



Asia Pacific Bulletin

EastWestCenter.org/APB

Number 326 | October 15, 2015

Sino-Myanmar Relations in Myanmar's Election Year

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Yun Sun, Senior Associate at the Henry L. Stimson Center, explains that “While China is generally confident that no president of Myanmar will pursue a hostile policy toward China or completely ignore China’s preferences, it also recognizes that his/her foreign policy will have major influence over China’s interests.”

Since the beginning of Myanmar’s reforms in 2011, China has encountered new realities and challenges in the country. As a result of intensive policy introspection, China adopted a series of policy adjustments toward Myanmar. Recognizing the problems in its previous policy toward Myanmar under its military government, over the past three years China has enhanced its public diplomacy efforts in Myanmar, improved the behaviors and local outreach of its companies, and diversified ties with different political forces. As Myanmar’s elections draw near, China’s two largest priorities are the border ethnic groups and the new power distribution in Myanmar’s domestic politics. China is contemplating new policy initiatives and options toward Myanmar beyond 2015 as well. As Myanmar’s largest neighbor with major vested interests in its politics and economy, China’s actions will have key implications for Myanmar’s future.

2015 has been eventful for China-Myanmar relations. It started with the arrest of more than 100 Chinese illegal loggers in Kachin state, who were sentenced to life imprisonment in June only to receive amnesty eight days later. The Kokang conflict intensified in February, which led to the Burmese bombing of Chinese territory in March and killing of five Chinese civilians on Chinese soil. Former USDP Chairman U Shwe Mann visited China in late April and had productive meetings with Chinese leaders; yet he was later dismissed from his party chairmanship in August. Daw Aung San Suu Kyi also visited China in June after years of speculations about such a trip. However, her trip was so tightly managed that its symbolic significance greatly overwhelmed any substantive progress. Then in September, it was revealed that although the Sino-Myanmar oil pipeline was completed and had its first trial operation in January, there is no planned date for its operation because of a negotiation impasse over transportation, investment, and tax terms.

Some of these developments are intriguing and send conflicting messages. On the issue of the illegal Chinese loggers, although Myanmar asserted its jurisdiction, the amnesty was granted so quickly and uncontroversially that it raises questions about what kind of negotiations China and Myanmar had behind the scenes and what kind of pressure, if any, was applied. Most observers agree that a deal must have been made, yet its contents are not publically known. Sensible speculations include factors such as Myanmar’s reluctance to publicly humiliate China, reciprocity by China to deport Burmese criminals, and face-saving measures given the involvement of corrupt officials on both sides. The bright side of the whole ordeal is that the two governments agreed to a zero-tolerance policy towards illegal logging. While the actual effectiveness of the joint campaign remains to be seen, the general direction on this issue is positive.

China’s attitude toward the border ethnic groups has become more ambivalent in 2015. When the Kokang conflict first intensified in February, China was largely inclined to remain uninvolved. Nevertheless, the damage inflicted to China’s border security raised questions

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about the Myanmar military’s intention and capacity to manage the issue. Momentum for intervention has been building up in China. Most Chinese see legitimate grounds for such intervention despite its non-interference principle, because they see that in this case Myanmar’s internal affairs “interfered with China first and in a major way.”

China understands that border ethnic groups including the KIA, UWSA, MNDA, and the Kokang rebels are not Chinese operatives but instead have their own agendas that do not always align with those of China. However, in the Chinese view, the Myanmar government has failed to end the conflicts and these groups will maintain their autonomous status along the Chinese border indefinitely. Therefore, the most sensible policy for China is to prepare for the security implications of their continued presence and to shape the process and result of the peace talks in order to maximize its national interests.

China’s national interests certainly dwell heavily on the tranquility of the border. However, under the One Belt, One Road initiative, Myanmar’s strategic importance goes far beyond the 2000 km long border. Myanmar stands as a key country in China’s 21st Century Maritime Silk Road and its Indian Ocean strategy, as a critical outpost for China’s access to the Bay of Bengal. At this stage, China is not necessarily keen on competing with the U.S. or Japan in lower Myanmar, but it also has no intention to abdicate its influence in upper Myanmar. For the Chinese foreign policy apparatus, how to ensure that Myanmar is incorporated in the One Belt, One Road initiative and is receptive and cooperative in China’s infrastructure and connectivity projects for unhindered access to the Indian Ocean is the most important task.

In China’s original assessment, gaining Myanmar’s support for its strategic agenda clearly overrode the value of the border ethnic groups. However, as the conflicts evolved, three factors emerged that changed China’s calculations. First of all, Myanmar’s lack of success both in the battlefield and in the negotiations has become a potential threat to China’s strategic agenda, as the conflict could block China along the border region before it even reaches the Bay of Bengal. Second and perhaps more importantly, Myanmar’s tepid attitude toward China’s strategic agenda – as attested by its response to the BCIM economic corridor, the aborted Sino-Myanmar railway, and the delayed Kyaukpadaung Special Economic Zone – poses questions as to whether Myanmar is at all interested in supporting China’s grand strategy. Given its domestic anti-China sentiment and apparent efforts to engage the U.S. to balance Chinese influence, Myanmar’s reluctance is understandable. But in this context, China naturally desires more leverage in the bilateral relations to influence Myanmar’s preferences. As such, China has become more relaxed in its border management and enhanced its communications and coordination with the border ethnic groups.

Furthermore, U.S. involvement in Myanmar’s peace process, especially regarding ethnic groups along the Sino-Myanmar border, constantly irritates China and affects its threat perception. While China has been consistently opposed to the “internationalization” of the “northern Myanmar (ethnic) issue”(缅北事务), the lack of a strong role and assertive position by China could pave the way for a more prominent U.S. role in the issue.

China anxiously awaits the results of the elections next month. While China is generally confident that no president of Myanmar will pursue a hostile policy toward China or completely ignore China’s preferences, it also recognizes that his/her foreign policy will have major influence over China’s interests. Beyond the border ethnic groups, China’s ability to influence Myanmar’s domestic politics is limited. This generates a heightened sense of vulnerability for China in light of its vested interests and strategic pursuits in the southwestern neighbor. One thing is clear: regardless of the result of the elections, China will be keen on building a good relationship with Myanmar. However, if China’s plan is met with less than enthusiasm by Myanmar, how China opts to influence Myanmar’s policy will be worth watching.

The *Asia Pacific Bulletin* (APB) series is produced by the East-West Center in Washington.

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