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ASEAN and Regional Actors in the Indo-Pacific

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Chapter 12

Japan–Myanmar Relations: A Quarter-Century of Risk Mitigation, Management, and Consolidation



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Note 1: Everyone writing on Burma/Myanmar is familiar with the dual name nomenclature and its politics. There is no need to self-justify here.

Note 2: Japanese names appear in the order of family name followed by given name. Burmese names, given their lack of standardized Romanization in addition to the non-existence of given/family names in the Western sense, are presented as they regularly appear in media or other literary sources.

Myanmar: Japan's Risky Regional Priority

The doors just opened to a very different future. I have a sinking feeling that no one will really be able to control what comes next. Myanmar's a country awash in weapons, with deep divisions across ethnic & religious lines, where millions can barely feed themselves.

—Thant Myint-U, February 1, 2021.¹

Military Authoritarianism ... Again

On February 1, 2021, the world watched an aerobics instructor in Myanmar's capital Naypyidaw, as behind her could be seen tanks rolling up to blockade the capital's

¹ Myanmar's army seizes power, detains Aung San Suu Kyi, Reuters, February 1, 2021. Available at <https://www.reuters.com/article/myanmar-politics-quotes-idUSKBN2A112W> (accessed 15.05.2021).

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airport-width roads. What happened next was (as it continues at time of writing) no less than a complete undoing of decades of transformation, liberalization, and (partial) democratization. Or perhaps, a return to a regular cycle of instability: 1988, 1996, 2007, and now again, 2021.

Myanmar held elections on November 8, 2020. Aung San Suu Kyi's NLD party won overwhelmingly out of 87 parties² with 80% of available seats in the country's Pyidaungsu Hluttaw (parliament). However Myanmar's Tatmadaw (armed forces) were not happy and targeted their ire at the country's Union Election Commission (UEC). A few days prior to the election Commander-in-chief General Min Aung Hlaing gave a very public warning to the UEC about its weaknesses.³ This would start the ball rolling on a rather legalistically justified coup d'état. By December 2020, the military began raising questions about servicemen and their family's votes, by the end of January 2021, by Saturday January 30th the military were denying that Hlaing's Thursday statement had been a threat of a coup d'état ... and then on Monday February 1st launched a coup d'état. Or rather, as the tatmadaw do not like the phrase "coup d'état", initiated a constitutionally sanctioned and temporary "state of emergency".

The result. A State Administration Council (SAC) has been put in place to organize the state of emergency, with all state institutional posts replaced by military figures and all with the goal of selectively enforcing the constitution. At time of writing (June 2021) there have been 4,271 arrested and 815 killed of the Civil Disobedience Movement (CDM) that has arisen; turning Yangon and Mandalay into battle zones.⁴ National ceasefires have broken down and a major Karen (KIA) insurgency has emerged against military forces. City protestors are moving to the countryside in order to get guerrilla training from the KIA; including Myanmar's beauty queen. Protests in capitals around the world and within the UN have flared, including some of Myanmar's own ambassadors disowning the Tatmadaw. The UN Security Council has been predictably stymied by state divisions among veto powers, but both Arria formula meeting group and the General Assembly have tried to take up the slack, with the former calling for arms embargoes and the latter organizing a general resolution of condemnation.⁵ Sanctions have been put in place, again, by the US and other Western state actors. ASEAN has been unusually forthright in its calls for change on the part of the Tatmadaw and issuing a "5-point consensus" in a special meeting in Indonesia (April 24).⁶ Aung San Suu Kyi [from herein, ASSK], the once iconic leader, has been held under arrest on dubious charges, not allowed access to lawyers,

² Southeast Asia's youngest democracy strangely has the largest number of political parties.

³ Myanmar: Myanmar Military Chief's Warnings Raise Specter Of Post-Election Chaos. Asia View, November 9, 2020. Available at <https://asiaviews.net/myanmar-myanmar-military-chiefs-warnings-raise-specter-of-post-election-chaos/>.

⁴ Assistance Association for Political Prisoners (Burma). <https://aappb.org/>.

⁵ Security Council Arria formula meeting on Myanmar, Available at <https://www.youtube.com/watch?v=iSS9xddxCm0> (accessed 15.04.2021).

⁶ ASEAN [online] *Chairman's Statement on the ASEAN Leaders' Meeting, 24 April 2021 and Five-Point Consensus*. Available at <https://asean.org/chairmans-statement-asean-leaders-meeting-24-april-2021-five-point-consensus/> (accessed June 2nd 2021).

Table 12.1 Myanmar’s Coup D’état—opposition cycle, 1947–2021

		Independence, constitution (1947)	1947–1962
Coup, Burmese Way to Socialism	1962–1988		
		Peoples assembly, constitution (1974), internationalism >8888 uprising	1974–1988
Coup, SLORC	1988–2011		
		Roadmap to democracy, Saffron Revolution, constitution (2008)	2003–2011
Elections, diarchic state	2011–2021		
		Heavy NLD victories in 2015 and 2020 general elections, and 2012 and 2018 by-elections	
Coup, State Administration Council—2021	2021		

Source Author

and not shown publicly. A parallel government of ousted lawmakers has constituted itself in the form of the Committee Representing Pyidaungsu Hluttaw (CRPH) and the broader coalition with ethnic groups in the form of the National Unity Government of Myanmar (NUG) with claims to represent true authority in Myanmar; later forming their own military force, the People Defense Force. The military-appointed new Election Commission has dissolved ASSK’s National League for Democracy (NLD). And finally, all of this while the Corona/COVID-19 pandemic has been washing over the world and Myanmar. In the words of the Myanmar’s rebellious and later fired ambassador to the UN, Kyaw Moe Tun: “The Myanmar military has become an existential threat to Myanmar, as a polity and as a civilised society”.⁷

This is not historically out of character. Myanmar has a history of swings between democracy and military’s coups, with constitutions drafted and redrafted along the way. The country has had three constitutions and three coup ‘d’états since WWII. Summarized below, there is a pattern of cycles lasting between around 15–25 years whereby a democratic regime stays in, then a coup that creates a new regime for around two decades, around 10–15 years after which a mobilized opposition grows, then another coup to repeat the cycle (Table 12.1).

The question for Japan’s Burma interested elites must be: is the 2021 coup d’état fundamentally different or simply a socio-historical pattern to be endured? Is it time to adjust, cancel, or maintain its foreign policy priority in Myanmar?

⁷ Myanmar: Briefing by Special Envoy of UN Secretary-General. Available at <https://tinyurl.com/9rfcrdc4> (accessed 15.04.2021) (28 min).

Japan–Myanmar: A History of Risky Relations

On September 15, 2014, Yamaguchi Yoshiko or stage name Rikoran (to Japanese), aka. Xianglan or stage name Li Xianglan (to Chinese), aka. Shirley Yamaguchi (to Americans), died at the age of 94. She had lived a full life. A film and music star across Asia and in Hollywood, remembered for the still popular song “Yue Lai Xiang” (Evening Primrose), Yamaguchi was also a member of Japan’s Upper Diet House representing the LDP for 18 years (1974–1992) and was married to Myanmar’s 1980s ambassador from Japan, Ohtaka Hiroshi. She lived close to and through that turbulent 1980s–1990s period in Japan–Burma relations also lived to see Japan’s return to Myanmar from the 2010s. Yamaguchi’s empire born international life, connection to elite circles in Myanmar, then involving herself in elite political circles in Japan, serves as a neat synopsis and mirror of Japan’s own historically mixed and upper-crust connected relations.

It is widely acknowledged both academically and in professional circles that Japan plays a major role in Myanmar and has done so for a long time.⁸ The two countries have maintained a long and steadfast relationship (particularly after WWII) that has weathered many changes of leaders and priorities, in addition to shifting attitudes toward Burma from the West.⁹ This is due in part to a well-established set of elites in Japan who demonstrate sentimental attitudes, *birumero*,¹⁰ even *biru kichi* (*biruma kichigai*, i.e., “crazy about Burma”)¹¹ preferences that reveal a “special relationship” with Myanmar.

However Japan’s position in Myanmar has also evolved considerably over the twentieth century, having to deal with many shocks and risks. Without going back quite as far back as Japan’s key involvement in Myanmar during WWII, prior to the “8888 Uprising” in March 1988 Japan had been well engaged with Myanmar but narrowly driven by the then prevailing logic of the time—bilateral tied ODA for big project industrialization. Such engagement could be tolerated as Myanmar looked like it was reforming with a constitution in 1974 (a single party Social state constitution, but a constitution nonetheless), a Peoples Assembly being formed, and acceptance of some degrees of internationalism. Major projects focused on manufacturing,

⁸ Hartley, Ryan. (2018) Japan’s rush to rejuvenate Burma relations: A critical reading of post-2011 efforts to create “new old friends”. *South East Asia Research*, 26 (4), 367–415.

⁹ For a periodization of Japan’s post-WWII relationship, see: Hartley, Ryan. (2017) “The Evolution of Japan–Myanmar Relations since 1988”. In Kingston, Jeffrey. & Brown, James. (eds.) *Japan’s Foreign Relations in Asia*. London & New York: Routledge.

¹⁰ A portmanteau of Japanese words *Biruma* (Burma) and *meromero* (sentimental), meaning “having a soft spot for Burma”. Yamada, Junichi. (2021) *Infura kyōryoku no ayumi. Jijodoryokushien to iu messeji*. (Japan’s Cooperation to Infrastructure Development: Its History, Philosophy, and Contribution [Reconsidering the History of Japan’s Development Cooperation Volume 5]), University of Tokyo Press, 79–95.

¹¹ Seekins, Donald. (2000) “Japan’s ‘Burma Lovers’ and the Military Regime”, *Asian Perspective*, 24, 4, 315–334.

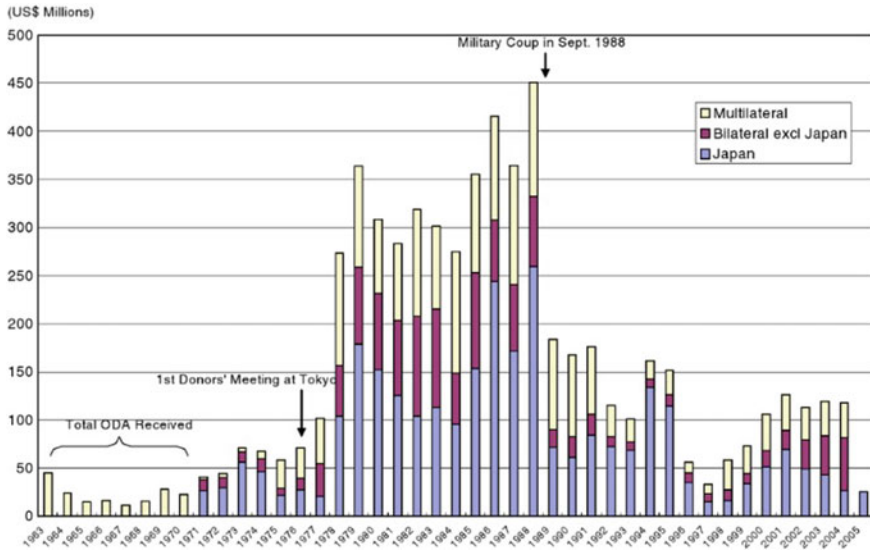


Fig. 12.1 Japan’s ODA to Myanmar, 1983–2005. *Source* Kudo, Toshihiro, p. 254, Fig. 10.1¹²

mining, and power, especially the “Four Industrial Projects”, Baluchaung Hydro-electric Project (No. 1 Power Station), Oil Development Project, and the Yangon International Airport Extension Project.

Then 1988 happened. Huge international condemnation and embargoes on Myanmar led to Japan’s halting all loan ODA to Myanmar, but not all ODA; grants have been maintained continuously. This is a pattern of interactions that often repeats: (1) Myanmar promises liberalization, internationalization, and greater democracy, (2) Japan rushes in with piles of capital, projects, and policies—captured clearly by Kudo Toshihiro below, and then (3) then the military steps back in and turns the clock backward (Fig. 12.1).

In 1992 the turn of the clock happened again just as in 1974. The military launched what it regarded as the first stages of democratization with the National Convention. This would ultimately lead (after many NLD boycotts) to the 2003 “Roadmap to democracy”. In June 2000 all of Myanmar’s closed universities were re-opened. Political prisoners began to be released in 2001. In 2002 restrictions on Aung San Syu Kyi’s movements were lifted. Japan began to see a way in again. In November 2001 a Yangon Workshop on Japan–Myanmar Cooperation for Structural Adjustment of the Myanmar Economy was convened, with such an initiative often being a tentative first step from Japan toward larger ventures. In 2002 Japan’s Foreign Minister Yoriko Kawaguchi was the first incumbent Japanese foreign minister and the first G8 foreign minister to visit Myanmar in the two decades since the 1988 SLORC coup d’état.

¹² Kudo, Toshihiro. (2010) “Myanmar and Japan: How Close Friends Become Estranged?” In Faure, Guy. (ed.) *New Dynamics Between China And Japan In Asia: How To Build The Future From the Past?* Singapore: World Scientific.

All was looking well and then, the Black Friday Incident. Aung San Suu Kyi was attacked in 2003 and re-detained for the third time since her release in 1995. Long-time Myanmar hand, Foreign Minister Yoriko Kawaguchi was not worried, stating in 2004 in Japanese (but not translated into English on the MOFA website):

I do not think that the situation is getting worse. Although there was this incident, when we look at the release of political prisoners, there has been much progress, and progress is being made toward democratization.¹³

The US did not feel the same. A rapid response emerged from the US in the same year with the “Burmese Freedom and Democracy Act”. The US’s Burmese Freedom and Democracy Act (2003) effectively imposed an embargo on Burma, shutting down Japan’s preference for constant engagement. Japan was now once again in a very difficult position, with *myanmā masatsu*¹⁴ able to cause problems even with its number one ally, the US.

America’s Burmese Freedom and Democracy Act would officially end in 2016 however by 2011 then President Obama’s doctrine of rapprochement with Communist cold war enemies began to take effect. Hillary Clinton along with cabinet members from various European countries visited Burma in December 2011. Burma received former US President Obama in 2012—the first serving US president to do so—and again in 2014, with former general and Burma President leader Thein Sein visiting the White House during the interim in 2013 (the first since Ne Win in 1966). Japan’s political elite immediately took it as the sign it needed to re-engage. The worm began to turn once again.

Japan’s “Myanmar Dilemma”

From the potted history presented above a number of phenomena hopefully emerge. First, Myanmar is a very unstable and risky country to have dealings with; not only in relation to consequences for Japanese actors on the ground but also for Japan’s wider status in the region. Events in Myanmar can have a very large impact on Japan not only bilaterally but also, as we will see, in its regional foreign policy too. Myanmar has a diarchic state, arguably little to no political settlement, and is still at the economic status of a developing country. Second, despite this, Japan seems very willing to absorb a great deal of risk from trying to deal with a country that has not yet decided whether it is a military oligarchy or a democracy, with very large consequences on either side. Again and again, Japan accepts the cyclical whirls of hope then disappointment in the stages outlined above, while placing huge amounts of political and economic capital on the table in the process. Japan seems intent on trying to hold this tiger’s tail. Why?

