



MYANMAR'S RELATIONS WITH CHINA AND INDIA: THE ASEAN PERSPECTIVES

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South Asia Scan

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**Myanmar's Relations with
China and India:
The ASEAN Perspectives**

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Contents

Executive Summary	4
Introduction	6
ASEAN Over 50 Years: Vision and Work	7
Neutrality, Centrality and Balancing External Influence	13
Myanmar and ASEAN	16
Myanmar's Relations with China and India	18
Economic and Infrastructure Development	20
National Peace Process	28
Violence and Humanitarian Crisis in Rakhine	33
Democratic Progress in Myanmar	38
Conclusion and the Way Forward	41
About the Author	44
About South Asian Scan	45
Past Issues	46

Executive Summary

Myanmar has been a member of the Association of Southeast Asian Nations (ASEAN) since 1997. Being the only Southeast Asian country that shares land borders with two Asian giants, China and India, Myanmar's trajectory is intimately shaped by their interests and actions. This South Asian Scan looks at how ASEAN views Myanmar's relationship with its two large neighbours and the extent to which its engagements with these two are in line with ASEAN's interests.

The analysis focuses on four main areas of engagement: economic development; Myanmar's peace process with the ethnic armed organisations (EAOs); the Rakhine/Rohingya crisis; and Myanmar's democratic transition following the recent coup d'état.

Based on ASEAN's vision and work, China and India's engagements with Myanmar concern Southeast Asia in two ways: first, their contribution to economic development of the country and its ability to integrate with the region as well as the global economy; and second, their implications on ASEAN's centrality – its ability to manage external influence and have a significant unitary voice.

In all four areas of engagement, the interests of China and India are broadly in line with those of ASEAN. Economic development for Myanmar – a significant fraction of which is bolstered by Chinese and Indian investments, aid and initiatives in transport infrastructure – is useful for ASEAN as it seeks to build a more integrated and prosperous Southeast Asia. Movements towards a peaceful settlement of Myanmar's decades-old conflicts can build a foundation for future growth and stability for the country, further enhancing prospects for regional prosperity.

China has a potentially decisive role to play in peace talks and in limiting conflicts for the Belt and Road Initiative (BRI) projects to proceed smoothly. Its support to Myanmar's government on the Rakhine issue is balanced by India, Japan and ASEAN which, instead of applying hard pressure like the Western countries, provide support to improve economic and infrastructure development in Rakhine.

Democratic progress is significant to ASEAN's interests in Myanmar as it sustains international cooperation and socio-economic progress there and helps balance the country's relations with external powers, which is important for its unity and centrality.

The coup on 1 February 2021 shows that all the key players, including China, benefit from a more democratic Myanmar than under an autocratic military regime. How India, China and ASEAN manage their relations with Myanmar has created a situation that prevents any player from influencing Myanmar's foreign relations in a way that would significantly affect the others. While this is good for ASEAN's centrality, as Myanmar is not under a dictate of these outside powers, it limits Myanmar's democratic progress and respect for human rights. Any unilateral pressure from ASEAN, India or China on Myanmar to adhere to the principles would disturb the equilibrium and most likely jeopardise their interests in the country and their capacity to engage with the government.

Introduction

The emergence and existence of ASEAN are tied to the interplay between major powers. In achieving the main goals for the region of remaining peaceful, consolidated, prosperous, stable and free from external interference, balancing the influence of external major powers and securing constructive cooperation with them are critical. Among the powers competing for influence in Southeast Asia, China and India are the two large countries sharing land borders with the region, with Myanmar being the only ASEAN member to share a land border with both of them. This geography has led the three parties to having extensive and intimate engagements, especially when Myanmar faced sanctions from the international community. Presently, the country has the most comprehensive and close relations – security, economic and bilateral and regional multi-sectoral cooperation – with these two neighbours.

This Scan explores how, and to what extent, these bilateral relations, India-China interactions and the balancing of influence between the two within Myanmar align with or have effects on ASEAN's regional vision and work. The analysis focuses on engagements in four areas of concern to ASEAN: economic development; the national peace process; the violence and humanitarian crisis in Rakhine; and Myanmar's democratic transition following the recent coup.

ASEAN Over 50 Years: Vision and Work

ASEAN, as well as its members, have never directly issued any statement nor expressed views on Myanmar's relations with China and India. To think about the perspectives that the organisation might have on the relations, we must look at ASEAN's interests, which lie in what it tries to achieve and how it works towards it, as well as its evolving relations with external powers. This section lays out the evolution of the organisation's objectives, work and relations with external powers in progressing towards its vision and goals.

Managing Conflicts

Since its inception in 1967, ASEAN has gone through several periods of adjustments in its foci and work towards evolving regional settings. During the 1960s, distrust was high in the aftermath of decolonisation and the ongoing Cold War. There were tensions among the five founding members over the emergence and demarcation of the new states. Countries in the region were pulled towards opposing ideological camps and affected by proxy wars. The primary emphasis placed on the new association was for it to be a platform for dialogue and consultation among the members to manage conflicts and maintain peace, and to offer solidarity against interference from external powers, which at the time came primarily from the communist camp, as all the founding members were non-socialist countries. These were articulated in the Declaration of Zone of Peace, Freedom and Neutrality in 1971. The Treaty of Amity and Cooperation, a prerequisite for potential members and dialogue partners, also emphasised mutual respect for independence, sovereignty and peaceful means of dispute settlement. While another objective of ASEAN's establishment was economic and social cooperation, this cannot be separated from regional peace and stability. A peaceful Southeast Asia was seen as a necessary basis for countries to pursue socio-economic development and other national goals.¹

¹ Susuma Yamakage, "Evolving ASEAN and Changing Roles of TAC", in Aileen Baviera and Larry Maramis, eds., *Building ASEAN Community: Political – Security and Socio-cultural Reflections*, ASEAN@50 Vol. 4, Economic Research Institute for ASEAN and East Asia, 2017, p. 40.

