

## China, Cambodia and the Myanmar Crisis

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### Abstract

This paper discusses several dilemmas faced by China in relation to the ongoing political, economic, social and health crisis in Myanmar. It concludes that China has a chance to work constructively with ASEAN under Cambodia's chairmanship in 2022 to obtain Aung San Suu Kyi's release, the reconstitution of the national assembly elected in 2020, and the formation of an interim coalition government until new free and fair elections can be held.

### Introduction

China is Myanmar's main foreign investor and trading partner and is integrating Myanmar with Western China through the ongoing construction of a Belt & Road corridor to Mandalay, Yangon, and a new port at Kyaukpyu on the Bay of Bengal. Myanmar's military coup on 1 February 2021 and the political, economic, social and health crisis that followed, have put the Belt & Road project at risk. China continues its work on the project in cooperation with Myanmar companies with close links to the Tatmadaw. Yet China now faces difficult dilemmas related to principles such as popular sovereignty, national sovereignty, non-interference, and the duty to protect one's own nationals. This paper argues that China, by hedging its bets and refraining from openly taking sides in Myanmar's internal conflicts, has retained a potential to work with the Association of Southeast Asian Nations (ASEAN) to

resolve the Myanmar crisis. China could work with ASEAN to obtain the release of State Counsellor Aung San Suu Kyi and a return to cohabitation between her party, the National League for Democracy (NLD), and the Myanmar Army (Tatmadaw). This will, however, require astute diplomacy. China's close links with Cambodia, the incoming ASEAN Chair in 2022, may play a key role.

Let me begin by underlining the seriousness of Myanmar's crisis. The military coup on 1 February was an outrageous act, annulling the overwhelming victory won by the NLD in the 8 November 2020 elections, hence blatantly defying the principle of popular sovereignty. The coup was deeply, immediately and openly resented by a huge majority of Myanmar's population through a popular revolt among the Bamar ethnic majority as well as several ethnic minorities (notably Kachin, Chin, Kayah, Kayin). At first, the revolt was characterised by peaceful, innovative mobilisation, strikes, demonstrations and social media campaigns. Then, when the military and police reacted with a combination of blind and targeted violence, many protesters also began to use violence.<sup>1</sup> Poorly armed rebels have launched attacks against Tatmadaw units and assassinated alleged collaborators.<sup>2</sup>

The crisis is not just political and military but economic and social as well. Foreign investments from countries other than China have stopped coming in. Myanmar is once again subject to international sanctions. Trade has dropped. The banking system has run into huge difficulties. Unemployment has soared. It was also only after the coup that the Covid-19 pandemic struck in earnest, exhausting the capacity of hospitals and crematories. Amidst these multiple crises, the military has instituted an interim State Administrative Committee (SAC), and Senior General Min Aung Hlaing has declared himself as Prime Minister. He says new elections will be held in 2023. Meanwhile, on 5 February, a group of NLD parliamentarians, having evaded arrest, established a Committee Representing the (Parliament) Pyidaungsu Hluttaw (CRPH). On 6 April the CRPH formed, together with representatives of various ethnic organisations, a National Union Government (NUG) to represent the country internationally and lead the resistance against the coup. It sought international recognition and called for the establishment of People's Defence Forces (PDFs). On 7 September 2021, NUG's vice-president issued an official call for a national uprising.

Myanmar is now a country of violence and misery. While this is not anything new in those ethnic minority areas where armed fighting has been endemic since the Union of Burma won its independence in 1948, it is new that the crisis and violence now also shakes the country's densely populated ethnic majority areas.

Let me first list and then discuss some of the dilemmas faced by China:

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<sup>1</sup> As of October 2021, more than 1,200 are reported to have been killed by the military forces.

<sup>2</sup> The number thus far exceeds 100.

## China's Myanmar Dilemmas

- Wait and see or take initiatives?
- Intervene to protect Chinese interests?
- Support ethnic insurgents or push them to make peace?
- Work with Tatmadaw, NLD or NUG?
- Go alone or overtly engage with the UN and ASEAN?

