

# MALAYSIA-MYANMAR RELATIONS 1997-2002: A 'PROSPER THY NEIGHBOUR' STRATEGY

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## **Introduction**

There might well be elements in the modern history of both Malaysia and Myanmar that could have played a significant role in paving the way for the two countries to get along rather amicably in the closing decades of the last century. That period, starting from the late 1980s, was a time when Myanmar found itself at the receiving end of serious and persistent international criticisms. Myanmar was censored for the heavy-handed way in which she handled internal opposition and dissension within the country. The military administration in Myanmar had taken actions against the participants of the pro democracy movement which started in August 1988. The Myanmar government was again taken to task after it failed to recognize the 1990 election results in which the Aung San Suu Kyi led National League for Democracy won a convincing victory, capturing 392 out of the 485 seats contested.<sup>1</sup>

During that trying period faced by Myanmar, Malaysia, her Southeast Asian neighbour, came to play the role of an understanding friend. More than that Malaysia, engineered a deft diplomatic initiative that in the end saw the entry of Myanmar into Asean. The opening of the Asean door to Myanmar drew stern protests from some quarters. All that however did not stop Malaysia from championing the Asean candidature of Myanmar and for that

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See Bertil Lintner, *Outrage: Burma's Struggle for Democracy* (Hong Kong: Review Publishing Company Limited, 1989) and Ang Chin Geok, *Aung San Suu Kyi: towards a new freedom* (Sydney: Prentice-Hall, 1998).

Myanmar surely has reasons to be grateful to Malaysia, especially to her leader Dr. Mahathir Mohamed

### **The Colonial Aftermath**

One common historical feature that the two countries shared was that they both were once the colonies of the British, with Myanmar (then Burma) gaining her independence in 1948 and Malaya (Malaysia only came into being in 1963) nine years later in 1957. Both achieved independence as federal entities but the centrifugal elements were obviously more pronounced in the Burmese case than in that of Malaysia. In fact it is claimed that it was the fear that the young Burmese nation might be torn asunder by divisive regional and ethnic elements that drove the military to take over power in 1962. Ever since, the country has been ruled by the military. It is a political experience that Malaya/Malaysia, on the other hand, has never endured. However, the feeling of being haunted by an ever-present danger of inter-ethnic strife is not strange to many Malaysians. The May 1969 communal riots that rocked the country's capital city, Kuala Lumpur, and some other parts of the country had left a blot in the collective memory of the nation, one that is not easily erased. In 1969, the country was not in real danger of being dismembered, but outside observers had raised some grave concern about the country's future then.

Both Malaysia Burma had also to deal with militant communism threatening civil life and destroying public properties. To what extent these historical and political experience have been perceived by leaders of the two countries as having somehow placed them in a situation in which they are better equipped to understand each other better, much so than most others, is of course a moot point. It is perhaps a matter that can be, or ought to be, pursued further. In the present paper this, however, would not be attempted. The discussion

is centred solely on the period from 1997 to 2002 and the reasons presented to explain the close rapport between the two countries are really current reasons rather than historical.

Nevertheless the Malaysia Prime Minister, Dr. Mahathir Mohamed has at least on one occasion made a general reference to his country's understanding of Myanmar's path of development and changes as well as the efforts of the Myanmar government to steer and manage the country towards modernization. On that particular occasion the Malaysian leader said,

Malaysia has been a member of South-East Asia family which has maintained friendly relations with Myanmar in successive periods. It understands the development and changes in Myanmar, especially endeavors of the State Law and Order Restoration Council exerted with added momentum for the emergence of a modern, developed and democratic nation. This understanding of Malaysia reflects its conviction that the ASEAN which would bring about stability, peace and development in the entire South-East Asia region would have to admit Myanmar into it as a full member.<sup>2</sup>

### **Myanmar's Dalliance With ASEAN**

The Myanmar courting game with Asean began to take a serious turn when the former, together with Laos and Cambodia, attended the Fifth Asean Summit held in Bangkok on the 14<sup>th</sup> and 15<sup>th</sup> of December 1995. Myanmar was represented by her Chairman of the State Law and Order Restoration Council and Prime Minister, Senior General Than Shwe.

