

# Concerned Individuals

**Position of Concerned Individuals on international assistance in Burma:**

## **NO AID TO BURMA THROUGH THE BURMESE MILITARY REGIME**

Concerned Individuals strongly believe that international aid delivered through Rangoon in this present environment will:

1. Increase military strength and weaken democracy and human rights activities.
2. Prolong the life of a structure that systematically violates basic human rights and damages the environment.
3. Condone the current denial of the rights of ethnic nationalities.
4. Delay the start of a tripartite dialogue process and the transition to democracy.
5. Potentially reduce attention to both internally displaced persons and refugees.
6. Cause further division among the people of Burma by allowing the regime to dictate to which areas assistance can be delivered.
7. Create divisions between democracy activists and their communities by diverting attention away from the root causes of the ongoing humanitarian dilemma.
8. Create divisions among the people of Burma by fostering false beliefs that international aid can be de-politicized.
9. Strengthen GONGOS which are organizations under the control of the military government.
10. Foster aid dependency among the people and reduce self-reliance.
11. Provide the opportunity for the military regime to use international NGOs as shields to mask their human rights violations.
12. Create an environment whereby increased foreign investment can take place under the current system of military rule.
13. Indirectly subsidize the military regime which will allow it to increase its military expenditures.
14. Strengthen the military regime which in turn is prolonging the civil war.
15. Will not reach the real needy people in the remote areas, internally displaced people and refugees along the borders
16. Will legitimize the regime

[End]

# NO AID TO BURMA THROUGH THE BURMESE MILITARY REGIME

**Position Paper prepared by  
CONCERNED INDIVIDUALS from Burma  
Reality of Aid - Asia Network Meeting  
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During the past year, UN agencies and INGO's, together with some governments particularly Japan and Australia, have been calling for large scale increases of international aid to Burma to respond to the ongoing humanitarian dilemma in the country.

Concerned Individuals would like to raise serious concerns about the provision of international aid to Burma under the current military regime.

While recognizing the humanitarian crisis inside Burma, it is important to take into account the underlying root causes of the political, social and economic hardships Burmese people are facing. Concerned Individuals believe that the root cause of the humanitarian dilemma is: 'lack of good governance in Burma.' The regime itself is responsible for the humanitarian crisis in Burma owing to the following factors:

- The regime's focus on holding on to power by all means including increased militarization
- The regime's waging of war against ethnic nationalities in the ethnic areas
- The regime's mismanagement of the economy

## **Background on international assistance in Burma**

Prior to 1988, Burma received almost USD400million per annum in ODA. ODA fell dramatically in the wake of the violent coup, the regime's refusal to accept the results of the 1990 general election and increasing human rights abuses. Thus the UN has become the largest source of aid, mainly humanitarian. At present, 68% of ODA is channeled through UN agencies operating in the country.<sup>1</sup>

Currently there are 9 UN agencies and 30 international NGOs operating in Burma<sup>2</sup>. They provide direct services such as food relief, primary education and healthcare, shelter and developing local capacities. 16 are subcontracted by United Nations (UN) agencies and among them 10 INGOs active in HIV/Aids control and largely funded and partnered by UN agencies.<sup>3</sup>

To combat HIV/AIDS, European Union (EU) United Kingdom, DFID United States of America (US) have prepared to donate millions of dollars for individual HIV/AIDS programmes in Burma, under the auspices of specifically chosen INGOs and UN agencies and with the

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<sup>1</sup> IMF, in ICG 2 apr 02 p16

<sup>2</sup> Pinheiro (10 Jan 02) para.112

<sup>3</sup> Humanitarian Assistance in Burma, published by Burma UN Service Office, Page 50,

consultation with all relevant parties, including the National League for Democracy. <sup>4</sup>It directed that aid reaches the people directly.<sup>5</sup>

At the moment, only a few countries such as Australia, Japan and China have bilateral agreement with Burma on international assistance.

