



**Myanmar Institute
of Strategic and
International Studies**



Track Two Workshop

Challenges and Prospects for the Future of ASEAN - EU Relations

September 19-20, 2006 Yangon

Report by the Delegation of European Participants

The Background

For over a decade, ASEAN-EU relations were strained by an ongoing disagreement over how to react to the political situation in Myanmar. While the Association of South East Asian Nations (ASEAN) has developed a policy of “constructive engagement” based on non-interference, non-discrimination and consensus, the European Union (EU) has opted for a policy of criticism and sanctions from which, according to the EU Council Common Position of October 2004, only humanitarian aid and certain areas of development aid are exempt. A loosening of these restrictions is offered on condition that the Myanmar government lifts the house arrest of opposition leader Daw Aung San Suu Kyi and grants the opposition, above all the National League for Democracy (NLD), more political rights.

In view of the continuing political stalemate, it seems to be clear, however, that the sanction policy has not achieved the outcome sought. Instead of fostering reform, this isolation has only reinforced the siege mentality of the military government. What is more, they have contributed to the impoverishment of the population at large, thereby eroding human resources and destroying, rather than creating the pre-conditions for economic development and political change. With the humanitarian situation deteriorating, the sudden withdrawal of the UN Global Fund has deeply disappointed many policy makers in Myanmar. The fact that the EU-led Three Diseases Fund is to fill this gap might open a window of opportunity for the EU to involve in Myanmar’s reconsolidation process and to help to create the pre-conditions for change.

In 2006, the country was visited by UN Under Secretary General Ibrahim Gambari, who was scheduled to return later in the year. In September, the UN Security Council also voted to place the situation in Myanmar on its agenda and to receive regular reports on the subject. Later in the year, the national convention preparing a constitution was scheduled to resume its work as a key element of the proposed Road Map to Democracy introduced by the government in August 2003. Since 1989 the government has also concluded ceasefire arrangements with most of the armed ethnic resistance groups, thereby moving further towards national reconsolidation.

The Aim of the Workshop

As the issue of the political conditions in Myanmar has been such a stumbling block in improving relations between the member countries of ASEAN and of the EU, an unofficial, track-two, workshop was organised in Yangon on 19-20 September. The discussions, which were very frank, cordial and produc-

tive, commenced with no pre-conditions. They were consequently conducted in an atmosphere of mutual respect and equality.

Against this background the aim of the workshop was twofold. Firstly, to look for common ground and to identify areas of possible cooperation and assistance that can be dealt with even under the current circumstances. Secondly, to develop concrete strategies and policy recommendations focusing on how the Myanmar as well as European governments could facilitate cooperation in such areas of common interest.

To lay the foundations for reaching this aim, the workshop focused first on assessments of the relations between ASEAN and the EU and of the challenges facing the interregional cooperation forums of ASEM, ARF, ASEAN+ . The underlying purpose of these assessments was to gain a better understanding of Myanmar's role in and its perceptions of these institutions. They were followed by a briefing on developments in Myanmar in general and perspectives for the Road Map to Democracy in particular to get an insight into the meaning and complexity of the national reconsolidation process as seen by national policy makers. The two final sessions of the workshop focused on finding common ground and developing concrete policy recommendations to foster ASEAN-EU relations and Myanmar-EU relations alike.

General Setting and Introduction

There was insistence that both sides were brainstorming for common ground for practical, concrete areas of possible cooperation despite the existing strains. One of the hosts stressed that they “fully understood the concerns of Europe” that “they were not oblivious to the concerns of Europe about the Road Map to Democracy.”

One European also stated that Europe should be seen as “a neutral, benevolent and reliable partner,” that “past policies had not produced the desired policy” and that an unofficial dialogue might be beneficial.

Another underlined that “if we don't talk together we don't understand each other” but added that “many of us are dissatisfied that political conditions exist that have led to sanctions.” But he added that “the EU Common Position is not eternally on the books...The EU is not inherently hostile to Myanmar.” It was explained that the EU policy was composed of three “pillars,” involving sanctions and criticism, dialogue and exploration of common ground, and delivering assistance in certain sectors.

