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## **IS MYANMAR READY FOR THE ASEAN CHAIR?**

*By Moe Thuzar*

### EXECUTIVE SUMMARY

- Myanmar assumes the ASEAN chairmanship in 2014 under the theme “Moving Forward in Unity towards a Peaceful and Prosperous Community”. Throughout 2014, it will chair from about 240 to over 400 working-level to senior-official, ministerial and Summit-level meetings.
- As an indication of its readiness for the chairmanship, Myanmar has had experience in chairing high-level ASEAN and other regional/sub-regional meetings, some of which required Myanmar to confront difficult issues. A new-found confidence generated by the on-going political and economic reforms also serves as motivation for Myanmar to participate more actively in the ASEAN scene. The heightened awareness and expectations in the country over the reforms have created greater interest in how ASEAN's priorities are relevant to Myanmar's reforms.
- Domestic issues such as the communal and religious tensions, the delicacy of ceasefire negotiations, and concerns over current economic reforms measures may distract Myanmar from its chair responsibilities.

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- Issues that may affect Myanmar's performance in 2014 include the rising preference among members of parliament and the public in Myanmar for populist/protectionist economic measures, and the perception from some in the international community over Myanmar's bilateral relations with China, and how that affects its management of ASEAN's discussions on the South China Sea.
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## INTRODUCTION: HIGH EXPECTATIONS

Myanmar is set to assume responsibility of being ASEAN chairman at an important juncture in her history. The wide-ranging political, economic and administrative reforms initiated by President Thein Sein since March 2011 have been praised globally, and have set in motion increasing international engagement and easing of sanctions that had been imposed on the country for many years. As recognition of this positive development and of Myanmar's transition to democracy, ASEAN was not only among the first to call for immediate lifting of sanctions on the country, but its members also stepped up technical support to help the country meet capacity needs for the 2014 ASEAN chairmanship.

In fact, what is happening is that Myanmar is actually just resuming its turn to chair ASEAN, having decided in 2005 to forgo the 2006 term. In appreciation to Myanmar for gracefully bowing out of a potentially embarrassing situation<sup>1</sup>, ASEAN Foreign Ministers stated in their 2005 Joint Communique that Myanmar would be welcome to resume its turn any time it wished to do so. Myanmar's gesture was thus considered by ASEAN as one of goodwill.

Brunei Darussalam handed over the chairmanship to Myanmar on 10 October 2013 at the 23rd ASEAN Summit, but official duties will not begin before 1 January 2014. President Thein Sein's acceptance speech at that summit set the regional agenda for the entire year. The theme for ASEAN in 2014 is 'Moving Forward in Unity, towards a Peaceful and Prosperous Community', and the president highlighted this understanding of the importance of the chairmanship, and pledged to discharge that duty as responsibly as possible. He stated that Myanmar, as a responsible member of ASEAN, would work hard to project Southeast Asia as a united, peaceful and prosperous region to the outside world.

As head of the Southeast Asian bloc, Myanmar will plan and host year-round meetings of diplomats working to create a single market and to ensure stable politics in the region. Article 31 of the ASEAN Charter provides the direction for ASEAN Chairs, including the single chairmanship of key ASEAN meetings. It states that the "Member State assuming the Chairmanship shall chair: (a) the ASEAN Summit and related summits; (b) the ASEAN Coordinating Council; (c) the three ASEAN Community Councils; (d) where appropriate, the ASEAN Sectoral Ministerial Bodies and senior officials; and (e) the Committee of Permanent Representatives." Major meetings that follow the ASEAN Summit include the ASEAN Plus One Summits with China, Japan and the Republic of Korea (ROK); the ASEAN Plus Three Summit with all three Northeast Asian countries; and a separate summit with India. Additionally,

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<sup>1</sup> ASEAN members were concerned over the blow to ASEAN's image, should Myanmar – at the time still very much under military rule, and under political and economic sanctions imposed by several of ASEAN's Dialogue Partners – push ahead with her turn to chair ASEAN in 2006. This could have resulted in boycotts of ASEAN meetings, with low-level representation to ASEAN's high-level events.

the East Asia Summit, involving China, Japan, ROK, India, Australia, New Zealand, Russia and the United States, has become part of the summit architecture.

