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# RSIS COMMENTARIES

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## **Myanmar's ASEAN Chairmanship: Will it Lead to National Reconciliation?**

By Eliane Coates

### **Synopsis**

*Myanmar's 2014 ASEAN Chairmanship will boost Naypyidaw's courting of world opinion in favour of its reforms. However, Myanmar's road to reform remains long and winding. ASEAN should nudge Naypyidaw towards greater national reconciliation.*

### **Commentary**

MYANMAR'S CHAIRMANSHIP of ASEAN, which begins this month, will become an open display of its progress in undertaking national economic and political reforms. Naypyidaw's hosting of ASEAN has the potential to improve Myanmar's international reputation, national economy, and potentially, domestic reconciliation efforts.

Long seen as a pariah state, Myanmar sees the ASEAN chairmanship as an opportunity to demonstrate its reformist credentials and a platform to re-engage the international community. For almost 50 years, Myanmar has been locked in the grip of a fierce and repressive military regime that paid little attention to international criticism.

### **International Image and payoffs**

However, under the leadership of a quasi-civilian government, Myanmar has undertaken the path towards substantial reforms, including a loosening of the political system, freedom of the press, and economic liberalisation. This has not only convinced Napyidaw's ASEAN neighbours, but has also managed to woo the major powers, including the United States, into according Myanmar political legitimacy leading to the easing of sanctions.

As the ASEAN Chair Myanmar has the opportunity to discard its previously isolationist foreign policy to become a responsible stakeholder of the international community. The year 2014 is Naypyidaw's turn to steer ASEAN in dealing with contentious regional issues, including the South China Sea disputes. Naypyidaw's challenge now is to translate this 'chairmanship' into a commendable 'leadership' role.

Apart from raising its international profile, chairing ASEAN could potentially unlock greater economic opportunities for Myanmar. This includes growing investor confidence and further integration with ASEAN and the wider regional economic communities.

ASEAN's goal is to create a single Southeast Asian market and regional trading bloc by 2015. However, Myanmar remains the poorest ASEAN member with a GDP of only US\$53 billion, contributing only 0.2% of continent-wide production in mainland Southeast Asia. Myanmar would undoubtedly struggle to meet the strict policy reform requirements for the ASEAN Economic Community in the specified time frame.

Nevertheless increased investor confidence after the ASEAN chairmanship could help narrow the crucial gaps in critical infrastructure and employment, as well as provide the momentum to achieve market regulation and greater human capacity in Myanmar.

Domestic economic reforms have already helped to increase the flow of foreign capital into Myanmar. In a recent report by the private sector, Myanmar was listed as one of five countries that had made the greatest improvements over the last five years to their business environment. The floating of its national currency, the *Kyat*, as well as the enactment of a new Foreign Investment Law to regulate foreign ownership limits and land leasing rules, have not only made Naypyidaw more attractive to foreign investors but has also enabled its rich natural resources, such as arable land, forestry, and natural gas to be exploited further. One report suggests Myanmar's energy and mining sector is projected to expand to US\$22 billion by 2030 from US\$8 billion in 2010.

However, Myanmar's capacity to fully exploit such opportunities is questionable at best. Endemic corruption, lack of transparency, limited legal recourse, strict approval procedures to rebuild infrastructure which are slow and costly, and remaining Western economic sanctions, continue to stifle the country's economic growth. The International Finance Corporation, a branch of the World Bank, recently ranked Myanmar 182 out of 189 countries for the ease of doing business within its borders.

There has also been a brain drain of skilled workers to neighbouring countries which offer higher wages. While the economic pay offs in hosting ASEAN may be great, more reforms must be made to create an inviting business environment to set the stage for Myanmar's full integration with the ASEAN Economic Community.

### **National reconciliation**

National reconciliation presents the biggest hurdle to Myanmar's reform process. Some outsiders remain skeptical of Myanmar's development amid ongoing internal inter-ethnic conflict. Myanmar expects ASEAN to recognise its national reconciliation efforts to solve deep-rooted ethnic conflicts through individual ceasefire deals and comprehensive peace settlements for a nationwide reconciliation.

While most regional countries want Myanmar to succeed in its path to democratisation, ASEAN's support of Myanmar will not be unconditional. The prestige and legitimacy associated with being at the helm of Southeast Asia's regional bloc must not obscure the fact that Myanmar still has a long way to go, particularly in protecting human rights and pursuing national reconciliation.

Myanmar's inter-ethnic violence continues to strain other ASEAN countries due to the refugee outflow of Rohingya Muslims to Thailand, Malaysia, and Indonesia. The Rohingya also pose a spillover potential security threat to some regional countries. In 2013 two Rohingya leaders linked to the Rohingya Solidarity Organisation (RSO) were reported to have enlisted assistance in the form of weapons and tactical knowledge from Indonesian hardline Muslim groups.

At present, peace agreements have not been consolidated. Instead of granting greater autonomy, Naypyidaw is offering economic incentives through development projects to rebel leaders in exchange for signing ceasefire agreements. While this process has facilitated re-engagement between the two sides, it is no more than a short term fix; it is unable to replace sincere political dialogue to address the underlying political, economic and social causes of the ongoing armed conflict.

### **Human rights**

Slow progress in national reconciliation efforts is compounded by increasing human rights concerns inside Myanmar. Many human rights violations continue to be reported, particularly against the Rohingya, despite Naypyidaw having set up a national human rights commission in 2011. The recent visit by the UN special rapporteur on Human Rights only confirmed Myanmar's inability to conduct objective investigations on widespread human rights violations and to bring the perpetrators to justice, including those belonging to local security forces.

While a spokesperson for the Myanmar government has announced the Rohingya issue will not be on the ASEAN agenda, he agreed the government will accept advice from individual ASEAN governments on the conflict. ASEAN could thus play an instrumental role in pushing Myanmar from behind to achieve national

reconciliation and encourage it to implement the 2012 ASEAN Human Rights Declaration. ASEAN could also call upon its Institute for Peace and Reconciliation (AIPR). The AIPR's Intergovernmental Commission of Human Rights (AICHR) could investigate the various demands of ethnic groups and give recommendations to Naypyidaw.

As the largest democracy in ASEAN, Indonesia could also cooperate with Naypyidaw to strengthen Myanmar's civil society and engage in more transparent inter-ethnic dialogues. With the potential regional spillover of Myanmar's internal strife, Naypyidaw should not interpret ASEAN's move as intervening in its internal affairs. Rather, it would be in Naypyidaw's best interests to embrace ASEAN's assistance with open arms.

*Eliane Coates is a Senior Analyst at the Centre of Excellence for National Security (CENS) at the S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University.*