



Journal of Current Southeast Asian Affairs

Harrington, Maxwell (2012), Conference Report: China–Myanmar Relations: The Dilemmas of Mutual Dependence, in: *Journal of Current Southeast Asian Affairs*, 31, 1, 133-139.

ISSN: 1868-4882 (online), ISSN: 1868-1034 (print)

The online version of this article can be found at:

www.CurrentSoutheastAsianAffairs.org

Published by

GIGA German Institute of Global and Area Studies, Institute of Asian Studies and Hamburg University Press.

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Conference Report

China–Myanmar Relations: The Dilemmas of Mutual Dependence Georgetown University, November 4, 2011

Introduction

Georgetown University’s Asian Studies program hosted a conference on November 4, 2011 entitled “China–Myanmar Relations: The Dilemmas of Mutual Dependence.” The conference included panel discussions by scholars and government officials from China, Myanmar, Thailand, India, Japan, the Netherlands, Germany, Canada, and the United States. With an attendance of over 150 people, it proved that discussions regarding the Sino–Myanmar relationship are able to attract interest in Washington.

The conference was bookended by two critical events that have focused Washington’s attention on Myanmar’s relationship with its giant neighbour. On September 30, Naypyidaw unexpectedly suspended the construction of a major Chinese-backed infrastructure project, the Myitsonne dam, a decision that was received with applause in Washington but consternation in Beijing. Then, only weeks after the conference finished, U.S. Secretary of State Hillary Clinton made a historic visit to Myanmar from November 30 to December 2, the first by a Secretary of State since John Foster Dulles in 1955. “Clinton in Myanmar: All about China?” blared one headline.¹ While the truth is certainly not so simple, the role of China in America’s policy-making cannot be discounted. As Myanmar has accelerated its political and economic reforms, international interest in the Myanmar–China connection has only grown. While the Sino–Burmese relationship is complex, involving a number of layers of sometimes antithetical interests both in China and Myanmar, the conference discussions pointed to the emergence of several broad themes.

Myanmar and China: A Marriage Born of Necessity?

There were diverging interpretations of the Sino–Myanmar relationship. One strain of thought stressed China’s adherence to a “win-win” principle

¹ <www.rt.com/news/clinton-myanmar-visit-china-623/> (RT, December 1, 2011).

of peaceful cooperation between sovereigns, support for reformist steps initiated domestically, and emphasis on political stability. In this view, China's approach to Myanmar is seen as similar to that of other neighbouring countries and even to that of the U.S. toward China. China's role in Myanmar is a constructive one; for example, it is supportive of the idea that Myanmar's government should emphasize development as a core means to gain internal legitimacy.

Another strain of thought, however, emphasized China's core strategic and economic goals in Myanmar on more negative terms. Myanmar, in this view, is a source for commercial and natural resource deals, a potential ally for a campaign to isolate Taiwan, and if not a reliable Chinese voice within ASEAN then at least one of the states friendlier to China's interests. Myanmar is a strategic outlet to the Indian Ocean for China's "beachhead" strategy, freeing it from the strategic passiveness of a one-ocean policy.

Myanmar: A Chinese Client State?

Panellists somewhat deflated the notion that Myanmar is on its way to becoming a Chinese client state and largely predicted a future divergence of interests between China and Myanmar. While the conventional assessment of Sino–Myanmar relations may be that of a tight, or "quasi," alignment between the two countries, with relations encompassing weapons transfers, diplomatic protection, and economic assistance, one panellist asserted that the military government is more appropriately viewed as adopting a "limited" alignment with China. Reasons include that Myanmar has not considered a formal alliance with an outside power necessary, even if one was available; Myanmar's long-standing historical commitment to an independent foreign policy; and the negative historical context. Indeed, panellists noted that China was the most disruptive element in Burma's development for about two-thirds of Myanmar's post-independence history, and that Burma was still fighting the BCP when the SLORC took power in 1988.

Panellists also discussed rising anti-Chinese sentiment in Myanmar as an increasingly important variable behind its purposefully arms-length embrace of China, and measured it by examining cultural expressions and even the memoirs of a dozen former generals. Sore feelings are being engendered by Chinese migration into Myanmar's economy, the perceived Chinese role in Myanmar's cultural 'decline,' China's hunger for foreign brides, its status as a "former enemy," and a perceived lack of Chinese concern over the Myitsone dam's impact on the Ayeyarwaddy River. In spite of an estimated population of 2.5 million people of Chinese descent currently living in Myanmar, the Chinese are not perceived as an indigenous ethnicity or race in

Burmese usage and are seen instead as foreigners or outsiders. In this view, Myanmar relies on China because it has no other choice and thus through censorship has downplayed the anti-Chinese sentiment at the national level.