Myanmar will chair all the above as well as the ASEAN Ministerial Meeting (AMM), the ASEAN Economic Ministers Meeting (AEM), the ASEAN Finance Ministers Meeting (AFMM), and the ASEAN Defence Ministers Meeting (ADMM)<sup>2</sup>. The AMM schedule includes the annual ASEAN Regional Forum (ARF) meeting and Post-Ministerial Conferences (PMC) with ASEAN Dialogue Partners following the AMM. In addition, the meetings of the ASEAN Inter-governmental Commission on Human Rights (AICHR) also fall under the single chairmanship provision, as do all the working groups and sub-committees under the CPR resident in Jakarta. Myanmar will also be responsible for the ASEAN Business and Investment Summit and the ASEAN Civil Society Conference/ASEAN People's Forum (ACSC/APF)<sup>3</sup>.

As the ASEAN Chair is expected to be the epicentre of regional action, Myanmar's ASEAN year will thrust the country into the limelight. But is it ready? This essay builds on an earlier analysis on Myanmar and the 2014 ASEAN Chairmanship (*ISEAS Perspective*, 18 March 2013), and assesses both sides of the readiness coin, and highlight issues that will shape the contours of Myanmar's chairmanship year.

## MYANMAR'S STRENGTHS

*Myanmar is not new to the regional agenda.* Having been an ASEAN member since 1997, the country has had her fair share of chairing high-level ASEAN meetings, albeit not at the Summit level. Some of these meetings required Myanmar to face difficult issues head-on. A good example was the first ministerial-level meeting—the 13<sup>th</sup> ASEAN Labour Ministers Meeting (ALMM)—that Myanmar chaired in 1999 after joining the regional bloc. It was a bold step for the military government of the time to accept the responsibility, especially at the height of international scrutiny over the forced labour issue in the country. Realising that it needed to offer a credible response to international pressure on the issue, the country's State Law and Order Restoration Council issued Order 1/99 on 14 May 1999 (coinciding with the ALMM) which temporarily suspended power of labour requisition under the Villages Act and Towns Act. It was a tightly scripted orchestration of the series of meetings—from sub-committee to senior officials level—leading up to the 13<sup>th</sup> ALMM, but Myanmar managed to pull it off.

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<sup>2</sup> The ADMM-Plus, established in 2010, also falls under single ASEAN chairmanship. ADMM Plus has the same composition as the EAS and will now be held every two years (instead of three). The 2nd ADMM-Plus is scheduled for 2013 in Brunei Darussalam. Thus, Myanmar will not be hosting or chairing the ADMM-Plus. The ADMM, however, holds annual meetings.

<sup>3</sup> The ACSC/APF started in 2005 during Malaysia's ASEAN chairmanship. The event has since been held annually, prior to the ASEAN Summits, in the Philippines (2006), Singapore (2007), Thailand (2009), Vietnam (2010), Indonesia (2011), Cambodia (2012) and Brunei (2013).

In subsequent years, Myanmar hosted several ASEAN meetings at various levels, as well as high-level meetings of other regional and sub-regional arrangements. The new-found confidence following the start of reforms in 2011 led to Naypyitaw's first Summit event: the 4<sup>th</sup> Summit of the Greater Mekong Sub-region Economic Cooperation (GMS) held in December 2011. The June 2013 World Economic Forum on East Asia and the December 2013 Southeast Asian Games are other more recent examples.

*A new-found confidence brought on by the political and economic reforms.* Myanmar's sweeping reforms since 2011 have continued to capture the world's attention. The country's chairmanship over ASEAN is expected to take the country's relationship with development partners—bilaterally and multilaterally—to a more constructive level, both with regard to the implementation of its reforms; and participation in ASEAN Community-building efforts. The keywords in its chosen theme may be read as a strategic interpretation of the Chair's reform priorities and ASEAN's targets for 2015. Present ceasefire negotiations offer a hitherto undreamt-of prospect for an end to the civil war with ethnic armed groups, and ties in with ASEAN's move for more discussion and capacity-building on peace and reconciliation. The 'prosperity' component highlights the priority placed by ASEAN on accomplishing a single market and production base by 2015. In addition, the country's Framework for Economic and Social Reforms, which outlines policy priorities for the period 2012-15, recognizes the importance of dovetailing its reforms with ASEAN's economic integration goals, particularly in areas related to freeing up trade, services and capital flows.

*Heightened awareness and expectations.* With Naypyitaw assuming a more prominent international role, the space for debate and discussion that the economic and political reforms have created will be enhanced. The relaxation of censorship and media ownership has already given the media a freer rein in voice and accountability, and brought improvements in coverage and analysis on regional and international developments that may have an impact to the reform process. There is reason to be optimistic that more non-state actors—from the epistemic to rural communities—will join in to voice their views on the country's development trajectory.

