

The EU's Engagement Policy toward Myanmar's Democratic Transition

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Abstract

Due to failure to hand over power to the elections winning party, the National League for Democracy (NLD), which ended in a landslide victory in May 1990, Myanmar had to face sanctions and isolation measures imposed by Western countries. Strategies of the Western governments have been centered on the idea that the best way to promote Human Rights in Myanmar was primarily by pushing for a democratic transition. So, the EU imposed sanctions for the first time on Myanmar in 1991, condemning the refusal of the SLORC to accept the results of the 1990 elections. The EU has reacted relatively swiftly to the recent reforms since 2011. The EU approach has been one of carrots and sticks, including an intention to increase humanitarian aid and to offer more in the way of financial assistance and to lift sanctions should the situation improve. This paper aims to explore the sanctions and engagement policies European Union has applied for the political changes in Myanmar. It argues that although EU's carrots and sticks could not affect the regime change, their pressure and encouragement had great impact on Myanmar to move forward democratic transition.

Key Words: Myanmar, EU, Sanctions, Engagement, Political Transition

Introduction

Due to failure to hand over power to the elections winning party, the National League for Democracy (NLD), which ended in a landslide victory in May 1990, Myanmar had to face sanctions and isolation measures imposed by Western countries. Arguing that the country lacked a constitution for transferring power to a new government, the military regime led the national convention selecting the hand-picked members. Finally, in September 2003, the military announced its roadmap to disciplined democracy, which promised to transfer power to an elected government again but it lacked time frame. The drafting of the constitution was finalized thanks to the so-called "Saffron Revolution" in 2007, in which thousands of monks several people, were killed and arrested during that revolution, and as a consequence international actors such as the United States or the EU tightened their sanctions, and called for action.

The response from Myanmar's government was maintaining its seven-roadmap plan, announcing to hold elections on November 7, 2010, and promised a democratic

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transition for the country. Then, the Military government handed over power to the new civilian government in March 2011. With advance of reform process, the European Union (EU) welcomed and supported Myanmar's reform with an incentive and engagement strategy. Under this context, the research question, to what extent the EU's sanction policy and engagement measures have contributed to Myanmar political transition is needed to be raised. In order to answer this question, the paper investigates how the external factor especially EU manipulated its policies to engage in the movement of Myanmar political process.

Conceptual Framework

Strategies of the Western governments have been centered on the idea that the best way to promote Human Rights in Myanmar was primarily by pushing for a democratic transition. This policy was followed mainly using coercive means such as censure and sanctions. The term democracy includes both the procedure to elect governing authorities; liberal principles such as social, political, economic and religious rights; and the setting of limits to government power over society and individuals.¹ Several methods for promoting democracy exist. These methods can be persuasive or coercive in nature. Methods of political persuasion include discussing the importance of human rights, giving advice on how a political change can be achieved, institutional assistance, assistance in crucial events of the democratization process such as electoral assistance.

Economic methods have been widely used as instruments to promote democracy. Most of the time, they take a coercive form using sanctions. These sanctions strike the targeted state with deprivation and impoverishment because it refuses to adhere to the democratic principles.² Sanctions comprise essentially economic sanctions and they can be conceptualized as a means of exerting what is called coercive diplomacy. The purpose is to persuade the target to stop and/or undo an action he is already embarked upon.³ Coercive diplomacy can include the threat of a punishment and/or the limited use of force to persuade an actor to stop or undo an action.

¹ Thawngmung A. Maung, "Preconditions and Prospects for Democratic Transition in Burma/Myanmar" in *Asian Survey*, vol. XLIII, no3, May/June 2003, 444

² Daniel Silander, "Democracy from The Outside?" in *Social Alternatives*, vol. 24, no 3, Third quarter 2005, 29-30

³ Alexander George, *Forceful Persuasion: Coercive Diplomacy as an Alternative to War*, Washington D.C, United States Institute for Peace Press, 1997, 4

The democratization process goes through three different stages: the breakdown of an authoritarian regime, the transition, and the consolidation of a democracy. After the transition to a democracy, countries have to prevent an authoritarian reversal and further consolidate the democracy. All these challenges have to be considered by external agents who have an interest in influencing the democratization of a country. External actors, for example the European Union, who attempt to influence a democratization process, use various instruments to support a country in their transition. Another favorable condition for a successful democratization is the institutional arrangement in a young democracy. Hadenius and Toerell argue that military regimes most frequently end up in limited multiparty regime, before transitioning to a consolidated democracy.⁴ The risk of a democratic breakdown almost disappears if a democracy survives for at least two decades. In order to achieve a consolidated democracy a nation state has to overcome various obstacles.