¹³ Akimoto, Yuki. [online] ‘A Yen to Help the Junta’. *The Irrawaddy*, Vol. 12, No. 9, October 2004. Available at <https://tinyurl.com/mqfjyws> (accessed 12.03.2017).

¹⁴ Myanmar friction, referring to friction caused by Myanmar on Japan’s international relations in general but realistically meaning Japan–US relations.

On the one hand, the post-World War II history of multiple Southeast Asian and East Asian states, especially post-colonial ones, shows a recurrent pattern of the military playing a major political role. In part this is due to their key role in independence movements and the low state capacity of these countries following the departure of colonial administrators during decolonization. While the 2020 Myanmar election had a crucial importance for Myanmar’s future, research also shows that in Southeast Asia, elections are almost always the culmination rather than the cause of democratization.¹⁵ Moreover, regress and backslide in democratization are also manifest in the region, for instance in Thailand or Cambodia. In that context, while the past decade has marked democratization progress in Myanmar, any expectations of its irreversible course would hardly be warranted.

On the other hand, while the Japanese government must stoically and non-optimistically understand such comparative East and Southeast Asian history (principally because it has been directly involved in a lot of it) its engagement with Myanmar reveals something different, more hopeful, perhaps even something more naïve that leaves Japan open to a good deal of risk. Japan–Myanmar relations have the potential to affect Japan–US relations, indeed relations with the West more generally. It has the potential to cost Japan’s taxpayers and Japan’s business community in extremis as funds funneled into Myanmar may disappear into military pockets offshore. It has the potential to cause major harm to the people of Myanmar as Japan may run the risk of enabling the military’s continued existence and their endless mistakes that harm the people of Myanmar physically and materially. Japan is sometimes argued to be “punching below its weight” in international affairs; Myanmar arguably shows that it is not. Not only can Japan create change, its activities in Myanmar show that it is very willing to assume large burdens of risk to do so. How and why does Japan do this?

Objective and Outline

This chapter is going to bring to bare the notion of risk and its prevention as it relates to transformation in Japan’s foreign policy regarding Myanmar. How has Japan understood and attempted to mitigate that risk? How has it managed issues that arose? And how has Japan attempted to consolidate the gains it has made? Across those three risk dimensions: mitigation, management, and consolidation, the chapter will reveal nine risk factors that represent the hot coals to be walked over if relations are to continue. The chapter will also detail some of the techniques that Japan uses to deal with these risks. These are often techniques and practices that do not always align with a universalist Western approach to international relations, representing a particularly Japanese style foreign policy.

Let us next consider this notion of risk in more detail.

¹⁵ Morgenbesser, Lee & Pepinsky, Thomas B. (2018) “Elections as Causes of Democratization: Southeast Asia in Comparative Perspective”. *Comparative Political Studies*. Volume: 52 issue: 1, pp. 3–35. <https://doi.org/10.1177/0010414018758763>.

Risk, International Relations, and Public Policy

Risk as Reality, Construction, or Control Technique?

The concept of risk as filtered through International Relations is inevitably going to become mired in the doctrinal debates between the schools of thought of the field. From the Realists, the Liberals, their neo-neo developments, and the Marxists we get a rational materialist view of risk as a phenomenon “over there” that can be viewed equally by all parties and dealt with through objective policy tools. From the Constructivists or varied Critical types, we will get a view of risk as a socially interpreted construction, as an ideational or normative framework, or as a network of inter-subjective meanings generated between actors. And from the Post-modernists and their variant “post-” we get a picture of risk as a control device, as an epistemological and ontological framework of manipulation that changes but is also historically contingent.

For Realists/Neo-Realists, their conception of international affairs as rooted in anarchy and order, risk is simply a fact of international life as the former revolves cyclically with the latter. The International Relations’ sub-field of Security Studies is well versed in the notion of risk, material risk, as played out in a world of balance of power, coalitions, force capacity, etc.

In steps the Constructivists who wish to put risk in the spotlight of daily (and global) human political life. Often drawing on Sociology rather than International Relations theorizing exclusively, the “Risk Society” theorizing of Ulrich Beck and Anthony Giddens is keystone for many. Distinguishing between risk and hazards (risks are man-made, hazards ... happen) Beck argues that a technology-driven “Global Risk Society” has developed, whereby risk has broadened to include all aspects of daily life—health crises, labour insecurity, and a range of other issues that lead to greater individualization.¹⁶ Risk becomes disconnected from time and space causing autonomy and agency to shrivel. Hardt and Negri similarly in their seminal work *Empire* argued that such a politics of permanent risk and emergency is a condition of how security has become redefined spatially and temporally toward a global system of war—empire has replaced imperialism.¹⁷ In global empire, spatially, lethal violence is everywhere and ever-present, and temporally, it never ends, e.g., U.S. “war of drugs”, “war on terrorism”; these states are created and never go away. The only people with control? Elites. Globally oriented and connected elites. As Beck states: “Changing the rules remains the revolutionary privilege of capital”.¹⁸

The Post-Modernists/Post-Structuralists take this one step further and regard using the very notion of risk as problematic. Pat O’Malley, for example, argues: “Both risk

¹⁶ Beck, Ulrich. (1992) *Risk Society: Towards a New Modernity*. London: Sage; Beck, Ulrich. (1999) *World Risk Society*. Cambridge: Polity Press.

¹⁷ Hardt, M. & Negri, A. (2001) *Empire*. Boston: Harvard University Press.

¹⁸ Beck, Ulrich. (2005) *Power in the Global Age: A New Global Political Economy*. Cambridge: Polity Press (p. 6).

and uncertainty are neo-liberal concepts, which can be viewed as complementary techniques for governing diverse aspects of life, rather than natural states of things”.¹⁹ Robert Deuchars takes his sword to a particular form of rationality in liberal societies that attempts to replace uncertainty (naturally and inevitably human) with risk (measurable, controllable, and ultimately, manipulatable).²⁰ Such a move being the first justification for an over-arching power to then justify itself as the solution.

In sum, from this heavily summarized section, if we take the broad notion of risk from International Relations as an average of the various theoretical definitions: risk is ever present in international affairs, that it is (a) often a key foreign policy priority to minimize risk for one’s own country and maximize it for others, or (b) to maintain systemically as much as possible a low-risk international system, is man-made and often elite-driven, and its perceived understanding and solutions can be regarded just as much as political control devices as other political concepts.

This transmission of risk through the IR theoretical debates certainly has some value, however some issues also. IR theories are ... theoretical. They are abstract and often do not lend themselves to the minutiae of policy details and policy change. IR theories are generalist and tend to seek to explain everything within a worldview. Risk on the other hand is the varied and the copious. IR theories are all-encompassing, they tend to draw in multiple if not all fields—security, economics, law, no matter, all can be interpreted through Realism, Constructivism, etc. However military risk is very different to financial risk. Lamenting the paucity of risk thinking in the field of International Relations, Darryl Jarvis and Martin Griffiths note:

[T]he problem for IR remains the ideological chasm that continues to define the intellectual epicentre around which scholarly debate occurs, delimiting the emergence of newer and perhaps more innovative research agendas. This partly explains the predilection for research agendas that are focused less on technical-functional knowledge issues and more on the grand questions of IR such as American hegemony, the future of empire, why states fail, the causes of war and the conditions necessary for peace.²¹

Risk and Policy Studies

A means of escaping Plato’s cave is to compliment International Relations with the field of Public Policy. Policy Studies focuses on the same phenomenon as International Relations—elites, institutions, ideas, and power—but does so with a different approach. The field’s originator, Harold Lasswell, in 1951 argued for a clear delineation between the overly abstract and theoretical Political Studies and Public Policy.²² Seventy years later and the distinction still remains relatively firm.

¹⁹ O’Malley, Pat. (2004) *Risk, Uncertainty, and Government*. London: The Glass House Press.

²⁰ Deuchars, Robert. (2004) *The International Political Economy of Risk: Rationalism, Calculation and Power*. London and New York: Routledge.

²¹ Darryl S.L. Jarvis & Martin Griffiths (2007) ‘Risk and International Relations: A New Research Agenda?’, *Global Society*, 21:1, 1–4 (p. 2).

²² Lasswell, Harold, D. (1951a). “The Policy Orientation”, in D. Lerner and H.D. Lasswell, eds., *The Policy Sciences: Recent Developments in Scope and Method*. Stanford: Stanford University

The discipline is to remain focused on clear problems with clear solutions in the real-world holds useful implications for understanding risk in international affairs.

Risk in policy studies can be quite different to International Relations. Rather than trying to apply one model of certainty universalistically on the world, risk in Public Policy is about accepting uncertainty,²³ expecting so-called “black swan” events,²⁴ understanding that partiality of knowledge is the norm,²⁵ and that given a focus on change rather than events, inaction can be just as relevant in policy terms as action.²⁶ Methodologically there is often a focus on the quantitative, on modeling, and on a case study approach. Finally, given Public Policy’s problem-solving and public impact desiring roots, there is often a greater engagement with governmental actors for consultancy or the private sector for commercial gain rather than the analysis and critique found in academia.

A major contribution to analyzing policy is the notion of a “policy cycle”. The policy cycle framework as it evolved combined Stage Theory and Systems Theory to analyze policy development and implementation, managing to take the complex world of policy and streamline it into an analytical model. “Policy” becomes disaggregated into a flow, a process, a cycle, of agenda setting > policy formulation > policy legitimation > policy evaluation > policy maintenance. Debate can be had about the policy cycle’s features, i.e., the number of stages or how narrow/broad they are defined but such a conceptualization works well to tease out the different elements government policy creation, change, and termination. A similar framework can be applied to risk.

If risk is understood as a policy factor then the policy cycle framework can be applied. As a factor, risk can refer to how policy relevant actors change their behaviors based on the uncertainties manufactured by those they relate to. Risk is not one phenomenon. It is factor that manifests differently at different times. These are related, in stages, but can be discrete. Renn has usefully attempted just such a theorization.²⁷ His book *Risk Governance: Coping with Uncertainty in a Complex World* breaks risk down into the policy cycle as: pre-assessment, appraisal, perception, evaluation, management, communication, participation.

In this chapter I go a little further to include future orientated stages of transformation, forecasting, and the ultimate decision of whether to tolerate risk levels or

Press, pp. 3–15; Lasswell, Harold, D. (1951b). *The World Revolution of Our Time: A Framework For Basic Policy Research*. Hoover Institute Studies, Stanford: Stanford University Press.

²³ Manski, Charles, F. (2013) *Public Policy in an Uncertain World: Analysis and Decisions*. Cambridge, Mass: Harvard University Press.

²⁴ Taleb, N.N. 2007. *The Black Swan: The Impact of the Highly Improbable* (Vol. 2). New York: Random house.

²⁵ Aven, Terje. (2014) *Risk, Surprises and Black Swans: Fundamental Ideas and Concepts in Risk Assessment and Risk Management*. London and New York: Routledge.

²⁶ McConnell, Allan & Hart, Paul, T. (2019) “Inaction and public policy: understanding why policymakers ‘do nothing’”. *Policy Sciences*, vol. 52, 645–661 <https://doi.org/10.1007/s11077-019-09362-2>.

²⁷ Renn, Ortwin. (2008) *Risk Governance: Coping with Uncertainty in a Complex World*. Oxon & New York: Earthscan (Routledge).

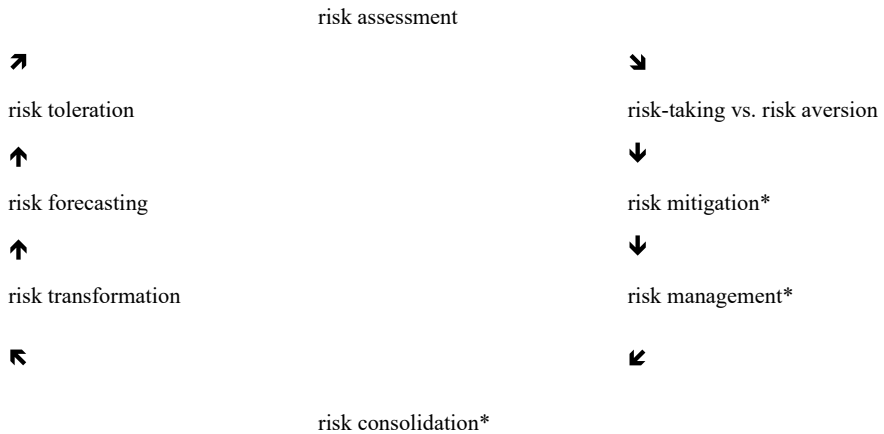


Fig. 12.2 A policy risk cycle. *Source* Author [* = analytical choice in this chapter]

terminate a policy (see below). A breakdown of potential risk activities and their relations are below (Fig. 12.2):

- Risk assessment—pre-action, cognitive, analytical, as yet unengaged
- Risk taking versus risk aversion—decision-making, active, behavior changing (act or not act), as yet unengaged
- Risk mitigation—preventative (of future issues), ideational + communicative + behavior based, engaged with partner
- Risk management—problem solving, ideational + communicative + behavior based, engaged with partner
- Risk consolidation—preventative (of past issues happening again), attempt to strengthen gains made and create interdependence/dependency
- Risk transformation—move to alter the fundamental relationship basis upon which risk has been calculated, not necessarily engaged with partner
- Risk forecasting—analytical, predictive, not engaged with partner
- Risk toleration—post-action, cognitive, decision-making (act or not act), behavior continuance or ending, not necessarily engaged with partner.

Japan and Risk

Japan, Risk, and International Relations

How has risk been applied to Japan’s international relations? Not in all that much detail yet which, given the lack of theorizing within International Relations, is hardly surprising. However some progress has been made.

Neo-realists such as Koga Kei argues that Japan's current foreign policy and risk reduction strategy in the face of an increasingly assertive China in East Asia is marked by "balancing" (against China) and "bandwagoning" (with the US) rather than "hedging" (how states deal with particularly rising powers by mixing cooperative and competitive strategies).²⁸ Focusing heavily on the currently popular Indo-Pacific idea, Koga argues that Japan's greater militarization combined with the Indo-Pacific is simple: "US up, China down, ASEAN/Australia/India up".²⁹ Neo-liberals on the other hand can see Japan's defence of multilateralism and the Indo-Pacific as evidence of Japan's defence of liberal principles; Japan's five goals for the FOIP are essentially serving the purpose of maintaining the current open liberal order.³⁰ Risk reduction is maintaining an open East Asia rather than balanced confrontation with China. After all, Japan cannot take the same approaches as America in East and Southeast Asia. Japan is closer, much more invested and integrated into both North and Southeast Asia, and already suffers with trust issue. Japan cannot walk away from huge investments in China in addition to energy and infrastructure projects jointly operated in Southeast Asia.

