

SPEAKING FREELY

ASEAN shows "The Way" as Myanmar opens

By Balbir B Bhasin

The recent election to parliament of Burmese pro-democracy leader Aung San Suu Kyi and her party heralds a new dawn for this struggling Southeast Asian nation now called Myanmar. The Nobel laureate was released from 15 years under house arrest only in November 2010. Last year saw a nominally civilian government take over from over five decades of repressive military rule. The government even invited international observers to witness the elections.

Eleven ceasefire agreements with ethnic minorities and rebels have been signed. Key political freedoms such as the right to organize, assemble, speak out and run for political office are being exercised in a way that was unthinkable even a year ago. Myanmar's political opening is moving in parallel with efforts to rewrite investment laws and unify multiple exchange rates that impede trade.

The US has restored diplomatic relations with Myanmar and sanctions are being lifted by the US, the European Union and Australia, while Japan has agreed to write off past debt. Relations with the World Bank, the International Monetary Fund and the Asian Development Bank are being restored. The currency has been floated. The rulers of Myanmar (also known as Burma) say the reforms are irreversible.

For over two decades, the United States and the European Union attempted to use the "hard-nosed" approach of broad sanctions to force Myanmar to reform its governance and change its behavior. These have included cessation of trade, suspension of aid, an arms embargo, refusal to negotiate, freezing of assets, and imposition of travel restrictions on the country's leaders.

As early as 1998, the Cato Institute had concluded that "The US policy of imposing unilateral trade and investment sanctions against Burma has proven to be a failure on all fronts. By forcing US firms to disengage from Burma, that policy has harmed American economic interests and done nothing to improve the living conditions or human rights of the people of Burma."

On the other hand, members of the Association of South East Asian Nations (ASEAN) welcomed Myanmar as an equal partner in the ten-nation community and patiently

waited for it to make the changes the world has been waiting for. Instead of using coercive diplomacy, the Southeast Asian grouping opted to fall back on its eastern roots. Described as the "Asean Way", the members have preferred informal personal diplomacy for problem solving and to achieve harmony and cooperation.

They felt that the best way to bring together the multitude of diverse cultures and differing levels of development that exist in Southeast Asia was through understanding, respect, tolerance, consensus, friendship and above all non- intervention. These principles are actually enshrined in their founding document.

Though vilified as a pariah state, Myanmar was granted full membership to ASEAN in 1997. This was done in spite of Western pressure. Not only that, but Myanmar was also given fast track admission - in only two years - while Vietnam and Cambodia had waited nearly four years and Laos six. This special treatment seems well planned. It could have been to counter China's influence in Myanmar, but was most likely to make Myanmar feel welcome into the union.

The expectation was that ASEAN would ultimately be rewarded in the tradition of "one good turn deserves another." Over the years ASEAN members continued to implement their policy of "constructive engagement" by not criticizing the Burmese government in public while continuing to trade and invest in Myanmar's economy, thus providing it a lifeline.

And last November, ASEAN went even further. It decided to endorse the assumption of the association's chairmanship to Myanmar in 2014 based on "encouraging signs" of reforms that they had seen. "They are on the road to greater democratization and are also being more inclusive. The ASEAN position is we should do more to encourage Myanmar down this road," said the Prime Minister of Malaysia Najib Razak. ASEAN's efforts had paid dividends.

Indonesia's foreign minister Dr Marty Natalegawa points out that the decision to give Myanmar the chairmanship was not so much a reward for its reforms but an inducement to live up to international expectations. "It is not a vote of confidence," he said. "But it's actually what our expectation of how it will be in 2014."

The reasons for the sudden change in Myanmar are still open to debate but what is certain is that the expectations of all the stakeholders have risen exponentially. Asian Development Bank figures indicate that the economy has already been significantly bolstered by a 26% jump in tourist arrivals and a 15% rise in gas exports that alone are worth US\$3 billion in annual revenue. The bank said it forecasts GDP growth to rise from 5.5% in 2011 to 6% in 2012, and at least 6.3% the following year.

These estimates may prove conservative and could rise substantially when sanctions are eased as the Myanmar government continues on its path of reform. Both the ASEAN community and the West are expecting this to be the case. Meanwhile, the Burmese people are certainly holding their breath for new opportunities in income, education, and quality of life.

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