

Japan and the Myanmar Conundrum

Bert Edström

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Executive Summary

Myanmar, also known as Burma, is an exception to many of the success stories of countries in the Asia-Pacific region. Throughout the postwar period the country has pursued a foreign policy line that has been obstinately independent, with a basic stance towards the outside world pervaded by a sense of *noli me tangere*. Once it was one of the key Asian countries convening the 1955 Bandung Conference at which the non-aligned movement was launched, but policies pursued since have made the country a peripheral member of the international community. One of the country's key relationships in the postwar period has been with Japan. The beginning of this bilateral relationship goes back to the Second World War period. In December 1941, Japan began a military campaign into Southeast Asia and a puppet government for Burma under the Burmese nationalist Ba Maw was set up on August 1, 1942, which replaced British colonial rule. In May 1945, the British Army returned to Rangoon and the colonial masters regained power but two years later they agreed to hand over the ruling of the country to the Burmese, and Burma became independent in January 1948. In 1954, an agreement on war reparations was reached between Japan and Burma totalling US\$200 million over ten years, which began to be paid out the following year. Not only was aid from Japan forthcoming but it was increasing, from about US\$20 million in the 1960s to around US\$200 million in the 1970s. The aid amounted to a total of US\$2.2 billion during 1962–1988. Japan became the largest aid donor to Burma. For Japan, the agreement with Burma was important in that a window of opportunity opened for Japan's diplomacy towards Southeast Asian countries that had been at a standstill since the end of the Second World War.

After a military coup in 1988, Japanese ODA to Burma was suspended “in principle,” and new aid was limited to projects that were of an “emergency and humanitarian nature.” Nevertheless, Japan was soon again accounting for the lion's share of aid to the country. General elections took place in Myanmar in May 1990 and resulted in a serious setback for the military junta. The opposition National League for Democracy (NLD) secured a landslide victory. The

outcome did not result in a new government, since the ruling military ignored the election result of the NLD and refused to hand over power.

In 1992 a shift of Japan's ODA policy was announced with the adoption of Japan's ODA Charter, which prescribed that decisions on ODA should be taken after taking into account the recipients' record on military spending, democracy, moves towards market economy, and human rights. From this period a carrot and stick policy as codified in the ODA Charter has been applied to Myanmar which represented a clear break with Japan's previous "hands-off" stance. A bifurcated Myanmar policy pursued by the Japanese government emerged, resulting from its efforts to relate to the two important political forces confronting each other in Myanmar. Nevertheless, there has been a strong bias on part of the Japanese government towards favoring relations with the ruling military.

Relations between Japan and Myanmar have been receding ever since the military junta took power in 1988 and Japan instituted its policy of carrots and sticks. For Myanmar's ruling junta, Japan's carrot and stick policy was unwelcome news when it was first introduced, and has been seen ever since as an attempt by Japan to interfere in what the junta considers Myanmar's internal affairs. With the junta in Myanmar facing international isolation after its suppression of democracy, China's exchanges with Myanmar increased drastically. Soon after the 1988 coup, China had become the main external supporter of the Myanmar junta.

In order to coming to grips with the situation around Myanmar a proposal has been launched focusing on the formation of an international coalition strong and viable enough to institute change. Due to its strong historical ties and good relations inside and outside Myanmar, Japan is one candidate for playing a key role in such an endeavor. With its strong links with all major forces, Japan occupies a pivotal position with a viable chance of bringing together critical actors into a process of dialogue and reform. Two recent developments increase the possibility that Japan and China would cooperate in such an endeavor. During Prime Minister Abe Shinzō's visit to China in 2006 after only one week in office, he admitted that China played the key role in the negotiations with North Korea and expressed hope that China would exercise its influence. It was in realization of the fact that, in dealing with North Korea,

Japan's strong-handed policy of "dialogue and pressure" had not worked, which made the Japanese government conclude that united international action was needed if negotiations were to progress, and that chances were greater to reach results if the Chinese could be persuaded to use their influence to talk the North Koreans out of their provocative policies. The second move that has a bearing on Japan's Myanmar policy are the events surrounding the cold-blooded killing of the Japanese photographer Nagai Kenji during demonstrations in Yangon on September 27, 2007. An important step taken by Japan was the fact that Prime Minister Fukuda Yasuo brought up Myanmar in talks over the phone with Prime Minister Wen Jiabao of China the day after the fatal shooting, and asked that China, given its close ties with Myanmar, exercise its influence and Premier Wen said he will make such efforts.

Abe's visit to Beijing broke the ice between China and Japan, and a series of top-level meetings have followed. The two countries have clarified that they seem themselves to bear a responsibility for peace, stability, and development of the Asia-Pacific region and have agreed to together promote the realization of peace, prosperity, stability, and openness in Asia. Not only that, the two governments pledged to together forge a bright future for the Asia-Pacific region. If Japan and China see themselves as bearing a responsibility for the peace, stability, and development of the Asia-Pacific region, it is hard to see how they can avoid being annoyed by the existence in their immediate neighborhood of a country that is widely treated an international outsider, especially if they want to live up to their declared aim of aligning Japan-China relations with the trends of the international community.

Introduction

Myanmar, also known as Burma,¹ is an exception to many of the success stories of countries in the Asia-Pacific region. Throughout the postwar period the country has pursued a foreign policy line that has been obstinately independent, prolific in its obduracy, and consistent in its inflexibility. Its basic stance towards the outside world has been pervaded by a sense of *noli me tangere* that once made a geographer characterize the situation as one where “Burma seems virtually to have shut out the rest of the world.”² Almost driven to extremity, the country’s neutrality has turned a once important voice in regional and international politics to the odd man out in international affairs. As Timothy Garton Ash ironically puts it, Burma was “so non-aligned that it even resigned from the Non-Aligned Movement.”³ In the mid-1990s, a pundit noted that although “[o]ne of the six General-Secretaries of the United Nations was a Burmese [...] his nation has been almost unnoticed in the world community, except as a violator of human rights.”⁴ A standard work from 1997 saw it as a country that had been “too closed, until recently shunning interaction with the

* This paper has benefited from comments by Niklas Swanström, Xiaolin Guo, Winston Set Aung, and Tluang Lian Hnin. A generous grant for a travel to Japan by the Scandinavia-Japan Sawakawa Foundation is gratefully acknowledged.

¹ Both Myanmar and Burma are used as names of the country. The country’s rulers changed the name from Burma to Myanmar in June 1989, reintroducing the historical name of the country. Myanmar is used by the United Nations but some countries, most notably the United States but also Great Britain, continue to use Burma. In this paper both names will be used but, following UN usage, for the period after the name was changed, the name Myanmar is used, with some minor modifications, depending on the context.

² J. P. Cole, *Geography of the World*, 5th ed. (Harmondsworth: Penguin Books, 1979), p. 395.

³ Timothy Garton Ash, *Facts are Subversive: Political Writing from a Decade Without a Name* (London: Atlantic Books, 2009), p. 265.

⁴ Wolf Mendl, *Japan’s Asia Policy: Regional security and global interests* (London and New York: Routledge, 1995), p. 103.

international community, except for the illicit heroin trade.”⁵ It is hard not to assert that this is still a valid statement. The country is certainly noted, even notorious, for its repressive rule with its rulers essentially making a mockery of any strives for democracy; even monks have taken to the streets in protests against the military junta that rules the country. A situation that was bad has turned worse. Repression has further tightened its grip, and periodically Myanmar has found itself in the international headlines because of the intransigent policies and draconian actions against the political opposition taken by the country’s military rulers.

Burma was one of the key Asian countries convening the 1955 Bandung Conference at which the non-aligned movement was launched on the international stage and in which Burma became a prominent member, but policies pursued since by Myanmar’s leaders have made the country a peripheral member of the international community. “Burma has opted out,” Sir Robert Scott wrote in 1970, “hoping to lead a self-sufficient existence on traditional Burmese lines. Fought over twice between 1942 and 1945 as first the Japanese drove out the British and then in their turn driven out, Burma has no desire to be a battlefield again.”⁶ Having withdrawn from almost all aspects of international relations, it has become the most marginal member of the Southeast Asian region, wrote Donald Hellman already in 1972.⁷ However, while Myanmar’s political position may be marginal, geography makes it a member of the region, which was confirmed when the country became a member of the Association of Southeast Asian Nations (ASEAN) in 1997. ASEAN was founded in 1967, and that it took thirty years for Myanmar to join the association, is an indication of the qualm felt – on both sides – regarding its membership. In spite of this, ASEAN, in general, was happy to see Myanmar a member along with Vietnam, Laos, and Cambodia, since ASEAN could then claim

⁵ Vera Simone and Anne Thompson Feraru, *The Asian Pacific: Political and Economic Development in a Global Context* (White Plains, N.Y.: Longman Publishers USA, 1995), p. 197.

⁶ Sir Robert Scott, “Asian-Pacific Arena of Conflict,” in Hugh Corbet, ed., *Trade Strategy and the Asian-Pacific Region* (London: George Allen and Unwin, 1970), p. 137.

⁷ Donald C. Hellman, *Japan and East Asia: The New International Order* (New York, Washington, London: Praeger Publishers, 1972), p. 20.

to represent the whole of Southeast Asia, which increased its political clout and bargaining power in international forums.⁸ Nevertheless, it is not hard to assent to the view that Myanmar is a “regional problem.” Michael Green, a leading U.S. authority on Japanese foreign policy and also a noted voice on Myanmar, exclaimed in March 2006 that “the Burma problem has reached the tipping point in the view of many of the regime’s neighbors.”⁹ He saw the major proxy battle being how countries like Japan, India, and Indonesia will approach the region’s broader agenda in the future; whether they will pursue non-interference or step up pressure on Myanmar to adhere to international norms. To others, “the Burma problem” is a problem internal to the country. Such a view has notably been propounded by ASEAN. The ASEAN countries have seen the Myanmar problem to be a primarily domestic issue, arguing that the situation could be improved through economic development.¹⁰

Whether the crux of “the Myanmar problem” is domestic or regional, or, even, international, is a matter of focus. Any scrutiny or analysis of Myanmar’s present-day foreign policy and its standing in international politics and relations with its neighbors, must take its starting-point in focusing on the way the country became independent in the epoch of decolonization. The same goes for the focus of the present paper, Myanmar’s relations with Japan and the scope of their bilateral relations, and the openings for Japan to influence the outcome of the conflict in Myanmar between the two opposing national forces that continues to defy solution.

⁸ Mya Than, *Myanmar in ASEAN: Regional Cooperation Experience* (Singapore: Institute of Southeast Asian Studies, 2005), p. 86.

⁹ Michael J. Green, “The Strategic Implications of the Burma Problem,” Testimony before the Senate Foreign Relations Committee Subcommittee on Asia Pacific Affairs, March 29, 2006, <http://foreign.senate.gov/testimony/2006/GreenTestimony060329.pdf>

¹⁰ Suppakarn Pongyelar, *The Implications of Japanese Engagement Policy towards Myanmar: 1988–Present*, Graduate School of International Development Nagoya University, GSID Discussion Paper, No. 159 (October 2007), p. 37.

Japanese–Burmese Relations until 1988

The Birth of Postwar Japanese–Burmese Relations

Japanese policies and actions during the Second World War set the stage for relations with Burma after the country became independent in 1948. In January 1941, a special intelligence bureau concerned with Burma, the Minami Kikan, was set up by the Japanese military to coordinate the Japanese and Burmese activities in Thailand and other parts of Southeast Asia.¹¹ In December 1941, the Burma Independence Army (BIA), the embryo of Burma's armed forces, was founded in Bangkok by the Minami Kikan with around 200 Burmese members. The Japanese military trained Burmese who were to become influential independence leaders, like Aung San and Ne Win. Aung San had made himself known as a student leader at the end of the 1930s. He later founded the Communist Party of Burma in 1939, was forced into exile in 1940 and joined the Japanese, turned against them and was a key person behind the liberation of Burma. Aung San was soon seen as a national hero, a status he retains to this day. Ne Win founded the Burma Socialist Programme Party in 1963 and became its chairman, which from 1964 until 1988 was the country's sole political party, and he also served as prime minister and head of state for extended periods.

In December 1942, the Minami Kikan began its invasion of Burma together with the Japanese 15th Army as a part of Japan's military campaign into Southeast Asia. A puppet government for Burma under the Burmese nationalist Ba Maw was set up on August 1, 1942. After Japan's conquest of Burma, Aung San served as defense minister in the Japan-backed "independent" Burmese government. The Japanese, in an effort to gain popular support, presented themselves as liberating the Burmese from their British oppressors, in much the same way as they did in the Philippines and on Java.¹² While Ma-

¹¹ The Minami Kikan has a double meaning. It stands literally for "the South Agency" (*minami* = south) and was headed by Colonel Suzuki Keiji, who used Minami Masuyo as his cover name in Burma.

¹² Kobayashi Hideo, "*Daitōa kyōeiken*" *no keisei to hakai* [The creation and fall of "the Greater East Asia Co-Prosperity Sphere"] (Tokyo: Ochanomizu shobō, 1975), p. 528.

laya, Singapore, and Indonesia were to be incorporated into “permanent possessions of the Empire,” Burma, as well as the Philippines, was promised independence.¹³ Behind the different treatment of areas that Japan conquered was the top priority placed by Japan on acquiring national defense resources from the occupied areas.¹⁴ And in this respect, Burma and the Philippines were lucky in that they were poorest in these resources.¹⁵ But while the independence promised to the Burmese by the Japanese was duly granted in August 1943, it turned out to be nothing short of nominal and illusory. Once in control of Burma, the Japanese imposed a reign of terror.¹⁶

Even though Burma was not granted full-fledged independence by Japan, independence was nonetheless at least brought into view, something which the vast majority of Burmese were becoming increasingly impatient for.¹⁷ Fraternization with the Japanese lasted for only a year and a half. Disappointment among the Burmese freedom fighters made them turn against Japan and support the British campaign to expel the Japanese from Burma.¹⁸ Thousands of citizens of Rangoon rejoiced when the British Army returned to the city in May 1945.¹⁹ Aung San was the most notable freedom fighter and became responsible for defense and external affairs in the Burmese government in January 1946. In January 1947, he went to London to meet with Prime Minister Clement Attlee and they signed an agreement guaranteeing Burma’s independence within a year. Six months later Aung San was assassinated, one year before Burma gained independence in January 1948.

¹³ Yoji Akashi, “Japanese Cultural Policy in Malaya and Singapore, 1942–45,” in Grant K. Goodman, ed., *Japanese Cultural Policies in Southeast Asia during World War 2* (New York: St. Martin’s Press, 1991), p. 117.

¹⁴ Michael A. Barnhart, *Japan and the World since 1868* (London: Edward Alder, 1995), p. 142.

¹⁵ *Ibid.*, p. 165.

¹⁶ U Htin Aung, *A History of Burma* (New York: Columbia University Press, 1967), p. 301.

¹⁷ Michael Yahuda, *The International Politics of the Asia-Pacific, 1945–1995* (London and New York: Routledge, 1996), p. 35.

¹⁸ Okamoto Ikuko, “Biruma dokuritsu giyūgun to Minami kikan” [The Burma Independence Army and the Minami Kikan], in Tamura Katsumi and Nemoto Kei, eds., *Biruma* (Tokyo: Kawada shobō, 1997), p. 265.

¹⁹ Kobayashi, “*Daitōa kyōeiken*” *no keisei to hakai*, p. 531.

The differences in Japan's stance towards the Southeast Asian countries had importance for the way in which Japan was seen by those who lived in these areas. In 1945, when the war was over, one of the leaders of the Burmese independence, the prime-minister-to-be Thakin Nu, sat down to write his recollection of the war years. He wrote, inter alia:

Everyone in Burma who had any interest in politics knew all about the Japanese. They knew that in Japan a handful of war-lords oppressed millions of the people; they knew that in China the Japanese were committing murder and robbery and rape; they knew that Tanaka and his followers were planning to conquer the whole world. Yet apart from a very few men like Didok U Ba Cho, Thakin So and Than Tun, they refused really to believe all these things. This can easily be explained. [...] The Japanese seemed to be the only eastern people that could hold its own against the West, and we came to look confidently to Japan for leadership. So people made excuses for the Japanese. "There was probably some reason for what they did; the various charges might not be true, and in any case it was only to Japan that we could look for freedom from western rule." So Burmans were very reluctant to believe anti-Japanese propaganda.²⁰

The image of Japan among the Burmese was, at best, mixed. During the early part of his interactions with Japan, Aung San delivered a number of speeches which indicated that Japanese ideas had a significant influence on him at the time.²¹ Thakin Nu, later known as U Nu, went on to be a long-time ruler of Burma while Ba Maw, who had been the first prime minister of Burma "independent under Japan," was disposed of after the war and spent many years in jail. He became a bitter critic of Japan and wrote in his memoirs that the Japanese militarists "surpassed all others the Burmese had ever known. The brutality, arrogance, and racial pretensions of these men remained among

²⁰ Thakin Nu, *Burma under the Japanese* (London: Macmillan, 1954), pp. 1–2.

²¹ Gustaaf Houtman, *Mental Culture in Burmese Crisis Politics: Aung San Suu Kyi and the National League for Democracy*. Study of Languages and Cultures of Asia and Africa Monograph Series, No. 33 (Tokyo: Institute for the Study of Languages and Cultures of Asia and Africa, Tokyo University of Foreign Studies, 1999), p. 250.

the deepest Burmese memories of the war years; for a great many people in Southeast Asia these are all they remember of the war.”²²

The views of the Burmese government regarding the struggle for independence were reflected in school textbooks after independence and centered on the Minami Kikan and the birth and activities of the BIA. Although the historical significance of the all-out revolt against the Japanese Army in 1945 by the successor of the BIA, the Burma National Army (BNA), is strongly stressed, the Minami Kikan, which gave birth to and guided the BIA, is described as a group of Japanese who understood the Burmese nationalists’ aspiration towards independence. This positive description of the Minami Kikan was a result of the friendly relationship between the organization’s members and the Burmese Thirty Comrades, the group of young nationalists that had received training in Japan.

Reparations

For the Japanese government in the early postwar period, it was a top priority to reach an agreement over the issue of war reparations with Southeast Asian countries. The urgency felt was understandable since Japan’s negotiations with the U.S. government had resulted in that China had to be discarded as a lifeline for Japan on orders from the U.S. government which had to be accepted by Yoshida Shigeru, Japan’s most important politician in modern times and prime minister in 1946–47 and 1948–54. The Americans advised the Japanese government to replace China with Southeast Asia as the primary import and export market for resource-poor Japan.²³ The reparations policy pursued by the Japanese government was an adjustment to U.S. policies found in the 1951 San Francisco Peace Treaty.²⁴ Under Article 14 in the treaty, Japan as-

²² Ba Maw, *Breakthrough in Burma: Memoirs of a revolution, 1939–1946* (New Haven: Yale University Press, 1968), p. 180.

