



## CHINA AND ITS PERIPHERIES **BEIJING'S MYANMAR STRATEGY**



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Being sandwiched between two very large, potentially enormously powerful and with the two largest populations in the world, China and India, handling its relationships with them required some deftness and it must be acknowledged that Myanmar's rulers, particularly the military ones, navigated these tricky waters fairly skillfully.

Burma has always harboured a primordial fear of China given the long conflictual history of their relations with waves of invasions of Burma during the Yuan and Qing dynasties. In contemporary times, due to particularly unsettled conditions both in Burma and China during the decade of the 1940s, vast numbers of Chinese labourers, farmers and businessmen illegally immigrated into Burma across a disputed and almost completely un-demarcated border. Large numbers of Nationalist Chinese

Kuomintang troops had also retreated into Burma's northeastern hill areas following their defeat in the Chinese civil war and their removal was one of the early publicly demanded goals of the new Communist regime in Beijing and PRC troops intruded into Burma several times. All these factors combined with the assertive, expansionist, revolutionary rhetoric emanating from the new rulers of China made the leaders of the newly independent Burma particularly wary of China.

### **I BURMA, CHINA AND INDIA**

Bearing the above in mind, U Nu spoke to Nehru and with his concurrence Burma become the first, before India, non communist country to recognize and establish diplomatic relations with the new People's Republic of China. Since independence, Burma's single most important foreign policy and external national security imperative has been to avoid angering China as this could invite great trouble.

'The China patronized' Burma Communist

*This essay was initially presented in a conference organized by the IPCS in collaboration with the Center for East Asian Studies, JNU and Department of East Asian Studies, JNU*

*Views expressed are author's.*

China Research Programme (CRP)



Party had almost toppled the Government in 1949, which had started being derisively referred to as the 'government of Rangoon' but Indian help saved it. Prime Minister U Nu sounded India more than once about a possible defence pact but Nehru turned down such suggestions with some asperity (Gundevia, 1984). Conscious that India would not harm Burma but China could and correctly sensing that a robust strategic relationship with India was not going to be on the cards, Burma per force consciously decided not to exhibit the slightest vestiges of an unfriendly disposition towards China, an approach that Pandit Nehru had urged, and continued to encourage and support .

China had boundary disputes with all its neighbors including India, having acquired a boundary with India for the first time in history due to its invasion and forcible incorporation of Tibet into China in 1950. Displaying great strategic foresight, China signed its first boundary agreement with a neighbor with Burma in 1960 in which China accepted the McMahon Line delineation, though not its nomenclature. With this prize in the bag, remembering the nightmares of 1949, and thus being acutely conscious of the danger potential from the Burma communist Party and rebel ethnic groups, and, finally, in the light of India's apathetic and strategically disinterested attitude, and with Ne Win having overthrown India's particular friend U Nu, Burma adopted a neutral line, even tilting towards China, on China's aggression against India in October 1962 much to

India's great disappointment.

Nevertheless, China's support for armed anti government groups under the umbrella of the Beijing funded, armed and openly propped and supported Burma Communist Party and for different anti-government ethnic groups continued irrespective of whether the official relationship between the governments of the two countries was bad, good or indifferent. This in fact was a central strand of China's attitude towards Burma from 1949 till 1989.

## II

### CHINESE APPROACH TOWARDS BURMA

Bertil Lintner, the Thailand based strategic analyst, who has spent a lifetime studying Burma, has asserted that "regardless of the political nature of the government in power (in Burma) China has always considered Burma to be a vassal state" (Lintner, 1992). According to Dr Marie Lall (2008), "China was involved in Myanmar through the CPB. The BCP however was only a communist party in name and was actually projecting Chinese interests". These assessments are very widely shared by all scholars studying Myanmar.

The puppet master calibrated the extent and levels of violent revolt depending upon its agenda at any given point of time. This mental attitude has dictated China's overall approach to its relations with Burma and all Burmese regimes have tacitly, even though privately quite unhappily, learnt to live with this reality.

Sino-Burmese relations went through a particularly difficult period in the 1960s which included waves of anti-Chinese community riots and heavy fighting between Burmese Communist Party and the Burmese Army leading to the suspension of diplomatic relations from 1967-1970. Bertil Lintner (1992) has written "during the decade (1960s) China poured in more aid to the Communist Party of

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Burma than to any other communist movement outside Indochina. Thousands of Chinese “volunteers” also streamed across the border to fight alongside their Burmese comrades.” It merits mention, en passant, that all the top leaders of Myanmar’s recent past – Than Shwe, Maung Aye, Aung Myint Oo - given the title of Thiha Thura for displaying conspicuous valour - were personally involved in the fighting.