### **Wait-and-see or take initiatives?**

Beijing has so far taken a wait-and-see approach. Along with other countries, China has condemned excessive violence and has called for the release of political prisoners, but it abstained when the UN General Assembly adopted a resolution calling, inter alia, for preventing the flow of arms into Myanmar. 119 countries, including Vietnam, voted in favour, 36 abstained, and one voted against (Belarus).<sup>3</sup> China has not applied any sanctions. On the other hand, while Moscow has been eager to cultivate relations with the junta and has taken a lead in selling the Tatmadaw modern, heavy weapons, Beijing has kept a distance. Although China has upheld its role as the Tatmadaw's main weapons provider, it is also a source of weapons for insurgent groups. The weapons used by Myanmar's ethnic armed groups, even those engaged in active fighting with the government army (Tatmadaw), are mostly of Chinese origin. China has not withdrawn its investments, continues to develop new projects and has helped Myanmar with oxygen, Covid-19 vaccines, and other necessary medical provisions. Chinese aid has been channelled both through government and non-government agencies.

Largely, China may claim to have upheld its cherished principle of non-interference in other countries' internal affairs. It wields considerable influence on many levels but has not used force or openly threatened the use of force and has not openly aligned itself with any side in the conflicts between the Tatmadaw and Myanmar's many ethnic armed groups.

### **Intervene to protect Chinese interests?**

As Western China's gateway to the Bay of Bengal and the Indian Ocean, Myanmar is of great importance to China economically and strategically. Out of Myanmar's 56 million people, some 2 - 3 million are ethnic Chinese. Some have Chinese, some Myanmar, citizenship. Many have both. Chinatowns have been built in key cities, and they are more prosperous and better managed than other city quarters. Chinese companies are present throughout Myanmar. Pipelines are already in place, providing oil and gas from a terminal at Kyaukpyu in Rakhine State to China's Yunnan province. As of today, the roads are in a poor condition, but China now builds modern roads and railways. Once Chinese and Myanmar-based companies have constructed new roads, tunnels and bridges, Western China's trade with Myanmar, South Asia, the Middle East, and Europe will be much facilitated.

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<sup>3</sup> <https://www.un.org/press/en/2021/ga12339.doc.htm>

The plans also include a port and industrial growth zone on the coast of Rakhine and industrial zones on the China-Myanmar border. However, the transportation corridor will run through areas where multiple armed groups are frequently engaged in fighting against the Tatmadaw or each other. This often leads to popular displacements. Chinese construction companies cannot just rely for their security on agreements with Myanmar's national governments. They need to engage with and accommodate the non-state armed groups as well. If there should be attacks against Chinese construction sites or fighting happens in their vicinity, a temptation would emerge to employ Chinese security companies to serve as guards, although this would violate China's long-held principle of non-interference in other countries' internal affairs.

If armed struggles should affect the lives of Chinese temporary or permanent residents in Myanmar, harm Chinese companies, cut off pipelines or make it impossible for China to carry out the construction work, then there would be calls from Chinese companies and residents for China to intervene. This could present Beijing with a colonial dilemma. If remaining passive, it would fail to protect its citizens and interests. Its adversaries might then proceed to further harm Chinese interests. If China were to intervene in force, it would break with the Five Principles of Peaceful Co-existence (established in 1954) and get sucked into Myanmar's complex internal struggles. This could provoke latent anti-Chinese feelings. These mechanisms are well-known from the history of colonial empire building. While some ancient historical empires were formed by ambitious conquerors, most modern ones were built gradually through various forms of intervention to protect economic and security interests. China has already to some extent immersed itself in Myanmar's ethnicised politics. It followed Myanmar's peace process closely under the Thein Sein (2011–16) and Htin Kyaw/Win Myint/Aung San Suu Kyi (2016–21) governments and was represented by a special envoy at Myanmar's Union Peace Conferences. China also engaged with Myanmar and Bangladesh in 2018 as a mediator, with a view to facilitating the return of Rohingya refugees to a more stable Rakhine.

Beijing's key interest in Myanmar is to see the country build sufficient political stability on its own. This would allow China to escape the colonial dilemma and yet play a leading role in Myanmar's economic development.

### **Support ethnic insurgents or push them to make peace?**

China's key interest in a politically stable Myanmar does not necessarily converge with the special interests of various groups and corporations in China's Yunnan province. Some ethnic groups, notably Wa, Kokang Chinese, Mongla Chinese, Lisu and Jingpo (Kachin) live on both sides of the border. On the Myanmar side, they have their own independent armies. The largest one is the United Wa States Army (UWSA). Smaller ones include the Myanmar National Democratic Alliance Army (MNDAA), the National Democratic Alliance Army (NDAA) and the Kachin Independence Army (KIA). These groups have links to other groups, notably the Shan State Progress Party (SSPP), the Ta'ang National Alliance Party (TNLA) and the Arakan Army (AA), whose headquarters are in the northeast, close to China, while its fighters are in the western Rakhine State. Most of these groups' weapons are of Chinese

origin and have probably been imported through networks controlled by the UWSA or other armies or militias along the China border.