²³ Hara Akira, “Tōnan Ajia e no baishō” [Reparations to Southeast Asia], in Arizawa Hiromi, ed., *Shōwa keizaishi* [An economic history of the Shōwa period] (Tokyo: Nihon keizai shimbunsha, 1976), p. 359.

²⁴ Yamamoto Tsuyoshi, “Tōnan Ajia e no baishō” [Reparations to Southeast Asia], in Yasuhara Kazuo and Yamamoto Tsuyoshi, eds., *Sengo Nihon gaikōshi, 4: Senshinkoku e no dōtai* [A history of Japan’s postwar diplomacy, 4: Becoming an advanced country] (Tokyo: Sanseidō, 1984), p. 151.

sumed the burden of paying reparations.²⁵ Both Japan and the United States had an interest in solving the reparations problem. As long as it was not solved, the Japanese economy would remain in dire straits and the U.S. could foresee ever-continuing Japanese demands of it for foodstuffs and other resources vital for Japan's economic development. Without agreements over reparations, neither trade nor general relations with Southeast Asia would take off. This was a necessity if Japan was going to be turned into the anti-communist bulwark and industrial powerhouse that the U.S. government planned. The purpose of reparations was also to improve relations with countries that had suffered from the rampages by the Japanese military during the war. This was not easy for Japan because of the acts of brutality committed by the Japanese army against Asians in the conquered countries, which had left a lasting legacy of hatred towards the former oppressors that was not easily overcome.

The primary hurdle for Japan resuming an Asia-oriented diplomacy was to solve the reparations problem.²⁶ It was also the first step for Japan to regain what it saw as an "honorable" status in the world and respectability in the eyes of other countries, especially those that had been exposed to Japanese aggression. Burma was the first country with which Japan concluded an agreement on reparations. The start was not smooth, however. While Burma was invited to the 1951 San Francisco peace conference, the Burmese government refused to participate because of dissatisfaction with how the reparations issue was handled.²⁷ In the prevailing international climate many of the countries that were party to the San Francisco Peace Treaty had waived their right to demand reparations, but Burma insisted on its right to receive reparations, and argued that "any Japanese peace treaty lacking stipulations for payment of reparations to Burma will not be recognized by Burma."²⁸ This action from

²⁵ Hosoya Chihiro, *Nihon gaikō no kiseki* [The track record of Japan's foreign policy] (Tokyo: Nihon hōsō shuppan kyōkai, 1993), p. 163.

²⁶ Hosoya, *Nihon gaikō no kiseki*, p. 163.

²⁷ Watanabe Akio, *Ajia-Taiheiyō no kokusai kankei to Nihon* [The international relations of Asia Pacific and Japan] (Tokyo: Tōkyō daigaku shuppankai, 1992), p. 82.

²⁸ Okano Kanki, *Nihon baishōron* [On Japanese reparations] (Tokyo: Tōyō keizai shimpōsha, 1958), p. 222.

the Burmese government refutes the widely held notion that there is a Japanese–Burmese friendship based on the war period; and even if there was, it was not embraced by the Burmese government at the time.

Burma's right to reparations was not in question. When it came to reparations, Japan followed the lead of the United States which had reached the conclusion that Burma had a right to reparations. Before the U.S. reversal of its Japan policy in 1948, Washington had targeted Burma as one of the countries to receive a proportion of the plants and machinery, etc., that were to be dismantled in Japan and sent to countries ravaged by the Japanese military during the war.²⁹

Once it was accepted that Japan had to pay reparations, the most important point was to implement such an agreement in a manner that would be beneficial to Japan, according to Prime Minister Yoshida Shigeru of Japan. For him, it was important to bring down the scale of reparations to manageable proportions instead of the "enormous amount" cited by governments requesting reparations.³⁰ He claimed that he discerned advantages for Japan in reparations since they provided an opportunity for technical cooperation and the promotion of goodwill, and argued that reparations could be seen as "a sort of investment."³¹ As such, they were effective and certain to reap profits.³² In essence, Yoshida accepted the argument used by U.S. Secretary of State John Foster Dulles, when he told Japan that it would have to pay reparations, but

²⁹ See Jerome B. Cohen, *Japan's Economy in War and Reconstruction* (Minneapolis: University of Minnesota Press, 1949), p. 421.

³⁰ J. W. Dower, *Empire and Aftermath: Yoshida Shigeru and the Japanese Experience, 1878–1954* (Cambridge, Mass. and London: Council on East Asian Studies, Harvard University, 1979), p. 457.

³¹ Yoshida to Secretary of State John Foster Dulles, November 1954; quoted in Hatano Sumio and Satō Susumu, *Gendai Nihon no Tōnan Ajia seisaku, 1950–2005* [The South-east Asian policy of Modern Japan, 1950–2005] (Tokyo: Waseda daigaku shuppanbu, 2007), p. 20.

³² Kitaoka Shin'ichi, "Baishōmondai no seijirikigaku (1945–59)" [A study of the political dynamics of the reparations problem (1945–59)], in Kitaoka Shin'ichi and Mikiyama Takashi, eds., *Sensō-fukkō-hatten: Shōwa seijishi ni okeru kenryoku to kōsō* [War, recovery, development: Power and structure in the political history of the Shōwa period] (Tokyo: Tōkyō daigaku shuppankai, 2000), p. 191.

that was not as bad as it seemed since it would reopen trade with the recipient countries.³³

To settle the reparations issue was important as was demonstrated when Japan's Foreign Minister Okazaki Katsuo set off in 1953 to the Philippines, Indonesia, and Burma. It was a goodwill tour but the aim was also to discuss the reparations issue.³⁴ Discussions stalled, however, and it took one more year after Okazaki's visit until Japan could engage in earnest in negotiations over reparations with Burma as the first country. The reason was that the U Nu government was seen as stable and could pursue negotiations with the Japanese without causing domestic uproar.³⁵ Therefore, while Japan was experiencing considerable difficulties in its negotiations with other Southeast Asian countries, negotiations with Burma proceeded relatively smoothly.³⁶ A Burmese delegation headed by Minister for Industry and Foreign Affairs U Kyaw Nyein arrived in Japan and, after one month of negotiations, an agreement between Japan and Burma was signed at the beginning of November 1954; the following year Burma became the first country in Asia to receive war compensation from Japan.³⁷

With the separate peace treaty between Japan and Burma signed in November 1954 together with the reparations agreement, what was seen as the greatest problem for Japan–Burma relations was solved.³⁸ The agreement

³³ Robert Dingman, "Tainichi kōwa to shokoku no tachiba: Nyūjirando to Firipin no ba'ai" [The peace treaty with Japan and the position of small countries: The cases of New Zealand and the Philippines], in Watanabe Akio and Miyasato Seigen, eds., *Sanfuranshisuko kōwa* [The San Francisco Peace Treaty] (Tokyo: Tōkyō daigaku shuppankai, 1986), p. 277.

³⁴ In fact, this was the first trip abroad for a Japanese foreign minister in the postwar period. See Kita-oka, "Baishōmondai no seijirikigaku (1945–59)," p. 187. The scarcity of foreign ministers travelling abroad was a continuation of the prewar pattern; before the war, such trips had only taken place twice when Foreign Minister Matsuoka Yōsuke visited the Soviet Union and Germany.

³⁵ Yamamoto, "Tōnan Ajia e no baishō," p. 133.

³⁶ Hosoya, *Nihon gaikō no kiseki*, p. 164.

³⁷ Gaimushō hyakunen hensan iinkai, ed., *Gaimushō ni hyakunen* [Ministry of Foreign Affairs, 100 years], new ed. (Tokyo: Hara shobō, 1979), pp. 821f.

³⁸ Taguchi Yōichirō, ed., *Biruma to Nihon* [Burma and Japan] (Tokyo: Nihon keizai shimbunsha, 1958), p. 7.

stated that the amount of reparations was US\$200 million to be paid out over the course of ten years, starting on April 16, 1955, making the annual amount to be paid out US\$20 million. The agreement also stipulated that Burma would receive goods and services in the form of Japanese aid amounting to US\$5 million annually that was to be used in joint Burmese–Japanese projects.³⁹ As a result, economic relations between the two countries came to comprise trade, reparations, and economic cooperation, the latter of which included investments and technical assistance.⁴⁰

Behind the willingness of the Burmese government to reach an agreement with Japan was the fact that reparations mattered a great deal to it, since Burma's state finances were in a desperate state.⁴¹ Like other Asian countries, Burma was poor compared even to countries in Latin America and Africa, and like other governments, the Burmese were interested in securing economic support for development.⁴² In 1952, the leading Japanese economist Ōkita Saburō visited the country to study the economic situation. He concluded that the country faced a difficult situation since the only resources it could muster in order to secure the capital badly needed for economic development were rice and timber exports.⁴³ In the situation where the economic plan of Premier U Nu's administration to develop a welfare state (the Pyidawtha Program) was encountering serious financial difficulties, the Burmese government agreed to conclude an agreement that allocated a far smaller sum than the

³⁹ Gaimushō baishōbu kansha, Baishō mondai kenkyūkai, ed., *Nihon no baishō 1963* [Japanese reparations 1963] (Tokyo: Sekai jānarusha, 1964), p. 13.

⁴⁰ Taguchi, ed., *Biruma to Nihon*, p. 7.

⁴¹ Made clear by the fact that reparations in 1956–57 amounted to 38 per cent of all state revenues. See Robert H. Taylor, *The State in Burma* (Honolulu: University of Hawaii Press, 1987), p. 255.

⁴² Watanabe Akio, "Sengo Nihon no shuppatsuten," in Watanabe Akio, ed., *Sengo Nihon no taigai seisaku* [Postwar Japanese external policy] (Tokyo: Yūhikaku, 1985), pp. 22f. In retrospect, this was one aspect that united Southeast Asian countries according to Kishi Nobusuke, who toured the region as prime minister. See Kishi Nobusuke, Yatsugi Kazuo, Itō Takashi, *Kishi Nobusuke no kaisō* [The memoirs of Kishi Nobusuke] (Tokyo: Bungei shunjū, 1981), p. 173.

⁴³ Ōkita Saburō, *Ajia keizai to Nihon* [Asian economies and Japan] (Tokyo: Iwanami shoten, 1952), pp. 62f.

US\$10 billion that the country had initially requested.⁴⁴ A problem for both parties to the negotiations over reparations was that the capital resources of Japan were meager and its ability to pay reparations was limited.⁴⁵ Only shortly before, it had ceased to be a country that received aid itself. Japan's own economic development would be hampered if too excessive a burden was placed on it in the payment of reparations, and this was not in the interest of the United States after the reversal of its Japan policy in 1948, which identified Japan as a future bulwark against international communism.

The outcome of the negotiations with the Burmese government was a success for Japan in that Yoshida Shigeru's strategy was fully implemented. The end result was very different from what the claimants had demanded – Burma had to settle for US\$200 million but had requested much more, the Philippines wanted US\$8 billion but received US\$550 million, and Indonesia pushed for a hefty US\$17.2 billion but got only US\$223 million.⁴⁶ One reason for this outcome was that while Japan was a rich country compared to other countries in Asia, it lacked the necessary funds. Knowledge of this fact was made abundantly clear to countries that would negotiate with Japan over reparations. Furthermore, if Japanese economic resources were depleted, the U.S. government would have to step in and supplement them since its postwar plans for Asia were preconditioned on Japan being turned into an industrial workshop for Asia – and this required considerable capital.

The outcome was also a success for Yoshida's acute understanding of the weight of rhetoric. Post festum he disclosed that "since the Burmese did not like the word investments, we used the word reparations as they wished, but for us it was investments. Through our investments Burma would develop and it would become a Japanese market, and so our investment would return."⁴⁷ The fact that reparations did not consist of cash but goods and services

⁴⁴ Chitoshi Yanaga, *Big Business in Japanese Politics* (New Haven, Conn.: Yale University Press, 1968), ch.8

⁴⁵ Sakatan Kōichi, "Aja keizai gaikō no hōto" [The means of Japan's Asian economic diplomacy], in *Nihon gaikō no bunseki* [The analysis of Japanese diplomacy], *Kokusai seiji* (Summer 1957), pp. 169f.

⁴⁶ Kitaoka, "Baishōmondai no seijirikigaku (1945–59)," p. 207.

⁴⁷ Yoshida Shigeru, "Jūnen no ayumi" [Ten years of advancement], *Mainichi shimbun*, August 11, 1955; quoted in Yamamoto, "Tōnan Aja e no baishō," p. 152.

from Japanese companies paid by the Japanese government meant increased exports, construction work, and other business opportunities for Japanese businessmen, which they were quick to take advantage of.⁴⁸

One aspect of Japanese reparations to Burma was that economic assistance often benefited Japanese businesses. A prime example of this was the construction of the Baluchaung Dam project. The project was conceived by the head of Nippon Koei Corp., Kubota Yutaka, who persuaded Prime Minister Yoshida to include it in the enterprises to be funded by reparations. It was never requested by the Burmese government and resulted in massive exports for Japanese industry.⁴⁹

Another case where corrupt business flourished was the rice trade. Before the Second World War Japan's rice production had failed to cover domestic consumption and the country was heavily dependent on imports. During the immediate prewar years the share of rice imported was close to 20 per cent, mainly from Taiwan and Korea. When Japan "lost" Korea and China, the country experienced a food shortage so severe that a historian described the situation as a "food crisis."⁵⁰ Already before the peace treaty with Burma was signed, Japan bought rice from Burma.⁵¹ Strong linkages between Japanese members of the Minami Kikan and the Burmese political elite made it possible for Japanese traders to make purchases at prices lower than the world market price.⁵² These trade deals made it possible for those involved to pocket large profits and, in one case, a scandal broke out when a Japan Socialist Party official had been able to acquire part of the profit and used it for his party's ex-

⁴⁸ Inada Jūichi, "ODA seisaku ni miru sengo Nihon gaikō no 'kiseki': 'Aija' to 'naisei fukainyū'" [The "miracle" of Japan's postwar foreign policy as seen in ODA policy: "Asia" and "non-interference in domestic politics"], in Hasegawa Kazuo, ed., *Nihon gaikō to aidentiti* [Japanese foreign policy and identity] (Tokyo: Nansōsha, 2004), p. 76.

⁴⁹ Yanaga, *Big Business in Japanese Politics*, p. 228.

⁵⁰ Masamura Kimihiro, *Sengoshi, jo* [Postwar history, part one] (Tokyo: Chikuma shobō, 1985), pp. 119ff.

⁵¹ Taguchi, ed., *Biruma to Nihon*, p. 18.

⁵² Kei Nemoto, "Between Democracy and Economic Development: Japan's Policy towards Burma/ Myanmar Then and Now," in N. Ganesan and Kyaw Yin Hlaing, eds., *Myanmar: State, Society and Ethnicity* (Singapore: Institute of Southeast Asian Studies, 2007), pp. 99f.

penses in an election campaign.⁵³ Notwithstanding this, the bulk of Burmese rice and other imported varieties did not suit the tastes of the Japanese and they refused to accept the rations, instead buying rice and bread on the black market.⁵⁴

Importance of the 1954 Japan–Burma Agreement

Securing the agreement with Burma meant that a window of opportunity opened for Japan's diplomacy towards Southeast Asian countries that had been at a standstill since the war, and gave a push to reparations discussions with the Philippines and Indonesia.⁵⁵ In view of the scale of damage caused to other countries and peoples by the policy of aggression during the prewar and war years, Japan must be said to have come out lucky from the negotiations in terms of the amount of reparations to be paid, and in this respect, the outcome of the negotiations with Burma set the precedent for subsequent agreements. Moreover, while the sum of reparations paid out was relatively small, the benefits accrued to Japan were significant.⁵⁶ Therefore, while the immediate effect of reparations posed a burden to Japan's national economy, ultimately the effect was more significant in that they were to contribute to a steeply increasing Japanese trade with other Asian countries.⁵⁷ As Prime Minister Kishi Nobusuke noted in a policy speech in 1959, concluding the reparations agreement enabled Japan to increase its interactions with other countries in order to promote trade and cultivate overseas markets.⁵⁸

⁵³ Hara Yoshihisa, *Sengo Nihon to kokusai seiji: Ampō kaitei no seiji rikigaku* [Postwar politics and international politics: The political dynamics of the revision of the security treaty] (Tokyo: Chūō kōronsha, 1988), p. 616.

⁵⁴ R. P. Dore, *Land Reform in Japan* (London: The Athlone Press, 1959 [new ed. 1984]), p. 242.

⁵⁵ Gaimushō hyakunen hensan iinkai, ed., *Gaimushō ni hyakunen*, p. 822.

⁵⁶ William L. Brooks and Robert M. Orr, Jr., "Japan's Foreign Economic Assistance," *Asian Survey*, Vol. 25, No. 3 (March 1985), p. 324.

⁵⁷ G. C. Allen, *Japan's economic recovery* (Oxford: Oxford University Press, 1958), p. 27.

⁵⁸ Kishi Nobusuke, policy speech in the Diet, January 27, 1959, reprinted in Naikaku seido hyakunenshi hensan iinkai, ed., *Rekidai naikaku sōridaijin enzetsushū* [Collection of prime ministerial policy speeches] (Tokyo: Ōkurashō insatsukyoku, 1985), p. 602.

In 1963, the Japanese foreign ministry estimated that Japanese reparations to Burma, the Philippines, Indonesia, and South Vietnam amounted to ca 3,800 yen per capita, or 20,000 yen per household.⁵⁹ The aggregate obligations for Japan constituted a mere 0.4 per cent of Japan's national income in the relevant years, and only about half of the amount of aid Japan had received from the United States from the end of the war to December 1951.⁶⁰ This favorable outcome was a result of efficient negotiations from the Japanese side as well as the fact that the onset of the Cold War made, as previously mentioned, the U.S. government undertake a wholesale shift of its Japan policy, switching from a policy of dismantling Japanese industry to a policy of building up Japan as a bulwark in the battle with communism, a stance reflected in the 1951 San Francisco Peace Treaty.

The agreement that the Japanese government reached with Burma's U Nu regime was important for a number of reasons. First, Burma was the first country to conclude a reparations agreement with Japan, which influenced other Southeast Asian countries.⁶¹ Second, the size of reparations agreed upon was far less than requested by Burma initially, and gave an indication of the extent to which the other countries had to adjust.⁶² Third, not providing reparations in cash or direct payments but in goods and services increased Japan's exports to the recipient countries, giving a boost to establishing Japanese plants in these countries.⁶³ Fourth, it gave an impetus to Japan's economic re-

⁵⁹ Gaimushō baishōbu kansha, Baishō mondai kenkyūkai, ed., *Nihon no baishō 1963*, p. 26.

⁶⁰ Shigeto Tsuru, *Japan's Capitalism: Creative Defeat and Beyond* (Cambridge: Cambridge University Press, 1993), p. 39. Eventually, Japan's reparations totaled US\$15 billion paid to 11 countries. See Yamakage Susumu, "Ajia Taiheiyō to Nihon" [The Asia Pacific and Japan], in Watanabe, ed., *Sengo Nihon no taigai seisaku*, pp. 136–42.

