN agencies) seemed to quite strongly welcome the more accommodating policies of Australia and Japan, in preference to the hard-line attitudes of the US and the UK that, in the end, had the very real effect of denying substantial funding to international agencies. Thus UN Secretary-General's Special Envoy Razali Ismail was delighted to attend one of the Australia Government's human rights workshops, which coincided with one of his visits, and UN Special Rapporteur on Human Rights Paulo Sérgio Pinheiro was later prepared to praise the workshops in one of his reports. (Both the US and UK governments officially complained about these workshops when they started.) Agencies such as UNHCR and UNICEF were explicit in expressing privately their appreciation for Australian support for their activities in Myanmar. When the ILO was seeking a special envoy to rescue their cooperation

program on forced labour, it was no accident that they found the ideal candidate in former Australian Governor-General Sir Ninian Stephen, who was to visit Myanmar in 2001 and 2005.<sup>6</sup> So Australia's rhetoric was sometimes matched with action, and Australia's reputation for independence in its policy thinking sometimes paid dividends.

The constant absence of high-level US policy involvement with Myanmar was a key reason for the failure of US policy. Political contact between the United States and Myanmar had been kept at a very low level ever since 1988, even when Aung San Suu Kyi was released from house arrest in May 2002. Visits in either direction by members of the cabinets of either country remained prohibited under US sanctions. Visits to Rangoon by members of the US Congress were few and far between, and even the number of congressional staffers who visited was extremely small. The possibility of a visit by the then Assistant Secretary of State for East Asian and Pacific Affairs, James Kelly, was discussed during 2002–03, but never materialised before Aung San Suu Kyi was again placed under detention. Visits by the relevant Deputy Assistant Secretary of State for East Asian and Pacific Affairs occurred from time to time, but were predominantly of a fact-finding and familiarisation nature, rather than offering the possibility of a substantial political dialogue, let alone any prospect of a change in US policy. In the absence of any inter-governmental programs between the United States and Myanmar, the only other US officials who visited were those working on counter-narcotics policy and, later and only intermittently, on the recovery of World War II remains. There would be few (non-communist) countries in the world where the United States so systematically avoided high-level political exchanges.

A further complication was the fact that since 1991 the head of the US Embassy was designated chargé d'affaires rather than ambassador, as part of the US Congress's political sanctions against Myanmar. In practical terms, this did not normally make a great deal of difference in Yangon. The US Chargé d'Affaires was usually active in cultivating influential members of the Myanmar community, enjoyed frequent

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6 See International Labour Office, 'Developments Concerning the Question of the Observance by the Government of Myanmar of the Forced Labour Convention: Report of High Level Team', Geneva, November 2001. Available at [www.ilo.org/public/english/standards/relm/gb/docs/gb282/pdf/gb-4-ax.pdf](http://www.ilo.org/public/english/standards/relm/gb/docs/gb282/pdf/gb-4-ax.pdf).

access to Aung San Suu Kyi, the NLD and other opposition groups, and in a highly pragmatic way developed discreet but effective ties in conjunction with the Myanmar military through the military attachés stationed in the US Embassy.

But the absence of an ‘ambassador’ inevitably constrained working relations and inhibited the development of meaningful substantive rapport between Washington and Yangon. For example, the US Embassy had more limited contacts within the Myanmar bureaucracy than would normally have been the case for the United States, even though the bureaucracy is essentially technocratic. Instead, the embassy concentrated its outreach to opposition organisations and individuals whose political influence in the tightly controlled environment of Myanmar was not necessarily very significant.<sup>7</sup> Staff of the US Embassy were reportedly monitored more closely by the Myanmar security authorities than the staff of most other embassies, and could not normally travel as freely (although US Embassy officers were able to visit the site of the 30 May 2003 Depayin attack on the NLD convoy, despite the lack of any official travel permit).<sup>8</sup> It is probably the case that the absence of ambassador-level representation had greater negative impact in Washington, where a chargé d’affaires, appointed by the State Department rather than the White House, simply would not have the same influence in Congress or the White House when it came to getting the ear of high-level policymakers in Washington.

