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Supporting National Transition in Myanmar with Corporate Social Responsibility (CSR)

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ABSTRACT

Myanmar is moving rapidly in the direction of a more democratic and economically strong future. However, many challenges remain and constructive change will require the cooperation of the corporate sector. Many foreign businesses are interested in investing in Myanmar as a result of political reform. The government could take a pivotal role, leading the agenda by setting Corporate Social Responsibility (CSR) standards as a tool for social development. This paper explores how CSR could be embedded in government business strategy, how business practice could exceed public expectations, how labour laws could strengthen employee packages and benefits, and how foreign investors could be encouraged to bring CSR expertise to strengthen domestic capabilities. Finally, this paper argues that a CSR code of conduct should be imposed to ensure that business practices are tailored to national economic and social interests, and discusses the form such a code of conduct could take.

Introduction

Myanmar is moving rapidly toward a more democratic and economically secure future. New government systems and amended economic, civil and political laws offer the prospect of a more promising future for the country and her people. However, the renewed economic development itself leaves the country still facing many issues, such as environmental degradation, rights of workers, poor working conditions, deprived safety standard in highly risk working environment, and communities being dislocated because of the foreign investment due to businesses who do not respect their social responsibility in the area they operate. For these reasons, the country is calling for a strong CSR laws and code of conduct for all future investment. CSR standards are an issue which can assist in supporting democratic transition in Myanmar.

This paper will start with the general definitions of CSR from different actors, and then it will explain how CSR works in the Myanmar context. It will then discuss the consequence of not having legislative CSR standards with several case studies. Finally it will highlight the things government can do in order to set the CSR standards and guidelines in the country, and recommended CSR practices which can fit with the situation of Myanmar.

CSR Definitions (Standards and framework)

Corporate Social Responsibility (CSR) and Social Responsibility (SR) are globally recognized concepts for responsible business practice. They can be broadly defined as businesses taking responsibility for social, environmental and economic impact in the country that they operate through their code of conduct. However, many aspects of CSR are hard to generalize and enforce upon organizations as it is generally a voluntary code and there is no single, universal definition for it. Different corporations have different practices in the country that they operate according to their particular context and objective.

The Organization for Economic Co-operation and Development (OECD 2008) describes CSR as “the contribution of business to sustainable development” and indicate that it aims to reduce the direct and indirect negative impacts of a business’s activities on the human and natural environment through preventive and monitoring measures. The EU defines CSR as “A concept whereby companies integrate social and environmental concerns in their business and in their interaction with their stakeholders on a voluntary basis.” (COM, 2006, p.2), while the World Business Council for Sustainable Development (WBCSD) interpret that Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

The UN Global Compact launched CSR in 2006 with ten now-universally accepted principles, which focus the area of human rights, labour, the environment and anti-corruption. It is derived from the principles of the Universal Declaration of Human Rights, The International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, The Rio Declaration on Environmental and Development and The United Nations Convention against Corruption (UNGC 2006). Regarding Human Rights, they said that “Business should support and respect the protection of internationally proclaimed human rights and make sure that they are not complicit in human rights abuses.” On the topic of Labour, they expressed that “Business should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.” Concerning Environment issues, it is described as “Business should support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly technologies”. Finally, in terms of Anti-Corruption, it is mentioned as “Businesses should work against corruption in all its forms, including extortion and bribery”.

ISO 26000 describes CSR as “responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour that:

- contributes to sustainable development, including health and the welfare of society;
- takes into account the expectations of stakeholders;
- is in compliance with applicable law and consistent with international norms of behaviour;
- is integrated throughout the organization and practiced in its relationships” (ISO 2010, p.3).

ISO26000 discuss SR with seven principles:

- *Accountability*: “An organization should take accountability for its impacts in the area of society, the economy and the environment”(2010,p.10).