⁶¹ Kudō Toshihiro, "Taibiruma enjo no kōzai" [Merits and demerits of aid to Burma], in Tamura and Nemoto, eds., *Biruma*, p. 274.

⁶² Nagano Nobutoshi, *Yoshida seiken – 2616 nichi, ge* [The 2616 days of the Yoshida government, latter part] (Tokyo: Gyōken, 2004), p. 446.

⁶³ A Japanese diplomat involved in negotiations summarized the effects of reparations simply as that "they served to expand Japanese trade." See Gaimushō sengo gaikōshi kenkyūkai, ed., *Nihon gaikō 30 nen: Sengo no kiseki to tembō* [30 years of Japanese diplomacy: Postwar track record and prospects] (Tokyo: Sekai no ugokisha, 1982), p. 46.

entry into Asia and set the direction of Japanese economic dealings with other Asian countries. In the 1950s and 1960s aid was seen in Japan quite simply as an instrument for re-establishing trade and investment links with Asian countries. Aid was concentrated to Asia, and the objective was economic. Japan's economic reconstruction required raw materials and markets. Until the 1970s, when the first oil shock saw the Japanese government increasingly use Official Development Assistance (ODA) as a foreign policy tool, Japanese ODA was primarily aimed at assisting Japanese industry rather than developing recipient countries, with Japanese commercial interests reigning supreme.⁶⁴ Japanese ODA officials even described ODA as "seed" money for investments in developing countries.⁶⁵ Reparations were used to overcome Japan's international exclusion after the end of the Second World War and made it possible for the country to regain its international status. Fifth, it became the launch of Japan's government-based financial cooperation with other countries.⁶⁶ Sixth, the key role played by private companies as the prime mover in negotiations over reparations solidified the role of business in Japan's economic dealings with other countries.⁶⁷

Forging Post-1954 Relations

The agreement reached with Burma heralded the beginning of Japan's economic expansion in Asia. Relations between Japan and Burma continued and trade expanded with the reparations agreement. The basis for the trade between Japan and Burma rested on Japan importing Burmese rice whilst exporting industrial products to Burma.⁶⁸ But politically, matters were very different. The Japanese government pursued a low-key course as a result of Japan's defeat in the Second World War and its subsequent subordination under

⁶⁴ Dennis Yasutomo, *The New Multilateralism in Japan's Foreign Policy* (New York: St. Martin's Press, 1995), p. 6.

⁶⁵ Robert M. Orr, Jr., *The Emergence of Japan's Foreign Aid Power* (New York: Columbia University Press, 1990), p. 59.

⁶⁶ Ministry of Foreign Affairs [MOFA], "Japan's Official Development Assistance: Accomplishment and progress of 50 Years," <http://www.mofa.go.jp/policy/oda/cooperation/anniv50/pamphlet/progress1.html>

⁶⁷ Yanaga, *Big Business in Japanese Politics*, pp. 202.

⁶⁸ Taguchi, ed., *Biruma to Nihon*, p. 41.

the United States in international politics. The signing of the reparations agreement with Burma preceded by a few months the important 1955 Bandung Conference. Japan took part in the conference but this international meeting demonstrated that Japan was cautiously feeling its way in international affairs and was not prepared to pursue any proactive policy.⁶⁹

The key role that the Japanese government assigned to Burma among Southeast Asian countries was symbolized by the fact that Prime Minister Kishi Nobusuke started off in Rangoon when he made two extended trips paying official visits to South and Southeast Asian countries in 1957.⁷⁰ In his memoirs, Kishi claims that the aim of his visits was to express remorse for the *meiwaku* (nuisance) that Japan had caused during the war, but also to study the conditions in these countries as well as to enable him to establish personal contacts with their leaders.⁷¹ But it was also a move designed to impress that the Japanese government saw itself as “representing Asia” on the international stage,⁷² a precursor of the campaign energetically pursued ever since the country regained its political independence and a key element of its modern foreign policy. According to Kishi, his bifurcated whirlwind tour of “Positive Asian Diplomacy” was also a move to counter the impression that Japan was a loner in Asia.⁷³ A key aspect of his planning was that the first half of his visits, to Burma, Formosa, Thailand, India, Pakistan, and Ceylon, was made before his official visit to the United States in June, in order to weaken the impression that Japan’s foreign policy was tilting one-sidedly to the United States.⁷⁴ Ki-

⁶⁹ Miyashiro Taizō, *Bandon kaigi to Nihon no Ajia fukki: Amerika to Ajia no hasama de* [The Bandung Conference and Japan’s return: Sandwiched between the United States and Asia] (Tokyo: Sōshisha, 2001).

⁷⁰ Ōhinata Ichirō, *Kishi seiken – 1241 nichi* [The 1241 days of the Kishi government] (Tokyo: Gyōsei mondai kenkyūsho, 1985), pp. 71ff.

⁷¹ Kishi Nobusuke, *Kishi Nobusuke kaikoroku: Hoshu gōdō to ampō kaitei* [Kishi Nobusuke’s reminiscences: Conservative merger and security treaty revision] (Tokyo: Kōsaidō shuppan, 1983), p. 312.

⁷² Kishi, Yatsugi, Itō, *Kishi Nobusuke no kaisō*, p. 167.

⁷³ *Ibid.*, p. 167.

⁷⁴ Abe Hitoshi, “Kishi Nobusuke naikaku (Dai 56 dai – dai 57 dai)” [The Kishi Nobusuke governments (Japan’s 56th and 57th)], in Rei Shiratori, ed., *Gekidō no Nihon seiji-shi: Meiji Taishō Shōwa rekidai kokkai giin shiroku (Josatsu)* [Japan’s dramatic political

shi's travels might seem trivial in hindsight but they were nonetheless historic, since up until then trips and engagements abroad by a Japanese prime minister had been rare.⁷⁵

Maturing Relations

In 1962, General Ne Win and the Burmese armed forces, the *Tatmadaw*, staged a coup and followed up by introducing state socialism under the policy of the "Burmese Way to Socialism," which encompassed militarism, nationalism, Buddhism, and all-round nationalization. Adopting this policy isolated the country from the world even more than before, with Japan becoming almost the sole foreign partner of Burma under Ne Win. Developments in the country's relations with the outside world in coming years further exacerbated its isolationist trajectory. Ne Win was suspicious of foreigners, a sentiment shared by many Burmese due to the colonial experience and which made them hesitant to receive aid. Furthermore, as the leader of a non-aligned state, Ne Win was reluctant to accept aid from either of the superpowers.⁷⁶ In 1964, for instance, Burma suspected that the CIA was meddling in Burma's internal affairs, and so it refused U.S. aid.⁷⁷ Furthermore, a political dispute with China

history: Historical documents of Diet members during Meiji Taishō Shōwa (First vol.)] (Tokyo: Asaka shobō, 1979), p. 164.

⁷⁵ Kishi's visit to Burma is claimed by some analysts to have been the beginning of Japan's postwar visit diplomacy, *hōmon gaikō*, see, e.g., Umemoto Sutezō, *Sengo Nihon seitōshi* [A history of Japan's postwar political parties] (Tokyo: Jiyū Ajiasha, 1979), p. 241; and Ōhinata, *Kishi seiken*, p. 71. However, the pioneer must be said to have been Yoshida Shigeru, who went on extended trips abroad at the end of his second and last period as prime minister.

⁷⁶ Donald M. Seekins, "Japan's Aid Relations with Military Regimes in Burma, 1962–1991: The *Kokunaika* Process," *Asian Survey*, Vol. 32, No. 3 (1992), p. 254.

⁷⁷ Kudō Toshihiro, "Nihon no taibiruma enjō seisaku no hensen to mondaiten" [The changes and problems of Japan's aid policy towards Burma], *Tsūshin* [Tōkyō gaikokugo daigaku Ajia-Afurika gengo bunka kenkyūsho], No. 79 (1993), p. 12. This was a repetition of what had happened in 1953, when the Burmese government curtailed U.S. assistance out of concern that the country's neutrality was compromised. See Gary R. Hess, "The American Search for Stability in Southeast Asia: The SEATO Structure of Containment," in Warren I. Cohen and Akira Iriye, eds., *The Great Powers in East Asia, 1953–1960* (New York: Columbia University Press, 1990), p. 288.

in 1967 over the Cultural Revolution caused the suspension of Chinese assistance, which was not insignificant, and the Sino–Soviet split resulted in the truncating of the Russian effort to gain a foothold in Burma.⁷⁸

Ne Win had been one of the Thirty Comrades and it seems he “thought of Japan as the least of many foreign evils and less ominous than Burma’s large neighbors, China and India, whose nationals had a commanding role in Burma’s colonial economy.”⁷⁹ That Japan was viewed as an exception was demonstrated the year after the 1962 coup, when Kishi’s successor Ikeda Hayato (prime minister 1960–64) visited Burma as part of a tour of Southeast Asian countries. His visit confirmed Japan’s close relations with Burma. With his extended trip to Southeast Asia Ikeda followed in his predecessor’s footsteps since the purpose was to improve the amicable relations with countries in the region and solve the problems remaining from the war period; one of which was the Burmese government’s claim that as Burma had been the first country to sign an agreement on reparations with Japan, it had come out unfavorably compared to the Philippines and Indonesia who signed later.⁸⁰

Ikeda’s private secretary who accompanied the Japanese prime minister witnessed how warmly he was welcomed by U Nu, Burma’s Japanophile premier.⁸¹ In his discussions with the Burmese leaders, Ikeda accepted to re-

⁷⁸ Xiaolin Guo, *Towards Resolution: China in the Myanmar Issue*, Silk Road Paper (Washington, D.C. and Uppsala: Central Asia-Caucasus Institute Silk Road Studies Program 2007), pp. 37ff.

⁷⁹ Seekins, “Japan’s Aid Relations with Military Regimes in Burma, 1962–1991,” p. 254.

⁸⁰ Ōhira Masayoshi, *Shumpū shūu: Nagatachō to Kasumigaseki* [Spring breeze autumn rain: Nagatachō and Kasumigaseki] (Tokyo: Kajima kenkyūsho shuppankai, 1966), pp. 85ff. Burma’s view was not unreasonable, since the starting-point for Japan in discussions with its counterparts was that reparations would be allocated to the Philippines, Indonesia, and Burma according to a 4:2:1 ratio. See Okano, *Nihon baishōron*, p. 315. Another explanation to why Burma got less than Indonesia has been proposed by Etō Shinkichi, who pointed to that the Burmese behaved like gentlemen while Indonesia put up fierce resistance in the negotiations, see Etō Shinkichi, “Nihon no Ajia seisaku” [Japan’s Asia policy], in his *Mukoku no tami to seiji, shimpan* [The voiceless people and politics, new ed.] (Tokyo: Tōkyō daigaku shuppankai, 1973), p. 85.

⁸¹ Itō Masaya, *Ikeda Hayato sono sei to shi* [The life and death of Ikeda Hayato] (Tokyo: Shiseidō, 1966), p. 138.

vise Japanese aid upwards.⁸² Foreign Minister Kosaka Zentarō worried that other countries would follow suit – as they had done when Burma signed the reparations agreement in 1954 – but no such development was seen.⁸³

For the Japanese government, there were two important considerations behind its approval of additional funds. First, it offered an opportunity to lure Burma away from China; and second, as Prime Minister Ikeda argued, concessions could make Burma cut its links with the Communist camp and join “the Free World.”⁸⁴ In thus doing, Ikeda touched upon what has been a key thread in Japan’s Burma policy throughout the postwar period – the wariness of China and its expansion in Southeast Asia.

Support of the Burmese government was a key to why Foreign Minister Abe Shintarō paid a visit to Burma in 1983. Although Japanese premiers had visited Burma, their visits had not been in the recent past, and Abe decided to pay the visit as a matter of courtesy, since Burma was a strongly pro-Japanese country [*kiwamete tsuyoi shinnichikoku*] in Abe’s eyes and, furthermore, Japan was Burma’s largest trade partner.⁸⁵ During his visit, Burma’s President San Yu reciprocated Abe’s niceties by telling him that, in one sense, Japan had helped Burma to achieve independence, and stated openly that the Japanese Army had made it possible for young Burmese nationalists to acquire political skills.⁸⁶

The 1988 Coup

Five years after Abe’s visit, the Ne Win regime collapsed. The Burmese Way to Socialism practiced by the Ne Win regime had resulted in economic stagnation

⁸² Yoshimura Katsumi, *Ikeda seiken – 1575* [The 1575 days of the Ikeda government] (Tokyo: Gyōsei mondai kenkyūsho, 1985), p. 140.

⁸³ Kosaka Zentarō, *Are kara kore kara: Taikenteki sengo seijishi* [From there from now on: Experiences of postwar political history] (Tokyo: Bokuyōsha, 1981), p. 136.

⁸⁴ Hatano and Satō, *Gendai Nihon no Tōnan Ajia seisaku*, p. 85.

⁸⁵ Gaikō kenkyūkai, *Abe gaikō no kiseki: 21 seiki ni mukete no sōzōteki gaikō* [The results of the Abe diplomacy: Creative diplomacy facing the 21st century] (Tokyo: Kōzaidō, 1986), pp. 108f.

⁸⁶ Kei Nemoto, “The Japanese perspective on Burma,” *Burma Debate*, Vol. 2, No. 43 (August–September 1995), available at: <http://www.burmalibrary.org/reg.burma/archives/199511/msg00076.html>

and social unrest and produced an economy that “for all practical purposes was bankrupt.”⁸⁷ The central government had fought against ethnic minorities and the military campaigns consumed one third of its revenues every year.⁸⁸ Ne Win’s rule had resulted in economic decline that had advanced so far as to make Burma receive the dubious honor of being singled out by the UN as a Least Developed Country.⁸⁹ In this situation, the role Japan played as one of Burma’s few partners increased, and the Ne Win regime sought aid from Japan. Not only was aid from Japan forthcoming but it was increasing, from about US\$20 million in the 1960s to around US\$200 million in the 1970s.⁹⁰ Some analysts claim that amidst economic hardships that triggered popular demonstrations, the Ne Win regime would probably have fallen had it not been for Japan’s economic support.⁹¹ There is no doubt that Japanese aid was crucial for the regime. In 1987, Japan’s ODA constituted 20 per cent of Burma’s national budget and made up 71.5 per cent of total foreign aid received.⁹² Burma became Japan’s largest aid recipient during Ne Win’s period in power, 1962–1988, with Japan providing a total of US\$2.2 billion in assistance.⁹³

Given Japan’s pre-eminent position as the main provider of aid to Burma, it was an ominous sign when no new aid projects were approved by Japan in 1986. By late 1987, Burma found itself in dire straits for lack of foreign currency to pay its bills.⁹⁴ It got even worse for the Ne Win government in early 1988, when it was informed by the Japanese prime minister that Japan saw basic

⁸⁷ Myat Thein, *Economic Development of Myanmar* (Singapore: Institute of Southeast Asian Studies, 2004), p. 123.

⁸⁸ Guo, *Towards Resolution*, pp. 19f.

⁸⁹ Patrick Strefford, “Foreign Debt: Distorting Japan’s ODA Diplomacy towards Myanmar,” *Ritsumeikan kokusai kenkyū*, Vol. 19, No. 2 (October 2006), p. 162.

⁹⁰ Josef Silverstone, *Burma: Military Rule and the Politics of Stagnation* (London: Cornell University Press, 1977), p. 194.

⁹¹ See, e.g., Reinhard Drifte, *Japan’s Foreign Policy for the 21st Century: From Economic Super-power to What Power?* (Basingstoke and London: Macmillan, 1998), p. 131.

⁹² Mikio Oishi and Fumitaka Furuoka, “Can Japanese Aid Be an Effective Tool of Influence: Case Studies of Cambodia and Burma,” *Asian Survey*, Vol. 14, No. 6 (November/December 2003), p. 898.

⁹³ Shimototai Nobuo and Kitaoka Shin’ichi, *Shinseiki no sekai to Nihon* [The world of the new century and Japan] (Tokyo: Chūō kōronsha, 1999), p. 214.

⁹⁴ Suppakarn, *The Implications of Japanese Engagement Policy towards Myanmar*, p. 4.

economic reforms as necessary and that Japan would reconsider its economic relations with Burma unless significant economic policy reforms were made.⁹⁵ In Burma, the deteriorating economic conditions bred widespread discontent and massive anti-government demonstrations took place nationwide. The pressure on the government mounted. The military response was to brutally suppress the demonstrations and impose harsh repression.⁹⁶ On July 23, 1988, Prime Minister Ne Win resigned after 26 years in power and, following a tumultuous period, a military junta took over power on September 18, 1988. The *Tatmadaw* clamped down on the pro-democratic movement, established a military government – the State Law and Order Restoration Council (SLORC) – and abolished all organs of state power formed under the 1974 Constitution Council. The SLORC was comprised entirely of army officers, so in effect the putsch was simply a changing of the guards, with one military junta replacing another.

After the coup, the Japanese government assumed a stance of critical disengagement towards the junta. Tokyo joined other Western countries and suspended its ODA, especially yen loans, to Myanmar.⁹⁷ This response to the military takeover in Myanmar was in line with similar actions taken by the United States and other industrialized democracies. According to the Burma specialist Donald Seekins, U.S. State Department sources told him that Tokyo had halted its aid reluctantly and only after considerable pressure from Washington.⁹⁸ Instead of breaking relations, annoyed officials in Tokyo wanted to find ways to continue economic support for the Burmese junta.⁹⁹ When the SLORC announced that general elections would be held in 1990, the Japanese government conducted a U-turn in its Burma policy and, in February 1989, recognized the military regime as the legitimate government of Burma, and also de-

⁹⁵ Houtman, *Mental Culture in Burmese Crisis Politics*, p. 149.

⁹⁶ Bertil Lintner, *Outrage: Burma's Struggle for Democracy* (Hong Kong: Review Publishing, 1989); quoted in Josef Silberstein, "Burma's Uneven Struggle," *Journal of Democracy*, Vol. 7, No. 4 (1996), p. 88.

⁹⁷ Toshihiro Kudo, "Myanmar and Japan: How Close Friends became Estranged," Institute of Developing Economies, *IDE Discussion Paper*, No. 118 (August 2007), p. 5.

⁹⁸ Seekins, "The North Wind and the Sun," p. 5.