Assuming a Constructivist line, Mason (2014) has argued that Japan's post-Cold War constructed perception of the threat from North Korea has forced an "us-them" condition of permanent threat that has enabled a reshaping of Japan's domestic politico-economic forces that serve certain segments of Japan's elite (and US interests) interested in greater securitizing Japan's politics.³¹ This is an example of risk creating opportunity (for some), but risk can also create harm. In later work Hook, Mason, and O'Shea (2015) have highlighted the damage that it is possible to do to domestic populations in Japan, in particular Okinawa, by how Japan recalibrates risk in its relations with China, North Korea, and the US.³² In 2016, Maslow, Mason, and O'Shea collated a portfolio of authors on risk and Japan.³³ These perspectives suggest a risk in Japan's policy calculations as (a) Japan's self-perception as the boat in the wave of Hokusai's famed work, as the victim in East Asian relations, and so conversely (b) risk is used to strengthen the state of Japan against being buffeted by the winds of globalization.

Straddling the line between Constructivists and Post-Structuralists, the issue of Japan's identity construction becomes a concern for some. Hagstrom and Gustafsson

²⁸ Koga, Kei. (2017) "The Concept of "Hedging" Revisited: The Case of Japan's Foreign Policy Strategy in East Asia's Power Shift". *International Studies Review*, Volume 20, Issue 4, December 2018, pp. 633–660. <https://doi.org/10.1093/isr/vix059>

²⁹ Kei Koga (2019) "Japan-Southeast Asia Relations: The Emerging Indo-Pacific Era", *Comparative Connections*, Vol. 21, No. 1, pp. 125-134.

³⁰ MOFA [online] *Diplomatic Bluebook 2020*. Available at <https://www.mofa.go.jp/policy/other/bluebook/2020/html/feature/f0104.html> (accessed 12.05.2021).

³¹ Mason, Ra. (2014) *Japan's Relations With North Korea and the Recalibration of Risk*. London and New York: Routledge.

³² Hook, Glenn., Mason, Ra. & O'Shea, Paul. (2015) *Regional Risk And Security In Japan: Whither The Everyday*. London And New York: Sheffield Centre For Japanese Studies/Routledge.

³³ Sebastian Maslow, Ra Mason, Paul O'Shea—*Risk State: Japan's Foreign Policy in an Age of Uncertainty*.

collate the copious characterizations of Japan over the years in the literature and settle upon their own relational definition: “the most sedimented layer of Japanese identity construction is [...] its differentiation from Others, who are alternately understood as superior or inferior to Japan”.³⁴ More focused on Japan’s regional relations, there are some interesting lines of thought suggesting Japan’s use of risk as a totalizing tool of control over Southeast Asia. The ability to reframe the region as under “threat” from China, the ability to propose scaled solutions such as the Indo-Pacific concept, and the ability and desire of Japan to uphold a Western-centric liberal order for Southeast Asia, one or all could be seen to represent risk being operationalized as a justifier of Japan’s desire to exercise regional influence.

These are interesting but maintain some limitations. Such approaches to understanding risk and Japan are quite abstract and difficult to bring down to earth in terms of policy implementation and change. Myanmar is a very risky country to engage with but Japan continues anyway. The situation changes very regularly, sometimes as most recently, *in extremis*. So when the Myanmar cart “zigs” how does the Japan cart “zag” to follow it? Furthermore, these works tend to emphasize the impact of risk, and new post-Cold War risk at that, “out there” upon Japan “in here”. Moreover the “out there” tends to be Northeast Asia. What about Southeast Asia where there is zero threat to Japan directly and only opportunity: opportunity that has been relevant for most of the twentieth century. The risk calculation changes. Risks exist to Japan’s developing interests “over there”, interests (and therefore risks) that are not new but rather, very well rehearsed.

What if Japan has been managing high levels of risk very successfully since the end of WWII, not the end of the Cold War, and in doing so has demonstrated a high degree of policy awareness of risk that takes Japan beyond the “reactive state” but instead rather than “proactive state”. And what if the best example of this is the riskiest of them all—Myanmar.

Japan and the Risk Policy Cycle

To interrogate this proposition this analysis applies the Risk Policy Cycle framework detailed above to Japan–Myanmar relations. In this chapter on Japan–Myanmar relations I am concerned with three specific stages of the policy risk cycle: mitigation, management, and consolidation. Broadly speaking these are various components of risk prevention. That is, accepting that risk is a permanent variable but (a) trying to minimize it at the outset, (b) trying to manage problems that slip through the mitigation net, and (c) trying to reduce risk by enhancing one’s position in order to prevent “backsliding”. As stated in the introduction, Myanmar is a risky country to connect to. Yet Japan demonstrates a great desire to do so. Therefore, the choice for Japan is to engage in various forms of risk prevention. In addition, the way in which Japan

³⁴ Hagström, Linus & Gustafsson, Karl. (2015) “Japan and identity change: why it matters in International Relations”. *The Pacific Review*, 28:1, 1–22, <https://doi.org/10.1080/09512748.2014.969298> (p. 6).

engages in these risk strategies is not necessarily reflective of what other Western countries would consider best practice. That is, that how Japan engages in risk mitigation, management, and consolidation is indicative of a particularly Japanese approach to these processes; an approach that many not familiar with Japan often do not seem to understand. Let us try to define each one and how Japan in particular approaches them.

First, risk mitigation. This is at initial stages of engagement when the goal is to plan for potential risk to arise and have options in place to minimize them. For our purposes here this means a government, Japan's government, creating a diplomatic strategy that is accepting of an initially bumpy ride with the goal of moving toward relationship stability. This will require a joined-up and long-term government approach from Japan, multiple levels of connectivity with Myanmar to both build trust and diffuse tensions across institutional departments, a good degree of financial investment, an openness to multiple interests and tolerance of shifts in priorities (given Myanmar's dyarchic government and lack of strong state institutions), and a forbearance of a good degree of international criticism and embarrassment. Japan has sculpted a policy approach to Myanmar that seeks to be as diffused and multi-dimensional as possible, so much so that some either regard it as contradictory or even evidence of there being no clear policy at all. However there is one. It is rooted in gaining relations and trust with *all* parties, military and democratic. It is rooted in supporting democratization *and* silent non-judgmental diplomacy. It is rooted in combined political, business, and civil society activities all working toward a generally recognized objective. Reducing risk means moving gradually and with all parties together, aka. *nemawashi* in Japanese.³⁵

Second, management. Despite planning for them, problems in international relationships will always occur especially with a regime as contradictory as Myanmar's. Trying to relate to both a military government and a fledgling democratic government is not going to be smooth. Risk management is going to require a public face, a private face, and the material capability to incentive/disincentivize decisions. One way that Japan manages crises with Myanmar has been to maintain "close relations". This means more than simply being stated "friends". It is practical, in the sense of frequent diplomatic exchange across multiple departments of state. This means that when a crisis does occur then the causes and the possible solutions are known to all. Moreover there exists a practice what in the academic literature is called "institutional entrepreneurship". That is, maintaining one's own nationals within the institutions of Myanmar. This is both for intelligence gathering but also crisis management. A second risk management technique is face-saving through quiet diplomacy. Myanmar officials gain a good deal of trust with Japan because they can predict what Japan will do and not embarrass them. It also facilitates Japan to have access to Myanmar elites that other nations cant access. A combination of this quiet diplomacy and carrot-stick ODA provision was likely responsible for Japan's brokering of the release of Aung

³⁵ The quiet process of consent and support gathering within a group or institution so that when a proposal to change is made it is only a formality.

San Suu Kyi from house arrest in 1995.³⁶ This sometimes causes issues for Japan with its allies. A final way is to have the economic resources available to create incentives. Japan’s diplomatic approach with Myanmar is avowedly non-judgemental as opposed to Western countries. Therefore, Japan needs another crisis defusing tool and that is often economic largesse.

Third, consolidation. At this stage gains need to be strengthened and expanded. This is for immediate self-gain but also in terms of risk, so as minimize the chance of “back-sliding” (not fulfilling promises) or the chance of finding alternate partners. Consolidation is thus a “we are your friend, now and forever” policy objective. Ideally, consolidation should reach a point where the continued levels of efforts made in the two stages above could be reduced, as the host country (Myanmar) realizes Japan’s importance to the country without needing to be negotiated with or incentivized. Japan is doing this doubling-down on its main politico-economic gain in Myanmar—Thilawa SEZ, in addition to expanding ODA spending on social programs more likely to gain soft power popularity with Myanmar’s democratic regime and people.

Note that these forms of risk despite being in a stage-process model do not replace each other, they overlap. Below is a table summarizing strategic, policy, and exemplars of these risk strategies. In the following three sections of the chapter these will be developed in more detail (Table 12.2).

Risk Mitigation in Japan–Myanmar Relations

Risk Number One: Past Regimes, New Regimes

With Japan’s long history of building up good relations with Myanmar’s military but then of late Myanmar democratizing, there was going to emerge the inevitable risk of Japan’s past relations potentially souring relations with the new regime. How has Japan mitigated against this? In short—by openly supporting both sides.

A quarter of a century has gone by since Japan articulated clearly its position regarding Myanmar and it is worth focusing on it a little. Japan’s MOFA published it in March 1997, four months prior to Myanmar’s joining ASEAN in July, and is still publically available. Such policy statements are very carefully thought out, especially for presentation in English where the world will see (and judge), and what may seem like banal diplomatic phrases actually have carefully planned policies underpinning them. Furthermore, as is often noted, the state of Japan is like an oil tanker; once the course is set it is difficult to turn. Hence, the 1997 policy statement is a good place to start understanding a base from which Japan–Myanmar relations have been

³⁶ Seekins, 2007. This event was portrayed quite shamefully in the bio-picture film about Suu Kyi “The Lady”, with the Japanese shown as sweaty hunching bureaucrats in the shadows of a smoky meeting.

Table 12.2 A framework for understanding Japan’s preventative risk policies in Myanmar

Risk element	Strategy	Policy	Example
Risk mitigation	Diffuse channels of diplomatic communication	Tier 1 engagement should be multi-ministry	MOFA has a “Myanmar Desk” (Cambodia and Laos do not)
	Generate “close relations”	Tier 2 engagement should be full-spectrum	State, business, and civil society engagement simultaneously
	Maintain integrated approach in face of unstable Myanmar	Acceptance of key interest groups as bridge-builders. Later the centralization of Myanmar relations upon <i>kantei</i> with special advisors to PM	Role of Japan–Myanmar Association (JMA). Later the special status given to Yohei Sasakawa and Hiroto Izumi
	Gradualism	Engagement with all parties	Engagement with both Tatmadaw and NLD, in addition to ethnic minority groups
	Incentivize regional integration	ASEAN and Mekong integration	Tokyo–Mekong frameworks, Japan–ASEAN support
	Incentivize inter-connectivity	Infrastructure (roads and energy)	Thilawa SEZ
Risk management	Bridge-build aka. <i>kakehashi</i> approach	Internationalization	Debt forgiveness with 2013 grant and loan package
	Build “mutual understanding”	Institutional entrepreneurship	JICA and JETRO desks with Myanmar’s DICA
	Face-saving	Quiet diplomacy. Countries have multiple factions within. Better not to stimulate from the outside	Understated to often little public criticism or comment
	Economic incentivization	Strategic ODA provision	ODA type and timing shows patterns related to policy shifts in Myanmar
Risk consolidation	Incentivize wider/different integration	Indo-Pacific	Western Pacific Union
	Expand existing industrialization	Hard infrastructure (roads and energy) but also soft infrastructure reform (legal codes)	Expand Thilawa SEZ; connect Yangon and Mandalay
	Generate social support/soft power	Emphasize social development, the green agenda, and human rights	Social programs through grant aid

Source Author

built (rather than, for example, going all the way back to the Thirty Comrades and Colonel Suzuki).

In the table below I have broken the 1997 statement down as follows. The first column is the original text, the second column a decoding what Japan’s policy is, the third column a contrast with what other actor policy preference would be on the same variable, and the fourth column some notes on specific language or actors (Table 12.3).

In summary, a number of key points from this statement emerge that continue to be evident to this day.

1. Japan seeks diffused relations with Myanmar. This means (a) diffused relations with both its long-time developed military connections *and* with new democratic actors, in addition to (b) diffused relations between tracks 1–3 of diplomatic connectivity; political, business, and social.
2. Japan regards its approach to Myanmar as distinct from the West’s. Meaning it is better to remain engaged rather than isolate Myanmar, and engaged through thick and thin.
3. Key to this is regionalization, in the first instance is through ASEAN (Japan will later increase the layers of this integration).
4. Japan understands that Myanmar’s democratization and human rights development is going to be slow, and a process. Not a big bang.

Risk Number Two: International Condemnation and Isolation

Japan does not regard judgement and international isolation in the form of, for example, the US’s *Burmese Freedom and Democracy Act* embargo as useful policy tools for dealing with Myanmar. There is a clear identification by Japan of itself as a third-way between pure human rights/democracy and pure non-interventionism. The Director of the First Southeast Asia Division of Japan’s Ministry of Foreign Affairs, Ms. Takahashi Taeko, highlighted this clearly in December 2001³⁷:

The EU and the US can be considered one category. They refuse to compromise human rights, democracy, and such fundamental ideals. [...] What I consider to be a second category is the ASEAN nations. Myanmar is already an established member of ASEAN, and as fellow members of ASEAN, they take a position of non-interference in each others’ internal affairs in regard to democracy and human rights. Rather, they consider it most realistic to promote democratization in Myanmar through expanding economic contacts and being actively involved in this way. [...] The third category, also very general, are countries such as Japan and Australia. That is to say, this is a position which places importance on human rights and democracy as a matter of course, but on the other hand, together with our fellow Asian countries, we prefer not to use sanctions, but prefer to speak as friends.

³⁷ Ms. Taeko Takahashi speaking at “Development, Environment and Human Rights in Burma/ Myanmar: Examining the Impacts of ODA and Investment”, Mekong Watch, December 15, 2001. See: Mekong Watch [online] *Public Symposium Report*. Available at <https://tinyurl.com/mh68lbq> (accessed 15.03.2017).

