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Contemporary Sino-Burmese Relations: A Return to Tribute Diplomacy?

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Contemporary Sino-Burmese Relations

A Return to Tribute Diplomacy?

By Gunnar Rueth

1 Introduction

Chinese-Burmese relations today seem to be based on a complementary set of interests between the government of the People's Republic of China (PRC) and the military government in Rangoon. On the Chinese side one can observe a growing interest in transport links with the Indian Ocean and South Asia through Burma as well as growing military and strategic interests in the country. For the Burmese government, good relations with China are a means of gaining support in international institutions like the United Nations Security Council as well as receiving military and financial aid, which can contribute to diluting the impact of trade and political sanctions maintained by Western countries. Bilateral relations in the given political environment, from this broad perspective, seem to be mutually beneficial.

Observers have thus in the past concluded that China could not be interested in political change in Burma (i.e. a power shift to the democratic opposition) and that Burma, on the other hand, would have to be tempted to please its northern ally by providing trade links and maybe even allowing for the establish-

ment of Chinese military and intelligence facilities in the country.¹ Some observers see in this forming pattern of bilateral relations a revival of the so called Tributary System, under which China had for many centuries dominated the Asian region, maintaining a set of rules and institutions to regulate foreign relations with its neighbouring countries.² Under this system, which was in effect till the beginning of the Western intrusion into China in the

¹ For examples for this perspective see also: Cossa, Ralph (2005): "The Company China Keeps", in: Asia Times Aug. 3rd, 2005,

"<http://www.atimes.com/atimes/China/GH03Ad06.html>". Dillon, Dana R. (2005): "China's Zombie States", in: Heritage Foundation - Press Room Commentary, May 11th 2005, <http://www.heritage.org/Press/Commentary/ed051105a.cfm>.

Ramachandran, Sudha (2005): "Rangoon still under Beijing's thumb", in: Asia Times, Feb. 11th 2005, "http://www.atimes.com/atimes/Southeast_Asia/GB11Ae01.html"

² Cheow, Eric (2005): "Paying Tribute to Beijing - An Ancient Model for China's New Power", in: International Herald Tribune, Wednesday, January 21, 2004, <http://www.iht.com/articles/2004/01/21/edteo.ed3.php>

Fullbrook, David (2004): "China - SE Asia: Shades of Tribute Diplomacy", in: Asia Times, Aug. 31, 2004, "http://www.atimes.com/atimes/Southeast_Asia/FH31Ae02.html".

early 19th century, China had to approve of foreign leaders (investiture), was regularly supplied by them with tributary gifts, and in some cases even undertook military campaigns to keep in power friendly rulers in neighbouring countries. This article will try to take a deeper look at contemporary relations between the PRC and Burma, identifying key areas of bilateral relations in order to analyze patterns of interests of political actors on both sides. Can the characteristics of contemporary Chinese-Burmese relations be interpreted as an early sign of an eventual reestablishment of the ancient tributary system or will future bilateral relations take a different path?

2 Historical Background

Burma had for a long time to a varying degree been part of the Chinese tribute System. This system was based on the assumption that the Chinese Emperor, as the Son of Heaven and guarantor of harmony between human society and cosmic order, not only ruled over all of China proper but over all under heaven (Tianxia). In order to extend his rule over barbarian states which were not under direct administrative control of China, the tribute system was conceived. It should help extend

the virtue of the Chinese Emperor to all the known world, thereby acknowledging his omnipotence, which, of course, could not end at human made borders.

The institutions of the tribute system were generally seen as a way to extend the rule of the Chinese Emperor by peaceful means, making other nations comply through insight into the superiority of the Chinese civilization and the Divine nature of the Chinese Emperor. During the Qing-Dynasty (1644-1911 A.D.), for example, the tribute system comprised – among others - the following concrete elements:

- Non-Chinese rulers were given a patent of appointment and an official seal for use in correspondence.
- They were given a noble rank in the Qing hierarchy.
- They dated their communications by the Qing calendar, that is, by the Da Qing dynastic reign title.
- They presented tribute memorials of various sorts on appropriate statutory occasions
- They performed the appropriate ceremonies of the Qing court, notably the Ketou (Kotow).³

Even before the founding of the first Burmese dynasty under King Anawratha in the 11th century, the kingdoms of the region were part of this system. There

have for example been recordings of Tribute missions by envoys of the Shan-Kingdom (on the area of today's northern Burma) to the Chinese court during the Han-Dynasty (206 B.C. – 200 A.D.).

When their superiority was not accepted, the Chinese did also not shy away from using military power to enforce it. When, during the Mongol rule of the Yuan Dynasty (1279-1368 A.D.), the Burmese King Narathihapate refused to pay tribute and even ordered the execution of the Chinese envoys sent to his court, consequent Chinese punitive expeditions led to the destruction of the unified Burmese Pagan-Kingdom. Later, during the Qing-Dynasty, a border dispute erupted and the Chinese again successfully enforced their superiority over Burma during the Sino-Burmese war from 1765 to 1769.