It was also emphasised that the EU was a soft power with “no aircraft carriers,” placed emphasis on development aid and as such it had, for example, been requested to become involved in the Aceh peace process in Indonesia.

Technical assistance and capacity-building were continuously referred to as needed by the country. It was pointed out frequently that the EU Common Position on sanctions, exempted possible assistance and cooperation in health, education, and social and environmental areas. There were numerous references to the ethnic diversity of the population and the extended period of conflict involving some of these groups, sometimes with outside assistance.

The ASEAN, ASEM Context

As an introduction to the discussion, there was considerable attention devoted to the general role of ASEAN and ASEM and the prospects for productive use of these mechanisms.

Following the ASEM encounter in Helsinki the week before the visit, the EU side noted officials would meet again at gatherings scheduled for early 2007 of ASEAN and ASEM Foreign Ministers in Germany, in Nuremberg in March for the 30th anniversary of their relations and in Hamburg in May, when that country assumes the presidency of the EU. During that time the EU might be expected to sign the ASEAN Treaty of Amity and Cooperation thus qualifying to participate in the East Asia Summit process as an observer.

One local speaker observed that ASEM had provided “insufficient results” although the Foreign Minister had met with the EU troika in Helsinki. It was noted that he had expressed gratitude to the EU leadership for creating the new Three Diseases Fund to replace the withdrawal of the UN Global Fund. There had been criticisms on human rights and on a project concerning prison assessments, which he said he would look into. He had also recommended that European diplomats in the country or region should take part in organised field visits to the country rather than relying on one-sided information. Our contacts kept repeating that the ASEM process should not be country-specific and that the ASEM had missed an opportunity to really deal with Myanmar and find common ground

There were repeated references to the belief that EU-ASEAN relations in the past had been held hostage to the question first of East Timor and of Myanmar, by first the Portuguese and later Britain and other EU members.

A number of speakers felt that they had been discriminated against by the EU, which had a double standard that considers deficient democracies such as Cambodia, Laos and Vietnam as partners, but not Myanmar, which is affected by economic, financial and visa restrictions. “You may not like the military government, but what about the people?” asked one.

The ASEAN Charter work was of considerable interest to both sides, with the suggestion that Myanmar should be interested in this process and in the prospects of ASEAN perhaps transferring resources to its poorer neighbours. The prospects of an East Asian FTA were also touched on.

It was also noted that the ASEAN 40th anniversary meeting in 2007 would be “people-focused and seek to address people, who are the shareholders, owners. It was added that the ASEAN Charter would be “bold and visionary and people-focused.”

Following discussion on the ASEAN policy of non-interference, one host noted that their military is sensitive and suspicious about outside interference since in the past, when the US, China or even Thailand and India had given aid to forces threatening the country, in what was termed the world’s first Islamic insurgency at the countries north-eastern border. There was also a constant emphasis on bad news from the country. He proposed some means of overcoming such misunderstandings, by military to military relations to build capacity inside the country, underlining that in the past military personnel had been trained in the US or Germany but now they were being trained in China, noting “that you can see the result in our understanding of Western democracy.” He also noted that even the US military attaché was still at his post while the EU had withdrawn its defence attachés. Before the coup in that country a few days later, they had noted the positive effect of Western training on the Thai military. But another participant informed that some training for Myanmar army personnel had been conducted in India on general peacekeeping activities, including humanitarian law and other subjects.

It was suggested that at first the emphasis might be on cooperation where there were no conflicts of interest, such as health, education and environmental issues, while not forgetting others as confidence is

built. Closer involvement by Myanmar participants in the activities of the Asia-Europe Foundation when possible was also frequently recommended.

