**[China and Myanmar’s reforms](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/)**

Trevor Wilson, writing in ‘New Mandala’, Feb 10, 2014

***Background***

China has long been concerned about ineffective Myanmar political, social and economic policies, many of which had direct impacts on Chinese interests, although as is customary for China, it tended to blur its public criticisms of Myanmar policies.[[1]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftn1)After around 2000, in private conversations with other countries Chinese diplomatic representatives did not bother to hide their frequent frustration with the negative impacts on China from Myanmar’s poor economic management (manifested most openly in their inability to repay Chinese loans, albeit concessional loans), in striking contrast to China’s own post-1978 economic liberalisation.[[2]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftn2)

It is only after 1989 that China had sufficient influence in Myanmar to promote or advocate reform, or other significant policy changes, there. Yet although China had begun its own far-reaching economic reform program after 1978, on the surface it was not able to persuade Myanmar to change its ways in economic policy which could have direct, and negative, impact on China. Ne Win’s “Burmese Way to Socialism” seemed particularly impervious to the new alternative Chinese models. If China preached the advantages of economic reform in the 1980s, there was little indication that Burma was ready to listen, and Burmese state-owned enterprises, for example, (which seem to follow an earlier Chinese economic development model) remain almost unchanged to this day. By the end of the 1990s, Chinese officials from time to time privately and publicly revealed their dismay with Myanmar’s overall political and economic strategies which meant that China’s loans to Myanmar went unrepaid[[3]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftn3), that Myanmar continued to score so poorly in the UN’s human development indicators that it remained a designated least developed country, and that Myanmar’s fragile political condition magnified political risk factors for doing business in Myanmar.

In earlier years – after the mid-1990s and until around 2005 – China was openly concerned about Myanmar becoming a source of breeches of trans-national criminal activity (smuggling of people and goods, narcotics trafficking, public health epidemics). Even in officially controlled media, during these years reports often appeared of drug traffickers being arrested and sentenced on both sides of the border. However, China found other ways to deal with these matters through their diplomacy and through regional bodies, although these approaches were rather indirect and may not have guaranteed productive outcomes. For example, in an effort to reduce such trans-national crimes and to defuse negative impacts, regional cooperation arrangements notionally between China and ASEAN were set up for information exchanges and training. China openly supported these multilateral regional initiatives, which served its purpose of enhancing Myanmar’s capacity to conform with trans-national norms.

Outside this area, from about this time, China resorted to occasional statements expressing its concerns about these problems.  For example, China’s frequent public support for Myanmar to pursue “political stability and reconciliation” was codeword for finding some kind of rapprochement with the political opposition (a luxury China did not itself have to worry about!). Generally, while China sought to minimise openly negative comments on Myanmar government actions (for example, its weak anti-narcotics efforts), it could be expected that Chinese representatives, in their own direct discussions with the Myanmar government, would have expressed their views fairly clearly, if politely. But, hardly surprisingly, China never joined the public western chorus against anti-democratic practices or human right abuses by a succession of Myanmar military regimes. On some matters, especially those with a “trans-national” character, China was able to press for multilateral or regional support for additional efforts by Myanmar to reduce or eliminate infectious diseases (SRAS, HIV/AIDS), narcotics trafficking etc. But in some regional bodies around this time, China found that Myanmar would tacitly support anti-Chinese actions (for example, criticism of China in the Mekong Commission for building dams on the upper Mekong River). So multilateral action sometimes helpfully moved Myanmar closer to international standards, but did not always provide satisfactory outcomes for China.

Meanwhile, China’s actual financial support for Myanmar gained China little kudos and minimal benefits: senior elements of the Burmese Army remained quite hostile towards China for historically funding their sworn enemy, the Communist Party of Burma; and among the people, latent anti-Chinese sentiment was widespread.[[4]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftn4) For their part, Myanmar Governments were duly grateful for Chinese assistance, as well as Chinese political support (on UN sanctions, for example). However, there is little or no public evidence that the Myanmar military regime modified their policies in response to expressions of Chinese concern, or requests for change. Chinese views might have coincided with those of multilateral agencies involved in assessing Myanmar economic and social policies, but China was not notable for reinforcing the views of the IMF or the World Bank or the United Nations Development Programme (UNDP) which those agencies had been conveying consistently to Myanmar/Burma since the mid-1990s in some cases.

