

Myanmar Foreign Policy under New Government: Changes & Prospects

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Abstract

After opening up in 2011 with new civilian government, international community has been busy eyeing on Myanmar's transition, how she will continue her democratization process and in which way she will diversify her foreign relations. It cannot be denied that Myanmar is managing her foreign relations that will advantage her national interest. Being isolated for many decades, Myanmar realized that it is time to change to reintegrate into international community for the development of the country. With this aim in their mind, Myanmar opened her new chapter in her relations by transforming the country into democratic system with seven-step of road map. Since then international media frequently termed Myanmar democratic transition as "Myanmar spring" due to its smooth democratization process. Myanmar's political transition towards a democratic system has created both opportunities and challenges in engaging her foreign relations because of a need to keep balance among China, US, Japan and EU. As Myanmar assumes ASEAN chairmanship in 2014, the focus on the country's foreign policy orientation will come under further scrutiny. As a chair of ASEAN, Myanmar has an opportunity to demonstrate its "independent" foreign policy and provide a path for the country's future policy direction. Changing Myanmar to increase strategic options and new investments for economic development, Myanmar will continue to strengthen ties with China, US, Japan and other western powers. Moreover, the existing economic linkages and geographical proximity to China and ASEAN will make Myanmar play a balancing act with all the major players, a pre-requisite for prosperity,

security and stability of the region. In this context, this paper will try to answer the question of how Myanmar will stand and play her foreign policy under new government.

Overview of Myanmar Foreign Policy

Foreign policies are the strategies used by governments to guide their action in the international arena. Every state's values and interests play a central role in the formulation of foreign policy. Because of the diversity of historical heritage, culture, geographical distribution, economic status, power status, etc., each nation has its own values and interests and formulates its foreign policy in accordance with them. Therefore, the foreign policy of a nation is largely a function of its national interests. Some terminology such as neutralism, positive neutralism, non-alignment, independence and active foreign policies can be seen in studying the foreign policy of Myanmar. Myanmar's domestic political, economic and social needs at its birth also had an effect on shaping the country's foreign policy. In addition, external factors also play an integral part in the formation of foreign policy based on historical context.

Since independence, Myanmar has consistently adhered to the foreign policy of neutralism with some variations depending on international and domestic politics. In theory, its foreign policy has been based on the liberal tradition that the state will stand on its own and follow the international principle of peaceful settlement of dispute. However, the state leaders' perceptions of changing international and domestic politics put foreign policy implementation on a realist path, with Myanmar taking sides or grouping with other states to balance the powers likely to interfere in its national affairs.

Successive Myanmar governments practiced non-aligned, independent and active foreign policy in line with the Five Principles of Peaceful Coexistence. To live together in peace and harmony within the family of nations and to work together the interests of the whole region, Myanmar looks forward

to developing friendly relations, especially with neighboring countries. When Myanmar achieved its independence, the Union of Myanmar practiced a policy of "independent neutrality" as a workable foreign policy and also realized it was an effective course to pursue in friendly relations with all countries.

Myanmar faced widespread insurgencies and a massive task of economic reconciliation after the Second World War. It opted for a foreign policy that sought to protect the fragile new state by on the one hand actively working to eliminate international conflict and on the other hand avoiding behavior that would provoke intervention by a neighbor or major power. It encouraged trade and accepted assistance in support of its development effort when necessary but was careful to balance and diversify relations as much as possible.

There was also an external factor influencing the foreign policy Myanmar adopted. When Myanmar gained independence in 1948, it experienced the international system of the Cold War. As the world was divided into East and West, Myanmar pursued the foreign policy of non-alignment and neutralism. One of the basic principles of Myanmar's foreign policy after regaining independence was to maintain friendly ties with all the countries of the world, particularly with immediate neighbors and countries with the region. Besides, Myanmar would cooperate fully with all countries for freedom, democracy, peace and prosperity. Prime Minister U Nu stated that alliance with one particular bloc would not be in Myanmar's interest because it could encourage rival insurgent groups to increase their subversive activities against the government. Therefore it can be seen why Myanmar did not join any power bloc and pursued a neutral policy since independence.

