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China's Burma policy. A Strategic Partner or a New Colony?

Burma¹ occupies a critical space on China's southwestern flank out of two reasons: domestic and international. The latter is that Burma is next to China's densest concentration of ethnic minorities in Yunnan and policy towards Burma has been dictated first and foremost by this province economical interests. More importantly, however, is that Burma gives China an access to the Bay of Bengal and therefore is the answer for "Malacca dilemma". Finally, US and EU sanctions imposed on Myanmar up to now gave China a great opportunity to exploit the withdrawn of the West from Burma and in the process gain influence on India's flank. Until 2011 Burma was not only China's strategic partner but little by little, was striding towards become China's colony: only thanks to Beijing's political cover could the regime feel secure. Burma's sinization was the cost. Situation is changing, however, thanks to what was being called "the Burmese thaw".

Historical background

The first contacts between China and Burma dates back to second century B. C. when Chinese merchants used trade routes through Burma. China's interest, however seemed to have been limited to these routes, for traces of any influence of hers are hard to find². The first political influence was made through non-Han kingdom of Nanzhao³. It's intercourse with Burma were deep, both culturally and politically:

¹ The name of this country invokes many controversies. In June 1989 the State Law and Restoration Council (the new junta) changed the official international designation of the country from "Burma" to "Myanmar" ("Myanmar" is the autonym of the ethnic majority since ancient times and has always been used internally). The usage of the country's name has been politically controversial since then. In order to avoid involvement into this highly politicized debate, I will use both names: Burma—for the country and in general terms, whereas Myanmar—for the state and military government after 1989.

² G. E. Harvey, *History of Burma. From the Earliest Times to 10 March 1824 The Beginning of English Conquest*, London 1967, p. 9.

³ More about Nanzhao, see C. P. Fitzgerald, *China. A Short Cultural History*, Sydney 1961.

the elite spoke the Burmese-related language of Yi and the ruling classes of Nanzhao had a peculiar naming system, in which the last name of the father became the first name of the son — as in the latter Burmese kings⁴. In the 9th century Nanzhao's cavalry that named itself “Myanma”⁵, or “Strong Horseman”⁶, invaded the Irrawaddy Valley, contributing to the foundation of Pagan (in 849), which was to become the First Burmese Empire⁷. Burmese tradition, however, instead of harking back to China refer to India⁸. It is important to remember that for most of the past 2000 years it was India, not China, that enjoyed the closest connections with Burma, and for centuries this vast area was profoundly influenced by its connections with Indian civilizations, from notions of kingship to cosmology and literature⁹. In Burma China was very much in the shadow of India, and was being referred as something far away, behind the mountains.

This notion was, however, reinforced with a sense of the danger coming from these mountains. The reason for that was simple: The continuing invasions from the north. The first one had the greatest far-reaching consequences: the Mongol invasion that put the First Burmese Empire of Pagan to an end in 1287.

Although Pagan was already by then in decline, the Mongol invasion hastened the demise of the kingdom¹⁰. This invasion should be seen within the framework of Kublai Khan's continued southwestern conquests. Kublai send mission to Pagan demanding tribute. As the ambassadors who bore this letter refused to take off their shoes sufficiently often, the Burmese king, Narathihapate, ordered their immediate execution¹¹. That was a fatal mistake, for in brought an follow-up Mongol invasion, which descended into the valley of Irrawaddy destroying a number of stockade position and overrunning important Burmese stand at Tagaung¹². The country was soon in disorder, and the king, didn't want to wait to see whether the Chinese were really coming or not: he fled in panic and is therefore known as Tayokpyemin, “the king who fled from the Chinese”¹³. Soon Narathihapate was

⁴ Thant Myint-U, *The River of Lost Footsteps. A Personal History of Burma*, New York 2007, p. 56.

⁵ In Chinese 緬甸 miǎn diàn

⁶ Ibidem.

⁷ M. Aung-Thwin, *Pagan: The Origins of Modern Burma*, Hawaii 1986. More on Burma's history see: D. G. E. Hall, *Burma*, London 1998; Idem, *A History of Southeast Asia*, London 1981; A. Reid, *Southeast Asia in the Age of Commerce 1450–1680*, Yale 1993; *The Cambridge History of Southeast Asia*, ed. N. Tarling, volume I and II, Cambridge 1999.

⁸ G. E. Harvey, *History of Burma...*, op. cit., p. 6.

⁹ There was a time when Southeast Asian countries from Burma to Bali were known to Europeans as “Farther India” and scholars referred to the “Indianized states of Southeast Asia”, Thant Myint-U, *Where China Meets India. Burma and the New Crossroads of Asia*, New York 2011, p. 240.

¹⁰ P. Bennett, *The 'Fall of Pagan': Continuity and Change in 14th Century Burma* [in:] *Conference Under the Tamarind Tree: Three Essays in Burmese History*, ed. P. Bennett, New Heaven 1971.

¹¹ G. E. Harvey, *History of Burma...*, op. cit., p. 64.

¹² Thant Myint-U, *The River...*, op. cit., p. 6.

