

# The Influence of China in Bringing Peace to Myanmar

Written by Aisha Ismail and Elliot Dolan-Evans

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AISHA ISMAIL AND ELLIOT DOLAN-EVANS, OCT 23 2017

In the last twelve months, the People's Republic of China has taken an increased interest in Myanmar's peace process. Superficial analysis points to strong economic motives behind China's growing influence in the decades-old conflict in Myanmar, as the Chinese government looks for regional geo-political stability to successfully roll-out the One Belt, One Road initiative. However, in a conflict full of unnoticeable masters, the Central Kingdom may have other motivations to play the (partly) hidden dragon.

Myanmar, formerly Burma, has been embroiled in the world's longest running civil war for over 60 years. With the rise to power of democracy icon Aung San Suu Kyi in 2016, there was hope that the Myanmar government may be able to improve on peace negotiations that have seen approximately half of the government-recognised ethnic armed organisations sign up to the National Ceasefire Agreement. Recently, there have been some positive developments in the peace process.

The second 21<sup>st</sup> Century Panglong Conference, held in May 2017, had some promising results, with the engagement of many ethnic armed organisations who had not signed on to the National Ceasefire Agreement, and the adoption of forty-one principles in a union agreement. However, the powerful, newly formed collaboration of northern ethnic armed organisations led by the United Wa State Army, called the Federal Political Negotiation Consultative Committee, have sought to take the peace process on a different path to the National Ceasefire Agreement. The Federal Political Negotiation Consultative Committee remain unwilling to sign the current ceasefire framework, and the Myanmar military (the '*Tatmadaw*'; who seems to be leading the process more than the elected government) remains unwilling to revise it.

The fact that both the *Tatmadaw* and Federal Political Negotiation Consultative Committee appear reluctant to negotiate with each other begs the question as to why the northern ethnic armed groups are even at the peace table at all. This piece argues that the influence of China is the major reason that the Federal Political Negotiation Consultative Committee is involved in the peace process, and will explore the motives behind the Central Kingdom's peaking interest in Naypyidaw.

### Friends with Benefits? China and the Northern Ethnic Armed Organisations

The ethnic armed organisations that comprise the Federal Political Negotiation Consultative Committee are located within Shan and Kachin states, the Burmese states that border China's Yunnan province. This geographical proximity has allegedly facilitated the transfer of arms and illegal trade between China and the Federal Political Negotiation Consultative Committee. Indeed, the United State Wa Army are reportedly supplied with weapons from China, as well as armoured combat vehicles and tank destroyers, and have advanced military capabilities that include a radar and missile base. There is also evidence to suggest that some of the military equipment supplied to the United State Wa Army has been shared with the group's six other armed allies. China's relations with rebel groups in the north reportedly accounts for more than 80% of all armed rebels, putting China in a position which no foreign power can match.

Further, local authorities in Yunnan have previously developed extensive business ties in mining, logging, and crop substitution in Shan and Kachin states, without the approval of the Myanmar or Chinese central authorities. Reliable

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reports have also indicated that China has recently allowed the Myanmar National Democratic Alliance Army to use its territory to outflank the *Tatmadaw*, and has even allowed the rebel group to open a bank account in Beijing to collect donations from the sympathetic Chinese public.

China appears to have provided important military, economic, and tactical assistance to the Federal Political Negotiation Consultative Committee on the one hand, but with the other it has prodded the armed alliance towards engaging in peace dialogue with the *Tatmadaw*. Prior to the 21<sup>st</sup> Century Panglong Conference in May this year, the *Tatmadaw* made it clear that all ethnic armed organisations attending the peace conference must have signed the National Ceasefire Agreement. However, China pressured the *Tatmadaw*'s commander-in-chief to reconsider the participation of the non-signatory Federal Political Negotiation Consultative Committee, and then flew representatives from all the constituent ethnic armed groups in this rebel alliance in a chartered plane that departed from the Chinese city of Kunming and landed in Naypyidaw. China's posturing and diplomacy effectively presented the *Tatmadaw* with a *fait accompli* to include the Federal Political Negotiation Consultative Committee in the 21<sup>st</sup> Century Panglong Conference, or face public embarrassment.

## Why Has the Hidden Dragon Emerged?

There are three major reasons why China has involved itself through several key ethnic armed organisations in Myanmar's peace process. Firstly, cooperation between China and the Federal Political Negotiation Consultative Committee has historical and cultural precedence. Many Burmese in northern Myanmar have the same ethnicity as those in China's Yunnan, such as the Wa people, and thus have a shared language, culture, and history. Additionally, many of the Burmese in northern Myanmar maintain close communications and ties with their Chinese neighbours, with the official border reportedly not being much of a hindrance between them on an unofficial level. The northern Burmese states also maintain close economic ties with China, with the Wa using Chinese currency in their autonomous region.

Secondly, Myanmar plays an important role in China's ambitious One Belt One Road initiative and the Indian Ocean strategy. China is seeking increased economic cooperation from Myanmar to build transport and energy infrastructure, such as dams, hydropower, and oil and gas pipelines. In particular, Rakhine state plays a key part in the One Belt One Road initiative, as the Burmese town of Kyauk Pyu is both a gateway to the Indian Ocean and the future location of a planned economic zone at Ramree Island. China is investing \$7.3 billion in a deep-sea port in Kyauk Pyu, close to the current Rohingya crisis in Rakhine, which is the entry point for oil and natural gas pipelines that are linked with China's Yunnan Province, and which may also be used as a naval base by the Chinese People's Liberation Army. This strategically important deep-water port will provide an alternative, overland route for the transport of cargo from Western countries to China, and has an annual capacity of 7.8 million tonnes of bulk cargo.