**Japan :** Japan is the main foreign aid donor. of the regime with over US\$21 million per annum. Right after a military coup and crack-down on pro-democracy demonstrators in 1988, Japan suspended all assistance, but a small amount of humanitarian aid. The flow of funds resumed in 1994. Believing that their assistance was to help ordinary people and could promote dialogue process between the junta and the opposition, last year it extended about 218 million dollars in grants to Burma for scholarship to study in Japan and infrastructure, development projects. A highly controversial project, Japan approved to grant at the amount of US\$28 million ODA for repairing the Baluchaung dam. This amount has been the largest official development assistance (ODA) given to the regime since 1988. It also is giving millions of dollars to the regime for technical assistance including IT training,<sup>6</sup>

**Australia:** Through AusAID (Australian govt overseas aid agency), Australia has given AUD6.2 million (approx. USD3.27 million) for HIV/AIDS, child health and basic health programmes, along with other Burma-related projects. Compared to 2001, there is an increase of approximately 50% of Australia' aid to Burma.<sup>7</sup>Human rights workshops sponsored by Australian government were conducted from 2000 for the Burmese officials. They have just been suspended to respond to the detention Aung San Suu Kyi from May 30.<sup>8</sup>

**China:** From 1988, international financial institutions such as the International Monetary Fund and the World Bank have stopped giving new loans to Burma. So the regime turned to other sources. In 2000, China provided a second US\$17 million. Loans are for five years, with a three year grace period at an annual interest rate of three per cent to cover the cost of telecommunications equipment and installation work in Burma. The project was carried out under contract by Shanghai Bell and MPT.<sup>9</sup> In January 2003, China gave the Burmese junta a US \$200 million loan. Apart from loans, China is giving military aid to Burma, which included fighter jets, tanks and other weapons systems estimated to be worth some 2 billion dollars since 1988.<sup>10</sup>

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<sup>4</sup> National League for Democracy (NLD), whose General Secretary is Aung San Suu Kyi, won more than 80 % of votes in the 1990 election in Burma, but the regime has failed to honour the result of the election until today.

<sup>5</sup> EU, Press release (8 Oct 02) Burma/Myanmar: Council conclusions (General Affairs Council 08/10) Luxembourg; Myanmar Times (1-7 Oct 01) European Union gives \$2.2m for aid projects, Vol.5, No.83

<sup>6</sup> AFP (21 Jul 02) Japanese aid to Myanmar remains stable this financial year; Myanmar Times (22-28 Jul 02) JICA commits US\$21 million in aid to Myanmar, Myo Theingi Cho, Vol.7, No.125, p5

<sup>7</sup> Myanmar Times (17 - 23 Jun 02) Australian aid to help fight AIDS, Vol.6, No.120, Thet Khaing; Myanmar Times (8-14 Jul 02) Australian government provides funding for campaign on AIDS, Vol.7, No.123, Nwe Nwe Aye

<sup>8</sup> Alexander Downer, Minister For Foreign Affairs (14 May 02) Australia's aid budget: Promoting growth and stability in the Asia Pacific region, AA 02 024

<sup>9</sup> Myanmar Times, September 23-29, 2002: China approves \$17m loan for telecommunications projects by Win Kyaw Oo

<sup>10</sup> Deutsche Presse-Agentur January 7 2003: China, Myanmar leaders pledge closer economic ties

## Root causes of humanitarian problems in Burma

"The root cause of the current political, social and economic crises is the current political system of military dictatorship and the suffering of the people in Burma is military man made."