¹³ B. Góralczyk, *Złota ziemia roni łzy. Esej birmański (The Golden Land Sheds Tears. The Burmese Essay)* Warszawa 2010, p. 88.

murdered and the country was in disorder which allowed the Mongols to fought their way down to Pagan, to occupy the city and receive the homage from kingdom: "thus perished Pagan amid the blood and flame of the Tartat Terror: here wide dominions were parceled out into Shan satrapies owing fealty to China and Siam"¹⁴.

The next interaction with the Chinese came in 17th century. In 1658 the Ming prince Gui, chasing by victorious Qing forces¹⁵, fled to Burma with his seven hundred followers and requested refugee, which was granted¹⁶. Gui was not alone, however, and soon many thousand Chinese streamed across the border some refugees, some bandits and freebooters who had taken advantage of the anarchy in China. They were seizing and looting towns, burning monasteries, taking captives and even endangered royal city of Ava. This led to coup d'état in Ava, and a new king, Prome decided to get away with the troublesome guest and when the chasing Qing army of Wu Sangui marched into Burma in 1662 and demanded the surrender of Ming prince, Prome hesitantly agreed: Gui was hanged in Yunnan and Qing army withdrawn¹⁷.

Next century saw more Chinese invasions: during years 1765–69 there was "a serious of murderous invasions"¹⁸. The official reason was the harassment of Chinese merchants by Burmese monarch, but the real one was Burma's rise to power. When Burmese defeated Yunnan's regional troops, the Emperor Qianlong himself ordered a full-scale invasion under experienced commander, Yang Yingjiu: "sorting out the Mian (Burmese) was now the matter of imperial prestige"¹⁹. The Chinese army however, soon realized that there were two enemies in Burma: the troops of Burmese king and disease, the latter being far the more terrible one — cholera, dysentery and malaria struck down the Chinese soldiers by thousands²⁰. Moreover, the Burmese laid a trap and cut off Yang's supplies and overwhelmed the Chinese: "the slaughter was such that the Burmese could hardly grip their swords as the hilts were slippery with enemy blood"²¹. When news reached Beijing, Qianlong instead of listening to his general advices, send his Manchu elite Bannerman: "For Emperor there was no real choice but to press on. Imperial prestige was at stake. This was no longer a border dispute but a full-fledged imperial war. The Burmese now had world's biggest empire mobilized against them"²². But history repeated again: the Manchu invasion that begun in 1769 was not able

¹⁴ G. E. Harvey, *History of Burma...*, op. cit., p. 69.

¹⁵ More about this campaign, see J.D. Spence, *The Search for Modern China*, New York 1990, p. 26–48.

¹⁶ G. E. Harvey, *History of Burma...*, op. cit., p. 196–201.

¹⁷ Thant Myint-U, *The River...*, op. cit., p. 85–87.

¹⁸ G. E. Harvey, *History of Burma...*, op. cit., p. 253.

¹⁹ Thant Myint-U, *The River...*, op. cit., p. 101.

²⁰ *Ibidem*.

²¹ G. E. Harvey, *History of Burma...*, op. cit., p. 255.

²² Thant Myint-U, *The River...*, op. cit., p. 102–103.

to break the spirited Burmese and the diseases made the rest. The Burmese commander, instead of finishing surrounded Chinese off, drew up an agreement that allowed them to withdraw: “by granting honorable terms the Burmese gave the Chinese Emperor a loophole to withdraw from a costly adventure; and although pride prevented him from acknowledging the treaty his silence gave consent, and soon the caravans started coming down to Yunnan and the Burmese were once more able to find a market for their cotton”²³ (Harvey, s. 258). The most disastrous frontier war the Qing dynasty had ever waged” came to an end²⁴.

For the next Chinese invasion the Burmese had to wait two centuries. First occurred in 1949 when the Kuomintang forces lost the civil war with the communist in China. Withdrawing Chiang Kai-shek forces of 25 thousand straggled across the barely demarcated border with Burma to use this country as a base from which to regain their homeland²⁵. That never materialized: they stayed and started recruiting new soldiers, imposing taxes and even build an airport, via which were receiving huge quantities of arms and supplies from Taiwan and CIA. Soon the KMT took over the whole region east of the Salween River, moving up towards Kachin hills and down towards the upland areas controlled by the Karens. For the Burmese it was nothing less than a combined Chinese Nationalist and American invasion and nothing could be spared in meeting this unexpected threat²⁶. The Burmese reacted in a dual way: politically (in UN) and military — by pushing the KMT force out into the hill frontier. Although army under the commandership of Ne Win defeated Kuomintang forces, it was unable to remove them entirely from Burma²⁷. They settled in the hills on the frontier and soon found a new source of activity: drug trade. In the chaotic conditions of Burma’s 60s, 70s and 80s, where this country “has the unenviable reputation of having the largest number of ethnic insurgencies together with one of the longest-running communist insurgency of any country in the world”²⁸ as well as the civil war is “the longest- running armed conflict in the world”²⁹, opium and drug trade flourished. Soon almost all sides

²³ G. E. Harvey, *History of Burma...*, op. cit., p. 258.

²⁴ D. Yingcong, *A Disguised Defeat: The Myanmar Campaign of the Qing Dynasty*, “Modern Asian Studies” vol. 38, part 1, 2004, p. 145–189.