Internal Political Evolution

A number of local speakers dwelt with the recent historical evolution of the country, especially the *Road Map to Disciplined Democracy* and the national constitutional convention, whose next session was scheduled to begin October 10 after an interruption of some nine months. Most members are keen to have a constitution compatible with the practice of democracy, it was stated. This work should be completed soon, since there existed agreement on about 70% of the basic principles. This would be followed by the actual drafting of the constitution, a referendum on the constitution and national elections.

Among the concepts cited as vital issues are national unity, bringing armed insurgency to an end, and a genuine multiparty system. One speaker stressed that the objective of the process and the entire seven-step road-map was “a genuine disciplined democracy...a modern democratic state,” that involved a constitution “compatible with the practice of democracy,” a referendum on the constitution, fair elections and a parliamentary session. Another referred to “a genuine multiparty” system.

The national convention on a constitution is a coalition of the willing, according to one European team member. The process, which began in the 1990s and was interrupted and subsequently boycotted by the NLD and others, has been heavily criticised from the outside. It is part of a process referred to in Western eyes as reconciliation, but inside the country as consolidation. It was also pointed out that during this process, federalism was “a dirty word,” but there were aspects of federalism included, including 7 ethnic states and 7 autonomous divisions.

Inside the Constitutional Process

Since several participants in the September dialogue were members of the national convention, scheduled to resume in the near future, the constitution was discussed extensively at various senior, participant and personal levels. The participants informed that they spend all week at a distant former military base to concentrate on the details in plenary and special commissions. While past sessions were said to have agreed on most of the guiding principles regarded as the most difficult, it was indicated that the session beginning in October could be longer than the previous ones to try to complete the entire process. It was described as a document that takes into account the relations between central and local authority, the role of the judiciary, human and individual rights, freedom of expression, the role of the armed forces and other crucial issues.

It was also explained privately that the participants constantly refer to other documents and constitutions, such as the UN Charter, the US or the EU constitution draft as references for their work.

One participant expressed “wariness” about the lack of a firm timetable for reaching the objective of the road map despite the good will to implement it step-by-step. “I don’t want them to be baby, wobbly steps, or leapfrogging long steps without taking into consideration the complicated situation we have here. If the steps are not correct strides, it will be dangerous. They have to be steady, sustainable steps but it has to be continuous. I’m a little wary, it is 75% complete, eight of the 15 items, but I’m not aware of a timeframe. Personally, I would like to have a timeframe strictly adhered to, although it may not please foreigners.” But the participant was “worried” that if the work of the convention or the subsequent referendum and election, turn out to be lip service only, that Myanmar may be marginalised further. Although it was noted that “we will not finish the seventh step in the Road Map by 2007 we hope the EU will understand and help the people.”

Some of the European delegation said that a timetable would be helpful for EU acceptance, that the military could decide quickly and that “it’s necessary and very clear that solutions cannot be found if important people do not participate.” Another noted that elections and cessation of hostilities were not enough, but that good governance across a spectrum that includes peace, poverty alleviation and other steps were necessary.

Beyond Perceptions, Suspicions

One local speaker complained that in relations between stakeholders, opposition and outsiders, outsiders did not see the military as a partner and never recognised any internal reforms as progress, seeing it rather as weakness and ask for more concessions. He said that these forces wanted regime change or to dismantle the military with false accusation of rape and crimes, which was regarded as a provocation. The military saw foreigners as part of a conspiracy. “We have to change attitudes towards each other. We understand the EU concerns about human rights, but we do not see the EU as an honest broker because of its support for the NLD, who felt it did not have to compromise. The EU has to deal with both sides. There are no black and white solutions to the problems in our country.” He mentioned the request for war crimes tribunals as one example.

Another remarked that “national unity and bringing to an end the armed insurgency are vital issues for any government past, present and future. The vision and mission of the state is to maintain and stabilise the state.”

Regarding civil society, the opinion professed was that while some are responsible, can contribute a lot and there is an understanding of its valuable role inside the country, some are politically motivated.

One European also noted that EU policies on sanctions might have been absolutist and simplistic, but that its engagement could also reinforce and legitimise authoritarianism. He also remarked that NGOs and other outside forces might have over encouraged overconfidence by rebels and dissidents.