Table 12.3 Japan's 1997 position regarding Myanmar

<p>Actual text of Japan's stated policy approach to Myanmar in "Japan's position regarding the situation in Myanmar"^a</p>	<p>Japan's policy approach ...</p>	<p>... As opposed to ...</p>	<p>Notes</p>
<p><i>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</i></p>	<ul style="list-style-type: none"> • Japan's historical relations are foundational • Work within Myanmar's diarchic structure • Official and unofficial communication are acceptable 	<ul style="list-style-type: none"> • Western actors who want to judge the military as illegitimate • Traditional diplomacy only is too limited 	<p>"Traditional ties" means Japan is not willing to give up its long relations with the military "Various forms of dialogue" is key</p>
<p><i>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</i></p>	<ul style="list-style-type: none"> • Liberal internationalist goals are accepted, but. • ... Constant engagement is preferred • Accept the military as a key diplomatic actor able to be negotiated with 	<ul style="list-style-type: none"> • Western actors who regard sanctions as justified = wrong • Judgment and criticism = wrong • Expectations of rapid idealized change = wrong 	<p>Japan clearly regards its policy as distinct from Western actors. And small gradual change is preferred over big, hasty and dramatic change</p>
<p><i>Through various channels, the Government of Japan has been urging the Myanmar authorities to strive to achieve an early transition to a civilian government and to improve the situation with respect to human rights</i></p>	<ul style="list-style-type: none"> • State to state, ministry to ministry, economic to economics are acceptable • Status quo is unacceptable, a speedier change is necessary • Civilian government is the goal, not a military one 	<ul style="list-style-type: none"> • Japan regards diplomatic relations as not only multi-track but multi-strand even within state structures • Political relations only are not adequate. Business actors especially, as are also useful 	<p>The Japanese government wants NGOs such as Sasakawa Foundation involved. This is what is being referred to "various channels"</p>
<p><i>Specifically, when the foreign ministers of Japan and Myanmar met in Jakarta in July 1996, Japan's Yukihiko Ikeda made it clear to Myanmar's Ohn Gyaw that the Government of Japan believes that SLORC should seek for ways and means to initiate dialogue with Suu Kyi's NLD and should incorporate the NLD in the process of drafting a new state constitution</i></p>	<ul style="list-style-type: none"> • Co-dialogue with main opponents necessary • Outcome of dialogue should result in a constitutional settlement 	<ul style="list-style-type: none"> • NLD having priority is not key. The military are the lead actor • NLD being the leader of a constitutional settlement is unrealistic 	<p>Japan respects the historical contingency of Myanmar's transition</p>

(continued)

Table 12.3 (continued)

	Japan’s policy approach As opposed to ...	Notes
<p>Actual text of Japan’s stated policy approach to Myanmar in “Japan’s position regarding the situation in Myanmar”^a</p> <p><i>Moreover, the Government of Japan is availing itself of every opportunity, through the Japanese ambassador in Myanmar and other channels, to press for democratization and human rights improvements</i></p>	<ul style="list-style-type: none"> • Multi-track diplomacy (emphasis, the Japanese ambassador is not the only connection) • Democracy and human rights are a <i>gradual process</i>, not the immediate goal 	<ul style="list-style-type: none"> • Focusing solely on the diplomatic system and ambassadors 	<p>“Every opportunity” means Japan is open to all options “Other channels” here, given text position, refers to ASEAN</p>
<p><i>With regard to Myanmar’s admission to the Association of Southeast Asian Nations (ASEAN), in January 1997 Prime Minister Ryutaro Hashimoto conveyed Japan’s position to the leaders of ASEAN member states in words to the following effect:</i></p> <p><i>“Japan does not feel international isolation is the optimal way for the improvement of 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.”</i></p>	<ul style="list-style-type: none"> • ASEAN represents the expression of Myanmar’s internationalization • Myanmar–ASEAN connectivity is an incentive • ASEAN should see its membership as an incentive/coercive mechanism, not a cover for Myanmar 	<ul style="list-style-type: none"> • Myanmar’s internationalizing in various directions (India, China, or global partners) 	<p>Japan perceives ASEAN as crucial to its national interests and instrumental</p>

^a MOFA [online] Japan’s Position Regarding the Situation in Myanmar. Available at <https://www.mofa.go.jp/region/asia-paci/myanmar/myanmar.html#A> (accessed 05.05.2021).

^b Sasakawa Peace Foundation [online] Conference on “Myanmar in ASEAN” Available at https://www.spf.org/spaf/projects/project_16667.html (accessed 10.04.2021)

Japan regards the criticism and isolation of Myanmar as problematic for two reasons. First, that it could turn Myanmar's military back inward or second, and worse, turn the country toward China as occurred under the last US embargo. Instead, Japan's bilateral preference for *shizuka na gaiko* [quiet diplomacy], *nemawashi* (laying the groundwork) and *ishin-denshin*, ["tacit" or "mutual, heart-to-heart" understanding] through constant contact—or what Chika Watanabe imaginatively terms “muddy labour”³⁸—are better risk mitigation strategies. Such strategies are not without their risk however. They are at best often not understood for what they are by less than Japan aware observers and/or at worse the source of judgement by Western allies angry at Japan's seeming support of reproachable practices and authoritarian regimes.

Japan's solution to this in the most direct instance is to be willing to shoulder a good deal of criticism from its Western partners, the international press, and from various external and domestic pressure groups. Japan's tolerance levels for this criticism tend to be markedly higher for Myanmar than they are for other countries. However more indirectly and long-term, Japan places a heavy emphasis on regional integration and ASEAN. Japan sees its risk in relations with Myanmar reduced if those relations are diffused through regionalization processes. In this first instance in 1997 was ASEAN membership. As we will see below, Japan has repeatedly leveraged this into multiple levels of regionalization. This is evidence not of Japan's being open-endedly interested in the peace and prosperity of Southeast Asia's main regional institution, but instead regards it as a platform for its own plans. Multilateralism for bilateral ends.³⁹ Regionalization becomes a risk mitigation strategy. It reduces the chance of criticism (because ASEAN becomes the platform for handling problems) and it reduces the chance of isolation (due to layers of integration).

Risk Number Three: Excessive Focus on Politics

Japan's long held foreign policy goal of *seikei bunri* (separation of politics and economics) often runs up against the megaphone diplomacy of liberal Western states who desire for these two strands of international relations to be related. This is unhelpful in Myanmar's case as Myanmar's politics are so unstable. Indeed, the very structure of the state itself is still in flux with a barely extant political settlement, if any at all. Pushing for democracy at all costs, and for a speedy transition, is a risk for Japan. As stated in the introduction above, historical and statistical evidence for irreversible democratization in the region is not very substantial. Japan's preference is for gradualism—for a slow transition that is step-by-step, or in the words of the

³⁸ Watanabe, Chika. (2014) “Muddy Labor: A Japanese Aid Ethic of Collective Intimacy in Myanmar”. *Cultural Anthropology*, Vol. 29 No. 4. Available at <https://journal.culanth.org/index.php/ca/article/view/ca29.4.04>.

³⁹ Hook, Glenn. D. (1998) *Japan and the ASEAN Regional Forum: Bilateralism, Multilateralism Or Supplementalism?* DIJ Tokyo Forum. Available at http://www.dijtokyo.org/doc/dij-jb_10-hook.pdf.

1997 statement: “by working patiently and persistently for improvements through ongoing dialogue with the present regime”. Too much politics can be too much of a good thing and its own form of risk.

Indeed Japan’s *seikei bunri* idea is not simply a restatement of the Morgenthau Realist assertion against Liberals that politics and economics are not related. Japan’s goes further to prioritize one before the other. Economics *before* politics. Democracy before development is risky. Japan’s risk mitigation is to prioritize economic modernization and industrialization with some ad hoc supports of democracy and human rights when appropriate.

It would seem that Aung San Suu Kyi in part shares such as vision. Politics for Suu Kyi is national reconciliation and peace-building achieved through the generation of prosperity, rather than explicitly democracy and human rights. All goals that are reasonable given Myanmar’s early stages of state and economic development:

There’s so much that has to be done in our country. And our party always said the most important thing was national reconciliation and peace. [...] [W]hat all of us want is a truly democratic, federal union — a union in which we can create true strength of our diversity, in which we can celebrate our diversity as a greater resource, a greater richness. [...] But unity also means prosperity, because people, when they have to fight over limited resources forget that standing together is important. So we want to develop our material resources. We want to make sure that our people are better off materially in order to strengthen our political initiatives. [...] But for us, economic development is just part of the democratic process that we want to encourage in our country. There is still a lot to be done. We have a constitution which is not entirely democratic because it gives the military a special place in politics. We are very — I am, personally, very attached to our military because the army was founded by my father. And I want our military to be an honorable institution, loved and respected by the people, and capable of protecting and defending our rights and our honor in this world. But we do not think that politics is a place for the military.

Source: Suu Kyi⁴⁰

Risk Management in Japan–Myanmar Relations

Risk Number Four: Myanmar’s International Pariah Status

The primary risk factor for Japan in the 2000s was one thing—Myanmar’s international pariah status. By 2011 it looked like this was potentially coming to an end having been driven there through domestic liberalizations by Myanmar’s military plus shifting US priorities. Japan needed the risk of this continuing to end and for Myanmar to become accepted by international society. In an example of what Lindsay Black terms bridge-building or a *kakehashi* approach to foreign policy,⁴¹ Japan did an extraordinary thing. It began to tackle Burma’s major hurdle for greater integration—the country’s unpaid debts. \$15 billion of debt had not been repaid (despite Japan’s

⁴⁰ <https://mm.usembassy.gov/remarks-president-obama-state-counsellor-aung-san-suu-kyi-burma/>.

⁴¹ Black, Lindsay. (2013) “Bridging between Myanmar and international society - Japan’s self-identity and *kakehashi* policy”. *The Pacific Review*, Vol. 26, No. 4, pp. 337–359.

multiple “debt relief grants” provided during the SPDC years). These unpaid debts were proving a systemic stumbling block not just for Myanmar’s internationalization but also for Japan. For within JICA’s administration and the Diet of Japan Myanmar’s debts were institutionally problematic—Japan’s JICA cannot expand lending if the recipient has yet to repay previous loans. They are also a wider problem as no new lines of credit, either bilateral or multilateral, could be opened with multilateral lenders.

Japan took the lead and in March 2011 convened major donors such as the World Bank, ADB, and the Paris Club, to address the issue. Japan agreed to: (a) forgo its own owed amounts in a huge debt relief program (represented by the 2013 debt-relief grant), and (b) provide additional loan capital—the first in twenty-five years—so that Myanmar could deal with its other debt obligations. In the final joint statement concerning the measures necessary to achieve this, Japan’s then PM Yoshihiko Noda and Burma’s then President Thein Sein announced a three-stage agreement: (1) a loan to clear all debts accumulated prior to 2003, (2) a debt cancelation (using a grant) for debts accumulated after 2003, and (3) the cancelation of twenty years worth of overdue interest and administrative charges.⁴² At the Japan–Myanmar Summit Meeting in April 2012 the precise measures were agreed (announced May 2013),⁴³ culminating in 2013 in an enormous grant from Japan of \$3.3 billion for the purpose of debt-forgiveness (in order to create more loans).⁴⁴ This would pay back Japan’s previous 1980s accrued debt of \$2.8 billion (Fig. 12.3).⁴⁵

With debts cleared, Japan was then free to provide a \$2 billion loan (see table and graph below). To put that in context, that single year’s total ODA commitment is just a little under the \$5.7 billion of combined ODA provided to all of Myanmar’s neighbors—Thailand, Cambodia, and Laos—for the *entire* period of 1995–2016. In addition to dwarfing the lending that it just forgave from the 1980s (see graph below). And this was all handled by long-time Burma based and interested Japanese banks: the Bank of Tokyo-Mitsubishi UFJ, Mizuho Corporate Bank, and Sumitomo Mitsui Banking Corporation. Fortunate given that Myanmar’s own financial system is barely functional (Fig. 12.4).

⁴² MOFA [online] *Addressing Myanmar’s Debt Issues*. April 21, 2011. Available at <https://tinyurl.com/yd4bvnhg> (accessed 10.06.2018).

⁴³ MOFA Press Release [online] *Debt-Relief Measure for Myanmar*. May 26, 2013. Available at <https://tinyurl.com/mp3fw4a> (accessed 12.03.2017).

⁴⁴ Japan International Cooperation Agency (2013) *Signing of Japanese ODA Loan Agreement with the Government of the Republic of the Union of Myanmar -Supporting Social and Economic Reform in Myanmar* [press release: January 30th, 2013], available at <http://tinyurl.com/h6olkzt>, accessed August 20th 2016.

⁴⁵ Japan International Cooperation Agency (2013) *Signing of Japanese ODA Loan Agreement with the Government of the Republic of the Union of Myanmar -Supporting Social and Economic Reform in Myanmar* [press release: January 30th, 2013], available at <http://tinyurl.com/h6olkzt>, accessed August 20th 2016.

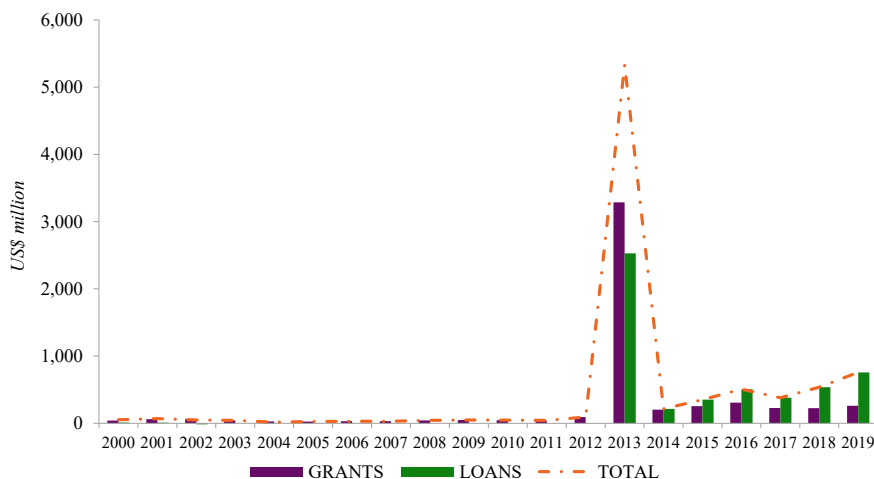


Fig. 12.3 Japan’s ODA to Myanmar, 2000–2019. *Source* Collated from MOFA: White Paper on Development Cooperation/Japan’s ODA White Paper. *Note* All figures are gross rather than net, and include the 2013 debt-forgiveness category

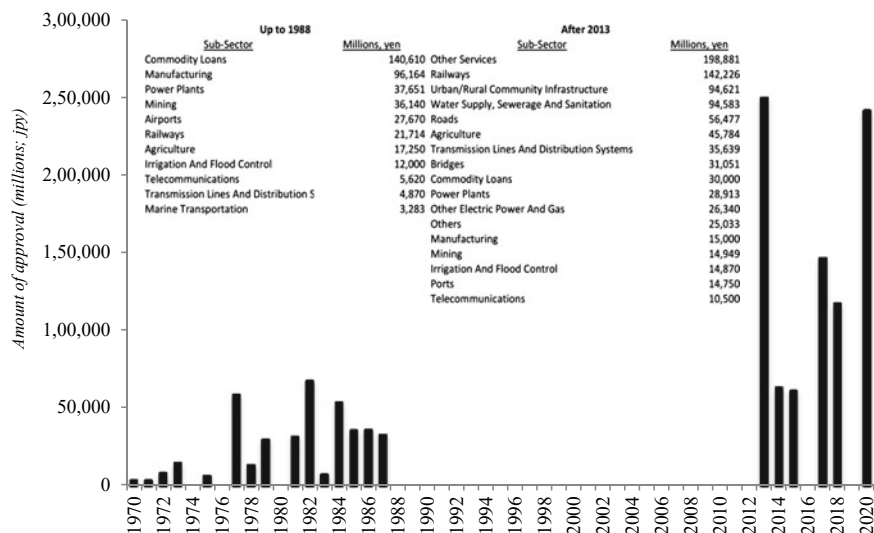


Fig. 12.4 Japan–Myanmar loan ODA, 1970–2020 (Japanese yen). *Data Source* JICA ODA loan database

Risk Number Five: Lack of Reform

Japan had wiped Myanmar’s slate clean and opened the door for Myanmar to accept support from not only itself but also the Bretton Woods institutions. Myanmar’s

international pariah status, fixed. Next, what if Myanmar's military and/or fledgling democracy practitioners were to begin mounting up those debts again? What if corruption were to set in or the priorities for the use of Japan's largesse were to be ignored? What if there were to be another coup d'état and assets taken?