Even though Congress blocked the appointment of an ambassador after 1990 — and continued to do so until 2012 — and refused approval for any government-to-government assistance programs, the US Defense Department normally maintained three defence attachés in the US Embassy, while the Central Intelligence Agency maintained a

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7 Unsurprisingly perhaps, one did not hear, even anecdotally, about participants in these programs appearing in more prominent roles. A much later US study revealed some movement of these ‘alumni’ into influential positions in the Myanmar Government, but not in the numbers or at the level that might have been expected. See Mark S. Riley and Ravi A. Balaram, ‘The United States International Military Education and Training (IMET) Program with Burma/Myanmar: A Review of the 1980–1988 Programming and Prospects for the Future’, *Asian Affairs: An American Review*, Vol. 40, No. 3, pp. 109–132.

8 The State Department occasionally made public mention of this harassment, but in a relatively mild way. An example is the State Department’s October 2003 ‘Report on Activities to Support Democracy Activities in Burma as Required by the Burmese Democracy and Freedom Act of 2003’.



presence and discreet, but limited, working relations with Myanmar counterparts. US contacts with the *Tatmadaw* (Burmese armed forces) at times were quite good, mainly through ‘golf course diplomacy’, but of course this could not be followed up with the usual military cooperation and training programs. The last members of the *Tatmadaw* to receive training in the United States were those who had been sent there in the last years of the Ne Win regime, before 1990. Few of these last members of Burmese military to receive training in the United States were in positions of influence by 2000.<sup>9</sup> As a result, the network of American alumni in the Burmese army dwindled, as it did in other circles in Myanmar. The same thing happened with most other Western aid donor countries’ networks. It could probably be said that the United States does not necessarily recoil from working with a military government in another country, as do many other Western countries.

By 2000, the central focus of US policies towards ‘Burma’ was the various economic sanctions imposed unilaterally under US legislation, some of them at the instigation of the US Congress against the wishes of the administration of the day. After the 1988 uprising, the United States was the leading proponent of economic sanctions, beginning with the ban on new investment from 1997, but Western allies of the United States adopted similar sanctions, especially after the ‘Saffron Revolution’ of 2007. However, the United States also imposed a range of political and security measures administratively, and these were generally followed by other OECD member countries, including Australia. US diplomats were clearly glad that a group of like-minded countries had taken a strong stance against the 1988 military takeover in Burma, but they did not insist that all Western countries follow them in adopting economic sanctions. Indeed, they seemed to think that to have some diversity in policies provided additional flexibility in dealing with the military regime. They were always interested in how Australia’s ‘limited engagement’ approach was faring. Aung San Suu Kyi tended to be sceptical about limited engagement and sometimes expressed her regret that Australian policies were not more like those of the US.

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9 In 2013, when their review of the program with Myanmar was published, Riley and Balaram found only four persons serving at ministerial level or above.

Of course, the United States sometimes pursued its own form of engagement with Myanmar's military regime. One area where this was in evidence was the counter-narcotics programs. Some US Drug Enforcement Agency officers were assigned to the US Embassy and worked quite closely with the relevant areas of the Myanmar Police Force, as well as providing technical and other assistance through the then United Nations Drug Cooperation Program (UNDCP). The Australian Federal Police pursued a very similar approach, and cooperated closely with the Myanmar Police Force in Yangon. US pressure on Myanmar to be more vigorous in suppressing opium production was strong, and included a failed attempt in 2003 to arrange for leading Myanmar Central Committee for Drug Abuse Control representatives to give briefings for the relevant Congressional committees in the hope that this would allow Myanmar to be certified as a cooperating country. The briefings happened, but the certification did not, leaving Myanmar Police leadership very embarrassed and quite mistrustful of US promises. That was the last time prior to 2009 that the US Government pursued any kind of engagement.

After 2003, US policy towards Myanmar moved away from engagement, hardening just as the military regime's policies hardened. Additional US economic sanctions were imposed after the detention of Aung San Suu Kyi following the Depayin incident, and again after the regime crushed the unarmed and peaceful 'Saffron Revolution'. US rhetoric and public posture towards Myanmar also hardened. Myanmar was not included in George W. Bush's 2002 'Axis of Evil' inauguration speech, but it was among the 'Outposts of Tyranny' described by incoming Secretary of State Condoleezza Rice in 2005. Both President Bush and his wife associated much more actively with Burmese democracy activists. Lobbying from US think tanks such as the National Bureau of Research, the Asia Society, and the US Institute of Peace that called for more flexible policies was ignored, until Hillary Clinton — on assuming the position of Secretary of State in the Obama Administration in 2009 — announced that 'all US policies towards Myanmar had failed', and called for a new policy strategy.