In 2017, seven groups (AA, KIA, MNDAA, TNLA, SSPP, NDAA, UWSA), none of which had joined Myanmar's so-called Nationwide Ceasefire Agreement (NCA) in 2015, formed a Federal Political Negotiation and Consultative Committee (FPNCC) to co-ordinate negotiations with the Tatmadaw and Aung San Suu Kyi's government. Nothing came out of this, but it did create a China-sponsored structure that included the main northern groups plus the AA, which fights for an independent or autonomous Arakan.

Myanmar's main ethnic armed organisations may be divided into five southern ones, with links to Thailand,<sup>4</sup> three western ones with links to Bangladesh or India,<sup>5</sup> and the seven northern ones, with links to China. Militarily, the China-linked groups are the strongest, but they differ radically from each other in their political orientation and attitude to the Union of Myanmar. The Kokang MNDAA was chased out of Myanmar by the Tatmadaw in 2009. Its leaders have since lived in Chinese exile. They tried a military comeback in 2015 but met staunch resistance from the Tatmadaw and failed. They remain intensely anti-Tatmadaw and have been campaigning in Chinese social media for the cause of the AA, which was engaged in heavy fighting with the Tatmadaw in Rakhine State during 2018–20. The KIA is led by US-inspired Baptist Christians. Yet its headquarters are right on the Chinese border, along with the AA's. The NDAA, which governs the little autonomous area of Mongla in the east, is keen to make peace with the Myanmar government. The UWSA has long been arming and training other ethnic armies and has effectively deterred the Tatmadaw from moving into the two Wa territories on the Chinese and Thai borders. After the 1 February military coup, there have been very few clashes between the Tatmadaw and ethnic armed groups in Shan State. Instead, the local armed groups have fought each other. The SSPP and TNLA have together sought to drive the Thai-oriented RCSS out of northern Shan State, with indirect Chinese support.<sup>6</sup>

China enters Myanmar's ethnic imbroglio with its transportation corridor, which provides new economic opportunities for the many rival groups. On the one hand, this may allow them to make money instead of war. On the other hand, it may lead them to fight with each other for the spoils. From Beijing's perspective, if not from Yunnan's, it should look like an attractive option to sponsor a comprehensive peace process in Myanmar, aiming at a federal all-Union compromise that includes a federal army. China most likely hoped to see some progress in this direction at Aung San Suu Kyi's series of Union Peace Conferences during 2016–20 but, like everyone else, was disappointed. The military coup has put Myanmar's peace process completely on hold.

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<sup>4</sup> Restoration Council for Shan State (RCSS), Karenni National Progress Party (KNPP), Karen National Union (KNU), Democratic Karen Benevolent Army (DKBA) and the New Mon State Party (NMSP).

<sup>5</sup> Arakan Rohingya Salvation Army (ARSA), Chin National Front (CNF), National Socialist Council of Nagaland (NSCN).

<sup>6</sup> Sai Wansai, 'Escalation of inter-ethnic conflict in the midst of Myanmar's Spring Revolution,' *Mizzima* 11 July 2021: <https://mizzima.com/article/escalation-inter-ethnic-conflict-midst-myanmars-spring-revolution>

## Work with Tatmadaw, NLD or NUG?

On the level of national Myanmar politics, should China deal with the military State Administrative Council (SAC), which formed a caretaker government with commander-in-chief Min Aung Hlaing as self-appointed Prime Minister in August 2021? Should it try to uphold its good relations with the NLD, Aung San Suu Kyi's party? Or deal with the new National Unity Government (NUG), which provides room for a younger, more radically democratic generation to manifest itself within the NLD and some of the ethnic minority parties?

China understands that no solution can be found to the Myanmar crisis without an agreement with the Tatmadaw. As Jason Tower has pointed out, China has maintained and developed many working level ties with the military junta, while failing to answer letters and requests from the NLD.<sup>7</sup> Yet China would most probably prefer to deal with Aung San Suu Kyi rather than Min Aung Hlaing. In China, the Party controls the Gun. It does not let the People's Liberation Army develop its own policies.

China got to know and trust Aung San Suu Kyi. This was not initially the case. During 2012–15, China feared that she would invite excessive influence from Japan, the US, and other Western countries. Once coming to power as State Counsellor in 2016, however, she reassured China by establishing close ties. Then, when she failed to criticise the Tatmadaw for its expulsion of Rohingya from Rakhine State in 2017, she lost the confidence of Western countries. China may well have seen it as a positive sign that the NLD, through the 2015 elections, became such a dominant force in Myanmar politics. China may also have appreciated that Aung San Suu Kyi kept the party under heavily centralised control. After the military coup, rumours said that China had warned Min Aung Hlaing against dissolving the NLD.

