

Burmese junta releases Suu Kyi amid fears of political unrest

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After a week of hints and rumours, the Burmese military junta finally released the leader of the opposition National League for Democracy (NLD), Aung San Suu Kyi, from 19 months of house arrest on Monday. The decision is aimed at facilitating a pact with the opposition and major powers to end the international sanctions, which have crippled the country's economy and led to mounting social disaster.

Secret talks under the auspices of UN special envoy Razali Ismail have been underway between the junta, known officially as the State Peace and Development Council (SPDC), and Suu Kyi since October 2000. The regime had released over 250 political prisoners and allowed the NLD to reopen its offices in the capital Rangoon but had held out on ending Suu Kyi's house arrest. The SPDC appears to have finally buckled under the threat of tougher economic sanctions.

The European Union (EU) renewed its economic embargo on April 22 and the EU parliament has heard calls for a ban on investments in Burma. The US Congress has legislation pending for an additional ban on imports. Washington already has a battery of economic and travel restrictions on Burma, including a ban on investment, bilateral aid and arms.

While Suu Kyi has obviously struck a deal with the junta over her release, both sides are maintaining a studied silence on its terms. The opposition leader immediately called on the international powers to maintain their economic embargo but made a number of conciliatory gestures. She has called no public rallies or demonstrations and refrained from making any criticisms of the regime. She undertook to inform the authorities if she wished to travel outside the capital—the issue that provoked the reimposition of her house arrest in 2000.

At a press conference in Rangoon, Suu Kyi hinted at ongoing negotiations, saying “the phase of confidence building [with the junta] is over” and “we look forward to moving across to a more significant phase.” Several commentators have indicated that discussion is underway on the formation of a joint military-NLD committee with limited powers to deal with social issues such as welfare and education. On Thursday, the junta announced a new round of closed-door talks with the opposition.

One diplomat commented to the *Washington Post*: “Releasing Suu Kyi was the easy step. The generals know she's not going to rock the boat too much, and they're getting a lot of good publicity for it. But what about the student leaders? The other party activists? The people who might loudly criticise the generals?”

Amnesty International estimates that 1,500 political prisoners remain in Burmese jails.

Suu Kyi's reliance on international sanctions in her negotiations with the junta, rather than any mobilisation of popular discontent, is a continuation of her stance in 1988 in the midst of mass anti-government protests. At that time, she called off the demonstrations after reaching an agreement with the military to hold national elections. The generals in turn used the opportunity to crack down on more militant opponents and stabilise the political situation. After losing the 1990 election, the junta simply ignored the result.

The US and other major powers have backed Suu Kyi against the military not out of any concern for democratic rights but rather because the junta is viewed as an obstacle to international investors. The armed forces, which seized power in 1962, control substantial sections of the highly regulated Burmese economy and maintain tight controls over any investors seeking to exploit the country's natural resources and cheap labour. The army has retained power over the past four decades through the brutal suppression of opposition, including from ethnic minorities.

The decision to negotiate with Suu Kyi has opened up rifts within the military. Last Friday four relatives of former military strongman Ne Win were put on trial over an alleged plot involving a group of military officers to overthrow the government. They were arrested in March and if found guilty could face the death penalty. Ne Win, who led the 1962 coup, stepped down in the midst of the mass protests in 1988. The arrest and trial of his son-in-law and three grandsons is widely interpreted as a move against sections of the military opposed to a deal with the opposition.

While welcoming the release of Suu Kyi, the US and European powers have warned that sanctions will not be lifted unless the junta further loosens its grip. US State Department spokesman Richard Boucher commented: “Much more remains to be done to achieve political reforms and national conciliation and we're looking to see concrete steps that do that before considering what to do about the sanctions.” Speaking for US business, the *Wall Street Journal* insisted: “Now is the time to intensify threats of such a ban. Unless there's real reform in Burma, the junta must remain pariahs in our eyes.”

Underlying the talks between Suu Kyi and the junta is a common fear of the explosive consequences of the country's social conditions. A BBC report in March cited a Burmese economic analyst with close ties to the junta as saying: “People are getting

dissatisfied with the situation. They are tolerating it at present, but if the situation continues to deteriorate over the next 12 months then there is a very real risk of massive social unrest.”