While under Myanmar’s military regime, Myanmar always seemed to be satisfied to have close cooperation with China. However, Army officers (who occasionally intimated that they remained quite bitter about the longstanding political and military support that the Chinese Communist Party had given the Communist Party of Burma in the latter’s post-independence struggle against the Burmese State) were apparently not always happy with the quality of Chinese military cooperation.[[5]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftn5) Much later, Myanmar officials were almost gleeful when around 2002 the Myanmar leadership rejected a Chinese proposal for shipping access to the Indian Ocean via the Irrawaddy River on the grounds that this violated Myanmar’s sovereignty.[[6]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftn6)

Until now, China has enjoyed a significant presence in Myanmar, as a donor, investor and trader, in the virtual absence of most of the traditional developed country sources of such flows. Although China was far from satisfied with Myanmar political, economic and social policies, and often made this clear to Myanmar leaders and to others, it did not noticeably seek to use its position of influence in Myanmar between 1988 and 2008, to press for urgent policy reform. Inasmuch as, during this period, China faced limited competition or opposition in getting what it wanted in Myanmar, there was perhaps no reason for it to insist on policy changes from the Myanmar side. Especially after China stopped assisting the Burmese Communist Party in 1989, it approached its relationship with Myanmar rather cautiously, and sought to avoid both becoming too dependent on Myanmar or allowing Myanmar to be become too dependent on China.[[7]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftn7) It was not until around 2005 that China decided it could increase its reliance on Myanmar as a conduit for China’s resource needs.  Why did this happen then?

However, the potentially important role China plays in Myanmar’s developments was underlined in the International Crisis Group’s 2009 report on *China’s Myanmar Dilemma* which concluded that “Given China’s limited capacity to influence the domestic politics of Myanmar, the international community should continue to encourage action from China as well as other regional stakeholders to take part in a meaningful and concerted effort to address the situation in Myanmar.” [[8]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftn8) Previously, UN envoys, such as Razali Ismail (2000-06) had gone to great lengths to enlist Chinese support for political change in Myanmar, and key international collaborators such as the Japanese and the US governments had discussed Myanmar with Chinese counterparts, but with little or nothing to show for this.

***China and Myanmar’s New Post-2011 Reform Agenda***

Ultimately, China has had negligible influence over Myanmar’s post-2011 reform program, which is in many respects happening in direct response to suggestions or proposals from the international community. There is little evidence of China having pressed Myanmar to undertake substantive internal reforms, although the International Crisis Group stated in its 2009 report that China encouraged the former military regime to respond to popular demands and to cooperate with the United Nations.[[9]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftn9) However, ironically China stands to lose most from changes occurring as a result of these reforms.

Even if China did not have much influence in persuading Myanmar to pursue reforms, when the reforms began in 2011, China moved quickly to respond , openly promising that such reforms would substantially enhance Myanmar-China relations, and in some cases, endeavouring to re-position China to benefit much more substantially from the reforms. The May 2011 announcement of a new “comprehensive strategic cooperative partnership” certainly seems on the surface like an attempt to lock the two countries into an even closer forward-looking partnership. Whether or not bilateral developments match this rhetoric remains to be seen. It seems reasonable to conclude from such statements that China was prepared to refocus and rebuild its relations with Myanmar as necessary, but it does not necessarily imply that this was a “counter-pivot” by China to US policy shifts on Myanmar.[[10]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftn10)

Soon after print media censorship was relaxed in early 2011, however, public questioning in Myanmar began to challenge many aspects of Chinese activities in Myanmar. Some indirect criticism of Chinese dam building on rivers flowing through Myanmar had been heard around 2000. China had also already been controversially accused by a powerful global environmental group in 2005 of pillaging forests in the north of Myanmar[[11]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/" \l "_ftn11" \o "). This was one of the first instances of irresponsible Chinese behaviour in Myanmar being publicly criticized, although earlier denuding of Myanmar forests by corrupt Thai business practices was well known. However, after 2011, questioning of China’s activities across Myanmar intensified in a way never experienced before. Often, the grounds for criticism of Chinese behaviour seemed strong, and Chinese initial public responses were rather defensive.

