



DIALOGUE SNAPSHOT

Myanmar & Southeast Asia

Challenges and Opportunities in Regional Relations

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the Hollings Center
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Myanmar & Southeast Asia: Challenges and Opportunities in Regional Relations

Executive Summary

In February 2025, the Hollings Center for International Dialogue in cooperation with the Center for Markets and Governance at the University of Pittsburgh, hosted a closed-door dialogue program in Kuala Lumpur, Malaysia to assess the evolving political crisis in Myanmar and its implications for international engagement, particularly by the United States and neighbors in Southeast Asia. It convened scholars, diplomats, policy professionals, and civil society leaders familiar with the current environment and key actors throughout the region.

Over six in-depth sessions, participants examined the fragmented resistance landscape, the emergence of new governance experiments in certain areas, the challenges of international diplomacy, and the shifting regional and global dynamics surrounding the conflict. The conversation revealed that Myanmar's trajectory will not be determined by a single decisive event, but through a slow, contested reconfiguration of political authority driven by local actors. This snapshot report distills the key themes and insights from the dialogue, highlighting the importance of flexible engagement, support for federalism, and the need for the U.S. and Southeast Asia to recalibrate their strategies around locally grounded realities rather than outdated state-centric assumptions.

Emergent Political Orders and Decentralized Governance

Participants described a significant shift underway in Myanmar, where new political orders are taking shape in areas outside military control. Resistance actors, especially at the subnational level, are developing forms of governance in education, health, policing, and judicial affairs. These efforts are nascent but notable for their potential to serve as foundations for long-term decentralization. Rather than seeing governance collapse in contested regions, local communities are filling the vacuum with alternative structures. Examples shared included the establishment of village-level courts by community groups in Chin State, informal teacher training networks coordinated by resistance-linked education departments, and local health clinics in Karenni State operated by youth volunteers with support from diaspora donors. These embryonic systems signal a new

political imagination driven by communities and resistance forces rather than elite political negotiations.

A recurring theme across sessions was the fragmented and multi-nodal nature of the resistance. Participants cautioned against romanticizing the opposition, noting internal contradictions, unequal capacities, and limited coordination among actors. While the National Unity Government (NUG) remains a key figure, it does not singularly represent the resistance. Participants highlighted that legitimacy on the ground is earned by actors who provide services and security, not merely by international recognition.

Efforts to unify resistance strategies have been constrained by diverging priorities—particularly between militarily active groups and those focused on political transition. One participant noted the resistance is best understood as a "multi-front contestation," not a coherent national struggle. This complexity has implications for international aid and diplomacy. As one expert explained, "Our engagement must be nimble, targeted, and aware of the [number] of actors—we need multiple channels, not just state-to-state diplomacy."

Fragmentation, Coordination, and Evolving Diplomatic Approaches

Many participants expressed concern about whether international actors, including the U.S., truly understand or are willing to engage with these evolving realities. As one participant noted, "We have to stop thinking of the Myanmar state as a coherent whole. It's more like one country, many systems." This statement underscored the growing disconnect between the complex, decentralized governance structures emerging on the ground and the traditional frameworks through which international diplomacy—especially U.S. diplomacy—operates. Another participant emphasized that many donors and policymakers continue to look for a centralized authority to engage with, which no longer reflects Myanmar's fragmented reality. These developments challenge not only traditional state-centric approaches but also the operational assumptions embedded in aid disbursement, diplomatic engagement, and program design.

Participants also pointed to specific examples of regional diplomacy diverging from traditional engagement models. One speaker highlighted Indonesia's quiet, behind-the-scenes engagement with a range of Myanmar stakeholders, noting that such a "broad-spectrum approach" better matched the country's complex realities. Another example

involved Malaysia's outreach to resistance-affiliated civil society groups, which signaled a willingness to break with ASEAN's convention of non-interference. A participant also described Thailand's distinct approach, noting that Thai officials had maintained regular communication with both the military regime and border-based ethnic armed organizations. This dual-track engagement reflected Thailand's concern over spillover violence and refugee flows, as well as its strategic interest in preserving stability along its border regions. These cases were seen as important contrasts to U.S. engagement, which several participants critiqued as too slow to adapt and overly reliant on formal diplomatic channels. As participants reiterated, engaging effectively now requires new analytical tools and policy flexibility that reflect the multiplicity of actors and governance systems across Myanmar's regions.



Current state of the Myanmar civil war as of June 2025. Source: [Emerald Range, Wikimedia Commons](#).