Towards Prosperity and Economic Security

The end of the Cold War brought a new security environment, new opportunities and new power play in Asia and the Pacific. For ASEAN, this was a period marked by the expansion of membership, ASEAN-led multilateral arrangements that went beyond ideological divides, and a shift of focus towards economic cooperation and integration.

With the end of the Indochina War and the Cold War, ASEAN expanded its membership to the current number. In 1999, Cambodia became the last current member to join it while Myanmar became a member in 1997. Efforts were made to engage with China and Russia by having them present at the Opening Session of the 24th ASEAN Ministerial Meeting in 1991. Sectoral dialogue partnership was extended to India in 1992. The formation of the ASEAN Regional Forum (ARF) in 1994, which also included China, Russia, India, Cambodia, Laos, Myanmar and Vietnam, was a breakthrough as it was the first time an ASEAN-centered dialogue forum included countries from outside the Free World.

The ASEAN Free Trade Area was agreed upon in 1992. Financial and economic interdependency among countries in East Asia was notable and was accentuated by the Asian Financial Crisis of 1997. There were several efforts by ASEAN and the East Asian countries to deal with its impact and improve regional financial resilience. ASEAN's measures included the establishment of mechanisms for consultations on macroeconomics and financial policies, monitoring and early warning systems (ASEAN Surveillance Process, ASEAN Surveillance Coordinating Unit and ASEAN Surveillance Technical Support Unit) and the Hanoi Action Plan. Towards the end of 1997, the ASEAN Plus Three Cooperation, in which cooperation on finance, economics, human resources and scientific and technical development featured prominently, was initiated.² Under this arrangement, political and security cooperation was expanded to cover collaboration to overcome economic crises, and the event served as "a moment to recognise an East Asian Community".³

² Joint Statement on East Asia Cooperation, 28 November 1999.

³ Overview of ASEAN Plus Three Cooperation, ASEAN Secretariat Information Paper, June 2017, <http://www.nira.or.jp/past/publ/review/2000autumn/hewanthony.pdf>.

Another significant step was the adoption of ASEAN Vision 2020, which charted the direction toward regional macroeconomic and financial stability, enhanced socio-economic development and regional integration, with ASEAN playing “a vital role in international fora and advancing common interests”.⁴

Towards ASEAN Integration and Centrality

In the following years, ASEAN signed free trade area agreements (FTAs) with China, Japan, India and South Korea. The Bali Concord II, adopted in 2003, set the path for the creation of the ASEAN Community, which comprises three pillars: political and security cooperation; economic cooperation; and socio-cultural cooperation. Beyond intra-economic integration, the Concord also affirms a commitment to increase linkages to the world economy, and the agreement helped set a basic framework for ASEAN’s development cooperation governance.⁵ The role of ASEAN in facilitating dialogues and engaging with external partners was deepened in 2005 as the East Asia Summit (EAS) was initiated to serve as a platform for top-level strategic dialogues between the ASEAN members and the main six dialogue partners (the United States [US] and Russia were invited to join the Forum in 2010). The ASEAN Charter of 2008 provided the legal and institutional framework for establishing the ASEAN Community. Adherence to rule of law, good governance, principles of democracy and constitutional government became ASEAN principles, much like the classical principle of non-interference in the members’ internal affairs. The term ‘centrality’ was used to describe the organisation’s purpose in carrying out multilateral dialogues with external partners: “To maintain centrality and [the] proactive role of ASEAN as the primary driving forces in its relations and cooperation with its external partners in a regional architecture that is open, transparent and inclusive.”⁶ The organisation also showed that it was now serious about realising the idea of an ASEAN Community and adopted the Roadmap for the ASEAN Community (2009-2015), which

⁴ ASEAN Vision 2020, 15 December 1997, https://asean.org/?static_post=asean-vision-2020.

⁵ Thomas Parks et al., *ASEAN as the Architecture for Regional Development Cooperation*, The Asia Foundation, San Francisco: 2018, p. 9.

⁶ The ASEAN Charter (Jakarta: ASEAN Secretariat, 2008), p. 5.

included blueprints for the political-security community, economic community and socio-cultural community.

In 2010, the concept of ‘ASEAN centrality’ was pushed forward during the 43rd ASEAN Ministerial Meeting in Hanoi. The 10 dialogue partners⁷ expressed unequivocal support for ASEAN playing a central role in ASEAN-led wider regional cooperation frameworks and the inception of the ASEAN Defence Minister Meeting (ADMM) Plus,⁸ another ASEAN-led forum focusing on defence and security cooperation. The adoption of the Bali Concord III in 2011 highlighted the commitment to an ASEAN common voice on global issues of common interest and concern in relevant multilateral fora; and for enhanced ASEAN capacity to respond to key global issues, thereby fortifying ASEAN’s centrality. The Concord III also added commitments to cooperation with international organisations in creating sustainable and equitable economic development prescribed in the United Nations (UN) Millennium Development Goals.⁹ The same year also saw the adoption of the first Master Plan on ASEAN Connectivity (MPAC) with a view that a well-connected Southeast Asia would accelerate regional integration and economic growth, promote competitiveness, intra-regional socio-cultural understanding and people mobility, and enhance the group’s ability to connect with the world.¹⁰ The document laid out prioritised projects, timelines for implementation, tasks for concerned agencies as well as plans for coordination, oversight and reporting progress with implementation for the 2011 to 2015 period.