When the Revolutionary Council came to power in March 1962, it also adopted Positive Neutrality as its foreign policy. The decision of the Burma Socialist Programme Party to practice an independent and active foreign policy did not mean the abandonment of the previous policy of "positive neutrality" but was meant to emphasize the independent and just nature of Myanmar's stand

on international issues. The government reaffirmed its conviction that the positive neutrality since its independence was the policy best suited to Myanmar in the context of the prevailing world conditions and that its faithful pursuance best served the longer interest both of Myanmar and the world. In viewing those declarations, despite the government change, Myanmar maintained neutral policy to develop good relations with all countries. The impact of the blocs disrupted Myanmar's national unity and solidarity. The Revolutionary Council chose moderate relations with other countries which were not too close or too strange. In the 1970s, Myanmar's foreign policy of positive neutrality came to be known as an independent foreign policy. The change in terminology was only to reflect the way Myanmar's foreign policy was being implemented in accordance with the changing conditions in the world. Myanmar's government emphasized self-reliance and had no willingness to play an active role in international affairs.

When the State Law and Order Restoration Council assumed the responsibilities of the State on 18 September 1988, Myanmar government also noted that self-imposed isolationist policy of the past was no longer relevant to the changing international and regional environment, and the government made a request for a new direction in its foreign relations. The making of foreign policy is generally marked by the dual process of continuity and change. On the one hand, foreign policy being rooted in the country's traditions and ways of thinking is characterized by continuity. On the other hand, by its nature, it is a constantly changing policy, for the world is not static but dynamic and ever-changing, and any country's foreign policy, in order to be successful, must adapt itself to these changes. Therefore it can be seen that the two elements of continuity and change went hand in hand in Myanmar's foreign policy at that time.

The hierarchies of core foreign policy objectives practiced by military government were: to enhance security, to bolster the nation's economic

development and prosperity, and to promote a peaceful and equitable world order. To serve the domestic political-security imperative, foreign policy has focused on persuading neighbors to adopt clearer policies of non-interference in order to reduce the government's confrontations with ethnic insurgents along the border.

It also served to satisfy Myanmar's development needs as part of the state building project. After 1988, the receipt of assistance such as soft loans from international financial institutions had halted. So, Myanmar's foreign policy has served to promote economic cooperation with neighboring economies to supplement national development. This includes promoting border trade, offering incentives to tap into private foreign capital and requesting technical and other development assistance. The government has faced widespread condemnation by the international community and almost all major aid donors announced that they had suspended official development assistance and withdrawn support for Myanmar loans from international financial institutions. In these conditions, China gave moral and physical support to Myanmar. China provided a massive amount of aid and diplomatic support in multilateral organizations. This allowed Myanmar to learn towards China. Above all, Myanmar has sought assistance and investment to enhance its infrastructure and to support oil and gas exploration and extraction, from which the government hopes to benefit substantially.

Moreover, foreign policy can also serve to win international recognition. The search for international recognition has seen Myanmar seek membership of regional institutions.

Myanmar's domestic priorities and directions opened new opportunities for Myanmar to integrate into regional organizations and cooperate with its regional neighbors. Myanmar's economic cooperation can be seen in ASEAN and the intra-regional grouping like the Bay of Bengal Initiative for Multi-sectoral and Technical Cooperation, the Greater Mekong Sub-region, Ayeyar-

wady Chaophya Mekong Economic Cooperation (ACMEC), etc. It can be seen that Myanmar's foreign policy under the military government reflects the country's domestic conditions, its security, and changes in external environment.

Foreign Policy under New Government

Scholars who focus on Myanmar argue that Myanmar's foreign policy is intended to reestablish relations with the US, to gain reputation in ASEAN and to balance China's excessive involvement in Myanmar by practicing the principle of peaceful coexistence. In studying Myanmar's foreign policy under the new government, liberal ideas can be seen. The liberal assumption in the case of foreign policy notes that international politics is characterized by harmony among international actors. President U Thein Sein often mentions that the aim of Myanmar's foreign policy is to live peacefully with the rest of the world. In more specific expressions, Myanmar's current foreign policy is designed not only to substantially rebuild a sound relationship with the West but also attempts to develop and maintain better ties with other Asian countries. Therefore, the approach under President U Thein Sein is to highlight a reorientation of foreign policy by allowing an opening to the West to bright about economic modernization and to close the gap with the other countries in the region. In this way, Myanmar continues to practice an independent and active foreign policy.