This shows that the idea of the universal rule of the Son of Heaven was not wilfully accepted by all countries of the region at all times but often encountered serious resistance. In fact, while China throughout history regarded Burma as a vassal, Burma saw itself as an equal.⁴ Other Asian states also developed their own foreign policy ideologies based on the assumption of their own superiority.

But although there had always been a difference between the tribute system as conceived by

Chinese scholars and historians and the reality of Chinese foreign relations, it can be said that inter-state relations in Asia have in general been more hierarchic than, for example, relations between European states, which have to a greater extent been based on equality and mutual sovereignty. This was a direct result of China's overwhelming geographic size, population, as well as economic and cultural clout, which often provided it with a dominant role in the region. That only changed when, from the beginning of the 19th century on, militarily and economically more advanced western powers extended their influence to the region and brought about a reshuffling of traditional regional relations, which laid the background for contemporary relations between Burma and China.

Between 1824 and 1885 Burma was brought under British rule and incorporated into British India. In 1943 the Burmese, with the help of the Japanese, drove the British out of Burma only to replace British colonial rule with Japanese colonial rule. The Japanese were defeated in 1945, this time with British help, and Burma again placed under British rule. Independence came only after extended negotiations in 1947. On the Chinese side meanwhile, after the defeat of the Japanese in 1945, a civil war erupted between the communists and the nationalists. It lasted until 1949, when Mao defeated the nationalist Guomindang (People's Party) under Chiang Kaichek.

Problems for bilateral relations arose initially, when some of the remaining Guomindang forces

³ For a more extensive discussion of traditional Chinese foreign relations see: Fairbank, John (1968): "The Chinese World Order – Traditional China's foreign relations", Cambridge. Harvard University Press.

⁴ Laichen, Sun (1997): "Suzerain and Vassal, or Elder and Younger Brothers: The Nature of Sino-Burmese Historical Relationship" (Abstract), "www.aasianst.org/absts/1997abst/seasia/sea43.htm".

retreated over the border into northern Burma, where they occupied large parts of the Shan-state and launched frequent attacks on Chinese soil. This brought about the danger of a possible Chinese military intervention in Burma. Major conflict could only be averted because the new Burmese government under U Nu actively supported the fight against the Guomindang. Moreover Burma was the first non-communist country to officially recognize the newly founded People's Republic of China. Bilateral relations improved further, when in 1954 Burma and China signed their first bilateral trade agreement, and during Chinese Foreign Minister Zhou Enlai's visit to Rangoon both countries endorsed the five principles of peaceful coexistence.⁵ In 1961 then, Burma and China settled their border disputes and China pledged to provide Burma with a 30 million dollar aid-package.

Relations took a turn for the worse however, when in 1962 the Burmese military took over and General Ne Win was placed in power. The Chinese feared a change of Burma's neutral foreign policy and gradually stepped up support for the Burmese Communist Party (BCP). Until the late 1970s China supported the BCP with arms and by providing it with a safe haven on the Chinese side of the border. Thousands of Chinese

⁵ The "five principles of peaceful coexistence" comprise the official guiding frame for China's foreign policy since then: 1. Mutual respect for territory and sovereignty, 2. Nonaggression, 3. Noninterference in internal affairs, 4. Quality in mutual benefit, 5. Peaceful coexistence.

"volunteers" also joined in the fight against the Burmese government and remaining Guomindang troops in the border region.

The bad state of bilateral relations finally became obvious in 1967 during China's Cultural Revolution. When more and more Chinese migrants in Burma expressed their nationalist feelings and their support of the PRC leadership by wearing badges picturing Mao Zedong, the Burmese government proclaimed a ban on these badges. This was followed by violent Chinese protests, which, in turn ignited clashes between ethnic Burmese and Chinese throughout the whole country. The Chinese side claimed that over 1000 of their people were killed. Moreover, the Chinese consulate was attacked by angry protesters, which led to a severe straining of bilateral relations.

A gradual rapprochement began only in 1978 when Deng Xiaoping came to power in China. This was followed by a gradual cutback in Chinese support for communist movements in Southeast Asia as well as several reciprocal state visits by Burmese and Chinese leaders.⁶

In 1988 then, student protests broke out in Burma, which eventually led to the resignation of Ne Win, who was replaced by Sein Lwin. On the 8th of August 1988 another large peaceful strike by millions of

⁶ See also: Lintner, Bertil (1992): "Burma and its neighbours", in: Surjit Mansingh (ed.), *Indian and Chinese Foreign Policies in Comparative Perspective*. New Delhi. Radiant Publishers. 1998.

people took place. As a consequence of a violent crackdown by the government, thousands are said to have died. Despite that the movement for democracy could not be silenced and in 1990 the government finally had to give in to demands for democratic elections, as a result of which the opposition National League for Democracy (NLD) won most seats in parliament.