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<sup>2</sup> Tekkatho Tin Kha, *Asean and Myanmar* (Yangon [?]: International Affairs News Journal n.d.) p.41. This work is a collection of news reports that have been compiled in the form of a book. The occasion at which Dr. Mahathir Mohamed made the above statement was the meeting of the Asean Heads of Government and Heads of Government of Cambodia, Laos and Myanmar held in Jakarta on 30 November 1996.

From then on Myanmar-Asean relations had developed and progressed with little visible hitches internally, but receiving clear unfavorable reactions from some quarters outside the organization. On July 20 1996, the Asean's Foreign Ministers Meeting in Jakarta unanimously granted Myanmar an observer status in the regional body. This drew immediate criticisms from the United States and other Western countries. The criticisms stemmed from the belief that Myanmar, given her poor human rights record, did not deserve such a cordial treatment from Asean. The United States of America (US) and the European Union (EU) which by this time had already imposed economic sanctions on Myanmar called upon Asean member countries to reconsider their plan to admit Myanmar into their fold.

### **Sanctions By The US And EU**

The US had in 1990 downgraded the level of her representation in Myanmar when she withdrew her ambassador there and had instead only a Charge de Affaires heading her Mission in Yangon. The US also suspended Myanmar from the US Generalized System of Preferences (GSP) and banned the export of all military-related items to the country. Throughout the first half of the 1990s the US Congress had consistently adopted an anti Myanmar stance. The end result for this was the decision of the US government banning in 1997 new US investment 'in economic development of resources' in the country.<sup>3</sup> The Executive Order carrying the decision was made in May when Myanmar was just about ready to join Asean.

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<sup>3</sup> Leon T. Hadar, 'U.S. Sanctions Against Myanmar: A Failure on All Fronts' in *Trade Policy Analysis* no. 1 March 26, 1998, <http://www.cato.org/pubs/trade/tpa-00.1.html> (06/27/2002).

Like the US, the EU had also taken an adversarial stand against Myanmar since the early 1990s. In 1990 the EU imposed an arms embargo on Myanmar and a year later it suspended all bilateral defence co-operations with the country. On October 1996 the EU promulgated its Common Position on Myanmar. Consequently senior Myanmar government officials were denied entry visas into the EU. Like the US, the EU, as a form a protest to the current administration in Yangon, continues to refer to Myanmar by its former name of Burma. It has also withdrawn the GSP from Myanmar.

### **Malaysia's Support For Myanmar's Membership Of ASEAN**

Leaders of Asean were not swayed by the protest from the US and EU regarding the then impending entry of Myanmar into ASEAN. In fact, the Ministerial level meeting in Jakarta in 1996, had set July 1997 as the time period to admit Myanmar, together with Laos and Cambodia, into ASEAN. Mahathir, the Malaysian Prime Minister, had boldly articulated this position of ASEAN.

Admittedly, the decision to admit Myanmar into ASEAN was a unanimous one. There was no disagreement amongst the leaders of ASEAN on the subject. Nevertheless, the unrelenting support of the position by the Malaysian Prime Minister, Dr. Mahathir Mohamad, is impossible to ignore. The Malaysian leader was unequivocal in stating his backing for an early entry of Myanmar into ASEAN. In pursuing the objective, ASEAN, he stressed, refused to be distracted by the implications of the US sanctions on Myanmar. The US policy, Mahathir said in April 1996, was not going to hold back ASEAN 's agenda regarding Myanmar. 'We're going to work very hard to get Myanmar into ASEAN ', said the Prime Minister.<sup>4</sup>

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Tekkatho Tin Kha, *op.cit.* p.96

Later in the same month, when asked whether just the two other Southeast Asian nations, and not Myanmar, would be admitted into ASEAN in July 1997, the Malaysian Prime Minister was again emphatic in his reply. To exclude Myanmar, he stressed, 'would be grossly unfair to them.'<sup>5</sup> Whatever had taken place previously in Myanmar was not reason enough, he pointed out, to isolate Myanmar. 'Perhaps if the government slaughters five million people in Burma we might change our mind', explained the Prime Minister. Dismissing the likelihood of pressure from the US, Dr. Mahathir emphasized the right of ASEAN to come to its own position on the issue" 'We think that whatever pressure may be exerted, we are independent enough to make our own decision.'<sup>6</sup>

