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**“Is Myanmar Changing Or Has Myanmar
Changed Us?”**

by

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Plenary Session 7 : " Is Myanmar changing or has Myanmar changed us ?"

Mr.Chairman, Ladies and Gentlemen

I am most grateful to the organizers to have again the opportunity to discuss the case of Myanmar in this conference. Last year we were wondering if the situation had changed in the aftermath of cyclone Nargis particularly in the context of political change, democracy and stability in South-East Asia¹.

The question raised this year by the title of the session goes one step further and the way it is formulated gives the impression that change is taken for granted. Interesting but also surprising. So let me start by answering the question from the official viewpoint of the EU. The answer is clear: no the Myanmar military regime has not changed and no Myanmar has not changed the EU attitude towards that regime. The EU assessment of the situation and its response remain the same and have been re-confirmed by the Council of Ministers as recently as on 26 April 2010. The EU has not yet decided, as did the USA, to re-evaluate its political strategy towards the country although it is trying to send an explanatory mission to Yangon in the hope of building trust through increased reciprocal knowledge. But the EU line is not as clear-cut as that : while the political atmosphere is not very favourable towards Myanmar there is nonetheless a number of shared interests and opportunities through which both sides have been able to cooperate.

So let me first try to explain why the EU has not changed its political approach.

¹ while I am an official of the European parliament, I speak here to-day in my personal capacity and do not represent officially any EU institution

How does the EU assess the situation in Burma/Myanmar ?

The military regime in place since more than 40 years has failed in both political and socio-economic fields : human rights violations, appalling socio-economic situation of the country, absence of democratic institutions, discrimination against ethnic minorities, nuclear cooperation with North Korea are just a few of the well documented failures. The need to take clear and rapid steps for transition to a legitimate, civilian government that would lead to national reconciliation and address the appalling socio-economic situation of the country, is therefore obvious for the EU (but apparently not for the generals in power).

Socio-economic development

There are few reliable statistics in the country but recent research indicates that more than one-third of all households have insufficient income to cover basic food and non-food needs. In early 2009 the World Food Programme estimated that six million were in need of food aid. Despite vast natural resources Myanmar remains one of the least developed countries and its problems are exacerbated by the global economic crisis. There is no doubt that the military government is largely responsible for this situation and that its concerns appear to be limited to security, order and maintaining national unity and its power by all means. The junta record in public health, education, economic development, natural resources management, or democracy is simply appalling.

Human rights and democracy

The UN Special rapporteur on the situation of human rights in Myanmar said in March this year : *There is a pattern of gross and systemic violation of human rights which has been in place for many years and still continues. Given the extent and persistence of the problem there is an indication that those human rights violations are the result of a State policy, originating from decisions by state authorities.*¹ Mr. Quintana then recommends the UN to consider the possibility to establish a commission of inquiry to address the question of international crimes. Those human rights violations occur in every domain, from the basic rights to health and education to freedom of expression and association, to the recruitment of child soldiers and forced labour. They occur among all walk of life from monks to political activists, from journalists to ethnic minorities.

Everyone remembers the September 2007 popular events in Yangon, which started as a protest against the regime's economic mismanagement, and were repressed with utmost violence including against the Buddhist monks. Everyone also remembers that after the disaster caused by tropical storm Nargis struck the Irrawaddy delta on 3 May 2008 which left 140 000 people dead and more than 2.5 million people homeless, the regime failed to provide immediate assistance to the victims as it gave priority to organizing a referendum on the Constitution. It also delayed international assistance before opening the doors wide. Worse, those who provided assistance to their countrymen in need after

¹ report by the UN Special rapporteur on the situation of human rights in Myanmar , 10 March 2010

the cyclone were condemned to lengthy jail sentences, like the comedian Zarganar who was sentenced to 45 years in prison. 21 people remain behind bars for their independent post-cyclone relief efforts. It seems that the regime wants to get rid of its most brilliant and committed citizens that could greatly contribute to the country's future and silence them once for all by jailing them for life in remote locations .