### A. Increased militarization: (Extract from ICG report) <sup>11</sup>

To maintain absolute power to control and dictate all aspects of life in Burma, the regime has been prioritising military spending over that for health and other social expenditure.<sup>12</sup>

**1. Size of army:** Since 1988, the regime has expanded the size of its army more than twofold to over 450,000 soldiers, making it the second-largest military force in Southeast Asia after Vietnam's. There are an additional 85,000 personnel in police or militia units. The regime's defence expenditure amounts to around 14 per cent of GNP, and the defence sector accounts for over 40 per cent of public sector spending. In terms of the ratio of military to social spending, the annual defence budget is more than double the size of that devoted to health and education combined, and the United Nations Development Program has estimated that arms imports comprise more than one-fifth of Burma's total imports. The army is by far the largest of the defence services, most of the troops being stationed in ethnic areas. For example, in Shan State alone, there are now at least 150 battalions <sup>13</sup>, with well over 100,000 troops.

**2. Infrastructure for military:** Drawing on scores of new battalions and improved logistical support since 1988, the army has greatly extended its territorial presence in the country, making roads into those previously inaccessible and remote border areas controlled by the resistance groups.

#### **3. Excessive spending on military:**

- Since 1988 the regime has had deals with military equipment from China amounting to the value of perhaps US\$3 billion of a large volume and a wide range of arms, including fighter aircraft, naval patrol boats, armoured personnel carriers, helicopters, field and anti-aircraft artillery, small arms and ammunition, as well as communications, electronic warfare, signals intelligence and other technical systems. Comprehensive cooperation arrangements have been negotiated between the regime and China including joint signals intelligence facilities at several Burmese coastal sites.
- With the collaboration of Singapore, the SLORC/SPDC has got military training, intelligence resources, defence technology transfers and some arms production facilities, which help the regime expand and modernize its own indigenous defence industries. There is some

<sup>11</sup> A 2000 ICG report: Burma/Myanmar: How strong is the military regime?

<sup>12</sup> Spending on healthcare and education is one of the lowest in the world at under 1% (US\$0.60 and US\$0.28 per annum respectively). The WHO report in 2000 graded Burma 190th in overall health system performance of 191 countries.

<sup>13</sup> This number includes artillery, tank and armoured battalions.

speculation that the regime uses Singapore as a trans-shipment point for arms deliveries to the regime.

- Jane's Defense Weekly reported that the regime has also bought arms from Israel and Pakistan.
- From January 2001, the regime has developed its relationship with India, which is now providing military aid to the SPDC, including uniforms. According to Asian Tribune December 17, 2002, the first consignment of artillery pieces, drawn from ordnance stores at Jabalpur and Panagarh, was shipped to Burma in November 2002. The cargo includes:
  1. 40,000 rounds of high-explosive (HE) ammunition for the 75/24 mm howitzer
  2. 5000 rounds of smoke ammunition for the 120-mm mortar and
  3. 20,000 rounds of HE mortar ammunition
  4. 25,000 rounds for the 40 mm L-70 AD gun
  5. Pyrotechnic signalling devices, 25,000 rounds each of red, green and white
  6. 5000 rounds for the Carl Gustav rocket launchersThe second consignment, comprising ammunition for the artillery, mortar pieces and signal hardware will be in the near future.
- In 2001, the regime spent US\$ 150 Million on twelve MIG fighter planes from Russia. In May 2002, Myanmar's military regime signed an agreement with Russia to help construct a center for nuclear studies and a research nuclear reactor. Under the agreement, the two countries will cooperate in designing and building a nuclear studies center that will include a research nuclear reactor with a thermal capacity of 10 megawatts and two laboratories. The agreement will also include structures for the disposal of nuclear waste and a waste burial site. Russia has agreed to design the center, offer assistance in choosing the site and supply equipment and materials. Russian experts will also assemble, install and help operate the center's main technical equipment. Under the plan, Russia will deliver the nuclear fuel and signed a contract to buy a nuclear reactor from Russia last year.<sup>14</sup>

**B. War against ethnic nationalities in the ethnic areas:** Civil war between the series of central Burmese governments/military regimes, dominated by the Burman majority, and the country's ethnic nationalities broke out in 1948 and has been ongoing until now. This means the regime has been waging war against ethnic nationalities for over 50 years