In December 2015, ASEAN reached a significant milestone in regional integration, as it became a single market under the ASEAN Economic Community. Plans for the ASEAN Community were also updated in the ASEAN Community Vision 2025, along with other ambitions. Beyond realising an “integrated, peaceful and stable community with shared prosperity”, the new vision also emphasised a “rules-based,

⁷ Australia, Canada, China, India, Japan, Republic of Korea, New Zealand, Russia, the European Union and the US.

⁸ ASEAN Centrality on Center-Stage Hanoi, 23 July 2010, https://asean.org/?static_post=asean-centrality-on-centre-stage-ha-noi-23-july-2010.

⁹ Bali Declaration on ASEAN Community in a Global Community of Nations, “Bali Concord III”, ASEAN, <https://www.asean.org/uploads/2012/05/Bali%20Concord%20III.pdf>.

¹⁰ See Master Plan on ASEAN Connectivity, (Jakarta: ASEAN Secretariat 2011), forward.

people-oriented, people-centred ASEAN community where people enjoy human rights and fundamental freedom, higher quality of life and benefits of community building.”¹¹ The complementarity between the ASEAN Community and the UN Sustainable Development Agenda was also noted. This exhibited a willingness to see a community that adheres not merely to ASEAN principles but also universal principles.

By looking at important documents, events in its history and current activities, we can conclude that ASEAN’s main aims and work involve:

Aims	Work	Mechanisms
Maintaining regional peace and security	<ul style="list-style-type: none"> • Managing bilateral and multilateral conflicts in the region • Building capacity and responses to traditional and non-traditional threats through ASEAN mechanisms and inter-regional cooperation frameworks 	<ul style="list-style-type: none"> • Preventive diplomacy and trust-building through regional and inter-regional dialogue platforms • Informal mediation/shuttle diplomacy • ASEAN-led cooperation frameworks (ARF, EAS, ADMM, ADMM Plus)
Prosperous and resilient economy and developed ASEAN	<ul style="list-style-type: none"> • Providing platforms for intra- and inter-regional economic cooperation • Enhancing capacity and competitiveness among members 	<ul style="list-style-type: none"> • ASEAN-led cooperation frameworks (FTA, ASEAN+1, ASEAN+3) • ASEAN sectoral bodies¹²

¹¹ ASEAN 2025: Forging Ahead Together (Jakarta: ASEAN Secretariat: 2015), p. 13.

¹² Ernie Bower, “China Reveals Its Hands on ASEAN in Phnom Penh”, Center for Strategic and International Studies, 20 July 2012, <https://www.csis.org/analysis/china-reveals-its-hand-asean-phnom-penh>.

<p>Consolidated and integrated community</p>	<ul style="list-style-type: none"> • Providing guidelines and plans for the ASEAN Community • Enhancing the capacity of members to pursue the integration plan 	<ul style="list-style-type: none"> • ASEAN Community blueprints • Master Plan on ASEAN Connectivity
<p>Inclusive development and universal principles</p>	<ul style="list-style-type: none"> • Cooperating with international organisations • Encouraging sustainable development and members to uphold democracy and human rights 	<ul style="list-style-type: none"> • ASEAN Charter • ASEAN Community Vision • ASEAN sectoral bodies

Neutrality, Centrality and Balancing External Influence

A large part of ASEAN's work involves cooperation with external powers. By being the centre of several extra-regional cooperation platforms, ASEAN centrality is accepted and will continue to gain support from external powers only if the organisation can maintain neutrality and ensure that no platforms will be used by a single major power to set the agenda. To ensure that these existing platforms will be, first and foremost, for its own interests, ASEAN must try to be the main agenda-setter. It is thus fundamental that at ASEAN-led international fora, all members speak with one voice or stick to agreed common views. This requires the balancing of external influences at two levels.

First, in extra-regional multilateral cooperation frameworks, ASEAN needs to ensure that these are not dominated by any major power. Beyond geographic location and the level of engagement with Southeast Asia, external partners are chosen to cooperate with and, at the same time, balance one another. As noted by Amitav Acharya, within the current setting, major powers trust ASEAN rather than themselves playing a central role in facilitating regional fora, where confidence-building and cooperation on areas of common interest can be forged between them, thus limiting rivalry and unnecessary aggressiveness.¹³ A study by Ralf Emmers¹⁴ also found that power balancing considerations were a part of the ARF's formation.

Second, under the current circumstances where ASEAN is not a supra-national organisation, the major powers and ASEAN members primarily engage with each other in bilateral relations. Through these channels, both parties can focus on their national interests, which may not align with those of ASEAN. The major powers also prefer to

¹³ Amitav Acharya, "The Myth of ASEAN Centrality?", *Contemporary Southeast Asia*, ISEAS-Yusuf Ishak Institute, Vol. 39, No. 2, August 2017, p. 277.

¹⁴ Ralf Emmers, *Cooperative Security and the Balance of Power in ASEAN and the ARF* (Taylor & Francis E-Library, 2004).

strengthen relations and exert influence over small countries through bilateral cooperation and assistance. In several cases, ASEAN members have closer relations with external powers than with fellow members and sometimes act in favour of those powers over their own. A prime example comes from 2012 when the ASEAN Foreign Ministers' Meeting failed to produce a joint statement for the first time in its 45-year history with Cambodia being accused of blocking any mention of the South China Sea dispute in the statement. China had tried to pressurise ASEAN members, particularly Cambodia, to keep the South China Sea off the ARF's agenda.¹⁵ In 2016, Cambodia once again blocked an ASEAN joint statement mentioning the Permanent Court of Arbitration's ruling against China in the South China Sea case versus the Philippines. These events demonstrate how a greater power can use bilateral relations to damage ASEAN centrality and unity; and that, without solidarity, the association is crippled in performing the elementary task of managing international conflicts concerning its members and, most importantly, withstanding pressure or threats from greater powers, a crux of any regional grouping.