²⁵ More about complex situation in 1950s Burma, see: R. H. Taylor, *The State in Myanmar*, Singapore 2009; M. Callahan, *Making Enemies: War and State Building in Burma*, Ithaca, New York 2003; A. Selt, *Race and Resistance in Burma, 1942–1945*, “Modern Asian Studies” vol. 20, part 3, 1986; H. Tinkler, *The Union of Burma: A Study of the First Years of Independence*, London 1961; M. Smith, *Burma: Insurgency and the Politics of Ethnicity*, London — New Jersey 1991.

²⁶ Thant Myint-U, *The River...*, op. cit., p. 273–277.

²⁷ Ibidem.

²⁸ A. Rajah, *Ethnicity and Civil War in Burma. Where is the Rationality? [in:] Burma. Prospects for a Democratic Future*, ed. Robert I. Rotberg, Washington D. C. 1998, p. 135.

²⁹ Thant Myint-U, *The River...*, op. cit., p. 258.

in the conflict became involved and lean to drug trade³⁰ which have disastrous consequences for domestic situation in Burma.

Finally, the last Chinese invasion, and chronologically the second in 20 century, came from the Maoists. When the Cultural Revolution began to excite passions across China, many in Chinese diasporas in Burma were also swept up in the excitement, wearing Mao badges, shouting Cultural Revolution slogans and marching up and down the streets of Rangoon evoking fear and anger. As a response on 26 June 1967 with little police response, Chinese houses and shops were looted, while Chinese people were beaten up and killed by angry mob. After that Beijing radio announced "people's revolt" against Ne Win "fascist regime" whereas the Burmese Communist attacked suburbs of Rangoon³¹. The worst was to come: on the 1 January 1968 mixed forces of thousand Chinese, border minorities and Burmese Communists soldiers, supplied, paid and commanded from Beijing, crossed the Burmese border. Soon they crushed the local resistance and endangered Mandalay — Burma's second city. The Burmese army's nightmare scenario of Chinese-backed insurgency along the border was coming true³². Ne Win regime got support from eclectic coalition of USA, USSR, Germany and Japan and launched a successive campaign against Communists in Pegu Mountains. On the north, however, situation was more complex and blitzkrieg not possible: Ne Win decided to support the opium worldards Lo Hsing-Han and Khun Sa³³. As Thant Myint-U summarized: "soon in the remote hills of northeastern Burma there would be little replays of the Communist-Nationalist Chinese civil war on a miniscale, with Red Guards and their Burmese comrades battling it out against Nationalist troops of general Li Mi and their drug-trafficking allies"³⁴. This has continued until 1980s, when the political scene in China changed and the regime took a pragmatic stance thus leading to improving relations with Burma. And it finished in 1989, the year Burma Communist Party forces finally surrendered³⁵.

As we can see in these examples, Burma didn't have constructive experiences with the Chinese. The main burden of China-Burma history is that an anxiety about Chinese is deeply ingrained in Burmese thinking: memories of past invasions, defenders against Manchu invasion are celebrated in song and poetry. "There's a sense of the dangers of being next to an increasingly powerful and populous nation, whose internal wars and politics have time and again spilled over to wreak havoc on the much smaller country to the southwest"³⁶.

³⁰ For a detailed description of all side's involvement into drug trade, see: W. Giełżyński, *Opiumowa džungla (The Opium jungle)*, Warszawa 1989, p. 40–63.

³¹ Thant Myint-U, *The River...*, op. cit., p. 304.

³² Ibidem, p. 306.

³³ M. W. Charney, *A History of Modern Burma*, Cambridge 2009, p. 188–189.

³⁴ Thant Myint-U, *The River...*, op. cit., p. 307.

³⁵ R. H. Taylor, *The State in Myanmar...*, p. 420–440.

³⁶ Thant Myint-U, *Where China...*, op. cit., p. 70–71.

China and the Western sanctions on Myanmar

China's policy has been about as different from the Western policy of economic sanctions and diplomatic condemnation as possible, and this difference is not too surprising: it's hard to see how promoting democracy would ever be very high priority for Beijing (and it's also worth remembering that during much of the Cold War, roles had been reversed)³⁷. China started establishing strong links with Myanmar in 1988, and since that achieved the strongest linkages along all countries³⁸.

The first steps have been taken in the 1990s. In the beginning of 1990s after decades of shut-down, the border trade reopened. First was the influx of cheap goods. Then came the loggings with thousands of Burmese forests being cut and transported to China. After came the jade mines. And finally, heroin: in 2010 and early 2011 the sale of Burmese heroin to China was worth more than USD 4 billion³⁹. In early 1990s Beijing provided credit for military (tanks and planes) and other purchases estimated at well over a billion of dollars in total. Official figures place bilateral trade at over 2 billion USD a year, but the real figure is doubtless far greater. Burmese economy is today tied more closely to China's than at any other time in modern history⁴⁰. The figures are clear: According to Myanmar, in 2011 the PRC became the country's largest trading partner and investor (overtaking Thailand). In fiscal year 2010–2011, trade volume was \$5.3 billion. Myanmar data from November 2011 shows that total Chinese investments in Myanmar were about \$14 billion (accounting for about 35 pct. of the foreign investments in Myanmar), which was greater than the FDI inflows to Myanmar from Thailand (\$9.5 billion), Hong Kong (\$6.3 billion), South Korea (\$2.9 billion), the UK (\$2.6 billion) or Singapore (\$1.8 billion)⁴¹.