The perception of ASEAN in Myanmar has been negative in the past, in particular towards its policies of 'non-interference' and 'constructive engagement'. However, the Cyclone Nargis tragedy of 2008 brought about a change following the much-appreciated humanitarian assistance and reconstruction efforts initiated by the regional bloc. As with the opening up of an unprecedented level of humanitarian space after Nargis, there is now a deeper awareness of the broader implications of ASEAN's bridging role with the international community. Situating Myanmar's ASEAN chairmanship within the ongoing domestic reforms also helps to 'connect the dots' – the Myanmar people can assign some personal importance to the topics on the regional agenda. ASEAN's stated priorities for peace, development, democratization and social justice naturally resonate with the core interests of Myanmar's reform process.

Given these points, it is natural for Myanmar to perceive the ASEAN chairmanship as an important and necessary step in the country's re-integration into the international community. However, these strengths can also be examined from the opposite side, where optimism can run into obstacles.

## POTENTIAL PROBLEMS

*Chairmanship does not always equal leadership.* Myanmar's ASEAN year takes place amidst heightened expectations for both Myanmar (the success of reforms) and for ASEAN (the accomplishment of an integrated region by 2015). This requires the ASEAN Chair to take the lead, more than ever; and the leadership expected of Myanmar includes effectively communicating with and among the various stakeholders in ASEAN; setting the agenda, style and tone of regional discussions to facilitate constructive debate towards consensus and effective decision-making; promoting and maintaining good relations with ASEAN's partners; and coordinating ASEAN responses to situations that may make an impact to regional cooperation. However, Myanmar's participation in ASEAN meetings since 1997 has not been consistent enough across the sectors for its officials to adequately take on a leading role in regional initiatives, or to proffer advice in resolving tensions and conflicts on the basis of extensive expert-experience. This is in spite of the technical cooperation and support provided by ASEAN countries to prepare the country for the 2014 chairmanship. While there is optimism that this may change in the near future, the countries that informally "lead" ASEAN discussions—especially in times of crisis—still hail from the founding members.

*Thin capacity and institutions to sustain the reforms.* The dedication and commitment of the group of individuals advising the executive on matters of reform have been commendable. President Thein Sein's effort to introduce more technocrats and area expertise into his Cabinet, regardless of political affiliation, is unprecedented. Yet, the widespread international interest in Myanmar's reforms, and the offers of support besieging Myanmar from all fronts, bring an added challenge of time, attention and capacity for the officials in various sectors of the bureaucracy charged with implementing the reforms on the ground. Emerging from decades of mismanagement and a culture of fear, popular mind-sets in Myanmar need time to adjust to the new realities.

Delivering on the ceasefire negotiations requires a continuous balancing act on the part of the government's representatives, who have to reach compromises while withstanding attempts—however well-meant—to influence the process. Additionally, the communal tensions arising from the June 2012 violence in Rakhine State—which spread through central Myanmar, displacing people and further sparking religious animosities—indicate that the populace is finding it difficult to adjust to change even

as they demand it. President Thein Sein has looked towards boosting economic development and the improvement of social well-being in addressing communal and ethnic tensions. The challenge now lies in turning a vicious cycle into a virtuous one.

However, while the government's reform efforts seem poised to unleash a foreign investment-driven economic boom, the current infrastructure is not satisfactory enough to attract and carry large investments. There is an important need for skilled manpower, especially in the ASEAN Economic Community's (AEC) priority integration sectors. Some of these sectors—such as the agriculture and agro-based industries, and fisheries—are important for Myanmar's economic development. However, the country is currently still the least connected among ASEAN countries, although there are now plans for greater connectivity with neighbours. Connectivity is necessary for freer flow of goods and services in the ASEAN Free Trade Area. ASEAN-wide, trade facilitation still needs to overcome behind-the-border barriers as well as 'silo mentalities' across sectors that give rise to difficulties in coordination and communication. Services liberalisation remains a concern, not least in a newly opened economy such as Myanmar's. In general, ASEAN member states have been requesting many flexibilities and exceptions to their respective national implementation requirements.