Any expression of dissident political views is systematically and brutally repressed as the authorities do not accept any challenge to their rule. According to Amnesty International there are currently over 2200 registered political prisoners in Myanmar's jails among which a significant part is made up of ethnic minorities. Since December 2005 the Government has suspended prison visits by the International Committee of the Red Cross.

The arrest of Aung San Suu Kyi on 14 May 2009, accused of breaching the conditions of her detention under house arrest, was another terrible blow to national reconciliation. The trial was a farce challenging all the principles of a rule-of-law state and was clearly organized to prevent ASSK , and her party, to participate in the 2010 elections.

The EU is also very much concerned by the deprivation of fundamental rights of ethnic minorities -over 30% of Myanmar's population- and particularly over the situation of the Rohingya minority in northern Rakhin state which are even deprived of their right to citizenship. This is leading to armed conflicts, increased instability and more refugees.

Let's now have a look at the latest developments regarding the Roadmap to Disciplined democracy

A Constitution has been approved through referendum in May 2008 despite the chaos and humanitarian disaster caused by cyclone Nargis in the Irrawaddy delta. Regarding the constitution, both the process and the result fail to meet the basic democratic requirements : the text, prepared by government hand-picked representatives, foresees restrictions on the eligibility for high political office, allows the military to keep a controlling minority in the future parliament and to suspend the constitution and fundamental rights at will, and fails to accommodate the country's ethnic diversity. Even worse it guarantees impunity for past crimes committed by Government officials. The referendum was devoid of any democratic legitimacy as the opponents were prevented from campaigning. The then UN Special Rapporteur on Human Rights in Burma Paulo Sérgio Pinheiro summarised it all when he said : "*How can you have a referendum without any of the basic freedoms ?*".

As for the elections that may take place end of 2010 the EU considers that the authorities still have to take the steps necessary to make the elections credible and inclusive. The Government has promulgated in March 2010 five Electoral laws and four Bylaws. Those highly restrictive laws attack the three freedoms of expression, peaceful assembly and association and are a clear attempt to exclude the country's entire opposition from the ballot. Whole segments of society, from Buddhist monks to persons serving a prison sentence -such as the 2200 political prisoners-, are arbitrarily excluded from standing for

election but also barred from voting. Through its discriminatory nature the law on Political Parties Registration deeply affects the political process: the vague and ambiguous language used is subject to wide interpretation and can easily be used to prevent the registration of a party. The ASEAN Inter-Parliamentary Myanmar Caucus has declared that it was outraged by the election laws.

This led to the NLD decision, after much internal debate, to boycott the elections with the risk to be marginalised. The party was subsequently disbanded by law after failing to register. (The NLD had put three conditions to its participation: release all political prisoners; review the un-democratic aspects of the Constitution; and held free and inclusive elections with international observers. It was most unlikely that the generals would agree to those conditions).

The junta-created USDA (Union Solidarity and Development Association), that is notorious for attacks on ASSK and for the repression in September 2007, has been transformed into a political party, the Union Solidarity and Development party (USDP) with the obvious objective to control the voting process and win the elections. Prime Minister U Thein Sein as well as 22 other ministers have quit their military positions, while retaining their Government position, to lead the USDP and run in the elections as civilians. This confirms the fears of those who believe that the elections will only legitimize the junta's power as the USDP leaders clearly are military without uniforms.

There is wide popular opposition to the Government but through the Constitution and the electoral laws, the military has made sure that it will continue to dominate the country's institutions and remain in full political and economic control. After miscalculating the results of the 1990 election they have learned from experience and are unwilling to leave much to chance this time.

How should the international community react to this situation? And what do we expect from the regional powers? I will leave to our colleagues from China, India and South-East Asia to express their concerns with regard to the political situation in Myanmar and concentrate on the current EU approach.

The current EU approach to Burma/Myanmar

The base line for EU action is a commitment to the people of Burma/Myanmar in achieving a peaceful transition to a legitimate civilian system of government to fight poverty and to improve their social and economic conditions. This, according to the EU, can only be achieved through genuine dialogue with all stakeholders, including those from the ethnic groups and from the political opposition.