The Chinese built roads linking Yunnan's border towns with Irrawaddy valley — for the first time in history since famous “Burma road” during WW II. The Chinese reversed old British dream of connecting China to the Burmese coast⁴² by high speed railways so that the Chinese product could be shipped from new factories in the Chinese interior to the Indian Ocean. By early 2010 construction had begun on the oil and gas pipelines that would connect China's southwest

³⁷ Ibidem, p. 133.

³⁸ M. W. Charney, *A History of ...*, op. cit., p. 187.

³⁹ Thant Myint-U, *Where China...*, op. cit., p. 133.

⁴⁰ Ibidem.

⁴¹ J. Szczudlik-Tatar, *China's Policy towards Myanmar*, Bulletin PISM no 22 (355), February 2012, p. 1–2.

⁴² Which was one of the main rationale for British colonial conquest of Burma. More on British colonialism: John Furnivall, *The Fashioning of the Leviathan* [in:] “Journal of the Burma Research Society”, vol. 29, no 3, 1939, pp. 1–138; Idem, *Colonial Policy and Practice. A Comparative Study of Burma and the Netherlands India*, New York 1956, Ni Ni Myint, *Burma's Struggle Against British Imperialism (1886–1895)*, Rangoon 1983.

across Burma to the Bay of Bengal (Burma gas fields make it the 10th largest in the world with 10 trillion cubic meters reserves)⁴³. They would run from Mandalay past Ruili⁴⁴ first to Yunnan and then onwards to the Guanxi Autonomous Region and city of Chingqing. All three places were targeted in Western Development Strategy. Moreover, massive hydroelectric dams are being built in Burma that will provide as much electricity as China's famous Three Gorges Dam. The Salween river dam 7,1 gigawatt hydropower station worth 9 billion USD; another project in general are to produce 20 gigawatts of electricity (it is the amount of electricity consumption of Thailand)⁴⁵. The pipelines along the hydroelectric powers would ensure the energy needed for ever faster industrialization.

The Western sanctions only helped in that. The Chinese view Western policy towards Burma as hypocritical and self-defeating. Hypocritical because they see Western governments, when it suits their interests, propping up regimes elsewhere which are just as tyrannical, if not more so, and self-defeating because the Western sanctions and boycotts have only removed what leverage they would otherwise have⁴⁶. The reason was simple: Western politicians knew that by condemning junta they risk a little — as Burma was not on the center of their political agenda — and they could win a lot of support from their domestic human rights activists⁴⁷. The Chinese — on the contrary — didn't care about NLD or whether or not Burma was moving towards democracy. The Chinese "old Burma hands" centered more on mapping and understanding what was actually happening in the country and less on working backwards from a specific policy ambitions. The Chinese academics on Burma spoke Burmese well and are knowledgeable on the nitty-gritty of specific issues, from the Burmese army's relations with individual militias to cross-border trade. They are close to action⁴⁸.

This Chinese psychological support was important for the Burmese generals: the more the British and American berated the regime and the UN, the more Chinese diplomats protection became essential to the regime's foreign policy. Western sanctions had pushed the country's ruling junta ever closer to Beijing and had created an unusually privileged environment for Chinese business. For example on 12 January 2007 China together with Russia (first time together since 1972!) vetoed US-backed resolution introducing sanctions on Burma⁴⁹. The Chinese ambassador

⁴³ Thant Myint-U, *Where China...*, op. cit., p. 111–112.

⁴⁴ Ruili is where Yunnan makes money: two-third of Yunnan's international trade passes through Ruili.

⁴⁵ *Ibidem*, p. 111–112.

⁴⁶ *Ibidem*, p. 134.

⁴⁷ R.H. Taylor, *The State in Myanmar...*, op. cit., p. 468.

⁴⁸ Thant Myint-U, *Where China...*, op. cit., p. 156.

⁴⁹ Yu Bin, *Russia Says "No" to the West, and "Sort of" to China*, "Comparative Connections. A Quarterly E-Journal on East Asian Bilateral Relations", vol. 7 (2007), no 1, <http://csis.org/files/media/csis/pubs/0701qchina_russia.pdf>, [12.06.2012].

to UN Wang Guangyua explained this stance frankly: he said “no country is perfect”⁵⁰. China offered more help, more arms sales (along with Russia) and big plans for closer relations. In general a mix of pragmatic considerations shaped China’s Burma policy. There were the internal challenges for which Burma as a bridge to the sea was at least part of the answer, as well as a desire to exploit the withdrawn of the West from Burma and in the process gain influence on India’s flank⁵¹. Two months after vetoing this sanctions, news began appear that the new gas pipeline would be built to China.