From the mid-1960s the regime has launched anti-insurgency campaigns in the ethnic lands known as the "Four Cuts" aimed at cutting off the resistance groups from the four main links (food, funds, intelligence and recruits) between them and local villagers. The operation has affected millions of people, mainly from ethnic minority groups in the armed conflict areas. The ethnic peoples have lost their livelihoods as numerous villages were forcibly relocated<sup>15</sup> and food

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<sup>14</sup> Source: May 15, 2002's DowJones, Associated Press

<sup>15</sup> Since 1996, over 2,500 villages are known to have been relocated or burnt down in the States and Divisions adjacent to the Thai border (Shan, Karen, Karenni and Mon States and Tenasserim Division). There are more than 176 forced relocation sites.

and crops destroyed. Many civilians have also been killed.<sup>16</sup> Many people flee to neighbouring countries, particularly Thailand, where they do 3D jobs- dirty, difficult and dangerous - with well-below wages in agriculture sectors, in construction sites, in factories, in the seafood-processing industry, fisheries or as domestic workers, sex workers and waitresses etc.<sup>17</sup>

The presence of the military throughout the ethnic areas has endangered the life of local people as the military exercises absolute power, and their troops are committing systematic human rights abuses including extrajudicial killings, forced labor, torture, killing, looting and forced portering. Women and girls in particular are targeted for rape and other forms of sexual and gender-based violence by Burma army soldiers.<sup>18</sup>

In ethnic areas, sexual violence serves the multiple purpose of not only terrorizing local communities into submission, but also flaunting the power of the dominant troops over the enemy's women, and thereby humiliating and demoralizing resistance forces. It also serves as a "reward" to troops for fighting.<sup>19</sup>

### **C. Regime's mismanagement of economy**

The regime has total control over all sectors of society including the economy. Their gross mismanagement has resulted in subsequent economic deterioration in Burma. The so-called market economy system put into practice since 1988 has been controlled by the regime and its circle, and has caused the price of consumer goods to skyrocket, directly affecting the general population. The regime has been printing local currency and FEC in excess of its gold reserves. This has led to an extremely high inflation rate.<sup>20</sup> The Asian Development Bank (ADB)'s Outlook 2002 report mentioned that the military junta "lacked the necessary policies, and its strategies are ad hoc and respond to a variety of problems in, at times, contradictory ways." Moreover, the capacity to implement policies is lacking. The ADB said Myanmar's problems were as much structural as macroeconomic. It also said the dual exchange rate system<sup>21</sup> distorts prices and resource allocation and stunts growth. Some observers say that Burma's economy has been propped up to a large degree by cash from the illegal trade in opium and methamphetamines which constitutes 20 percent of all business in the country.<sup>22</sup>

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<sup>16</sup> The Dispossessed, a 1997 Shan Human Rights Foundation's report

<sup>17</sup> Burmese Migrant Women in Thailand, published by Asia Pacific Forum on Women, Law and Development (APWLD)

<sup>18</sup> A position paper prepared by Shan Women's Action Network (SWAN) for 59th Session of UNCHR

<sup>19</sup> According to Licence to Rape, a joint report by Shan Women's Action Network and Shan Human Rights Foundation, between 1996-2001, the regime's troops committed sexual crime against 625 women and girls in Shan State alone.

<sup>20</sup> Inflation is estimated to have averaged around 20% in 2001. It had averaged over 25% a year for more than a decade. <sup>20</sup>The country's public-sector deficit, which stood at about 5% of GDP in 1999, persisted in 2000 and 2001 due to increased spending for state economic enterprises, an increase in public-sector pay and poor revenue mobilization. (Source: Dow Jones Newswire April 8, 2002, ADB Report: Myanmar Economic Outlook Remains Uncertain)

<sup>21</sup> The ADB report released in April, 2002 said that distortions in the foreign exchange market had pushed the ratio of the parallel and official exchange rate for the kyat to about 100:1

<sup>22</sup> AFP, September 18, 2002: ADB takes Myanmar to task for delaying reforms, haphazard policies

In conclusion, Concerned Individuals state again that the root cause of the current political, social and economic crises is the current political system of military dictatorship and the suffering of the people in Burma is military man made.<sup>23</sup>

Solidarity is needed in naming and denouncing the root causes, unity in supporting democratic movements and in promoting new levels of international activism, international sanctions and pressures. Now is the time to escalate pressure and sanctions to relieve the suffering of the people of Burma.