Over decades, China has built strong economic and diplomatic ties with countries in Southeast Asia. Countries like Cambodia, Laos and Myanmar have benefitted considerably from trade, investment and development assistance from it. While this, to some extent, helps increase economic development in the region, ideally ASEAN would not have its members fall under the sphere of influence of any power that could undermine its vision and function. ASEAN has limited control except in making the cooperation platform inclusive and encouraging external players to balance one another in their multilateral and bilateral engagements.

Beyond their economic relevance, there are strategic rationales behind its engagement with China and India. Given China's territorial conflicts with several ASEAN members in the South China Sea, its behaviour during the Cold War and its strong military power, ASEAN has included China in several multilateral cooperation platforms so

¹⁵ Ernest Z Bower, "China Reveals Its Hands on ASEAN in Phnom Penh", Center for Strategic and International Studies, 20 July 2012, <https://www.csis.org/analysis/china-reveals-its-hand-asean-phnom-penh>.

that it can be institutionalised towards peaceful relations, international norms and the ASEAN way.¹⁶

Recent years have also seen an upgrade in ASEAN-India relations as they established a strategic partnership in 2012 and the ASEAN-India Centre, an ASEAN-affiliated think tank, in 2013. Delhi has been more active in its engagements with the Southeast Asian countries, partly to contain China's influence in the region.

The ASEAN perspectives towards China and India's engagement in Myanmar can be drawn from how much these countries align with the association's aims and work, and how likely will this lead to Myanmar falling under the influence of one or both in a way that negatively affects the association.

¹⁶ Mikael Weissmann, "Chinese Soft Power and ASEAN's Constructive Engagement: Sino-ASEAN Relations and the South China Sea", *Kyoto Review of Southeast Asia*, Issue 15 (March 2014), <https://kyotoreview.org/issue-15/chinese-soft-power-and-aseans-constructive-engagement-sino-asean-relations-and-the-south-china-sea/>.

Myanmar and ASEAN

Myanmar only joined ASEAN in 1997. The country declined an invitation in 1967 citing its neutral policy, as the bloc was at the time perceived to be anti-communist. Interest in re-engaging with Myanmar was renewed in the early 1990s as the Cold War came to an end and due to the country's increased economic links with ASEAN members like Singapore, Thailand and Indonesia. Following the violent suppression of the student-led uprising in 1988, the country needed new foreign investment sources and trade partners as it faced international sanctions largely from the West as well as India. It passed a law facilitating foreign investment allowing China and the countries in Southeast Asia to become major investment and trade partners with Myanmar, which offered a large market and abundant natural resources like oil and gas, timber and minerals. The crisis also provided an opportunity for China to develop close economic and military ties with Myanmar. According to Aung Zaw,¹⁷ ASEAN's constructive engagement towards Myanmar was also driven in part by concern over growing Chinese influence.

The possibility of extending membership to Myanmar was first discussed in 1991, but due to its record of human rights violations and political problems, it was accepted only as an official observer and ARF member in 1996. This came after Myanmar made some compromises to improve its image – for example, by releasing Aung San Suu Kyi from house arrest. ASEAN-Myanmar relations before the country's political reforms began in 2010 were not smooth. The country's admission occurred amidst protests from inside and outside ASEAN. The government's treatment of Aung San Suu Kyi had several times put intra-ASEAN and ASEAN-European Union (EU) relations under strain. Myanmar was pressured not to take its turn to chair ASEAN in 2005 due to concerns that the Western countries might boycott meetings in its country. The violence against protesters during the Saffron Revolution was heavily criticised during an ASEAN Foreign Ministers' Meeting in 2007.

¹⁷ Aung Zaw, "ASEAN-Burma Relations", *Challenges to Democratization in Burma: Perspectives on Multilateral and Bilateral Responses*, International Institute for Democracy and Electoral Assistance (2001), p. 37. http://www.idea.int/asia_pacific/burma/upload/chap1.pdf.

The reforms from 2010 significantly improved Myanmar's status and Naypyidaw did a commendable job during its chairmanship in 2014, particularly in dealing with China. Both the ASEAN and ARF members freely discussed South China Sea issues at meetings while Myanmar ensured that the released documents did not contain antagonistic language.¹⁸ Unlike Cambodia's chairmanship in 2012, a Foreign Ministers' Meeting in Naypyidaw even issued a separate statement expressing the concerns of ASEAN members over the South China Sea disputes, urging self-restraint and adherence to international laws.

However, this elevated status has been reversed by the coup of February 2021. The Myanmar military's announcement that it was taking control over the country for at least one year has created some tensions in its relationship with ASEAN and other countries. The situation pits the conventional principle of non-interference against the new principle of democracy adopted in 2008. Statements from Singapore, Malaysia, Indonesia and ASEAN's Chairman in response to the coup have expressed concerns over the current situation and support for democratic progress. These statements even invoked the principles of democracy. However, Thailand, Cambodia and Vietnam have preferred to treat the current strife as an affair internal to the country. As ASEAN's actions rely on consensus, the current common standpoint, according to a statement issued after the Foreign Ministers' Meeting in March 2021, did not go further than offering to assist in supporting peaceful resolution through (domestic) dialogue, once again sidelining democratic principles.

¹⁸ Yun Sun, "Myanmar's ASEAN Chairmanship", Stimson, *Great Powers and the Changing Myanmar*, Issue Brief No. 4, September 2014. https://www.stimson.org/sites/default/files/file-attachments/Myanmar_Issue_Brief_4.pdf.