The Malacca Dilemma

China’s principal foreign policy priorities are essentially inward-looking: to create the most favorable external conditions for domestic modernization, to foster a benign external environment (“harmonious world”) what would facilitate the country’s modernization. Energy plays a vital role here. Without energy China’s modernization and rise as the next superpower would grind to a halt and the ruling Communist Party would be severely undermined. Energy is not an instrument of geopolitical ambitions, but the principal rationale for an ever more assertive foreign policy, not a means of external power projections, but a vital national need⁵². China is heavily dependent on foreign oil and approximately 80 pct. of these oil currently pass through the Straits of Malacca. Oil needs are growing by the day, and imports of oil, from Africa and the Middle East, are all currently shipped via the Straits of Malacca, which worries Chinese strategic. The strait is a natural chokepoint, through which future enemies could cut off foreign energy supplies. This applies to pirates but also in the event of a future conflict with the US or India a few enemy warships could easily block essential oil supplies. An alternative route needs to be found. Myanmar is the key and a part of resolving the Malacca Dilemma”⁵³.

It is a strategic hedge against the Straits of Malacca, one that may bring Chinese political influence right up to the Indian Ocean, for the first time in history. The Chinese engineers have begun to build a brand-new port on the island of Ramree, in Arakan State. The oil and gas pipelines will travel along the same route, as well as the railway lines and expressways that will follow. Within a few years, China

⁵⁰ R. Weitz, *China-Russia Security Relations. Strategic Parallelism Without Partnership or Passion*, Lexington, KY, 2012, p. 39.

⁵¹ M. W. Charney, *A History of...*, op. cit., p. 188.

⁵² Bobo Lo, *The Axis of Convenience. Moscow, Beijing and the New Geopolitics*, London 2008, p. 4–144.

⁵³ Thant Myint-U, *Where China...*, op. cit., p. 29–136.

and Chinese influence may be much more present on the Bay of Bengal than at any time in history⁵⁴.

The Western Development Strategy (Xibu Dakaifa)

For the Chinese government strategic thinkers, the need to narrow the gap between rich and poor, east coast and interior, was a top priority, and looking at the map, they concluded a big reason for the southwest's poverty was its distance from the sea and lack of easy access to international trade⁵⁵. As Thant Myint-U summarized: "What China is lacking is its California, another coast that would provide its remote interior provinces with an outlet to the sea". There lies the origins of "Two Oceans' policy which was to make China a 'bi-coastal' nation. The first Ocean is Pacific. The second would be Indian Ocean. "Western Development Strategy" was officially inaugurated in 1999 and related to this was the idea of a connection through Myanmar to the Indian Ocean. Burma perhaps was not intended as China's California, but clearly been seen as the bridge do the Bay of Bengal and the waters beyond⁵⁶.

And so the massive development — investments in infrastructure and commerce — followed. Particularly in Yunnan — a very sensitive province which is China's biggest concentration of ethnic minorities. Out of 55 million residence of Yunnan around 40 pct. are non-Han. Moreover, Yunnan is important as a source of hydroelectricity, it's China's biggest producer of tobacco and flowers, as well as aluminum, lead, zinc and tin; its' famous for its' silver and tea⁵⁷.

Therefore Yunnan's and Beijing's Burma policy has been dictated first and foremost by what will help Yunnan's economy move forward. And there are two goals: the domestic one is to make sure that local minority groups stayed happy and felt they were benefiting from China's economical progress. This would prevent the worst Communists Party's nightmare: China that goes the way of the Soviet Union, splintering along ethnic lines. The answer to this threat was to bring capital and it worked. Yunnan's economy has benefited considerably, quadrupling in size from approximately \$ 24 billion at the beginning of the decade to \$ 91 billion in 2009⁵⁸. The external one was to make Yunnan China's gateway to South Asia and South-east Asia — a new regional hub. It was within the framework of "zou chu qu" (going out) policy⁵⁹ that China started to invest in Myanmar. The PRC sees Myanmar as an

⁵⁴ Ibidem, p. 31–126.

⁵⁵ On complex description of this programme, follow: <http://www.case.edu/affil/tibet/tibetanNomads/documents/ChinasWesternDevelopmentProgram_000.pdf>, [30.06.2012].

⁵⁶ Thant Myint-U, *Where China...*, op. cit., p. 29–131.

⁵⁷ Yunnan Province's official website: <<http://www.yn.gov.cn>>, [02.06.2012].

⁵⁸ Thant Myint-U, *Where China...*, op. cit., p. 131.

⁵⁹ More about this policy, see Chinese government website: <http://www.gov.cn/node_11140/2006-

outlet market that may improve the trade volume of Yunnan province (Myanmar is Yunnan's largest trading partner)⁶⁰.

Myanmar, however, is not just another foreign country: it occupies a critical space on China's southwestern flank, right next to its densest concentration of ethnic minorities. For Beijing leaders, securing markets near and far has been of critical importance. But even greater importance has been ensuring internal stability, including and especially in ethnic minority areas. The most important task regard the issue of Yunnan's development was to engage with the Burmese junta⁶¹.

