Myanmar's post-election foreign policy

Policy Brief

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Executive Summary

This paper’s main objective is to explore the likely direction of Myanmar’s foreign policy after the historic election won by the National League for Democracy (NLD) led by Daw Aung San Suu Kyi, a Nobel Laureate, a democratic icon and a long-term opposition leader. To this end, the paper analyses key statements by the new leadership. Further, it zooms in on a number of areas in domestic politics with particular relevance for the direction of foreign policy: unresolved projects with China (in particular concerning hydro-power), human rights issues, and the peace process in which many donors are involved – and links these issues to the question of Myanmar’s socio-economic development. The paper concludes that Myanmar’s foreign policy “will continue in line with fundamental principles from the time of independence, but will also focus more on domestic matters of relevance to foreign policy”. Myanmar will continue to pursue a balanced foreign policy, regionally and internationally.
**Myanmar’s post-election foreign policy**

Chaw Chaw Sein*

**Introduction**

The 2015 multi-party general elections held on 8 November 2015 represent a historical landmark in Myanmar’s democratic transition. After the National League for Democracy (NLD) led by Nobel Laureate Daw Aung San Suu Kyi won a landslide victory with 77.1% of the vote, Myanmar’s first-ever elected civilian government was formed on 31 March 2016. The international community is keenly interested in the future direction of new government’s foreign policy. Myanmar’s foreign policy under the previous government can be described in terms of three circles of initiating reform measures: to attract foreign direct investment, to regain Myanmar’s role in international arena and to assume the ASEAN Chairmanship. The focus of the outgoing government was on reintegrating with the international community, but the incoming government will not need to reset relations with the West. This is related to two factors. First, the reputation of Daw Aung San Suu Kyi rests firmly on her record as Nobel Laureate and as an icon of democracy. Moreover, whereas the previous administration cemented Myanmar’s relations with the West, Myanmar will now need to re-engage with China. However, Daw Aung San Suu Kyi will have to convince the West to invest heavily and to ease the remaining sanctions imposed on Myanmar in order to promote the political and economic development of the country, while re-establishing relations with neighbouring China. Against that background, this paper explores the concept of Myanmar’s foreign policy as articulated by the key leadership, and then turns to domestic factors related to the country’s foreign policy direction.

**Foreign policy direction**

The emergence of a new government naturally gives rise to questions about possible shifts in foreign policy. The new government of Myanmar, led by Daw Aung San Suu Kyi, was formed on 31 March 2016. After her victory in the general elections, she is arguably the most popular leader ever in Myanmar. As she is barred from the presidency according to Article 59(f) of the 2008 Constitution, U Htin Kyaw,¹ who is neither an NLD member nor an elected MP, has been chosen as president by majority vote in the

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Parliament. A new cabinet has also been formed, consisting of 21 ministries. Daw Aung San Suu Kyi holds two ministries, Foreign Affairs and the Office of the President. She is also to serve as State Counsellor, after the Parliament approved the State Counsellor Bill, despite opposition from the military MPs. This will be a huge responsibility for Daw Aung San Suu Kyi, with the day-to-day running of the Ministry of Foreign Affairs and policy recommendations of the Office of the President. Many have worried that having such heavy responsibilities might interfere with her work on state priority tasks like peace talks.

After the formation of a new government, the inaugural speech of the key leader is always taken as a major indication of government priority areas. Whereas ex-President U Thein Sein in his 2011 inaugural speech stressed that his government would follow the fundamental principles of Myanmar’s foreign policy as stipulated in Article 41 of the 2008 Constitution, the brief inaugural speech of President U Htin Kyaw focused on four areas of domestic policy: national reconciliation, internal peace, emergence of a constitution aimed at establishing a democratic federal union, and improving the quality of life of the majority of the people.

On 18 April, Daw Aung San Suu Kyi delivered a 16-minute Myanmar New Year message which emphasized the same domestic factors – national reconciliation, peace, the rule of law, and constitutional amendment. The only mention of foreign policy was low key:

I think people want to know our foreign policy in the global context. Since the attainment of independence, our country has maintained good relations with all parts of the world. We need to ponder over how to continue our journey and which policies and which fundamental ideologies to adopt.

2 The bill includes five chapters and eight articles giving the right to contact government ministries, departments, organizations, associations and individuals, and makes the State Counsellor accountable to the Union Parliament. The term of the office for the State Counsellor is equal to the term of the president ‘who has taken office for the term of the current second parliament’ according to the bill. The Global New Light of Myanmar, 7 April 2016.