**Therefore we call on international aid agencies:**

- to respect the above concerns and engage Burman and non-Burman democratic groups and civil society organisations in a transparent and constructive debate before taking any decisions on increasing international aid to Burma to respond to the military made humanitarian crisis
- to withhold aid, especially through Rangoon, until there is a transitional arrangement for a nation-building process as a result of meaningful tri-partite dialogue.
- to give a role for all people of Burma, including the democratic opposition, in any international assistance delivered to our country.

We call on our fellow activists at the Reality of Aid - **Asia Network Meeting** to demand that your governments:

- Pressure the regime to immediately and fully implement a nationwide ceasefire and begin tripartite dialogue with the representatives of the Burman and non-Burman democratic opposition and to withdraw their troops from ethnic states;
- Suspend the giving of aid to Burma through the regime,<sup>24</sup>
- Suspend all investment in Burma until there is irreversible democratic reform.
- Condemn the Burmese military regime for their systematic human rights abuses including the use of rape as a weapon of war against ethnic women in Burma.

[End]

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<sup>23</sup> In May 2002, the regime signed a contract with Washington lobbyists DCI Associate worth US \$ 550,000 plus expenses for the year ended. One objective was to obtain humanitarian assistance for HIV/AIDs projects. May 15, 2003

<sup>24</sup> According to the report, 'A Peace of Pie', every U S dollar destined for UN agencies in Rangoon, between 40 to 60 cents automatically benefits the regime as UN agencies accept an exchange rate on the dollar lower than the going market rate.

## **Political Statement by International Advisory Council of Reality of Aid**

**June 27, 2003**

### **STOP ALL AID TO BURMA!**

#### **Stop all forms of international aid to the military regime in Burma!**

This was the appeal from the representatives from non-government organisations and people's movements around the world at the biennial global Reality of Aid conference in Manila in June 2003.

“While recognizing the humanitarian situation inside Burma, it is important to take into account the underlying causes of the political, social and economic hardships Burmese people are facing. The root cause of the humanitarian dilemma is lack of good governance in Burma, due to:

- Increased militarization and authoritarian rule
- The war against democratic forces including ethnic nationalities
- Corruption and mismanagement of the economy.

International aid delivered to the Burmese military regime will further increase its strength, and support the constant violation of basic human rights. It will also block the start of a tripartite dialogue process towards peace and reconciliation. External aid provides an excuse for the regime to use international agencies as a smokescreen for its crimes against humanity.

There is well-documented evidence of forced labour, child soldiers, widespread forced relocation, systematic rape, arbitrary arrest and detention, and torture and extra-judicial killings. These circumstances have resulted in an estimated two million internally displaced persons, hundreds of thousands of refugees in officially recognised camps on the borders of Thailand, and Bangladesh. There are also over a million people who are not accorded refugee status and therefore become migrant workers.

International aid will only legitimise the most undemocratic, illegitimate and repressive regime in the world. We urge all donors, investors, governments and international agencies to refrain from giving any forms of support to the Burmese military regime until there is concrete evidence of restoration of democracy and human rights. We appeal to the ASEAN and other nearby countries especially China, Japan, Australia and India, to put an immediate stop to all forms of support to Burma. The immediate release of Aung San Suu Kyi and other political prisoners is an essential beginning to this process.

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We are grassroots activists from Burma concerned about the international aid to Burma