China in Myanmar's domestic situation

Although the domestic situation in Burma was complex (core-periphery conflict etc.)⁶², it was not Burma between all China's strategic neighbors that troubled Beijing, but Pakistan. Burma's situation although not perfect, was much better. "Political limbo has not precluded business, especially cross-border business with China and over the following years jade mines, toll roads and relentless loggings have kept powerful men of every faction equally comfortable: a new political economy has emerged, with both sides — Burmese and ethnic minorities — tied to China's increasing presence"⁶³. Renewing fighting anywhere near new pipeline that is due to transport 20 pct. of China's imported oil, would be a disaster. China knew better than anyone else that the situation in Burma is not quite stable: much of the north and east of the country lay in the hands of armed groups other than the Burmese army. So China did everything to be on good terms with all the players in domestic Burma's conflict. And China offered something long — if ever non-existent there: the capital. And it worked. Stability pays off for everybody. The Wa people example is striking. Wa, which used to be head-hunters and drug traffickers and one of the most troublesome ethnic minorities for Burmese junta, don't touch Chinese business. Moreover, much of the Wa zone is on the Chinese electricity, and even its internet and mobile phone grid: blackberrys don't work in Rangoon, but they do in the Wa area. The Wa leaders are mainly China-born Wa, they have Chinese names and send their children to schools in China. They speak Chinese fluently and enjoy a close relationship with Chinese officialdom. They will not bite the hand which helps them. The evolution of the Burma-China frontier happened

03/15/content_227686.htm, [02.06.2012].

⁶⁰ J. Szcudlik-Tatar, *China's Policy...*, op. cit., p. 1–2.

⁶¹ Thant Myint-U, *Where China...*, op. cit., p. 131–144.

⁶² More on domestic situation in Burma: Ch. Fink, *Living Silence in Burma. Surviving Under Military Rule*, Bangkok 2009; P. Webb, *The Peacock's Children. The Struggle for Freedom in Burma 1885-Present*, Bangkok 2009; D.I. Steinberg, *The State of Myanmar*, Washington DC 2001; M. Callahan, *Political Authority in Burma's Ethnic Minority States*, Washington DC 2007.

⁶³ Thant Myint-U, *Where China...*, op. cit., p. 97–136.

due to local people: there has been more contact and commerce than at any time in recent history and this has created new and dynamic network far away from state control. Yunnan officials and businessmen turned the ethnic areas into 'mini-Chinas': used them as footholds for their influence inside Burma frontier⁶⁴.

Since then approximately 2 million Chinese migrated into Burma and Chinese businessman dominated much of the economy: running everything from small shops to big mining and construction firms, plantations "rent from the government", some thousand in scale (rubber, sugar cane, cassava, pineapples). Chinese invested in the development of ports, roads, bridges, and factories; Chinese consumer goods flooded Burma's markets and as opportunities for making money expanded, the presence of Chinese grew rapidly, particularly in Mandalay⁶⁵. The former capital of Mandalay is symptomatic. It is said to be 1/3 Chinese now: "Mandalay is an unequal place with the new Chinese immigrants at the top of the pyramid"; "an outpost of the world's biggest industrial revolution", a "spill-over from across the hills (China) was like a tidal wave in Burma and in Mandalay"⁶⁶. Influx of Chinese parallels the Indian influx of greater size a century ago, and as Indians did, the Chinese see Burma as a land of opportunities⁶⁷. With China the Burmese ran a huge official trade deficit, importing nearly all consumer goods from China and exporting logs and jade, much of this in contraband, as well as heroin. China, contrary to the West which until now was limited to humanitarian help only, was unrestrained, investing in infrastructure projects, building roads and dams, cutting down teak forests, mining for jade and selling its own consumers goods: "the net result was that new jobs were being created for local people and a more unequal society was being established"⁶⁸. There was, however, one great obstacle in Chinese plans: the Burmese nationalism.

The "Burmese thaw"

The generals are thankful for the China's friendship. Nevertheless, an alliance with China was a tactical move, not a permanent one sealing in a future for Burma as a raw material exporter to China. But it was the same generations of generals who had fought nearly all their lives against Chinese-backed communist insurgents. And add the long-lasting anxiety about China: "China's picture in Burma has been

⁶⁴ Ibidem, p. 119–141.

⁶⁵ Ch. Fink, *Living Silence...*, op. cit., p. 248.

⁶⁶ Thant Myint-U, *Where China...*, op. cit., p. 44.

⁶⁷ The influx of Indians into Burma was to such extend that in 1927 Rangoon exceeded New York as the greatest immigration port in the world; in created an extremely negative popular unrest against Indians. In a way, nowadays Chinese migrations follows that pattern, idem, *The River...* p. 185. More about Indians in colonial Burma: J. Furnivall, *Colonial policy...* p. 185–200.

⁶⁸ Thant Myint-U, *Where China...*, op. cit., p. 102.

a juggernaut, rolling in and intent on supremacy”; the Burmese tend to see Chinese as colonists, eating out everything — from snow leopards to rhinos, marrying to Burmese women or trafficking them to China, taking away their land and jobs⁶⁹. In general the Chinese are considered being “more equal” — to use Orwell’s term⁷⁰, due to political reasons⁷¹.