The military regime refused to acknowledge their election loss and since then have clung to power, depriving the NLD of any chance of political participation and putting the popular opposition leader Aung San Suu Kyi under house arrest. While this sparked wide criticism, especially from Western countries, Burmese-Chinese relations were not negatively affected. In fact, bilateral relations have since improved significantly and today are considered a close political friendship by both sides. Despite the good official relations, however a range of potential problems and open questions between the two countries remains.

3 Non-Traditional Security Problems

Chinese defense policy is currently undergoing a transformation towards the inclusion of a more comprehensive definition of security. This definition comprises a range of non-traditional threats such as environmental pollution, disease-control, drug trade and the operations of criminal and terrorist organiza-

tions.⁷ Because of the border-transcending nature of such threats more intensive cooperation with other states of the region is indispensable in order to guarantee Chinese national security. This also means that although the principle of non-intervention in other states internal affairs is still officially regarded as one of the most important guiding principles of Chinese foreign policy, the government in Beijing cannot and does not ignore internal processes in other countries that have the potential to negatively affect China's security and development.

The fact that China shares a 2185 km border with Burma does not only provide a good basis for trade contacts, but also means that domestic Burmese problems can easily spill over into China's neighbouring Yunnan Province. One of these problems and one of Beijing's foremost concerns in its relations with Burma is drug cultivation and drug trade in the border region. According to the 2005 International Narcotics Control Strategy Report by the U.S. Department of State Burma still is the major producer of narcotics in Southeast Asia, producing about 292 tonnes of opium in 2003. Moreover, several hundred million methamphetamine pills are produced in and exported from Burma to neighbouring Thailand, China and India every year.

⁷ For the Chinese assessment of the changing security situation see China's National Defense Whitepaper: "China's National Defense in 2004", <http://www.china.org.cn/white/20041227/1.htm>.

Although the numbers for poppy cultivation have consistently declined over the last eight years, Burma still remains the second largest producer of opium in the world, only second to Afghanistan.⁸

Drug production poses a serious problem for the whole region. According to the WHO the number of drug addicts in Burma has already risen to 400.000, 500.000 in Thailand, and 150.000 in Malaysia. China has in 2003 officially counted over one million registered drug users, with an unknown number of unregistered addicts.

Drug consumption also plays a big role in the spread of Hepatitis and HIV/Aids, because of the problem of shared needles and a general lack of health education. China estimates that there are 840,000 HIV-positive persons in the country, a large number of them living in Yunnan Province. 42% are estimated to have contracted the disease by sharing injection equipment.⁹ According to the United Nations Joint Programme on HIV/Aids around 170,000 to 420,000 people in Burma have HIV/Aids, 30% having contracted it by sharing injection equipment, while over 33% of HIV-Infected are estimated to be sex workers. This is one of the reasons why HIV-prevalence in women is substantially higher than in men.

⁸ U.S. Department of State (2005): "International Narcotics Control Strategy Report", <http://www.state.gov/p/inl/rls/nrcrpt/2005/>

⁹ See also: Thompson, Drew (2005): "The 'People's War' against Drugs and HIV/AIDS", in: China Brief, Volume 5, Issue 14, June 21, 2005.

Financial hardship often leads to them giving in to demands for unprotected sex. Many Burmese prostitutes, trying to escape the bad economic situation in Burma, also work on the Chinese side of the border, thereby spreading the disease to Southern China.¹⁰

A multilateral approach to the problem has already been started by the "Greater Mekong Subregion", a group of five nations (China, Thailand, Philippines, Burma, Laos) which in 2005 decided to establish a disease control centre in order to control and fight the spread of dangerous epidemics like HIV/AIDS or SARS.

Besides the obvious health problems resulting from a rise in drug consumption, there is also a significant rise in drug-related crime and drug trade provides the basis for larger criminal networks. China is aware of the problem and has in the past made considerable efforts to help curb Opium production in Burma, providing expertise and conducting joint police raids, targeting drug lords and cross border networks, which are often run by the Chinese Mafia.

Moreover, the China Society for Strategic Management Research (CSSMR), a Chinese Non-Governmental Organization (NGO), in 1995 started a program to reduce opium production in the Wa-State of North-

¹⁰ Moe, Kyaw Zwa (2005): "Yunnan's Sin City", in: The Irrawaddy, January 2005, <http://www.irrawaddy.org/aviewer.asp?a=4333&z=104>.