For its part, the Myanmar Government was relatively pragmatic in its dealings with US representatives. It granted high-level access to the US Chargé d’Affaires,<sup>10</sup> and only rarely excluded the US Chargé d’Affaires from activities for ambassadors. Its own ambassador in Washington was always a very senior diplomat who was trusted to carry out an active campaign of defensive lobbying on behalf of the SPDC, and who managed remarkably well in the intensive and demanding political environment of Washington. The US Chargé d’Affaires, Priscilla Clapp, was granted immediate access to Secretary One of the SPDC, General Khin Nyunt, after the terrorist attacks on the Twin Towers in New York on 11 September 2001, and the Myanmar Vice Foreign Minister, U Khin Maung Win, signed the condolence book opened by the US Embassy after the incident. The SPDC was extremely cooperative in meeting US requests for extra security thereafter. Even a mid-level US official, such as Deputy Assistant Secretary of State for East Asian and Pacific Affairs Matthew Daley, was granted meetings with Khin Nyunt in May 2002.

The verdict on the merits and demerits of US sanctions is by no means clear. While, judging from their voting record, few politicians in the US Congress seemed to have had reservations about US sanctions, more rigorous analysis tends to cast serious doubt on the overall impact of economic sanctions in particular. A number of academics have condemned US sanctions for being ineffective, counter-productive, and impairing US policy options more than they impaired the SPDC’s freedom of manoeuvre.<sup>11</sup> Generally, they have called for a more sophisticated policy approach, incorporating some form of engagement.

Political relations between the EU — especially the UK — and Myanmar had been deliberately limited after the EU adopted its ‘Common Position’ on Myanmar in 1996. When EU sanctions were extended to an arms embargo and assets freeze in April 2000, the

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10 But the Myanmar Ambassador in Washington was always subject to the travel restrictions that Western countries imposed in reciprocity for the restrictions imposed on all diplomats in Myanmar.

11 See, for example: David Steinberg, ‘The United States and Its Allies: The Problem of Burma/Myanmar Policy’, *Contemporary Southeast Asia*, Vol. 29, No. 2, August 2007, pp. 219–237; Ian Holliday, ‘Rethinking the United States’s Myanmar Policy’, *Asian Survey*, Vol. 45, No. 4, July/August 2005, pp. 603–621; and Mike and Gail Billington, ‘US, Not Myanmar is Isolating Itself’, *Economist Intelligence Report*, 30 July 2004.

way was also opened for an EU ‘Troika’ (made up of representatives of the Foreign Ministry of the Presidency of the Council of the European Union, the European Commissioner for External Relations, and the Common Foreign and Security Policy Secretariat) to engage in political ‘dialogue’. The Troika initiative with Burma never really worked during 2000–03: their visits were often postponed and, when they did come, they often did not meet the highest level Myanmar representatives, and they had no decision-making mandate. Perhaps because they were senior officials rather than political representatives, and because EU policy seemed fairly fixed and it was not clear that the Troika could devise a different policy, the Troika did not seem to be taken seriously by the Myanmar Government. EU engagement was not to start in earnest until the EU began offering substantial aid after 2006. Subsequently, the Troika idea was quietly sidelined by EU policymakers.

In this period, Japan sometimes seemed to be in two minds about ‘sanctions versus engagement’. Japan’s structural adjustment initiative from 2000–01 was ambitious in endeavouring to use a process of engagement, in the form of a highly structured dialogue, to be the catalyst for policy change across several sectors of the economy. The dialogue was between Japanese officials and private economists, and relevant senior Myanmar Government representatives led by the minister attached to the Prime Minister’s Office, Brigadier-General David Abel. The choice of Abel as the leader of the Myanmar representatives was no accident: he had the most experience in international affairs of any SPDC minister, was well informed about economic policy, and was known to favour reform. Others among the Myanmar representatives — equally carefully chosen — were key policymakers in the main economic agencies and the central bank. In launching the initiative, the Japanese Government had the full support of the Japanese business community, and enlisted the cooperation of the relevant Japanese semi-government aid agencies, as well as certain Japanese academics. These Japanese academics were quite familiar with Myanmar through their participation in earlier Japanese Government-funded projects providing ‘intellectual’ support and ‘policy input’. Thus some of the Japanese academics were also well known to the Myanmar participants, which would have been important in contributing to the goal of trust building between the two sides. While the program apparently did not attract public criticism in Japan — being given minimal publicity