⁹⁹ Michael J. Green, *Japan's Reluctant Realism: Foreign Policy Challenges in an Era of Uncertain Power* (Basingstoke: Palgrave, 2001), p. 180.

cided to resume aid to the country. It was clarified, however, that Japan would be involved only in debt-relief grants and small-scale humanitarian aid and that no “new” aid projects would be approved.¹⁰⁰

Japan was the first Western country to recognize the SLORC. Since the change of Japan’s policy came a week before the funeral of the late Emperor Hirohito, it has been speculated that it was the awkwardness of not inviting a country that had long been seen as a staunch friend of Japan that was the deciding factor behind this decision. But it is not unlikely that the military junta also benefited from the existence of a Japan–Burma relationship fostered through close personal relationships between Burma’s rulers and influential Japanese. The powerful Japan–Burma Association, which represented the interests of Japanese companies that benefited from aid projects in Burma, had lobbied intensely for the resumption of diplomatic relations and complained that the aid cutoff was costing them money.¹⁰¹

The month after Japan’s resumption of relations, Burmese Minister of Planning and Finance Tun Tin visited Japan. During his visit, the Japanese government repeated its warning from 1988 that it would reconsider its relations with Burma unless fundamental economic reforms were instituted and, furthermore, in September, Tokyo announced that it would not provide aid to Burma unless the country made serious efforts at economic and political reform.¹⁰²

General elections took place in Myanmar in May 1990 and resulted in a serious setback for the military junta. The opposition National League for Democracy (NLD) headed by Aung San Suu Kyi secured a landslide victory.¹⁰³

¹⁰⁰ Shimototai and Kitaoka, *Shinseiki no sekai to Nihon*, p. 214.

¹⁰¹ Tetsuro Usui and Claire Debenham, “The Relationship Between Japan and Burma,” *Human Rights Solidarity*, Vol. 3, No. 1 (January 1993), available at: <http://www.hrsolidarity.net/mainfile.php/1993vol03no01/2041/>

¹⁰² Oishi and Furuoka, “Can Japanese Aid Be an Effective Tool of Influence,” p. 899.

¹⁰³ Nowadays, it is often reported that the NLD received over 80 per cent in the elections (see, e.g., Green, *Japan’s Reluctant Realism*, p. 180, stating that the NLD received 82 per cent of the votes). It is correct but must be qualified: the NLD got 59.87 per cent of the votes which secured almost 81 per cent of the seats. See Maung Aung Myoe, *A Historical Overview of Political Transition in Myanmar Since 1988*, Asia Research Institute, National University of Singapore, Working Paper Series No. 95 (August 2007), p. 13.

The outcome did not result in a new government, however. The ruling SLORC ignored the resounding electoral success of the NLD and refused to hand over power and instead reinforced its dictatorship.¹⁰⁴ For the Japanese government, this must have been a headache to say the least considering its sharply worded comments to the visiting Burmese minister in 1989.

The dilemma that the Japanese government had placed itself in was quietly solved by reneging on its demand for economic and political reform. In the 1991 annual report on Japan's foreign policy that was issued in December 1991, the Japanese government clarified its stance on developments in Myanmar:

Japan has been conveying to the Government of Myanmar at every opportunity the importance of indicating a specific schedule for transferring power based on the result of the general election. Meanwhile, the Government of Japan is gradually resuming the economic cooperation that had been disrupted following the political chaos in 1988 starting from feasible projects. As for the implementation of new projects, Japan takes the stance of continuing to wait and watch the situation except for emergency and humanitarian aid.¹⁰⁵

The Japanese government was not entirely forthcoming when it claimed that aid to Myanmar was "gradually resuming." The fact was that, albeit restricted, Japanese aid had already resumed. While the renewing of relations with Burma in February 1989 had disentangled Japan from the stances of other Western countries, the Japanese government tried to appease antagonistic reactions to its decision by announcing that it would not approve new aid projects apart from debt-relief grants and small-scale humanitarian aid. While Japanese aid to Burma was described as small scale, economic aid for infrastructure development was resumed, such as for gas and hydropower projects,

¹⁰⁴ Ian Holliday, "Japan and the Myanmar Stalemate: Regional Power and Resolution of a Regional Problem," *Japanese Journal of Political Science*, Vol. 6 (2005), p. 393.

¹⁰⁵ MOFA, *1991 Diplomatic Bluebook*, Chapter 4, Regional Situations and Relations with Japan; Section 4-10, Myanmar, <http://www.mofa.go.jp/policy/other/bluebook/1991/1991-4-1.htm>

dam construction, and airport renovation and expansion, under the claim that the projects had been initiated before the 1988 coup.¹⁰⁶

While Japanese ODA to Myanmar was suspended “in principle,” and new aid was limited to projects that were of an “emergency and humanitarian nature,” Japan continued to disburse some loan aid for agreements that had been signed prior to 1988. Japan was soon again accounting for the lion’s share of aid to Myanmar due to the fact that aid from other countries was limited.¹⁰⁷ According to official statistics, 975 million yen was disbursed to Myanmar as loans in 1998, 1.1 billion yen in 2000, and 600 million yen in 2001. Between 1995 and 2005, the Japanese government disbursed a total of 3.65 billion yen (about US\$33.2 million) in yen loans to Myanmar. Even though 3.65 billion yen may seem like a high figure considering that aid was supposed to be suspended in principle, this amount is dwarfed by the 68 billion yen (US\$600 million) in debt relief that Japan disbursed to Myanmar in the period 1991–2003. Debt relief accounted for 75 per cent of new Japanese ODA to Myanmar during this period.¹⁰⁸

In 1992, a shift of Japan’s ODA policy was announced with the adoption of Japan’s ODA Charter, which was a response to the way the Chinese authorities had clamped down on protesters in Tiananmen Square in 1989 – but also events in Myanmar formed part of the reason why the Charter was adopted. The Charter outlined the philosophy, principles, and priorities of Japan’s ODA policy and prescribed that decisions on ODA should be taken after taking into account the recipients’ record on military spending, democracy, moves towards market economy, and human rights. Four “principles” were laid down for providing Japanese ODA. Japan was going to take into consideration: (a) aim for environmental protection and sustainable development; (b) no use of aid for military purposes; (c) pay attention to cases of excessive military expenditure, production of weapons of mass destruction, and involvement in the arms trade; and (d) promotion of the market economy, democratization, and

¹⁰⁶ Donald M. Seekins, “The North Wind and the Sun: Japan’s Response to the Political Crisis in Burma, 1988–1998,” *The Journal of Burma Studies*, Vol. 4 (1999), p. 6.

¹⁰⁷ Oishi and Furuoka, “Can Japanese Aid Be an Effective Tool of Influence,” p. 899.

¹⁰⁸ Strefford, “Foreign Debt: Distorting Japan’s ODA Diplomacy towards Myanmar,” p. 163.

human rights. As subsequently expounded upon in the Japanese government's *ODA Annual Report for 1994*, the official credo became that: "Japan actively expands its ODA to recipient countries which show positive trends in light of these principles, it calls the attention of, or reviews the aid policy toward recipient countries that show negative trends, comprehensively taking into account their economic and social conditions, their relations with Japan, etc."¹⁰⁹ The "active expansion" vs. "review" described here amounted to negative vs. positive aid sanctions, and has been described as a "carrot and stick" policy.

¹⁰⁹ MOFA, "Japan's ODA Annual Report 1994," <http://www.mofa.go.jp/policy/oda/summary/1994/3.html>

The Birth of a Bifurcated Relationship

Japan's "Carrot and Stick Policy" in Action

Given the fact that one of the principles found in the ODA Charter is promotion of market economy, democratization, and human rights, it is obvious that Myanmar was a country that would come into focus, not least due to the fact that Myanmar's opposition leader Aung San Suu Kyi was under house arrest in blatant disregard of her position as the leader of the party that had won a resounding victory in the 1990 general elections. Despite this, Japan's ambassador to Myanmar, Kawamura Tomoya, informed the SLORC member Tin Tun in October 1992 that Japan was "satisfied" with improvements in the political situation despite the SLORC's refusal to release Aung San Suu Kyi.¹¹⁰

Over the years Japan's carrot and stick policy as codified in the ODA Charter has been applied to Myanmar. The Japanese government announced in late 1994 that it would approve US\$10–20 million in new humanitarian aid to Myanmar to reward the SLORC for what were described as concessions. Not only had leaders from within the regime met with the opposition leader Aung San Suu Kyi on two occasions in September and October 1993, but U.S. Congressman Bill Richardson was also allowed to meet with her in February 1994. Subsequently, Japan allocated Myanmar three debt relief grants totaling 12 billion yen during FY 1994, twice as much as in the previous fiscal year.¹¹¹

The fiscal year runs from April 1 to March 31 of the next year. Already in March 1995, the Japanese government announced a grant of one billion yen for increasing food production. The decision came shortly after Prime Minister Li Peng of China had paid a visit to Myanmar.¹¹² A statement by Foreign Minister Kōno Yōhei of Japan clarified that it was a "carrot" aiming at influencing the military junta: "Japan hopes that the military junta will take the aid as Tokyo's political message that Tokyo wants to see improvements in human rights in

¹¹⁰ Suppakarn, *The Implications of Japanese Engagement Policy towards Myanmar*, p. 5.

¹¹¹ Seekins, "The North Wind and the Sun," p. 22.

¹¹² Green, *Japan's Reluctant Realism*, p. 183.

Myanmar.”¹¹³ Two months later, an additional 4 billion yen in debt relief was given to Myanmar. Oishi and Furuoka claim that this was an open message to the junta to soften its domestic policy and release Aung San Suu Kyi, who had been under house arrest since July 1989, and Lintner speculated that the aim of the additional grant “presumably [was] the same or similar implied conditions with respect to human rights issues” as for the grant given earlier in March that same year.¹¹⁴ This assertion might well be true since her release came shortly afterwards, on July 10, 1995, after six years of house arrest, when the military junta used what Jürgen Haacke has characterized as its “foreign-policy trump card” of lifting restrictions on Aung San Suu Kyi.¹¹⁵ What is notable is that the Myanmar authorities informed the Japanese government of her release before the public announcement.¹¹⁶ The reaction from Tokyo was quick. According to press reports floated the day after the release of the opposition leader, Japan had clarified that it intended to renew lending to Myanmar.¹¹⁷ In October, Myanmar received grants worth 1.6 billion yen (US\$17 million) to rebuild a nursing school in Yangon (better known under its previous name Rangoon).¹¹⁸

Later, Japan’s foreign ministry commented on Japan’s actions taken in regard to Myanmar as having been a result of Aung San Suu Kyi’s release. The comment below reveals the central position accorded to her by the Japanese government:

¹¹³ Foreign Minister Yohei Kono cited in the *Japan Times*; quoted in Seekins, “The North Wind and the Sun,” p. 13.

¹¹⁴ Bertil Lintner, “Generals’ Gambit,” *Far Eastern Economic Review*, July 20, 1995; quoted in Seekins, “The North Wind and the Sun,” p. 13.

¹¹⁵ Jürgen Haacke, *Myanmar’s Foreign Policy: Domestic influences and international implications*, Adelphi Paper 381 (London: The International Institute for Strategic Studies, 2006), p. 73.

¹¹⁶ Isami Takeda, “Japan’s Myanmar Policy: Four Principles,” *Gaiko Forum*, Summer 2001, p. 57.

¹¹⁷ *BBC World Service*, July 11, 1995, and *New York Times*, July 11, 1995; quoted in Suppakarn, *The Implications of Japanese Engagement Policy towards Myanmar*, p. 6.

¹¹⁸ Oishi and Furuoka, “Can Japanese Aid Be an Effective Tool of Influence,” p. 900.

In recognition of such positive moves as the release of Aung San Suu Kyi from house arrest in July 1995, the Japanese Government reviewed its aid policy toward Myanmar and decided to consider and implement suspended ongoing projects and projects that would directly benefit the people of Myanmar by addressing their basic human needs (BHN), on a case-by-case basis meanwhile monitoring democratization and the improvement of human rights.¹¹⁹

Later in 1995, the military junta clamped down on the NLD, which resulted in most of the Japanese agencies involved in ODA postponing their participation in aid projects.¹²⁰ Shortly afterwards, two high-ranking Myanmar officials, SLORC deputy chairman General Maung Aye, and Economic Planning Minister David O. Abel, visited Tokyo and sounded out the possibilities of future ODA funding; but the Japanese government remained noncommittal.¹²¹ Nevertheless, in an interesting development, Japan's foreign ministry announced in March 1997 that loan funds to repair Yangon airport runway were to be released. This announcement laid bare the worries Japan had about a Chinese loan to Myanmar and the signing of an economic cooperation agreement between Myanmar and China.¹²² The "new" loan aid from Japan was said to be "humanitarian" with the argument that it would contribute to airport safety. In the annual report on ODA for 1997 issued by the Japanese government, it is clarified that the grant was a "carrot" since the loan was made conditional on steps made towards democratization and improvement of the human rights situation.¹²³ Also, Vice Foreign Minister Kōmura Masahiko clarified when the grant was announced that it was preconditioned on the initiation of dialogue between the junta and Aung San Suu Kyi.¹²⁴ The problem arose the next year

¹¹⁹ MOFA, "Japan's Position Regarding the Situation in Myanmar," March 1997, <http://www.mofa.go.jp/region/asia-paci/myanmar/myanmar.html>

¹²⁰ Suppakarn, *The Implications of Japanese Engagement Policy towards Myanmar*, p. 6.

¹²¹ Seekins, "The North Wind and the Sun," p. 23.

¹²² Green, *Japan's Reluctant Realism*, p. 183.

¹²³ MOFA, *Waga kuni no seifu kaihatsu enjō no jissai jōkyō (1997 nendo) ni kansuru nenji hōkoku*, 5. "(4) Sono hoka, a) Myanmā" [Annual report on the implementation of Japan's government aid (1997), 5.4 Others, a) Myanmar], <http://www.mofa.go.jp/mofaj/gaiko/oda/shiryō/hakusyo/nenji97/index.html>

¹²⁴ Suppakarn, *The Implications of Japanese Engagement Policy towards Myanmar*, p. 7.

for the Japanese government in that it was forced to admit that the Myanmar authorities had not yet demonstrated sufficient progress in adopting democratic principles and, yet in spite of this, the Japanese government had still gone ahead with a 2.5 billion yen (US\$20 million) bilateral loan for Yangon airport.¹²⁵ Consequently, the reference to the “carrot” that had been included in the 1997 annual report on ODA was quietly deleted in the annual report on ODA the next year.¹²⁶ This illustrated how the “carrot” had become nothing short of a futile attempt by the Japanese government to influence the Myanmar junta.

By approving the loan regardless of the lack of progress recorded on the part of the military junta represented a blow to Japan’s carrot and stick policy. This might be the reason why Prime Minister Obuchi Keizō deployed a more tasty bait the following year in his meeting at the sidelines of the 1999 ASEAN meeting in Manila with General Than Shwe, Chairman of the State Peace and Development Council (SPDC, which had replaced the SLORC in 1997), whom he told: “If your country tackles economic reforms seriously, we are ready to support your country’s economic reform with our experience.”¹²⁷ Obuchi’s attempt at luring the Myanmar leader was followed up when his foreign policy advisor, Hashimoto Ryūtarō, the former prime minister, conducted a “private” visit to Yangon in 1999. In talks with top leaders of the SPDC, Hashimoto suggested that the military junta should maintain order by employing the police and not the military, reopen universities, which had been closed for three years, move to a market economy, and maintain a working relationship with Aung San Suu Kyi.¹²⁸ Subsequent developments were summarized in a statement by the press secretary of the Japanese foreign ministry:

¹²⁵ Oishi and Furuoka, “Can Japanese Aid Be an Effective Tool of Influence,” p. 900.

¹²⁶ MOFA, *Waga kuni no seifu kaihatsu enjō no jisshi jōkyō (1998 nendo) ni kansuru nenji hōkoku*, 5. “(4) Sono hoka, a) Myanmā” [Annual report on the implementation of Japan’s government aid (1998), 5.4 Others, a) Myanmar] <http://www.mofa.go.jp/mofaj/gaiko/oda/shiryō/hakusyo/nenji98/index.html>

¹²⁷ Patrick Strefford, “Japanese ODA diplomacy towards Myanmar. A Test for the ODA Charter,” *Ritsumeikan Annual Review of International Studies*, Vol. 6 (2007), p. 74.

¹²⁸ Roger Mitton, “Sending Out Feelers: Behind the Fresh Initiatives to Woo Yangon,” *Asia Week*, Vol. 26, No. 1 (January 14, 2000); quoted in Suppakarn, *The Implications of Japanese Engagement Policy towards Myanmar*, p. 7.

The Government of Myanmar started to reopen universities in the country gradually from June 27 this year [2000]; these universities had been closed since December 1996. As of July 24, all universities in Myanmar are functional again. Concerned about the impact that the closure of the universities might have on the younger generations of Myanmar, Japan has been urging the Government of Myanmar on various occasions to reopen the universities soon. The present decision by the Government of Myanmar should be highly regarded as a positive measure, which is also a response to the voices from Japan and the international community.¹²⁹

In a way the reopening of universities was a face saver for the Japanese government, and became an excuse for resuming aid to Myanmar.

A problem for the Japanese government occurred shortly afterwards when the symbol of democracy in Myanmar, Aung San Suu Kyi, was detained again in September 2000, at the same time as part of the UN-sponsored dialogue between the government and the political opposition had resulted in the release of a number of political prisoners (they had been detained after they had accompanied Aung San Suu Kyi in an attempt to travel outside Yangon in defiance of travel restrictions). Foreign Minister Kōno Yōhei issued a statement welcoming their release, which he said was a positive step promoting confidence building in the dialogue between the Government of Myanmar and the NLD “including Daw Aung San Suu Kyi,” and explained that Japan was going to continue to extend its support to the further approaches of UN’s Special Envoy Razali Ismail.¹³⁰ In a curious move shortly afterwards, the Japanese foreign ministry, following on from Kōno’s statement, did not hesitate to express

¹²⁹ MOFA, “Statement by the Press Secretary/Director-General for Press and Public Relations, Ministry of Foreign Affairs, on the Complete Reopening of Universities in Myanmar,” July 24, 2000, <http://www.mofa.go.jp/announce/announce/2000/7/724.html>

¹³⁰ MOFA, “Statement by Mr. Yohei Kono, Minister for Foreign Affairs, on the Release of Members of the National League for Democracy (NLD) of Myanmar,” January 26, 2001, <http://www.mofa.go.jp/announce/announce/2001/1/0126.html>

acclaim for the release of NLD members but did not have anything to say about the detention of their leader.¹³¹

Acknowledging the release of NLD members paved the way for later moves by the Japanese government. In April 2001, Foreign Minister Kōno told Myanmar's Deputy Foreign Minister Khin Maung Win on a visit to Tokyo that Japan was considering an ODA grant to repair Baluchaung Hydroelectric Power Station. The reason was that Tokyo wanted to encourage the dialogue that had begun between the military government and Aung San Suu Kyi.¹³² When more detainees were released in June 2001, Chief Cabinet Secretary Fukuda Yasuo welcomed their release and said that Japan "highly appreciates the decisive step taken by the Myanmar government." He described the move as a result of efforts by the UN Secretary-General's Special Envoy Razali Ismail in combination with the constructive engagement policy towards Myanmar pursued by the international community, including Japan and ASEAN.¹³³

The Baluchaung Hydroelectric Power Station had been a symbol of Japanese assistance to Burma ever since Japan's aid to Burma was initiated in 1955. Japan's repeated references to the plant laid the ground for swift moves when Aung San Suu Kyi was released from her house arrest in early May 2002. Four days after her release, Japan announced that it would provide a 628 million yen (US\$5.2 million) emergency grant for the repair of the Baluchaung plant. It was a move that met with severe criticism from the U.S. government as well as from Aung San Suu Kyi herself.¹³⁴ In an attempt to justify the grant that was in stark opposition to Japan's official aid policy as codified in the ODA Charter, it was argued that the power plant provided electricity to 20 per cent of the na-

¹³¹ Press Conference January 30, 2001 Announcement on the Release of Members of the National League for Democracy (NLD) of Myanmar, <http://www.mofa.go.jp/announce/press/2001/1/130.html#3>.