- *Transparency*: “An organization should be transparent in its decisions and activities that impact on society and the environment” (2010, p.10).
- *Ethical behavior*: “An organization should behave ethically”(2010, p.11).
- *Respect for stakeholder interests*: “An organization should respect, consider and respond to the interests of its stakeholders” (2010, p.12).
- *Respect for the rule of law*: “An organization should accept that respect for the rule of law is mandatory (2010, p.12).
- *Respect for international norms of behavior*: “An organization should respect international norms of behaviour, while adhering to the principle of respect for the rule of law” (2010, p.13).
- *Respect for human rights*: “An organization should respect human rights and recognize both their importance and their universality.” (2010, p.13)

This paper will utilise the UN Global Compact’s ten principles for CSR, as it widely expresses Human Rights, Labor Rights, Environmental awareness and anti-corruption concerns which are the urgent demand areas for the business sector to address in Myanmar. The research for this paper is drawn from both the literature on CSR in Myanmar, but also significantly from personal experience. Having worked in the CSR program of a major foreign company in Myanmar for the past six years, I have a reasonably well-developed personal understanding of CSR practices and issues within Myanmar, and the first-hand insight is utilized throughout the paper.

CSR History in Myanmar – global concept to local context

A lot of businesses in Myanmar give away a good deal of money and goods, but not as a sense of social responsibility but out of a motive for religious merit and social standing. As Prof. Welford (cited in Tobias, 2010) argues, “Philanthropy is what you do with your profits. CSR is what how you go about making those profits.” Responsible business is not fashionable in Myanmar, as most domestic investments are managed by cronies of the former regime and most international investments are made by Asian businesses that have been prepared to make the compromises necessary to work with the regime. Not only the cronies, but also Asians doing business in Myanmar largely disregard taking responsibility for any consequences from their business. On the other hand, as a resource-rich country, other foreign investors are also beginning to pay attention to Myanmar. There remain, however, a limited number of foreign businesses who dominate the resource sector in the country, and it is difficult to refer to the corporations who work with a commitment to CSR. There is, at this point, no legislation which requires local and foreign companies to behave responsibly.

Recently, CSR has begun to be discussed in public, particularly in print media, and a CSR unit was established by the Union of Myanmar Federation of Chamber of Commerce Industry (UMFCCI). The National Sustainable Development Strategy for Myanmar has also been formulated, with three main goals: sustainable management of natural resources, integrated economic development and sustainable social development. (Cerletti, 2012, p.10) It can thus be seen that CSR is a notion that the people of Myanmar have started to discuss, but at this point there are few guidelines, and no code of conduct or legislation to require responsible CSR practice.

Recent major foreign investment projects which highlight the need for CSR in the country include the Myitson project in Kachin State run by Chinese Power Investment Co,Ltd (CPI), the Copper Mining Project in Monywa, Sagaing Division, initiated by the Chinese State-backed Company Wan Bao and the Deep Sea Port project in Dawei area implement by Italian-Thai Company. At a more local level, over the past couple of months more than 5000 workers from 5 different factories at Yangon Hlaing Thar Yar

Industrial Zone demonstrated seeking adequate wages and working hours at garment industries. All these events express the fact that CSR is a subject people across the country are urgently looking to the government for guidance with, in terms of protection of the environment, society and employee. Local resident from these areas are concerned these projects destroy their land, environment, livelihoods, and rob them of their heritage. They also express concern at how they can continue to live if they lose access to their traditional lands, as it is the area where their great ancestors lived and passed away. Their worries of losing their traditional livelihood are shown in their discussion of where their elders grew and settle for livelihood assistance. Moreover, the local people have begun to understand the value of the environment, and the cost of environmental degradation and forced relocations of communities that come from inadequate consultation or compensation. Force relocation and land confiscation have become major issues of great local concern.

To ensure good CSR practice in the country, all new direct foreign investment should we required to prepare a good CSR strategy document, to adopt with regard to Burma. Current policies should be reconsidered, by making them much more targeted. Companies like Total, Daewoo, PTTEP, Petronas, for example, are in Myanmar simply because there are resources to be extracted and profit to be made, not to advance social policy. Thus, without formal requirements companies will often not invest in social activities.

Among extractive businesses, Total could be identified as a better investor compared with their current Asian counterparts, in terms of its performance to its employees and its socioeconomic program which assists populations in the pipeline area. In the past, a range of foreign activist organisations and activist shareholders asked Total to withdrawal its business from the country, over concerns of adverse social impact of their involvement in the country. Earth Rights International (2009), for example, was one major critic of the Total investment. If their investment was withdrawn, however, it would certainly be greeted with cheers by Asian investors who would immediately move in to fill the gap left by Total. The government revenue will not be changed, regardless of the investor. However, the benefit to the area in which it operates, and the value of CSR in the country would be changed, as a majority of Asian companies are still less responsible in respect of the country populations without appropriate regulation. In response to the Earth Rights International (2009) report, CDA (2011) found that "we have been clear that, by all accounts, the situation in the pipeline "corridor" is significantly different from condition outside this corridor. It is shown the Socio-Economic program run by Total at least improved the material wellbeing of the people living around pipeline area."

