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# RSIS COMMENTARIES

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## **Encouraging Myanmar's Reforms: Engage Beyond Sanctions**

By Kyaw San Wai

### **Synopsis**

*The West is responding to Myanmar's reforms by suspending sanctions in stages. Engagement beyond sanctions is crucial to shore up the nascent reform process.*

### **Commentary**

BRITISH PRIME Minister David Cameron's visit to Myanmar this month and his call for suspending sanctions are the latest steps in a developing rapprochement between Myanmar and the West. His call, echoed by Aung San Suu Kyi, likely means that many European Union sanctions may be lifted soon, with other Western countries set to follow. It comes as President Thein Sein's administration continues to carry out reforms after one year in office.

Myanmar's reforms are not uniform, with conflict still flaring in Kachin State and political prisoners remaining, but when contextualised in Myanmar's modern political history, are stunning. Parliament, although dominated by the Union Solidarity and Development Party bolstered by military representatives, has been a dynamic engine of reform tackling various issues. And after a resounding victory in recent by-elections, Aung San Suu Kyi and her party are set to legally become part of the reform process.

The Kachin conflict is the exception, as the government has embarked on substantive peace efforts with other key ethnic groups such as the Karen, Shan and Wa. Economic reforms hopefully will revitalise a moribund economy.

### **Reversible Reforms**

As Myanmar still lacks strong institutions to keep authoritarian rule in check, the reforms remain reversible. And a single year of reforms, even if done by a very capable and completely democratic government, cannot easily undo 50 years of misrule and civil war. However, emphasising this reversibility to argue against reciprocal action means not exploiting the available avenues of engagement. Engagement should not be seen as endorsement of what has occurred, but as empowerment of a fledgling reform process.

There are past misdeeds which must be corrected, but insisting that all issues be resolved before any reciprocal action means missing opportunities to bring about change. It is more important to move Myanmar away from

authoritarianism.

As some government officials are reportedly averse to reforms, engagement needs to be balanced between empowering those working for change and discouraging those against reform, while helping the population. Inaction means withholding aid from the large portion of the population who have no role in the country's politics and are already suffering from decades of poor governance. It must also be made clear to those in Myanmar's political elite who might act against reform that their actions would draw uncomfortable international reaction.

### **Vectors of Reform**

Sanctions have been credited as important spurs of reform by some activists. While plausible, it paints a Western-centric narrative of developments within Myanmar and fails to acknowledge the main vectors and impediments of reform, which are mainly domestic. The military-backed government of President Thein Sein, the Union Parliament and Myanmar's nascent civil society are all attempting to move Myanmar towards reform. Dissidents within Myanmar, detecting sincerity in President Thein Sein, have also opted to collaborate, albeit cautiously.

The Myanmar government's desire to lift the sanctions does not stem from any perception of weakness. With a change in leadership and the realisation that the economy and other aspects of life can no longer be neglected in the name of state security, the government realises that getting the sanctions lifted would be desirable to reinvigorate the economy.

The sanctions caused mild inconveniences to the government while the Burmese population bore the consequences of both poor management and misguided international 'goodwill'. The realisation that Myanmar desperately needs to catch up is a major driving force. The desire for reform is genuine to a certain degree, but also includes the calculation it will allow former regime leaders to retire peacefully.

The claim that the government is reforming solely to have Western sanctions lifted has proven untrue thus far: the government embarked on reforms despite sanctions in 2011. It was only after certain changes occurred that the West began to respond. Arguments that the awarding of ASEAN's 2014 chairmanship to Myanmar would result in Myanmar halting its reforms proved unfounded and in fact Myanmar moved faster after being given what has been its membership entitlement.

### **Need for pro-active Western participation**

The changing regional architecture has also contributed to the rapprochement: Myanmar hopes to diversify its foreign policy and economic options, though China will remain the main player. Concerns over China's rise have made the West more lenient and willing to meet Myanmar half way. In the past, the West isolated Myanmar and called for regime change, which only reinforced the junta's bunker mentality and uncooperative stance. With engagement, the West has now found a government eager to reform and improve ties.

It is now crucial to expand the toehold of reforms, to enable it to gain a critical mass so that the reforms cannot peter out. While the Myanmar government must bear the burden of the tasks, the West has to adopt a balanced yet pro-active approach, which it finally appears to be doing.

The lifting of sanctions are both rewards for changes and incentives for further reforms. Arms embargos and other measures which actually cause discomfort to people working against reform should be maintained until greater concessions are made, but to maintain other sanctions would only serve to hamper Myanmar's recovery from authoritarian misrule.

Lifting sanctions might also have potential negative consequences, as a stampede of corporations eager to carve up one of the 'last economic frontiers' might be in the making. However, with the government now receptive to input from advisors and international institutions, these negative effects could be tempered.

Rather than remaining cautious and asking for Myanmar's government to address every issue on the table, it might be more worthwhile for the West to engage Myanmar, to expose its leadership to more ideas, provide effective developmental assistance and also to cultivate institutions to bolster good governance and ensure smart, sustainable development. These tangible and pro-active responses go further in making the reforms irreversible.

The West needs to think and act beyond sanctions and strike while the iron is hot, rather than allow a potentially self-fulfilling prophecy of failure to manifest itself in Myanmar.

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