

## Working Paper

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# Midfield or Margin? Myanmar and Neighbours in the Game

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“...life is a ten-board chess match – and every move does matter”

*Tad Wise, Circling the Sacred Mountain*

## Introduction

For quite some years now there has been constant reference to the “new Great Game” on the Eurasian land mass and surrounding seas and oceans. The ‘unipolar moment’ (if it ever existed) at the end of the Cold War was brief. The advent of China as a major power came fast, followed by the ‘re-booting’ of a newly-assertive Russia. Add to that the rapid emergence of middle powers like India, Japan, South Korea and Australia, and suddenly it has become a multi-player Game.

How all this plays out will affect everyone, and it is a crucial task to observe, assess and respond to it, as individual countries and collectively.

## South East Asia

South East Asia has become an important sub-arena where the Game is being played with some intensity. Having been a battleground during WW II and the Cold War, the primary concern now is to avoid a replay of outright and widespread hostilities. But beyond that concern, the competition for facilities, resources, infrastructure projects and above all, political leverage, is relentless.

The motives, directions, strategies and actions of the two ‘majors’ – China and the US – is continually studied and debated. Sometimes there are setbacks and pushbacks like public protests. Not to be left out, the middle powers are coming on strong. South Korea has

launched strategic relationships with many countries and the President visited Laos, Cambodia and Myanmar recently. Then there is the Quadrilateral Security Dialogue.

The South China Sea remains a flashpoint and it has sorely tested relationships within ASEAN. The responses of two countries – Cambodia and Vietnam – shows up in stark contrast. China's Belt and Road Initiative has three economic corridors (Bangladesh-China-India-Myanmar, China Myanmar Economic Corridor and Indochina) and the Lancang-Mekong Cooperation Mechanism spanning mainland South East Asia. All the countries are extensively involved, although in differing ways and responses, 'for richer or for poorer'. The next step will be China's mobilization of the Community of Common Destiny.

### **Myanmar: destined to be a perpetual arena?**

The regional fortunes of the US and China (and Britain and Japan for that matter) have oscillated in the land called Burma/ Myanmar for the last century or so. Another way of saying this is that Myanmar is no stranger to having foreign powers wage war on its soil. After suffering the depredations of the Second World War, the colony of Burma/Myanmar gained independence in 1948. Just two months later, a Communist rebellion began. And a year later, ethnic Karen (Kayin) rebel forces launched their bid for greater autonomy.

Although officially neutral in the Cold War, Burma leaned towards the West, as evidenced by continuous programmes of military assistance from the UK and later the US. Even in the period of outright military junta rule, there was military cooperation with many countries, notably with what was then West Germany.

China (or "Red China" at that time) was closed off and regarded with suspicion and even hostility by the Myanmar government and public alike, for its overt support for the Communist insurrection. Attempting to export the Cultural Revolution to Burma/ Myanmar in the late 1960s backfired badly – there were anti-Chinese riots across the country and relations with China were strained to the limit. Thakin Than Tun the leader of the Burma Communist Party (BCP) was assassinated in the jungle by one of his own men (later known to be a government mole), and the Communist forces were hounded out of their strongholds in the BagoYoma, a forested range of hills in south-central Myanmar.

The moving of the base of the Communist insurrection to the north-east, adjacent to the border with China was a curtain-raiser on a new battleground and new interface, which continues in one form or another to this day – the plethora of ethnic-based insurrections with ties to China.

Myanmar can be described as a land of many nationalisms but with no nation. Seventy-one years after independence, nation-making has not only stalled, it has even regressed. There is a long list of countries that had been mapped into existence by colonial powers and eventually became independent states. Their postcolonial record in building states and nations has been patchy, and there is a voluminous literature on the whys and wherefores. Myanmar is in the category that has fared poorly. The most eloquent testament to this lies in the longest-running civil war in the world – beginning a bare three months after independence in 1948 and stretching up to the present day. In the early decades, this conflict was partly fueled by ideology and partly ethnic-based. Following the collapse of the Burma Communist Party in 1989, it has become a solely ethnic-oriented war, with

religious overtones. No matter what some scholars say, economic motivations are of much lesser import in this conflict.