To achieve its goal the EU has applied sanctions, or restrictive measures, on the Burmese regime since 1996. The current range of sanctions consists mainly of a visa ban for the country's top officials and their families; an arms embargo; a freezing of assets of members of the military regime and their cronies and a prohibition of making credit available to state-owned enterprises. Since 2007 additional restrictive measures on

exports, imports and investments of timber metals, minerals, and precious stones were decided. Those measures were confirmed and renewed for a further twelve months by the EU on 26 April 2010¹.

When renewing the common position the EU expressed concern that the election laws do not provide for free and fair elections and also repeated its call for the immediate release of all political prisoners. This was repeated, and shared with and by ASEAN, during the ministerial meeting held in Madrid some days ago (on 26 May).

Messages had been sent to Yangon in early 2009 that a softening of the approach could be considered, but the military took measures such as the arrest of ASSK in May 2009 or the publication of electoral laws, that undermined the possibility of a new policy. Myanmar has thus clearly failed to change the official EU position which is strongly supported by the European parliament. Without entering into a lecture on the different EU institutions (although it is simpler than expected : Council, Parliament, Commission) let me say that while the EP is not the authority that define EU foreign policy it plays a very influential role and the Lisbon treaty has increased its decision-making power in foreign affairs.

The EP has voted no less than 11 resolutions on Burma during the 2004-2009 legislature. Each of them takes a very strong position against the current regime and put pressure on the 27 Member States to take stronger measures². (For example, in May 2008, days after the cyclone Nargis the EP took the view that, if the Burmese authorities continue to prevent aid from reaching those in danger, they should be held accountable for crimes against humanity before the ICC and calls on the EU Member States to press for a UN Security Council resolution referring the case to the Prosecutor of the ICC for investigation and prosecution. In the same resolution the EP Reiterates that the sovereignty of a nation cannot be allowed to override the human rights of its people, as enshrined in the UN principle of 'responsibility to protect'.)

In its most recent resolutions of 11 February and 20 May 2010 the European Parliament puts additional pressure on the EU: besides condemning the Government seven stage roadmap to democracy and asking that the electoral laws be repealed, the EP calls on the EU and its MS to support the establishment of a commission of inquiry as recommended by the UN Special Rapporteur on Human Rights in Myanmar in its March 2010 report.

The EP is indeed the champion of human rights, democracy, good governance and the rule of law. It does not play the real-politik game but aims at promoting everywhere what it considers as universal values and puts additional pressure on the EU member States to keep a hard line on Burma.

¹ There are calls for an international embargo on arms exports to the regime and for targeted financial sanctions to prevent access to international banking services by leading military officials and their business partners

² Many analysts also think that the most efficient sanctions would be targeted financial sanctions, particularly if the Singaporean government would freeze the Burmese generals' assets.

Despite all this talk on sanctions the EU approach is however not a sanction-only approach but a balanced policy that combines pressure with incentives to change and where sanctions are part of a broader toolkit. Indeed its is decision of 26 April the EU *"reiterats its readiness to revise, amend or reinforce these measures in light of developments on the ground and to increase its assistance to the people of Myanmar"*. The EU remains therefore open to dialogue with the authorities and to respond positively to genuine progress on the ground.

Humanitarian assistance provided inside Burma under the current EU Burma Country Strategy Paper focus on health and education with a budget of Euros 32 million (50 million USD). The EU-funded Three Diseases Fund (a programme to combat HIV/Aids, tuberculosis and malaria) has replaced the Global Fund that withdrew from Burma in 2005 after intense pressure from US-based groups. Further assistance is provided on a large scale to support the Burmese refugee camps along the Thai border, which I had the opportunity to visit last week. And the EU (Commission plus 27 MS) has allocated more than 60 million € for emergency relief after cyclone Nargis. Since two years Myanmar also benefits from the Erasmus Mundus programme, an EU programme funding exchanges of students and professors at university level.

Flexibility and a multi-fold approach are therefore important concepts in the EU strategy towards Burma. Behind the hard political line there is a growing desire to find a way out of a deadlocked situation as neither sanctions nor engagement has worked so far.

