



# CANADA-ASIA AGENDA

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## Time to Rethink Canada's Policy on Burma

By Nelson Rand

**Since March 2011, Burma's new government has initiated the most significant economic and political reforms for the country in over half a century. In light of these developments, author Nelson Rand argues Canada needs to rethink its Burma policy – not just in response to these very recent developments, but also to re-examine Canada's hard-line policy of isolation that has been relatively futile.**

Dramatic changes are underway in Burma and it is time for Canada to rethink its policy to this Southeast Asian nation.

All indications are that the new government, which formally took over power from the military in March, is committed to political and economic reforms and is seeking to improve its relations with the West. Canada should reciprocate and begin to engage the new government through a series of new measures not just as a response to these changes, but also because Canada's hard-line policy of isolation has been relatively futile.

Although last year's elections that brought to power a quasi-civilian government were denounced by Canada and its allies as being neither free nor fair, the new government has been initiating a series of reforms at a pace that few observers had expected. President Thein Sein, a former military general who,

like many of his counterparts retired from the military to lead the new government, has proven to be far from a mere puppet of military hardliners. Perhaps most telling of this was his unexpected decision in late September to suspend construction of a massive US\$3.6-billion Chinese-backed dam on the Irrawaddy River, yielding to opposition forces, environmentalists and human rights activists and shunning the country's number one political ally and foreign investor, China. This would have been unthinkable a year ago.

A reformist agenda was laid out in Thein Sein's inaugural address to Parliament, in which he emotionally addressed the need to implement reforms to tackle a wide-range of issues that have plagued the country for years, including corruption, poverty, ethnic conflict and political discord. More significantly, concrete steps have since been taken to follow these words with action.



### About The Author

**Nelson Rand**

**Nelson Rand is a Canadian journalist and political consultant based in Bangkok, Thailand. He has a Master's Degree in Asia Pacific Policy Studies from the University of British Columbia and is author of the book *Conflict: Journeys through war and terror in Southeast Asia*.**



**TIMELINE: SIGNIFICANT POST-2007 EVENTS****September/October 2007:**

Large-scale protests by Buddhist monks and others; these protests are known as the "Saffron Revolution".

**May 2008:**

Cyclone Nargis leaves the Ayeyarwady Delta region devastated and around 140,000 people dead.

**May 2008:**

Constitutional referendum.

**November 2010:**

Nationwide election, the first in 20 years.

**November 2010:**

Aung San Suu Kyi released from house arrest.

**January 2011:**

New parliament convenes for the first time.

**Early 2011:**

Renewed conflict in Karen and Mon areas.

**March 2011:**

Renewed conflict between the Shan State Army-North and the government.

**June 2011:**

Renewed conflict between the Kachin Independence Army and the government.

**August 2011:**

The United Nations Special Rapporteur for Human Rights visits Burma for the first time in over a year.

**August 2011:**

Aung San Suu Kyi undertakes a political tour and also travels to Naypyidaw to meet with President Thein Sein.

**September 2011:**

The Burmese government suspends the development of the controversial Chinese-backed dam at Myitsone in the Kachin State.

**October 2011:**

The Burmese government announces an amnesty for almost 7,000 prisoners with about 200 of those thought to be political prisoners.

On the political front, he has reached out to opposition leader and Nobel laureate Aung San Suu Kyi, who was released from years of house arrest following last year's elections. Although her National League for Democracy party (NLD) boycotted the elections and was subsequently dissolved by the government, she and her allies have been brought into the political process in recent months. Mrs Suu Kyi, who was granted honorary Canadian citizenship in 2007, has had several meetings with high-ranking government officials since July, including an unprecedented one with the president. She has stated that she believes the country's new leaders genuinely want to move towards a more democratic system of government. Signaling her confidence in recent political reforms, she and her team unanimously decided on 18 November to re-register the NLD in order to legally re-enter the political fold.

Since August, the government has also indicated its willingness to talk with ethnic insurgent groups and ease limits on freedom of speech. In an unprecedented and unexpected move in October, the country's censorship boss called for his

own department to be abolished to allow for greater press freedom – a complete turn-around for a country that has long been one of the most restrictive and repressive in the world.