Accordingly, it is interesting to examine more closely China’s responses to Myanmar’s reform process since 2011. Analysing Chinese statements, actions and views – as published on the website of the Chinese Embassy in Yangon – provide a fairly reliable basis for monitoring and judging the evolution in Chinese thinking. The Website itself has been used far more frequently to represent official Chinese views in a sometimes rapidly changing, and possibly worrying situation. (Not all Chinese public statements are on the website, however.) See Attachment A.

Publicly, in all these statements China was almost always as positive as it could be about Myanmar. One recurring theme was that “China supports Myanmar pursuing a development path that is suited to its national conditions”. Interestingly, Chinese statements often repeated the general proposition that Myanmar’s economic reforms would open up new possibilities for Myanmar-China relations. There was talk of changes “heralding a new era”. This clearly echoes, or perhaps counters, the argument that western countries took to justify their pressure for economic and political reforms. As an apparent sign of Chinese public confidence in Myanmar policies, Chinese statements often “expressed the belief that Myanmar’s new government will make utmost efforts to safeguard the peace and stability in the border area and create a stable environment for Myanmar’s economic development”.[[12]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftn12)

Chinese statements were not afraid to tackle criticisms of China head-on. For example, its response to the claim that “China has been making use of the West’s sanctions to expand its investment in Myanmar, and it ‘fears’ it will be elbowed out in the wake of Myanmar’s improved external environment” was fierce: “Such accusations are a malicious distortion of the truth.”[[13]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftn13) Consistent with this being part of a Chinese press report, this is by far the strongest language used on the website, indicating the sensitivity of the topic for China. But it also underlines clearly that China wanted to refute the idea that it preferred operating in a Myanmar environment where it enjoyed an almost exclusive position. Rather, the message is that China is happy to have other countries sharing the benefits as well as the challenges of operating in Myanmar.

However, Opposition Leader and NLD Chair Aung San Suu Kyi still appears to pose particular sensitivities for China. Not only does China studiously avoid commenting specifically on Aung San Suu Kyi or NLD policies, but China also seems reluctant to deal directly with her.  China is now the most significant country that Aung San Suu Kyi has not visited, and the most important of Myanmar’s neighbours that she has not visited. It took more than a year for the Chinese Ambassador to meet Aung San Suu Kyi after her release from detention in November 2010, and the Chinese Government seemed sensitive about this timing.[[14]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftn14)  (It is also possible that Aung San Suu Kyi herself was not comfortable with prominent press reporting of the meeting.)

Of course, Aung San Suu Kyi has always been conscious of China’s importance for Myanmar and of China’s noticeable absence from the ranks of countries with which her party had substantive contacts. In May 2011, she took the opportunity of video-link with Hong Kong University, to call on China to establish some dialogue with the NLD. In her remarks she said, pointedly, that she had “long sought” contacts with the Chinese leadership, which “has always shunned us.” Suu Kyi went on to say that “she does not want to choose between China and the West, because both will be necessary for the development of Myanmar”.[[15]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftn15) It would not seem that this strong public statement had yet had the results Suu Kyi presumably desires. She has said publicly that she is awaiting an invitation to visit China. A visit would force China to take a more overt stance on Suu Kyi and the NLD, and perhaps China would not smother her with honours and awards as has mostly been the case in other countries she as visited, but China would not need to adopt policies towards the NLD that went further than it liked.  But it might be conspicuous if it treated her noticeably coolly. A Suu Kyi visit would seem like a sensible hedge by China against a future NLD government and could provide the basis for better mutual understanding, if not respect.  From Suu Kyi’s point of view, it looks as if she is improving relationships with all Myanmar’s other friends in order, ultimately, to strengthen her position vis a vis China.

