# Asia Insights

## A marriage of mutual interests in Myanmar-China Relations

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Historically, Myanmar-China relations are based on five principles of peaceful coexistence, known as Panchsheel: mutual respect for each other's territorial integrity and sovereignty, mutual non-aggression, mutual non-interference in each other's internal affairs, equality and cooperation for mutual benefit, and peaceful co-existence.<sup>1</sup>

The bilateral relations are also largely shaped by a shared border of about 2,204 kilometers.<sup>2</sup> Moreover, about 3% of Myanmar's estimated over 54 million people are Chinese.<sup>3</sup>

The relations between the two nations have largely been cordial and peaceful. In the past couple of years (2017-18), the bilateral relations have been further strengthened by two major issues - the China-Myanmar Economic Corridor (CMEC) and the Rohingya crisis.



<sup>&</sup>lt;sup>1</sup> Ankit Panda, "Reflecting on China's Five Principles, 60 Years Later," *The Diplomat*, June 26, 2014, <a href="https://thediplomat.com/2014/06/reflecting-on-chinas-five-principles-60-years-later/">https://thediplomat.com/2014/06/reflecting-on-chinas-five-principles-60-years-later/</a>.

<sup>&</sup>lt;sup>2</sup> "Basic Facts About Myanmar," Embassy Of The Republic Of The Union Of Myanmar, http://www.myanmar-embassy-tokyo.net/about.htm.

<sup>&</sup>lt;sup>3</sup> "Myanmar Population 2018," World Population Review, http://worldpopulationreview.com/countries/myanmar-population/

The Chinese Foreign Minister Wang Yi announced the proposal to build the CMEC, which is part of the larger Belt and Road Initiative (BRI), following a meeting with Myanmar's State Counselor Aung San Suu Kyi in Naypyidaw in November 2017.4 The project is likely to see tens of billions of dollars of investments in Myanmar from private and state-owned Chinese firms.

The CMEC basically has two parts. The first is a physical corridor that would connect the two countries by roads and a high-speed railway. The second is integration through initiatives such as industrial zones, trade quotas and tax breaks, as well as non-economic issues such as disaster mitigation and public health.<sup>5</sup>

The CMEC, if implemented successfully, will also provide China with direct access to the Indian ocean and allows China's oil imports to bypass the strait of Malacca.

The CMEC will cover a 1,700-plus kilometer corridor stretching from Yunnan province in China to a seaport in Rakhine state in western Myanmar, which will be one of the largest single packages of foreign direct investment in Myanmar in decades.<sup>6</sup>

Myanmar is apparently happy to accept the concept of BRI through CMEC. But after one year from the initial announcement, it has not yielded any significant development on the ground. In fact, China appears to be frustrated with the lack of progress on the project.

On 26 November 2018, the Vice Chairman of China National Development and Reform Commission Ning Jizhe held talks with Aung San Suu Kyi in

<sup>&</sup>lt;sup>6</sup> Amara Thiha, "Can Myanmar Afford China's Belt and Road?" The Diplomat, August 29, 2018, https://thediplomat.com/2018/08/can-myanmar-afford-chinas-belt-and-road/.



<sup>&</sup>lt;sup>4</sup> Nan Lwin, "Gov't Signs MoU with Beijing to Build China-Myanmar Economic Corridor." The Irrawaddy, September 13, 2018, https://www.irrawaddy.com/news/burma/govt-signsmou-beijing-build-china-myanmar-economic-corridor.html.

Clare Hammond, "The grand plan for the China-Myanmar Economic Corridor." Frontier Myanmar, September 26, 2018, https://frontiermyanmar.net/en/the-grand-plan-for-the-chinamvanmar-economic-corridor.

Naypyidaw and urged for the CMEC's implementation plan to be worked out.<sup>7</sup> Following the meeting, the two sides pledged to push forward building the project.<sup>8</sup>

Myanmar presents a unique position in China's BRI project as it sits at the junction of South and Southeast Asia, and between the Indian ocean and China's landlocked Yunnan province. The CMEC is likely to bring infrastructural development and potential employment for the local population.

However, there is a lingering concern that the Chinese investments would become a debt trap for Myanmar for the next several decades. There is a probability that Myanmar will not be able to generate enough revenues to repay billions of dollars to the Chinese within the stipulated time. Even if it can eventually repay the debts, China could potentially have significant leverage, and possibly control, over the projects for an extended period.

The Rohingya crisis is another issue that has strengthened bilateral relations in recent years, especially in the past couple of years.

While human rights groups and members of the international community, including several officials of the United Nations, have criticized Myanmar for its policy and actions toward the Rohingya population, China has always stood by Myanmar.

In fact, China is one of the few countries which have openly supported Myanmar's position on the Rohingya issue either through bilateral discussions or at the UN Security Council.

As early as September 2017 when Britain, France and Australia urged Myanmar to end the military violence on the Rohingya Muslims, China expressed its support for Myanmar. During his meeting with the UN Secretary General Antonio Guterres at the UN headquarters in New York on 18 September 2017, the Chinese Foreign Minister Wang Yi said, China "understands and supports" Myanmar's efforts to protect its security in Rakhine.<sup>9</sup>

<sup>8</sup> "China, Myanmar vow to push forward building of China-Myanmar Economic Corridor," Global Times, November 27, 2018, http://www.globaltimes.cn/content/1129165.shtml.