The Vice-President for Public Affairs at Total, Jean-Francois Lassalle, argued in The New York Times that "We are convinced that through our presence we are helping to improve the daily lives of tens of thousands of people who benefit from our social and economic initiatives" (Kanter 2007) He continues that "Our departure could cause the population even greater hardship and is thus an unacceptable risk.". He added that "To those who ask us to leave the country, we reply that far from solving Myanmar's problems, a forced withdrawal would only lead to our replacement by other operators probably less committed to the ethical principles guiding all our initiatives."

Pitfalls of not having CSR guideline

Myanmar has been subject to a series of sanctions, especially sanctions limiting economic development, by The United States, and a number of other developed countries after the violent crackdown and nationwide demonstrations in 1988. These restrictive actions increased in scope and intensity over the years, as the junta did not show any action to amend its behavior. As a consequence diplomatic and

economic relations with developed countries were significantly adversely affected for most of the last two decades. As a result Asian countries took their place, usually with lower standards of responsible business practice than western and developed countries practice. For all of these reasons, as well as poor governance standard by the Myanmar government, the country is suffering from a lack of corporate accountability, social responsibility, work-life balance and environmental consideration by most businesses which have been operating in the country. The major crises that the country faces are its environmental impacts, low incomes and high levels of poverty, internal displacement of communities, threats to cultural sites, and civil conflicts.

Concerns about the social and environmental impacts of less-ethical investments in the country have opened the eyes of general public, who now understand the consequences of inadequate business practices. This has led to an emergence of a public discourse and advocacy on responsible business practices in Myanmar, especially in the area of extraction businesses and hydropower. A number of major projects have resulted in countrywide disaffection, land confiscation, and destruction of national heritage. The following case studies show that the massive infrastructure and energy projects have potential to displacement of population, uncompensated loss of land security and Health and safety of labour.

Case Study: Monwya Mining Project

Wan Bao Chinese mining company has been approved to invest in copper mining activities in Monwya, which has raised serious worries about social and environmental impacts such as environmental destruction, forced relocations and illegal land confiscation. Waste from mining project harm the field of villagers however there is no responsive action from the company. Sae Tae villagers, whose land has been forcibly acquired by the mining companies, express in the Irrawaddy magazine that “All the toddy palm trees, which once used to cover this area, were cut down to make way for the mine”, “We want to replant them to conserve the local environment and to show our objection to the mining project.”

Case studies in Tanintharyi Region

Palm oil and rubber plantations projects in Tanintharyi Region, originated by South Korean and Malaysian, investors, have also raised environmental concerns, as such projects that can lead to deforestation and loss of biodiversity. Likewise, the US\$ multi-billion Dawei Development Project by the by Italian-Thai Company has also created impact-related worries, as it is taking placed in on beautiful and sensitive the coast of Tanintharyi Region. The project would consist of a deep sea port, a power plant, a steel mill, an oil refinery, a petrochemical complex and other facilities. Without adequate environmental and CSR standards, there is a high risk of pollution in the sea. It is also said that there is a possibility of movement of polluting industries which currently based in Map Ta Phut industrial complex in Thailand would be moved to Dawei, as Myanmar environmental requirements in Maynamr are much lower compared to Thailand. It is making it hard for them to now make a living.

Case Study: Kachin Myitsone Project

The Myitsone mega-dam was a project being implemented by the state-run China Power Investment company, which target to export 90% of its electricity to China. The Myitsone Dam is located a mile below the confluence of the Mali and N'Mai rivers in Kachin State, the source of the Irrawaddy River. The dam's reservoir will submerge important historical and cultural sites at the Mali and N'maiHka rivers, as well as what is widely recognized as the birthplace of Burma. The dam is also located in a

region that is recognized as one of the world's top biodiversity hotspots and a global conservation priority. If the project is undertaken, the Irrawaddy Myitsone Dam would overwhelm approximately 766 square kilometers of forested area and cause irreversible damage to Burma's key river system, as well as to downstream rice paddy communities (International Rivers 2012).