***Chinese Reactions to Myanmar’s Ppost-2011 Reforms as Reflected in China’s Public Positions***

Reviewing official Chinese perspectives of activities between China and Myanmar during 2011-13, some interesting patterns emerge. Chinese reactions can be assessed by examining official Chinese responses to various developments in Myanmar.  To some extent, these responses are documented by the website of the Chinese Embassy, Yangon, alongside other known Chinese Government reactions to events in Myanmar and events affecting Myanmar. The first noticeable feature is that China tends to avoid using the word “reform” in formal statements: perhaps, for the Chinese, the word “reform” smacks of interference in internal affairs; perhaps, for China, it is just a word laden with sensitivity. There are endless mentions of how changes in Myanmar are welcome as they will benefit China-Myanmar relations, but almost none explicitly call for “reforms” to continue or to expand. While many “changes” in Myanmar might be good for China, it is clear that some – such as Myanmar’s political liberalisation – are not so good.

The second distinctive pattern is the increased frequency of high-level visits in both directions in this transition period, a frequency partly necessitated by leadership changes in both countries. Than Shwe’s final China visit as part of a regional tour the previous year, in September 2010, seems to have had a different purpose, namely a farewell tour. The subsequent visits, in both directions, seem to have reassurance as one objective, and indeed there is much mention of “trust” in formal statements associated with these visits. But there is also another interesting tendency of new types of Chinese leaders visiting Myanmar for the first time, including top leaders of some of the Chinese state enterprises investing in Myanmar, but also different political leaders. This could suggest – at the very least – that China-Myanmar relations are becoming more diverse and more complex. But it might also imply a recognition that a wider range of Chinese interests were being affected and that additional Chinese “stakeholders” needed to be more directly engaged.

A third pattern is the noticeable increase in Chinese “public diplomacy” activities in strategic support of Chinese interests. Such activities are more openly mentioned and described, and the term “public diplomacy” is specifically used. A very American concept if ever there was one, this shows that China realized that it could no longer take it for granted that its commercial actions would always be welcomed and unchallenged in Myanmar. The increased exposure given such Chinese activities also implied they were assuming greater value than the concrete assistance or program development involved. Of course, this increased attention was also recognition that China (and Myanmar) had not publicised their activities sufficiently, and indeed had not even seen the need to do so, either in terms of “informing the public” or in terms of allowing public responses to test the validity of the activities – something which was certainly not always a pre-requisite in China itself.

Curiously, there are no documents posted by the Chinese Embassy between 4 June 2010, and NPCC chair Jia Qinglin’s Goodwill Visit, 17 May 2011 (“first foreign visit under new government”).  Presumably this represented a “pre-election” period in which the Myanmar Government discouraged visits as the election campaign got under way. But other visits from other countries occurred in this period – then Thai Prime Minister Abhisit visited Naypyitaw in early October 2010, while US Assistant Secretary of State Kurt Campbell had visited in May 2010. More likely, China was either hedging its bets by not getting too close to the Myanmar leadership before the elections, or trying to avoid any suggestions it might be “interfering”.

Interestingly, the Yunnan Commercial Representative Office in Yangon in its 2014 Edition of the “Myanmar Investment Guidebook”, presumably reflecting problems encountered by Chinese business interests in recent times, pointed out three areas that Yunnan companies should pay attention to when investing in Myanmar. First, “investment in Myanmar should begin with respect for local traditions and customs in Myanmar”; second, “they should be careful when choosing partners for cooperation”; and third, Chinese investment needs to show “a sense of responsible investment…it requires a correct attitude.”[[16]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftn16)

***Chinese Responses to Specific Events after 2011***

Official Chinese statements have also been used to achieve certain specific objectives. For example, in January 2012, the Chinese media took the opportunity to emphasise that: “China hopes the country (Myanmar) will enjoy political stabiIity and social progress, and take a welcoming attitude to enhanced contacts between Myanmar and the West, including the United States”[[17]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftn17)  (The same statement used strong language to reject claims that China had made use of Western sanctions to expand its trade and investment in Myanmar.)