The European Union's Engagement Policy toward Myanmar

Sanctions were initiated following the failure of the ruling military government (SLORC/SPDC), to honor the results of the 1990 elections won by the National League for Democracy (NLD), the EU suspended its aid programs and imposed an arms embargo along with diplomatic sanctions. The EU imposed sanctions for the first time on Myanmar in 1991, condemning the refusal of the SLORC to accept the results of the 1990 elections. Since 1992, the EU has gradually expanded its foreign policy toolbox. It called on the SLORC to enter into meaningful dialogue with pro-democracy groups with a view to bringing about national reconciliation. However, the situation in Myanmar had not improved since the inception of EU's joint actions. Therefore, a ban on temporary visas was imposed against senior members of the SLORC and their families, thus prohibiting transit through European cities to other destinations.

The EU position was echoed in the Clinton administration's executive order to prohibit new investment in Myanmar, urging the military authorities in Myanmar to begin a serious political dialogue. So, sanctions were upgraded in 1996 due to human rights violations: a visa ban and a suspension of high-level visits were introduced.⁵As part of its

⁴ Axe Hadenius &Teorell, "Pathways from Authoritarianism", Journal of Democracy, 18 (1), January,2007,147

⁵ Dr. Portela Clara ,*Impact of sanctions and isolation measures with North Korea, Burma/Myanmar, Iran and Zimbabwe as case studies*, Directorate-General for External Policies of the Union Policy Department,Brussel,2011,p.15

Common Security and Foreign Policy (CSFP), the European Union in 1996 adopted a common position on Myanmar by calling on the SLORC to enter into meaningful dialogue with pro-democracy groups with a view to bringing about national reconciliation. With this objective in mind, the EU adopted a number of disincentive measures to encourage the democratic transition in Myanmar.⁶ In 1996, the Council reacted to the death of the Danish Consul in Myanmar by confirming the previously imposed arms embargo, as well as a travel ban, and by requesting an independent investigation.⁷

Attitudes hardened as the EU made Myanmar a major issue in its relations with ASEAN, at significant cost to cooperation. Having failed to persuade ASEAN not to admit it in 1997, the EU demanded Myanmar's exclusion from subsequent inter-regional meetings, leading to cancellation of several ASEAN-EU meetings between 1997 and 2000. Then, the Council revised the Common Position to add an export ban on everything that could be used for internal repression in 2000. It also added the list of the people concerned by the visa ban and imposed a freeze of the assets held in Europe by the people named on that list. In October 2004, as no progress in responding EU's demands was registered, the restrictive measures were further tightened. The visa ban was extended to cover all officers of the regime and prohibition for EU companies to invest in Myanmar state owned enterprises has been decided.⁸ This was added to the already longstanding ban on assistance to Myanmar from the World Bank, the International Monetary Fund and the Asian Development Bank.

The EU adopted a linkage diplomacy approach by raising issues on Myanmar in the ASEAN-EU dialogue process to remind the ASEAN that it should not be complacent about its obligations to promote changes in Myanmar. President of the EU Council stressed that the EU expected that the accession of Myanmar to ASEAN would contribute to an improvement of the internal situation in this country. He told his ASEAN counterparts that the EU would not change its position on Myanmar unless five conditions were met.⁹ They gave pressures for restoration of political dialogue with pro-democracy leaders as well as a

⁶ Zaw Oo and Kai Grieve, "Carrots and Sticks for Democratization in Burma," *Human Rights in Development: Global, Perspectives and Local Issues*. Stokke, H, and Tostensen, A. eds., Kluwer Law International, The Hague, 1999, 97

⁷ Francesco Giumelli and Paul Ivan, "The effectiveness of EU Sanctions: An analysis of Iran, Belarus, Syria and Myanmar", *EPC Issue Paper No. 76*, European Policy Center, November 2013, 8

⁸ Robert H. Taylor, "Myanmar. Roadmap to Where?", *Southeast Asian Affairs*, 2004, p. 171

⁹ Zaw Oo, *Carrots and Sticks for Democratization in Burma*, 113

new democratic general election at the earliest opportunity. Nevertheless, Myanmar military government did not accept any of the demands.