The Myitsone Dam is part of a proposed seven-dam cascade that represents a US\$ 20 billion invested by China. However, there are serious doubts about the quality and independence of the Environmental Impact Assessment which was prepared for these mega-dam projects, as well as concerns regarding the resettlement process and the role of the project in exacerbating the long-standing conflict between ethnic Kachin people and the military. If the Myitsone Dam were to break during an earthquake, it would endanger the lives of hundreds of thousands of people by flooding Kachin State's largest city, Myikyina. On September 30, 2011, the new Burmese government decided to suspend the Myitsone Dam until 2015, to the ire of the Chinese. While this was partially an international relations issue, with the new government concerned to limit dependency on China and expand relations with ASEAN and the West, it was also a huge success for civil society groups in Burma, as well as China and internationally, who have campaigned hard against this project on CSR grounds.

In a country like Myanmar, which does not have any environmental protection laws, much less planning and environmental impact study has been conducted for the Myitsone project compared to the Three Gorges Project. While the developers have committed to studying the downstream impacts on the rich and vital Irrawaddy River delta during the project construction period, it may not be enough to save the communities and ecosystems that depend on this critical river system, and would be too late for the environmental and human impacts caused by the construction and filling of the dam in the first place.

A country which does not have adequate rule of law cannot set business commitment on the social, environmental and economic arena. The respect of human rights and international labour law is a weak area in the country, as the above experience shows, and highlights the calls for respected CSR guidelines and regulations surrounding foreign business investment.

Legal guidelines and lack of enforcement

The 2009 Voluntary Guidelines for CSR in India by the Ministry of Corporate Affairs shows that Asia is capable of setting clear CSR standards. The Fundamental Principle (2009, p.6) states that

“Each business entity should formulate a CSR policy to guide its strategic planning and provide a roadmap for its CSR initiatives which should be an integral part of overall business policy and aligned with its business goals. The statement is truly sound as a voluntary principle it cannot be forced and different businesses have different nature and culture of business.”

It also suggests that, “Policy should be framed with the participation of various level executives and should be approved by the Board.” CSR can be a voluntary principle, however it would be a more powerful guideline if policy-making bodies are defined precisely, and some means of monitoring of violations are in place.

In the Indian guidelines, six core elements were described, including: 1) *Care for all stakeholders*, which focus on respecting the interests of, and being responsive towards all stakeholders; 2) *Ethical functioning*, which discusses the area of ethics, transparency and accountability and requires companies not engage in abusive, unfair, corrupt or anti-competitive business practice; 3) *Respect for Worker's*

Rights and Welfare, which advocates the best foundational practices of rights in a workplace environment, access to training and career development, freedom of association, effective grievance mechanisms, and a prohibition of employment of child and forced labour; 4) *Respect Human Rights*, including (what) rights; 5) *Respect for Environment*, which defines the management of natural resources in a sustainable manner and ensures optimal use of resources like land and water, and; 6) *Activities for Social and Inclusive Development*, which commits to undertake activities for economic and social development of communities, especially in the area that they operate.

It can be clearly seen that these voluntary guidelines highlight the activities that corporations should undertake while they invest in India. These guidelines protect the potential risk that may occur in the area that business operates, set a high standard the public can hold companies accountable to, and at the same time, it defends the rights of employee. Set guidelines such as these protects the area of any potential risk for employees, businesses and environment, but the country with a lack of such guidelines carries a great risk of many social and environmental consequences. Myanmar has been suffering from the abuse of land rights, labour rights and environmental impact in regards to foreign and domestic business. Cronies do business outside of the legal framework.

Though it is moving toward a far more positive future, Myanmar still suffers from a poor legal environment, with inadequate regulations which are poorly enforce in many areas.

Government Policy vs responsible business practice

It is of concern that the popular Myanmar concept of CSR is more one of philanthropy based on donation. Domestic businesses in the country usually practice CSR by donating to schools, hospitals and religious companies, and have responded to concerns through philanthropy. While there is sometimes benefit in this, Myanmar is not yet use to the practice social responsibility in its approach to CSR, making clear guidelines essential.

It is difficult to make many elements of CSR more than a voluntary code, as most aspects are difficult to enforce by a legal framework. As a voluntary guideline, it can only aim to complement applicable national and international laws by promoting international good practice, and cannot replace the private sector's legal rights and duties to their host country government. Voluntary approaches also cannot be a substitute for government action, but they can reinforce the positive impacts of investment in conflict-affected and high-risk areas. This is the reason why CSR has not been worked out in Myanmar to this point, given the extensive challenges confronting the country in terms of social responsibility. However, even voluntary CSR guidelines have power where the wider community are becoming environmentally, politically and socially engaged, which is what the case studies in this paper have shown is increasingly occurring in Myanmar. The development of even a voluntary CSR code in Myanmar would have great potential benefit to communities, workers, and the environment.