When President Thein Sein announced the suspension of the Mitsone Dam project, on September 2011, because of public concerns about the project, the Chinese Government called for consultations about the affects on all stakeholders.[[18]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftn18)According to the *Myanmar Times,*“The decision provoked an angry response from Beijing and the president of state-owned China Power Investment Corporation, the main investor in the project, had threatened legal action”, but the two sides engaged in negotiations to reach some kind of understanding reflecting mutual legal obligations. [[19]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftn19)

The Chinese  manager of the Wanbao copper mine near Monywa was also prepared to state is company’s position fairly clearly in an interview with the exile journal*Irrawaddy* after local protests led to violent clashes with police. In addition to asserting that Wanbao “does not accept” that the project should be closed down, but indicated their readiness to “negotiate” with protesters. He insisted that Wanbao had conducted the necessary environmental and social impact assessments, had nothing to do with the heavy-handed police intervention, and was “really sorry” that protesters including some monks had been injured. [[20]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftn20)

***Overall Chinese Position on Myanmar’s post-2011 Reforms***

Underlying difficulties in China’s relations with Myanmar had been noted as early as 2009 by China’s foremost scholar on Myanmar, Li Chenyang.  He described Chinese relations as being characterised by increasing “resentment” directed at Chinese businessmen, and Chinese lack of respect for Myanmar culture and procedures. Even then, Li (an advisor to the Chinese Government on Myanmar, who is mostly cautious in his commentary and defensive of Chinese Government policies) identified this as producing a most serious breakdown of trust between China and Myanmar.[[21]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftn21) Other observers also concluded that China was unhappy with trends in Myanmar that certainly upset some of the arrangements with which both China and Myanmar had become accustomed. The eminent US scholar on Myanmar, David Steinberg commented:

The openings to the US in the last throes of the previous ruling military junta and into the new administration of President Thein Sein have been seen by the Chinese as a setback to their vital national interests in the region, in which Myanmar plays a singular role.[[22]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftn22)

Generally, various official Chinese statements after 2010 continued, ostensibly, to welcome many tangible improvements in China-Myanmar relations after reforms began, with talk of a “new chapter of Sino-Myanmar Friendship”[[23]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftn23). Yet, in parallel with the increased openness on the part of the Myanmar authorities (for example, in gradually but quite quickly removing censorship) there was also a greater onus on the Chinese side to explain, justify and publicly disclose their actions in Myanmar. Interestingly, the Chinese side was unable to resist, or ignore, this trend towards openness on the part of Myanmar, despite its much greater power and influence. To some extent, this new requirement was inevitable as changes occurred in Myanmar that made it more like other countries.

But there was also, not surprisingly, sometimes a sense of Chinese irritation that this had happened, even if they could not do much about it, and could scarcely even complain. As another observer commented:  “A self-serving approach has clouded local perceptions of China’s presence, especially in troubled Kachin State.”[[24]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/" \l "_ftn24" \o ")(Berger 1010). Naturally, the Chinese Government did not want to be caught napping about these import of these changes in Myanmar and presumably endeavoured to persuade its senior officials and businesspeople to pay due attention to protect their interests in Myanmar. As one Chinese academic acknowledged:

“The Chinese government has warned its companies to be more cautious about investing in Myanmar. They have become more unsure about the future of the country”. Uncertainty over the political reforms and the tensions had a chilling effect on Chinese investment in Myanmar, “Only state-owned companies dare to go, and even they won’t put money into big projects now.” [[25]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftn25)

***Conclusions***

Like most others, China seems to have been surprised by the speed and direction of change in Myanmar after 2011. Although China must have been concerned that it would lose it pre-eminent position in Myanmar’s foreign relations, it would have also been relieved in some ways that it would no longer be confronted by Myanmar’s enormous and sometime unrealistic expectations on its own. So China took stock of developments and decided it would endeavor to protect its growing resources interest in Myanmar. It seems to have opted to neither actively encourage nor discourage Myanmar’s aspirations, but to adapt and modify its activities where necessary. It might have assessed that it could afford sometimes to be generous and responsive to many new Myanmar “demands” of it, without creating undesirable precedents or incurring unwanted costs.  It would have been conscious of the potential loss of face for China if its prime tutelary state, Myanmar, were to slip outside its influence. The change in US policy that brought the United States back into calculations as a factor in Myanmar’s development, would have been a sharp reminder to Chinese policy-makers that it could not afford to be complacent about emerging aspirations in Myanmar.