This is a very real concern. In 2013 an analyst at the Banking Information Center (BIC) claimed that Myanmar maintained \$11 billion in foreign exchange reserves (the government claims only \$7.6 billion), largely in Singapore; in effect running the national account from a foreign power, and causing hesitation for some international bodies in thinking about writing-off Myanmar's debts.⁴⁶ Japan's 2013 grant/loan package to settle large parts of its debts with Myanmar was clearly based on an understanding that Myanmar is not as poor as it would seem and that these loans can be repaid but what if they don't, again? What if Japan's taxpayers are sending their money to Myanmar to have it then be hidden away in Singapore? In December 2016 the Central Bank under the NLD ordered that all bank accounts have to declare details of their overseas accounts but such stipulations are easily skirted.

Japan's strategy of maintaining relations with Myanmar's "khaki capitalist" military is not just politically but also economically essential. Vilfredo Pareto famously divided elites as either lions (simple and using force) or foxes (nuanced and using cunning). Myanmar is attempting to have both in command simultaneously; the army and democratic parties. Given that as Pareto believed, it is the 20% who always rule the 80% in what he termed the "circulation of the elite", it is crucial for Japan as only a spectator to elite shifts to keep an eye on how Myanmar changes one elite for another. Not through elections per se, but through state transformation by Myanmar's elites. If reform is going to take place it will be achieved by either Tatmadaw or the NLD or both. Equally, a lack of reform will be achieved by Tatmadaw or the NLD or both. Thus, Japan tends to take an approach to elite relations that are not altogether similar to what Western countries do. Japan's risk management solution is to get as close as possible to both sides from within.

To increase person-to-person connectivity so as to encourage *ishin denshin* (implicit understanding) or what some might call hegemony by consent generation. Such practices take up a lot of time and usually not something other Western states do. Rather than the concept of the meeting as the place where decisions are made, Japan likes the meeting to be the place where the rubber-stamp is produced. Prior to that is a lot of personal meeting (*nemawashi*—*groundwork development*). Between 2011 and 2018, at all levels of state, Japan and Myanmar frequently held public meetings. There was an average of one meeting a month in Japan and one a month in Myanmar—that is at least one meeting every fortnight.

Furthermore, under Prime Minister Abe, Japan took the unusual step of appointing "special advisors" who would report directly to Japan's *kantei* (cabinet) and the PM directly (but not unusual considering Japan's Myanmar policy of diffused relations).

⁴⁶ The Irrawaddy [online] *Burma Govt Denies Reports That It Holds \$11B in Singaporean Banks*, September 13th 2013. Available at <https://tinyurl.com/kohnqgh>; Radio Free Asia [online] *More Than \$7 Billion in Myanmar Funds Held in Overseas Accounts*, September 20th 2013. Available at <https://tinyurl.com/lfuavy3> (accessed 27.03.2017).

Both were Myanmar tasked. The multi-millionaire NGO philanthropist Sasakawa Yohei, a non-political/non-bureaucratic figure, had been appointed by Japan’s Democratic Party of Japan (DPJ)’s leader, Yoshihiko Noda, first appointed Sasakawa in 2012 as “Ambassador for the Welfare of Ethnic Minorities in Myanmar”. Then this position was upgraded in February 2013 by the newly elected Liberal Democratic Party (LDP) Prime Minister Shinzo Abe to “Special Envoy of the Government of Japan for National Reconciliation in Myanmar”. His task: military relations and Myanmar’s national reconciliation agenda. Also appointed as Special Advisor to Burma was Hiroto Izumi; a former official from the Ministry of Land, Infrastructure, Transport and Tourism. Izumi’s task: connecting Myanmar’s economic development agenda directly to Japan’s Prime Minister and responsible for large infrastructure projects (Table 12.4).

A series of firsts began in 2011. In October of that year, Myanmar’s Foreign Minister Wunna Maung Lwin was in Tokyo meeting officials, the first such visit in sixteen years. In December 2011, Japan’s Foreign Minister visited counterparts in Burma and President Thein Sein, the first visit by a Japanese Foreign Minister in nine years. In April 2013 Suu Kyi visited Japan for the first time in twenty-seven years. And in May 2013, newly elected Prime Minister Shinzo Abe engaged in four lightning tours of Southeast Asia, visiting Myanmar on 24–25 May, the first such leadership visit in 36 years (also accompanied by forty elite business leaders).

Furthermore, Japan launched a multi-channel web of institutional connectivity into Myanmar. What began in the 1997 MOFA policy statement as Japan being interested in “various channels”, “other channels”, and “various forms of dialogue” developed into what Robert Cox refers to as *thenébuleuse*: “[...] unofficial and official transnational and international networks of state and corporate representatives and

Table 12.4 State and political/bureaucratic meetings between Japan and Myanmar

Representatives, 2011–2018	
Japan State level visits to Myanmar	18
Myanmar State level visits to Japan	17
Foreign Minister of Japan visits to Myanmar (meeting all parties)	4
Myanmar (all parties) visits to Foreign Minister of Japan	14
Total Japan visits to Myanmar	55
Total Myanmar visits to Myanmar	59

Source Author

Note 1 Meetings in third party countries have been excluded (usually at Mekong related events)

Note 2 “Japan State” refers to three parties—the Prime Minister (Yoshiko Noda and later Shinzo Abe), Special Advisor

Hiroto Izumi, and Special Envoy Sasakawa Yohei. Myanmar’s “all parties” refers to ministers, ministry officials, and NLD representatives

intellectuals who work toward the formulation of a policy consensus for global capitalism”.⁴⁷ This refers to Japan maintaining its *biru kichi/ birumero* “Burma Lobby” elites:

- a. The Japan–Myanmar Association [*nihon-biruma kyokai*, now *nihon-myanmar kyokai*]⁴⁸
- b. The Japan–Myanmar Parliamentarian Friendship League⁴⁹
- c. The Japan–Myanmar Chamber of Commerce and Industry Business Cooperation Committee [*nihon shōkō kaigaisho no nihon-myanmar kyōryoku inkai*]
- d. Sasakawa Foundation chairman, Yohei Sasakawa (Special Envoy of the Government of Japan for National Reconciliation in Myanmar)
- e. Japanese Burma War veterans’ groups (various), amalgamated in 2004 into the All Burma Association of Japan [*zen biruma kai*] who commemorate at Tokyo’s Yasukuni Shrine

Through such a multi-institutional lobby, inter-elite connectivity and lobbying can take place. It also helps having Maruyama Ichiro, Japan’s ambassador, being fluent in Burmese and maintaining strong connections with Tatmadaw and Aung San Suu Kyi. However there is another type of lobbying practice that Japan’s risk consolidation strategy has developed—*intra-institutional* lobbying.

In an example of what in the academic literature is termed *institutional entrepreneurship* (the operation of foreign agencies within a domestic institution), a Japan Desk was created in 2014 (JICA and JETRO in the same room, the only country in the world this exists) within the body currently responsible for granting permits and re-writing Burma’s legal investment frameworks, the Directorate of Investment and Company Administration (DICA) in Yangon. Japan’s business federation Keidanren has a similar body, the Japan–Burma Economic Cooperation Committee within its institution (started 2013). Myanmar’s neighbours Cambodia and Laos are not represented with such a committee (Fig. 12.5).

Through such institutional connectivity comes intellectual connectivity and the ideas that shape Myanmar’s modernization. Hitotsubashi University’s Odaka Konosuke who in 2000 began the *Myanmar–Japan Cooperation Programme for Structural Adjustment of the Myanmar Economy Study* was started in 2000 but stopped in 2003 when the junta detained ASSK. In 2012 JICA restarted this, launching the *Program for Economic Development in Myanmar*. Organized around 16 sectorial working groups, the final recommendations were presented by Odaka Konosuke on July 29, 2015, as the *Program for Economic Development in Myanmar [Final Report]* and published in an English language book—a wholesale industrialization

⁴⁷ Cox, Robert. W. (2002) *The Political Economy of a Plural World: Critical Reflections on Power, Morals, and Civilisations*. London & New York: Routledge (p. 33).

⁴⁸ A business group whose members were Japan’s top trading, construction, and manufacturing firms and interestingly, its chairwoman was Ambassador Ohtaka’s wife, Yoshiko Ohtaka, who was also a close friend of Ne Win.

⁴⁹ There also exists another parliamentary group—the Japan–Myanmar Parliamentary Group Supporting Democratization in Myanmar [*myanmar no minshuka oshien suru giin renmei*]—however this has a different purpose.

Fig. 12.5 Japan desk inside Myanmar’s DICA. *Photo source* Author



and modernization plan for Myanmar.⁵⁰ Alongside this plan came the newer developed plan by IDE-JETRO based Kudo Toshihiro, nicknamed by some Japanese in Burma as “the Ishikawa of Myanmar” (referring to Ishikawa Shigeru, the creator of Vietnam’s post-*doi moi* “Ishikawa Project” industrialization plan in the 1980s and 1990s). He has aided Japan to rather audaciously formulate the *Myanmar Industrial Development Vision* (MIDV), a five-year plan (2015–2020).⁵¹ This exists alongside the Myanmar–Japan Joint Initiative (2013), currently in phase two from 2016. In August 2013, JICA president Akihiko Tanaka’s Yangon Speech signalled Japan’s re-prioritization of Southeast Asia and particularly, given the location of the speech, Myanmar with three policy priorities: people, institutions, and infrastructure.⁵² And in his keynote speech on January 31, 2017, to the Japan–Myanmar Seminar for Urban Development and Housing, Izumi Hiroto was quite explicit about his and the Japan

⁵⁰ Odaka, Konosuke. (2015) *The Myanmar Economy—Its Past, Present and Prospects*. Tokyo: Springer (JICA Research Institute).

In 2012 JICA launched the *Program for Economic Development in Myanmar*. Organized around 16 sectorial working groups, the final recommendations were presented by Odaka Konosuke on July 29, 2015, as the *Program for Economic Development in Myanmar [Final Report]*.

⁵¹ Ministry of Economy, Trade and Industry (2015) *Myanmar Industrial Development Vision (provisional translation)* [June 2015], available at <http://tinyurl.com/hyhxja7>, accessed December 18, 2016.

⁵² JICA [online] *Speech: Myanmar’s Development in Regional Context and JICA’s Engagement*. August 9, 2013. Available at <https://tinyurl.com/n6uegk2> (accessed 10.10.2015).

International Cooperation Agency (JICA)'s vision to take the lessons learnt from developing Tokyo and apply them wholesale to Yangon.⁵³

Such institutional-ideational risk management is not only useful for Myanmar domestic reforms but also bilateral dealings with Japan. In 2013 Japan's *sanmi ittai* [three in one] approach to economic relations was unfolded: [ODA] the Japan–Myanmar Joint Initiative (2013); [FDI] Japan–Myanmar Bilateral Investment Treaty (BIT); and [Trade] ASEAN–Japan Comprehensive Economic Cooperation (AJCEP). Japan was really fast-tracking its engagements with Myanmar in just two years. The golden goose of which was Thilawa SEZ.

Special Economic Zones (SEZs) are the platform from which industrialization can take place and are a major politico-economic policy priority for any actor intervening in another in the age of globalization. Japan signed an agreement to develop Thilawa SEZ just south of Yangon with then President Thein Sein in 2012 on his visit to Tokyo for a Mekong Summit (fast-tracked from the year before in a backroom deal by MJA Chairman Hideo Watanabe).⁵⁴ This came simultaneous to the waiving of Burma's debt to Japan. By December 2013, the Japan–Myanmar Investment Agreement was signed, paving the way in May 2014 for the signing of a MoU for Thilawa SEZ—Myanmar's first and currently only operational SEZ. The Myanmar Special Economic Zone Law, 2014 (No. 1/2014) was created, which established the legal framework for SEZs and for Thilawa. In the words of then JICA president Tanaka Masahiko: "We haven't had any project like this in at least 20 years".⁵⁵

Also in 2014, Japan's mega-banks of Bank of Tokyo–Mitsubishi UFJ (MUFG), Sumitomo Mitsui Banking Corp. and Mizuho Bank applied for newly reformed licenses to operate in Myanmar and in 2015 MUFG became the first foreign bank in decades to begin lending in Burma. This is a boon for Japanese companies especially those within those bank's *keiretsu* networks.⁵⁶ For example, if Japanese company A were to wish to operate in Thilawa SEZ they now have a friendly Japanese bank B ready to fund them locally through their *keiretsu*, just as would happen domestically in Japan.

The risk of Japan's economic largesse not producing anything of future worth had been managed. Now another risk: Myanmar's fractious domestic human geography.

⁵³ Izumi, Hiroto. (2017) "Japan's Cooperation for Urban Development in Myanmar". Keynote Speech delivered at the *Japan–Myanmar Seminar for Urban Development and Housing 2017*, January 31, 2017. Available at https://www.bcj.or.jp/en/what/src/myanmar01_a.pdf (accessed 18.05.2018).

⁵⁴ Slodkowski, Antoni. (2012) "Special Report: How Japan Inc stole a march in Myanmar". *Reuters*, October 3, 2012. Available at <https://tinyurl.com/y8ayrqxb> (accessed 05.10.2017); Er, Lam Peng. (2016) "Myanmar: Japan's 'Last Frontier' in Asia?" *Asian Survey*, Vol. 56, No. 3, pp. 512–531.

⁵⁵ Fuller, Thomas. (2012) "Long Reliant on China, Myanmar Now Turns to Japan". *New York Times*, October 10th 2012. Available at <https://tinyurl.com/yahnon7b> (accessed 14.06.2018).

⁵⁶ Keiretsu are a particular form of Japanese business actor that is slightly similar to a conglomerate or federation of companies but which are all bound by a central bank and which have substantial cross-holdings.