United Nations Joint Programme for HIV/AIDS - Myanmar 2003-2005, http://www.unaids.org/html/pub/unaids/docs/jpmyanmar_15jul04_en_pdf.pdf.

ern Burma. Chinese experts were sent to the region in order to conduct surveys, and Chinese planes were used for aerial examination. The CSSMR recommends the promotion of substitution crops, such as coffee, tea, cocoa, tobacco, pepper or plants that are used in Chinese Medicine, as there exists a considerable demand for these products in the region. Technical support and expertise could help increase the crop of such plants, thereby increasing the income of farmers who refrain from growing poppy. At the same time, experts acknowledge that a broadening of the economic base in the region would also provide significant incentives for the local population to give up opium production. Therefore the establishment of new industries along with the building of infrastructure is recommended.¹¹

Particularly complicating the fight against drugs in Burma is the fact that most of the opium is produced in ethnic minority areas near the Chinese border, where from 1948 to 1988 separatist groups had staged violent uprisings against the central government in Rangoon. One of these areas is the Shan-State, where - according to the United Nations 2005 World Drug Report - about 92% of the poppy is cultivated.¹² The central government has problems enforcing its authority over parts of the minority

¹¹ Qin, Chaoying (2003): "Golden Opportunities In northern Myanmar", in: Asia Times, Jun 19, 2003, "http://www.atimes.com/atimes/Southeast_Asia/EF19Ae02.html".

¹²

"http://www.unodc.org/unodc/world_drug_report.html"

minority regions. The Wa autonomous region, for example, a part of the Shan State, has been under control of the United Wa State Army (USWA), which is about 18,000 regular army troops strong, since a ceasefire agreement with the military in 1989. The US government has in the past named it "an infamous terrorist group with close ties to drug trade".¹³ As Drug trade still is an important source of financing for some of these groups, a peaceful settlement of the conflict with and an integration of them into the national political process are important preconditions in order to effectively curtail drug production.

Beijing has on other occasions also taken a more aggressive approach to the problems in the border region, generously interpreting the principle of non-intervention if it deems it necessary. This can be seen in raids by Chinese Police officers on Burmese casinos, which were carried out in July 2005 in order to curb gambling by Chinese Tourists, as gambling is illegal in most of China.¹⁴ Moreover, in September 2003 the Chinese Peoples Liberation Army (PLA) increased the number of troops stationed near the Burma Border significantly. This move came at a time when the US-administration toughened its stance towards Rangoon, increasing pressure by imposing economic sanctions. The ration-

¹³ Tsang, Iris (2003): "China moves on Myanmar - Part 3: The opium capital of the world", in Asia Times, Nov 26 2003.

¹⁴ Xia, Hailong (2003): "China moves on Myanmar - Part 2: Casino town loses out", in: Asia Times, Nov 25, 2003.

ale behind China's move might be that Beijing expects increased Western pressure to further destabilize the Burmese regime and lead to a deterioration of the economic and security situation on the Burmese side of the border which could in turn threaten China's security interests. Which role the troops were to play in case such a crisis actually arose, is not clear.¹⁵

4 Overseas Chinese in Burma

Chinese migration to Burma has in the past already had negative effects on overall political relations as could be seen during the violent clashes between ethnic Chinese and Burmese in 1967. Burma today is home to the tenth biggest population of Overseas-Chinese in the whole world, counting over one million people. Chinese migration to Burma has already lead to a de facto "sinisation" of parts of northern Burma, with large migrant populations living in Lashio and Mandalay.¹⁶

The fact that the Chinese in Burma often dominate the local economy may in the future lead to considerable social unrest. Moreover, under Burma's strict citizenship laws, Chinese immigrants are often not granted citizen status and therefore deprived of many basic human rights such as the right of free movement or free choice of education. All this provides the

¹⁵ Xu, Er (2003): "China Moves on Myanmar- Part 1: PLA masses on the border", in: Asia Times, Nov 22, 2003.

¹⁶ See also: International Crisis Group (ICG) (2001): "Myanmar: The military regime's view of the world", ICG Asia Report N. 28.

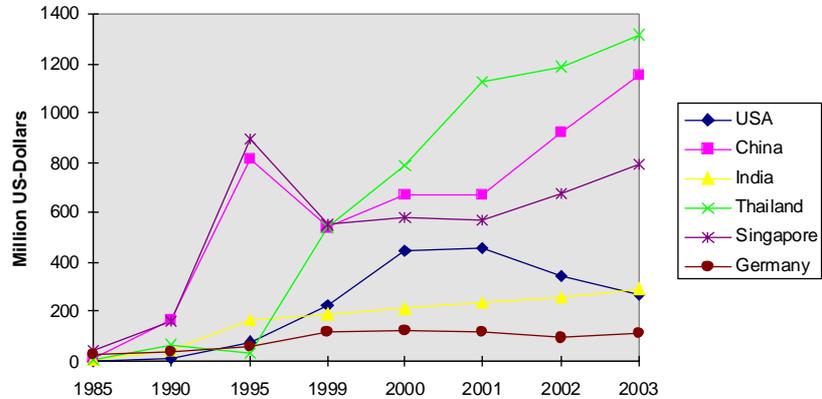
potential for future conflict which may put a strain on overall bilateral relations.¹⁷