Therefore, China seems to have also decided to retain its leadership position to the extent that this was possible, anticipating some of Myanmar’s shifts and responding sympathetically where there was no great cost or penalty for it in doing so. It would have feared that, as happened in some other countries in Southeast Asia in the past, anti-Chinese sentiment could easily escalate out of control in Myanmar with potential damage to Chinese commercial and other interests. The fact that this would be happening on China’s border, where effective containment of problems could be complicated and unpredictable, would have increased China’s worries. It may have judged that over-reacting by China to Myanmar’s reform agenda could make matters worse, as Myanmar liberalised and military controls were relaxed.

By and large, China managed its relationship with Myanmar – at this time of great and unexpected change – quite well, albeit in a decidedly reactive mode.  As one US Asia expert, with extensive experience in US foreign relations, observed:

In sum, China’s leaders have been attentive and flexible in developing closer ties with a wary Myanmar administration that nonetheless values the economic and military support and political protection provided by China.[[26]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftn26)

Even if China did not necessarily receive much advance notice of Myanmar reforms, the Thein Sein Government seems to have tried to explain its new policies to China as the nature and significance of the reforms were revealed. (Whether these “briefings” were adequate for the Chinese or not is not known.) It seems likely that China tried to persuade President Thein Sein to change his position on the Myitsone Dam, but if so, they failed, for Thein Sein later publicly reiterated his “suspension” several times. But it is not apparent that the Myanmar side noticeably looked to China for guidance on its reforms: Myanmar leaders would have been familiar with many Chinese policies; and if Chinese influence was present, it would have been remarked upon. Occasionally Chinese technocrats headed the Myanmar offices of some UN Specialised Agencies – for example the FAO in the mid-2000s and UNAIDS a little later – where they might have exerted some influence.

Some practical consequences of the anti-Chinese could actually lead to some improvements. Chinese stakeholders now realize that they need to be much more considerate of local (and other) community attitudes in Myanmar, to be much more open about their own activities, and generally more accountable for their actions. Chinese state-owned corporations, which seemed previously to have sheltered behind the Chinese Government and were rarely in evidence, have come out into the open in an unprecedented way to face public and media questioning, and have handled themselves in this quite well. It is clear that they recognized the need for a better basis of mutual understanding, and for greater public acceptance of China’s ongoing presence and role. Significantly, their statements after 2011 continuously emphasized China’s readiness to comply with any local requirements, without necessarily indicating any preparedness to re-negotiate or reconsider their original commitments.

**ATTACHMENT A**

1. ***1.     General Reactions to Myanmar’s Post-2011 Reforms as Shown in Chinese Embassy, Yangon’s Website***

***Overall Chinese Position***

Generally, various official Chinese statements warmly welcomed many tangible improvements in China-Myanmar relations, with talk of a “new chapter of Sino-Myanmar Friendship”[[27]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/" \l "_ftn27" \o "). Yet, in parallel with the increased openness on the part of the Myanmar authorities in gradually but quite quickly removing censorship, there was also a greater onus on the Chinese side to explain, justify and public record their actions in Myanmar. Interestingly, the Chinese side was unable to resist this trend despite its much greater power and influence.

For example, in January 2012, the Chinese media took the opportunity to emphasise that: “China hopes the country (Myanmar) will enjoy political stabiIity and social progress, and take a welcoming attitude to enhanced contacts between Myanmar and the West, including the United States”[[28]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftn28)  (The same statement – text below – used strong language to reject claims that China had made use of Western sanctions to expand its trade and investment in Myanmar.)

***“China Daily* Support for Myanmar”**

As a friendly neighbor of Myanmar, China attaches great importance to the healthy progress of bilateral relations, and pays close attention to developments in Myanmar. Over the past year, the Myanmar government has carried forward a series of reformist moves, the most remarkable of which has been the approval for Aung San Suu Kyi’s opposition party to reregister as a political party for future elections. Myanmar’s leaders have reiterated that there will be no turning back and China hopes the country will enjoy political stability and social progress, and takes a welcoming attitude to enhanced contacts between Myanmar and the West, including the United States.

China supports Myanmar pursuing a development path that is suited to its national conditions, and appreciates the Myanmar government’s endeavor to promote domestic political reconciliation and improve foreign relations. Unfortunately, it is still uncertain whether the West will lift its long-standing sanctions against Myanmar. Instead of sanctions, the international community should focus on providing Myanmar with constructive assistance and create a nurturing environment for its national reconciliation, democracy and development.