The blockade of Burma over the past decade has created a profound economic and social crisis. Although official figures show foreign investment approvals of more than \$US10 billion since 1988, less than a fifth of that amount is likely to have been realised up to 2000. A burst of investment followed Burma’s entry into the Association of South East Asian Nations (ASEAN) in 1996. But most of it was from Asian countries and collapsed after the regional economic crisis in 1997-98. Since 1995, 50 foreign companies have pulled out of Burma.

International economic assistance and humanitarian aid has been minimal over the last decade. The annual total slumped to around \$50 million or about \$1 per person in the mid-1990s after Japanese debt relief was withdrawn when Burma failed to meet its debt repayments. In neighbouring Cambodia and Laos, the comparable figures are respectively \$35 and \$68 per capita.

The official exchange rate for the Burmese Kyat is 6.9 to the US dollar but the black market rate, a more accurate reflection of the currency’s value, is nearly 1,000 to the dollar. A recent *Economist* article explained: “Inflation is running at an annual rate of more than 50 percent, the government foreign-exchange reserves are less than \$25m, just six-weeks-worth of imports; most things are in short supply, and in Yangon (Rangoon), day-long power-cuts are commonplace.”

The BBC reported in March that local residents complain that market prices for basic foods like rice, palm oil, meat and eggs have all increased. Price of rice rose by 20 percent in six months and palm oil by 50 percent. Fuel, all of which is imported, is in short supply. Burmese economists estimate that an average family of five needs more than 80,000 Kyat (\$110) a month to live, including food, medicine and transport, but excluding luxury goods. The average monthly salary for a teacher or government official is less than \$13. Unemployment is very high in the cities.

In order to reinforce its shaky position, the military has vastly expanded its size from 170,000 in 1988 to nearly 450,000. The International Crisis Group (ICG), a European-based thinktank, reported in December 2000 that the armed forces had boosted the salary of its lowest paid troops four-fold. “Since such large salary increases are rare in any country’s armed forces except under quite extreme duress, the move is strongly suggestive that the military leadership felt that its forces were near revolt—at least over the issue of pay,” it commented.

Around 40 percent of the budget goes to the military, leaving little for basic services. According to a recent ICG report, public expenditure on health as a percentage of GDP fell by a factor of five from 1985 to 1998, and for education by a factor of three. The state currently spends less than 60 US cents per capita annually on education and less than 20 US cents on health care. In 2000, the World Health Organisation ranked Burma as the second worst in the delivery of health care—190th out of 191 countries. A number of new schools and hospitals have been built, particularly in border areas where the military has crushed local revolts, but the quality of services has deteriorated markedly while fees have soared.

According to World Bank estimates based on a government

survey in 1997, about a quarter of the population or 13 million people are living below the poverty line and another five million marginally above it. Only about 40 percent of households consumed calories at or above the recommended international standard, and only 55 percent consumed sufficient protein. A 1999 UN report commented: “Widespread scattered reports of spontaneous emergency feedings, purchase of rice water for food, and reliance on inferior cereals such as millet all suggest increasing stress... The conclusion must be that consumption of many families is less than usual, less than needed, and under increasing pressure.”

According to a UN report, life expectancy in Burma has fallen by more than four years, from an average of 61.3 years in 1990 to 56.0 years in 1999. An ICG report released last month stated: “The rates of infant mortality, maternal mortality and malnutrition among children are very high and also compare unfavourably with those of regional neighbours. Importantly, in each of these areas, the trend within Myanmar [Burma] over the last 15 years is one of stagnation or even deterioration. The main causes of premature death in Myanmar are malaria, HIV/AIDS, acute respiratory infections, and diarrhoeal diseases. An estimated 30,000 people die annually from malaria alone.”

HIV/AIDS is a growing problem. Although estimates vary, it is believed that between 600,000 and 700,000 are infected, including thousands of children. The ICG report stated: “At these levels of infection, the so-far silent epidemic will soon begin to show its face. The number of sick and dying will inevitably multiply rapidly.” Some 43,000 children under 15 are separated from parents due to HIV and 50,000 new AIDS deaths are reported every year. Drug taking is also rife, with an estimated 500,000 heroin addicts in the country.

The ICG report argues for the provision of humanitarian aid to Burma, warning that “social deprivation breeds extremism and instability [and] rarely, if ever, political progress”. It is precisely the danger of political instability, rather than concern over the appalling conditions under which the majority of Burmese live, that has brought Suu Kyi and the generals together at the behest of the major powers.



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