5 Economic Relations

China is becoming more and more important as a trading partner for Burma. The share of Sino-Burmese trade compared with Burma's total trade volume has risen steadily since 1988. Most of this growth is due to the growth in imports from China, which to a large part consist of military goods, such as armoured vehicles, naval vessels and fighter jets. Since 1988, for example, China has played a significant role in the upgrading of the Burmese air force, providing it with helicopters, transport aircraft, jet trainers and fighter-bombers as well as bombs and missiles.¹⁸ Trade in military goods with China since 1992 is said to have amounted to more than 3 Billion US-Dollars.¹⁹

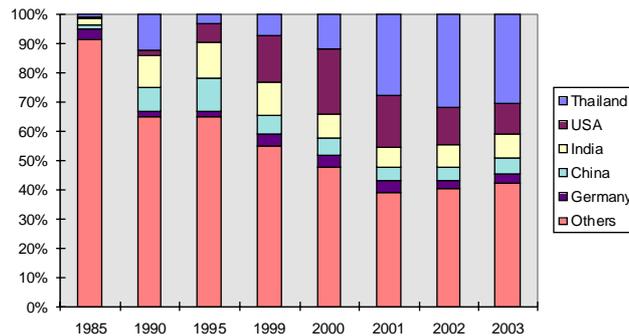
Despite growing trade with China, Burma still has many other important trading partners, of which Thailand is by far the most important. Therefore, although China's economic importance for Burma is certainly

Total Trade Volume



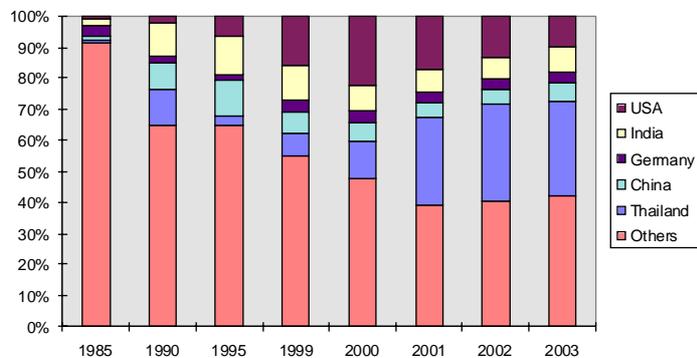
Source: Asian Development Bank (ADB)

Share of Exports



Source: Asian Development Bank (ADB)

Share of Imports



Source: Asian Development Bank (ADB)

¹⁷ See also: Pan, Lynn (Ed.) (1999): The Encyclopedia of the Chinese Overseas. Richmond. Curzon Press.

Lwin Oo, Aung (2004): "Aliens in a Bind", in: The Irrawaddy, July 2004.

Minority Rights Group (2000): The Chinese of Southeast Asia.

¹⁸ Selth, Andrew (1998): "The Myanmar Air Force Since 1988: Expansion and Modernization", in: Contemporary Southeast Asia, Volume 19, Number 4, March 1998.

¹⁹ Win, Kanbawza (2004): "Big Brother Beijing blocks Yangon reform", in: Asia Times May 12, 2004, "http://www.atimes.com/atimes/Southeast_Asia/FE12Ae01.html".

growing, it is far from an absolute dependence.

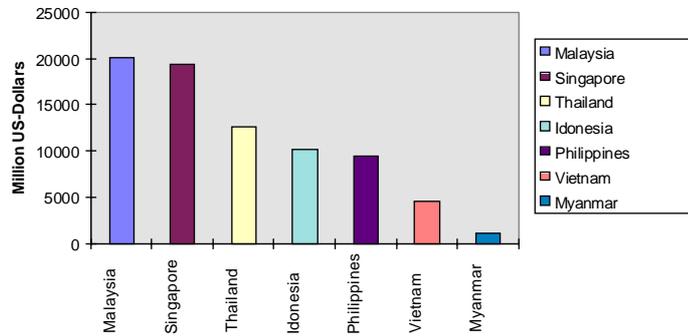
At the same time Burma's importance as a trading partner for China is even smaller. Compared with China's other nine trading partners from the Association of Southeast Asian Nations (ASEAN), Burma ranks only 7th when it comes to total trade volume.