Also in October, the government released some 200 political prisoners - a small fraction of the more than 2,100 but nevertheless a step in the right direction. By mid-November, there were indications that the remaining political prisoners would be freed in an amnesty shortly, including an open letter published in three state-run newspapers by the National Human Rights Commission chairman calling on President Thein Sein to grant such an amnesty.

On the economic front, Thein Sein appointed economist U Myint - Mrs Suu Kyi's close friend and supporter -- as chief economic advisor. This is a complete turnaround from autocratic appointees under military dictatorship that mismanaged the economy for decades. U Myint is playing the lead role in seeking advice and support from the International Monetary Fund (IMF) to end the country's multiple exchange rate system, a significant step after years of isolation. Other economic reforms have included the dramatic increase of state pensions, the reduction of taxes, the dismantling of trade cartels, interest rate cuts to tackle currency problems, the review of foreign investment laws and the legalization of trade unions.

In a report, titled "Myanmar: Major Reform Underway," the International Crisis Group, a Brussels-based think tank headed by Canadian Louise Arbour, urged Western countries to engage the new regime in Burma to encourage it to continue with its reforms. "It is critical to grasp this unique opportunity to support a process that not even the most optimistic observers saw coming. This requires a new, pro-active and engaged approach, in line with the positive signals coming from Naypyitaw," said the report.<sup>1</sup>



Image of Aung San Suu Kyi

Photo Credit: istockphoto.com

To be sure, it is still the early stages of the reform process in Burma, and skeptics point out that such progress could easily be reversed – which has been the case in the past. Moreover, the country's military-drafted constitution gives far-reaching powers to the Armed Forces, which could reverse any deci-

sions or progress (and military hardliners could step in as the power sharing arrangement has not yet been settled). Although the government has expressed its willingness for peace talks with ethnic insurgent groups, fighting continues in several ethnic areas with continued reports surfacing of widespread human rights abuses committed by government troops. This also raises questions over how much control the new government has over the powerful Armed Forces.

It is also too early to tell just how far the government is willing to liberalize and reform, or if these reforms are genuine or mere gestures to try and ease domestic opposition pressure and gain international legitimacy – especially as the government sought to gain the chairmanship of the Association for Southeast Asian Nations (ASEAN) for 2014, which was achieved on 17 November when the regional block agreed that Burma would take the chair. The move represents an important endorsement of Burma by ASEAN, in which positive political and economic developments were cited in the reason behind the decision.

Shortly after ASEAN's decision, US President Barrack Obama announced that Secretary of State Hillary Clinton would visit Burma in December – which would make her the first US secretary of state to do so in over 50 years.

Although there are still many uncertainties, one thing is clear: **the reforms initiated since the new government took office in March are the most significant to come out of Burma in over half a century.** The country is at a critical juncture and for the first time in years there is reason to be optimistic about the country's political direction.

**Canada needs to rethink its Burma policy – not just to reflect these very recent developments, but also because Canada's hard-line policy of isolation has been relatively futile.**

Canada has prided itself in having the “toughest sanctions in the world” on Burma, but Canada has always had a very limited trade and investment relationship with the country and the military regime did not feel any squeeze from Canada's measures. A strict interpretation of sanctions has resulted in limited engagement with civil society and democratic opposition forces that has left Canada the “outlier of western countries,” according to Mark McDowell in a report he wrote commissioned by Canada's International Development and Research Centre (IDRC) in 2008. In the report, “Impact of Humanitarian Assistance to Burmese Civil Society,” McDowell argued that despite the noble intentions behind Canada's hard-line policy of isolation, we have to be realistic and admit that it has failed, and that international circumstances since 1990 have changed so much (such as the rise of Burma's neighbors, China and India), that it was unlikely ever to succeed. McDowell argued that there was plenty that



Map of Burma

Photo Credit: The University of Texas



Canada could do to engage and strengthen Burmese civil society and humanitarian organizations well within the framework of sanction legislation.<sup>2</sup>

Canada's lack of an on-the-ground presence in the country (the embassy in Thailand covers the country from Bangkok), has further hampered Canada's ability to engage with Burmese civil society and democratic forces. Addressing the United Nations General Assembly in New York in September, Foreign Minister John Baird stated that Canada is "working closely with like-minded countries to advance human rights and democracy in Burma."<sup>3</sup> In reality, however, this has been severely limited due to the lack of a diplomatic presence in the country; a large part of Canada's activities is focused on Burmese exile groups and refugees in Thailand as opposed to those who are inside the country. (Last year, Canada renewed a \$15.9 million five-year support program along the Thai-Burma border, concentrating on much needed food aid and health services.<sup>4</sup>)

So, in light of recent developments in Burma, what should Canada do now to revise its policy to the country?