Riding high on the newfound rapport with ASEAN and its member states, a goodwill delegation from Myanmar visited Malaysia in the following month. The 12 to 16 August visit was led by Senior General Than Shwe. At the State banquet in honour of the Myanmar delegation, the Malaysian King, His Majesty Tuanku Ja'afar Ibni AI-Marhum Tuanku Abdul Rahman voiced Malaysia's support of Myanmar's application to join ASEAN. Senior General Than Shwe must certainly have had a clearer picture of the Malaysian resolve to back Myanmar's ASEAN candidature in the talk that he had had with the Malaysian Prime Minister, Dr. Mahathir Mohamed, during the visit.

Anyway, it did not take too long a time for Malaysia to again publicly voice her support of Myanmar's entry into ASEAN. It came about during the meeting of the ASEAN Heads of Government and Heads of Government of Cambodia, Laos and Myanmar on 30<sup>th</sup> August 1996 in Jakarta. Asean, Dr. Mahathir reiterated, believed in the policy of 'constructive

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<sup>5</sup> *Ibid.* p.110

<sup>6</sup> *Ibid.*

engagement' in its relation with Myanmar as such a strategy would ensure benefits for the country. He dismissed as inappropriate the opposition to Myanmar's entry into ASEAN. The human rights record of the former cited by the detractors of ASEAN (and Myanmar) as ground for barring Myanmar's entry into ASEAN was not good enough a reason to Dr. Mahathir. To him, 'Human rights of one country would not be the same as that of another due to difference in their traditions, culture, customs, religion, character and social system.'<sup>7</sup>

### **Non-Interference: The ASEAN Credo**

To ASEAN, sanctioning Myanmar in retribution to her domestic policies would amount to an intervention in the affairs of sovereign nation. ASEAN was determined to avoid that. Considering the way ASEAN had acted during the Cambodian crisis previously, the collective stand towards Myanmar was not unexpected. Reprehensive though the excesses of the Khmer Rouge regime were in Cambodia, Asean ASEAN could not approve of the intervention of Vietnam in the crisis. Then, ASEAN had categorically called for the withdrawal of all Vietnamese troops from Cambodia as part of the effort to arrive at a peaceful settlement of the conflict.<sup>8</sup> Arguably, the case of Myanmar is of a different dimension from that of Cambodia in the 1970s and 80s. Nevertheless, the need to uphold the principle of non-intervention remains, at least as far as ASEAN was concerned.

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<sup>7</sup> *Ibid.* p.41

<sup>8</sup> See Sorpong Peou, *Conflict Neutralization in the Cambodia War: From Battlefield to Ballot Box* (Oxford: Oxford University Press, 1997) p.29, *passim*. But see also David P. Chandler, *Brother Number One: A political Biography of Pol Pot* (Sydney: Allen & Unwin, 1993) p.167. Asean adopted the policy, one which is similar to the stand of the United States, said Chandler, out of its fear of the Vietnamese.

It is true that there have been efforts within ASEAN to reevaluate the soundness of the non-interference policy in the conduct of interstate relations within ASEAN. The idea of 'constructive intervention' has for instance being put forward. Through this later initiative it was envisaged that ASEAN member states could co-operate with one another in anyone member state should any serious problem threaten to emerge there.

However, his idea failed to engender any kind of new principle or common undertaking;<sup>9</sup> hence the continuation of the non-interference maxim and its application to the Myanmar issue.

In July 1997, as originally scheduled, Myanmar was officially admitted as a member of ASEAN along with Cambodia and Laos. The entry of Myanmar has caused the ASEAN-EU, though somehow not the ASEAN-US, relations to sour somewhat. This is mainly due to the unhappiness of EU at the prospect of having to attend meetings with ASEAN in which Myanmar would also sit.

### **Myanmar And The ASEAN -EU Relations**

Even though the EU imposed sanctions on Myanmar and is opposed to the policy of ASEAN admitting the Myanmar as a member, some EU countries, like the United

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<sup>9</sup> See Kao Kim Hourn, *Asean's Non-Interference Policy: principles under pressure?* (London: ASEAN Academic Press, 2000).

Kingdom, France and the Netherlands, still have considerable investment in Myanmar.<sup>10</sup> That notwithstanding, EU has specifically singled out the Myanmar issue as a matter that has caused difficulties in EU- ASEAN relations.