Active Period	Party	Turning Points
1939 - 89	Burma Communist Party  (Front party – National Unity Front)	Armed rebellion and destructive civil war Rationale for growth of Burma Army ? Rationale for Ne Win’s ‘socialism’ Relations with China and US
Dominant mood	Began with strong popular support – urban and rural Strong pro-Beijing line and purges Maoist ideology – uncompromising and unreformable Ultimately lost touch with Myanmar public and its needs	
Ending	Military defeat and rolling up of underground network Inability to come to grips with ethnic nationality issues Loss of intellectual edge	

A multi-party system was revived only in 1988. Approximately 240 parties registered, but the number that actually contested the 1990 elections was only a little more than 50. A democratic system did not however ensue from those elections; instead, junta rule continued till the end of 2010. The majority of the parties were de-registered in the wave of repression following 1990, and those that remained – like the National League for Democracy (NLD) – faced severe repressive measures.

A junta-directed National Convention that commenced in 1993 dragged on for thirteen years, culminating in a draft constitution. This was adopted after a deeply-controversial referendum held in May 2008, a week after a devastating cyclone hit Lower Myanmar. Political party registration re-commenced in early 2010, but the NLD did not re-register. 36 parties did, and ran in the elections held on 10 November 2010.

The period from around 1990 to 2011 had been one of persistent courtship, ingress and expansion by China. Its protective role against western measures at the UN Security Council was used as a masthead, and the Myanmar junta knew that it needed the political cover and economic assistance. Other nations like India and Japan began their re-engagement but were no match for China then in terms of clout. In a period marked by government opacity, civil society was the watchdog and gadfly keeping tabs on Chinese inroads. (There is this constant litany from China about Western agency being behind civil society ‘troublemaking’. Members of local civil society resent this very much).

The elections of November 2010 marked a return to a multi-party system and the advent of a semi-elected government (albeit under the controversial 2008 constitution). However as mentioned above, the NLD did not contest those elections. The following year armed conflict resumed with the Kachin Independence Organization (KIO) in the far north, bringing a 17-year ceasefire to an end. Then, following public agitation, the President suspend-

ed the Chinese-run Myitson Dam project on the Ayeyarwady River. This led to a chill in bilateral relations and a fall in investments.

The NLD entered the by-elections of April 2012 and won a number of seats in the Union Parliament – including one held by its leader Aung San Su Kyi. This ushered in a period of rosy ebullience in relations with the West.

But with Myanmar’s history of a 70-year civil armed conflict, electoral victories do not ensure the return of peace. Relying upon majoritarian politics and mono-ethnic nationalism can actively deter a peace settlement with the ethnic nationalities, and by extension, the hoped-for federal system. Moreover, it can only render an even more tenuous and fragile ‘peace’ following ceasefires negotiated with ethnic paramilitaries which began in 1989. The weight of majoritarian politics has defeated every exercise in peace making, including the current Panglong Peace conference which had its third session in July 2018. It is like a balloon with not enough helium in it – it just won’t rise.

### **Belt and Road Initiative/ China Myanmar Economic Corridor**

“Yunnan has little industry. For the Belt and Road to really go ahead in Myanmar, the industrial weight of Sichuan, Chongqing and even Shanxi has to come in.”

Senior academic at Sichuan University, 2019

In September 2018 the Memorandum of Understanding for the China Myanmar Economic Corridor (CMEC) was signed without any details being made public. Early this year the NLD tabled a move for constitutional amendment in Parliament and the military was caught off-guard. And to spell it out further, recently the NLD proposed that article 59(f) should be amended. (This is an article that bars anyone who has family members who are foreign citizens from becoming President).

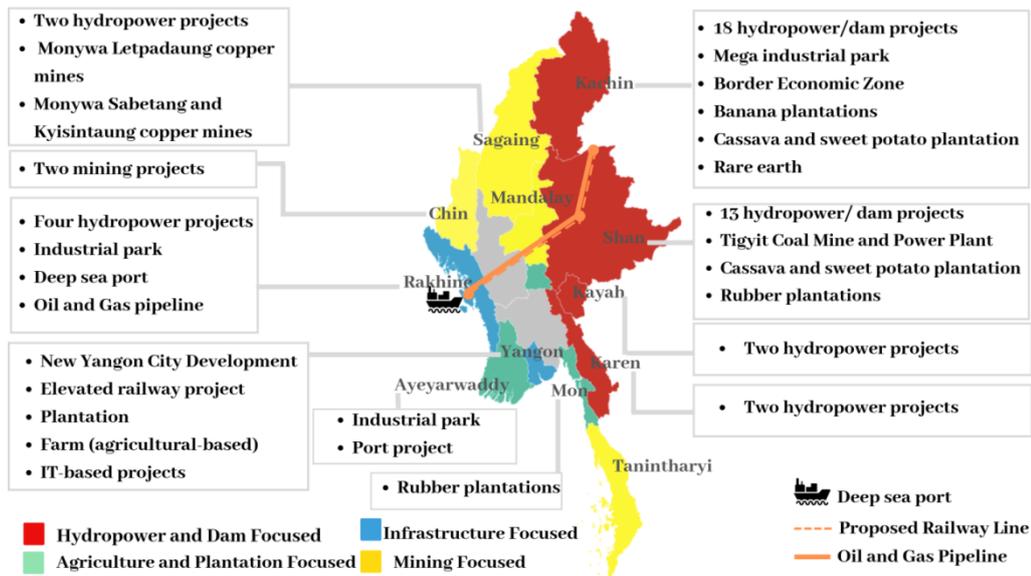
But the Corridor will have implications far beyond infrastructure and economic development. China expects more trouble to arise from the South China Sea, and therefore wants to use Myanmar to by-pass it. It is not just the choke-point at the Straits of Malacca that is troubling them. This means that Myanmar assumes even more importance from China’s perspective.