During that period Beijing Radio was regularly denouncing Gen. Ne Win’s regime as “a fascist and reactionary dictatorship” calling for its overthrow. Instead of Sino Burmese relations being adversely affected by all these events, Gen Ne Win went out of his way to woo rather than confront or seek to distance Burma from China, also paying obeisance to China through 12 visits. In a widely noticed and commented upon gesture, specifically motivated to please China, Ne Win became the first foreign head of state to visit Phnom Penh in November 1977 after the China backed Khmer Rouge took power in Cambodia. To further humour China, in September 1979 Burma even left the Non-Aligned Movement, which it had helped form in the fifties, because of its allegedly pro-Soviet orientations. Finally, Deng Xiaoping’s landmark, six day visit to Burma in 1978 marked the beginning of China’s increasing economic interaction with Burma with concurrent beneficial political fallout.

Ne Win was overthrown in a coup in 1988 and the State Law and Order Restoration Council, as the new military junta termed itself, renamed the country as Myanmar. In completely unexpected and path breaking announcements, SLORC legalized border trade and measures to open the economy including new regulations inviting foreign investments, etc. in a spectacular departure from Ne Win’s isolationist policy. This message was directed primarily towards Western countries, but India joined them in completely ignoring this new and meaningful opening to the outside world

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and instead reacted by strongly denouncing the military’s brutal suppression of the massive and widespread pro-democracy protests and the imposition of martial law. China gleefully capitalized on this utterly unexpected opportunity. Perceptively sensing possibilities of very significant economic and strategic gains, China became the first country to recognize the new regime and responded with alacrity on the border trade front, and, particularly crucially, organised the disbandment of the Burmese Communist Party in 1989, and, finally, embraced the new regime with a huge arms deal.

In 1992 SLORC was dissolved and Senior General Than Shwe took over as the Chairman of the State Peace and Development Council (SPDC), as the new governing mechanism was termed. As Myanmar’s political isolation grew, and an escalating sanctions regime by the West started pinching ever harder, Myanmar perforce increasingly turned towards China and a multi-dimensional, all embracing relationship between the two emerged.

Having helped disband the Burmese Communist Party, China also facilitated ceasefire agreements between the Government and most ethnic groups by the mid 1990s, while retaining arms supply to and economic patronage of the ethnic groups along the Sino Myanmar border as potential leverage. Rather ironically China finally became the instrumentality of ridding Myanmar of the

major sources of instability since its independence which China had earlier helped create, nurture and support.

As a Permanent Member of the UN Security Council China provided Myanmar with invaluable diplomatic and political support against any punitive policies by the international community, even vetoing a US sponsored resolution in United Nations Security Council in 2007. It was immediately rewarded - the gas from the India-South Korean consortium was allocated to be supplied to China.

### III CHINA AND BURMA: CONTEMPORARY RELATIONS

China became the main weapons supplier to Myanmar having supplied almost \$ 2.5 billion worth of arms since 1988 in a continuing strong defence relationship. This relationship has overseen the expansion of the Tatmadaw from about 150,000 in 1988 to over 450,000 today.

According to locals, over 2 million Chinese are now estimated to be living and working in Myanmar, with a significant proportion having acquired Burmese identity papers through brazen bribery and intimidatory influence at local levels. Mandalay, the erstwhile royal capital, is now much more a Chinese city, with most signboards in Mandarin which is also the language most heard and spoken in the city rather than Burmese, and with the locals having been increasingly pushed to the outskirts of the

city.

Myanmar statistics indicate that China has become the leading investor in Burma, with a total investment of US \$ 15.5 billion. (Irrawaddy, 2011) In September 2008 EarthRights International (ERI) had identified 69 Chinese multinational corporations (MNCs) involved in at least 90 projects in Burma. Since then the number, range and scope of projects has increased in all sectors.