Myanmar's Relations with China and India

Before the Thein Sein government opened the country in late 2010, Chinese engagement with Myanmar had been entrenched for over two decades owing to international sanctions following the crackdown in 1988. Before this, the northern neighbour had been viewed with suspicion for providing support to the Burmese Communist Party and ethnic armed groups near Myanmar's northern border. Relations greatly improved during the 1990s when China provided unconditional support, both economically and militarily, to the junta. In that decade, over two-thirds of the Burmese military personnel received training from China¹⁹ which also provided arms supplies to the Myanmar military. In return, Beijing gained access to natural resources in several ethnic areas. Bilateral trade and investment have blossomed as the Chinese economy has expanded and grown stronger.

China-Myanmar relations faced a setback since the latter embarked on political reforms. Several analyses have even pointed out that the reform decision itself was aimed at reducing the dependence on China. Improving Myanmar's relations with the Western countries and its image in the international community would allow it to benefit economically from better integration with the world economy and international cooperation. Beijing, however, maintained good cooperation with the Thein Sein and National League for Democracy (NLD) governments. It remains to be seen how the recent coup will affect the relationship between the two countries. Thus far, China has continued to maintain an amicable stance towards the junta government.

India and Myanmar were close during the premierships of U Nu (1948-1956 and 1957-1962) who had close personal ties with Prime Minister Jawaharlal Nehru. The newly democratic government received military assistance from New Delhi to escape a coup attempt in 1948. Both countries then became founders of the Non-Aligned Movement. Relations were significantly affected after General Ne Win seized power in 1962 and started to practice an

¹⁹ "China's Role in Myanmar's Internal Conflicts", United States Institute of Peace's Senior Study Group Report, September 2018, No. 1, p. 12.

‘independent foreign policy’, in which Rangoon limited engagement with other countries and became unresponsive to India’s requests for cooperation on border security and attempts to deepen bilateral relations.

India-Myanmar relations hit their lowest point in 1988 with the Indian government expressing support for the democratic movement. However, with concerns that the country was becoming over-dependent on China, Yangon finally welcomed re-engagement with New Delhi in the year 2000. The Myanmar government became cooperative in every sphere of engagement and New Delhi chose to ignore the violent crackdown during the Saffron Revolution. As with China, India’s relations with Myanmar have seen close cooperation in the building of infrastructure and security such that it could carry out a security operation against insurgents inside Myanmar in 2015.²⁰ Delhi’s ties with the Tatmadaw (Myanmar’s military) were further strengthened with an agreement on defence cooperation in 2019, and in the following year, India gifted Myanmar a submarine.

Among many different domains of engagement, China and India’s roles in economic and infrastructure development, the national peace process, the violence and humanitarian crisis in Rakhine and in the democratic progress of Myanmar are significant to ASEAN’s objectives of promoting a peaceful, prosperous and integrated community, as well as maintaining its centrality. The following sections of this paper will discuss to what extent China and India’s involvement in these four domains align with the interests of ASEAN.

²⁰ Myanmar also allowed China to rescue its officials from casino trouble in Mongla in northeastern Myanmar. See Narayan Ganesan, “Bilateral Issues in Myanmar’s Policy towards China”, *Southeast Asian Studies at the University of Freiburg*, No. 38, January 2018, p. 9.

Economic and Infrastructure Development

There are overlaps in the interests of China, India and ASEAN in improving economic and infrastructure development in Myanmar. Many projects involving China and India are already part of the ASEAN Connectivity plan and thus enable it to realise its goals for economic and physical integration. One of ASEAN's aims is for the region to be prosperous and economically integrated with others. As such, the support provided by China and India (and others) to economic development and integration is in line with ASEAN's own interests.

Connectivity

Transportation is crucial to trade and the movement of capital and people, and is a basis for ASEAN's economic development and integration. The MPAC 2025 is an integral part of ASEAN Community 2025. ASEAN aims to benefit from all types of global flows and take advantage of its proximity with China, India and Japan.²¹ Myanmar offers Indochina a land gateway to India and a shortcut to the Indian Ocean bypassing the Malacca Strait. How much do infrastructure projects, led by China and India, benefit ASEAN's connectivity plan?

Following a proposal by Chinese Foreign Minister Wang Yi in November 2017, China and Myanmar signed a memorandum of understanding (MOU) to establish the China-Myanmar Economic Corridor (CMEC) as part of the BRI in September 2018. A further 33 agreements were signed at the beginning of 2020 during President Xi Jinping's visit.²² While details have not been fully revealed, the information shows the corridor to include road and rail connections between Kunming (China) and Mandalay, Yangon and Kyaukpyu (Myanmar), where a deep-sea port and a special economic zone will be built. The agreements also cover the construction of bridges, a highway and a railroad in Shan state and soft infrastructure to facilitate trade and investment such as industrial zones, trade quotas

²¹ FY2010/RPR-2010-7-Executive-Summary.pdf.

²² Nan Lwin, "Myanmar, China Signs Dozens of Deals on BRI Projects, Cooperation During Xi's Visit," *The Irrawaddy*, 18 January 2020, <https://www.irrawaddy.com/news/burma/myanmar-china-sign-dozens-deals-bri-projects-cooperation-xis-visit.html>.

and tax breaks along the corridor.²³ China has a 70 per cent share in the Kyaukphyu port and a 51-per cent share in the industrial park, while Myanmar controls the remainder. The port building was originally budgeted for US\$7.2 billion (S\$9.6 billion), but Naypyidaw requested to cut this down to US\$1.3 billion (S\$ 1.7 billion) before it agreed to launch the project due to concerns over excessive debt.²⁴ Information on how the remaining elements of the corridor will be funded or built is still not available.

Myanmar is included in two of the six corridors under the BRI. The other is the Bangladesh-China-India-Myanmar (BCIM) multimodal corridor. The initiative was conceived by the BCIM Forum, which aims to create trade and investment integration among participating countries and thus involves a physical connectivity plan. Despite China integrating the connectivity plan within the BRI, there is still no clarity on the plan for implementation. The BCIM land corridor in Myanmar connects Kunming and Kolkata via Mandalay.