Risk Number Six: Myanmar’s National Reconciliation Problem

Myanmar is not constituted as a nation-state in the fullest of terms. There is a major center-periphery issue with the borderlands and there is open insurrection from an eleven-group collection of ethnic groups in northern Burma, headquartered across the border in Thailand’s Chiang Mai, represented politically by the United Nationalities Federal Council (UNFC) and militarily by the Federal Union Army (FUA). Neither Yangon nor Naypyidaw really exercise full governing sovereignty over the entire geography. This is a major risk for Japan. Of course Japan’s humanitarian impulse is to work for peace and prosperity for the people of Myanmar, however it is quite unhelpful to be planning to develop large infrastructure and connectivity projects but to also have soldiers dug into deep no-go woodlands fighting the country’s Tatmadaw military forces. Woodlands also inconveniently located close to the border with China.

Japan’s risk management technique has been typically diffused and multi-channeled. Diplomatically, Japan supports Suu Kyi’s national reconciliation priority (rather than necessarily a democratization agenda). Economically Japan directs a good deal of its grant ODA to ethnic minority assistance, which effectively means the national reconciliation agenda. And militarily Japan diffuses the sensitive issue to Special Advisor Sasakawa Yohei.

On the one hand, Sasakawa appears to act as the “honest broker” within Burma’s internal conflict. Sasakawa is using his foundation’s many millions in funds to deliver food relief to Burma’s conflict zones, in addition to being able to organize large amounts of public funds from the state of Japan. He is playing a diplomatic role in attempting to be a third party peace broker meeting with minority combatants and Tatmadaw military (akin to George Mitchell in the UK’s Northern Ireland Peace Process). It is a role that he would seem to have achieved successfully, with ceasefires being reached in 2015—then broken—then reached again in 2018, then broken again in 2021. He is permitted to speak for Japan, through the Ministry of Foreign Affairs, on any change in Burma. In this way, Japan is able to gain greater long-term influence by bridging the state of Burma with the various non-incorporated segments of its nation, and in the process generate goodwill for Japan.⁵⁷ This unity agenda from Japan stands in contrast to accusations that China is stirring up ethnic conflict—accusations China denies, though it would benefit strategically from.⁵⁸

On the other hand, Sasakawa is also acting as bridge-builder between the militaries of Burma and Japan. In 2014, Sasakawa’s Nippon Foundation created the *Japan–Myanmar Military Officials Exchange Programme* in order “to facilitate exchanges

⁵⁷ Shihong, Li. (2016) “New Developments in the Japan–Myanmar Relationship since Thein Sein came to Power”. In Li Chenyang, Li., Sein Daw Chaw Chaw, and Xianghui, Zhu. (eds) *Myanmar: Reintegrating Into The International Community*. Singapore: World Scientific Publishing Co.

⁵⁸ Robinson, Gwen. [online] “Myanmar cease-fire triggers diplomatic ‘mini-game’”. *Nikkei Asian Review*, October 15, 2015. Available at <https://asia.nikkei.com/Politics/Myanmar-cess-fire-triggers-diplomatic-mini-game> (accessed 20.05.2018).

Table 12.5 Frequency of high level meetings, Japan and Myanmar, 2011–2018

	STATE	SPECIAL APPOINTMENTS			POLITICAL/BUREAUCRACY					
		Prime Minister	Hiroto Izumi, Special Advisor to PM	Yohhei Sasakawa, Special Envoy to Myanmar	Deputy Prime Minister	Minister for Foreign Affairs	Parliamentary Vice Minister for Foreign Affairs	Deputy Director-General of Foreign Policy Bureau (MOFA)	Director of Ministry of Economy, Trade and Industry (METI)	JICA President
STATE	IN MYANMAR	3	1	3	2	2				1
	IN JAPAN	4								
	IN MYANMAR		1							
	IN JAPAN	1				1				
	IN MYANMAR	3	3	3	1	3	1		1	2
	IN JAPAN	3		1		5				
POLITICAL	IN MYANMAR	1			1		1	2	1	
	IN JAPAN					3				
	IN MYANMAR				1				3	2
	IN JAPAN				1	1				
	IN MYANMAR				1					
	IN JAPAN					1				
	IN MYANMAR	2				1				
	IN JAPAN						1			
	IN MYANMAR	1								1
	IN JAPAN					1				
	IN MYANMAR			2						
	IN JAPAN					1				
	IN MYANMAR								2	
	IN JAPAN									
MILITARY	IN MYANMAR			3		1			2	
	IN JAPAN	1	1	2					1	
	IN MYANMAR			2						
	IN JAPAN	1		2						

Source Author

between Japan’s Self Defence Forces and Myanmar’s military”.⁵⁹ In August 2017 Min Aung Hlaing, Tatmadaw Commander-in-Chief Senior General and current 2021 coup instigator, visited Tokyo; the first such visit since Ne Win visited Japan in the 1960s, when PM Abe’s grandfather Nobusuke Kishi knew and worked closely with Ne Win. While Europe froze all inter-military cooperation with the Tatmadaw due to their actions related to the Rohingya (travel and training drills between the Tatmadaw and Europe’s various forces), Japan increased its relations with Myanmar’s military (Table 12.5).

Risk Consolidation in Japan–Myanmar Relations

Risk Number Seven: China

With Japan having fairly successfully mitigated and managed the many risks involved in engaging with Myanmar under the watchful eyes of a skeptical but hopeful world; skeptical about the continuing role of the military in politics but hopeful at the

⁵⁹ <https://www.nippon-foundation.or.jp/en/news/articles/2014/115.html>.

reforms and democratizations made. Now comes the third area of risk prevention, consolidation, whereby gains made can reduce future risks. Such consolidation is important in dealing with some larger and not necessarily Burma-centric risks. The first of which is Myanmar’s northern neighbor: China.

There are clear differences between the Japanese and Chinese worldviews for Southeast Asia and these are well understood by local political elites. This differentiation stands as follows⁶⁰:

- Japan’s Southeast Asia worldview: open and global, a multi-lateral ASEAN, the Japan/US alliance, the Asian Development Bank (ADB), the Indo-Pacific Framework and the Mekong-GMS Framework
- China’s Southeast Asia worldview: linked to China, bilateral ASEAN preferring China, assertive Chinese investments, China’s Asian Infrastructure Investment Bank (AIIB), the Belt and Road Initiative and Lancang-Mekong Frameworks

There is a clear weaknesses Japan has in relations with Myanmar vis-à-vis China. Aside from the Japan’s prioritizing of democracy and the Western liberal worldview that China does not need to be concerned with, there is an even simpler weakness—China is bigger and closer. China is able to offer large amounts of assistance, is able to have Chinese staff literally walk across a border to provide that assistance, is a major market for Myanmar exporters, and has a great priority in Myanmar given China’s desire for an open southern ocean border. Let us consider China’s economic interventions in Myanmar. Data on China’s ODA activities is notoriously unreliable, however the research lab AidData has compiled a dataset.⁶¹ Seen below, China’s aid and concessional lending was rising in Myanmar despite local political turmoil around the turn of the millennium and despite slower rising overall world provisions (Fig. 12.6).

China’s interest in Myanmar as its southern ocean facing border is tessellates with the country’s wider regional assertiveness, regarding which Japan has in a major way shifted its foreign policy to match. Under PM Abe’s 2013 “Proactive Peace” approach laid out in the National Security Strategy (NSS) December 2013 (later updated in 2016), Japan now explicitly links ODA—Japan’s main instrument of intervention in foreign affairs—to security.⁶² Also in 2015 came Japan’s *Peace and Security Legislation* that allowed Japan’s SDF to cooperate in joint operations with US military.⁶³

⁶⁰ Based on multiple interviews with political and business elites in Burma. Similar views are expressed in interviews with such elites across most of Burma’s Mekong neighbors.

⁶¹ “Global Chinese Official Finance Dataset, 2000–2014, Version 1.0”—that uses publically available statements to create a rough map of China’s aid activities.

⁶² National Security Strategy December 17, 2013. Available at <https://www.cas.go.jp/jp/siryoku/131217anzenhoshou/nss-e.pdf>. Later updated in 2016. MOFA [online] *Japan’s Security Policy*. MOFA website, April 6, 2016. Available at https://www.mofa.go.jp/fp/nsp/page1we_000081.html.

⁶³ Japan’s Legislation for Peace and Security. Available at: https://japan.kantei.go.jp/content/peace_security_20151102_1.pdf.

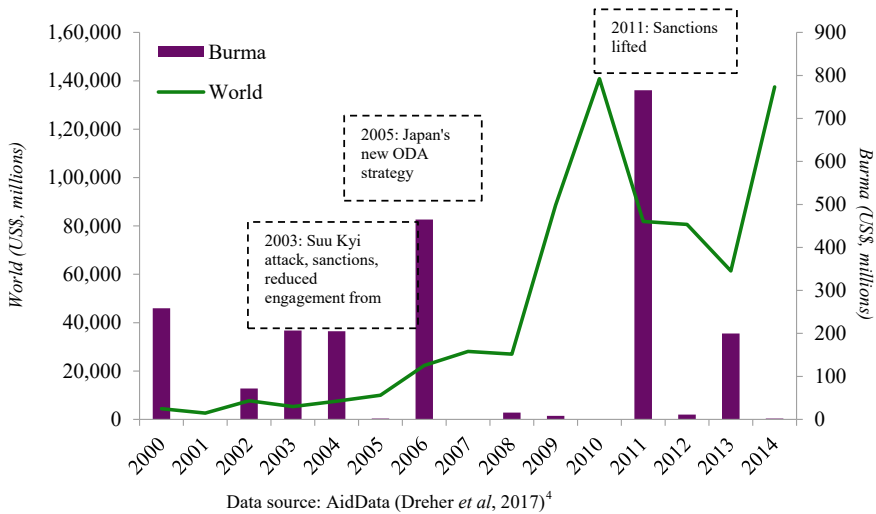


Fig. 12.6 China's aid and non-concessional official financing, total (world) and Burma, 2000–2014. Data source AidData (Dreher et al. 2017)⁶⁴

In relation to ASEAN by 2016 Japan's foreign policy shift was applied to the region with the short-hand regional concept of "Indo-Pacific" or more explicitly as the "Free and Open Indo-Pacific Strategy" (FOIP). Myanmar is central to this. Claimed by some to be a US security proposal, Susan Thornton⁶⁵ under President Trump, points to it actually being Japan that shepherded the US into the Japan formulated idea and that Indo_Pacific is largely an economic policy rather than security vision (the US favors the security side and Japan favors the economic side).⁶⁶ No-one has been doing more of a job to promote this new strategic agenda than the 2015 installed JICA president Kitaoka Shinichi (Fig. 12.7).

In a keynote speech at a public seminar on the 50th Anniversary of ASEAN, titled *Development of ASEAN Community from Japanese Perspective*, Kitaoka waxed lyrical on Japan's historic support for ASEAN, for the CLMV countries, and single out Myanmar as the final piece of the jigsaw for connectivity.⁶⁷ Since then Kitaoka, unusual for a JICA president, has been extremely active in intellectual circles

⁶⁴ Dreher, A., Fuchs, A., Parks, B.C., Strange, A. M., & Tierney, M. J. (2017). *Aid, China, and Growth: Evidence from a New Global Development Finance Dataset*. AidData Working Paper #46. Williamsburg, VA: AidData.

⁶⁵ Former U.S. Assistant Secretary for East Asian and Pacific Affairs.

⁶⁶ Webinar, Japan's Foreign Policy Options in the Changing Asia-Pacific, Stanford University, Shorenstein Asia-Pacific Research Center, October 17, 2020. Available at <https://www.youtube.com/watch?v=K4KveWKEb50&t=2390s>.

⁶⁷ Kitaoka, Shinichi. (2017) Public Seminar 50th Anniversary of ASEAN "Development of ASEAN Community from Japanese Perspective". Center for Strategic and International Studies Auditorium, Jakarta, Indonesia (July 26, 2017). Available at JICA [online] https://www.jica.go.jp/english/about/president/speech/170726_01.html.



Fig. 12.7 Indo-Pacific according to Japan’s MOFA. Source MOFA (2021)⁶⁸

promoting the Indo-Pacific idea. In 2019 Kitaoka published an explanation in the academic journal “Asia Pacific” in which he is open about (a) China is a threat, (b) inter-regional cooperation bringing in India needs be achieved, and (C) joint US military cooperation is a certainty.⁶⁹ Various attempts to institutionalize the FOIP vision into reality have been the (1) idea of an OSCE for Asia, (2) a “middle power quad”,⁷⁰ or (3) Kitaoka’s idea of a “Western Pacific Union”; a regional bloc in the form of the EU or AU that potentially excludes the US and China. The bridge countries in this vision in Southeast Asia for Kitaoka—without which he argues, FOIP will be broken up—are Indonesia, the Philippines, Vietnam and ... Myanmar.

And so, Myanmar becomes situated right in the middle of a regional power framework with all of the world’s leading powers.⁷¹ Good news for Myanmar’s political elites whoever they are, as they should shrewdly see the leverage they geographically possess over these regional power players. Bad news for the people of Myanmar as they become the grass upon which the elephants wrestle.

⁶⁸ MOFA (2021) Free and Open Indo-Pacific. April 1, 2021. Available at https://www.mofa.go.jp/policy/page25e_000278.html.

⁶⁹ Shinichi Kitaoka (2019) “Vision for a Free and Open Indo-Pacific”, *Asia-Pacific Review*, 26:1, pp. 7–17, <https://doi.org/10.1080/13439006.2019.1618592>.

⁷⁰ <https://www.eastasiaforum.org/2020/09/23/middle-powers-can-shape-A-new-security-framework/>.

⁷¹ Watanabe, Tsuneo. (2013) “Why Myanmar Matters: Ensuring the Future of the Liberal International Order in East Asia”. *The Tokyo Foundation for Policy Research* (November 6, 2013). Available at <https://tinyurl.com/y9hsyogk> (accessed 01.06.2018).



Fig. 12.8 Indo-Pacific and port development. Source Kikuchi, Tomoo (2019), pp 10–11⁷²

Risk Number Eight: Lack of Integration

Japan’s priority in helping Southeast Asian countries is that they do not remain bilateral relations only. That is, that the country should integrate into regional frameworks through which Japan can also operate. Bilateral and multilateral integration together. This is not just to the benefit of the local Southeast Asian country. Japan is market building and markets need connective infrastructure in order to create production supply chains and import/export markets. A lack of reform and regional/international integration upon contact with Japan’s largesse has always been a potential risk and one demonstrated many times in Myanmar’s Mekong neighbor countries. Myanmar is such a high priority because it sits as connective gateway for Japan’s Indo-Pacific inter-regional plans.

The aforementioned Indo-Pacific concept is a strategic concept at the inter-regional level but also a connectivity concept focused on the maritime world of sea-lanes and port, preferably deep-sea port, location. Tomoo Kikuchi has done a good job of highlighting how various port development projects Japan has been engaged in map onto the Indo-Pacific strategy (see Fig. 12.8).

However if we consider the inter-regional (Indo-Pacific) at the grandest level while also considering the sub-regional (Mekong) at the sub-national and transnational level, we find the bottom webbing with the top. The Mekong peninsula as market zone

⁷² Kikuchi, Tomoo. (2019) “An economic justification for Japan’s free and open Indo-Pacific vision”. In Springer, Kyle. (ed.) *Implementing the Indo-Pacific: Japan’s region building initiatives*, August 2019. Perth USAsia Centre. Available at <https://perthusasia.edu.au/our-work/implementing-the-indo-pacific-japan-s-region-build> (accessed 04.06.2021), pp. 10–11.