Thus one of the immediate actions taken by the EU was to suspend, in 1997, the EU-ASEAN technical dialogue. Then in 1999 the EU- ASEAN foreign ministers' meeting that was supposed to take place in Berlin in that year was cancelled. The reason for the cancellation was said to be related to the EU's unhappiness over the festering Myanmar problem.

The EU- ASEAN technical dialogue was resumed in 1999 but then again the meeting, held in Bangkok, was described merely as 'a low-key meeting of officials from the two blocks.'<sup>11</sup> The Myanmar issue was again cited as the stumbling block towards any form of normalization of ties between the two groupings. The head of the EU's delegation to Thailand, Michel Caillouet, spelt this out in no uncertain terms. Bemoaning the fact that politically the EU- ASEAN relations 'are still at a standstill', he admitted that the EU was still waiting for 'some nice evolution' to take place in Myanmar. A resumption of EU-ASEAN political dialogue still hinges upon the improvement of the political and human rights situation in Myanmar. Underlining the seriousness with which the EU views the matter he said,

We [the EU] are very firm on the principles of democracy and human rights.'<sup>12</sup>

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<sup>10</sup> According to ranking, the ten top most countries in terms of foreign Investment of permitted enterprises in Myanmar up to 31.1.2001 are Singapore, the United Kingdom, Thailand, Malaysia, U.S.A., France, Indonesia, the Netherlands, Japan and the Republic of Korea. Myo Thant, Maung Hlaing, Soae Myint and Tin Tin Win (eds.) *op.cit.* p. 74.

<sup>11</sup> *New Straits Times*, 22.5.1999, p19

<sup>12</sup> *Ibid.*

The public decrying of the political and human rights issue in Myanmar and how it had affected EU-Asean relations has also been made by Commissioner Chris Paten. In his capacity as the EU's spokesman for external affairs Paten described, in February 2000, what he thought the root of the problem was:

“We want to have a good dialogue with ASEAN but let's be absolutely clear what the central point is: The political situation in Burma is a problem. We want to see a change in the Burmese government's attitude and we hope ASEAN can persuade it to do. That is the heart of the difficulties with ASEAN.”<sup>13</sup>

In the following year Paten again dwelt on this subject of human rights in Asia. Denying that the EU was being 'preachy or sanctimonious', Paten claimed that the EU was but 'being true to itself, living up to its own values and acting in its own interests.' As to what the EU's own interest might be, Paten was generous enough to offer an indication of it saying,

“We believe very strongly that countries with good records on the rule of law and human rights make the best places to invest and are the best trading partners.”<sup>14</sup>

### **Further EU Sanctions**

The continuing EU's criticism of Myanmar was also accompanied by further punitive measures against the country. In 1998 the EU reinforced its common position of 1996. With it the EU widened the visa ban to include explicitly transit visas involving Myanmar's tourism officials. Then in 2000 all members of the Myanmar government were categorized

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<sup>13</sup> See 'Interview: Chris Paten', Far Eastern Economic Review. (FEER) February 10, 2000.

<sup>14</sup> 'Interview: EU-Asia Relations-Seeking Answers from Asia', EFER, July 26, 2001.

by the EU as *personae non grata*. All overseas fund held by them in the EU were frozen by the EU.

### **Coming To Myanmar's Defence: Dr. Mahathir**

As already noted, Dr. Mahathir of Malaysia has already voiced his disagreement with the policy of sanctioning Myanmar. To do so, on the ground of the country's internal human right situation, was in Mahathir's view, patently wrong.<sup>15</sup> He persisted with this position over the years. At the same time he was not averse to admitting that as a result of the Myanmar question, a problem had indeed surfaced in the Malaysia / Asean - EU relations:

We are having a problem at the moment because [the] European Union refuses to recognize Myanmar as a member of ASEAN. They consider the Government of Myanmar as undemocratic and oppressive. They forget of course that other ASEAN countries had in the past been undemocratic and oppressive and they were happy to sit down with these countries.<sup>16</sup>

To Dr. Mahathir, improvement or progress in the political and human rights condition in Myanmar could only come about through international interactions, not sanctions. He is of the opinion that only then would the Myanmar government be convinced that their people could be accorded an increasing degree of freedom. He concedes that it would take time before one can see any positive outcome. However, to him, 'it would be less costly than making their people suffer by applying sanctions.'<sup>17</sup>

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<sup>15</sup> See Above.