The fact that China's total trade with ASEAN still comprises only nine percent of its total trade with the world further helps to put Burma's economic significance for the PRC into

perspective. Moreover, some of Burma's exports to China are unsustainable. For example, Burma's massive teak wood exports to Yunnan Province, which – because of their limited availability and negative effects on the Burmese eco system – cannot be the base for a stable and long-term economic relationship. Beijing had in 1998 already issued a ban on logging in some Chinese provinces because of massive floods and land erosion caused by the loss of natural woods. In order to compensate for some of the loss in domestic production China has since switched to timber imports from Burma, where Chinese businessmen control much of the logging industry. According to some sources the amount of imported wood could be as much as 500 tons per day.

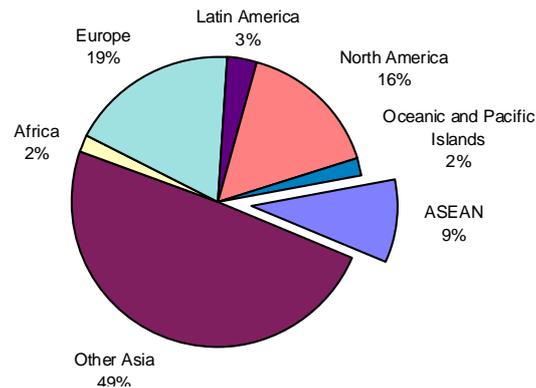
Because of the weak state of all other economic sectors, Burma is dependent on its wood exports, which accounted for around 11% of Burmese foreign exchange earnings in 2001. Furthermore, much of the wood trade is coordinated by Ethnic

Chinese trade with ASEAN-Countries (2003)



Source: Chinese Statistical Yearbook 2004

Chinese Trade with the World (2003)



Source: Chinese Statistical Yearbook 2004

Minority Groups, which means that even if the Central Government were to seriously try to curb logging, Rangoon may lack the means to do so.²⁰

Trade relations between the two countries are mostly hindered by the weak Burmese economy, the reasons for this largely being the governments' economic il-

literacy, badly functioning banking and taxation systems, the absence of the rule of law, military monopolies in key sectors of the economy, corruption, economic sanctions and inadequate infrastructure.²¹

Stronger economic growth resulting from economic reforms in Burma could have positive results for China in terms of welfare gains through a bigger bilateral trade volume, especially for relatively poor Yunnan-

²⁰ "Burma's Forests", ["http://www.globalwitness.org/campaigns/forests/burma/forests.php"](http://www.globalwitness.org/campaigns/forests/burma/forests.php).

"Teakwood going to China despite Rangoon",

["http://www.shanland.org/articles/general/2000/teakwood_going_to_china_despite_.htm"](http://www.shanland.org/articles/general/2000/teakwood_going_to_china_despite_.htm).

²¹ See Arnott, David (2004): "A Prosperous Burma would benefit China", in: *The Irrawaddy*, July 2004, p. 15.

Province. But China is also interested in Burmese energy resources. In July 2005 China's state owned oil company CNOOC attempted a takeover of the U.S. energy firm UNOCAL, which – had it succeeded – would have provided China with access to some of Burma's energy resources, as UNOCAL owns a 28.3% share of a Burmese gas field in the Andaman Sea, which it says contains over 140 billion cubic meters of natural gas and could last for 30 years.²²

Other Chinese energy interests include Burma's vast hydropower resources. China is already planning to build several dams in the course of the Salween River on its side of the border. But Chinese companies are also involved in the building of dams on Burmese soil. In July 2005 Chinese companies signed a deal with Burma, selling the country equipment worth over 125 Million US-Dollars for the Ye Ywa hydropower plant, which is situated 50 kilometres southeast of Mandalay and will probably be the largest hydropower plant in Burma when completed. Another Chinese company agreed to sell equipment worth 80 Million US-Dollars for a hydropower plant near Rangoon. Another contract has been signed for a 150 Million US-Dollar power plant in the Shan State, while the 280 Megawatt Paung Laung power plant near Pyainmana has already been completed with

²² Moore, Jeff (2005): "Unocal's stakes in Southeast Asia", in *Asia Times*, Jul 20, 2005, "http://www.atimes.com/atimes/Southeast_Asia/GG20Ae03.html".

Chinese help.²³ Moreover, in 2003 China and Burma signed a contract on the establishment of a power transmission line which is to connect Mandalay and Ruili.²⁴ This makes it clear that China's investment in Burma's energy sector may also to a large part be motivated by the interest to satisfy China's growing energy needs by using the hydropower resources of its neighbouring countries. Meanwhile human rights and environmental groups strongly criticize many of the damn projects because of their expected negative effects on the local environment and population.²⁵

Despite all this, Burma's real importance for China's economy does probably not stem from a possible rise in the volume of bilateral trade or the use of Burmese energy resources, but from Burma's potential role as a transit country for raw materials and general trade with other countries. Today most of Northeast Asia's oil supplies and traded goods are transported via ship through the Malacca Straits, a region where pirate and terrorist activity could in the future lead to a severe disruption of supply.