Does the EU approach benefit the population of Myanmar ?

Political isolation of the regime and commitment to the welfare of the people of Myanmar. Fine but what is the impact of those two strategies on the population ?

Sanctions do send a strong political message, particularly the arms embargo and visa ban, and as such have their own symbolic value. But they give the embarrassing impression that Myanmar exists only as a brutal regime or corrupt national institutions. And that concerns for monks or Aung San Suu Kyi vanish as quickly as they are raised when another crisis develop somewhere else in the world.

Development assistance per capita stands at around 3 USD compared to around 400 USD in the camps. Laos receives 36 USD per capita and Cambodia 60 USD. Thanks to a Western interdiction the international financing institutions (WB, ADB) are not allowed to provide technical assistance and there are wide restrictions on the EU development assistance. Is this the best way to fight poverty ?

The country is made of a 54 million strong population that has the same aspirations to quality of life, happiness and wealth as in any other country but Myanmar is to-day in a state of deep-rooted structural poverty.

As I said before the military regime is responsible for this situation but sanctions play their part as well. They isolate the country and its people from contacts outside the immediate region. Sanctions actually have had more impact on the population, the very people that deserve our support, than on the generals: they have destroyed the textile industry and kept employment in the tourism sector at a very low level (statistics show that 260 000 tourists visit Myanmar a year compared to 13 million in Thailand, a country of roughly the same size).

There are within the EU a growing number of voices that express their wish to see a new policy towards Myanmar ; those voices are not yet sufficiently heard but they do exist. There is indeed within the EU a hot debate on the sanctions : most people believe that sanctions do send a strong political message but also agree that they are, and will, remain ineffective as long as the close neighbours of Myanmar do not join in. Twenty years of economic sanctions clearly have had minimal effect on the regime as the country's neighbours continue to trade and invest in Burma. Moreover, while sanctions and boycotts are used by the military to explain the country's economic difficulties they do not stop business; they just make it more expensive, a point clearly made by the private sector in Rangoon.

The question is therefore: why extend for another year a measure that has not worked and that has contributed to widespread poverty? Is it time to re-assess our strategy in light of our concerns and particularly with regard to the statement over the EU " *unwavering commitment to the people of Burma/Myanmar*" ?

Time to re-assess the EU strategy towards Burma/Myanmar for the post-election period

On 9 February 2008, referring to the Constitution and to the elections, Burmese state radio declared that it was "*a suitable time to change from a military to a democratic civilian administration*". Yes indeed it is time!

But will the 2010 elections have an impact upon the country's transition to democracy? With the restrictions put on the political parties and on the freedoms required to campaign, elections will certainly not be free and fair and the civilians elected to the new parliament may in fact be military without uniforms.

But there are those, even within the NLD, who believe that the elections, however flawed they will be, still could serve as a modest step away from military power. Indeed they will bring about political change and define the political landscape for the years to come and should therefore not be dismissed outright. They will offer an opportunity for representatives of the civil society and for community-based organisations to express themselves. In that sense it is a step forward. It is likely that part of the NLD members will form a new party to run the elections despite all the obstacles and this should be welcomed as the process should not be left to the Government and its allies.

What therefore should and could be done after the elections to tackle the country's severe political, social and economic problems and how can the international community support change? What is the way forward?

The first goal of any strategy should be to assist the people of Burma/Myanmar on their path to sustainable development: people should be put at the centre of our concerns, this is indeed what democracy is all about. The poorest people of Burma have a right to better livelihoods and should not be penalized for the country's political stalemate. They cannot be taken hostage by the international community as they have been by their own government. Many voices are being raised in Europe to argue that the isolation of Burma/Myanmar, imposed by the current generation of military and reinforced by the sanctions, should be broken down. By exposing the country to the outside world, it will be more and more difficult for the Government to hide its economic and political shortcomings to their own people.

Let me discuss, from a personal point of view, three possible avenues that could be implemented in different stages and directly benefit the population while preparing the future. They would represent an important shift in political strategy but could bring about the needed changes : to build on the small window of opportunity opened by cyclone Nargis; to put more emphasize on economic development; to support education.