In order to clarify the coming trajectory of Myanmar's foreign policy, a formal foreign policy pronouncement was issued in the capital city, Nay Pyi Taw, on 22 April 2016. Here Daw Aung San Suu Kyi pledged that the government would adopt a people-centred policy, emphasizing the relations between peoples of nations, creating friendly and cooperative relations between them.\(^6\)

For Myanmar, people-to-people diplomacy is particularly important for improving relations with big powers and fostering positive images of a nation in democratic transition. Myanmar is strategically and economically significant in terms of geopolitics, natural resources, connectivity and great-power rivalry in Asia. It faces a range of challenges and conflicts which some institutions and countries have misinterpreted in terms of human rights and migration.

Under such circumstances, it is essential to pursue people-to-people contacts to improve the understanding of the actual situation in Myanmar and the country’s external and internal policies. Myanmar needs more visits, exchanges and interactions with leaders, scholars, students, civil society organizations and not least tourists from other countries. Careful attention should be paid to better practical arrangements, including an effective immigration policy for foreign scholars. At the same time, it is important to improve official procedures and policies for scholars and other academics in Myanmar, to enable closer contacts with the outside world.

**Domestic factors related to foreign policy direction**

Daw Aung San Suu Kyi can be expected to make multifaceted arrangements in foreign policy, and will also need to address immediately relevant domestic factors related to the direction of foreign policy. In particular, these concern unresolved projects with China, human rights issues and the peace process in which many donors are involved. Economic development will also be in a high priority as Myanmar still remains on the UN list of Least Developed Countries.\(^7\)

**Unresolved projects with China**

Daw Aung San Suu Kyi’s first pragmatic approach can be seen in inviting Chinese Foreign Minister Wang Yi to Nay Pyi Taw, only a few days after the new government was formed in April 2016. At the press

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\(^6\) ‘Myanmar to be made strong by using the strength of the people to push foreign policy’, *The Global New Light of Myanmar*, 23 April 2016.

conference on that occasion, Daw Aung San Suu Kyi, as Foreign Minister of Myanmar, noted that friendship between neighbouring countries is of great value to the socio-economic development of the people, and that the new government attaches great value to Myanmar's friendship with its neighbours.\(^8\) The invitation of the Chinese Foreign Minister is linked to domestic factors, especially the important Myitsone Dam Hydro Power Project. Myanmar–China relations became strained under the U Thein Sein government (2011–2015) due to suspension of this dam project. Planned to be constructed at the junction of the Maykha and Malikha Rivers, the source of the Irawaddy River (Ayeyawady River) in Kachin State in northern Myanmar, the project is meant to supply electricity to China’s Yunnan province. The announcement of the decision to suspend the project came in 2011, after public demonstrations for sustainable development of the river.

The Myitsone Dam Hydro Power Project will become a major test for new government. At the domestic level, the importance of terminating the project, rather than suspending or mapping a new programme has been highlighted in journal articles, websites and social media, under headings such as ‘Let Irrawaddy flow as Irrawaddy water’ and, ‘Prevent Myitsone as much as you can’.\(^9\) The issue came up in connection with an election campaign speech made by Daw Aung San Suu Kyi in October 2015 in Myitkyina, the capital of Kachin State:

> If our NLD can form a government, the first thing we’ll do is to make publicly known concerning the Myitsone dam, how the military government has made agreements with the company concerned and what is included in the agreements. Right now, we do not know what is in these agreements.\(^10\)

However, her response to the media at the April 2016 press conference did not meet public expectations. Although the Foreign Minister was once a member of Cooper Mine Investigation Commission, it can be assumed that the focus is now on investigating those who were involved in the Myitsone Project, rather than exploring possible avenues for future cooperation with China. In this context, instead of taking time to consider the issue, Daw Aung San Suu Kyi will need to clarify how she intends to resolve this issue without damaging relations with China. Although it is not an easy task, the

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Foreign Minister should explore possible solutions, as quickly as possible. A pragmatic approach to China would be well-advised to include positive cooperation in the area of tourism sector, instead of resuming the project. As for China, if it truly wants to maintain friendly relations with Myanmar, it should avoid playing the Myitsone Dam card. And if the new government of Suu Kyi should give the go-ahead on continuing the project, that would contravene commitments made in the election campaign in Myitkyina and would go against the wishes of the local people.