Although the National Unity Government (NUG) officially recognises Win Myint as President and Aung San Suu Kyi as State Counsellor, the two of them cannot influence NUG policies since they are in prison and have virtually no means of communication. The NUG is a decentralised, diverse coalition of exiled or clandestine politicians and activists united by an urge to get rid of the military junta and move towards a genuine, federal democracy. China has avoided open contact with NUG.<sup>8</sup> It is a new force in Myanmar politics, representing a generational shift in the NLD and Myanmar politics. The longer it takes for Aung San Suu Kyi to regain her freedom, the more difficult it will be for her to regain control of her party. NUG has adopted an inclusive federalist agenda, a human rights-based approach to the Rohingya question and has called for armed fighting against the Tatmadaw both in ethnic majority and minority areas. China would probably worry if NUG were to gain major influence. Beijing would therefore more likely prefer a return of the 76-year-old Aung San Suu Kyi to power, along with her elderly advisers. China is fully aware of her enormous popularity among the Myanmar masses as the daughter of the modern Burmese nation's

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<sup>7</sup> Jason Tower, 'China and Myanmar's Ousted Leaders: Mixed Signals, Cold Interests.' *Analysis and Commentary*. United States Institute of Peace, October 7, 2021: <https://www.usip.org/publications/2021/10/china-and-myanmars-ousted-leaders-mixed-signals-cold-interests> (accessed Oct. 28, 2021).

<sup>8</sup> <https://www.rfa.org/english/news/myanmar/nug-minister-china-06092021193451.html>

founder Aung San and someone who has fought stubbornly for decades against military dictatorship.

If possible, China would probably support a return to constitutional rule in Myanmar with a new formula for co-operation between the NLD and Tatmadaw. In that process, the latter might be expected to transform itself to a more professional, federal army with a reduced political role.

### **Go alone or engage openly with the UN and ASEAN?**

Although China has sought to mediate between Bangladesh and Myanmar and has tried to influence Myanmar's peace process, it has been reticent to meddle directly in Myanmar politics. It has chosen to wait-and-see, hedge its bets and—interestingly—work through multilateral organisations. Although China, as mentioned, was among the 36 countries who abstained when the UN General Assembly called for a stop to the flow of arms to Myanmar, China has engaged in talks about Myanmar with the other members of the UN Security Council, persuading them to water down their draft resolutions and go instead for unanimous statements. The UNSC unanimously issued a Press Statement on 4 February, a Presidential Statement on 10 March and another Press Statement on 1 April, demanding an end to the Myanmar military's violence and the release of Aung San Suu Kyi, President Win Myint and other political prisoners, and calling for talks and reconciliation.<sup>9</sup>

The UNSC's Presidential Statement expressed strong support for ASEAN's continued efforts to engage with all relevant parties in Myanmar. In fact, the UNSC played the ball into ASEAN's court, assigning it a prime role in trying to resolve the crisis. This led ASEAN leaders to physically meet with Min Aung Hlaing in April in Jakarta and agree to a vague five-point consensus. In its final iteration, it did not include an explicit demand for the release of Aung San Suu Kyi. Afterwards, it took a long time for Brunei, as ASEAN Chair, to reach consensus on the appointment of an ASEAN envoy to Myanmar. In the end, this resulted in the appointment of Brunei's own foreign minister. And then he failed to arrange for a visit in Myanmar, since the junta refused his requests to meet Aung San Suu Kyi and other political leaders. One part of the compromise reached by ASEAN's member countries was that the special envoy would be chosen by the rotating chair. This means that Cambodia, as the incoming chair, will now appoint a new special envoy.

China is not of course a member of ASEAN but remains a leading Dialogue Partner. It is ASEAN's main trading partner and has particularly strong relations with some of its members: Cambodia, Laos, and Thailand. From China's perspective it may seem attractive to encourage ASEAN to take a tougher line towards the Myanmar junta instead of having to do so itself. From China's perspective, ASEAN's engagement has the additional advantage of reducing the risk of interference by Japan or Western countries. In this perspective it is

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<sup>9</sup> Press Statement 4 February 2021: <https://www.un.org/press/en/2021/sc14430.doc.htm>. Presidential Statement 10 March 2021: [https://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s\\_prst\\_2021\\_5.pdf](https://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s_prst_2021_5.pdf). Press Statement 1 April 2021: <https://reliefweb.int/report/myanmar/un-security-council-press-statements-myanmar-1-april-2021-enmy>

interesting that Cambodia now takes over as ASEAN chair with a mandate to appoint a new ASEAN special envoy to Myanmar.