The generals reacted in what was being called the “Burmese thaw” that started in August 2011 with the reconciliation between military backed government and opposition leader Aung San Suu Kyi⁷². Contrary to popular Western belief seeing this case as a proof of the unavoidable process of democratization around the world, political reforms in Burma are being initiated from “above.” They are elite-driven and stem from the president and progressive members of the military-dominated party, the Union Solidarity and Development Party (USDP)⁷³. They represent a “political thaw”, as in the former USSR were the Khrushchev’s initial reforms (hence this name in political science)⁷⁴. The Khrushchev’s thaw ended in the frost: all those who wanted something more than superficial lifting were sent to mental hospitals⁷⁵. Will it be similar in Burma? Or another comparison with USSR would fit? That of perestroika: Gorbachev also wanted to „change everything in order to keep everything”, but his reconstruction led to a full failure: the country collapsed within ethnic lines. Therefore, the main question about the political changes in Burma is whether the generals would be able to control “the thaw”: change colors, create “democratic” structures (controlled by them) and keep all the power or the whole process would overwhelm them and lead to genuine political transformation. So far option number one remains the answer.

The key factor in Burma’s transformation is the army. Only the army has structures, capital and ability to reform. Opposition has only symbolic power: with the exception of moral leadership of Aung San Suu Kyi, NLD cannot offer much. Whatever happens, the power will remain in the hands of generals, now in civil dress. It’s as in 1989 China, when Deng Xiaoping argued with Zhao Ziyang. “I have the army” — said Deng. “I have the people” — replied Zhao. “So you have

⁶⁹ Ibidem, p. 137.

⁷⁰ George Orwell started his career in Burma, with his debut novel “The Burmese Days” (1934).

⁷¹ It’s a good comparison with mid-war Poland’s ethnic tensions: “nasze ulice, wasze kamienice” (“Our streets, your residences”).

⁷² More about beginning of the „Burmese thaw”, see: <http://www.polska-azja.pl/2011/08/28/m-lubina-odwilz-w-birmie/>, [12.06.2012], there this term appears for the first time in Polish.

⁷³ M. Bunte, C. Portela, *Myanmar: The Beginning of Reforms and the End of Sanctions*, GIGA Papers nr 3 9 (2012), http://www.eu-asiacentre.eu/documents/uploads/pub_55_focusmyanmar.pdf, [12.06.2012].

⁷⁴ This term takes its name from Ilya Erenburg book „The thaw” (*Оттаивание*) from 1954.

⁷⁵ For more about this practices, see V. Bukovsky’s book *And the Wind Comes Back*, New York 1979.

nothing” — answered Deng⁷⁶. In Burma it's even worse: the army has an almost monopolistic position and we should have no illusions about this.

So it was the army who started “the Burmese thaw” and main external reason for that was China's threat. The first step was to lessen its dependence on China. The junta already made a move in this direction by cancelling the construction of the Chinese supported Myitsone dam, a “Burmese Three Gorges Dam”. Myanmar's President, Thein Sein, announced the suspension of this project citing public disquiet, a motive previously unheard of in Myanmar. Since that the junta started a gradual process of liberalization. Most of political prisoners were released, censorship was softened, cease-fire agreements with Karens and Shans were achieved, and talks with the opposition started, with the culmination of follow-up elections won by NLD on April 1. As the political ice melted, the West began a cautious re-assessment of the policy of isolation and sanctions. Hilary Clintons' visit to Myanmar in December 2011 — the first by a US Secretary of State since 1955 — was the most visible, followed by majority of top Western politicians. And finally, suspension of sanctions came in May 2011, a step mostly desired by Burmese leaders, for it constitutes a powerful incentive for a leadership eager to attract foreign operators to a market largely dominated by China. With Western investments, for the very first time, the generals will have something they always missed: the capital. As one businessman told me, “it's difficult to make capitalism without capital”⁷⁷. Now, for the first time since colonial times, Western capital will be present in Burma on a large scale⁷⁸. And capital can help more. It can solve many domestic problems. For example, the ethnic minorities might be more prone to accept the status quo if they are being offered some social projects (schools, hospitals etc).

All this activity should be seen within the framework of wider political ambition to gain influence and regain it's regional status: by balancing Western and Chinese influence, Burma wants to come back to “Asian chessboard”. This is happening now, when, for the first time in history, China and India may meet in Asia — in Burma. As Thant Myint-U, points, “at a time when Chinese influence around the world was starting to be felt more strongly than ever, Burma was the canary in the coalmine”⁷⁹. Burma thanks to its political thaw which pull the country out of Western isolation, may become a background for a new, grand geopolitical struggle between China and the West: a Robert Kaplan point “a new Great Game”⁸⁰. If Bur-

⁷⁶ B. Góralczyk, *Pekińska wiosna. Początki ruchu demokratycznego w Chinach (The Beijing Spring The beginning of democratic movement in China)* Warszawa 1999.

⁷⁷ Visit in Myanmar, February 2012.

⁷⁸ The colonial government improved Burma's economy significantly, but only the specific sectors needed by the British, M. Smith, *Ethnic groups of Burma. Development, Democracy and Human Rights*, <http://www.zomilibrary.com/main/archive/files/ethnic-groups-in-burma-by-martin-smith_f37300a30d.pdf>, [12.06.2012].