Human rights as democratic challenges
Promoting liberty and human rights is recognized as a core value of democracy. In this context, Myanmar’s first civilian-led government has been facing many challenges, well aware that the pace and space of Myanmar democratic transition is unique. The new US ambassador’s usage of the term ‘Rohingya’ for a disputed ethnic group – a term officially rejected by the Myanmar government and public – may emplace some minor constraints on bilateral relations. Also during the visit of US Secretary of State John Kerry in May 2016, the question of the terminology ‘Rohingya’ was touched on. In that meeting, State Counsellor Daw Aung San Suu Kyi stated: ‘Emotive terms make it very difficult for us to find a peaceful and sensible solution to our problems.’

This is a highly controversial issue. Most Myanmar Buddhists hold that the Muslim community in Rakhine state are outsiders who emigrated from Bangladesh, and refer to them as ‘Bengalis’. It would be advisable for the international community to show understanding by supporting both communities without bias, recognizing that it is difficult for Myanmar to become mature in democratic practices within such a short time-frame. On the other hand, the new government will need to negotiate with USA in order to ease the remaining sanctions. These sanctions on Myanmar are based on various laws and presidential executive orders, and fall into several broad categories, such as visa bans, restrictions on financial services, prohibitions on importing goods from Myanmar, a ban on new investments in Myanmar and constraints on US assistance to the country.

The elected popular government should directly request the US Congress and the White House to lift sanctions, once political prisoners have been released, reconciliation with ethnic communities has been achieved, and action taken against forced labour and child soldiers. Getting the sanctions lifted will involve difficult-to-calculate factors, such as how to persuade the hardliners in the US Congress concerning Myanmar–China relations, how the new government can tackle crony capitalism in the

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economy, its response regarding some individuals who are close associates of the NLD government in the Panama Papers,\(^\text{12}\) and how Myanmar is to deal pragmatically with China as regards Asia security. As of this writing, some sanctions have been eased, while other measures have been retained, to discourage human rights abuse and arms trade with North Korea. Moves include easing restrictions on the Myanmar’s financial institutions, removing seven state-owned companies from the US blacklist and extending a measure allowing shipments to pass through ports and airports. The sanctions decision came before the visit to the Southeast Asian nations by Secretary of State Kerry in May 2016. But the USA also strengthened measures targeting Steven Law, a Burmese national\(^\text{13}\) already blacklisted for his alleged ties to the Myanmar military. The US Treasury Department has added to its blacklist six companies owned fifty per cent or more by Law or the company he controls, Asia World.\(^\text{14}\) However, in her meeting with John Kerry in Nay Pyi Taw, State Counsellor Suu Kyi said that the US sanctions were understandable and did not pose a big problem.

The easing of sanctions may also concern Myanmar–North Korea relations. Both Koreas – the Republic of Korea (ROK), a US ally, and North Korea (the DPRK), regarded by former US President George Bush as part of the Axis of Evil – have diplomatic ties with Myanmar. Its close relationship with North Korea during the era of military government became a great concern to the international community. Due to North Korea’s current active policy in the Asia Pacific, observers worry about how the new administration under Suu Kyi will handle relations with the DPRK. The dilemma is further compounded by the fact that Myanmar's military has good relations with North Korea.

**Peace as high priority**

Peace ranks high on the agenda of the new government. Many donors, including the EU, contributed millions to the peace-making process, but this EU funding terminated\(^\text{15}\) with the end of the tenure of President U Thein Sein’s administration. The seeds for the peace process framework have been sown, and the Nationwide Ceasefire Agreement has managed to reach some ethnic groups. But there still


\(^{13}\) Also known as Htun Myint Naing and Lo Ping Zhong.

\(^{14}\) ‘Some sanctions lifted, US eases sanctions on Myanmar in a bid to promote growth, reforms,’ *Global New Light of Myanmar*, 18 May 2016.

remain other ethnic armed groups that have not entered the legal fold. The complicated issue of the peace-making process is now among the responsibilities of Daw Aung San Suu Kyi. Within one hundred days of the transition, it is essential to decide on the proposals of the Joint Monitoring Commission Union (formed under the previous government) for its legal status, to enable it to carry out the peace process without hindrance. There is also an urgent need to consider the proposal of several international institutions for a Technical Secretariat Centre (TSC), to be created either as a state process or NGO,\textsuperscript{16} to allow the free flow of assistance from multilateral and bilateral donors. Consideration must also be given to maintaining the peace momentum, creating a clear peace platform with various armed ethnic groups, and persuading the central stakeholder in the peace process – the Myanmar military.