<sup>16</sup> Mahathir Mohamad, *Reflections on Asia* (Subang Jaya: Pelanduk Publications, 2002). pp.31-32

<sup>17</sup> *Ibid.* p.32.

Hitting at the West, he alleges that the West is more inclined to the use of force whereas ' ASEAN's are less aggressive and more patient.'<sup>18</sup>

Interactions do not of course amount to any form of interference, or are anyway near to it. Thus the policy can sit well with the ASEAN 's long held principle of non-interference in the affairs of its member states.

### **Internal Criticisms Within ASEAN**

If the Malaysian leader has said that he was prepared for the long haul before he expects to see progressive changes in Myanmar, there are others in ASEAN who had been less patient than him. They, although they are not the political leaders of ASEAN, have voiced their concern on this issue. Two years after the 1997 entry of Myanmar into ASEAN, a Thai political scientist complained of what he saw as the unchanging ways of Myanmar,

'We hoped that the ASEAN norms would force Myanmar to conform ... but two years have passed by and we haven't seen any progress in the direction.'<sup>19</sup>

He was complaining about Myanmar's refusal to cooperate with Thailand in the task of stemming the drug trade. But it could well be intended to draw attention to the lack of progress in Myanmar's democratisation process.

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<sup>18</sup> *Ibid.*

<sup>19</sup> Shawn, W. Crispin, Santi Suk and Bertil Untner, 'Thailand: Drug Tide Strains Ties', *FEER*, September 9, 1999. But see also Zainon Ahmad, 'Time may be right for a policy change', *New Straits Times*, 24.7. 1997. p.12. Writing a day after the formal admission of Myanmar into Asean, Zainon Ahmad wrote, 'But already from Asean.' *Ibid.* The writer, however, did not specify those indications.

Disconcerting though many might feel about the Myanmar situation then, the ASEAN way of dealing with the issue was still the preferred way, at least to some. Jusuf Wanandi of the Centre for Strategic and International Studies, Indonesia, aptly explained this in September, 2000 when he said,

We definitely should have a total program assistance to Myanmar because we cannot, like the West, put only pressure on the political side. That's nonsense. We should help get them into the mainstream of affairs in the region.<sup>20</sup>

### **'Prosper Thy Neighbour'**

To Malaysia, of course, increasing her trade with and investment in Myanmar is part and parcel of the 'total program of assistance to Myanmar.' It fits in neatly with the policy of 'prosper thy neighbour' enunciated and later promoted on various occasions by Dr. Mahathir himself. He has also candidly talked about this policy in reference to Malaysia's relationship with Myanmar saying,

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<sup>20</sup> See 'We Must Stick Together: AEAN's top minds consider how to keep the organization relevant', *FEER*, September, 1, 2000.

*We in Malaysia believe in a 'prosper-thy-neighbour' policy. This is really a self serving policy. When neighbours are poor or unstable, we will feel the fall out from their situation.*<sup>21</sup>

The pursuit of national interest is common enough an ingredient in anyone country's foreign or international trade policy. It would be astounding, to say the least, if a particular country deliberately ignores such an objective. That notwithstanding the candour with which the Malaysian Prime Minister explains his policy is still noteworthy. If Paten has explained the material interest of the EU's policy towards Myanmar as being inseparable from the EU's human rights and democratic agenda,<sup>22</sup> Dr. Mahathir Mohamad has explained his country's as being tempered with a generous dose of pragmatism. It is a study in contrast, if only a partial one.

### **Myanmar-Malaysia Relations: Trade and Investment**

Understandably, Malaysia-Myanmar relations have developed very well since the entry of Myanmar into ASEAN. A year after Myanmar was accepted into ASEAN, Malaysia's PADIBERAS Nasional Berhad, the National Rice Corporation (Bernas) entered into a trading agreement with the Myanmar Agriculture Produce Trading (MAPT). Since the import of Myanmar's rice into Malaysia has been on the increase.<sup>23</sup> 23 In 2001, Bernas and MAPT signed a second agreement for the exchange of goods valued at US \$6 million.<sup>24</sup>

In May 2001 the former Malaysian ambassador to Myanmar, Datuk Mohammad Noh, had

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<sup>21</sup> Mahathir Mohamad, *op.cit.* p.32

<sup>22</sup> See above.