(Greater Mekong Sub-region) was cross-cut by from anything up to nine conceptual economic “corridors” that would fully integrate all parts of the peninsula and its countries. Purely conceptual, these corridors nonetheless have the ability to guide billions of dollars of investment and infrastructure connectivity. Japan’s corridor priority has been the horizontal kind: East–West and South–South. This positions Myanmar as the westerly end point of plans to connect across from Vietnam all the way across to Myanmar, opening up inter-regional production and transport networks. This priority becomes very significant when the inter-regional Indo-Pacific is overlaid on the sub-regional Mekong, as mega-projects from Japan correlate very well with Mekong corridors and inter-regional connectivity priorities.

Significant Japan-built bridges for Myanmar have been the Bago River Bridge (completed 2021) that connects Yangon to Thilawa by a four-lane bridge (much better than at present: a very bumpy taxi ride on barely existing mud roads. This bridge allows Thilawa to easily become a secondary port to Yangon’s existing colonial era port. Also, the second Thai–Myanmar Friendship Bridge (2019 completed), the Gyaing-Kawkareik Bridge (2019 started), and the New Bago-Kyaikhto Highway Section (2020 started). The positioning of these bridges is to cross rivers that would cause issues connecting Thailand with Myanmar.

Also of particular note for Myanmar is what Japan does in Bangladesh. Penta-Ocean Construction, a more than centuries old Japanese port construction company and builder of Thilawa SEZ (with local partner Suntac Engineering and Construction), in September 2017 won a \$1.5 billion Matarbari Port Development Project in southern Bangladesh. This was part of a \$4.5 billion JICA loan, JICA’s largest ever, to fund a Japanese consortium built coal fire station and port. This will be Bangladesh’s first deep-sea port and Japan beat off China’s nearby Sonadia Deep-Sea Port Project that has been canceled. Interestingly nearby to Matabari is Cox’s Bazaar in Bangladesh, the arrival and residence point for most of Myanmar’s 850,000 Rohingya exiles fleeing persecution by Myanmar’s military. Indeed Japan’s most recent 2020 ODA White Paper cites this as a major concern and lists many grant projects of support.⁷³ It would hopefully not be too cynical to venture that human rights are perhaps less the explanation for why Japan is so interested in resolving this issue and supporting Rakhine State stability. Instability across that part of the border creates issues for Matabari connectivity along the Northwestern economic corridor when the port comes online.

With such developments mapped it is possible to discern just how significant Thilawa SEZ is. It is not just another industrial park for Japanese companies to produce and trade from, and from which the Japanese government can leverage wider politico-economic reforms—both of which are crucial and happening. Thilawa is also part of a wider network developing toward inter-regional connectivity.

⁷³ MOFA (2020) 2020 年版 開発協力白書, 日本の国際協力, 未来へ向かう: コロナ時代の国際協力 [2020-nenban kaihatsu kyōryoku hakusho, *Nihon no kokusai kyōryoku, mirai e mukau, korona jidai no kokusai kyōryoku*], 2020 White Paper on Development Cooperation, Japan’s International Cooperation: International Cooperation in the Corona Era toward the Future. Available at <https://www.mofa.go.jp/mofaj/gaiko/oda/files/100157805.pdf> or here https://www.mofa.go.jp/mofaj/gaiko/oda/press/shiryō/page22_001366.html (accessed 02.06.2021) (p. 107).

Finally, Myanmar is extremely energy resource rich and here is another reason why Japan's East–West/South–South priority has been a masterstroke. Explorations for oil and gas in the Yadana, Zawtika, and Yetagun offshore fields need transporting by pipeline. Conveniently located south of Yangon (Thilawa SEZ), within easy reach of Mawlamyine (Dawei SEZ), and easily connected along either corridor through Thailand into Bangkok, Japan's METI, together with Nippon Koei, Mitsui, and Tokyo Gas, are already planning such ventures.⁷⁴ Such energy plans would create a real risk balancer vis-a-vis the Malacca Strait, situating Myanmar within very important pan-regional security considerations.

Myanmar simply must integrate for Japan's regional plans to work. Myanmar, like Vietnam, represents the two ends of a skipping rope across the Mekong peninsula. Without one means no motion will be generated (Fig. 12.9).

Risk Number Nine: The Military and “Rollback”

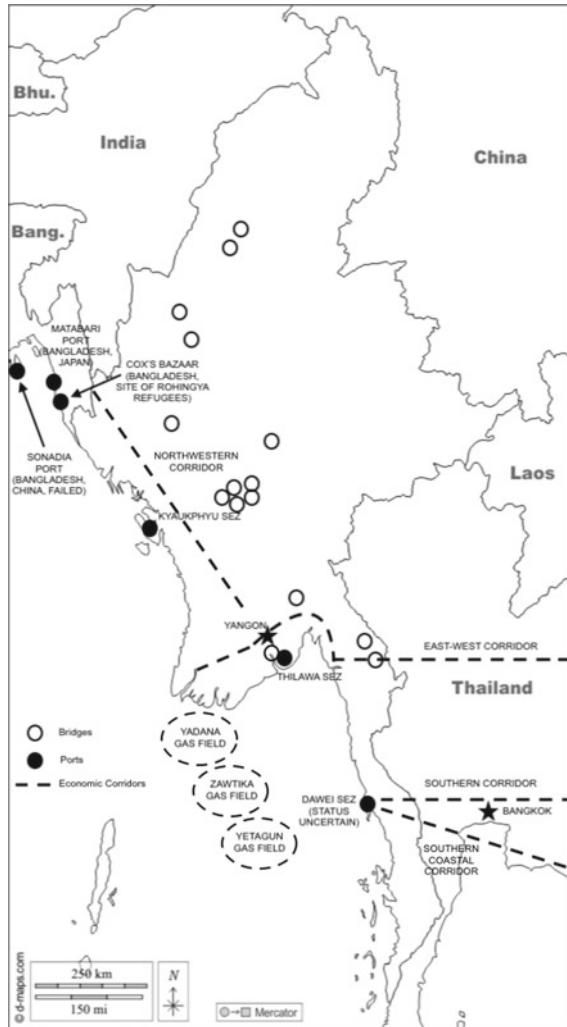
Finally, and this is possibly the largest risk, has been the proverbial Sword of Damocles over Myanmar: the military's continued existence in Myanmar's political and economic institutions. Democratic reforms since 2011, initiated by the military with constitutional provisions for them to remain in a power-sharing arrangement, never had a clear end-point. Was the ideal for the military to remain with protected parliamentary seats in perpetuity? Or was it (for some) that a gradual under-cutting of their position would take place after which a transition to full democratic legitimacy could take place? The danger, the risk, is what is often called “rollback”. That is, the regimes return to previously fickle, narrow, and authoritarian ways but now strengthened with extra economic and political capital.

It is unclear which outcome Japan was predicting because such strong efforts have been made by Japan's diffused relations approach to sit on the fence. The risk consolidation strategy seems to have been to strengthen relations with both sides while preferring neither. However as they say: “stand in the middle of the road and get hit by both sides”.

On the one hand politically, from 2012 Japan joined the international community to take an unusually active part in Burma's democratization process. In March 2012 election observers were sent to monitor by-elections, and in November 2015 observers were sent to watch over the general election. The 2015 election was “rewarded” on November 2, 2016, with an enormous \$8 billion public–private ODA/investment package to be spread over five years until 2021 (although future funds will likely be provided with changing circumstances); bolstering its 2013 huge ODA provision. Japan also supported Myanmar's 2020 election with the provision of non-fading ink to prevent double voting, and made supporting Rohingya refugees a priority.

⁷⁴ METI [online] *Study on Gas Application in Myanmar: Gas Industry and Value Chain in Myanmar*, February 2016. Available at <https://tinyurl.com/y6ubnen8> (accessed 30.05.2018).

Fig. 12.9 Myanmar and connectivity. *Source* Author.⁷⁵ *Map source* D-Maps⁷⁶



On the other hand politically, is the increasing cooperation with Myanmar’s military. Cooperation goes back further to 2009, when Japan’s SDF began aiding Myanmar’s navy with piracy issues around the Gulf of Aden, but since then and in large part due to Sasakawa’s bridge-building and Shinzo Abe’s “proactive peace” approach, Japan’s SDF has increased cooperation with Burma’s military for the purpose of “capacity-building assistance”. In October 2013 MSDF training ships,

⁷⁵ Japan Infrastructure Partners [online] Myanmar Submersible Bridge Project. Available at <https://jip.or.jp/en/submersible-bridge/> (accessed 10.04.2021).

⁷⁶ D-maps.com [online] *Burma Myanmar*. Available at https://d-maps.com/pays.php?num_pay=73&lang=en (accessed 10.04.2021).

Kashima and *Shirayuki*, in addition to the destroyer *Isoyuki*, arrived at Thilawa Port. Since then cooperation between Japan's and Myanmar's militaries have developed well, with Japan's military holding joint training and seminars on matters as apparently innocuous as "aviation meteorology support operations",⁷⁷ "natural disaster responses",⁷⁸ and "Underwater Medicine" (aka. diving and submarine rescue).⁷⁹ And already mentioned has been Sasakawa's bridge-building between Japan and Myanmar military elites.

On the one hand economically, has been the focus upon supporting peoples lives, with JICA glowing proudly about Japan's recent medical and Corona virus support. For example, supporting Kitajima Oxygen Co. Ltd to provide oxygen and build a medical gas plant or an emergency corona support loan of up to 30 billion yen.⁸⁰

On the other hand economically, is a salubrious pride in Thilawa SEZ, 90 min outside Yangon and divorced from the life of most Burmese. An obsession with big infrastructure that often displaces people from their land with Tatmadaw help. Furthermore, Japan's creation of financial system and stock exchange,⁸¹ in a country where most don't yet have bank accounts; potentially fostering or rather strengthening the kind of khaki capitalism Myanmar's neighbors possess.

So far I have focused a lot on public sectors but a different barometer of risk thinking is the private sector. Are private companies willing to risk their own futures in Myanmar with the military still powerful in public life and the NLD seemingly slow or unable to make reforms? The data seems to suggest—not really.

The largest FDI provider to Myanmar is Hong Kong at \$29 billion between 2014 and 2020. However this is entrepôt capital channeled by proxy into the port city through multiple sources. So if we turn to examining FDI by country of origin we find the data below. Myanmar has experienced what could be described as three waves of short-term business investment since 2014: first in 2005 from Thailand, then in 2009 from China, then in 2012 from Singapore, the last of which has been

⁷⁷ Ministry of Defence [online] *Capacity Building Assistance to Myanmar FY 2018 Aviation Meteorology* (2). Available https://www.mod.go.jp/en/d_act/exc/cap_b/myanmar/20190128.html (accessed 11.04.2021); *Capacity Building Assistance to Myanmar FY 2019: Aviation Meteorology Seminar*. Available at https://www.mod.go.jp/en/d_act/exc/cap_b/myanmar/20200123.html (accessed 11.04.2021).

⁷⁸ Ministry of Defence [online] *HA/DR*. Available at https://www.mod.go.jp/en/d_act/exc/cap_b/myanmar/20180205.html (accessed 11.04.2021).

⁷⁹ Ministry of Defence [online] *2020 Myanmar (Underwater Medicine)*. Available at https://www.mod.go.jp/en/d_act/exc/cap_b/myanmar/20200225.html.

⁸⁰ MOFA (2020) 2020 年版 開発協力白書, 日本の国際協力, 未来へ向かう: コロナ時代の国際協力 [2020-nenban kaihatsu kyōryoku hakusho, *Nihon no kokusai kyōryoku, mirai e mukau, korona jidai no kokusai kyōryoku*], 2020 White Paper on Development Cooperation, Japan's International Cooperation: International Cooperation in the Corona Era toward the Future. Available at <https://www.mofa.go.jp/mofaj/gaiko/oda/files/100157805.pdf> or here https://www.mofa.go.jp/mofaj/gaiko/oda/press/shiryō/page22_001366.html (accessed 02.06.2021).

⁸¹ The Yangon Stock Exchange (YSX) is the result of the following financial consortium: Japan Exchange Group Inc. which runs exchanges in Japan (e.g., the Tokyo Stock Exchange, Osaka Exchange, etc.); Daiwa Securities Group Inc. (Japan's second largest securities brokerage investment bank); Daiwa Institute of Research Ltd. (Daiwa Securities Group's research arm).

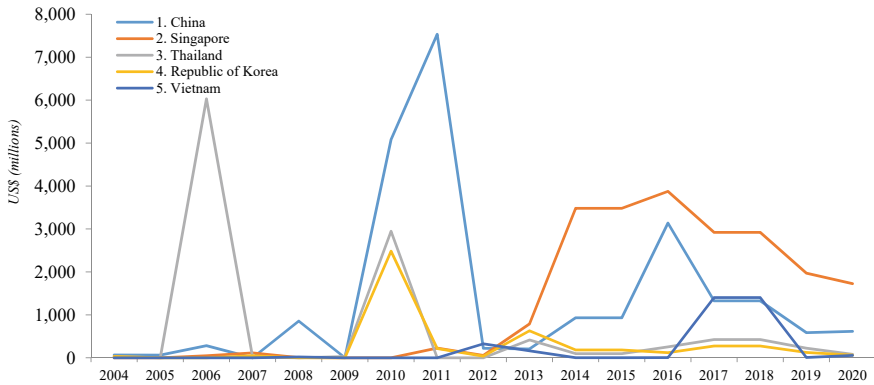


Fig. 12.10 Top five FDI, permitted enterprises, by country into Myanmar, 2004–2020. *Data source* Directorate of Investment and Company Administration (DICA), E-GDDS.⁸² *Note 1* Permitted Enterprises = New. Does not include Myanmar’s other two categories of FDI: “Special Economic Zone” and “Existing Enterprises”. *Note 2* The largest investor at number 1 is Hong Kong however this has been removed to provide an accurate country of origin view. Investment from Hong Kong in reality is by proxy and so discerning origins is impossible

more sustained over time. In other words, Myanmar’s biggest business investors are its near neighbors to the north, east, and south. And all are in decline since 2015 (Fig. 12.10).

Japan’s FDI patterning is different to other country’s. The top five private investors in Myanmar are Singapore, China, Thailand, Hong Kong and the UK. If we exclude Hong Kong and perhaps Singapore as proxy shadow banking financiers then next two largest investors are Korea and Vietnam. Japan ranks only ninth overall. Between 2004 and 2020 total FDI from Japan amounted to \$1.6 billion compared to \$23 billion from China, \$11 billion from Thailand, and \$4.7 billion from Korea. However Japan’s companies are more interested in one thing—Thilawa SEZ. Investing through the Special Economic Zone Law rather than the Myanmar Invested Law FDI from Japan ranks number one.