In April, the countries agreed on the construction of an oil pipeline to supply southwest China with oil through Myanmar territory; and the Chinese government is currently in talks to sell electricity to their smaller neighbour, to the delight of the approximately 31 million power-deprived Burmese. With investments such as these, China is Myanmar's largest trading partner, and invested \$2.8 billion in the country in fiscal year 2016 – a small part of the \$19 billion that China has invested in Myanmar since 1988. Chinese investment in Myanmar is indeed taking off at an astounding pace, and as it increases, Chinese interest in a relatively stable Burma may proportionately grow.

Finally, Chinese interest in Myanmar's peace process is closely linked to its long-term geopolitical strategy in the region. In 2011, Myanmar emerged from decades of isolation, and China watched with alarm as Myanmar's nominally civilian government began to establish ties with the United States, with President Barack Obama and Secretary of State Hilary Clinton paying historic visits to the country. Now, after years of significant involvement in Myanmar, the United States seems to have a declining appetite for international engagement under the Trump administration, which has created a vacuum for China's influence. China will have a vested interest in maintaining close ties to the Naypyidaw government and ethnic armed groups as well as ensuring that the peace process progresses as a stagnant peace process may compel either group to seek outside support, especially from the United States, as has been the case in the past.

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Further, Myanmar is also precariously situated between India and China. As of early August 2017, there have been extremely tense relations between these regional powers, with a military stand off in the disputed area of Doklam, lying in the junction of Bhutan, China and India. The potential of a second Sino-Indian war escalating out of this thorny stand off is unlikely, but China will be eager to establish a strong influence in Myanmar to act as a geostrategic buffer against its powerful regional rival. China may rapidly increase its engagement with the Federal Political Negotiation Consultative Committee and the Burmese army after India hosted the commander-in-chief of the *Tatmadaw* for military talks in July, and Indian Prime Minister Narendra Modi visited Myanmar in early September with the reported goal of strengthening bilateral ties and exploring new areas for cooperation.

## China as Myanmar's Deus Ex Machina?

It is in China's interest to promote a stable peace between the Federal Political Negotiation Consultative Committee and *Tatmadaw* for cultural, economic, and geopolitical reasons. However, the Central Kingdom will still want these groups to be well equipped, to deter any military engagement on its south-western border which has the potential to threaten the stability of key trade routes. In particular, China has a vested interest in persuading Arakan rebels, who operate in the western state of Rakhine, to the peace table as these groups reportedly wreak havoc with Chinese-built pipelines that carry oil and natural gas from the Bay of Bengal to southern China.

Support for the ethnic organisations fighting the *Tatmadaw* has not precluded China from enthusiastically pursuing diplomatic relations with the Myanmar government, with Beijing often sending top officials to Naypyidaw. China has also demonstrated its allegiance with Aung San Suu Kyi's government on the international stage, by blocking attempts to raise Myanmar's abusive treatment of the Rohingyas at the United Nations Security Council.

Indeed, the current humanitarian crisis in restless Rakhine state has further sharpened Western criticism of Myanmar's treatment of the Rohingya ethnic minority, and provided diplomatic openings for the Central Kingdom. On 25 August 2017, Muslim militants of the Arakan Rohingya Salvation Army in Myanmar allegedly staged a coordinated attack on approximately 30 police posts and an army base in Rakhine State, armed mostly with swords, machetes, and small arms. The subsequent military clearance operation by the *Tatmadaw* has resulted in more than 500,000 Rohingyas fleeing to neighbouring Bangladesh since late August, amid reports of brutal ethnic cleansing by the Burmese military.

Despite widespread international condemnation towards the Myanmar government and Aung San Suu Kyi personally, China has resolutely stood by its new friend. Again, the Central Kingdom has come to the aid of the Burmese, and has opposed efforts by the United Nations to take meaningful action whilst providing financial assistance for the troubled region. However, China's engagement here may be due to an ulterior motive. As a result of the flight of hundreds of thousands of Rohingyas, large portions of land have been left vacant, and some analysts have suggested that the *Tatmadaw* are seeking to claim this land for further, Chinese-led economic development. As Western pressure increases to potentially re-impose sanctions and restrictions on Myanmar, and as the Rohingya crisis worsens, Suu Kyi may be forced to rely more and more on China.

Going forward, it appears inevitable that China will play a significant role in Myanmar's peace process, as well as its economic development. The Central Kingdom will have to navigate increasingly negative public sentiment from the local Burmese populations who have not benefited from gigantic economic projects. For example, the residents of Kyaukpyu, among the poorest towns in Myanmar, have stated that they have received few benefits despite more than a decade of Chinese pipeline construction. Although China has built schools as part of its corporate responsibility project, these have reportedly been empty shells. China will need to conduct more inclusive development to avoid violent protests in the impoverished 'frontier' states where many of these Chinese-led projects are based. Additionally, China must convince Myanmar's politicians of its good intentions, many of whom are opposed to Chinese influence through investments such as the Myitsone dam on the Irrawaddy River which will provide power to China. China's overall strategy in the world's longest civil war is unclear, and its interests may not always align with a robust peace process. With the resurgent nationalism of the United States in the Trump-era, it appears that China will be *the* key player in the region, and it is incumbent on Myanmar to ensure it doesn't become a pawn in the Central Kingdom's geopolitical game.

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