*The other side of heightened awareness.* The widening space for discussion affords an insight into how the people, who are the majority stakeholders in the country, view the nexus of Myanmar reforms and ASEAN cooperation in social and human development. Social issues are important in a country in transition. Myanmar has already experienced at first-hand how social unrest arising from discontent or dissatisfaction with changes have the potential to jeopardise the pace of political and economic reforms. ASEAN's move towards a people-centred ASEAN finds resonance in the consultative attitude of President Thein Sein towards "the will of the people". Still, at the individual level, questions of "what's in it for me" and quality of life issues will continue to define discussion in Myanmar and in ASEAN.

## CONCLUSION: SO IS MYANMAR READY?

Myanmar is probably as ready as any ASEAN member state can be to undertake the responsibilities of an ASEAN chair. Officials have taken an inventory of the number of ASEAN meetings that Myanmar will have to host and chair in 2014. The range is from 240 to some 400. A budget of MMK 33.6 billion (about USD 30 million), with additional allocations as necessary, has been assigned; the 2014 ASEAN website is being tested for official launching by 1 January 2014; venues and dates have been identified for the various key meetings; and consultations are ongoing with the various ASEAN and Dialogue Partner countries to ensure a forward-looking agenda for 2014.

The Chairman's statement that is expected to outline aspirations and commitments for a post-2015 scenario, including anticipated results of current ASEAN initiatives. The outcome documents will highlight Myanmar's ASEAN priorities as identified by President Thein Sein in October 2013: climate change, natural disasters, security, transnational crime, food and energy security, SMEs, and human rights issues. In true ASEAN manner, these—and the ongoing drive to achieve the ASEAN Economic Community by 2015—will be implemented with due regard for the national objectives of each ASEAN member. In addition, there are topics carried over from Brunei's ASEAN year, such as the introduction of a fair social security system; nurturing new generations of ASEAN youths; ending violence against women and children; and disaster prevention assistance.

As part of his responsibilities, President Thein Sein will represent the ASEAN at the G-20 Summit in Australia in November 2014. The business community and civil society groups in Myanmar are respectively gearing up to hold the ASEAN Business and Investment Summit and the ASEAN Civil Society Conference in conjunction with the ASEAN Summits in Myanmar. These events will include meetings between business and civil society representatives and ASEAN Heads of State/Government. The business-related meetings will tackle the developing and supporting of small and medium enterprises (SMEs) in ASEAN, a topic that is also close to Myanmar's domestic concerns. The civil society gathering will discuss peace, development, democratization and human rights issues.

The South China Sea continues to occupy a central spot in ASEAN's political agenda. It is important for Myanmar officials to understand the different claims and claimant states, and why tensions in the South China Sea are monitored closely by the international community. The importance placed by many countries on freedom of navigation and maritime security in the South China Sea, coupled with the huge potential for developing the natural resources in the islands claimed by the four ASEAN member states as well as China, guarantee continued and intense interest in developments in and around the disputed areas. ASEAN's position has consistently been to emphasize that the various claims in the South China Sea should be recognized and treated as an opportunity for cooperation for mutual benefit rather than as a source of conflict; and to call for peaceful settlement of disputes in accordance with universally recognized principles of international law. Although there are bilateral issues between the individual ASEAN members and China, ASEAN continues to emphasize that these bilateral disputes should not be allowed to obstruct ASEAN-China cooperation, and that the Declaration on the Conduct of Parties in the South China Sea (DOC) should be given effect via a Code of Conduct to be discussed jointly between ASEAN and China. How Myanmar as ASEAN Chair will manage and mediate the South China Sea continues to be a matter of interest, particularly in view of ASEAN's failure to issue the annual Joint Communique at the end of the 2012 ASEAN Ministerial Meeting in Phnom Penh.

It has been stressed that Myanmar, as ASEAN Chair, should prioritise ASEAN's unity of purpose in such matters, and that ASEAN centrality should prevail. Myanmar's ASEAN theme reflects its recognition of this priority. Still, going forward into 2014, two existing developments bear close monitoring as these could affect Myanmar's performance negatively. The first is the rising preference among members of parliament and the public in Myanmar for populist/protectionist economic measures; and the second is the perception from some in the international community over Myanmar's strong bilateral relations with China.

Against this complex backdrop, Myanmar's ASEAN year promises to be interesting. Notwithstanding the substantial duties of ASEAN chairmanship, Myanmar will also need to address the on-going need for promoting more "thinking and feeling" about ASEAN among the populace. As with the reforms, Myanmar has an opportune chance to highlight the impact of ASEAN cooperation on people's daily lives and encourage greater discussion about the relevance of regional initiatives on national commitments. This priority is no less compelling during Myanmar's ASEAN year than it was when Myanmar first joined the Association.

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