<sup>23</sup> New Strait Times, 5.11.2001, p. 12.

<sup>24</sup> Aung law, 'The Mahathir Touch', *The Irrawady*, Vol.10., No. June 2002.  
[http://www.irrawaddy.org/June/cover1.html\(9/132002\)](http://www.irrawaddy.org/June/cover1.html(9/132002)).

advised Malaysian investors to take an early initiative with regard to investment in Myanmar. He urged Malaysian businessmen to 'come in before the big boys do'.<sup>25</sup>

In September of the same year, Myanmar's Chairman of the State Peace and Development Council, Senior General Than Shwe, was in Kuala Lumpur. While there he wooed Malaysian investors assuring them that 'Myanmar today is politically peaceful and stable' and 'is on the threshold of rapid economic growth'.<sup>26</sup> He called upon Malaysian businessmen to invest in his country, singling out agriculture as the target area. By helping to modernize the sector, he said, the investors 'would satisfy Malaysia's needs while bringing economic benefits for our people'.<sup>27</sup>

In January 2002, a Malaysian External Trade Corporation (Matrade) delegation was in Myanmar looking into the possibility of mutual co-operation in the field of Special Health Care Services.<sup>28</sup>

### **Mahathir's 2002 Myanmar Visit**

The Malaysia-Myanmar bi-lateral relations has been further enhanced by the August 2002 visit of the Malaysian Prime Minister, Dr. Mahathir Mohamad, to Myanmar. The visit was the Prime Minister's second in nineteen months and fourth since 1988.<sup>29</sup> In conjunction with the visit, Petronas signed an agreement with the Myanmar government with regard to the

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<sup>25</sup> Joseph Raj, 'Myanmar rich in natural resources', *The Star* (Business), May 14th, 2001 p.9.

<sup>26</sup> Aung law, *op.cit*

<sup>27</sup> *New Straits Times*, 27.09.2001, p.4.

<sup>28</sup> *Harian Ekspres*, 19.1.2002, p.v

<sup>29</sup> *Ibid.*

award of four production-sharing contracts it won from Yangon. Part of the new four offshore blocks that it obtained is contiguous to the Yetagun gas field.

Besides the gas agreement, two other memoranda of understanding were signed between parties from the two countries, one involving the Yangon city development plan and other Myanmar's international communication services.

### **Malaysia's Current Position In Myanmar**

Malaysia has also worked itself up the ladder in terms of economic linkage with Myanmar. Now Malaysia is the fourth largest foreign investor in Myanmar after Singapore, the United Kingdom and Thailand. Her overall investment in Myanmar in 2001 stood at US\$1597 million. Malaysia is also Myanmar's third largest ASEAN bilateral trading country with her 2001 exports to Myanmar valued at US\$197 million and imports at US\$78 million.<sup>30</sup>

Admittedly, in terms of Malaysia's total trade the world over, her trade with Myanmar is relatively rather small. It accounts for less than one percent of Malaysia's entire trade. However, the potential is great as one can only assume that Myanmar has to and will develop at a greater pace in years to come. The Malaysian Minister of International Trade and Industry, Datuk Rafidah Aziz, has little doubt that more mutual benefits can be realized out of the two countries bi-lateral trade. The outlook, she said, 'is very promising as the necessary framework is already in place.'<sup>31</sup>

### **Myanmar's Response To Western Sanctions And ASEAN's Trading Activities**

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<sup>30</sup> *New Straits Times*, 20.8.2002, p.B4. See also Hardev Kaur, 'Malaysia can offer its experience to Myanmar' *New Straits Times*, 23.8.2002, p.10, *Daily Express*, 18.8.2002, p.2 and 20.8. 2002, p.8 and Othman MOhamad, 'Peranan Malaysia dalam pembangunan Myanmar', *Mingguan Malaysia*, 18.8.2002, p.G.