U.S. Engagement and Strategic Dilemmas

The dialogue revealed deep ambivalence about the U.S. role in Myanmar. Several participants welcomed Washington's rhetorical support for democracy and human rights but expressed skepticism about its impact on the ground. Others noted that the approach of the previous administration, while consistent in tone, had failed to adapt to the emergent political geography of Myanmar. The United States' heavy reliance on sanctions and public condemnation may have limited strategic impact given the fractured nature of power inside the country.

Several participants raised the possibility that the incoming Trump administration might pursue an adjusted approach based more squarely on transactional interests or a

narrower definition of U.S. strategic goals. Some speculated that this could mean refocusing priorities in favor of border stability or countering Chinese influence. Others expressed concern that a sharp policy pivot might embolden the military junta or reduce already limited U.S. support to civil society and resistance actors. A transactional approach might, if properly conceived, allow for the United States to recalibrate away from state-centric diplomatic approaches. While acknowledging uncertainty, participants stressed the importance of articulating a long-term bipartisan strategy that can weather political transitions in Washington.

Participants recommended a recalibration of U.S. policy that includes support for subnational governance, flexible funding streams, and quiet diplomacy with resistance actors. One speaker noted, “The U.S. needs to understand that legitimacy on the ground doesn’t come from recognition—it comes from the ability to govern.” Others emphasized the importance of including Myanmar diaspora and border-based civil society actors in U.S. engagement strategies. A more effective U.S. approach would also involve sustained coordination with regional actors who are better positioned geographically and politically to shape outcomes.

ASEAN, China, and Regional Dynamics

Regional engagement—especially from ASEAN, China, and neighboring states—was a central focus. While ASEAN’s Five-Point Consensus was deemed ineffective, participants still saw space for ASEAN-led diplomacy if reimagined. Malaysia’s 2025 ASEAN chairmanship was seen as a potential opportunity. Some participants suggested ASEAN could revisit past models, such as its role in Cambodia’s peace process, as a precedent for creative mediation. One participant remarked, “It may not happen tomorrow, but the steps need to begin—ASEAN has done this before.”

The crisis has placed significant political and humanitarian pressure on neighboring ASEAN states, particularly Malaysia and Indonesia. Participants noted Malaysia’s increasing advocacy on Myanmar within ASEAN forums and its vocal criticism of the junta, reflecting both strategic concern and domestic pressure over refugee inflows. Indonesia, meanwhile, has taken a cautious but engaged approach, leveraging its past peacebuilding experience in the region while navigating domestic sensitivities. Both countries were described as critical to any new ASEAN initiative, and participants urged the United States to deepen bilateral cooperation with them as part of a broader regional strategy.

China's role was seen as pragmatic and influential, but not deterministic. Its interests in border stability and economic access shape its engagement, but participants warned against seeing China as a monolith. Other regional actors—including India and Thailand—were seen as under-engaged or overly reactive. Participants urged the U.S. to coordinate more closely with regional actors and to recognize the strategic importance of transnational crime, refugee flows, and illicit economies that spill over Myanmar's borders.

Thailand, in particular, was highlighted as playing a crucial but under-leveraged role. Several participants pointed to Thailand's extensive border with Myanmar, its history of dealing with cross-border displacement, and its security and intelligence relationships with both the Myanmar military and resistance elements. Thailand has served as a key conduit for humanitarian aid and as a base for exiled civil society organizations and media groups. Some experts emphasized that Thailand's ambivalent stance—oscillating between pragmatism, strategic silence, and occasional engagement—meant it had untapped influence in shaping both ASEAN policy and border dynamics. Participants urged greater diplomatic engagement with Thailand to align strategies on refugee protection, anti-trafficking efforts, and informal channels of humanitarian support.

In particular, the expanding networks of drug trafficking, arms smuggling, and human trafficking were seen as urgent transnational threats that require a coordinated international response. Several participants stressed that transnational criminal enterprises benefit from weak state control and contribute to regional instability, noting that U.S. engagement on these issues—through intelligence sharing, border monitoring initiatives, and regional capacity building—could have both humanitarian and strategic benefits. As one expert warned, "Ignoring the illicit economy is not a neutral stance—it's an invitation for it to flourish."

Peacebuilding, Federalism, and Post-Conflict Visions

Participants strongly emphasized the need to begin laying the groundwork for long-term peacebuilding, even amid ongoing conflict. While ceasefires were discussed, few saw them as viable without corresponding political dialogue. The concept of federalism emerged as the most viable framework for any post-conflict settlement, but participants warned that "federalism" means different things to different actors.