The 2010 multiparty general elections were a significant turning point in Myanmar's relations with the international community. After taking office in March 2011, the new administration has made effort to maintain two wishes of the entire Myanmar people. The first wish is to live in peace and stability through an all-inclusiveness political process, which is now showing sound progress with some extent of satisfactory result with the exception of Kachin state. The second wish of the people is to develop a nation with a strong economy. To fulfill these needs, President U Thein Sein announced overall

reform strategies by initiating three waves of reform measure: political reform, social economic reform and administrative reform under a democratic transitional process. Under new government administration, the significant progress of the reform agenda paved the way for the new connection with its external relations and changing approach to its foreign policy practices.

First of all, the new government carried out political reform working together with all political parties and invited them to participate in the political process. One of the political achievements is the emergence of a new political culture in Myanmar during the two years. Under this new political culture, the government has brought to an end confrontation as a way to solve problems and is now dealing with these problems and differences through deliberation and dialogue. This is the result of an increase in the degree of political consciousness and tolerance among the members of political and civil societies as well as the general public. Moreover, the government is also doing everything it can to turn ceasefire agreements into political dialogue. In dealing with ethnic problems, the government adopted the means that will lead to lasting peace. In doing so, it needs to institute a system that ensures perpetuation of sovereignty and equal rights among all ethnic groups by abiding by the principle of non-disintegration of union. Therefore, the government is trying not to deviate from its commitment to achieve lasting peace through dialogue.

The second wave of the reforms was focused on economic reform. Under the economic reform measures, the new government promulgated a new Foreign Investment Law and endeavored for the building of special economic zones and industrial zones. Myanmar's economic reforms were carried out in the context of economic development in building and sustaining peace at the domestic level. In addition, Myanmar's economic reforms are now taking shape in the context of a region-wide drive to establish the ASEAN Economic Community by 2015. Two important achievements are the unification of the country's multiple exchange rates in April 2012 and the adoption of a new foreign

investment law in November 2012. These economic reform measures paved the way to the lifting of economic sanctions by the US and individual EU member states and also opened up opportunities for investors from those countries.

The third wave of the reforms dealt with administrative reform. According to the third step of reform measures, President emphasized a clean government with good governance. Government official must pay attention to the voice of the people, providing enough transparency and taking timely and effective action on matters presented by the people, and avoiding corruption. On account of these points, he called for reform in the administrative sector. The government is forming committees at the township level to hold joint discussions, make joint decisions and take joint leadership in the implementation.

Together with these reforms, the new administration led by President U Thein Sein adopted a national development strategy which aims to develop every aspect of all walks of life, all classes and all the people of Myanmar. In line with the national development strategy, three major duties, namely transition, building of the new nation and improvement of Myanmar, are now being shouldered with the aim of striving for national development. In order to carry out these three duties, three basic policies are also laid down while opening the door to investment and assistance from international partners. To drive away long-term economic stagnation, Myanmar needs strong inflow of investment together with aid.

These reform policies can be seen as a recalibration of domestic and external relations based on the changing circumstances on the international and domestic political landscape. Performing these three reform measures paved the way for the new government's role in its foreign relations and also leads to the impact on its foreign policy orientation.

When Myanmar opened a new era of socio-political change, the US had changed its policy towards Myanmar. The US took a step towards normalization

in its relations with Myanmar and deeper interaction could be seen with the revival of full diplomatic ties between the two countries. The Obama administration initiated comprehensive policy review towards New Myanmar with the adoption of a more pragmatic policy also known as a policy of engagement. US policy towards Myanmar is primarily focused on the promotion of democratic governance and national reconciliation. Even though there were long-held memories and suspicions of the US, Myanmar is now setting the stage for new forms of bilateral cooperation with the US. Myanmar's rapprochement with the US shows its new foreign policy orientation, but it has not deviated from the essence of Myanmar's foreign policy practices. This is also because Myanmar realized that to graduate from status of Least Developed Country, it is necessary to reintegrate into international community.

During the days of military government, Myanmar did not receive foreign direct investment, and there were very few job opportunities for the ordinary people. So they had to find jobs in neighboring countries, and currently there are about three million working in Thailand or other countries in the region. Even though sanctions were meant to undermine the military government, in fact they hurt the ordinary people more. To fulfill the needs of the people of Myanmar, changes and reforms for capacity building of state-owned businesses are needed and should be implemented in collaboration with international organizations and international community for the flourishing of capital market. It is clear that the new government is willing to reengage with the international community. It means to engage more trading partners and investors beyond its neighbors to diversify and strengthen the foundation of its economy.