The Implications of Myanmar's New Government for China

Panellists saw both potential advantages and disadvantages for China in Myanmar's moves toward political and economic reform. Potential upsides include greater border stability, if the new government follows through on its stated intention to pursue ceasefires with the armed groups. Potential downsides include the possibility that democratisation and a sudden freedom of speech in the context of weak institutions could lead to nationalistic backlash against China should the anti-Chinese sentiment grow. Some implications remain unclear, as Myanmar is still coming to terms with its new institutions. Provincial ministers remained confused about how their authority compares with that of the regional commanders, for example, and the big question of whether the armed forces intend to remain firmly in control remains open. Myanmar's reputation as a "country of rumors" is still well deserved.

There were diverging views on whether Myanmar's alignment with China has become tighter since Thein Sein assumed power. On the one hand, China upgraded its relationship to a "comprehensive strategic cooperative partnership" in May 2011, the first time that Beijing had explicitly defined the relationship as a strategic one. On the other hand, Myanmar's suspension of the Myitsone dam was only one among several signals that it did not consider itself a Chinese client state. In spite of numerous Chinese signals that it was interested in strengthening relations with Myanmar after Thein Sein assumed power, Myanmar's alignment with China has not become tighter, and the expectations and assumptions underpinning the relationship may begin to change. For example, once China's oil and gas pipelines through Myanmar open, Myanmar will gain a measure of leverage over China.

Panellists agreed that Naypyidaw's suspension of the Myitsone dam shows that China likely overestimated its absolute economic and political influence, but the suspension is nevertheless unlikely to affect China's strategic calculation. China remains, and is likely to remain for some time, Myanmar's biggest foreign patron; it does not have much interest in going too far against China's interests. It has yet to find a realistic alternative to China to meet its economic needs, and no country is ready to match the cash flow that is pouring from China into Myanmar.

The Ethnic Question

Another broad issue of critical importance to both countries addressed at the conference is the ethnic question. Panellists agreed that solving the ethnic question is a key issue for Myanmar's future. Because it impacts the stability not only of the national state but the border provinces, Beijing gives high importance to the issue as well. Will the political process be conducive to ethnic reconciliation? Those who addressed the issue appeared to leave that door open. While the 2010 elections were a historic opportunity for ethnic parties to participate in elections, they dislike the structure of the 2008 Constitution. The status of state-level governments is currently confused; local issues such as those of language and culture that would perhaps more appropriately be raised at the state level are being raised at the national parliament, which continues to be the main platform for discussion.

The government's move to transform ceasefire groups into Border Guard Forces in 2009 was a failure and has been shelved. In spite of this move, ethnic groups are still unhappy. Government negotiators are seen as unreliable and lacking the mandate of top leaders. The government's most recent offensives are still resulting in rights abuses. The government, in a sense, appears to be managing rather than solving conflicts. Beijing was highly displeased after the Kokang crisis, which sent thousands of ethnic Han refugees fleeing across the border. A Chinese delegation subsequently sent to Myanmar was said to have carried three messages: first, no fighting in the border regions; second, protect Chinese property; and third, protect Chinese lives. The crisis also revealed a national-provincial split: Beijing felt that Yunnan officials painted too rosy of a picture and assigned its own intelligence agents to monitor the situation. In spite of Beijing's interest in border stability, one panellist raised the possibility that Beijing could resort to reactivating border conflicts as a way to press Naypyidaw to realign itself following Beijing's interest.

ASEAN: Locked in a Strategic Tug-of-war with China? Myanmar's Support for Taiwan

Locked in its "marriage of necessity" with China, Myanmar has been one of three states, along with Laos and Cambodia, in the ten-member ASEAN grouping that regularly speaks up for China's interests and tends not to join the collective ASEAN stance on issues like the South China Sea. It has long supported Beijing's "one-China" policy on Taiwan. ASEAN's policy toward Myanmar has been predominantly responsive, dictated by China's activism in the region. Indeed, one panellist noted that over the summer of 2011, the

Chinese foreign ministry made a private appeal to Myanmar's Foreign Ministry to support China's position that negotiations over the South China Sea be conducted on a bilateral basis. Myanmar has, on multiple occasions, played upon ASEAN's suspicion of China by playing the "China card," forcing ASEAN to continually legitimise it through public statements. China is likely concerned, however, that recent reforms will increase the potential for Myanmar to return to ASEAN's embrace. ASEAN has already rewarded Myanmar with the 2014 chairmanship it long coveted. Panellists agreed that the chairmanship will help justify the organisation's past approach to Burma as well as accelerate the process of community building. As an ASEAN member state on increasingly equal footing with the other member states, Myanmar will need to show solidarity.

India and Japan: Important Players?