#### *Attitudes Towards the Belt and Road Initiative Among Domestic Stakeholders*

< MOST IN FAVOUR		LEAST IN FAVOUR >		
Ethnic armed organizations, particularly UWSA/Northern Brotherhood	China-linked businesses, and regional governments with which they are heavily involved	Incumbent National League for Democracy government	Central military	Majority of CSOs, incl. environmental movement, ethnic-cased civil society

A very pertinent starting question would be: if there are to be benefits for Myanmar, how will these be shared? Vertically (between strata) and horizontally (between sub-national

entities and ethnicities). How will it impact upon the ending of the civil war and the hoped-for federal system? How will it affect the regional balance of power? It is a matter of some doubt whether these and similar concerns are even being considered in the halls of Naypyidaw. On the CMEC as well as in other spheres, a more consultative, inclusive and participatory approach is urgently required. What is involved is more than just about overcoming crises and the prospects at the next elections in 2020. It is ultimately directed towards building a viable, plural and federalist democracy, and a more equitable and tolerant society.



One is tempted to conclude that the dragon shall have the last laugh, but it is not going to be smooth sailing along the way. The degree of mistrust of China's intentions is high, and its public relations are poor. The key 'deliverable' will be the degree and nature of traction it has upon the Myanmar military. And when all is done, what will be China's 'value-added' on Myanmar? This storyline will stretch over a number of years, and it will be messy and truncated. Remember that the MoU has only set things in motion – there is much more along the way that can and will happen.

Like China, India has been playing both the military and the NLD, spreading its bets. Of late, the relationship with the military has picked up. The military had been turning away from its former mentor and supplier China, and looking for new partners abroad. But following the carnage in northern Rakhine, doors that had been kept open in the West slammed shut. Therefore India became a ready alternative.

India which could have played an important role in using its influence in Myanmar has clearly valued its economic and strategic interests over its concerns for human rights and democratic process. Myanmar is crucial for the Modi government's Act East policy with the India-Myanmar-Thailand Asian Trilateral Highway, and the Kaladan multimodal project, a road-river-port cargo transport project. In the capital of the violence-affected Rakhine state, India has invested heavily in the construction of the Sittwe deep water port since 2016. The proposed SEZ by India will rival Chinese SEZ located 80 km south of strategically-located Sittwe. Competition with China in Myanmar has also constrained India.

Not much can be expected from the Indian government. Ironically, China has got a complete lead over India. With the signing of the CMEC MoU, India has lost out to a considerable extent.

## **The United States**

“Competition with the US will intensify. But we do not expect Myanmar to take any side”

Scholar at a leading think-tank in Beijing

The US has been through more of a helter-skelter ride than most others in the 60-odd years of diplomatic relations.

In the current period, at one end there is sometimes talk that the US and China should collaborate on finding solutions for Myanmar. At the same time there is profound distrust of the US’ intentions from the Chinese side. The belief is being aired that a policy of containment of China is being pursued.

On the Belt and Road, the official US stand (or at least that of the State Department) is that “we do not oppose the BRI. It is for Myanmar to decide for itself, according to its needs and after diligent assessment”. However there is unceasing monitoring of BRI projects (now the CMEC). This is done by most of the major missions stationed in Myanmar.

Due in part to recently-enacted legislation, US direct investment does not amount to much. The US is instead concentrating on education, democracy and peace, and to some extent on health. Even though direct military cooperation is proscribed, there are active programmes like those at the Asia-Pacific Center for Security Studies, Honolulu.