India has two connectivity projects involving Myanmar: (i) the India-Myanmar-Thailand Trilateral Highway; and (ii) the Kaladan Multi-Modal Transit Transport Project (KMTTP). The first project is a tripartite cooperation in which Thailand and India also help build and improve roads and bridges along the route in Myanmar on top of their responsibilities within their own countries. The trilateral highway connects Moreh in India and Mae Sot in Thailand via Myanmar. This corridor connects with the East-West Economic Corridor (EWEC), which continues from Mae Sot to Da Nang in Vietnam through cities in Thailand, Laos and Vietnam. The highway is part of the ASEAN Highway No. 1, which runs through Myanmar, Thailand, Cambodia and Vietnam. So far, India has undertaken work covering routes from Tamu to Yargi in Myanmar.²⁵

²³ Claire Hammond, "The grand plan for China-Myanmar economic corridor", *Frontier*, 26 September 2018.

²⁴ Yuichi Nitta, "Myanmar cuts cost of China-funded port project by 80%", *Nikkei Asian Review*, 28 September 2018, <https://asia.nikkei.com/Spotlight/Belt-and-Road/Myanmar-cuts-cost-of-China-funded-port-project-by-80>.

²⁵ Ministry of External Affairs, Government of India, QUESTION NO. 2252 TRILATERAL HIGHWAY, 15 March 2018, <https://mea.gov.in/rajya-sabha.htm?dtl/29652/question+no2252+trilateral+highway>.

The KMTTP, also a part of the BCIM corridor, includes the construction of a port in Sittwe in Myanmar's Rakhine state and waterways on the Kaladan River from Sittwe to Paletwa, in neighbouring Chin state as well as roads from Paletwa to Mizoram, India. So far, the waterways and related facilities have been completed and the road work is in progress. The project of US\$484 million (S\$644.6 million) is implemented with grant assistance from the Indian government.²⁶

Two of these transport routes overlap with the ASEAN Connectivity plan. These are: (i) the part of the CMEC connecting Kunming to Mandalay through Myanmar's Shan state, which is the first half of the BCIM route in Myanmar that continues to Tamu on India's border; and (ii) the Trilateral Highway. The BCIM route across China and Myanmar is part of the North-South Economic Corridor (NSEC), formulated under the Greater Mekong Subregion, an economic cooperation framework with support from the Asian Development Bank. Two other corridors initiated under the same framework are the EWEC and the Southern Economic Corridor.²⁷ Each is integrated within the MPAC. The Muse to Mandalay route is a small part of ASEAN Highway No. 2 (see Figure 1).²⁸ The Trilateral Highway is both part of NSEC and ASEAN Highway No. 1 (from Tamu to Mae Sot in Thailand). From Mae Sot, Highway No. 1 continues southwards to merge with the Southern Economic Corridor (SEC) in Bangkok. The SEC ends in Vung Thau, Vietnam, while Highway No. 1 continues upward and concludes in northern Vietnam. Mae Sot is also the beginning point of the EWEC. ASEAN and India also collaborate on the Mekong-India Economic Corridor – adopted by the MPAC in 2010 – with the SEC forming its East Link (see Figure 2).²⁹ The West Link connects Bangkok to Dawei, in Myanmar's Taninthary Region,

²⁶ Ministry of External Affairs, Government of India, QUESTION NO. 6280 KALADAN MULTIMODAL TRANSIT TRANSPORT, 12 April 2017, https://mea.gov.in/lok-sabha.htm?dtl/28382/QUESTION_NO6280_KALADAN_MULTIMODAL_TRANSIT_TRANSPORT.

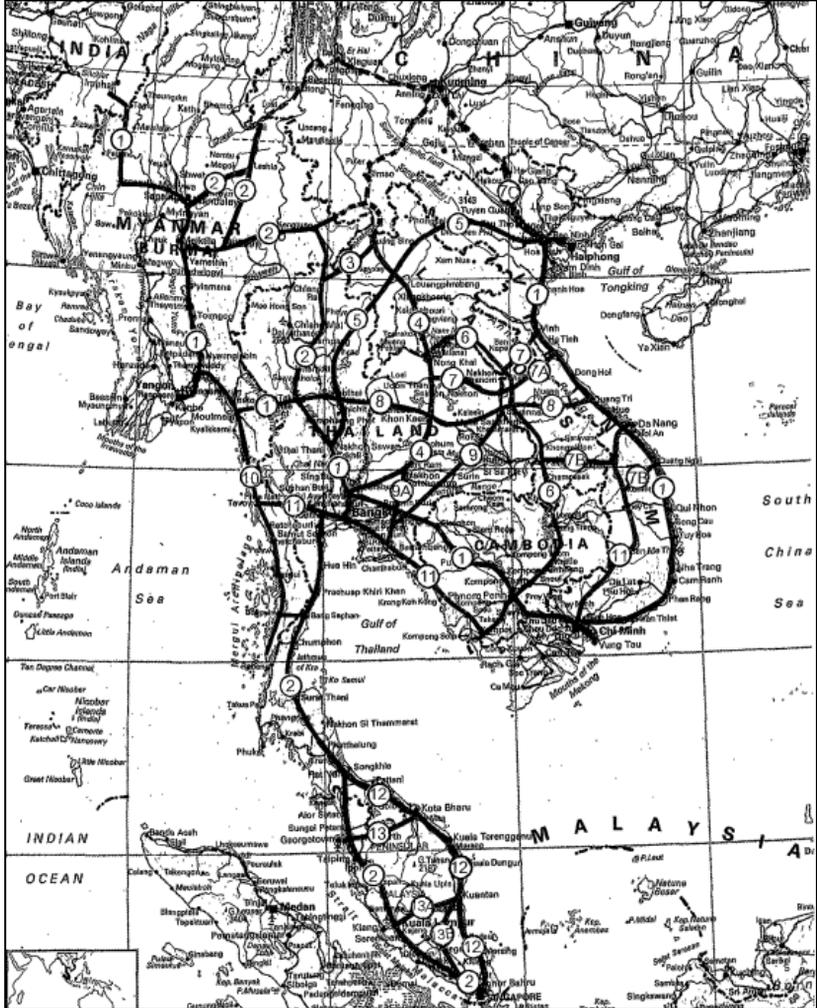
²⁷ See the map and details in Greater Mekong Subregion, <https://greatermekong.org/content/economic-corridors-in-the-greater-mekong-subregion>.