¹³² Strefford, "Foreign Debt: Distorting Japan's ODA Diplomacy towards Myanmar," p. 163.

¹³³ MOFA, "Statement at the Press Conference by the Chief Cabinet Secretary Mr. Yasuo Fukuda," June 22, 2001, <http://www.mofa.go.jp/announce/announce/2001/6/0622.html>

¹³⁴ Oishi and Furuoka, "Can Japanese Aid Be an Effective Tool of Influence," p. 906.

tion, including many hospitals and, therefore, might be classified as a humanitarian project.¹³⁵

More important for the military junta was that Foreign Minister Kawaguchi Yoriko made a visit to Myanmar in August 2002, after the junta had lifted restrictions on Aung San Suu Kyi. It was the first visit by a Japanese foreign minister in nineteen years and the first by any incumbent G8 foreign minister to Myanmar since 1989. She met with both senior members of the military junta and the opposition leader. Once again, Kawaguchi clarified Japan's stance and presented a carrot: "If progress in 'policy dialogue in the humanitarian areas' between the government and Daw Aung San Suu Kyi brings to light BHN [Basic Human Needs] projects which the people of Myanmar really need, Japan is prepared to actively support such projects."¹³⁶ This carrot was said to be a manifestation of "effective use of aid in diplomacy" and was motivated by Japan's responsibility in the international community.

Considering that Kawaguchi's visit had great symbolic significance, the Japanese government must have seen it as a slap in its face when Aung San Suu Kyi was rearrested together with a large number of NLD followers in May the next year after the Depayin Massacre, a violent confrontation between followers of the NLD and pro-junta forces on May 30, 2003. The brutality of the incident and the subsequent detention of the opposition leader prompted the Japanese government to announce that it would suspend aid to Myanmar.¹³⁷ Japan also declared that no further assistance would be rendered until Aung San Suu Kyi and her comrades were released.¹³⁸ However, the freezing of aid was lifted already in October 2003 after 91 political prisoners had been released. This followed a statement three months earlier by Prime Minister Koizumi Jun'ichirō on Japan's aid to Myanmar that Japan's policy on Myanmar

¹³⁵ Thomas Crampton, "Japan Rewards Burma For Political Opening Aid Linked To Junta's Talks With opposition," *International Herald Tribune*, April 26, 2001; quoted in Suppakarn, *The Implications of Japanese Engagement Policy towards Myanmar*, p. 8.

¹³⁶ MOFA, "Minister for Foreign Affairs Yoriko Kawaguchi's Visit to Myanmar (Overview and Evaluation)," August 6, 2002, <http://www.mofa.go.jp/region/asia-paci/asean/fmv0207/myanmar.html>

¹³⁷ Nemoto, "Between Democracy and Economic Development," p. 105.

¹³⁸ Helen James, "Myanmar's international Relations Strategy: The Search for Security," *Contemporary Southeast Asia*, Vol. 26, No. 3 (2004), p. 545.

was necessarily different from the policy taken by the United States and the European Union.¹³⁹

Although in meeting her Myanmar counterpart Kawaguchi had broken the ice for such kinds of high-level meetings between Japan and Myanmar, they were not to be particularly frequent. Often, as present-day international affairs are routinely managed, meetings took place in a multilateral context or by using modern communication devices. The exchange of views at their encounters was fairly stereotypical. Japan's spokesperson expressed Tokyo's interest that measures would be taken to promote democratization, while the representative of the military junta claimed that steps had been initiated or were to be taken. With Aung San Suu Kyi under house arrest, Tokyo expressed strong hopes that she would be released swiftly as a measure to improve relations among political forces. Eventually, the Japanese foreign minister began to express Tokyo's strong support of the UN efforts and those of the Special Advisor to the U.N. Secretary-General on Myanmar. There was also an increasing emphasis from Tokyo on collaboration with the international community. Concurrently, Japanese aid grants to Myanmar were revealed more or less on an annual basis but were rather small-scale and had specific targets such as support to ex-poppy farmers and poor families in border areas, emergency relief, or to prevent the spread of polio.¹⁴⁰

¹³⁹ Suppakarn, *The Implications of Japanese Engagement Policy towards Myanmar*, p. 9.

¹⁴⁰ See MOFA, "Statement by the Press Secretary/Director-General for Press and Public Relations, Ministry of Foreign Affairs, on the Continuation of the Detention under House Arrest of Daw Aung San Suu Kyi in Myanmar," November 29, 2005, <http://www.mofa.go.jp/announce/announce/2005/11/1129-2.html>; MOFA, Major projects of Japan's Initiative for the Mekong Region Development (Dec. 2004-Present), December 134, 2005, <http://www.mofa.go.jp/region/asia-paci/clv/project0512.html>; MOFA, Statement by the Press Secretary/Director-General for Press and Public Relations, Ministry of Foreign Affairs, on the Continuation of the Detention under House Arrest of Daw Aung San Suu Kyi in Myanmar, May 29, 2006, <http://www.mofa.go.jp/announce/announce/2006/5/0529.html>; MOFA, Emergency Grant Aid to Myanmar (Assistance for Vaccination against Polio), July 21, 2006, <http://www.mofa.go.jp/announce/announce/2006/7/0721.html>; MOFA, Assistance for United Nations Trust Fund for Human Security project "Support to ex-poppy farmers and poor vulnerable families in border areas" Project in Myanmar, January 29, 2007, <http://www.mofa.go.jp/announce/announce/2007/1/0129.html>; MOFA, State-

Change and Continuity

In recent scholarship two main views of the Japan–Myanmar relationship emerge. On the one hand, the Japanese government is said to have pursued a line in its relations with Burma/Myanmar that has remained largely unchanged for many years. One proponent of this view is John Badgley, who wrote in 2004 that: “Japan’s interests and policies towards Myanmar have been more consistent than those of any major power. Since recognizing U Nu’s government in 1948, Japan has offered a steady stream of loans and grant aid, and more non-military assistance than any other country in the past half-century.”¹⁴¹ A contrasting view claims, on the other hand, that the birth of the military government in 1988 and the Japanese response to it resulted in an estrangement between the two countries and drastically changed the favorable relationship between Myanmar and Japan.¹⁴² Given the above survey of the history of Japan’s relations with Myanmar after the 1988 coup, the second view seems to fit facts better since the carrot and stick policy implemented by the Japanese government vis-à-vis Myanmar represented a clear break with Japan’s previous “hands-off” stance. In fact, in the case of Myanmar, the policy that was codified in Japan’s ODA Charter can even be said to have made its

ment by the Press Secretary/Director-General for Press and Public Relations, Ministry of Foreign Affairs, on the Continuation of the Detention under House Arrest of Daw Aung San Suu Kyi in Myanmar, May 28, 2007, http://www.mofa.go.jp/announce/announce/2007/5/1173595_826.html; MOFA, Visit to Japan by Dr. Ibrahim Gambari, Special Advisor to U.N. Secretary-General, July 17, 2007, http://www.mofa.go.jp/announce/announce/2007/7/1174501_830.html; MOFA, Emergency Grant Aid to Myanmar (Assistance for Vaccination against Polio), September 14, 2007, http://www.mofa.go.jp/announce/announce/2007/9/1175453_834.html; MOFA, Statement by Press Secretary/Director-General for Press and Public Relations, Ministry of Foreign Affairs, on the Current Situation in Myanmar, September 25, 2007, http://www.mofa.go.jp/announce/announce/2007/9/1175575_834.html; MOFA, Statement by Press Secretary/Director-General for Press and Public Relations, Ministry of Foreign Affairs, on the United Nations Security Council Presidential Statement on the Situation in Myanmar, October 12, 2007, http://www.mofa.go.jp/announce/announce/2007/10/1175740_836.html

¹⁴¹ John H. Badgley, “Strategic Interests in Myanmar,” in John H. Badgley, ed., “Reconciling Burma/ Myanmar: Essays on U.S. Relations with Burma,” *NBR Analysis*, Vol. 15, No. 1 (2004), p. 19.

¹⁴² Kudo, “Myanmar and Japan,” pp. 11f.

debut even before it was declared official policy with the adoption of the Charter in 1992. The Charter codified the “principles” (in reality, considerations) that were to be implemented in Japan’s ODA policy. A key element of the Charter was that Japan was to use ODA disbursements as positive sanctions to encourage positive trends exhibited by its counterparts, and ODA suspensions as negative sanctions to discourage negative trends. The description of positive sanctions as “carrots” and negative sanctions as “sticks” characterizes the way these sanctions are implemented.

While Japanese ODA to Myanmar was officially suspended *in principle* in 1988, and has continued to be so ever since, aid disbursements have nevertheless taken place as the above survey reveals. As can be noted, Japan’s motive for giving aid grants has often stemmed from some action or actions taken by the Myanmar government, or some development in Myanmar, deemed worthy of reward in the eyes of the Japanese government; in some cases, however, the motivation has been rather vague. Similarly, in instances when Japan suspended or cut down on aid to Myanmar, it was done with reference to some negative development in Myanmar or some action that the Myanmar government had taken and which the Japanese government found objectionable.

Accordingly, the actions taken by the Japanese government clarifies that a bifurcated Myanmar policy has been pursued by the Japanese government. Before the 1988 coup, Japan enjoyed a basically non-problematic relationship with Myanmar; but Japan’s cozy relationship with the military rulers came to an end with the coup, even though the Japanese government’s displeasure over economic mismanagement had been conveyed to Myanmar already two years before. The bifurcated policy results from the efforts by the Japanese government to relate to the two important political forces confronting each other in Myanmar. After the 1988 coup, the military and the NLD, with Aung San Suu Kyi as its leader, have been the two opposing forces dominating politics, and the Myanmar policy pursued by the Japanese government has been formed in an attempt to appease both. After a decade of relations with Myanmar’s political scene dominated by the clash between the military junta and the NLD, whose activities were severely curtailed by the regime and its leader often under house arrest, the Japanese foreign ministry outlined Japan’s policy

towards Myanmar in a statement in March 1997, which still represents the official view:

Japan has traditional ties with Myanmar and is engaged in various forms of dialogue with both SLORC and the pro-democracy forces led by Aung San Suu Kyi. Japan's policy is to promote democratization and human rights not by isolating Myanmar but by working patiently and persistently for improvements through ongoing dialogue with the present regime.¹⁴³

A key part of the above statement clarifying Japan's Myanmar policy, often overlooked, is the passage that Japan is working patiently and persistently for improvements "through ongoing dialogue with the present regime." Although Japan did not ignore the importance of Aung San Suu Kyi and her political party, it did not express strong support either.¹⁴⁴ In fact, already shortly after the 1988 coup, a Japanese activist noted in a postscript to his translation of a book about Aung San that as the leader of the democratic forces, his daughter Aung San Suu Kyi had become a problem for Japanese ODA policy.¹⁴⁵ The Japanese government has been both courting Myanmar's military junta and upheld relations with the NLD but there has been "a strong bias towards favoring relations with the military government," as Nemoto Kei noted in 2004.¹⁴⁶ From the above survey of Japan–Myanmar relations from 1988, this assessment would seem to be well founded. There has been a soft approach from the Japanese government towards the SLORC, which has been said to be rooted in the historically friendly relationship between the two countries.¹⁴⁷

¹⁴³ MOFA, "Japan's Position Regarding the Situation in Myanmar."

¹⁴⁴ Nemoto, "Between Democracy and Economic Development," p. 104.

¹⁴⁵ Tanabe Hisao, "Atogaki" [Afterword], in Bo Min Guang, *Aun San shōgun to sanjūnin no dōshi: Biruma dokuritsu giyūgun to Nihon* [General Aung San and the Thirty Comrades: The Burma Independence Army and Japan] (Tokyo: Chūō kōronsha, 1990), p. 190.

¹⁴⁶ Nemoto Kei, "Gendai Myanmā no seiji o dō miru ka: Gunseika no seiji katei to minshuka mondai" [How to look at the politics of present-day Myanmar: The political process under the military government and the problem of democratization], *Kokusai mondai*, No. 535 (October 2004), p. 76.

¹⁴⁷ Nemoto, "The Japanese perspective on Burma."

Important has also been the weight attached to economic factors by the Japanese government. Albeit Japan has been supporting both Myanmar's democratization and its economic development, the former was generally given secondary importance at best.¹⁴⁸

It would be a mistake to ignore the impact that Japan's hands-off policy towards Myanmar has had. In Japan's foreign policy after it regained its political independence in 1952, the principle of non-interference in the internal affairs of other countries has been of overriding value; it is a trait of a Japan vaccinated against foreign adventures by its defeat in World War II. In a sense, therefore, Japan's declaration of its policy of sanctions in its ODA policy was a break with this strongly-felt conviction immersing its foreign policymaking. Notwithstanding this departure from earlier policy, the ingrained principle of non-interference might be the reason why the number of instances in the case of Myanmar where Japan has issued carrots far outnumbers the occasions where the stick has been brandished – to such a degree, in fact, that it is often forgotten that Myanmar is one of the few countries against which Japan has actually employed "sticks."¹⁴⁹ It is symptomatic of the actual state of affairs that when a noted Japanese diplomat published a survey article about Japan's carrot and stick policy towards Myanmar, he found it apt to label Japan's policy as a "sunshine diplomacy," seemingly forgetting that sticks have occasionally been employed by Japan.¹⁵⁰

That carrots were used more frequently than sticks makes sense. If the Japanese government wanted to influence the Myanmar military junta, carrots can be expected to be a much more effective instrument than sticks. Employing both carrots and sticks was fully in compliance with the declared policy of the Japanese government and nothing that should be a surprise. Nevertheless, while Japan has announced carrots on some occasions and sticks on others,

¹⁴⁸ Nemoto, "Between Democracy and Economic Development," p. 104.

¹⁴⁹ In 1995, Nemoto wrote: "From the beginning, the basic Japanese posture toward SLORC has been one of soft persuasion. It has not resorted to economic sanctions," see his "The Japanese perspective on Burma." In 2002, this view was reiterated verbatim by Anthony R. Hague, see "Blinded by Greed in the Golden Land: Japan's Relationship with Burma," *Australian Journal of Human Rights*, Vol. 8, No. 2 (2002), available at: <http://www.austlii.edu.au/au/journals/AJHR/2002/14.html>

¹⁵⁰ Takeda, "Japan's Myanmar Policy," p. 53.

aimed at the ruling military junta, it has also tried to balance economic aid and grants with political pressure to further the cause of democratization.¹⁵¹ In hindsight, it is obvious that the announcement of various carrot and stick measures may have seemed convincing and reasonable, at least in the eyes of the Japanese government, but over time this fluctuating policy towards Myanmar has come to be seen as rather ambiguous or even inconsistent.¹⁵²

Receding Relations

Although the clash between the ruling military regime and the NLD has always been one-sided due to the fact that the regime possesses far greater power resources, with the rulers resorting to violence whenever they feel their grip on power threatened, their encounter has nonetheless dominated the political scene in Myanmar. As the above survey of events and incidents shows, the Japan–Myanmar relationship has become strained. Japan's carrot and stick policy in action has not gone by unnoticed, neither in Japan nor in Myanmar's ruling circles or opposition forces. For the Japanese government, the effects of the carrot and stick policy hoped for have not been attained. In the more than twenty years that this policy has been in place, repression has continued unabated in Myanmar and few, if any, substantive steps towards democratization have been seen.

One effect is clear, however. Relations between Japan and Myanmar have been receding ever since the military junta took power in 1988 and Japan instituted its carrot and stick policy. What is important to keep in mind is that the relations between two countries A and B are composed of two directed dyads with the target A in one case and B in the other, and, furthermore, that the directed dyad $A \rightarrow B$ is not the same as the directed dyad $B \rightarrow A$. The Japan–Myanmar dyad illustrates this fact, something which tends to be forgotten. Most governments, especially in the case of formerly colonized countries, are wary of external interference in what they consider their internal affairs, and this is very much so the case in Burma/Myanmar, both before and not least after the 1988 coup. For Myanmar's ruling junta, Japan's carrot and stick policy was unwelcome news when it was first introduced, and ever since has been

¹⁵¹ Nemoto, "Between Democracy and Economic Development," p. 98.

¹⁵² Suppakarn, *The Implications of Japanese Engagement Policy towards Myanmar*, p. 3.

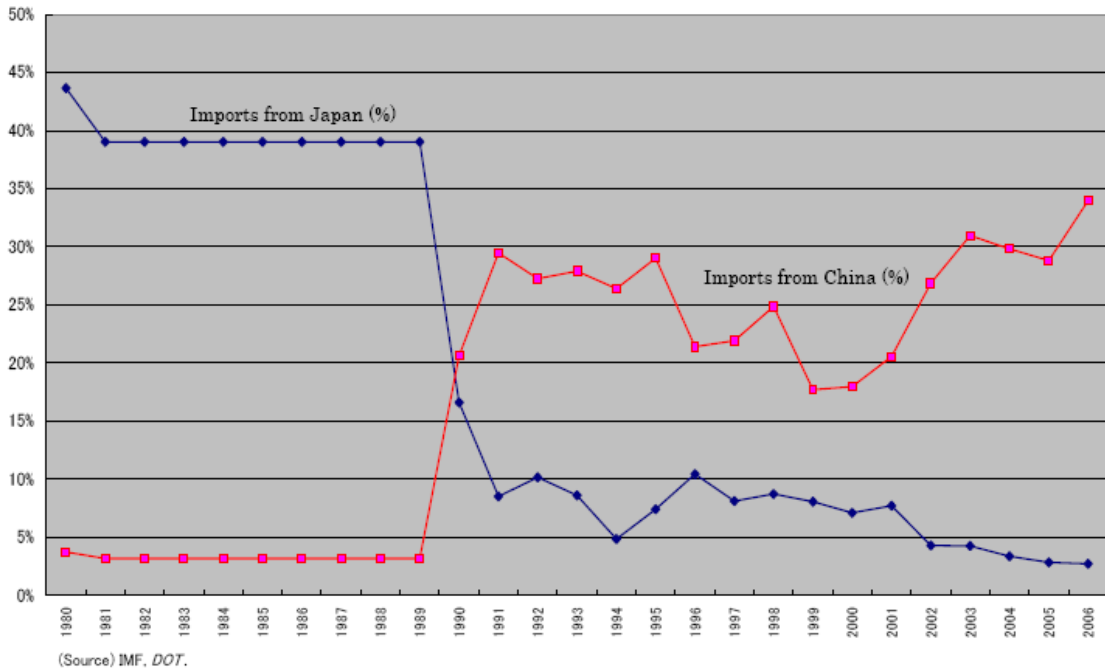
seen as an attempt by Japan to interfere in what the junta considers Myanmar's own internal affairs.