Some Western observers seem intent on portraying China as an obstacle to these positive changes. They claim China has been making use of the West’s sanctions to expand its investment in Myanmar, and it “fears” it will be elbowed out in the wake of Myanmar’s improved external environment. Such accusations are a malicious distortion of the truth. China pursues an independent foreign policy of peace and mutual benefit, and has never handcuffed the development of its ties with Myanmar to so-called opportunities created by Western sanctions. Myanmar’s prosperity and stability is in line with the fundamental interests of its people, and helps promote regional development and the integration process of the Association of Southeast Asian Nations.

***2012 New Year Message***

“The Myanmar government and people are now stepping up their efforts in reestablishing democratic system, developing modern economy, eliminating poverty, improving people’s lives, and broadening foreign contacts. The Chinese government and people welcome these positive progress and developments and cherish for Myanmar to attain political democracy, economic development and national reconciliation in coming months and years. Since establishing diplomatic relations over 61 years ago, our bilateral relations have withstood the test of the international vicissitudes, remaining unshakable and becoming even stronger and firmer as time goes. I am very convinced that the positive changes taking place in Myanmar will provide new opportunities for deepening friendly cooperation between our two countries. In the coming new year, China is willing and ready to take joint efforts with Myanmar, on the basis of equality, mutual respect and mutual benefit, to further enhance all-round exchanges, consolidate the foundation of friendship and promote the comprehensive strategic cooperative partner relations between the two countries.´

Chinese Embassy, Yangon Website 1 Jan 2012

1. ***2.     Chinese Responses to Some Specific Events 2011-13***

Official Chinese statements have also been used to achieve certain specific objectives.

1. **Rakhine-Yunnan Gas-line Project**

“Chinese Ambassador to Myanmar H.E. Mr. Yang Houlan said that the Myanmar-China Oil and Gas Pipeline Project should be developed into a model project of mutual benefit between the two countries….Amb. Yang Houlan met with villagers and monks during a visit on 19 May to Made Island of southwest Myanmar’s Rakhine State, the starting point of the project.

“After listening to their views, the Ambassador explained the social-economic benefits that this joint venture will bring about to the local community and called on joint efforts to make the project a model of mutually beneficial cooperation between the two countries.”

[Chinese Embassy Website account of Ambassador’s Visit to Made, Rakhine State, 20 May 2013]

1. **“Remarks on the Monywa Copper Mine Project**

“Monywa Cooper Mine Project is a joint venture between business communities of China and Myanmar that will bring benefits to both sides. Issues such as relocation, compensation, environmental protection and profit sharing regarding this project were jointly settled through negotiations by the two sides and meet Myanmar’s laws and regulations. We hope all levels of Myanmar society can create a favorable environment for the project’s smooth operation based on respect for laws and regulations of Myanmar.”

Press Release of the Chinese Embassy, Yangon. 30 November 2012. [full Text]

1. **China-Myanmar cooperation conforms to common interest: Chinese ambassador**

“China and Myanmar have established comprehensive strategic cooperative partnership and the two countries will continue to deepen mutually beneficial cooperation in respective sectors,” Chinese Ambassador to Myanmar Li Junhua told Xinhua in a written interview Thursday following Myanmar’s ordered suspension of the Myitsone hydropower project invested by Chinese company.

In response to concern over China-Myanmar relations arising out of the issue, Li said, “There emerged twists and turns with the two countries’ cooperation project for recent time bringing impact on the legal rights with Chinese enterprise. The two sides are willing to properly settle the issue through coordination based on the spirit of mutual respect and equality and mutual interest.”

Chinese Embassy, Yangon Website 20 October 2011

1. **Myitsone Dam: NORINCO CEO call on Myanmar President U Thein Sein**

China and Myanmar always carry out friendly exchanges on the basis of the Five Principles of Peaceful Coexistence, President U Thein Sein told Mr. Zhang Guoqing, head of China North Industries Group Corporation (NORINCO Group) as they met at the presidential office on Monday, 24 December 2012.  The Myanmar government attaches importance to the smooth implementation of the cooperation projects between Myanmar and China, the President added.