With the momentum of Myanmar's democratic transition, the West eased their economic sanctions and pledged to implement private B2B transactions and to offer technical assistance. Taking this opportunity, President U Thein Sein visited five EU member countries in March 2013. During this visit, the Finnish government pledged to contribute 6.5 million euros for development

undertakings in Myanmar between 2014 and 2016. Italy being a member of the Paris Club and the EU, the Italian government expressed its support of the review process of EU sanctions towards Myanmar by issuing a Joint Statement on the occasion of the visit of President U Thein Sein.

Credibility is a major factor in easing relations between Myanmar and European Union members when reform measures are translated into success. Different political systems and other factors, for instance human rights conditions in the past 20 years, led to a cooling of relations between Myanmar and the majority of the Paris Club members. In particular, the Paris Club are members of the EU, which pursues economic sanctions on Myanmar on the pursuance of EU Common Foreign Policy. However, the new government favored keeping momentum on democratic reforms and a human rights campaign, which turned to international credibility within the short timeframe of implementation of reform measures. Myanmar gained GSP as well as duty-free and quota-free access to European markets under the terms of an "everything but arms" trade agreement in July 2013. The Generalized Scheme of the Myanmar-EU Task Force which was held in November 2013 was the first step towards fruitful cooperation between Myanmar and EU. The first ever Human Rights Dialogue will be held soon in Myanmar and this illustrated how Myanmar has shifted from its traditional way of isolationism.

Moreover, Myanmar did not get international loan assistance due to many decade-long economic sanctions. For international loan assistance, the government could successfully coordinate with major donor countries apart from the WB, IMF and ADB. Myanmar will be able to secure low-interest long term loans from the above-mentioned organizations. Myanmar could reduce the debt over \$6 billion with the help of Paris Club member countries to take Myanmar out of the Least Developed Countries (LDC) list. In order to help Myanmar graduate from the LDC category, a national level committee which is headed by the Vice-President has been set up as part of helping the country out

of each criterion that identifies the category of the LDC. The UN listed 48 countries as LDC with Myanmar having been included in the LDC list since 1987. The UN Economic Council is also mandated to review the LDC classification every three years and report its findings to the UN General Assembly. Myanmar needs a timeframe to make systematic preparation in cooperation with UN organizations so as to make Myanmar meet the three criteria in line with the 2015 UN Millennium Development Goals.

Besides these new trends of relations with the Western countries, Myanmar developed its relationships with its old friends like Japan and created new opportunities and more options. While paying careful attention to Myanmar's reforms, international donors like Japan and the Paris Club Consortium canceled Myanmar's foreign debt. Along with the debt relief measures, Japan provided technical assistance by concluding a MoU during the visit of PM Shinzo Abe. The visit of Japanese Prime Minister Shinzo Abe to Myanmar was the first ever visit in the 36-year history of the two countries. The visit reflects the support of Japan for Myanmar's reform process. Myanmar welcomes the assistance to be provided by Japan and will utilize it in people-centered development projects. Accordingly, Japan will be able to enjoy more opportunities in trade and investment in the Myanmar market that will be open and transparent, thereby contributing to mutual interests. In order to speed up the rapid promotion of reform measures led by the U Thein Sein administration, Japan agreed grant aid and loan projects to Myanmar. At the climax of 60-year anniversary of Myanmar-Japan relations in 2014, Japan was assisting the New Government from all angles of national development plans either bilaterally or internationally, such as with ASEAN and the Paris Club in the attempt to relieve the serve burden of heavy debt on Myanmar. The resurgence of Japanese interest in Myanmar, together with the positive role of the US and EU, will help Myanmar promote its relations with Japan.

Moreover, Myanmar has been hosting forums and seminars which focus on economic development. Among these, the 22nd World Economic Forum on East Asia, which was held in Nay Pyi Taw in 2013, was a remarkable one, with 1,000 participants of 78 different countries representing community leaders, young leaders and academic leaders. This reflected the tremendous interest of the international community in the development of Myanmar, showing recognition of its reforms, which in turn helped forge warm relations with the international community.

These political changes in Myanmar together with extending relations (changing direction) with the West brought concern for China with regard to the existing interest in the country and its strategic planning for the future. China-Myanmar relations have been good since the era of the previous government, and it is thus important to maintain this bilateral relationship between the two countries besides extending relations with the West. In the last decade Myanmar has become heavily reliant on China both as a legitimacy provider and as a source of raw materials. China in turn has embraced Myanmar for its own strategic reasons, including the need for natural gas and access to the Indian Ocean. This mutual reliance has allowed China to maintain influence on Myanmar's politics.