⁷⁹ Thant Myint-U, *Where China...*, op. cit., p. 113.

⁸⁰ R. D. Kaplan, *Monsoon: The Indian Ocean and the Future of American Power*, New York 2010, p. 29.

ma be able to come back to the West, it will become “a new crossroad of Asia”⁸¹, a new, emerging, regional power.

China’s reaction to the “Burmese thaw” and its consequences for China-Myanmar relations

The answer is the dual approach towards “Burmese thaw”. The Chinese would like to see Western sanctions lifted, believing that a more prosperous Burma connected to international markets, will help ensure stability and that this will be good in the long run for China as well. But they also clearly see the huge advantage that sanctions (and related boycott campaigns) have given to their own business interests by removing economical rivals from the scene. But what is most important to China is stability in Burma. Burma is not like Sudan or Zimbabwe: it is sitting next to a newly invigorated Chinese hinterland and any backlash in Burma or violence along the border would have serious consequences for Beijing. Burma sits on top of the Bay of Bengal and will soon be southwestern China’s access to the sea as well as conduit for its twenty-first century energy needs⁸².

Therefore, from Chinese perspective, if the “Burmese thaw” is to bring stability and peace in Burma, even under the unpleasant condition of having to compete with Western capital, it’s worth to sacrifice privileged position for greatest profit: Burma’s stability. But it doesn’t mean Beijing will give in for free it’s dominant position in Burma. On the contrary, it will try to “teach the generals a lesson” for their insubordination. There’s well known saying in China, “Yelang zi da” (meaning “Yelang thinks too highly on itself”) which is used to refer to anyone arrogant or conceited. Yelang was an ancient kingdom on China’s southwestern border, whose kings had seen themselves as equals of the Han emperor⁸³. So if the generals in Burma fail to succeed in their reforms, they will have to acknowledge Chinese domination. In this scenario, Burma’s dependence on China will only deepen and the country will turn into Beijing’s raw material colony. If the generals succeed, however, they would be in strong position to face Chinese. Only then Burma might become China’s strategic partner.

⁸¹ Term taken from Thant Myint-U’s book, cited above.

⁸² Thant Myint-U, *Where China...*, op. cit., p. 220.

⁸³ *Ibidem*, p. 219.

* ABSTRACT *

Stosunki chińsko-birmańskie, widziane są z perspektywy Zachodu głównie jako polityczny parasol Pekinu dla krytykowanej na świecie junty birmańskiej, podczas gdy rzeczywistość jest o wiele bardziej złożona. Zawiera się w niej wiele kwestii, takich jak dziedzictwo historyczne (które pozostawiło u Birmańczyków wyraźny lęk przed potężnym sąsiadem z północy), kwestie gospodarcze — tak legalne (wymiana gospodarcza — ChRL głównym partnerem handlowym Birmy), jak i nielegalne (handel opium) oraz polityczne, w kontekście trwającej ostatnio w Birmy „odwilży”, której głównym celem jest właśnie wyrwanie się z chińskiej kurateli. Istotna jest chińska percepcja Birmy: jako z jednej strony kraju rozwiązującego „dylemat Malakki” oraz znakomitego rynku zbytu dla rodzimych towarów, a z drugiej strony jako kraju niepewnego, targanego niestabilnością i przez to grożącego szerszej wizji wyjścia na Ocean Indyjski. Chińczycy, dzięki wycofaniu się Zachodu z Birmy, uzyskali tam niepodzielną pozycję i umiejętnie ją utrzymywali. Jednakże dominacja ta wyzwała u birmańskich generałów lęki przed staniem się wasalem Pekinu i popchnęła ich do strategicznej decyzji o liberalizacji. Junta wykalkulowała, że lepiej jest rozpocząć koncesjonowane reformy i przez to uzyskać wsparcie Zachodu — jedynej siły mogącej zrównoważyć Chiny — niż dać się zdominować Pekinowi. Podejmując tę grę, generałowie zaryzykowali. Powodzenie reform w samej Birmy będzie mieć decydujące znaczenie dla dalszej pozycji Birmy w relacjach z Chinami. Jeśli otwarcie na świat się powiedzie, Birma będzie w stanie zrównoważyć swój chiński wektor polityki. Jeśli nie, czeka ją nieuchronne staczenie się w stronę chińskiej kolonii.

Michał Lubina — Absolwent roszjznawstwa i studiów dalekowschodnich UJ, doktorant na Wydziale Studiów Międzynarodowych i Politycznych UJ, kilkakrotny Stypendysta Ministerstwa Nauki i Szkolnictwa Wyższego oraz Narodowego Centrum Nauki. Ekspert w Centrum Studiów Polska — Azja oraz w Stowarzyszeniu CTA (Closer to Asia). Wśród jego zainteresowań badawczych znajdują się przede wszystkim stosunki rosyjsko-chińskie oraz Azja Południowo-Wschodnia, ze szczególnym uwzględnieniem Birmy, którą regularnie odwiedza. W sierpniu 2011 r. jako pierwszy analityk w kraju użył określenia „odwilż birmańska”.