Ben Blanchard, "China offers support to Myanmar at U.N. amid Rohingya crisis," Reuters, September 19, 2017, https://www.reuters.com/article/us-myanmar-rohingya-china/chinaoffers-support-to-myanmar-at-u-n-amid-rohingya-crisis-idUSKCN1BU070.



<sup>&</sup>lt;sup>7</sup> Nan Lwin, "Beijing Urges Gov't to Get Ball Rolling on China-Myanmar Economic Corridor." The Irrawaddy, November 27, 2018, https://www.irrawaddy.com/news/burma/beijing-urges-govt-get-ball-rolling-china-myanmareconomic-corridor.html.

And on 14 November 2018, when US Vice-President Mike Pence openly rebuked Aung San Suu Kyi on the sidelines of the 33<sup>rd</sup> ASEAN summit in Singapore, China reiterated its support for Myanmar on the Rohingya issue.<sup>10</sup>

The United States and the United Nations have officially described the atrocities on the Rohingya people by the Myanmar security forces as ethnic cleansing. A UN report has also said there was a "genocidal intent" and called for the prosecution of Myanmar military commander-in-chief and other five generals for the gravest crimes under international law.<sup>11</sup>

Moreover, in September 2018, the International Criminal Court decided to begin a preliminary investigation into the massive displacement of Rohingya people for a possible crime against humanity.<sup>12</sup>

Despite the international pressure, China has supported Myanmar's position that there was no ethnic cleansing nor genocidal intent and what the Myanmar security forces did was a legitimate counter-insurgency operation against the attacks carried out by the Arakan Rohingya Salvation Army in August 2017.

Not only blocking the UN Security Council resolution, China has also cautioned other members of the international community, including the United Nations, that the Rohingya issue should not be internationalized and or not made complicated.<sup>13</sup>

It is not surprising to see China's open support for Myanmar on the Rohingya issue because Beijing has economic, security, and strategic interests in Myanmar.

Some may question why Aung San Suu Kyi-led civilian government is maintaining such warmth relations with a country that supported and sustained the

Ben Blanchard, "China says Rohingya issue should not be 'internationalized'," *Reuters*, September 28, 2018, <a href="https://www.reuters.com/article/us-myanmar-rohingya-china/china-says-rohingya-issue-should-not-be-internationalized-idUSKCN1M8062">https://www.reuters.com/article/us-myanmar-rohingya-china/china-says-rohingya-issue-should-not-be-internationalized-idUSKCN1M8062</a>.



<sup>&</sup>lt;sup>10</sup> Ben Blanchard, "China offers Myanmar support over Rohingya issue after U.S. rebuke." *Reuters*, November 16, 2018, <a href="https://www.reuters.com/article/us-asean-summit-myanmar-china/china-offers-myanmar-support-over-rohingya-issue-after-u-s-rebuke-idUSKCN1NL02W">https://www.reuters.com/article/us-asean-summit-myanmar-china/china-offers-myanmar-support-over-rohingya-issue-after-u-s-rebuke-idUSKCN1NL02W</a>.

<sup>&</sup>lt;sup>11</sup> Stephanie Nebehay, "U.N. calls for Myanmar generals to be tried for genocide, blames Facebook for incitement," *Reuters*, August 27, 2018, <a href="https://www.reuters.com/article/us-myanmar-rohingya-un/un-calls-for-myanmar-generals-to-be-tried-for-genocide-blames-facebook-for-incitement-idUSKCN1LC0KN">https://www.reuters.com/article/us-myanmar-rohingya-un/un-calls-for-myanmar-generals-to-be-tried-for-genocide-blames-facebook-for-incitement-idUSKCN1LC0KN</a>.

<sup>&</sup>lt;sup>12</sup> Toby Sterling, "International Criminal Court says it has jurisdiction over alleged crimes against Rohingya," *Reuters*, September 6 2018, <a href="https://www.reuters.com/article/us-myanmar-rohingya-icc/international-criminal-court-says-it-has-jurisdiction-over-alleged-crimes-against-rohingya-idUSKCN1LM23H">https://www.reuters.com/article/us-myanmar-rohingya-icc/international-criminal-court-says-it-has-jurisdiction-over-alleged-crimes-against-rohingya-idUSKCN1LM23H</a>.

Myanmar military government which suppressed human rights and democratic movement for decades, during which Aung San Suu Kyi herself was placed under house arrest.

But in the face of international criticism and pressure, apparently Myanmar believes that it is in its national interest to accept the Chinese support and continue to remain a close friend, primarily because Beijing has the economic and diplomatic power which Myanmar lacks.

While China's support is essential for Myanmar's economic growth and infrastructural development, Beijing needs to listen to the concerns and interests of Myanmar's general public. It should not consider only the potential benefits or profits it can generate. It must avoid or reconsider the initiatives that may endanger the lives of the common people, or projects that could have adverse effects on the environment.

Despite the marriage of mutual interests, Myanmar needs to meticulously balance its relations with China and the democratic world. China may consider it as the internal matter of Myanmar but Naypyidaw needs the support and cooperation of Western democracies and international institutions, including the United Nations, for a successful democratic transition and for the establishment of a consolidated democracy, as well as in addressing the Rohingya crisis.

*Editor's Note:* the views expressed in *Asia Insights* are those of the authors and do not necessarily reflect the policy or the position of their institutions.

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