China is proprietarily executing the largest number of infrastructure and hydropower projects in Myanmar; it dominates the oil and gas exploration as well as the mining sectors. It is constructing river, road and rail transport infrastructure across Myanmar to connect the landlocked Yunnan province with the Andaman Sea, Bangladesh, and the Bay of Bengal. China is also developing 4 ports – Hanggyi, Mergui and Zadetyeki in the south and the excellent deep water at Kyaukphu in the north from where Myanmar gas will be supplied to Yunnan through pipelines. Oil from the Gulf region will also be received there, stored in large tank farms and sent on to Yunnan. China is also setting up a large multipurpose SEZ there.

The State owned newspaper the New Light of Myanmar recently reported that “China-Myanmar trade soared by 53.2 percent to \$ 4.44 billion dollars last year (2011) making China Myanmar's second-largest trading partner after Thailand. For the financial year 2011-12 Myanmar's border trade with China was worth \$2.985 billion; with Thailand \$343.305 million; with Bangladesh \$26.8 million, despite a very short border and less than satisfactory bilateral relations; and, with India in spite of a long border and fairly good relations only \$15.409 million. (The unregistered trade has been estimated to be 125 times more). (RIS, 2011)After Myanmar gas starts flowing to China later this year China will become far and away Myanmar's largest trade partner.

As a result of quick decisions and

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spectacularly efficient implementation of an ever increasing number and broadening spectrum of projects, China has acquired a predominant position in Myanmar's economy which is increasingly integrally linked with the Chinese economy with the economy of northern Myanmar in particular linked more with that of Yunnan than with the rest of Myanmar.

To sum up, the hallmark of Myanmar's external relations in the first 60 years since independence was the emergence of a special relationship with China. China had succeeded in securing all four of its main strategic interests in Myanmar: first, by becoming by far the most influential foreign country in Myanmar; second, making itself the indispensable interlocutor in establishing peace between the central government and the ethnic groups – even after the new 'civilian' government has taken power, China has been actively mediating in the newest conflict, between the Kachin and the central government; third, by making Myanmar a significant contributor to China's energy security both as a growing source of natural gas and by providing the modalities, through pipelines, of at least a partial but vital bypassing of the potential Malacca choke point; and fourth, by providing reliable multi pronged access to the Indian Ocean for the relatively underdeveloped and land locked Yunnan province.

In 2003 the military junta announced a seven stage road map to the establishment of "discipline flourishing" democracy. Despite all the international scoffing it has systematically implemented its intentions albeit in an utterly nontransparent and coercive manner. It put in place a Constitution drafted by the military and designed to perpetuate military control of the country, carried out a patently fraudulent referendum approving it, held a clearly rigged election, etc. Hardly anybody in the world treated the junta's intentions as credible. Nevertheless, to the absolute astonishment and surprise of the world, on

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March 30 2011 the all-powerful Than Shwe, entirely of his own accord, dissolved the SPDC and announced his retirement and has not been seen or heard from since then. History does not exhibit another example of a totally absolute ruler completely disappearing from public view in this manner. The former Prime Minister General Thein Sein, now retired from the Army, was elected President and formed an ostensibly 'civilian' government consisting mostly of very recently 'retired' military officers in the most important positions.

The global democracy icon Aung San Suu Kyi, whom the junta had from the beginning considered an implacable enemy, was released within one week of the elections in November 2010 and since then has enjoyed total freedom to do and say whatever she wants and has indeed even become a Member of Parliament after hers and her party's landslide victory in the bye elections in April 2012. While promoting her party's interests, she is now working actively with the Government.

An absolutely unbelievable array of political liberalization, social and economic reform measures have been taken. Amazingly, the parliament has agreed to a possible review of some clauses potentially opening up the possibility of also reconsidering those that effectively prevent Aung San Suu Kyi from becoming president.

In September 2011, President Thein Sein

suspended construction of China's flagship \$3.58 billion Myitsone dam project without any advance intimation to or consultation with China causing enormous shock and anger in China and utter astonishment within Myanmar and abroad. Myanmar has received a continuous procession of foreign heads of state, heads of government, foreign ministers and other ministers and international dignitaries visiting the country; it has received more such visitors since the advent of the new government than in the entire period since military rule was established in 1988.