The peace initiatives under the NLD government were presented on 26 April 2016, at a meeting of the Union-level Joint Monitoring Committee (JMC) held in Nay Pyi Taw, where State Counsellor Daw Aung San Suu Kyi was named leader of the new peace process. She appointed a new peace negotiator and also changed the name and organization of the Myanmar Peace Centre (MPC, established in November 2012) to the National Peace and Reconciliation Centre (NPRC). Since the inauguration of the NLD government, the future of the MPC has been a major issue for the peace process. Support for the MPC, including EU funding, ended on 30 April 2016. International funding organizations are keeping a close eye on the Centre, its role and its peace efforts for the future, while also following the peace initiatives of the new government.

The NRPC is to be a government organization, with its budget and civil service following strict government principles. Also the JMC Union level has been reformed, with Daw Aung San Suu Kyi as chairperson. The first aim of the new peace process is to convene a 21\textsuperscript{st} century Panglong Conference, based on the October 2015 Nationwide Ceasefire Agreement (NCA). In the course of one week, the preparatory committee and two sub-committees were organized. Both sub-committees are to negotiate with non-signatory groups and signatory groups to the 2015 NCA.

The peace initiatives of the new government have been variously received. Some ethnic armed groups say that they experienced internal armed conflicts as a consequence of the failure to follow up the provisions of the first Panglong Conference back in 1947, and are concerned that a second Panglong Conference might further aggravate the situation. Representatives of ethnic armed groups have explained that they are also concerned about the use of the name ‘Panglong’. Noting the complex

\textsuperscript{16} ‘Fifth meeting of Joint Monitoring Committee’, Mirror, 28 April 2016. (In Burmese.)
nature of various armed groups and fragile peace deals in the past, they doubt whether a 21st-century gathering can result in concrete solutions.

Myanmar needs to achieve peaceful resolution of its six decades of internal conflict, which has created instability and underdevelopment. Moreover, the fighting between the Myanmar military and armed groups, and among armed groups, has resulted in thousands of refugees and internally displaced persons. In order to achieve a sustainable peace, the immediate priority must be to stop all fighting between military and ethnic armed groups. The fighting among different ethnic armed groups also threatens the stability and security of local populations. However, ethnic groups find it difficult to accept the unified idea of federalism, and the NLD’s approach to a federal state. Several basic issues remain to be dealt with – including the legal status of leaders of ethnic armed groups, disarmament, resettlement of members of armed groups, and the property held by armed groups

Socio-economic development

Another priority agenda item of the government is the socio-economic development of the country. Myanmar has figured on the UN’s list of Least Developed Countries since the administration of the Burma Socialist Programme Party in 1987, although the government of U Thein Sein tried to get Myanmar removed from the list by carrying out reform measures. According to reports released by the UN Economic and Social Commission for Asia and the Pacific (UNESCAP), Myanmar is expected to be removed from the LDC list by 2018, if it can maintain growth in individual income and GNI. In 2015, Myanmar’s Human Asset Index (HAI) was measured at 68.8%, well above the UNSCEP minimum of 32%. However, in order to be removed from the LDC list, Myanmar still needs to achieve an average annual individual income of at least US$ 1,242. In this context, the new government will need to set priorities for socio-economic development in which major donor countries may take part. After the results of the 2015 general elections were announced, Japan became the first country to invite U Nyan Win, NLD Central Executive Committee member, on a state visit before the government had been officially sworn in. Japan is also considering providing large-scale assistance to Myanmar in building infrastructure and urban planning, at the request of Daw Aung San Suu Kyi. This assistance, to come under Japan’s ODA,

will total more than ¥ 100 billion. Such Japanese support will also be in line with NLD priority plans, including those for economic development.

As a Nobel Peace Prize Laureate and a democratic icon, Daw Aung San Suu Kyi has close personal relations with the West. The USA and European nations that have been backing Daw Aung Suu Kyi and her cause over the years are likely to continue their support. This can be seen by the visit of the Canadian and Italian foreign ministers already in early April 2016. Canada has pledged to provide USD 33.5 million to help ensure a federal union system, efficient administration and the development of women's participation. Daw Aung San Suu Kyi’s approach to foreign policy is based on receiving assistance from a wide range of donors, in order to further the socio-economic development of her country.

Conclusions

The post-election foreign policy of Myanmar will continue in line with fundamental principles from the time of independence, but will also focus more on domestic matters of relevance to foreign policy. If Myanmar is to be more deeply involved in international affairs, the NLD-led government will have to deal with several vital issues of considerable domestic sensitivity: these include environmental degradation vs economic development, non-renewable natural resource exploitation vs ethnic demands, universal human rights vs the rights of individual citizens, outside intervention through foreign aid vs national sovereignty, and the desires of ethnic populations vs domestic security concerns. Otherwise, the government’s 100-day plan for short-term achievement and the first five years of the democratically elected NLD-led civilian government will be in vain.