Before 2010, China was assumed to be a primary source of assistance for the state-building process conducted by the Tatmadaw government. Being the guarantor of the Tatmadaw government, China was seen as a major provider of assistance for domestic economic development and the protector of Myanmar in international politics. Domestically, it had provided assistance such as loans, grants, technical assistance, infrastructural development aid, etc. Such assistance had been used by the Tatmadaw government, which had limited capacity for the state-building process. Internationally, China had been a guarantor or protector of Myanmar from the pressures of the West led by the

US, using the veto to prevent Myanmar from coming under intense pressure to initiate internal political change.

In an illustration of Myanmar's friendly relations with China, U Thein Sein visited China immediately after assuming the presidency in May 2011. The joint statement on establishing a comprehensive partnership was signed between Myanmar and China. However, many analysts were critical, stating that this partnership has been dropped as a realistic policy goal. They continue to warn that the normalization of US-Myanmar relations was bound to threaten China's security, damage existing China-Myanmar cooperation and indirectly hurt the security of the Chinese border and energy transportation route. Looking at these comments, it cannot be denied that Myanmar's political transition towards a democratic system has created both opportunities and challenges in engaging its foreign relations because of a need to keep balance among China, the US, Japan and the EU.

Another positive step in Myanmar's opening up is the gaining of the ASEAN Chairmanship. The 2014 ASEAN chairmanship of Myanmar is one positive political result of the reform. Accepting Myanmar as chair of ASEAN would definitely provide crucial recognition from ASEAN and international communities for Myanmar's reform process. Myanmar's assuming of the ASEAN chairmanship in 2014 will help propel the country further on the path of political reform. The 24th ASEAN Summit was successfully held in May 2014, and the second Summit will be held in November with the attendance of ASEAN's dialogue partners including China, the US and the EU. Along with assuming ASEAN chairmanship, Myanmar will host the East Asia Summit in 2014. Myanmar's stature in the region has grown manifold in its international relations. Such activities demonstrate that Myanmar is no longer a hermit kingdom and has become a responsible member of the international community.

Myanmar's exercise of its independent and active foreign policy will come to the fore in 2014. The world's attention will be on New Myanmar's ability

to steer discussion among ASEAN members on dealing with not only China in the case of the South China Sea dispute but also concerning regional peace and stability as a whole. As an ASEAN member state, as well as a non-claimant states, Myanmar will determine its position on the South China Sea in accordance with its own national interest and solidarity of ASEAN as a regional organization. As ASEAN Chair, Myanmar is also the coordinator for ASEAN-US dialogue. This a rare opportunity for New Myanmar to take a leading role in engaging the ASEAN-US dialogue process while US policy treats ASEAN as a pivot in Asia.

Conclusion

After studying the nature of Myanmar foreign policy, changes in the application of Myanmar foreign policy can be found. Although successive Myanmar governments have changed the strategy of implementation of its foreign policy remains unchanged. At times, Myanmar pursued an active involvement strategy in international affairs to promote its national interests, and at times, it followed a low-involvement strategy giving priority to national peace, stability and security.

Under President U Thein Sein's government, New Myanmar, taking an independent stand, views and decides each issue according to its merits in keeping with its own national interests. The new administration implemented an ambitious program of sweeping reforms to end isolation and integrate the country's economy with the global system.

At the internal level, there are three concern for the Western countries. These concerns are the release of political prisoners, inclusion of Daw Aung San Suu Kyi and her groups in the political process, and ethnic conflicts. These concerns are what the Western countries have been asking for from the government. Myanmar has responded to these concerns in order to improve its

external relations. Most significantly, positive political development of Myanmar will move relations with the West forward.

In terms of external foreign relations, many are taking keen interest in Myanmar's relations with the world, especially with China on the one hand and the US on the other. The government of Myanmar must be smart enough in responding to and collaborating with both major powers.

Myanmar has no history of making enemies with other nations. Observers were uncertain how the new leadership would handle Myanmar's international relations. Although the fundamental principle of Myanmar's foreign policy has not been changed, its direction has altered. The change of direction in the country's foreign policy has led to new emphases and priorities in Myanmar's external relations.

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Notes

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