The effect on the directed dyad Myanmar→Japan did not take long to emerge, as is reflected in Fig. 1 for Myanmar's imports from Japan, and Fig. 2 for Japanese aid to Myanmar. From Japan having a share of imports to Burma that accounted for 39 per cent of all imports for an extended period of time up until 1988, imports declined drastically to below ten per cent in 1991, and continued to slide downwards year on year, albeit at a much more modest pace; in 2006, Japan accounted for only 2.6 per cent of Myanmar's total imports.¹⁵³ Figures for Myanmar's exports to Japan after 1988 show the same pattern with figures for Japan dropping drastically at first, and then, subsequently, displaying a downward trend. An equally conspicuous development is seen in the case of Myanmar's imports from China, with an eye-catching initial surge after 1988 that is just as striking as the degree of decline in imports from Japan. While figures after 1991 in terms of imports from China fluctuated somewhat, the proportional growth in imports from 1999 onwards is clearly discernable.

The development is equally drastic in regard to Japanese aid to Myanmar which witnessed a precipitous fall from 1988, the year of the coup, to 1989. Moreover, after the marked fall, aid continues but on a much lower level than before. Put together, figures for imports and aid make it abundantly clear that relations between Japan and Myanmar have undergone a drastic change.

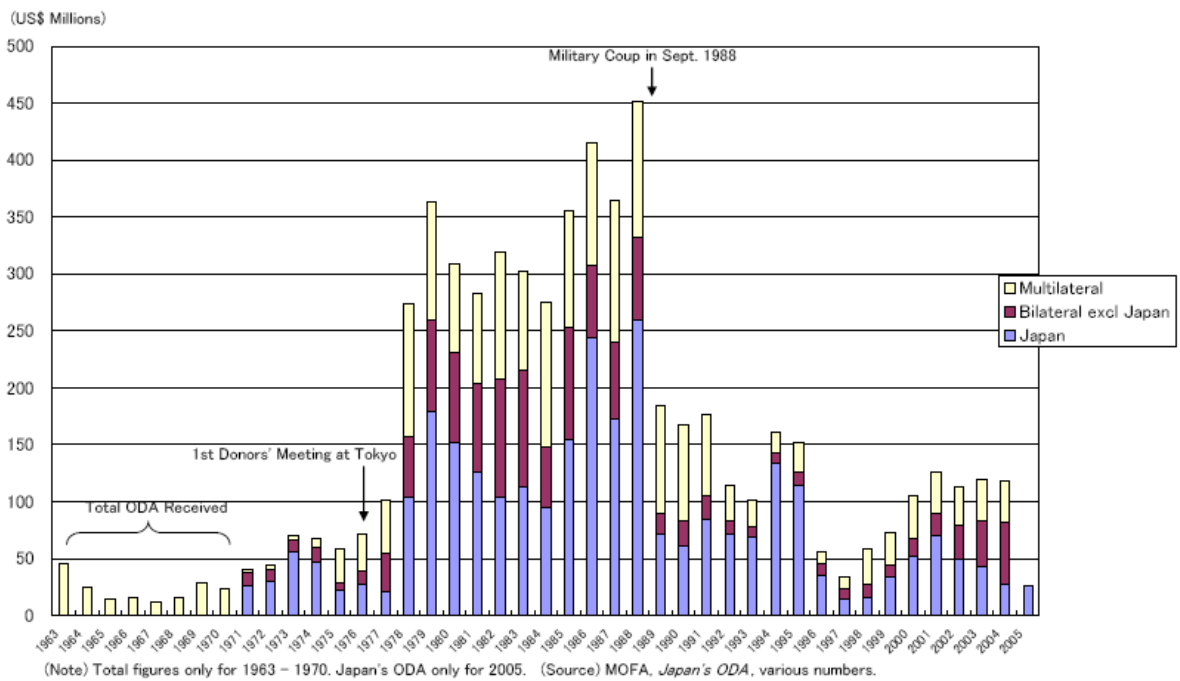
¹⁵³ Toshihiro Kudo, "China and Japan's Economic Relations with Myanmar: Strengthened vs. Estranged," in Mitsuhiro Kagami, ed., *A China–Japan Comparison of Economic Relationships with the Mekong River Basin Countries*, Institute of Developing Economies, Japan External Trade Organization, BRC Research Report, No. 1 (2009), p. 276.

Fig. 1. Myanmar's Share of Imports from China and Japan (%)



Source: Kudo, "Myanmar and Japan," p. 20.

Fig. 2. Japanese Aid Received by Myanmar



Source: Kudo, "Myanmar and Japan," p. 19.

No less dramatic than the decline involving exchanges with Japan seen in Fig. 1 and Fig. 2 is China's drastically expanded relations with Myanmar. Figures for Myanmar's imports from China are but one indicator revealing Myanmar's increasing exchanges with China from the end of the 1980s. This shift was a result of the coup in Myanmar and its aftermath but was also influenced by the changes seen in international relations with the end of the Cold War and the dissolution of the two ideological camps in world politics. Of decisive importance was also the Tiananmen clampdown on protesters by the Chinese authorities in 1989, which for a time exposed China to international isolation similar to what has been experienced by Myanmar's military rulers.

The change of Japan's ODA policy and the introduction of sanctions against Myanmar by several Western countries created a vacuum that opened up a window of opportunity for China. China was actually the first country to recognize the new regime in Burma.¹⁵⁴ The direction that events took played into China's hands, giving it enhanced control of the situation on its southern border and a larger presence in Southeast Asia.¹⁵⁵ With the junta in Myanmar facing international isolation after its suppression of democracy, China's exchanges with Myanmar increased drastically. Myanmar's imports from China are but one indicator of the more intimate bilateral relations that evolved. Soon after the 1988 coup, China had become the main external supporter of the Myanmar junta. China's arms exports to Myanmar from 1990 to 1998 were worth nearly US\$2 billion, consisting of fighter aircraft, radar equipment, naval patrol boats, heavy artillery, main battle tanks, anti-aircraft missiles, guns, and ammunition.¹⁵⁶ The economic and international support from China became critical in minimizing the impact on the Myanmar junta of Western sanctions.¹⁵⁷ Both being authoritarian states run by an autocratic military in the

¹⁵⁴ Mizuno Atsuko, "Myanmā to Chūgoku no keizai kyōryoku kankei" [Economic cooperation between Myanmar and China], *Kikan keizai kenkyū*, Vol. 27, Nos. 1–2 (September 2004), p. 179.

¹⁵⁵ Holliday, "Japan and the Myanmar Stalemate," p. 407.

¹⁵⁶ Mohan Malik, "Burma's Role in Regional Security," in Morten B. Pedersen, et al., eds., *Burma Myanmar: Strong Regime Weak State?* (Adelaide: Crawford House, 2000); quoted in Holliday, "Japan and the Myanmar Stalemate," p. 398.

¹⁵⁷ James, "Myanmar's International Relations Strategy," p. 535.

case of Myanmar and the uncontested Communist Party in the case of China, China and Myanmar found themselves bosom friends in international affairs. The increasingly intimate Chinese–Myanmar relationship was signaled by the visit to China in 1989 of Than Shwe, vice-chairman of the SLORC, which was reciprocated in 1994 by Prime Minister Li Peng of China which, in its turn, was reciprocated by a new visit by Than Shwe to Beijing in 1996.¹⁵⁸ Than Shwe's visit resulted in a departure from his country's past practice on arms imports, when it eschewed arms purchases from the superpowers in order to pursue a strictly neutral policy.¹⁵⁹

Factoring in International Society

The suspension of Japanese aid to Burma in 1986 and Japan's severe criticism of Burma in January 1988 foreboded a development that eventually resulted in a cooling of relations. These steps taken by the Japanese government were in contrast to its traditional policy of non-intervention, and resulted after pressure was brought to bear from the United States and other Western countries. In bowing to this pressure, Japan was drawn into the group propounding democracy and human rights in relations with the Myanmar military government.¹⁶⁰ With its deep-rooted non-intervention policy, the Japanese government did not feel comfortable with lambasting what had traditionally been a country friendly to Japan. By and large, the Japanese government tried to strike a balance in facing the cross-pressure from the U.S. and other influential voices heard in international society and from the Liberal Democratic Party (LDP) constituencies representing important domestic Japanese interests. As expressed by Ming Wan, "Given the importance of its relationship with the West, Japan cannot afford to do nothing but, given the importance of its relationship with Asia, Japan cannot afford to do too much."¹⁶¹ Suppakarn has

¹⁵⁸ Mizuno, "Myanmā to Chūgoku no keizai kyōryoku kankei," p. 180.

¹⁵⁹ Frank S. Jannuzi, "The New Burma Road (Paved by Polytechnologies?)," in Robert I. Rotberg, ed., *Burma: Prospects for a Democratic Future* (Washington, D.C.: Brookings Institution Press, 1998), pp. 198f.

¹⁶⁰ Suppakarn, *The Implications of Japanese engagement policy towards Myanmar*, p. 3.

¹⁶¹ Ming Wan, "Human Rights and U.S.–Japan Relations in Asia: Divergent Allies," *East Asia*, Vol. 16, Nos. 3–4 (September 1998), p. 157.

noted that Japan “was ready to take aid resumption opportunities once it felt the pressure was somehow declined or once it could find what it thought reasonable and explainable.”¹⁶² Policies pursued by the Japanese government placed Japan between those speaking up for sanctions and those in favor of “constructive” and economic engagement, and Japan sometimes wavered from one camp to the other.¹⁶³ At the same time, with its reflex towards non-intervention, Japan tended to lean towards the stance taken by many Asian countries, speaking up for constructive engagement with Myanmar. This surfaced in early 1997, for instance, in a statement issued by Prime Minister Hashimoto Ryutarō about Myanmar’s admission to ASEAN:

Japan does not feel international isolation is the optimal way for the improvement of [the] domestic situation in Myanmar. Rather, Japan thinks it important to give Myanmar incentives to behave in line with international norms by drawing it out as a member of the international community. From that point of view, Japan appreciates ASEAN’s recent agreement to grant official membership to Myanmar sometime in the future. On the other hand, Japan also thinks that ASEAN membership should not provide a smokescreen for oppression in Myanmar. Accordingly, Japan hopes that ASEAN will handle the membership issue in such a manner as to contribute to the improvement of the domestic situation in Myanmar.¹⁶⁴

In June 1997, in defiance of the United States and European Union and alarmed by China’s “aid offensive” in Myanmar, Japan supported the admission of Myanmar to ASEAN.¹⁶⁵

¹⁶² Suppakarn, *The Implications of Japanese engagement policy towards Myanmar*, pp. 36f.

¹⁶³ Kudo, “Myanmar and Japan,” p. 12.

¹⁶⁴ MOFA, “Japan’s Position Regarding the Situation in Myanmar.”

¹⁶⁵ Green, *Japan’s Reluctant Realism*, pp. 181, 183.

Japan and the Way Forward Towards a Solution of the Myanmar Conundrum

Holliday's Proposal

With Myanmar's military junta continuing its repression, it is now more evident than ever that the policy of sanctions pursued by the United States and other Western countries has failed. A young Myanmar scholar wrote in 2006: "What outside pressure can bring about democratic change? And why, after nearly two decades of boycotts, aid cutoffs, trade bans and diplomatic condemnation, are Myanmar's generals apparently more in charge than ever before?"¹⁶⁶ In the wake of Cyclone Nargis that wreaked huge destruction on Myanmar in May 2008, repression has become ever more blatant and the xenophobic junta was able to make a mockery of the attempts by other countries and the United Nations to assist the hard-hit people living in the Irrawaddy delta. While actions taken by the UN have been toothless on many occasions, the sheer impotence of the world organization to have any impact whatsoever on developments in Myanmar is equally impressive. From various quarters of the international community, demands have been heard that steps for a humanitarian intervention should be taken, but all such demands have stranded not least because of the objections raised by China and Myanmar's ASEAN neighbors. On the other hand, neither has another option employed in managing relations with Myanmar, constructive engagement, reaped much success in improving conditions. Japan's declared policy towards Myanmar has proven rather impotent with the carrots and sticks employed by Japan largely unable to persuade the military junta to improve the situation.

An interesting proposal on how to break the deadlock was presented in 2006 by Ian Holliday, who is professor of political science and dean of social sciences at the University of Hong Kong. He sees the key to coming to grips

¹⁶⁶ Thant Myint-U, "Don't Force Democracy in Myanmar," *International Herald Tribune*, September 30–October 1, 2006; quoted in Kishore Mahbubani, *The New Asian Hemisphere: The Irresistible Shift of Global Power to the East* (New York: PublicAffairs, 2008), p. 275.

with the situation to be the formation of an international coalition strong and viable enough to institute change. The United States and China are singled out by Holliday as the two leading external actors, but since he views them as having staked out “extreme positions” on Myanmar, they cannot construct such an international coalition. According to him it is a task that can only be undertaken by a lesser power. Due to its strong historical ties and good relations inside and outside Myanmar, Japan is in his eyes capable of playing such a key role. With its strong links with all major forces, Japan is seen by Holliday to occupy a pivotal position with a viable chance of bringing together critical actors into a process of dialogue and reform.¹⁶⁷ He sees Tokyo as having carved out a distinctive position on the spectrum of international responses to the Myanmar military junta by maintaining good relations with all key players in the country and by favoring engagement over sanctions.¹⁶⁸

In Holliday’s proposal a key moment is Japan’s will to exert leadership. He argues that to play a decisive role in resolving the Myanmar problem, Japan would need to take the lead, either visibly or behind the scenes, in constructing an international coalition around an agreed, or at least not contested, reform agenda. It would need to assemble an effective coalition embracing the United States, China, ASEAN, and India.¹⁶⁹ In concrete terms, Holliday outlines a proposal the gist of which is that consensus should be built around active engagement and ongoing dialogue with significant political forces in Myanmar. Clear and measurable goals should be agreed on by all sides and procedures for verifying whether they have been met should be established. At every step along the agreed path, substantial amounts of targeted resources should be made available for investment in Myanmar. Those resources should be withheld if progress is not registered.¹⁷⁰

Holliday admits that such a strategy will not be easy to sell to key players inside Myanmar. However, if the approach were espoused by a multilateral coalition led with some sensitivity by an important nation with which all parties have maintained good contact, and if it were also to offer sizeable carrots

¹⁶⁷ Holliday, “Japan and the Myanmar Stalemate,” p. 393.

¹⁶⁸ *Ibid.*, p. 394.

¹⁶⁹ *Ibid.*, p. 405.

¹⁷⁰ *Ibid.*, pp. 405f.

alongside the necessary sticks, there is a possibility that it could succeed in winning over internal actors.¹⁷¹

Holliday's proposal is novel in the sense that it assigns a key role to Japan. Not that Japan hasn't been of the view that it can play an important role to bring about democratization and national reconciliation in Myanmar. On the contrary, Tokyo has itself many times aired the view that Japan is the only country which possesses the means for negotiating with the military junta and the NLD.¹⁷² Japan's policy towards Myanmar has been built on the premise that the Japanese government can influence the military government.¹⁷³ The important twist in Holliday's idea is that Japan is to play an important role in cooperation with other actors. For Japan, it would mean a boost for its policy. In isolation, Holliday sees Tokyo's present approach as not making much headway, but as the agreed upon strategy of a group of critical external actors, it could have a much more substantial impact.¹⁷⁴ In short, it is not Tokyo's policy but Tokyo's policy writ large that could have an impact. There are two caveats in Holliday's proposal that present fundamental flaws, however.

Flaw 1: The Myth of a Special Relationship between Japan and Myanmar

In one respect, Holliday's proposal rests on shaky ground. "Today," he writes in 2006, "Japan retains a leading position in Myanmar, with special ties, contacts, and influence."¹⁷⁵ Similarly, a leading Japanese Myanmar specialist wrote recently: "It has been said that among all the Asian countries, Japan is in a position to exercise the strongest influence on the military government of Myanmar." The reason given by this pundit is that Japan has "a deep history of 'friendship' with Burma/Myanmar and the Japanese Government itself emphasizes that Japan is the only country which possesses the means for nego-

¹⁷¹ Ibid.

¹⁷² Nemoto, "Between Democracy and Economic Development," p. 96.

¹⁷³ Strefford, "Foreign Debt: Distorting Japan's ODA Diplomacy towards Myanmar," p. 162.

¹⁷⁴ Holliday, "Japan and the Myanmar Stalemate," p. 405.

¹⁷⁵ Ibid., p. 403.

tiating both with the military junta and NLD.”¹⁷⁶ However, contrary to these claims, it is quite clear that the Japanese government’s relations with Myanmar’s rulers is not what it was once when Japan and Burma were said to enjoy “a special relationship.” The reasons for this claim of a special relationship were seen to be several. The rulers of Burma came from the BNA which had been created by the Japanese, and which also had been founded by the Thirty Comrades who had received military training from the Japanese.¹⁷⁷ Furthermore, the sentimental attachment to Burma on the Japanese side was strengthened by the fact that 300,000 soldiers had been sent to Burma during the Japanese occupation and 190,000 of them died in the country.¹⁷⁸ Members of Japanese veterans associations had ties with Myanmar’s old guard, both inside and outside the military regime.¹⁷⁹ Most important for the view that a special relationship had been forged, however, was seen to be the many years over which Japan had provided Myanmar with reparations and aid.¹⁸⁰

The problem for protagonists of the view that Japan and Myanmar has a “special relationship” is that its very foundation has ceased in one important respect. It is true that Japanese aid continued after the military coup but ordinary ODA was not resumed. It was a snub to the military junta which it did not appreciate, prickly as it is about external interference in its internal affairs. When Japan ended its ODA to Burma in 1988, the military junta turned instead to China for assistance. In October 1989, Than Shwe, who was vice-chairman of the SLORC, visited Beijing. This visit heralded the start of rapidly expanding bilateral relations by which China took over from Japan as the key supporter and backer of Myanmar’s military rulers in international affairs. The military junta was promised technical and economic assistance from China.¹⁸¹ With the alternative financial resources of Chinese economic cooperation and gas money, the military junta is no longer dependent on Japan’s aid for its

¹⁷⁶ Nemoto, “Between Democracy and Economic Development,” p. 96.

¹⁷⁷ Ibid, p. 98..

¹⁷⁸ Badgley, “Strategic Interests in Myanmar,” p. 19; Usui and Debenham, “The Relationship Between Japan and Burma.”

¹⁷⁹ Hague, “Blinded by Greed in the Golden Land.”