²⁸ ASEAN, Ministerial Understanding on the Development of ASEAN Highway Network, 15-16 September 1999, <http://arc-agreement.asean.org/file/doc/2015/02/ministerial-understanding-on-the-development-of-the-asean-highway-network-project.pdf>.

²⁹ Economic Research for ASEAN and East Asia, *Comprehensive Asia Development Plan*, 2010, p. xii, <https://www.eria.org/uploads/media/Research-Project-Report/FY2010/RPR-2010-7-Executive-Summary.pdf>.

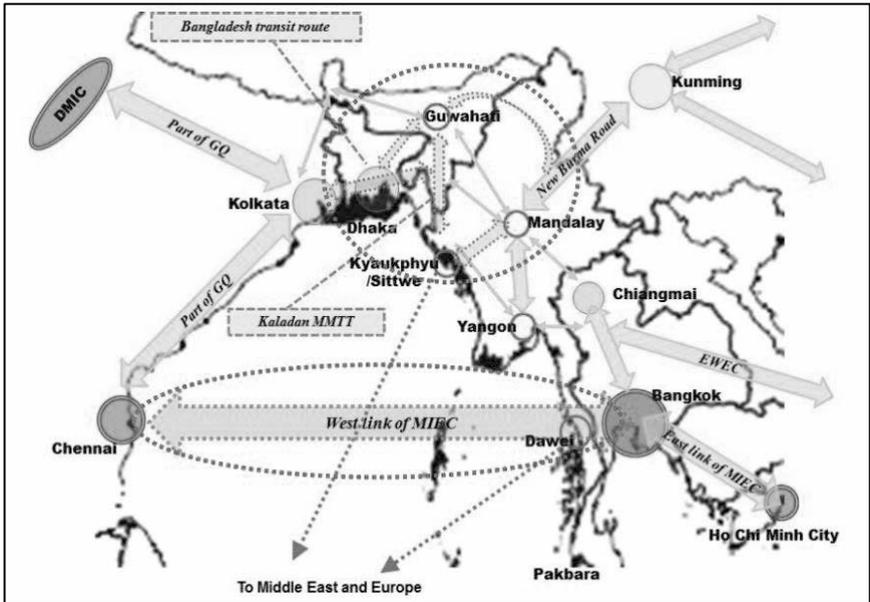
through land transport, and from there maritime transport links Dawei with Chennai in India.

Figure 1: ASEAN Highway Network (Mainland)



Source: Ministerial Understanding on the Development of the ASEAN Highway Network Project. <http://arc-agreement.asean.org/file/doc/2015/02/ministerial-understanding-on-the-development-of-the-asean-highway-network-project.pdf>

Figure 2: ASEAN-India Connectivity Map



Source: *The Comprehensive Asia Development Plan, ERIA.*

From the ASEAN perspective, Myanmar serves as a gateway to connect with India, and the Trilateral Highway is a significant part of this plan. China connects with different parts of Southeast Asia through several land routes in the NSEC as well as maritime routes. The BCIM is merely a small part and the CMEC route ending in Kyaukphyu is more important to China in its plan to provide its southern region with access to the Indian Ocean and for geopolitical reasons – like India’s effort with the KMTPP.

Given the significance of improved transportation, cooperation with China and India in all transport projects benefits Myanmar and ASEAN, but some issues need to be taken into consideration. These are concerns over the capacity of Myanmar to deal with the financial burden and the impact that building infrastructure has on local communities.

While India-led development projects are generally funded by grants and have more transparency, Chinese projects stoke worries that Myanmar will fall into a debt trap or be forced to enter into unfair deals in exchange for China’s assistance with the Rakhine issue (see

the chapter on ‘Violence and Humanitarian Crisis in Rakhine’). The CMEC project went through rounds of negotiation and construction suspension before an MOU was signed after Myanmar managed to change the terms of ownership, reducing the cost for fear of debt overburden. China is already Myanmar’s top creditor, owning almost half of the latter’s total foreign debt.³⁰

Development projects in areas of transportation, mining and energy generation, implemented by both countries, generally face protests from the local communities. The complaints have been about land confiscations, loss of livelihoods as well as lack of compensation and local rights to control natural resources. However, since China’s investment is much larger and its projects are at a bigger scale, resistance against it is more common. High profile cases include the Letpadaung mine and the Myitsone dam. India is more responsive to Naypyidaw’s request to suspend hydrological dam projects when requested, unlike China, which keeps pressurising it to continue with the currently suspended Myitsone project.

Foreign Aid, Investment and Trade

From 2000 to 2016, Myanmar received US\$763 million (S\$1.01 billion) in official development assistance (ODA) from China,³¹ much less than Cambodia and Laos which received US\$3.518 billion (S\$4.685 billion) and US\$1.076 billion (S\$1.433 billion) respectively. Indian official data in 2017 reported that the amount of grant-in-aid assistance committed by the Indian government to development projects in Myanmar, including transportation, amounted to US\$1.726 billion (S\$2.299 billion).³² Across all providers of ODA, Myanmar received US\$1.543 billion (S\$2.055 billion) in 2017 with Japan as the top donor providing US\$442.9 million (S\$1.01 billion).³³ Since political reforms began in late 2010, the number of donors and

³⁰ Nay Lwin, “Myanmar’s Foreign Debt – The Big Picture”, *The Irrawaddy*, 10 July 2018, <https://www.irrawaddy.com/news/burma/myanmars-foreign-debt-big-picture.html>.