A possible alternative transport route through Burma would probably use road and railway links as well as the Irrawaddy River which flows over 2170 km

²³ Associate Press (2005): "Myanmar to purchase hydropower equipment", in: *AP News* 15.7.2005, "<http://www.forbes.com/business/feeds/ap/2005/07/15/ap2140557.html>".

²⁴ "China, Myanmar sign contract on power transmission", in: *People's Daily*, October 10th 2003, "http://english.people.com.cn/200310/10/eng20031010_125740.shtml".

²⁵ See also www.salweenwatch.org.

through the country into the Bay of Bengal. Such a trade route could reduce the time and costs necessary to transport goods from China to markets in Europe significantly. The Chinese today are already extending railway links from Kunming southward into the direction of Ruili near the Burmese border. After completion the two countries railway systems would only be about 145 km apart. Another possible project is the building of an oil or gas pipeline through Burma, through which energy resources from the Middle East could be transported to China, and eventually even further to Korea and Japan. But at the moment the reluctance and lack of reliability on the side of the Burmese military government as well as the danger of possible attacks by militants in the border region are still impeding any quick implementation of such plans.²⁶

6 Military and Strategic Interests

For the Burmese leadership good relations with China, as well as India, are important because they help to render economic sanctions and political pressure imposed by western countries almost useless.²⁷ Chinese weapons sales also provide the regime with the means to

²⁶ Fullbrook, David (2004): "China to Europe via a new Burma road", in: *Asia Times*, Sep 23, 2004.

²⁷ As the Burmese ambassador to Great Britain, Kyaw Win, stated in 2003: "We are not worried about US and European sanctions, as trade with India, China and Thailand is already good". (Jagan, Larry (2003): "Do Sanctions against Burma work?", "<http://news.bbc.co.uk/2/hi/asia-pacific/3006908.stm>").

effectively fight off any possible challenge from insurgent groups. Rangoon is totally aware of its strategic position, which can help it to play big countries like China, India and the USA off against each other.

"My country is a developing country and occupies a very strategic geographical location in the Asian Continent. This strategic factor has turned us into a spot of special interest to big powers. Since we regained our independence in 1948, as a principled stance, we have consistently adhered to the non-aligned foreign policy. We have never allowed any country to use our land as a base to encircle or threaten any of our neighbours".²⁸

Although many observers have in the past stated that a growing dependence on China could turn Burma into a Chinese vassal state, it should be taken into consideration that the Burmese leadership places a strong emphasis on nationalism and sovereignty. Moreover, a certain historically founded suspiciousness of Chinese intentions in the country still exists.²⁹

Despite this, Burma has reportedly allowed China to establish an eavesdropping station on Coco-Island in the Andaman-Sea in 1994. Because of its proximity to the Malacca straits,

²⁸ U Wing Aun (2000): "Statement at the meeting of the Foreign Ministers of the Non-Aligned Movement", 14. September 2000, New York. http://www.mofa.gov.mm/speeches/non_align.html.

²⁹ According to report by the International Crisis Group the Junta's mindset can be summed up as Nationalist, Paranoid, Ethnocentric and driven by the wish to achieve self-reliance. (ICG 2001).

China is probably able to observe much of the trade traffic to East Asia from there. This shows that for China good relations with Burma do not only provide a possible way to redirect traffic from the bottleneck Malacca Straits, but also to secure vulnerable existing trade routes. This fits perfectly into China's general pattern of interest in the region. The PRC's stance towards ASEAN-States has become markedly friendlier since the end of the cold war. Some observers point out that this was due to China's general interest in the development of a stable, peaceful and prosperous regional environment, while others argue that China would mainly try to counter American and Japanese influence in the region.³⁰ Both arguments may be true. A prosperous Burma in itself may benefit China, but with American influence and military deployment growing in parts of Central and Southeast Asia, Burma may - in Beijing's perception - also play an important role in preventing a possible encirclement by the U.S..

At the same time, it seems reasonable that, the more Burma is isolated by the West, the more it will be forced to rely on the assistance of its Asian neighbours, for whose help it may have to provide services in return. And, as Burma's most important assets are not its raw materials or energy resources, but its strategic geographic position, it may also require Burma to give in to demands by other countries regarding active

³⁰ Vaughn, Bruce (2005): "China-Southeast Asia relations: Trends, Issues and Implications for the US", p.4-6, <http://www.fas.org/sgp/crs/row/r132688.pdf>.

garding active cooperation in the field of military and intelligence.

