How ASEAN engagement led to reform in Burma

John Riady | June 03, 2012

Aung San Suu Kyi has finally been allowed to win. Her by-election victory in Burma – which ASEAN calls Myanmar - last month brought home the scale of the political earthquake taking place there after half a century of military rule. The government is reforming at an unprecedented pace, land prices are rising and tourists are preparing their itineraries. It is, at the very least, a reminder of the power of a single person committed to change.

Mrs. Suu Kyi's long house-arrest in Burma, on and off since 1990, took her away from the West, where she studied, and her family; where her husband died and her children grew up in her absence. Of persistent ideas it is said that ninety-nine times out of a hundred they are smashed to bits; the hundredth time they can change the world. If nothing else, Suu Kyi's persistence has changed Burma.

But why now? The opening came as a surprise to many, particularly since the regime went to great trouble to secure sham an electoral victory in 2010. Some say the pressure from international sanctions is what precipitated the recent thaw (even though sanctions have been ongoing in some form since 1988). Others, like Singapore diplomat Kishore Mahbubani, argue that ASEAN engagement is what led to big changes (even though this has been going on longer than sanctions have).

But pay attention to the way Mahbubani makes the argument: "Western sanctions did not work. ASEAN engagement with Myanmar did. The regional organization forced Myanmar's officials and leaders to attend thousands of meetings in ASEAN countries. These travels opened their eyes to how far Myanmar was falling behind: they realized it had to become a more 'normal' country."
The crux here is that only in the context of rising economic growth does ASEAN engagement matter. If Southeast Asia was an economic basket case, then the Burmese leadership, no matter how many Krisflyer miles it racked up, would not be persuaded to follow its example.

This "good neighbor" theory of economic growth roughly goes like this: regions develop by comparing themselves to their neighbors (both in terms of general economic prosperity and its accoutrements like military spending and public monuments) but also by attracting investment and trade from them.

This may explain why a country like Greece, with a sclerotic political culture and limited industrial capacity, is still many times richer than Indonesia: proximity to Germany, France and Northern Europe brought with it spillover effects. In this view, Burma opened up because it saw all of Southeast Asia advancing and needed to keep up.

The case of Burma reminds me of the long debate among economists and political scientists about why Indonesia and Nigeria, similar countries in many respects, have turned out so differently. Of course, there is the famous joke about our bureaucrats: one from Sanni Abacha's Nigeria is impressed by an Indonesian bureaucrat's house and Mercedes.

"Do you see that road?" the Indonesian asks. "Ten per cent," he says. A couple of years later, Suharto's man visits the Nigerian in a palace with Ferraris and is amazed. "Do you see that road)" says the Nigerian, gesturing at virgin rainforest. "One hundred per cent."
The joke is glib but the point is not: a distinction can and must be made between a corruption that facilitates and that which obstructs. The question is why some nations end up with the former and others with the latter.

Both Nigeria and Indonesia are regional giants, the former in West Africa, the latter in Southeast Asia. Both are large - the seventh and fourth most populous countries respectively, with remarkable diversity. Indonesia has some 200 languages versus Nigeria's 400. Indonesia has three to four prominent religions versus Nigeria's two and many indigenous beliefs besides.

Politically, both countries are recent creations, forged from ancient states by Europeans, then governed as one country. Both are home to large immigrant business communities: the Chinese in Indonesia and the Lebanese in Nigeria. Both possess oil.

Even their histories mirror each other. Independence was gained within a dozen years of each other, coups launched within a few months - September 1965 for Indonesia and January 1966 in Nigeria. Their strongmen left power around the same time too - May 1998 in Jakarta and May 1999 in Abuja. In its teeming, mad wonder, the business capital Lagos is also like Jakarta: both are megalopolises of countries besieged by secessionist movements, civil unrest, corruption and human rights violations.

Yet, Indonesia is not Nigeria. Indonesia's 2011 nominal GDP was $3,509, Nigeria's $1,490, according to the International Monetary Fund. Peter Cunliffe-Jones, who compared both countries in his book My Nigeria, points out that when Suharto took power in 1967, the number of people in poverty was the same as Nigeria: around six out of every 10 people. Three decades later, the figure had fallen to two in Indonesia but risen to seven in Nigeria. The average Nigerian lives to the age of 47, the average Indonesian to 70. At independence, he notes, both countries were comparable; today Indonesia does better on most fronts: growth, average income, health and education.

Why is this the case? The conclusion Cunliffe-Jones reaches is that Suharto, despite everything, felt pressure to perform throughout his rule from the media, the business elite, the urban poor and the rural areas, whereas in Nigeria, this sort of pressure did not exist. He quotes a retired Supreme Court Justice of Nigeria as saying "We have not fought, not really, or not enough. And if you do not fight for your rights, nobody will fight for you."

It's an intriguing argument, and it could be taken further. Much of the pressure for Indonesia's advancement may have been driven by a comparison with regional neighbors. Indonesians had Singapore, Kuala Lumpur, Bangkok (and later Perth) within a few hours of air travel, whereas Nigerians, further away from Europe, were more likely to compare themselves to their West African neighbors. Singapore, in particular, was always the glaring comparison for Indonesians: geographically an hour away and yet quite a civilizational distance.

If this is the right way to approach growth, then it casts the Burmese opening in a new light. It seems that once you get the ball rolling, it is difficult to stop. Expectations have risen permanently, something widespread internet access and cheap flights will not lower.

In this kind of world, the best ASEAN foreign policy towards Burma is paradoxically domestic growth and prudent policy-making. By itself of course this is not sufficient - we must continue to engage Burma and make sure the "dividends of reform" are felt by her citizens. Setting a good example is ultimately what will keep the pressure for reform alive.

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