¹⁸⁰ Suppakarn, *The Implications of Japanese Engagement Policy towards Myanmar*, p. 4.

¹⁸¹ Kudo, “China and Japan’s Economic Relations with Myanmar,” p. 268.

survival.¹⁸² What is more, when the ties that developed during World War II between Japan and Burma's "independence leaders, including Ne Win," were described in 1997 by two pundits as an asset in the contemporary relations between Myanmar and Japan,¹⁸³ their claim failed to account for the fact that Ne Win was no longer in power.

In the years after the 1988 coup, the once cozy relationship between the Japanese government and the Myanmar military junta deteriorated. And while the Japanese government has pursued a bifurcated policy upholding relations with both the military junta and the NLD, "the special relationship" between Japan and Burma has crumbled. Once it was a vital element of Japan's relations with Burma as well as of Burma's relations with Japan, but subsequent events and developments have rendered it to the annals of history; to the extent that it exists, it is a relict rather than a living part of the relationship between the two countries. Despite this fact the myth of a special relationship lingers on and is cherished in Japan even today. When policies are pursued and actions taken by the Japanese government with reference to this anachronism, it almost guarantees that little, if any, impact will be seen.

Flaw 2: The Anti-China Nature of Holliday's Proposal

Holliday argues that Japan should take the initiative in forging an international coalition, and for it to be effective, it would have to embrace the United States, China, ASEAN, and India. The problem is that his argument lays bare skepticism towards China and its ambitions in Myanmar and, in a wider context, Southeast Asia that resembles the same wariness that Japan has traditionally harbored towards China. As noted by Haacke, "Japanese officials have not been shy in admitting that Tokyo has geopolitical interests in Myanmar, particularly in the context of China's rising power."¹⁸⁴ Already when Prime Minister Ikeda Hayato agreed to reconsider Japanese reparations to Burma in 1963, a key consideration for increased Japanese aid was not that Japan wanted to avoid Burma turning "socialist," but rather that it would not lean towards be-

¹⁸² Kudo, "Myanmar and Japan," p. 12

¹⁸³ Simone and Feraru, *The Asian Pacific*, p. 312.

¹⁸⁴ Haacke, *Myanmar's Foreign Policy*, p. 75.

coming friendly with China.¹⁸⁵ Subsequently, the Japanese government's strategic competition with China over the years has motivated Tokyo to sustain cultural, social, and technical assistance programs within Myanmar, although at reduced levels after 1988.¹⁸⁶ Japan's interest in Myanmar has been to counterbalance China's expanding power in the region. Indeed, as Holliday argues, an initiative from Tokyo that would help balance China would clearly be of great interest to the United States, ASEAN, and India, all of whom are wary of Beijing's influence in Myanmar. He sees his idea of how to come to grips with the Myanmar issue as showcasing a Japanese attempt to secure a peaceful settlement of a long-standing Asian problem – something that would be well-received not only in the region, but also in the United States.¹⁸⁷

Eliminating the Flaws

To be practical and to have any prospects of producing an effect, the flaws of Holliday's proposal must be eliminated. Policies and proposals must be based on the realization that countries involved have national interests and the acknowledgement that success rests on a mutual adjustment and compromise of these often starkly diverging interests. Holliday says that as a regional power, Japan should take the lead in addressing this regional problem.¹⁸⁸ This would of course benefit Japan's ambition to be a great power and an agent for peace but the prospects for success are limited as his proposal harbors doubt about China.

First, as has been made clear above, the claim that Japan enjoys a special relationship with Myanmar must be exposed for the myth that it is. What is needed is for present-day policymakers in Tokyo to learn from the "father" of Japan's postwar foreign policy Yoshida Shigeru (prime minister 1947–48, 1948–54). For Yoshida, who considered himself a "realist," it was important to accept the world as it was and not base policies and actions on wishful thinking. Instead, he stressed the necessity of making a cool appraisal of the situa-

¹⁸⁵ Hatano and Satō, *Gendai Nihon no Tōnan Ajia seisaku*, p. 86.

¹⁸⁶ Badgley, "Strategic Interests in Myanmar," p. 19.

¹⁸⁷ Holliday, "Japan and the Myanmar Stalemate," p. 409.

¹⁸⁸ *Ibid.*, p. 410.

tion facing Japan.¹⁸⁹ In today's situation, Yoshida would have brushed away the idea that there exists a "special relationship" between Japan and Myanmar as the myth it has become.

Second, Holliday's proposal suffers from the author's predilection to sideline China to the extent possible, despite the fact that it is a part of his attempt to come up with a proposal for how to handle the Myanmar conundrum. Symptomatically, Holliday refers to Japanese relations with China as continuing to be marked by mutual suspicion, sometimes spilling over into antagonism.¹⁹⁰ For him, what he is concerned about and wants to satisfy with his proposal is not so much China as the United States, and he refers to Hoshino Eiiichi, who has argued that Japan is ideally placed to secure some degree of U.S. acceptance of the new way forward that is needed.¹⁹¹ He sees it as essential to come up with a proposal that persuades China at least not to stand in the way of a reformist political initiative led by Japan.¹⁹² He tries to alleviate the anti-China character of his proposal by making his proposal for a solution of "the Myanmar problem" palatable enough for China to swallow. This does not suffice, however. Without eliminating the anti-China element inherent in Holliday's proposal, it cannot expect to meet with success. As pointed out by Kolås and Tønnesson, to influence Myanmar in a positive direction, it is essential to consider ways that change could be stimulated with the active participation of China, whether through sanctions, constructive engagement, and/or any form of dialogue.¹⁹³ It would be a serious mistake to believe, as some do, that Myanmar is a client state of China. The strategic entente and economic rela-

¹⁸⁹ See the discussion in Bert Edström, *Japan's Evolving Foreign Policy Doctrine: From Yoshida to Miyazawa* (Basingstoke: Macmillan, 1999), ch. 1.

¹⁹⁰ Holliday, "Japan and the Myanmar Stalemate," p. 407.

¹⁹¹ Eiiichi Hoshino, "Economic Sanctions against Myanmar," in Nishihara Masashi, ed., *The Japan–U.S. Alliance: New Challenges for the 21st Century* (Tokyo: Japan Center for International Exchange, 2000), pp. 123–59.

¹⁹² Holliday, "Japan and the Myanmar Stalemate," p. 407.

¹⁹³ "Myanmar, Year in Review 2003," in *Encyclopædia Britannica Online*; quoted in Åshild Kolås and Stein Tønnesson, "Burma and Its Neighbours: The Geopolitics of Gas," *Austral Policy Forum*, 06-30A 24 (August 2006), available at: <http://www.nautilus.org/~rmit/forum-reports/0630a-kolas-tonnesson.html>

tions between China and Myanmar are rather a marriage of convenience.¹⁹⁴ The leaders of Myanmar are interested in good working relations with China, but suspicious of its long-term strategic intentions.¹⁹⁵

Instead of being seen as an obstacle standing in the way of a solution, China must unavoidably be seen as a key actor and thus part of the solution to the Myanmar conundrum. Japan might have a role to play in any such solution but China wields far more leverage. While attributing the word “special” to the relationship between Japan and Myanmar can be labeled a misnomer, the relationship between the Myanmar junta and the Chinese government has grown in importance to the extent that it is Myanmar’s most important bilateral relationship bar none. Furthermore, from the Myanmar point of view, the core issue of Myanmar’s security dictates that it must keep on amicable terms with China, which has accordingly made Myanmar opt for a policy of “non-offense” towards its giant neighbor ever since it gained independence.¹⁹⁶

China in Myanmar

There are both economic and military aspects that are likely to make China not unwilling to consider backing a solution to the Myanmar conundrum. With Myanmar’s position as a neighbor in the south and sharing a border of 2204 km, China does have an interest in long-term stability on its southern flank.¹⁹⁷ Myanmar’s location makes it not only a bridge between South, Southeast and East Asia but also strategically important and potentially a springboard to re-penetrating China as it was during the Cold War.¹⁹⁸ Furthermore, Myanmar

¹⁹⁴ Poon Kim Shee, “The Political Economy of China-Myanmar Relations: Strategic and Economic Dimensions,” *Ritsumeikan Annual Review of International Studies*, Vol. 1 (2002), p. 33.

¹⁹⁵ Haacke, *Myanmar’s Foreign Policy*, p. 28.

¹⁹⁶ Michael Leifer, *The Foreign Relations of New States* (Melbourne: Longman Australia, 1974), p. 14; quoted in Yahuda, *The International Politics of the Asia-Pacific, 1945–1995*, p. 35.

¹⁹⁷ Ian Holliday, “Doing Business with Rights Violating Regimes: Corporate Social Responsibility and Myanmar’s Military Junta,” *Journal of Business Ethics*, Vol. 61 (2005), p. 338.

¹⁹⁸ Haacke, *Myanmar’s Foreign Policy*, p. 23.

offers naval access to key shipping lanes in the Indian Ocean and is one of the countries where China is constructing deep-water ports; the others are Bangladesh, Sri Lanka, and Pakistan.¹⁹⁹ China has also funded a new six-lane highway connecting the port at Tilowa with Yangon and Mandalay which extends up the Ayeyarwaddy Valley as far as Yunnan. For Myanmar, the highway is a valuable addition to its infrastructure serving its developing industrial sector and the marketing of its agricultural products.²⁰⁰ This will accordingly promote the economic stability of Myanmar, which is in line with China's interests not only in ensuring regional stability but also regional economic activities and prosperity.²⁰¹ But as is pointed out by Helen James, the highway connecting the port at Tilowa with Yangon and Mandalay is not just for commercial use. In times of conflict, this highway would enable the rapid deployment of Chinese troops across the length of Myanmar.²⁰² The highway in fact accentuates China's strategic interest in Myanmar. All the shipping routes for China's energy imports from the Middle East, Africa, and Latin America traverse the waters of Southeast Asia.²⁰³ With over 80 per cent of China's oil imports passing through the Malacca Strait and with its growing dependence on imported oil, the already significant strategic importance for China of the Malacca Strait is increasing. The Strait is one of the world's most important waterways, and for China and the sake of its economic and industrial development, it is nothing less than of existential importance to keep this transport bottleneck open. Given the fact that China relies on its bases on Myanmar territory to monitor the Malacca Strait as well as the Indian Ocean, it is easy to grasp the crucial importance that Myanmar holds in Chinese strategic calculations. There is therefore no question among observers that Myanmar falls within

¹⁹⁹ Sandy Gordon, "Sino-Indian relations and the rise of China," in Ron Huisken, ed., *Rising China: Power and Reassurance* (Canberra: ANU E Press, 2009), p. 58.

²⁰⁰ James, "Myanmar's International Relations Strategy," p. 535.

²⁰¹ Suppakarn, *The Implications of Japanese Engagement Policy towards Myanmar*, p. 38.

²⁰² James, "Myanmar's international Relations Strategy," p. 535.

²⁰³ Niklas L. P. Swanström, ed., *Asia 2018-2028: Development Scenarios* (Stockholm: Institute for Security and Development Policy, 2008), p. 77.

what China regards as its “sphere of influence.”²⁰⁴ As pointed out by Kolås and Tønnesson, as long as the underlying tensions found in China’s relations with India, Japan, and the United States are not fundamentally altered, China will see it as essential to maintain its influence in Myanmar.²⁰⁵

Furthermore, with the increasing competition for energy resources, Myanmar’s military junta has a strong card to play. Behind developments in recent years can be seen China’s acute interest in Myanmar’s oil and gas reserves. It was not India, as expected, but rather China that could benefit when natural gas from two leases India had helped to develop in the Shwe field off Myanmar was sold by Myanmar’s nationalized oil company. And when India was apparently given sole controlling rights to Sittwe port as compensation, this was later overturned, apparently after pressure from China.²⁰⁶

Given Myanmar’s importance for Chinese strategic calculations, the eruption of widespread disturbances in Myanmar must be a worrisome prospect for the Chinese government. As shown by Myanmar’s recent past, the country’s economic misery has deepened and resulted in public discontent manifested in country-wide demonstrations. Since the junta has shown no signs of having any intention to accommodate anti-government protests, and with no prospects that the living conditions of ordinary citizens will improve, future revolts are likely to appear. Given this fact, the likelihood is increasing that repression and brutality from the military junta in the end will make the Chinese government conclude that there is “a Myanmar problem” and that it is in its interest to solve it, albeit it is unlikely that China will see this “problem” in the same way as countries like the United States or Japan, or regional organizations such as ASEAN or the EU.

²⁰⁴ Thammy Evans, “The PRC’s Relationship with the ASEAN Regional Forum: Realpolitik, Regime Theory or a Continuation of the Sinic Zone of Influence System?” *Modern Asian Studies*, Vol. 37, No. 3 (2003), pp. 737–63.

²⁰⁵ Kolås and Tønnesson, “Burma and Its Neighbours.”

²⁰⁶ Graham Lees, “India and China compete for Burma’s resources,” *World Politics Review*, August 21, 2006, <http://www.worldpoliticsreview.com/article.aspx?it=129>

Two Moves with Implications

Abe Goes to Beijing

Two recent moves make it less unlikely than before that China and Japan can join hands and take on “the Myanmar problem,” notwithstanding that their perceptions of what constitutes this “problem” are likely to be far apart. The moves are part of the drastically improved relations between the Japanese and Chinese governments. The first move relates to Prime Minister Abe Shinzō’s visit to Beijing on October 8–9, 2006. The announcement that he was going to visit Beijing and Seoul, having been premier for only one week, was a sensational development. Abe was a high-profile nationalistic politician who had built his political career as a hard-hitting political slugger on contentious political issues, and who in the past had gone furthest of all in his condemnation of North Korea. He made it to the political top post on the tailcoat of his unswerving loyalty to Prime Minister Koizumi Jun’ichirō, whose annual pilgrimages to the controversial Yasukuni shrine had incensed China. Nevertheless, and in defiance of this loyalty, Abe announced during his campaign for the party presidency of the ruling Liberal Democratic Party that he wanted to strengthen relations with China and South Korea, and as prime minister he acted swiftly. A few days after his ascension to power, it was officially announced that Japan’s new prime minister was going to Beijing to meet with China’s political leaders. After their encounter, a joint press statement was issued that indicated the historical importance of this meeting. For a while it was unclear whether the cautious approach of both sides made the meeting a lone swallow or the beginning of a new approach by the two parties, but it soon became clear that Abe’s visit to Beijing had begun a process of reconciliation between the two countries.²⁰⁷ A tangible effect of the North Korean nuclear test that took place during Abe’s visit to China was that the test contributed to more amicable Japanese–Chinese relations. It was clear that Japan’s

²⁰⁷ Iida Masafumi, “Japan-China Relations in East Asia: Rivals or Partners?,” in Masafumi Iida, ed., *China’s Shift: Global Strategy of the Rising Power* (Tokyo: The National Institute for Defense Studies, Japan, 2009), p. 128.

strong-handed policy of “dialogue and pressure” had not worked in dealing with North Korea, and that chances were greater to reach results if the Chinese could be persuaded to use their influence to talk the North Koreans out of their provocative policies. The test was also a slap in the face of China since President Hu Jintao had expressed his concerns in talks with Abe. North Korea’s nuclear adventurism worried China, which lived up to its promise in the summit talks with Abe that both sides would cooperate in achieving the denuclearization of the Korean Peninsula. What was seen was how China joined in international pressure on Pyongyang to make it reconsider its nuclear policies, and Abe would later express his gratitude to China.²⁰⁸ It was the first time that a Japanese prime minister had acknowledged China’s leadership, a notable move given the competition between the two powers over leadership in Asia-Pacific, a contest that has been going on for decades and has been harsh at times with neither side willing to give in.²⁰⁹ Abe’s expression of gratitude was certain to be greeted with satisfaction by China’s political leaders and not go unnoticed by the Chinese population. Having once acknowledged the important role that China plays vis-à-vis North Korea, makes it less problematic for the Japanese government to acknowledge the same as far as Myanmar is concerned, especially since China’s position in relation to Myanmar is seen by international opinion as similar to that vis-à-vis North Korea.

The Murder of Nagai Kenji

The second move that has a bearing on Japan’s Myanmar policy are the events surrounding the cold-blooded killing of the Japanese photographer Nagai Kenji during demonstrations in Yangon on September 27, 2007. Nagai was one of the casualties of the wide-spread anti-government protests that were provoked when the government drastically raised the price of fuel. He was killed by soldiers opening fire on demonstrators whilst he was photographing the

²⁰⁸ “Li: China to help on abduction issue,” *Asahi shimbun*, February 17, 2007; quoted in Bert Edström, *The Success of a Successor: Abe Shinzo and Japan’s Foreign Policy*, Silk Road Paper (Washington, D.C. and Uppsala: Central Asia-Caucasus Institute & Silk Road Studies Program, May 2007), p. 55.

²⁰⁹ Dirk Nabers, *China, Japan and the Quest for Leadership in East Asia*, GIGA German Institute of Global and Area Studies, *GIGA Working Paper*, No. 67 (February 2008).

protests.²¹⁰ In the course of filming soldiers firing automatic weapons into a crowd, one of the soldiers seems to have spotted him and shot him dead.²¹¹ Occurring only a few days after the Japanese government had urged the military junta “to exercise restraint” in its dealings with protesters and its strong hope that “that the Government of Myanmar will make sincere efforts including dialogue for national reconciliation and democratization, taking into account the wishes expressed in the protests by the people of Myanmar”²¹² the fatal shooting was an insult to Japan.