Considering the Burmese governments emphasis on self-reliance and national pride, this would seem to pose a serious dilemma. But, as Burma's strategic importance has not only been recognized by China, but also India, Rangoon may be able to use the rivalry between these two countries to gain more clout for itself. As one observer states: *"While taking what it can from its powerful neighbors, Myanmar has sought to use them to prevent the others from gaining an excessive hold over its economy, polity and society. The India-China battle for influence in the region has provided Myanmar with a win-win situation".³¹*

Its strategic rivalry with India may be one reason why China is putting considerable interest into bilateral relations with Burma. When for example ASEAN-Members in July 2005 urged Burma to forego its planned chairmanship of ASEAN because of the deficient human rights situation in the country, China's Foreign Minister Li Zhaoxing cut his trip to the ASEAN Regional Forum (ARF) meeting short, in order to visit Rangoon. This was widely viewed as a sign of support for the Burmese leadership in the face of strong international criticism.

This all seems to suggest that China does not want a change of government in Rangoon. But

³¹ Ramachandran, Sudha (2005): "Myanmar plays off India and China", in: Asia Times, Aug 17th 2005, http://www.atimes.com/atimes/South_Asia/GH17Df01.html.

can Beijing really be interested in keeping the military junta in power? Beijing has in the past made clear that it has no intention of meddling in Burma's internal affairs and has criticised other countries for doing so. But at the same time Chinese diplomats also expressed their wish that Burma make progress in the realm of economic development and democratic reforms.

*"As a friendly and close neighbour, we hope that Myanmar can maintain political stability and economic growth and its people can live in happiness. As to its internal question, China always handles it according to the principle of non-interference in others internal affairs. The democratic process of Myanmar is a gradual process and needs a stable and favorable external environment. The international community should create a benign environment for the democratic process of Myanmar on the basis of respecting its sovereignty without interfering in its internal affairs."*³²

Chinese comments about Burmese democratization are probably viewed by many as a mere phrase considering the authoritarian character of the Chinese government itself. But in fact democratization in Burma may also benefit China.

The example of North Korea may have shown Beijing how dangerous a totalitarian regime with a failed economic development model can become for its own security. North Korea is a growing problem for China

because Pyongyang's behaviour can spur an arms race in the region, accelerating the upgrading of the Japanese Self Defense Forces and providing the basis for further U.S. military deployment to the region. At the same time it poses a threat to China's internal stability because of the danger of a regime break down and consequent mass exodus of its population into China. Similar problems could arise as a consequence of further deterioration of the situation in Burma. Before this background, a regime change towards the democratic opposition probably does not seem that dangerous anymore for Beijing. Moreover, NLD Leader Aung San Suu Kyi has never openly criticized Beijing or stated clearly pro-western sentiment. Her clearly nationalist stance may furthermore assure Beijing that Burma would not become another American base after an eventual change of government.³³

Also the NLD's plans for the establishment of a free market economy with an emphasis on the rule of law do resemble Beijing's own development model much better and would therefore in the eyes of China probably provide a better basis for a stable political and economic development in the country.³⁴ A political change in the country may furthermore provide Burma

with access to international funds, which could also be used to build infrastructure, which in turn would benefit China in the form of better transport linkages.³⁵

7 Conclusion

Chinese influence in Southeast Asia is no doubt growing strongly. But it would be wrong to assume that this would automatically result in political domination of the countries of the region. There is no clear sign of a return to tribute diplomacy. In the case of Burma there are several factors constricting growing Chinese influence.

- Continuous economic growth as well as economic integration has lead to stronger ties between all the nations of the region. Burma does not solely have to rely on China, as it still has important ties with other countries of the region. Its full membership of ASEAN furthermore provides it with a possible protection against too much Chinese influence.

- Prospects of a free trade zone between ASEAN and China, Japan and Korea (ASEAN+3) or the ASAN Regional Forum (ARF), which is mostly concerned with security questions, open new perspectives for larger regional integration and multi-lateral approaches to the problems of the region, which may help prevent future Chinese dominance.

- Nationalism and National Pride on the side of the Burmese government and the Burmese people will probably obviate any

³² Zhang Qiyue, Spokesperson of the Chinese Ministry of Foreign Affairs, during a press conference on July 13th 2004, "<http://www.fmprc.gov.cn/eng/xwfw/2510/2511/t143120.htm>".

³³ Zaw, Aung (2004): "The Chinese Conundrum – What Role does Burma really play in Beijing's policy plans?", in: The Irrawaddy, July 2004.

³⁴ Aung San Suu Kyi (1996): "A note on Economic Policy: The Key to a successful open-market economy", "<http://www.dassk.org/contents.php?id=193>".

³⁵ Arnott, David (2004).

attempts by China to gain overwhelming influence or maybe even establish a military foothold in the country.

- China's influence in Burma is also a consequence of its exclusion from the world stage. This could - in the case of a regime change to the democratic opposition - change quickly. At the same time, China may not object to such a change of government, because a stable and

prosperous Burma would also be in Beijing's interest.

- India's growing regional influence and strategic rivalry with China may provide Burma with the possibility to play the two countries off against each other, thereby curtailing their potential influence in the country.

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