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By Bhaskar Roy

As Myanmar nears a historic political transition, the incoming National League for Democracy (NLD) will have a lot on their plate. They will face the enormous challenge of steering the country according to their plans. Having struggled for two and a half decades against a hardline military rule, they will have a clearer understanding of challenges in the domestic field. But in foreign policy the NLD lacks experience.

The power transition is not yet complete –the presidency till recently was up in the air since NLD Chief Aung San Suu Kyi remained debarred from the post because of Article 59(f) of the constitution. Her late husband was a foreigner, her two children are foreign citizens and it is unlikely that they will take up Myanmar citizenship. At least, Suu Kyi hopes to run the country through a hand-picked president.

Of the two vice- presidents, one will be chosen by the army and the other by the NLD. Three important ministries, including defence and interior will remain with the army. Crucially, 25% of the seats in the parliament are reserved for the army and they are expected to vote as one bloc as per directions of the top military bosses. Hence, constitutional changes cannot be implemented without the army's support. The new government would have to work from inside an army-controlled cage.

Myanmar remains highly important for China. On the one side it possesses oil and gas which China needs and on the other its minerals, timber and semi-precious stones, like jade, are important Chinese imports. Electricity from the China-funded Myitsone dam project (temporarily abandoned) and the copper mine in Letpadaung are used to power southern China (the mainland does not generate enough to supply its far flung provinces).

Strategically, Myanmar is a priority for China to establish its command in the South East Asian region. It has been placed on a chess-board

for the “Chinese dream” and “one belt one road” (OBOR) project. China had also hoped to use Myanmar as a card in the ASEAN .Beijing had quietly pushed Myanmar’s membership in the ASEAN though there were some questions from the original members of the association. A pliable Myanmar would be a route to the Indian Ocean.

China’s relationship with Suu Kyi has been a complicated path. When the NLD won the 1990 elections China was among the first to congratulate them. With the military crackdown, and the establishment of the military government, a message of disapproval was sent to Beijing by withdrawing the ambassador from China. Beijing quickly readjusted its Myanmar policy and did not look back at the NLD, at least not officially, for two decades.

With the Myanmar government slipping into international isolation, the country became happy hunting grounds for China. It became the sole supplier of military hardware and equipment to Myanmar; Myanmar armed forces were trained in China and the Chinese became their largest investor and trading partner. China’s foreign direct investment (approved) rose to \$8.2 billion in 2010-2011.It still remains Myanmar’s largest trading partner given Nay Pyi Daw’s exports and projects like the gas pipe line. China’s influence is palpable everywhere in Myanmar in all walks of life.

But are the Chinese liked by the common people of Myanmar? The answer is a resounding “No”! They feel that they have been exploited in every sphere of life by the Chinese, be it the Chinese government, or the Chinese government backed enterprises or small Chinese private businessmen. The “China” label enjoys preferential treatment over the local ones. Chinese enterprises are well known for exploiting locals in countries they invest in, especially in the mining and infrastructure sectors. They destroy the environment and ecology with impunity, and protect themselves by bribing local officials. Africa is a case in point.

In Myanmar the Letpadaung copper mine and Myitsone hydro-electric project are notable examples. Due to local protests at these projects the Thien Sein government was forced to suspend further work on these projects in 2011, but the Chinese government issued a directive to these enterprises to address these issues and invest in local development at these sites.

On the sidelines of the Annual National People’s Congress (NPC) on March 8, Chinese foreign minister Wang Yi told a press conference that the NLD led by Aung San Suu Kyi has kept friendly relations with China. Wang, however, admitted there were some problems on the Myitsone project and other investment projects in Myanmar but explained them away as “growing pains” (with the incoming NLD government”. It was evident from Wang’s words that China sees future problems with its strategy in Myanmar,as a democratic government will pay attention to the opinions of the people who have given the NLD unprecedented support.

Aung San Suu Kyi must be aware that around 1998-99, Senior General Than Shwe had directed Myanmar diplomats to reach out to Indian diplomats. No official message was sent to the Indian government in this respect. But the Myanmar diplomats quietly and privately let it out in so many words in their interactions. Than Shwe who has retired since, still has some influence on the army, according to reports. He has

reached out to Suu Kyi.

Other actions were also taken. The strongly pro-Chinese intelligence chief Maj. Gen. Khin Nyut was dismissed and jailed. He facilitated the smuggling of Chinese arms through Myanmar to Indian insurgent groups like the NSCN(I/M). Also, the road-cum-waterway from China's Yunan province to the Myanmar coast to reach the Indian Ocean was scrapped by Yangon because China demanded that their goods through this transport corridor could not be examined by the Myanmar customs. This was perceived as an impudent dismissal of Myanmar's sovereignty.

NLD leaders may like to carefully examine an article in China's official media, the *Global Times* (Feb. 11) entitled "Neighbor can help Myanmar reconciliation". The writer is Ding Gang, a senior editor of the Chinese communist party mouthpiece, the *People's Daily*. The article can safely be taken as an advisory to Aung San Suu Kyi. Deliberating on the ethnic unrest in Myanmar's northern border with China, the article said these ethnic conflicts would not only disturb the security and order in China's border regions, but also "**pose fresh challenges to China's endeavor to develop its peripheral diplomacy and the silk road economic belt and the 21st century Maritime Silk Road (OROB)**". During her visit to China last year, Suu Kyi was given head of state reception although she was only a party head. On being asked about Myanmar's inclusion in the silk-road initiative, she reportedly welcomed it, according to the *Xinhua*. To resolve the ethnic issue the article proposed the inclusion of India and Thailand as affected parties, but a strict "no" to any US involvement. Very interestingly, the article slipped in the following sentence: "The riots in northern Myanmar may well affect the government's reform efforts and **increase the army's weight in Myanmar's political rivalries**" (emphasis added).

The significance of the above sentence cannot be missed. China can use its old friends in the army to put pressure on Suu Kyi if need be, including ousting her and her government. Recently (*The Irrawaddy*, Feb 26,) military members of parliament opposed a motion by another MP to reexamine the hurried sale of state-owned property during the country's protracted transition period. China's clandestine relations and support, including military, to armed Myanmar ethnic groups like the Kokangs, Shans and others is well known. Beijing can turn the heat on Suu Kyi and her government unless she falls in line. This has been spelt out. The OBOR is China's flagship enterprise in the first half of the 21st century.

Myanmar is a very important link in this enterprise, which includes its Indian Ocean and South East Asia strategy. China will not allow Myanmar to break this link.

Aung San Suu Kyi is in a difficult position. It is a much more powerful China she will have to deal with. She will also come under pressure eventually to provide China semi-naval base facility as Djibouti has agreed to. Suu Kyi will have to activate foreign relations on a priority basis. India must be careful not to wade in with China and Thailand on ethnic issues. It could well backfire.

(The writer is a New Delhi –based strategic analyst. He can be reached at e-mail grouchohart@yahoo.com [1].).

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