A strong reaction could have been expected but when the dust had settled, Japan’s reaction must be said to have been fairly mild. Initially, Prime Minister Fukuda Yasuo told reporters that Nagai’s death was “truly unfortunate. It is very sad that Mr Nagai has died.”²¹³ The day after the shooting, Foreign Minister Kōmura Masahiko met with Myanmar’s Foreign Minister Nyan Win at the United Nations and lodged a protest over the killing of Nagai, and in response was told that the Myanmar foreign minister was “extremely sorry” (translated in Japanese as *makoto ni mōshiwakenai*) about the death of the photographer, which must be said to not be a particularly forthcoming way of expressing remorse. When asked about whether Japan would consider any economic measures such as suspending aid, Kōmura was evasive. It was obvious that he was being cautious since he also said that he had not brought up the question of Aung San Suu Kyi in his meeting with the Myanmar minister. The most concrete step announced by him was that Deputy Foreign Minister Yabunaka Mi-

²¹⁰ “Japan inquiry into reporter death,” *BBC News*, September 28, 2007, <http://news.bbc.co.uk/2/hi/asia-pacific/7017636.stm>

²¹¹ “Video shows Japanese journalist Kenji Nagai ‘being shot deliberately,’” *Times Online*, September 28, 2007, <http://www.timesonline.co.uk/tol/news/world/asia/article2550369.ece>

²¹² MOFA, “Statement by Press Secretary/Director-General for Press and Public Relations, Ministry of Foreign Affairs, on the Current Situation in Myanmar,” September 25, 2007, http://www.mofa.go.jp/announce/announce/2007/9/1175575_834.html

²¹³ Mark Tran, “Japan demands answers over journalist death,” *guardian.co.uk*, September 28, 2007, <http://www.guardian.co.uk/world/2007/sep/28/pressandpublishing.burma>

toji was going to be dispatched to Myanmar.²¹⁴ At a press conference the next day, Kōmura explained that “it is important to carefully watch what steps the Government of Myanmar takes to achieving an improvement in the situation.”²¹⁵ It was a clear indication that Japan was not going to act on its own so much as await the steps taken by the military junta and react to them. Japan’s cautious approach was still predominant when Prime Minister Fukuda mentioned the death of the photographer in his policy speech on October 1: “It is truly regrettable that a Japanese citizen was killed in Myanmar where the situation has deteriorated. Asia is achieving remarkable growth but also contains such vulnerability.”²¹⁶

The most tangible action taken by the Japanese government as a reaction to the killing was to cancel a grant of the Japan–Myanmar Human Resource Development Center amounting to 552 million yen. At a press conference, Foreign Minister Kōmura declared that: “the one reason is that we must clearly indicate the stance of the Government of Japan and we must not take any action that would indicate that we do in fact support this military government at this point in time.”²¹⁷ Japan’s stance was further clarified by him at a press briefing three days later. “In order to indicate the stance taken by the Government of Japan regarding the current situation,” he said,

Japan, which has until now provided economic cooperation in the humanitarian area, has decided to further narrow the range of assistance provided as humanitarian assistance to only those that will result in a direct benefit to the people, for example the provision of vaccinations against polio, or other specific instances in which funds provided

²¹⁴ MOFA, “Press Conference by Minister for Foreign Affairs Masahiko Koumura,” September 28, 2007, http://www.mofa.go.jp/mofaj/press/kaiken/gaisho/g_0709.html#21

²¹⁵ MOFA, “Press Conference by Minister for Foreign Affairs Masahiko Koumura,” September 29, 2007, http://www.mofa.go.jp/announce/fm_press/2007/9/0929.html

²¹⁶ Shushō kantei [Prime Minister’s Office], “Dai 168 kai kokkai ni okeru Fukuda naikaku sōridaijin shoshin hyōmei enzetsu” [Policy speech by Prime Minister Fukuda Yasuo to the 168th session of the Diet], October 1, 2007, <http://www.kantei.go.jp/jp/hukudaspeech/2007/10/01syosin.html>

²¹⁷ MOFA, “Press Conference by Minister for Foreign Affairs Masahiko Koumura,” October 16, 2007, http://www.mofa.go.jp/announce/fm_press/2007/10/1016.html

through nongovernmental organizations actually result in benefits to the people.²¹⁸

For Japan's relations with the reclusive Southeast Asian country, an important step taken by Japan was the fact that Prime Minister Fukuda brought up Myanmar in talks over the phone with Prime Minister Wen Jiabao of China the day after the fatal shooting. The call was to prepare for Fukuda's forthcoming visit to China. The Associated Press reported that:

Japanese Prime Minister Yasuo Fukuda said he agreed in a Friday [September 28] phone call with [China's Prime Minister] Wen [Jiabao] to work jointly on international efforts to solve the crisis. "I asked that China, given its close ties with Myanmar, exercise its influence ... and Premier Wen said he will make such efforts," Fukuda told reporters in Tokyo on Friday.²¹⁹

The parallel to North Korea is obvious. When the Japanese government had found that its North Korea policy did not work, it had concluded that if it wanted progress, it had to rely on China; now, when Japan's "carrot and stick policy" employed against Myanmar had shown itself as having little effect, the Japanese premier asked China to step in and Prime Minister Wen was forthcoming. This was fully in line with the fact, as noted by Xiaolin Guo in her report on China in the Myanmar issue, that while China

generally shuns hyper-politics in international affairs, it is willing to cooperate with other countries in the issue of Myanmar [...] provided intervention does not come at the expense of regional stability. China's (as well as ASEAN's) cooperation with Myanmar, though it may have been perceived as such, does not come with an agenda that seeks specifically to undermine Western sanctions.²²⁰

²¹⁸ MOFA, "Press Conference by Minister for Foreign Affairs Masahiko Koumura," October 19, 2007, http://www.mofa.go.jp/announce/fm_press/2007/10/1019.html

²¹⁹ AP, "Myanmar crackdown sparks condemnation," *Kuwait Times*, September 29, 2007, http://www.kuwaittimes.net/read_news.php?newsid=NjM3NDU1MjMw

²²⁰ Guo, *Towards Resolution*, p. 75.

While China's prime minister acceded to the Japanese prime minister's proposal that China "exercise its influence," the respective actions taken by the Chinese and the Japanese governments were diverging. Previously, the Chinese government had sided with the Myanmar military junta in its clash with international opinion, that is, first and foremost the United States and other Western countries, including Japan, in their policy of sanctions, and it did not diverge from this line even after the widespread anti-government riots in Myanmar. On October 9, 2007, China declared that it "resolutely opposed" sanctions against Myanmar as they would not help resolve the country's problems. Chinese Foreign Ministry spokesman Liu Jianchao stated: "Any move by the United Nations Security Council should be prudent and responsible and be conducive to the mediation efforts of the UN secretary-general, and conducive to achieving stability, reconciliation, democracy and the development of Myanmar."²²¹ This was following up on a message a few days before whereby the Chinese government after a visit to Myanmar by UN's special envoy Ibrahim Gambari had expressed its high appreciation of his mediation efforts in Myanmar. Liu further stated that: "China has made its efforts to support the mediation efforts of the UN Secretary General and his Special Envoy. We feel gratified for the results achieved by Gambari's visit."²²²

A significant shift of China's stance was seen on October 11, when it joined the other fourteen member of the United Nations Security Council and supported a statement rebuking Myanmar's military regime for its suppression of peaceful protests, and demanding the release of all political prisoners. It was the first time that Beijing had agreed to UN criticism of the junta. As late as September 30, China had blocked a strong resolution at the UN albeit it made unusually strong remarks.²²³ China's deputy UN ambassador, Liu Zhenmin, said that he hoped the statement would contribute to the success of a mission

²²¹ Xinhua, "China 'resolutely opposes' sanctions against Myanmar," *People's Daily Online*, October 9, 2007, <http://english.people.com.cn/90001/90776/6279651.html>

²²² Xinhua, "China applauds UN special envoy's Myanmar visit: FM spokesman," *People's Daily Online*, October 5, 2007, <http://english.people.com.cn/90001/90777/6276906.html>

²²³ "How Junta stemmed a saffron tide," *guardian.co.uk*, September 30, 2007, <http://www.guardian.co.uk/world/2007/sep/30/burma.justinmccurry>.

to the region by a UN special envoy, Ibrahim Gambari, due to start the following week.²²⁴ The next day, a Chinese foreign policy spokesperson clarified that the Myanmar issue should be resolved with the efforts of Myanmar's government and people, and through consultation: "China is ready to continue to actively promote the proper settlement of the Myanmar issue together with the international community," he added.²²⁵ An opening for discussions came when the UN's special envoy made a round-tour of six countries in the region, visiting Thailand, Malaysia, Indonesia, India, China, and Japan. These countries, thus also Japan, were described by Liu as "relevant nations on the Myanmar issue."²²⁶

Drastically Improved Prospects for Chinese–Japanese Collaboration on Myanmar

The improvement of Japanese–Chinese relations that began with Prime Minister Abe Shinzō's official visit to Beijing in October 2006 has been no less than dramatic. As late as the year before, bilateral relations had reached a nadir since diplomatic ties were established in 1972, and high-level exchanges had come to a standstill. Before Abe's visit, the plethora of issues and problems afflicting relations were numbing – history, territorial and maritime rights and interests, Taiwan, the U.S.–Japan military alliance, Chinese military development, and the entry into Japanese waters of a Chinese submarine.²²⁷ Abe's trip to China became the first of a series of summit meetings between Japan and China that occurred in quick succession. Premier Wen Jiabao made a return visit to Japan in April 2007, Abe's successor Fukuda Yasuo went to Beijing in December 2007, and President Hu Jintao paid a state visit to Japan in May 2008. Abe's visit to Beijing was described by the foreign ministries involved as

²²⁴ Julian Borger, "China joins UN censure of Burmese regime," *guardian.co.uk*, October 12, 2007, <http://www.guardian.co.uk/world/2007/oct/12/china.burma>

²²⁵ Xinhua, "China says Myanmar issue should be resolved by Myanmar itself," *People's Daily Online*, October 12, 2007, <http://english.people.com.cn/90001/90776/6282086.html>

²²⁶ Xinhua, "China welcomes visit by UN Myanmar envoy," *window of china*, October 16, 2007, http://news.xinhuanet.com/english/2007-10/16/content_6891940.htm

²²⁷ Zhang Tuosheng, "China–Japan relations at a new juncture," in Huisken, ed., *China Rising*, p. 33.

“ice breaking,” followed by Wen’s “ice melting” trip, then Fukuda’s visit that was described as “heralding spring,” and Hu’s visit that signified the arrival of “warm spring.”²²⁸ This flowery characterization was not just a case of diplomatic niceties but was also the way the foreign ministries of the two countries actually wanted to describe the new stage that relations had reached. Thus Abe’s groundbreaking visit was turned into an opportunity for the political leaderships of Japan and China to express their will to strengthen the strategic relationship of mutual benefit and jointly embark on good-neighborly, friendly, and mutually beneficial cooperation between their countries. The two sides resolved to comprehensively promote a “mutually beneficial relationship based upon common strategic interests.”²²⁹

Prime Minister Wen’s visit to Japan was no less important than Abe’s trip to Beijing. As a result of the discussions during his official visit to Japan, the two governments agreed to jointly make constructive contributions to peace, stability, and development in Asia and the world through cooperation at bilateral, regional, and international levels.²³⁰ President Hu Jintao’s visit to Japan in May 2008 marked a new pinnacle in the warming of relations. The ultimate purpose of his visit was to “enhance mutual trust, strengthen friendship, deepen cooperation, and plan for the future so as to push ahead with strategic and mutually beneficial relationship between China and Japan in an all-round way.” In the joint statement between the Japanese and Chinese governments, they “recognized that the two countries’ sole option was to cooperate to enhance peace and friendship over the long term.”²³¹

The increasingly friendly relations received a boost when Abe’s successor as prime minister, the China-friendly Fukuda Yasuo, chose to go to China on one of his first visits abroad. He emphasized that relations with China constituted one of the most important sets of external relationships for Japan, and he expressed determination to press ahead with the strategic relationship of mu-

²²⁸ Zhang, “China–Japan relations at a new juncture,” p. 38.

²²⁹ MOFA, “Japan-China Joint Press Statement,” October 8, 2006, <http://www.mofa.go.jp/region/asia-paci/china/joint0610.html>

²³⁰ MOFA, “Japan-China Joint Press Statement,” April 11, 2007, <http://www.mofa.go.jp/region/asia-paci/china/pv0704/joint.html>

²³¹ Ibid.

tual benefit.²³² Goodwill towards Japan spread among the Chinese when Japanese emergency relief was the first to arrive after a disastrous large-scale earthquake hit Sichuan province in May 2008.²³³

When Fukuda Yasuo resigned as prime minister after only one year in office and was replaced by Asō Tarō, many worried that the election of the nationalistically inclined and hawkish Asō would result in strained relations with China – and other countries with which Japan has a complicated history because of its aggression before and during the Second World War. As foreign minister in the Abe government he had joined hands with the prime minister to tout a “values-based diplomacy” calling for expanded cooperation with democracies, particularly the United States, Australia, and India. Furthermore, Asō’s history is troublesome in the sense that his family has a murky past of using POWs as slave labor during the Second World War.²³⁴ These facts were seen not to augur well for relations with China. These turned out to be misguided apprehensions, however. It seems not unreasonable to exempt Asō from consideration as he did not contribute during his short tenure to either improving or worsening relations with China.

²³² Zhang, “China-Japan relations at a new juncture,” p. 36.

²³³ Bert Edström, “Introduction,” in Bert Edström, ed., *Security and Development in Asia: New Threats and Challenges in the Post-Postwar Era* (Stockholm: Institute for Security and Development Policy, 2009), pp. 6ff.

²³⁴ Bert Edström, *The Problems and Perils of a Prime Minister: Asō Tarō and Japan’s Political Autumn*, Asia Paper (Stockholm: Institute for Security and Development Policy, February 2009), pp. 45f.

Concluding Remarks

In hindsight it is clear that Prime Minister Abe Shinzō's short-lived premiership became a watershed at least as far as Japan's relations with China are concerned. His visit to Beijing brought relations onto a more collaborative track, away from the confrontation that had been the order of the day with his predecessor Koizumi Jun'ichirō at the rudder. Top-level visits in quick succession showed that the Japanese and Chinese governments had decided to abort the arena of confrontation and conflict. The fair winds blowing were captured in the joint statement issued on the occasion of Prime Minister Wen Jiabao's visit to Japan in May 2008. In the statement the two countries recognize that they "bear a solemn responsibility for peace, stability, and development of the Asia-Pacific region." Furthermore, the statement opens up the prospect of joint action by Japan and China. This is seen in the passage whereby it is clarified that the two governments had agreed "to *together* promote the realization of peace, prosperity, stability, and openness in Asia." Not only that, the two governments pledged to "*together* forge a bright future for the Asia-Pacific region," a bold ambition that was proclaimed after the no less bold announcement that they "would align Japan–China relations with the trends of international community."²³⁵

It is obvious that the commitments of the two governments have implications for Japan's and China's way of dealing with the reclusive Myanmar. Whether or not Japan and China will live up to their solemn pledges found in the joint statement, it is not that farfetched to claim that the Myanmar conundrum will in any case enter the Japanese–Chinese political agenda. As a country led by a military junta ruling by force and repressing its people, the isolated Southeast Asian country has become an odd man out in international and regional politics. Like North Korea, Myanmar is an international outsider whose *noli me tangere* stance is matched by the unwillingness and revulsion of

²³⁵ MOFA, "Joint Statement between the Government of Japan and the Government of the People's Republic of China on Comprehensive Promotion of a 'Mutually Beneficial Relationship Based on Common Strategic Interests'," May 7, 2008, <http://www.mofa.go.jp/region/asia-paci/china/joint0805.html> (emphases added).

most other countries to deal with it. If Japan and China see themselves as bearing a responsibility for the peace, stability, and development of the Asia-Pacific region, it is hard to see how they can avoid being annoyed by the existence of an international outcast in their immediate neighborhood, especially if they want to live up to their declared aim of aligning Japan–China relations with the trends of the international community. The policies of the Myanmar regime certainly go against the trends of the international community. The Myanmar regime pursues policies that are abjectly contrary to what Chinese Prime Minister Wen, in a major speech, has identified as common human values: “Democracy, the rule of law, freedom, human rights, equality, and mutual respect are not exclusively capitalist values. They have come about as the result of the gradual advance of history. They are common human values.”²³⁶

It is obvious that Prime Minister Abe Shinzō’s visit to China meant that relations between Japan and China began on a new track towards collaboration and away from confrontation, at least at the governmental level. His successor built on this and continued to try to confirm that the strained bilateral relations was a thing of the past. Abe’s recognition of China’s leadership vis-à-vis North Korea and Wen Jiabao’s readiness to accept Fukuda’s plea for China to use its influence in Myanmar indicate that a new option was available in understanding of how the Myanmar conundrum could be handled as a part of regional politics – Chinese–Japanese collaboration. Both countries are great powers in the region and joint actions or opinions by them cannot easily be dismissed by other countries, especially those in the region. The option of Japanese and Chinese joint action vis-à-vis Myanmar does not mean that the two countries will act as intruding bullies, however. Both take the same view of how to act towards other countries in one important respect, and are upholding the principle of non-interference and respect of the sovereignty of other countries.

²³⁶ Wen Jiabao, “Our Historical Tasks at the Primary Stage of Socialism and Several Issues Concerning China’s Foreign Policy,” *People’s Daily*, February 27, 2007; quoted in Li Datong, “China’s media change: talking with Angela Merkel,” *open democracy*, September 6, 2007, http://www.opendemocracy.net/article/democracy_power/china_inside/media

At rock bottom, both Japan and China see themselves as friends of Myanmar. In this context it has to be remembered that both Japan and China, on many occasions in the past, have shielded Myanmar's military regime from international criticism, not least in the United Nations Security Council. As late as May 31, 2006, the Japanese government apparently objected to the United States' and United Kingdom's motion to put the Myanmar issue on the agenda of the Security Council (nevertheless, four months later, Japan voted in favor of the motion).²³⁷ In the case of China, in October 2007 China diverged from its long-held support in the UN of the Myanmar junta and joined the other fourteen members of the Security Council in rebuking the military regime for its suppression of peaceful protests and demanding the release of all political prisoners. Thus, albeit both Japan and China have a long tradition of backing the Myanmar junta when it has encountered international criticism, on occasions they have also joined the international choir critical of the Myanmar junta.

Kolås and Tønnesson have argued in an incisive analysis that there are chances that future unrest in Myanmar, whether related to internal strife or opposition to Chinese dominance, will be met with further assertion of Chinese control.²³⁸ There are few indications that such an intervention will materialize, however. While it cannot be expected that Japan and China will intervene in Myanmar's internal affairs per se, it is nevertheless not unlikely that the two countries will attend to Myanmar as a problem and support and even bolster criticism and actions taken by the international community, as expressed by the United Nations Security Council, directed against the flagrant abuse of human rights and oppression of the political opposition perpetrated by the Myanmar junta.

Speaking for increasing joint Japanese and Chinese activities is their self-confident valuation of their international status and the fact that the two countries see themselves as having "responsibility for the peace and development" not only of the Asia-Pacific region but even the world of the 21st century. They describe themselves as having not only responsibility but also "great influence" in the Asia-Pacific region and the world. We thus hear in the joint state-

²³⁷ Kudo, "Myanmar and Japan," p. 12.

²³⁸ Kolås and Tønnesson, "Burma and Its Neighbours."

ment the voices of two countries with ambitions to act as and be recognized as great powers.

With Japan having announced that it pursued a “UN centered foreign policy” after it became a member of the world organization in 1956 and with the responsibilities resting with the People’s Republic of China as a permanent member of the United Nations Security Council, it will in many cases make sense for them to accede to international opinion as reflected in the Security Council decisions and resolutions. Holding hands with an international outsider such as the Myanmar junta, or even defending it as Japan and China have done many times in the past, is increasingly inopportune and inconvenient for China as well as Japan. Their status as great powers will only be strengthened if they demonstrate that they stand for and support the common human values that are treasured by fully integrated members of the international community and that have found their most profound expression in the United Nations Charter, which, occasionally, is directed against the repression and abuse perpetrated by Myanmar’s military junta. Even while upholding the principles of non-interference and sovereignty, neither Japan nor China have to continue backing or even defending an unjustly harsh regime.

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