Views on Economic Conditions

Macro economically, it was said a market-oriented economic system had been introduced. It was agriculture based, with the Millennium Development Goals, such as primary education, empowering women, addressing child mortality, private investment, open to Foreign Direct Investment were stressed. But FDI was still low with Singapore, South Korea, Thailand and China the main investors, based on certain data. Guiding principles were said to be balanced growth, improved quality of life, 156 universities and colleges, health and nutrition, poverty reduction, richer cultural life, and globalisation. Business, SMEs, roads, schools, social sector, education, and universities were again underlined. Considerable emphasis was being placed on agricultural reform, mining and tourism. Agriculture accounted for 47% of GDP in 1991-92, and was 51% in 2003-4, and 18% of total exports. Construction of dams, water pumping stations, were cited as were the establishment of 18 industrial zones and plans for 24 zones including universities.

One European commented that the figures provided “stress only on hardware.” But not schools, students, the quality of education, or other indicators.

But examples cited included the fact that there had been only one bridge across the Irrawady and now there are eight, and there are motorways. The achievements were seen as quite remarkable in view of

the fact that the country has received virtually nothing in Overseas Development Assistance in recent years.

A number of representatives from the private business sector were also present and requesting more European engagement and involvement in the economic development of their country. One noted that virtually the only outside interest was in the timber, oil and gas sectors. Another said he could understand a policy of sanctions and dialogue coexisting, but would hope to see more dialogue. He also remarked that Western sanction did not affect the elites, “they never suffer,” he noted. One representative of the agricultural and processing sector, which was said to represent some 75% of the economy, said that this was a true grass-roots sector, and underlined that the EU, US, Japan and others were helping through Mekong regional development projects that could be expanded as one means of reaching into the country. He also particularly singled the need for human resources capacity building over time. Another noted the need for more and credible economic information from the national government and also underlined the need for education and training in the country. A third stressed that sanctions, threats and pressure were not the ASEAN way.

Potential for Follow-up Action

Throughout the two days of discussions, a number of concrete or general suggestions were proposed by various speakers from both sides on a wide range of follow-up activities, projects, or policies. (*A more complete and structured list is included below.*)

A local speaker noted that Europe should begin considering alternatives to sanctions. An element of such a policy could involve step-by-step sequencing. It was also emphasised that the future leadership of the country would come to a large extent from the military and that there existed a need for assistance to create true middle class to help stabilise the country.

Assistance in information media and to libraries in the rural regions were one suggestion raised in general, with assistance for broadcasting in ethnic languages, journalists exchanges or training specifically singled out.

The European side also noted that the recent position of the UN Security Council to place the country on the Council agenda for reports, could be turned to the general advantage. It was also suggested that the Government could become more proactive and, for example invite a visit of the EU Troika to get first-hand information. It was noted that there had been three such Troika missions sent to North Korea. Another gesture recommended would be for the Government to invite and provide security guarantees to some representatives of the exile community that support constructive engagement and critical dialogue for private visits to the country.

With regard to the question of military cooperation between European Union member states and Myanmar one has to recognise the limits imposed by European political considerations, steps which acknowledged the mutual respect that exists for the military forces of both sides would be helpful. Even while the existing ban on the export of weapons to Myanmar remains in place, it might be worthwhile to explore lesser steps such as scholarships and training for middle ranking or junior officers on subjects such as civil-military relations, law and capacity building. The non-official non-acceptance of troops from Myanmar for United Nations peace keeping missions should be reviewed in order to give the Myanmar military international exposure and end their isolation.

Finding Common Ground

During the workshop, several areas of common interest were identified. While some can be dealt with even under the current circumstances, cooperation and European engagement in others might constitute more long-term options. In any case, the first step should be to focus on non-controversial areas, where cooperation is possible even under the current sanctions regime. Particularly, the sectors of health, basic education, capacity building for civil society and environment protection constitute key areas, where cooperation could and should start from. These three areas are not only off the Common Position's ban of development aid but they also constitute sectors in which the Myanmar government should be willing to cooperate. By enhancing engagement in these areas, the EU could help to create the conditions necessary for the Road Map to succeed.