Back to Myanmar history: after the election in 2010, the political situation in the country has begun moving rapidly in the direction of a more democratic state. The country is experiencing strong interest from many Western companies which have previously been blocked from investing in Myanmar for two decades because of sanctions, but now have an open door. This situation provides an opportunity for the government to leap-frog in terms of CSR, and rapidly learn from other countries. Moreover, as a result of political reform, the United States of America and many other Western countries show great interest in investment in Myanmar. It is quite promising that many businesses will come and invest in the country, and that many of these new companies come from a tradition requiring high CSR standards.

This makes the current time a good opportunity for Myanmar to set clear, solid CSR guidelines, which would fit with the culture and situation in order to respond to the issues occurring in the country.

Going further than that, however, the Foreign Direct Investment Law amendment, currently being debated in parliament, is further attracting interest in international investment. This gives a great opportunity for Myanmar to not only enact a voluntary code, but to also legislate around the aspects of CSR which can be more easily enforced. It is time to enact the Foreign Direct Investment Law with internationally recognized labour standards, respect for Human Rights and environmental responsibility built into the legislation.

Government & National League for Democracy (NLD) perceptions on Foreign Investment & CSR

The Myanmar Investment Commission chairman U Soe Thein said, “Please assist us by helping to promote our trade and industry by facilitating investment, by exposing us to world-class business practice, please assist in training our young business and entrepreneurs to grow with you and assist us to regain our stance back in the global arena,” during the opening speech at the two days Myanmar Global Investment Forum in Nay Pyi Taw on September 12 (U Soe Thein 2012).

The National League for Democracy (NLD) released a statement on January 4 entitled *Economic Analysis*, which laid down the four principles of the party’s foreign investment policy: “consideration of environmental and social impacts on the people, respect for labor rights, the creation of job opportunities and technically advanced investments” (NLD 2012). In Aung San Suu Kyi’s January 28 speech to the World Economic Forum in Davos, she reasserted these principles by saying,

“I would like to request those who have invested or who are thinking of investing in Burma to put a premium on respect for the law, on environmental and social factors, on the rights of workers, on job creation and on the promotion of technological skills. Such an approach would not only be in line with a global sense of responsibility, it would lead in the long run to greater benefits for all concerned”. (Aung San Suu Kyi 2012)

Again, these investment guidelines emerged in NLD report *Sanctions on Burma* on February 2008 express that,

“The NLD considers that in the meantime the economic hardships of the people would be ameliorated if businesses that have already invested, or are thinking of investing, in Burma were to observe guidelines aimed at conserving the ecological environment, protecting the rights of workers and promoting civil society”. (NLD 2008)

It can be seen that NLD is ready to turn the next page and focus the responsive business investment in Myanmar (Caillaud, 2011). In a speech to the ILO Geneva in 2012, Aung San Suu Kyi argued that that “Foreign direct investment that results in job-creation should be invited. Investors should adhere to codes of best practices. Track records in regards to internationally recognized labour standards and environmental responsibility should be examined.” This requires clear CSR guidelines and a regulatory framework around aspects which can be enforced.

Thus, it is clearly seen that not only the government but also opposition, as well as the wider public in Myanmar, are all calling for responsible business investment which would create employment

opportunity, technical advancement, and economic growth while being mindful of environment awareness and respect for human and labour rights. As Caillaud recommends (2011, p.11)

“the presence of an increased number of Western companies in Myanmar, in addition to bringing highly needed capital and technology and to result in job creations, could contribute to an improved business environment from a CSR viewpoint through interactions with employees, contractors, civil servants and other local and international firms.”

Along with the idea, it is important that it is time to invite the businesses to Myanmar which would bring their credited CSR practices with them. Moreover, the foreign investors which bring CSR expertise to strengthen domestic capabilities should be encouraged. This is something the government could proactively engage in, even offering things like tax breaks or other incentives to attract them to Myanmar. To be especially encouraged, should be companies who are working along OCEC guidelines, ISO 26000 or the UN Global Compact on CSR. These companies should be invited as they already have their standard of social responsibility which they applied in the region that they operate.