Until 2004, the EU Common Position limited EC assistance to Myanmar to humanitarian aid. As the restrictive measures foreseen in the Common Position were never intended to hurt the population of the country, the EU undertook a revision of the Common Position in October 2004.¹⁰ The version opened the possibility for a more systematic approach to assistance in view to tackle the structural poverty in the country while continuing to invoke the government's responsibility to attain the UN Millennium Development Goals. EU development assistance was based on Article 5 of the Common Position. Article 5 said that non-humanitarian aid or development programs would be suspended. Exceptions would be made for projects and programs in support of: human rights, democracy, good governance, conflict prevention and building the capacity of civil society, health and education, poverty alleviation and so on.

The programs and projects were implemented through UN agencies, non-governmental organizations and through decentralized co-operation with local civilian administrations. Accordingly, the European Union continued to engage with the government of Myanmar over its responsibility to make greater efforts to attain the UN Millennium Development Goals.¹¹ In line with what is mentioned above, the main policy objectives of the EU were the support of a process of national reconciliation, the introduction of a democratic order and the respect of human rights. In reaction to the repression of the pro-democracy demonstrations of the autumn 2007, the EU agreed measures targeting specifically state-owned industries by prohibiting the export of equipment and technology, and the provision of technical or financial assistance destined for enterprises engaged in logging and timber processing, and the mining of metals, precious and semi-precious stones; the import of round logs, timber products, metals, precious and semi-precious stones; and the creation of joint ventures with blacklisted enterprises or their subsidiaries. The conditions for lifting or easing of sanctions were spelt out in a broad formulation in the Common Position 2006/318/CFSP:

“In the event of a substantial improvement in the overall political situation in Myanmar, the suspension of these restrictive measures and a

¹⁰ *The EC-Myanmar Strategy Paper (2007-2013)*, accessed December 20 2013, eeas.europa.eu/myanmar/.../07-13-en.h...

¹¹ Common Position 2004/730/CFSP of 25 October 2004

gradual resumption of co-operation with Myanmar will be considered, after the Council has assessed developments”.¹²

The Council renewed the Common Position, expressing deep concern on the lack of tangible progress in the promised transition towards a legitimate civilian government.¹³ However, the EU's carrots and sticks policy could not persuade Myanmar to comply their urges and the EU had strict sanction-policies towards Myanmar until the elections in 2010.

The EU's Myanmar policy frequently fluctuated between a “carrot” and a “stick” approach, depending on the circumstances. Since 2011 the emphasis has been exclusively on carrots. The EU has generously provided large amounts of aid intended mainly to assist Myanmar in its transition. The EU's initial reaction to President U Thein Sein's reforms was cautious and its easing of sanctions was accordingly timid. Its response combined a limited suspension of sanctions and a resumption of development aid. Already in April 2011, the EU had suspended the visa ban on selected members of the new government – those who had no affiliation with the military or were essential for dialogue with the international community according to Common Position 2011/239/CFSP – and allowed for the resumption of high-level meetings. In January 2012, the EU welcomed the remarkable progress and extended the suspension of the visa ban to the president, cabinet, and parliamentary speakers. It announced that a further easing of the measures would be made if progress continued, pointing to the upcoming by-elections scheduled for April 2012. Typically for the EU's traditional strategy of combining carrots and sticks, the promises regarding the easing of sanctions were accompanied by pledges of aid. The sum announced by Catherine Ashton during her visit amounts to 150 million euros for the period 2012–13.¹⁴ It proved that if Myanmar keeps on making democratic reforms, the EU feeds her on and on.

The EU's official documents reflect a strong optimism about the reform process that does not factor in the possibility of an autocratic recession. In general, the EU approach has been one of carrots and sticks, including an intention to increase humanitarian aid and to offer more in the way of financial assistance and to lift sanctions should the situation improve.¹⁵ Despite strong similarities between the U.S. and European responses, the EU

¹² Clara, *Impact of sanctions and isolation measures with North Korea, Burma/Myanmar*, p.15

¹³ Council of the European Union, Press Release, 23 April 2007

¹⁴ Marco Bunte and Clara Portela, “Myanmar: The Beginning of Reforms and the End of Sanctions”, *GIGA Focus*, No.3, 2012, 7

¹⁵ “Foreign Secretary's Ministerial Statement”, 8 October 2007,

views the challenges somewhat differently. Member state officials made it clear they were looking not for regime change but dialogue leading to a gradual process of national reconciliation.