Thein Sein said he reached consensus with the Chinese leadership to raise the “Paukphaw” (kinsfolk) friendship to a comprehensive strategic partnership during his visit to China in May 2010. Present at the call were Union Minister for Home Affairs  Lt-General Ko Ko, Union Minister for President Office U Hla, Tun, Deputy Minister for Foreign Affairs U Thant Kyaw and Chinese Ambassador Li Junhua.

Myanmar Parliament Speaker U Shwe Mann also met Zhang on Monday.  Shwe Mann said his country will responsibly implement the agreements between governments and between companies, including that between the NORINCO Group and the Myanmar side, stressing bilateral cooperation will not weaken despite some difficulties.

[Chinese Embassy, Yangon Website 25 December 2012]

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[[1]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftnref1) This article does not attempt to deal with China’s attitude to the resumption of the insurgency in Kachin State, which is complex and involves many separate issues.

[[2]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftnref2) Author’s conversations in Yangon 2000-03.

[[3]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftnref3) See Trevor Wilson’s “Foreign Policy as a political tool: Myanmar 2003-06” in M. Skidmore and T. Wilson (eds.) *Myanmar: The State, Community and the Environment,*Canberra: Asia Pacific Press/ANU E-Press, (2007). 

[[4]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftnref4) According to David Steinberg, Editorial: “On China–Myanmar Relations”, in: *Journal of Current Southeast Asian Affairs*, Issue 31, No 1, 3-6.

[[5]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftnref5) According to Maung Aung Myoe, *In the Name of Pauk Phaw: Myanmar’s China Policy Since 1948.*”The Tatmadaw was not happy with Chinese weapons because of their poor quality”.*(p 151).*

[[6]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftnref6) Conversation with senior Foreign Ministry official, Yangon 2002.

[[7]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftnref7) See Kudo Toshihiro’s “Myanmar’s Economic Relations with China: Can China Support the Myanmar Economy?”, *IDE Discussion Paper No. 66,*Institute of Developing Economies, JETRO.

[[8]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftnref8) The 2009 ICG report on *China’s Myanmar Dilemma* considered that “An assessment of the risks presented by current Chinese policy shows that it is firmly in China’s interests to prod the Myanmar government toward meaningful economic and political reform” (p.22) International Crisis Group, *Asia Report No 177.*But the report went on to conclude that: “However it is reluctant to push too hard for fear of jeopardising its military, economic and energy interests”. (p35). International Crisis Group*China’s Myanmar Dilemma, Brussels/Jakarta. 2009.*

[[9]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftnref9) See International Crisis Group’s “China’s Myanmar Dilemma” *Asia Report No 177*, September 2009.

[[10]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftnref10) As suggested by David Steinberg in his commentary “China counter-pivots on Myanmar”, *AsiaTimes on line*, 18 March 2013. http://atimes.com/atimes/Southeast\_Asia/SEA-01-180313.html

[[11]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftnref11) See the Global Witness report “A Choice for China: Ending the destruction of Burma’s northern frontier forests”.

[[12]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftnref12) See “Visit by Jia Qinglin, Chairman of the 11th National Committee of the Chinese People’s Political Consultative Conference (CPPCC)”, website 17 May 2011.

[[13]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftnref13) *China Daily* “Support for Myanmar”, Website 10 January 2012.

[[14]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftnref14) The meeting was not announced by the Chinese Government in the normal way but was first reported publicly by Voice of America on 14 December 2011.  See: “China’s Ambassador to Burma Meets Aung San Suu Kyi”. http://www.voanews.com/content/chinas-ambassador-to-burma-meets-aung-san-suu-kyi-135651448/149575.html.

[[15]](http://asiapacific.anu.edu.au/newmandala/2014/02/10/china-and-myanmars-reforms/#_ftnref15) See “Aung-San-Suu-Kyi-calls-on-Beijing-to-dialogue-with-Burmese-opposition”,*Asia News IT,*31 May 2011. URL www.asianews.it/news-en/Aung-San-Suu-Kyi-calls-on-Beijing-to-dialogue-with-Burmese-opposition-21709.html.

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