This economic power profile of (a) Japan having large public ODA provision but with private investment being targeted at Thilawa SEZ and (b) other countries having generally larger private investment that is more generally distributed, makes out a unique feature of Japan–Myanmar relations (Table 12.6).

Comparing private investments to ODA in Myanmar, aside from Japan’s huge debt forgiveness/loan provision in 2013, FDI vastly outweighs aid by a factor of around 100:1 (we of course have to be careful here distinguishing between aid and ODA) (Fig. 12.11).⁸³

⁸² DICA [online] *E-GDDS*. Available at <https://www.dica.gov.mm/en/topic/e-gdds> (accessed 20.05.2021).

⁸³ The Mohinga Aid platform counts aid and ODA together, hence how we can include Japan and Korea who do not provide “aid” in the Western definition of the practice.

Table 12.6 Top five cumulative FDI by country into Myanmar

Permitted enterprises Myanmar Invested Law, US\$ (millions)		Permitted enterprises Special Economic Zone Law, US\$ (millions)		Existing enterprises Myanmar Invested Law, US\$ (millions)	
Singapore	23,157	Japan	679	Singapore	21,493
China	21,351	Singapore	659	China	18,522
Thailand	11,383	Thailand	185	Hong Kong	9,554
Hong Kong	9,679	Korea	99	Thailand	4,230
UK	4,904	Hong Kong	74	UK	4,013

Data Source Directorate of Investment and Company Administration (DICA)

Note Permitted enterprises are both through the Myanmar Invested Law and Special Economic Zone Law. Existing Enterprises are through the Myanmar Invested Law

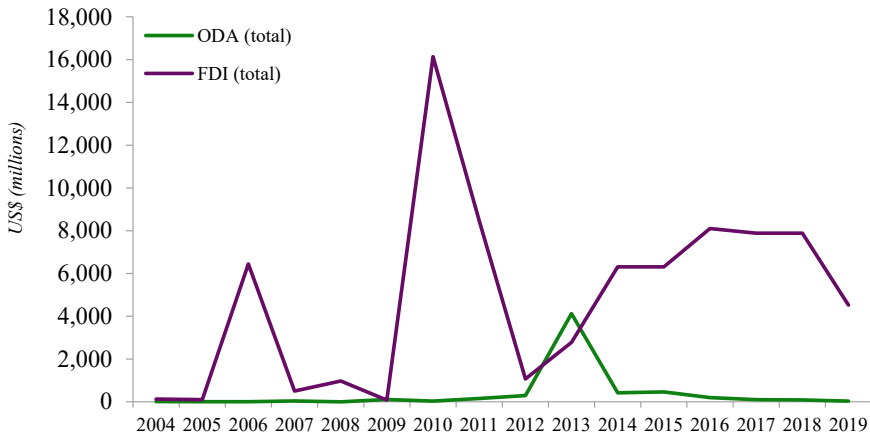


Fig. 12.11 Total FDI and ODA in Myanmar, 2004–2020. *Data source* Directorate of Investment and Company Administration (DICA) and Mohinga Aid Information Management System (AIMS)

This distinction is the opposite for Japan’s economic interactions in Myanmar where public ODA beats private FDI. In the below graph I have put the two side-by-side, removing the enormous grant/debt forgiveness year of 2013 to maintain trend lines. Companies of all nationalities seem to increasingly regard Myanmar as a risky bet but Japan’s government keeps pressing ahead anyway (Fig. 12.12).

Then in February 2021 history was proved correct and risk number nine became a reality as rollback took place. The business community in Myanmar felt it badly. A Myanmar based Foreign Chambers of Commerce Joint Survey in April 2021 discovered that the effect of just two months of the military coup had done more damage to business than the entire one year of COVID-19 in 2020, with 65% of Japanese companies being impacted negatively 50% or more (see below). FDI from

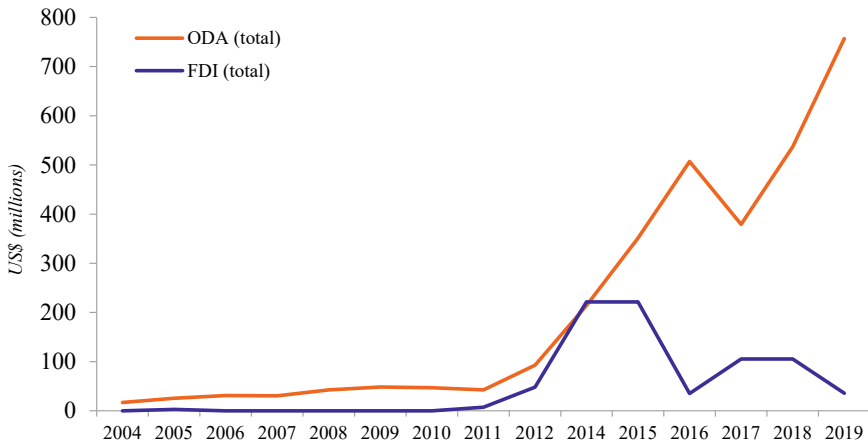


Fig. 12.12 Japan FDI and ODA in Myanmar, 2004–2020. *Data source* Directorate of Investment and Company Administration (DICA) and Mohinga Aid Information Management System (AIMS). *Note* I have excluded the year 2013 as that the enormous grant/debt forgiveness swap and distorts the overall trend

Japan to Myanmar in the first half of 2021 dropped by 54%.⁸⁴ Asked about the future plans, most companies in Myanmar surveyed (and a majority of them are Japanese) said they will maintain operations or don't know. Compared to a similar survey on January 4, 2015, when 87% of major Japanese firms expected economic expansion, things have changed a lot. Major losses have been Japan's Kirin Beer, producers of Myanmar's national beer, who were caught in the spotlight previously for their support of the military and obviously did not want to get tainted again; swallowing half a billion dollars of lost investment. And Japan's AEON mall chain has announced plans to stop plans to build a mall in Yangon. This may not sound especially important but it is. AEON malls in other Mekong countries are usually a soft power social event for Japan, attracting much popular interest in "Japanese capitalism" (Figs. 12.13 and 12.14).

So Japan's private sector has lost of good deal risk tolerance for Myanmar after its most recent coup but what about J-Gov? It has taken a long time and Japan's reaction was far behind calls of condemnation from the US, EU, G7, UN and many other international actors. A MOFA statement on February 1, 2021, the day of the

⁸⁴ JETRO [online] 日系含め多くの企業が国軍の権力掌握後も撤退の計画はなく、情勢見極めの姿勢(ミャンマー) [Japanese plans to withdraw if the situation in Myanmar does not return to normal], May 26, 2021 Available at <https://www.jetro.go.jp/biz/areareports/2021/4dbdbb3a2b47a7b1.html> (accessed 05.06.2021).

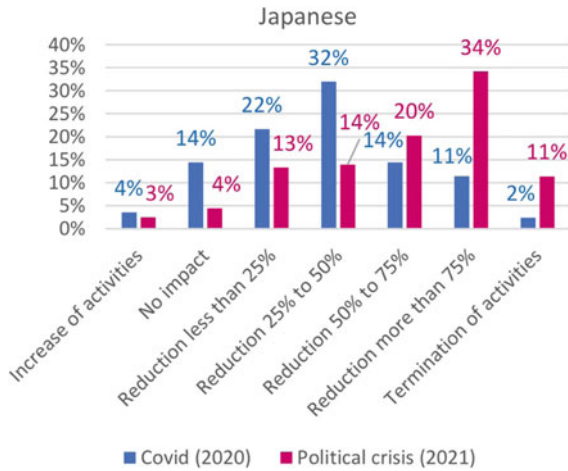


Fig. 12.13 Question: How was your activity impacted (by COVID and the political crisis)? *Source* Foreign Chambers of Commerce Joint Survey 2021⁸⁵

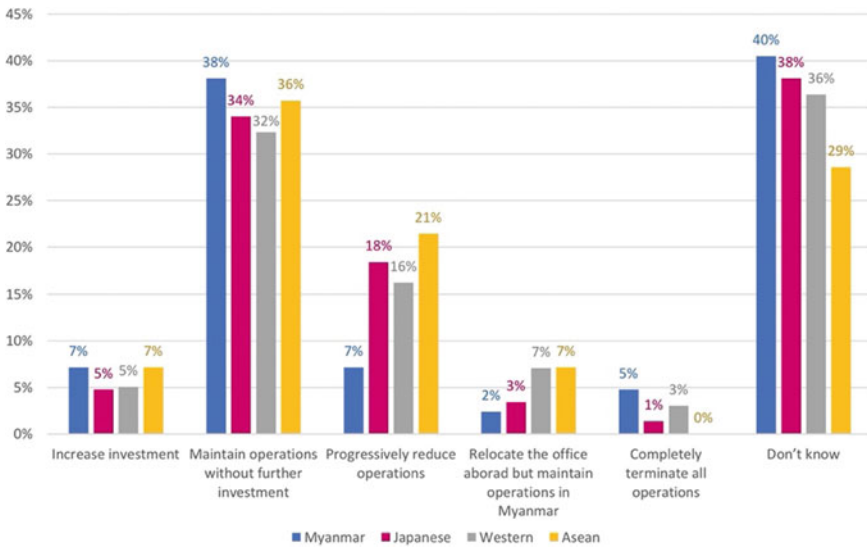


Fig. 12.14 Question: By the end of 2021 your company is planning to: (by nationality). *Source* Foreign Chambers of Commerce Joint Survey 2021⁸⁶

⁸⁵ Foreign Chambers of Commerce, *Joint Survey on the Impact on Businesses Operating in Myanmar: Report and Summary of Findings*, April 2021 (p. 15).

⁸⁶ *ibid.*, Foreign Chambers of Commerce 2021 (p. 28).

coup expresses “grave concern” (but no condemnation of the military or the coup).⁸⁷ By February 26, Japan had halted all *new* ODA projects, prompting many to ask about existing one. By March 31 and a worsening situation, Foreign Press Secretary Tomoyuki Yoshida was speaking of Japan’s efforts to stop the violence (but still no condemnation). However former Japanese Ambassador to Myanmar Higuchi Tateshi publically stated on April 15, that this is now untenable. By May 21, Japan’s MOFA motioned its willingness to halt *all* ODA projects, including ongoing ones, in a clear bit of stick waving. On March 31, Japan’s multi-channel communication was in operation in Tokyo rather than Yangon as Mr. Ting Lin Aung, representative of Myanmar’s shadow government opposed to the military, National Unity Government of Myanmar (NUG), spoken to Japan’s Diet. Perhaps that moved lawmakers because by June 8 Japan’s lower house of parliament condemned the coup, on June 11th the upper house followed, and on June 12th Japan’s Prime Minister Suga also condemned it.

Things may be starting to change in Tokyo. Then again, maybe they wont.

Conclusion

This chapter has applied the notion of risk to Japan’s relations with Myanmar using three risk prevention stages from a proposed risk policy cycle married to an appreciation of power in international relations. It has identified nine risks that Japan has faced and continues to face in its relations with Myanmar, and the various Japan-style policy solutions that have been used to either mitigate, manage, or consolidate those risks. In so doing, Japan’s risk strategies amalgamate into arguably a framework of politico-economic influence on par with many other forms of control in international affairs.

This is not an easy conclusion to make as the coup d’état situation in Myanmar is ongoing so history and the regional big picture will need to be my guide. Japan’s main strategy in risk modulation with Myanmar has been this: to have as many relationships as possible, incentivized as much as possible, and to support both sides—military and democratizing forces—for as long as possible. The question now is can fence-sitting be maintained?

Japan’s fence sitting was perhaps possible if assuming that a political settlement, or at best a political understanding, existed in Myanmar. Japan’s 1997 policy of engaging with both sides of Myanmar’s diarchic arrangement was fine as long as both military and democratic forces also had an interest in remaining diarchic, with both maintaining some degree of balanced power investments. The 2021 coup d’état has arguably ended that. Despite the military claiming to be saving constitutionalism and democracy from a corrupted vote process, the 2008 constitutional settlement

⁸⁷ MOFA [online] *The internal situation in Myanmar (Statement by Foreign Minister MOTEGI Toshimitsu)*. Available at https://www.mofa.go.jp/press/release/press3e_000161.html (accessed 10.03.2021).

seems untenable now. The military can keep manipulating legal provisions to remain in power, they have all but erased existing democratic actors, and they have demonstrated that when they don't like events they will topple the government. Japan's fence-sitting is going to need to end and a side be taken.

This is far from easy. Bert Edström argues that Japan has miscalculated the risk in Myanmar due in part to a myth of a special relationship.⁸⁸ I agree and would add two cognitive biases Japan has: (1) regional priorities overshadowing nation-state level activities, and (2) an overly developed special interest group in the form of a Burma Lobby. Myanmar has a great deal of potential, yes. However the problem all returns to the fact that Myanmar is not a functioning nation-state nor does it have a substantial political settlement. Even recent democratic moves have demonstrated this with one party, the NLD, gaining 90+% of the vote.

With Myanmar's history of coup, democratic movement, coup, democratic movement, there are probably many in Japan's MOFA who hope this is a carbon copy of Thailand. Military coups every five years but the basic interests of the elites favor global capitalism and Japan's involvement in the country. One can "tut" and shake the head knowingly, "don't worry, this is what they usually do, it won't affect us". In Myanmar's case, perhaps not. Perhaps rather, events are heading in a more southerly direction. Thailand has a functioning nation-state and political settlement while Myanmar does not. The difference in outcome? Collapse, not repetition. In which case Japan's hand will be forced, as civil war erases so many gains and good intentions.

I began this chapter quoting the eloquent historian Thant Myint-U and I shall end the same way. He also predicts collapse. In a very recent to time of writing piece in *Foreign Affairs*—*Myanmar's Coming Revolution: What Will Emerge From Collapse?*—Thant peers desperately at the likelihood that Myanmar could become a failed state:

There is no magic bullet, no single set of policies that will solve the crisis in Myanmar. That's because the crisis isn't just the result of the February coup; it is the outcome of decades of failed state building and nation building and an economy and a society that have been so unjust for so long to so many. The outside world has long tended to see Myanmar as a fairy tale, shorn of its complexities, in which an agreeable ending is just around the corner. The fairy tale must now end and be replaced with serious diplomacy and well-informed, practical strategies. With this, there is every chance that over a few years—not magically overnight—Myanmar can become the peaceful democracy so clearly desired by its people.⁸⁹

⁸⁸ Edström, Bert. (2009) *Japan and the Myanmar Conundrum*. Institute for Security and Development Policy, October 2009. Available at https://www.isdp.eu/content/uploads/publications/2009_edstrom_japan-and-the-myanmar-conundrum.pdf (accessed 10.06.2021).

⁸⁹ Thant Myint-U [online] 'Myanmar's Coming Revolution: What Will Emerge From Collapse?', *Foreign Affairs*, July/August 2021. Available at <https://www.foreignaffairs.com/articles/burma-myanmar/2021-06-11/myanmars-coming-revolution> (accessed 12.06.2021).