<sup>31</sup> *Ibid.*

Myanmar has all along been very critical of the sanctions that have been imposed upon her by the US and EU.<sup>32</sup> In reaction to those measures, Myanmar has declared that she would tide over the difficulties with the help of her ASEAN friends. Regional allies such as Malaysia and Singapore, it was claimed, would save the day for Myanmar.<sup>33</sup>

When the economic crisis hit Southeast Asia in 1997, Myanmar's calculation of relying on her friendly neighbours was understandably thrown off gear. It brought obvious difficulties and some anxious moments to the Myanmar government.<sup>34</sup> To some observers it was this economic turn for the worse that nudged the military leaders in Myanmar to be more receptive towards international efforts aimed at breaking the political impasse in the country.<sup>35</sup>

### **The Diplomatic Breakthrough**

Whatever the cause and the circumstances, Myanmar's powerful intelligence chief, Lt. General Khin Nyunt had had secret talks with Aung San Suu Kyi since October 2000. The outside world was told of this in January 2001. The news was conveyed by the former President of the United Nations General Assembly, the Malaysian Tan Sri Razali Ismail. The seasoned diplomat was appointed in April 2000 by the UN Secretary General to be his (the Secretary General's) Special Envoy to Myanmar. Razali Ismail's assiduous and dedicated effort paid off in no small measure when Aung San Suu Kyi was released from house arrest in May 2002.

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<sup>32</sup> See Qasim Ahmad, 'Sanctions Versus "Constructive Engagement": Tackling the Myanmar Issue', Paper delivered at the 4th Southeast Asian Conflict Studies Network (SEACSN) Regional Workshop: Inter-State Conflict Resolution in Southeast Asia: Strategies, Mechanisms and Best Practices, Universiti Sains Malaysia & Shangri-La Hotel, Penang, Malaysia, 15-17 July 2002.

<sup>33</sup> See Shawn W. Crispin and Bertil Lintner, 'Burma: Something for Nothing' *FEER*, May 10th, 2001.

<sup>34</sup> See EU/Burm-Myanmar relations - an over view, [http://europa.eu.int/comm./externa\\_relations/Myanmar/intro/index.htm](http://europa.eu.int/comm./externa_relations/Myanmar/intro/index.htm) and 'Burma: Desperate for Aid-An increasingly dire economic situation compels Rangoon to talk to the opposition', *FEER*, February 15th, 2001.

<sup>35</sup> *Ibid* and also *Asiaweek*, March 23rd and March 30, 2001.

Although representing the UN Secretary General, the fact that Razali Ismail came from Malaysia whose Prime Minister is a long standing champion of the Myanmar cause has not gone unnoticed. Razali Ismail himself, in his hour of diplomatic triumph, has paid tribute to Dr. Mahathir Mohamad. He singled out the efficacy of the 'constructive engagement policy. Regarding the part that has been played by Dr. Mahathir he said, '... most certainly, Dr. Mahathir has contributed to this happy event ...'<sup>36</sup> Dr. Mahathir himself was modest and equated the breakthrough simply with the triumph of 'common sense.'<sup>37</sup> Later, the Prime Minister praised the United Nations for the diplomatic achievement.<sup>38</sup>

## **Conclusion**

While one might want to work on a combination of factors in explaining the diplomatic and political progress that had been achieved in Myanmar, it is perhaps difficult to overemphasise the critical contribution that had been made by the Malaysia-Myanmar relations to the success or progress achieved up to this moment. Thus, the 'prosper thy neighbour' policy, besides bringing about economic gains to the parties involved had also generated political and diplomatic results. And as far Myanmar is concerned the role of Malaysia's leader, in particular, has never been in doubt. Dr. Mahathir, who is a trusted international friend of the Myanmar government, has been widely believed to have had a behind-the-scene role in Mr. Razali's effort.<sup>39</sup>

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<sup>36</sup> K.P. waran, 'Shrewd negotiator Razali gives credibility to 'constructive engagement'', *New Straits Times*, 8.5.2002.

<sup>37</sup> *Ibid* and *BBC News*, May 6, 2002, <http://news.bbc.co.uk/1/1/english/world/asia-pacific/news-197000/19701218.stm>

<sup>38</sup> *Daily Express*, 20.8.2002.

<sup>39</sup> *The Myanmar Times*, August 26 September, 1st, 2002.