#### IV CONCLUSIONS

Myanmar today is clearly an utterly and completely different country from what it was just two years ago. Could anybody have dreamt on April 1 2011 when the new government took office that a U.S. President would be visiting Myanmar in less than 20 months from then; or that Aung San Suu Kyi would be playing the kind of active role in the country's politics that she is today. An Indian Prime Minister visited Myanmar after a gap of 25 years showcasing the beginning of a new phase of Indian interaction with Myanmar, uncharacteristically proactive and high profile and the most meaningful since independence. There is only the one country in the world which has been very deeply worried and quite anxious about this utterly dramatic turn of events within Myanmar domestically and in

Myanmar's interaction with the world - China.

China took a little bit of time to adjust to the dramatically changing realities but it has to be acknowledged that it has acted with a great deal of maturity, calmness and statesmanship. President U Thein Sein visited China on May 16, 2011 within six weeks of his assuming office, making China the first foreign country he visited. He visited China again prior to his visit to the United States in September 2012 and conveyed categorical reassurances about Myanmar's intentions of preserving the strategic relationship between the two. Everyone in the highest echelons of the new government has visited China though there has been no top level visit from China since the new dispensation took over. However, there has been an uninterrupted flow of exchanges of ministerial, senior officials and military delegations. The Chinese Ambassador was apparently the first in the diplomatic corps to call on Aung San Suu Kyi after her release in November 2010.

China has been very actively engaged in mediating between the Kachin ethnic group and the government in the context of this two year old new armed conflict, currently the only one between the ethnic groups and the government. Commentaries in China's state owned media and statements by visiting Ministers and senior officials have indicated that China is engaged in a serious introspection to determine why it has such a negative image amongst the people in Myanmar after doing so much for the country. China is also reviewing the implementation of its projects to better address environmental and popular concerns.

China has been particularly concerned about the widespread protests continuing for months now against its large copper mine project and was absolutely delighted by the report of the Parliamentary Investigation Committee chaired by Aung San Suu Kyi which has

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categorically said that the project must carry on and protests must cease. Responding to widespread domestic and foreign criticism, Suu Kyi has robustly defended her stand in public statements saying that foreign investment is vitally important for jobs and development and must not be scared away. "We have asked the company to first give jobs to our people and second to maintain a healthy environment, according to international standards, and third to provide education and health care for the people," She also urged villagers to end their actions against the mine, telling them that their protest "is in vain." "You all have to ask permission from the government if you do protest, as our country has rule of law now. Those who do not respect the rule of law, they could get punished" she added. (Irrawaddy 2013) China should be particularly pleased about this development as its fears of cancellation of other projects would have been very greatly assuaged.

The day Obama visited Yangon, Beijing's "China Daily" carried an exclusive interview with Ko Ko Hlaing, political adviser of and widely believed to be particularly close to President Thein Sein, on Myanmar's relations with China. He was quoted as saying, inter alia: "The (two) countries' relationship has remained strong in recent decades, especially during Myanmar's isolation, a time that it received much assistance from China... We were in isolation for many years and now are opening up, but it will not hamper the relationship between Myanmar and China. The bilateral relation is a special one. ...China is now the country's largest investor and trade partner." He added: "We need to keep cordial relations with all nations. China is our most important neighbour. We will never forget that."

According to media reports, China managed to secure the understanding if not support of Myanmar on the sensitive issue of the South China Sea - it appears that Myanmar kept silent on this issue at the recent Asean Summit where for the

*During his visit to Southeast Asia in January 2013, Abe openly baited Beijing over the disputed Senkaku Islands. In a direct reference to China, Abe declared: "Open seas are public assets, and Japan will do its utmost to protect them by cooperating with the [Association of Southeast Asian nations]".*

first time in Asean's 45 year history a Joint Declaration could not be issued due to disagreement on the South China issue with Cambodia which was the Chairman and Laos openly backing China. Myanmar voted with a small block of countries led by China against the resolution on Syria in the UN General Assembly in July 2012 which was adopted by an overwhelmingly large majority.

To conclude, given China's geographical location and its rising assertiveness based on its astonishingly rapidly growing comprehensive national power, Myanmar will always try its best to keep China in good humour. The most recent pointer is that President Thein Sein will be paying his third official to China in a few days in just 2 years in office, a frequency rate much higher than when the military junta was ruling the country. It would be imprudent to assume that China's huge economic interests and presence in Myanmar, political clout and the military relationship are going to be significantly diluted any time soon. But, having said all this, the other reality is that China will no longer enjoy the position of unchallenged pre-eminence in Myanmar that it has enjoyed for the previous two decades.

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