One point of comparison with earlier US experiences in the region is the bitter divide(s) in Myanmar and the patent, chronic inability to bring peace. In Vietnam’s case, the cold war was on and the US couldn’t afford to lose a non-communist client. So it was sucked into what became an ‘unwinnable’ war. For Myanmar today, in place of the cold war, there is the great-power contest. It is no longer ideological, but national aspirations and geopolitical interests are at stake – and these are even more potent drivers.

## **Competing strategic projects**

Despite the apparent incapacity at higher levels, Myanmar continues to be wooed from all quarters.

Three sectors or regions with projects in competition with one another will illustrate this -

	By China	By Others
Rakhine State	Kyaukphyu Deep Sea Port and Industrial Zone	Kaladan Multi-modal Waterway(India)
Railways	Mandalay-Ruili High-Speed Rail (Feasibility Study stage)	Yangon Circular Rail line and later Yangon-Mandalay Rail line Upgrading (JICA, Japan)
Port/SEZ in Delta	New Yangon City and Port (Kungyangon) Planning stage	Thilawa Port and SEZ near Yangon (Japan)

This is an era of electoral politics, with an electorate emerging from decades of dictatorship. Populism holds sway and beyond garnering votes, parties and politicians have little regard for public opinion. There seems to be little thought as to the direction in which the country is going, or needs to go. Civil society is not strong or big enough; it is divided and mostly involved in niche issues. The crony private sector is flourishing and going from strength to strength, keeping to its rentier, extractivist and exclusivist ways. On top of it all, all these stakeholders are discrete and inward-looking. One donor has asked how a democracy can be built if people do not talk to each other. In other words, Myanmar seems to be losing its way. After expending much time and suffering, a semi-democracy has been gained. But beyond this, there is neither road nor chart.

## Conclusion

The 'Battle of the Titans' is nothing new to Myanmar – and by this I mean the entire country and not just the policy-making crowd. As mentioned earlier, Burma/Myanmar had been buffeted by the Cold War, but its internal disputes and conflicts were far more damaging. Now with the Great Game Redux, the larger public would want no part in it. Certainly there are constituencies – political, business and ethnic – that would lean towards either major power, but these do not amount to much when set against native, public opinion (or wisdom). In the final tally, this may be the decisive factor.

One reason going for Myanmar is its size. It happens to be the largest country in mainland South East Asia in terms of land area. In a private conversation, friends from Laos and Kyrgyzstan felt they had no option but to go along with China. Not so in the case of Myanmar. It may be the size of a province in China, but with a different history and civilization, it will not fit into any Chinese pocket easily.

Present-day Chinese expansionism is primarily economic rather than military or political. One observes this in Africa. Most of the attention on China is towards the big-ticket infrastructure projects. But at the same time, the 'small fry' from China are all over the country now, especially after the easing of visa requirements. This resembles Chinese population incursions into the Russian Far East. One recent middle-size development is the new town of Shwe Kokko on the Thai-Myanmar border in Kayin state. It is a collaboration between a Kayin militia and a Chinese developer. Whether this represents a natural process or a slow swallowing by a pythonic entity is open to dispute. Besides the opposition from local pub-

lic opinion, things might come to a head in a collision between Myanmar and Han Chinese nationalisms.

It may be far more prudent for what may be called the Chinese world to follow what the earlier Chinese diaspora to South East Asia had done. Becoming acculturated, blending into local society, and contributing more than taking. Employing economic and infrastructural muscle to draw disparate nations and peoples into its orbit is much less likely to succeed.

The competition between the two powers is largely over Myanmar public opinion. China is ahead in many sectors but its public relations is poor. The US has an advantage in sectors like education, health and civil society-building, and has also been encouraging American companies to target Mandalay, which is the pivot of the Chinese economic presence in Myanmar.

Public opinion in large part remains cautious and wary of China's activities, and this will be difficult to change. Key challenges persist, such as that of achieving and maintaining peace. Elections will be held in 2020 but it is hard to envisage the outcome being a government strong and capable enough, and an environment conducive enough, to attain the elusive peace.

Myanmar's chronic problems are of domestic origin, and have little to do with foreign influences or great-power rivalry. All the powers and countries engaged with Myanmar know this, and there is a certain amount of anxiety in their dealings. They could spend a lot of time and effort countering one another, but by far the best course would be to help engender a Myanmar state that can come to terms with itself and is capable of setting things in order. All else proceeds from this.

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