Japan's interest in Myanmar is primarily economic, although it announced in November 2011 that it may resume full-fledged development aid. Myanmar, with a strong potential for industrialisation, can serve as Japan's gateway to India. Myanmar's southern port of Dawei, currently the focus of a large Thai development project, is the key port of entry. The amount of time it will take to ship cargo from Chennai to Bangkok, currently six days, will be halved using the Dawei connection. This, in turn, will push integration in East Asia. Japan's interest in investing in Myanmar stems from its good human resources and high literacy rate. Yet, JETRO pegs its labour costs at only 13% of a Chinese worker's salary.

India's policy, meanwhile, is driven today by ruthlessly pragmatic considerations. Until a policy shift in 1993, it was one of the world's staunchest supporters of Myanmar's pro-democracy movement. India today refuses to give in to steady U.S. pressure to sanction or isolate Myanmar's regime in spite of dramatic improvements in U.S.–India relations. Like China, the end of the Cold War drove a fundamental reappraisal of policy. Today, China's substantial footprint in Myanmar is a main driver of Indian policy toward Myanmar. The rivalry between Beijing and New Delhi is the main reason why India's domestic consensus in favour of a strategically pragmatic policy toward Myanmar can be expected to continue. In its attempts to go head-to-head with the PRC in competition for influence in Myanmar, India has had more commercial than strategic success. Like China, India also has an interest in border stability, but unlike China, Myanmar's border with India plays sanctuary for a host of secessionist movements that have shown remarkable vigor in maintaining themselves in India's northeast. Myanmar has supported India's attempts to crack down on the sanctuaries and gives essential

cooperation in this regard. This fact led other panellists to assert that India's military cooperation with Myanmar actually exceeds that of China's.

How Should the U.S. Respond to the Changing Dynamics?

Since the 1988 crackdown, U.S. policy has been purely normative, with the implicit judgement that no significant U.S. interests were at stake. There was no price to pay for being purely moral. Some panellists argued that as a consequence, however, U.S. sanctions had the effect of locking Myanmar into its relationship with China. Trapped into a dependent relationship with the only country in the world in a position to threaten its core interests, Myanmar had no way out. Now, with the 'trap' starting to open, policymakers are beginning to move out of the normative arena and into the strategic arena. One panellist argued, however, that the advancement of democratic norms, including good governance and the rule of law, are not just issues of morality or a la carte variables but are also of fundamental geostrategic interest to the U.S. American interests are advanced through partnerships with like-minded nations.

In any reappraisal of relations, however, the administration will have to contend with Congress. Its power is essentially that to say 'no,' using pressure on issues like sanctions and restrictions on aid to coerce change. Nonetheless, by creating the position of Special Envoy to Burma with passage of the JADE Act in 2008, it recognized that sanctions alone would be insufficient to bring about change. While congressional benchmarks on Myanmar's reform mirror those of the administration (release of political prisoners, participation of the NLD in the political process, ethnic reconciliation, an end to rights abuses, economic reforms, eradication of illicit drug activity, and an end to Myanmar's cooperation with North Korea), strategic rationales for a policy reassessment are a less compelling motivation on Capitol Hill than they may be in the Executive Branch. In spite of at times open congressional hostility toward China on many issues, attitudes on Burma have changed little as a result of China's growing influence. Aung San Suu Kyi, who maintains an almost mythological status, will be key to any change in congressional outlook. Her photograph remains the only one of any foreign national on the walls of Senator John McCain's office; her word of support on a phone call to President Obama was enough to mute congressional criticism of Secretary of State Hillary Clinton's trip to Myanmar in early December 2011, giving the administration much-needed political cover. One panellist surmised that her approval would also be "more than sufficient" to result in congressional confirmation of an ambassador, a theory

that will be tested once the administration nominates one. Whether her word would also one day be enough to lift sanctions was a question that panellists did not venture to guess on.

Indeed, Congress remains a bastion of scepticism, and few members are convinced of the new government's intention to pursue significant reforms. 'Burma policy' remains essentially bipartisan. Nonetheless, congressional views do not go to the extreme of seeing U.S.–Chinese relations with Myanmar as a “zero sum” game. Nonetheless, balancing (or thwarting) China's growing influence in the region and promoting democracy are not mutually exclusive interests: greater democracy in Myanmar is likely to coincide with a perhaps significant realignment. Myanmar's leaders expect some kind of political rewards for jeopardising their own power; that reward can only come from the West.

As one panellist made the argument, it is now clear that the policy extremes of continued international ostracization or a full rollback of sanctions are both non-starters – for now. In a similar vein, the U.S. agreement to call for UN establishment of a Commission of Inquiry to investigate human rights abuses appears to be on hold as well. There are plenty of policy options in between. One panellist argued that the U.S. should pay close attention, build grassroots capacity, review its sanctions package for a possible easing, invest in reform efforts, yet also prepare for the worst-case scenario. The question is how can the response best enhance the space of those who want to continue the reforms?

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