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# RSIS COMMENTARIES

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No. 043/2012 dated 14 March 2012

## **Myanmar's China Policy Shift: Preparing for ASEAN Chair?**

By Yang Razali Kassim

### **Synopsis**

*As Myanmar prepares to take over the ASEAN Chair in 2014, it appears to be rebalancing its ties with China. What lies behind this shift and what does it mean for ASEAN?*

### **Commentary**

MYANMAR APPEARS to be rebalancing its ties with China even as Naypyidaw is preparing to assume the chairmanship of ASEAN - a role it skipped in 2006 partly following Western pressure over its human rights records.

This rebalancing was vividly demonstrated in the suspension of the China-funded Myitsone Dam project. In so doing, Naypyidaw seems to be stepping out of China's shadow, while carefully maintaining its strategic relationship with Beijing. It is a significant signal of Myanmar's possible posture when it takes over the ASEAN chair in 2014 - a shift that has as much relevance for ASEAN as it has for China.

To understand Myanmar's recent behaviour one needs a deeper appreciation of its policy towards China. A recent book on Myanmar's China policy, "In the Name of Pauk-Phaw", written by Myaung Aung Myoe and published by the Institute of Southeast Asian Studies (ISEAS), is enlightening in this respect.

### **Pauk-Phaw Diplomacy**

Myanmar's foreign policy, the writer argues, historically has been one of neutrality. But relations with China have never been easy though, according to the author, Sino-Myanmar relationship can be described as "Pauk-Phaw" (kinfolk) friendship. In this kinfolk relationship, Myanmar, for all practical purposes, is the "younger sibling". In other words, Myanmar positions itself as the younger brother to the big brother - China - in this asymmetric relationship.

While the Pauk-Phaw relationship is tilted in Beijing's favour, Myanmar has skillfully played the "China card" and still enjoys considerable space in its conduct of foreign relations. Naypyidaw has constantly repositioned itself towards China to its advantage, locating itself, the author argues, somewhere between "balancing and bandwagoning". Thus, while it accommodates China's regional strategic interests, it resists Chinese influence and interference in Myanmar's internal affairs when necessary. This balancing, the author argues, has been a hallmark of Myanmar's China policy which is "likely to remain unchanged".

Notwithstanding this view, there is debate amongst Myanmar watchers about Naypyidaw's China posture. A dissident Myanmar scholar, Mya Maung, argues that Myanmar has been overwhelmed by China and is being 'sinicised'. Mohan Malik, who is concerned about Indian security in the Indian Ocean, views Myanmar as having abandoned its neutralism "given its role in China's grand strategy for the next century".

The Chinese scholar, Chi-Shad Liang, however, sees the Sino-Myanmar relationship as being marked by a shift since 1988, the year of the students' uprising, from 'delicate friendship' to "genuine cooperation". Andrew Selth, another scholar of Myanmar, also takes a more positive view. While he accepts that Myanmar has abandoned its neutralist foreign policy, "there is every indication that Myanmar will eventually attempt to draw back from China and try to find a more balanced position", he says.

### **Current Context**

Myanmar's re-balancing of its relationship with China is underway against the backdrop of the quiet reclaiming of its turn as ASEAN chair. Many were taken by surprise when in September 2011 Naypyidaw suspended a major dam project on the Irrawaddy River in Myitsone near the border with China. Not surprisingly, that action upset Beijing while attracting unusual attention in ASEAN and the West.

In so doing, Myanmar demonstrated its new attitude of being responsive to domestic public pressure over the environmental impact of China's economic projects in Myanmar. Interestingly, the decision to suspend was justified in terms of the desire of "the elected government" to "uphold the aspiration and wishes of the people," as explained by President Thein Sein to the new parliament and reported by the Myanmar media.

China's strong economic presence in the country mirrors its strategic interests in Myanmar. Through its close links with Myanmar, China gains much-needed access to the Indian Ocean via the Bay of Bengal.

Naypyidaw's unprecedented act against Chinese interests came just four months after a major visit to China by the newly-installed Myanmar President last May. That visit was projected positively by the Chinese media. Xinhua said Thein Sein, after meeting President Hu Jintao, went home with an upgraded bilateral relationship. Myanmar and China were now in a "strategic partnership" anchored in economic agreements in energy, transport and agriculture.

Xinhua further described the strategic partnership as "the latest sign of stronger ties between the two neighbours". Thein Sein, in an attempt to assure China of Myanmar's continuing traditional friendship, reportedly described relations with China as the "closest and most important diplomatic relationship" for Myanmar.

Significantly, both leaders felt bound to issue a joint statement to reaffirm "China's respect for Myanmar's independence, sovereignty and territorial integrity". In underscoring Myanmar's sovereignty, Beijing signaled that it appreciated Naypyidaw's desire for some elbow room while Myanmar tempered perceptions of its being a client state of China.

Such rebalancing comes at a time when Myanmar and the US are perceived to be inching closer towards each other after a period of alienation. Significantly, since 2010, Washington has softened its stance towards Myanmar to encourage further political reforms as the US reasserts its Asian presence, consistent with its "pivot to Asia" strategy.

### **Myanmar and ASEAN**

Even as Myanmar rebalances its relations with China and warms up for its role as ASEAN chair, Thein Sein also pledged to strengthen cooperation in regional groupings where both Naypyidaw and Beijing are members. These include the ASEAN+3 whose members, apart from ASEAN, are China, Japan and South Korea, and the Greater Mekong Sub-region.

Until its entry into ASEAN in 1997, Myanmar had long been viewed as a country on the fringe of ASEAN affairs. This will no longer be the case. When it takes over the ASEAN chair in two years' time, Myanmar will be in step with the rest of ASEAN in ushering in the ASEAN Community in 2015.

But in an unprecedented and somewhat unusual role, it will also have to lead ASEAN in finding a balance between the US the established power, and China the emerging giant, in East Asia. It is a role that Myanmar's shifting posture towards Beijing will facilitate.

*Yang Razali Kassim is a Senior Fellow with the S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University where he contributes to the Centre for Multilateralism Studies (CMS) and the Centre for Non-Traditional Security (NTS) Studies.*