by the Japanese Government — it probably would not have enjoyed the wholehearted support of the ruling Liberal Democratic Party, which was split between those politicians who supported providing assistance to the SPDC and those who did not.

The initiative was carried forward through a series of workshops focused on policies for reforming the Myanmar economy, which covered four fields: fiscal and monetary policy; trade and industrial policy; information technology; and agriculture and rural development.<sup>12</sup> These workshops were held, without publicity, alternately in Tokyo and Yangon, again emphasising the ‘equivalence’ of the two sides. Japanese participants in the project tended to be enthusiastic about the opportunity it provided to discuss various policy options in a closed environment. The project provided an opportunity to openly canvas policy choices that it would not have otherwise been possible to raise, let alone debate. Lively discussions occurred, especially about strengthening market forces on agriculture and exports, and financial and monetary policy. At a time when the Myanmar Government was giving new emphasis to agribusiness and agricultural exports, some of the subjects of the workshop seemed extremely relevant. Myanmar participants certainly hoped that this initiative might encourage the SPDC leadership to accept the need for policy changes in areas such as the exchange rate and agriculture. Expectations that the project might lead to substantial Japanese assistance were never completely dismissed.<sup>13</sup>

Eventually, joint reports containing ‘agreed’ policy recommendations were prepared in each area. Considerable discussion took place before these conclusions were finalised, with quite sensitive issues being openly broached. Draft conclusions for the report on sensitive areas were cleared with the highest levels of the SPDC before being incorporated into the reports. This often meant a watering down of the recommendations. It was hoped by all concerned that the recommendations, once finally agreed for the reports, would go to the Myanmar Government and be adopted. Japan’s expectations in this regard were to be disappointed. The joint reports remain confidential

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12 The only Japanese Government statement about the initiative on the public record is a Ministry of Foreign Affairs press release, dated 21 November 2001, entitled ‘Yangon Workshop on Japan–Myanmar Cooperation for Structural Adjustment in the Myanmar Economy’. Referring to the third of four workshops, the press release contains only the barest of information.

13 Author’s private conversations with Myanmar and Japanese participants, Yangon 2002.

and their content has never been publicly revealed, although third country experts who were shown copies in confidence confirm that they contained substantive and well-focused policy solutions.<sup>14</sup>

The program achieved some significant progress in enabling unprecedented frank discussions on sensitive policy issues, and the consideration of results and impacts from implementing the policy reforms. However, the program failed in its ultimate goal of obtaining SPDC commitment to introduce economic reforms. Despite the offer of quite specific incentives (the promise of a sizeable Japanese Government loan to cushion the impact of structural changes following a rationalisation of the exchange rates), this was too strong a medicine for the conservative and essentially non-reforming military regime. The Japanese Government's final report was somewhat delayed in being presented for decision and, by the time it was considered, the military leadership was no longer receptive to the idea of changing economic policy. Brigadier-General David Abel was eventually dropped from his ministerial position in late 2003, the last minister with any true understanding of economic policy.<sup>15</sup>

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14 Information received from third-country academic, September 2005.

15 The only informed article published on this program is 'Myanmar de Mieta Chiteki Enjo no Igi to Kadai' ('The Significance of and Issues Experienced in Intellectual Assistance in Myanmar') by Ryu Fukui, Deputy Head, International Cooperation Department, Japan Development Bank, which appeared in the 'Towareru Nihon no Kokusai Kyoryoku' ('Debating Japan's International Cooperation') column in *Kokusai Kaihatsu Janaru* [*International Development Journal*], July 2003, p. 13. Fukui was one of the Japanese experts who participated in the project. Little else is written on the project because of the confidentiality agreement entered into by the Japanese Government in order to launch the program.

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