The human tragedy caused by cyclone Nargis may represent a turning point if the door that has been set ajar can be further opened. Through a process of dialogue the Tripartite Core Group has been effective in facilitating the flow of international assistance. The Government must have seen that political considerations were set aside and that donors were genuinely concerned with the humanitarian situation. This is proof that there is an alternative to hostile relations with the outside world. As suspicion was broken down, collaboration between international donors and authorities has resulted in better and faster impact on the ground. This immediate objective should now be followed by a reconstruction programme, based on a credible rehabilitation plan, and implemented through a collaborative effort. The massive devastation caused by cyclone Nargis has multiplied the needs and the international response could represent an example of what can be done for the sake of the population and maybe a model for assistance elsewhere in the country.

Second, more international attention should be focussed on the socio-economic development of the country. Some groups of exiled Burmese are now advising major powers and neighbouring countries to address the country longer term economic problems. In the current situation, and even more because of the impact of the world economic crisis, international assistance will be needed to achieve this goal : humanitarian and development aid should be immediately increased to tackle the terrible poverty resulting from the policies of the regime. The EU Country Strategy Paper 2010-2013 with its focus on health and education is a step in that direction but other donors and the international financing institutions (WB, ADB) should also move in. Support to build-up the nation is needed as well: civil society organisations and the public administration are in dire need of assistance in order to be able to play a meaningful role in the transition period.

Development aid should not be used as a carrot and cannot wait for democratic change.

Foreign aid will however not be sufficient: one need to address the collapsing economy through an economic package that will bring into the country much needed expertise, knowledge, new ideas and innovation. (Internet and mobile phones made it possible for the world to see the repression in Rangoon in September 2007. If the boycott called for by some activists had been enforced, those modern technological means would not have been available and the repression would likely have gone, like in 1988, mostly unnoticed). The dynamics of an open economy, something the generals were opposing as they were well aware of the risk for their own survival but that may be better accepted by the new Government, may well lead to incremental political changes.

A third proposal would be to invest in education. From primary level to university level but also allowing more Burmese, including those linked to the military regime, to further their studies abroad. The future of the country is in the hands of its youth but the current education system does not prepare the next generation to take responsibilities for the sake of the country. Massive investment in education is probably the best and most efficient way to achieve socio-economic development and real political change in the long-term. The EU has now a programme targeting access to basic education in 245 townships and has, for the first time in 2009, given access to its Erasmus Mundus programme to Burmese students.

Conclusion

I am, in this paper, advocating the idea that people matter more than regimes and should not be the victims twice. The EU formal position still balances between the needs of the population and the will to change the regime but I hope that progress can be made after the elections. The debate is on-going : the link between delivery of development aid and economic assistance and progress against political reform and human rights benchmarks remains a matter of disagreement.

I nevertheless believe that to move forward one has to take the risk to leave behind the rhetoric and look at the country's problems beyond the political principles and goals without renouncing to them (the need for freedom for all political prisoners and for genuine talks between the different sides to build a democratic civilian government). The international community will need to talk, like it or not, to those who still are in total control of the country and are likely to retain strong influence after the elections. Then the conditions for political change may emerge in the future. Without constructive dialogue, and therefore direct contacts, there is no hope for change.

To be efficient this strategy would of course require the new Government to agree to open up space for foreign business, foreign investment and civil society. Something that certainly could not be taken for granted with the SPDC but that may now happen.

There is no miracle solution, but certainly a need to re-assess past strategies and try fresh approaches to break the current deadlock. To-day the population is still the victim of both the Government and the sanctions applied by the donor community. The 2010

elections will change the situation; it will be far from perfect but it will open some doors and decide what opportunities there are to push for long overdue social, economic and political reforms. It is time to draw the lessons of the past years and do something.

This makes it the more important to exchange in this kind of forum as regardless of the opinion of each of us on the past, what really matters is the future. What matters is what is happening everyday to the 54 million Burmese citizens and what we can do to help them.

Thank you very much for your attention

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