To start, Canada should establish a more substantive policy that goes beyond the affirmation that Canada has the "toughest sanctions in the world" and that we are "working closely with like-minded countries to advance human rights and democracy in Burma." The Government of Canada should talk to both the new government and the opposition led by Mrs Suu Kyi to establish what Ottawa can do to help in the country's transition and to foster national reconciliation, which should be a cornerstone of Canada's policy to the country. This may be providing technical assistance and expertise to help with reforms – especially economic ones – as decades of isolation have resulted in a huge shortage of skilled people. Canada might also use its reputation as a relatively neutral player on the world's stage and its extensive experience with conflict resolution to offer assistance in mediation and peace-talks between government forces and ethnic insurgent groups. Senior leaders of the largest ethnic insurgent group currently fighting the military, the Kachin Independence Army (KIA), have expressed their desire for third-party mediation.

Second, Canada should maintain its sanctions but consider easing some restrictions, such as loosening restrictions on travel of top government officials and/or unblocking aid by some multilateral agencies. This would provide a clear



*A panorama of Bagan*

*Photo Credit: Hinth*

signal to the government that reforms would be met with benefits. Ottawa should also set benchmark actions for the lifting of sanctions, while in the mean time increase its activities to engage with civil society and humanitarian organizations that would not be in breach of the sanctions. "There is widespread misunderstanding of current legislation, which in fact makes broad and generous exemptions for humanitarian work," wrote McDowell in his IDRC report. "The chief difficulty for Canadian funders will not be in finding worthwhile projects or dealing with domestic sanctions legislation," he added, but they will have to accept that "it is consistent to take a tough political line on rights abuses, and at the same time help the people of Burma."<sup>5</sup>

Third, Canada should establish an on-the-ground presence in Burma by opening an embassy in the country. Should Burma's current reform process be halted or reversed, Canada can still do more to foster change in Burma by having a diplomatic mission there than without one. Without a presence, Canada risks falling further behind its Western allies as it will be unable to assist democratic forces and play a key role in Burma's political and economic transition – no matter how long that will take.

By revising its Burma policy, Canada can not only play a major part in the country's transition and help the people of Burma, but it will place us in a better position strategically to advance Canada's interests in the region and reap the looming benefits of a country rich in energy and mineral resources located at the strategic crossroads of Asia.

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<sup>1</sup> International Crisis Group, 'Myanmar: Major Reform Underway,' *Asia Briefing No. 127*, September 22, 2011. <http://www.crisisgroup.org/en/regions/asia/south-east-asia/burma-myanmar/B127-myanmar-major-reform-underway.aspx>.

<sup>2</sup> Mark McDowell was a Research Fellow at Harvard's Ash Institute for Democratic Governance when the paper was written and had unique on-the-ground experience having also covered Burma for four years at the Embassy of Canada in Bangkok.

<sup>3</sup> Baird, John. 'Address by the Honourable John Baird, Minister of Foreign Affairs, to the United Nations General Assembly,' United Nations General Assembly. New York City, September 26, 2011. <http://www.international.gc.ca/media/aff/speeches-discours/2011/2011-030.aspx?lang=eng&view=d>

<sup>4</sup> 'Turning Over a New Maple Leaf,' *The Irrawaddy*, August 12, 2011.

<sup>5</sup> McDowell, Mark. 'Impact of Humanitarian Assistance to Burmese Civil Society,' *International Development and Research Centre Research Report*, July 2009. <http://idl-bnc.idrc.ca/dspace/bitstream/10625/44769/1/131230.pdf>

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