Ahead of the ASEAN Summit, ASEAN's foreign ministers met and agreed not to invite Min Aung Hlaing but welcome a civil servant. This led the junta to boycott the summit.<sup>10</sup> "Today, ASEAN did not expel Myanmar from ASEAN's framework. Myanmar abandoned its right," said Cambodian Prime Minister Hun Sen, ASEAN's next chairman: "Now we are in the situation of ASEAN minus one. It is not because of ASEAN, but because of Myanmar."<sup>11</sup>

In August, well ahead of the summit, China's foreign minister Wang Yi held a series of meetings with ASEAN's foreign ministers and promoted the search for a regional solution without external involvement. On 14 October, Wang Yi declared his support to Brunei's attempt, as the outgoing ASEAN chair, to "play a constructive role in promoting Myanmar's peaceful reconciliation and political transformation process."

### Can China Work With Cambodia?

Over the last two decades, China has seen how the US and its allies have failed to generate viable political solutions and economic development in a range of crisis countries: Somalia, Iraq, Libya, Afghanistan, Syria, Yemen, etc. Now there is a crisis country right on China's doorstep. Western China, which has seen rapid economic growth over the last two decades, needs to trade with Myanmar and stands to benefit greatly from the planned transportation corridor. This requires a minimum of political stability in Myanmar, notably in northern Shan State, the densely populated areas around the Irrawaddy River and on the coast of Rakhine State.

The situation entails huge risks for China if it either lets Myanmar continue its slide towards chaos or seeks to impose a solution of its own. The latter option could provoke anti-Chinese sentiments inside Myanmar and invite Western interference. Yet if the situation inside Myanmar continues to aggravate and China proceeds with its planned construction work, it may end up facing an irresistible temptation to intervene forcefully to protect Chinese lives and investments. This would violate the principle of national sovereignty and non-interference, so deeply cherished by China itself, and could instil fears of Chinese interference in other Southeast Asian countries.

The best way forward for Beijing may be to work strategically with ASEAN and the new UN Special Envoy, the Singaporean Noeleen Heyzer, to obtain the release of Aung San Suu Kyi, the restoration of the legitimately elected parliament, the replacement of Senior General Min Aung Hlaing with a new professional commander-in-chief and the formation of an interim coalition government. It might conceivably be formed in co-operation between the NLD, the Union Solidarity and Development Party (USDP)—with its close links to the

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<sup>10</sup> For a well-informed analysis of ASEAN's apparent break with its long-held principle of non-interference in its member countries' internal affairs, see Gwen Robinson, 'Can ASEAN overcome the 'Myanmar curse'?' Nikkei Asia, 1 Nov. 2021: <https://asia.nikkei.com/Spotlight/Comment/Can-ASEAN-overcome-the-Myanmar-curse>

<sup>11</sup> <https://www.reuters.com/world/asia-pacific/southeast-asian-leaders-hold-summit-excluding-myanmar-coup-leader-2021-10-26/>

Tatmadaw—and the most important ethnic minority parties, notably the Shan National League for Development (SNLD) and the Arakan National Party (ANP), which both did very well in the 2020 national elections. The coalition government would then take responsibility for agreeing on a programme to overcome Myanmar's social, health and economic crisis, seek international aid and prepare for new, internationally monitored free and fair elections.

Beijing might gain much international respect by working in this direction, in cooperation with Cambodia as ASEAN chair, while also listening to the concerns of India, Western countries and Japan. Cambodia and Myanmar are fellow Buddhist countries. Cambodia benefitted from the multinational Paris agreement in 1991, which put an end to long cycles of war and massacres in Cambodia and the rest of Indochina. Cambodia enjoys tight relations with China and has received huge Chinese investments.

Phnom Penh's close links with Beijing created problems the last time Cambodia served as ASEAN chair. In 2012, Cambodia prevented consensus on the South China Sea. It also blocked consensus in 2016. This time, Cambodia could turn its links with China into a diplomatic advantage. Cambodian leader Hun Sen now faces an opportunity to boost his standing in ASEAN and make his mark on the international diplomatic stage by working with his ASEAN partners and China to turn the terrible tide in Myanmar.

## The Author

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