The EU was pleased with the Myanmar civilian government' efforts in holding by – election that was fundamental prerequisite for democratization. The European Union stated that they appreciated the changes in Myanmar over the past year and encouraged the wide-ranging reforms.¹⁶ It also welcomed the concrete steps taken towards these ends: the overall transparent and credible conduct of the by–elections on 1 April, the progress on changes in law and practice to enable freedom of assembly and of association and to eliminate the use of forced labor, the release of a substantial number of political prisoners. In deciding to ease the sanctions, the EU Council announced that it would watch the situation in Myanmar closely and would review its decision to suspend sanctions prior to April 30, 2013.¹⁷ The EU Council also announced that the EU would support the Myanmar government by encouraging Europe's private sector to invest in Myanmar; reinstating the Myanmar Generalized System of Preferences (GSP); and supporting efforts by the Myanmar government to ensure sustainable forestry and harvesting of timber. So, Myanmar president U Thein Sein, on receiving the EU delegation Ambassador David Lipman in Nay Pyi Taw on 13 July 2013, expressed thanks for easing of EU's economic sanctions against Myanmar, reinstatement of GSP and opening of EU's office in Myanmar.¹⁸ Since the reforms were introduced, EU has been supporting Myanmar with its experiences in transitional processes. On 8 December 2014, the EU announced its allocation of EUR 688 million (USD 900 million) to support Myanmar's transition over the period 2014–2020.¹⁹ The areas to be targeted include rural development and agriculture, food and nutrition security, education, governance and the rule of law, and peacebuilding.

The EU deployed the largest international Election Observation Mission to observe the general elections on 8 November 2015, on the invitation of the Union Election Commission. Consequently, Myanmar held nationwide general elections smoothly in November 2015,

accessed December 20, 2013, www.fco.gov.uk/servlet/Front?pagename=OpenMarket

¹⁶ Council conclusions on Myanmar, 3159th Foreign Affairs Council meeting, Luxembourg, 23 April 2012

¹⁷ *Developments in EU and US Trade Controls*, International Trade Controls, Washington, DC, Covington & Burling LLP, April 27, 2012

¹⁸ *The News Light of Myanmar*, 14 July, 2013

¹⁹ Press Release: The European Union Will Provide EUR 688 Million in Grants to Myanmar from 2014–2020, Brussels: EEAS, EU, 8 December, 2014, accessed 25 June 2015, http://eeas.europa.eu/statements-eeas/2014/141208_01_en.htm

which have been widely recognized as free and fair election followed by peaceful transfer of power to the election winning party NLD in 2016. However, Myanmar had to face withdrawal of trade preferences in response to the escalation of violence in Yakhine. The current sanctions regime includes entry-bans into the EU for seven members of the Myanmar security forces who have been demonstrably involved in human rights violations as well as the freezing of their assets in addition to a ban on military cooperation with the armed forces and security forces and a tightening of the arms embargo.²⁰ This, however, could have no effect for democratic transition as sanctions, primarily target the security forces and their cronies.

Conclusion

The EU policies are reflecting a more or less preferred strategy of the major international players, and providing a larger context that determines the outcome of regional approaches. The EU has reacted relatively swiftly to the reforms since 2011. The reforms are meant to be a sign to the international community, especially the EU and the US, to engage with the country. The suspension of sanctions represents the best way to recognize progress whilst retaining advantage to ensure that reforms continue. Political change in Myanmar could lead the European Union to drop sanctions and allow Myanmar to compete in the global economy instead of relying on China for support. As the military regime in Myanmar has contributed to unfavorable initial conditions of a successful democratization the new democratically elected government initiated reforms in order to tackle these issues. The European Union supported these reforms, by integrating Myanmar better into the international community in order to help the country to adapt to democratic values.

Myanmar has a long road ahead to achieve democracy, but it is important for the international community to support these developments toward liberalization. Whereas in the period from 1988 until early 2011 the EU's Myanmar policy frequently fluctuated between a "carrot" and a "stick" approach, depending on the circumstances, since 2011 the emphasis has been on carrots, which signifies an important shift in the application of normative power. The EU has generously provided large amounts of aid intended mainly to assist Myanmar in its transition. Particularly in post-military regimes, The EU as an external agent, plays an important role as they can help to create incentives for the military to

²⁰ Felix Heiduk, "Introduction Myanmar, the Rohingya Crisis, and Further EU Sanctions", *SWP Comment NO.* 52 December 2018

leave the power to a civilian government. It is apparent that although EU's carrots and sticks could not compel the military regime to follow what they demanded, their pressure and encouragement had great impact on Myanmar to move forward democratic transition. So, this paper argues that the sanctions and engagement policies of the EU have contributed to a certain degree in the dynamics of political changes in Myanmar.

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