CSR guidelines should not only apply for foreign investment, but should also cover the business of domestic companies, including Myanmar state-owned and crony businesses. As Caillaud expresses it (2011, p.12), there is an urgent need for preparing a code of conduct, which should be drafted through participatory process, that would consist of government officials, representatives of Myanmar CSOs and private sector. The role of local inhabitants must be considered if it is an issue affecting a whole division or state, as Myanmar is a country where 135 different ethnic groups live and different people have different way of livelihood, culture and value. The participation of local people is essential. The OECD (2008, p. 14), “Encourage local capacity building through close co-operation with the local community, including business interest, as well as developing the enterprise’s activities in domestic and foreign markets consistent with the needs for sound commercial practice.”

Allan (2011, p.21) says that “Investment can help consolidate political, economic and social change, enhance government and provide mechanisms for sustainable improvements and pathways for a more peaceful national development process, but it can also “do great harm”. The role of investment in Myanmar is very important. Foreign investors can play a pivotal role in transition toward a better nation. Their respective CSR approaches can be a role model for domestic investors. However, there is a great risk for harm, and there are many examples of a lack of corporate responsibility, which makes many, wary of foreign investment. Therefore the best fit CSR code of conduct should be imposed to ensure that business practices are tailored to national economic and social interests. In my opinion, the ten principles of UN global compact is the best fit CSR practice for Myanmar.

“A minimum standard of CSR might be that the businesses fulfill their legal obligations or, if laws or enforcement are lacking, that they ‘do no harm’. A medium approach goes beyond compliance, calling for business to do their best, where a business case can be made to contribute positively to sustainable development by addressing their social and environmental impacts, and potentially also through social or community investments. A maximum standard points toward the active alignment of internal business goals with externally set societal goals (those that support sustainable development)” (Sustainable development Brief 2007, p.1)

The government can request companies to demonstrate in a plan how they intend to increase the quality of life of impacted communities, how they will measure impact and how they will demonstrate they have a social license to operate. In other words, there is an opportunity to put the responsibility to

demonstrate social performance on the companies. This needs to go far beyond the normal socio-economic activities but really need to focus on skills development and long terms economic development of an area.

What the government can do in terms of its own responsibility

A proposed the framework for a CSR framework would consist of three pillars (Ruggie 2010, p.3):

1. The state duty to protect against human rights abuses, including those by business;
2. The corporate responsibility to respect human rights; and
3. The need for better access to remedy when corporate-related abuses have occurred.

Along with his idea, there is a tremendous opportunity for the government to be more transparent itself how it uses the royalty generated from corporate activities. Such an approach would likely encourage company confidence as to work within strong CSR guidelines.

The government can also invest in its own capacity building efforts to oversee and monitor corporate compliance. It will need to cover both business and governance and it could potentially have a huge impact on government policies that also influence the Indian and Chinese companies. CSR guidelines are needed for Myanmar in the face of rapid increase in foreign investment – drawing lessons from companies like Total, and the experience of other countries such as Cambodia. Companies have a duty to respect the environment in which they operate. In Myanmar, for example, Total sets a good example by striving to be a partner to civil society in its collective aspiration for sustainable development, as well as by working with communities impacted by its business practice.

Conclusion

Myanmar is experiencing rapid change, and is hungry for economic and democratic growth. The government wants economic development through trade and foreign investment. The youth and capable citizens need adequate jobs. Due to the political reform, the country is now seen with interest by many Western companies, and now is the time for the government to capitalize on this opportunity.

It is to recommend that the country needs to issue a robust code of CSR conduct, which ensures the national interest in job creation which adheres to internationally recognized labour standard, enforces environmental responsible growth, and promotes democratic-friendly pro-poor development growth. Investors in Myanmar should be required to adhere to such a code of best practices and recognized standards, as well as be required to confirm to a range of legal protection measures. Foreign investors should commit to training and capacity building of national citizens. This paper proposes the government formulate a CSR code of conduct urgently, as well as enshrine good CSR components in the Direct Foreign Investment legislation currently being debated. It recommends they require companies demonstrate how they intend to increase the quality of life of impact before they grant a social license to operate. Myanmar has a window of opportunity to put the responsibility for social performance on companies, and go far beyond normal corporate socio-economic activities, to address skills development and long term economic needs.

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