Looking to the long term, the goal should therefore be to:

- i. Move away from policies of sanctions and isolation
- ii. To a critical dialogue of mutual respect
- iii. And a policy of constructive engagement.

Policy Recommendations to the Myanmar Government

- In order to facilitate an EU policy change towards more development cooperation and engagement, the government of Myanmar should improve the working conditions for international organisations in the country and consider inviting some international NGOs (back) in.
- To increase the absorptive capacity for aid, the government of Myanmar should build up or assign local counter-part organisations, which UN organisations and international NGOs can work with.
- The government of Myanmar should reaffirm its commitment to the Road Map towards a constitutional government and speeding up the work necessary to implement it. A serious proof of the Governments sincerity would be setting up of a timetable for the Roadmap; this timetable could be generous but should be strictly adhered to.
- Generally, the government of Myanmar should take a more pro-active role in foreign politics and international forums instead of withdrawing into its shell. For instance it could offer the UN participation in international peace-building-missions and share the experiences of peace-building made in Myanmar with the international community. Indeed, the best way to deal with international criticism - as expressed, for example, in UN Security Council discussion, would be, if the government actively sought support from the international community to tackle its national development problems.
- A first step towards such a more pro-active policy could be to seek support from economically stronger Southeast Asian countries within the framework of ASEAN. In this regard, Myanmar should also study the EU financial transfer system as a possible role model.
- Myanmar should try to make better use of the ASEF activities. In the long term this would help to strengthen the negotiating power of its national representatives in ASEM as well as in other interregional forums.
- Furthermore, Myanmar should take a more pro-active stance towards the EU, which by imposing visa bans on the country has also isolated itself. Against this backdrop, Myanmar should consider inviting the EU Troika to visit the country.

- Finally, the government of Myanmar should consider establishing better contacts with the exile community and granting some of its member's protection for information visits, since there are capable people in exile who might be willing to make a contribution to the national reconsolidation process.

Policy recommendations to the EU and European Governments

- In general, the EU should focus on creating the developmental, economic and social conditions for evolution in Myanmar. At present, this means that the EU should help to create the conditions necessary for the Road Map to succeed.
- EU member countries should be encouraged to seek a wider interpretation of the provisions of the EU Common Position. As Article 5 of the European Common Position on Myanmar provides exemptions from the prohibition of development aid and economic assistance where ever sensitive issues of health and education emerge, Europeans participants emphasised the need fully to make use of these exemptions to give humanitarian, social and economic support for the democratisation process. Proposals for action would have to be practical and reasonable given restraints on both sides. Areas identified included health, education, and the environment as well as poverty alleviation and effective governance.
- The EU should assume a policy of critical dialogue towards Myanmar. In actual fact, this would not contravene current EU policies. Sanctions and dialogue can coexist and might even be applied in such a way that their effects become mutually reinforcing if cooperation and sanctions are used by a case by case base and not according to generalizes and abstract guidelines.
- The EU should adopt the official name of the *Union of Myanmar* instead of using Burma or Burma/Myanmar. Similarly, the EU should consider using the term "national reconsolidation" instead of "national reconciliation". While these verbal concessions are likely to help to build trust between the government of Myanmar and the EU, they also seem to be of minor importance in comparison to the real chances and challenges which are likely to arise from enhanced development cooperation and critical dialogue.
- The European Union should once more reiterate its support for the territorial integrity of Myanmar as well as recognise the use of the country's own self-designated name, Myanmar, rather than the awkward and archaic Burma/Myanmar. The highly emotional politicisation of the name designation, where the use of Myanmar is associated automatically with the military government and where the use of Burma translates into support for Daw Aung San Suu Kyi, the NLD and democracy, must be defused.
- The European Union and its member states should consider revising the common position in regard to limiting the broad sweep of the visa bans imposed.

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