Border of Thailand and Myanmar in the Mai Sai District in 2020. Participants highlighted how the border regions of Myanmar have created growing transnational crime issues. Source: [Shutterstock](#).

For some ethnic armed organizations and communities, federalism implies genuine autonomy, control over natural resources, and self-governance in security and justice. For others, particularly actors in the NUG or more central structures, it may mean a more integrated or tiered model of power sharing that still maintains a strong central authority. Participants emphasized that these differing interpretations could lead to future tensions if not openly addressed through comprehensive dialogue. As one participant noted, "What they mean by federalism in Yangon is not what they mean in the hills." The term thus serves as both a rallying point and a potential source of future disagreement, underscoring the need for a shared, negotiated understanding of federalism that reflects the country's political reality and historical grievances.

Some advocated for the international community—especially the U.S.—to support a knowledge-generating process that allows Myanmar stakeholders to explore comparative federal models. Others noted that peacebuilding must include recognition of new local leadership, generational shifts, and the lived experiences of ethnic minorities. As one participant put it, "Federalism isn't about maps—it's about how people live."

Sequencing, Incentives, and the Question of Leadership

Participants wrestled with the difficult question of how to sequence change in such a fractured environment. Some argued that a catalytic crisis or moment of shared trauma could unify disparate actors. Others emphasized the importance of incentives—both political and economic—for bringing resistance groups to the table. Leadership was seen as another missing ingredient: while resistance actors are emerging, there is no unifying figure or vision that commands widespread support. One participant noted that “We keep looking for one charismatic leader, but this might be a moment where leadership needs to be networked, not singular.”

Participants stressed that any viable sequencing of political transition must consider the balance between military defeat, governance readiness, and representative dialogue. For some, pushing for premature political agreements without foundational trust could backfire. Others argued that delaying dialogue until full military victory would cost too many lives and foreclose diplomatic possibilities. This tension illustrated the broader debate between pragmatic and principled sequencing—how much governance must be in place before negotiations, and who gets to decide what constitutes readiness.

The dialogue emphasized the need for both internal and external actors to “relearn how to talk to each other.” International actors were encouraged to invest in track two diplomacy and knowledge-sharing forums. One participant proposed a “wish list” of practical areas for cooperation: judicial reform, economic decentralization, federal policing models, and cross-border climate initiatives. Others emphasized the importance of creating soft infrastructure for dialogue: translation, digital security, and convening mechanisms that bridge ideological and geographic divides. In this environment, leadership might look less like a national figurehead and more like a distributed coalition of organizers, administrators, and negotiators working in parallel. Participants concluded that building pathways forward requires both technical imagination and political patience—and that neither should be expected to arise spontaneously without strategic support.

Conclusion

The dialogue underscored a pivotal truth: Myanmar’s future will not be delivered by a single peace accord or international pressure campaign, but by incremental, contested transformations rooted in the agency of Myanmar’s people. The sessions revealed that

new political experiments are emerging from below—often in unrecognized or insecure spaces—and these must be taken seriously by international actors. The United States and others must adjust their strategies to engage more flexibly, recognize local legitimacy, and broaden the scope beyond state-to-state frameworks.

The dialogue also highlighted an urgent need to begin investing in long-term political development—supporting federalism not as a slogan, but as a grounded, adaptive process. Peacebuilding will require not only coordination among international stakeholders, but also trust-building and dialogue across Myanmar’s political and ethnic landscape. Regional actors, particularly ASEAN, have an imperfect but still vital role to play, while the U.S. must reframe its leadership around enabling rather than directing Myanmar’s path.

Ultimately, the discussions made clear that the question is not whether Myanmar will change, but how—and whether that change can be guided toward justice, representation, and stability. That outcome remains uncertain, but the path forward must be rooted in respect for Myanmar’s evolving realities and an international strategy grounded in humility, flexibility, and principled support.

The Center for Governance and Markets is a global hub for interdisciplinary research, teaching, and engagement focused on how governance institutions, markets, and technology influence peaceful coexistence, freedom, and human well-being. Committed to pluralism and intellectual breadth, the Center creates space for scholars to exchange ideas and produce rigorous research that bridges theory and real-world challenges. Through fieldwork, community partnerships, and global collaboration, it seeks to understand how individuals and communities overcome obstacles to living free, prosperous, and peaceful lives. As a producer and clearinghouse of ideas, the Center addresses governance dilemmas emerging from rapid social, technological, and demographic change, offering insights grounded in both modern social science and a deep understanding of historical and cultural contexts.

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