³¹ Russel S Custer et al, *Ties That Bind: Quantifying China’s public diplomacy and its “good neighbor” effect*, (Williamsburg: AidData at William & Marry, 2018).

³² Ministry of External Affairs, India – Myanmar Relations, https://www.mea.gov.in/Portal/ForeignRelation/MYANMAR_August_2017_new.pdf.

³³ OECD, Aid at a glance charts, https://public.tableau.com/views/OECDDACAidataglan cebyrecipient_new/Recipients?:embed=y&:display_count=yes&:showTab s=y&:toolbar=no?&:showVizHome=no.

the aid volume have increased significantly. China and India are only two among many donors who support development in Myanmar.

However, foreign aid is not the main driver of economic development. According to one study,³⁴ foreign aid in 2015 constituted merely four per cent of the national budget, and Myanmar has been generating considerable revenue from increased foreign direct investment (FDI) and trade since 2011. China is the largest trading partner, having around a 37 per cent share of the total trade volume in 2016; Myanmar's two-way trade with India only amounted to seven per cent of Myanmar's total trade in the same year, smaller than the trade with Thailand and Singapore.³⁵ Chinese investment was not significant before 2008 but increased dramatically afterwards with the start of the Myitsone hydropower dam, the Letpadaung copper mine and the Sino-Myanmar oil and gas pipeline.³⁶ China is now a key investor. In the fiscal year (FY) 2017-2018, FDI from the mainland amounted to US\$1.395 billion (S\$1.858 billion), second only to Singapore, which contributed US\$2.164 billion (S\$2.882 billion). In comparison, Indian investment is tiny at only US\$11 million (S\$14.65 million). The peak Indian FDI to Myanmar in FY2015-2016 was US\$224 million (S\$298.37 million).³⁷

ASEAN has encouraged economic integration between its members and the world's large economies through FTAs, connectivity plans and ASEAN-led cooperation frameworks. Both China and India have FTAs and shared connectivity plans with ASEAN. Increased trade and investment between Myanmar and China and India is welcomed, as is bilateral assistance that will further improve Myanmar's socio-economic conditions, competitiveness and integration capacity.

³⁴ Thomas Carr, *Supporting the Transition: Understanding Aid to Myanmar since 2011* (Yangon: The Asia Foundation, 2018), p. 1.

³⁵ World Bank Group, *World Integrated Trade Solution*, <https://wits.worldbank.org/CountrySnapshot/en/MMR>.

³⁶ Ying Yao and Youyi Zhang, "Public perception of Chinese investment in Myanmar and its political consequences: a survey experimental approach", *International Growth Center, Policy Brief*, March 2018, <https://www.theigc.org/wp-content/uploads/2018/06/Yao-Zhang-2018-Policy-Brief.pdf>.

³⁷ Directorate of Investment and Company Administration, *Yearly Approved Amount of Foreign Investment*, https://www.dica.gov.mm/sites/dica.gov.mm/files/document-files/bycountry_fil_yearly_0.pdf.

Beyond bilateral engagements and through ASEAN, China and India also cooperate with Myanmar through non-ASEAN multilateral frameworks such as the Lancang-Mekong Cooperation, BCIM and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation. However, cooperation outside of the ASEAN frameworks means that the organisation cannot control the agenda and terms of cooperation to serve its purposes and can only hope for a convergence of interests. The BRI plans in Southeast Asia overlap with the MPAC, but the conditions of cooperation between China and the Southeast Asian countries are out of ASEAN's control. ASEAN's Secretariat has limited capacity and must rely on the members to act on agreed plans to fulfill the community's objectives and provide assistance to other members of lesser capacity. While economic engagements with and assistance from China are important factors, many players, including India, Japan and ASEAN members like Thailand and Singapore are also contributing considerably to economic development in Myanmar. Economic engagements with these players, which took place even before the democratic reforms from 2010, will likely to continue in the face of the recent coup. The reforms since late 2010 have also brought in many players, including the Western countries and international development agencies, and they are contributing to Myanmar's economic growth. While their contributions and engagements will definitely be affected by the coup, it is unlikely that Myanmar will go back to its dependence on a few players. The international community is likely to employ targeted sanctions against the coup makers rather than broad economic sanctions that tend to only hurt the poor population.

National Peace Process

Myanmar has endured several decades of subnational conflicts that have had a significant impact on its social and economic growth and regional stability. Armed conflicts have led to many displaced people taking refuge in neighbouring countries like Thailand and China, and pose several cross-border security concerns such as drugs and arms smuggling. Trade routes and road construction have at times been disrupted by attacks from ethnic armed groups. National peace would unleash Myanmar's economic potential and its ability to integrate with the ASEAN community and global economy.

Since the democratic opening in 2011, there has been some progress in agreeing to ceasefires with the EAOs. A series of bilateral ceasefire agreements were followed by the signing of a Nationwide Ceasefire Agreement (NCA) in late 2015 by eight of the 20 main EAOs with a further two groups signing it in early 2018. This has significantly lowered the levels of violence in many areas, especially in the southeast along the Thai border.

There has been less progress in the northeast of the country. The United Wa State Army (UWSA), which runs a special autonomous region in northern Shan, still has to sign the agreement and can mobilise 30,000 troops.³⁸ Indeed, groups that have not signed the NCA, most with operations in the northeast and known as the Northern Alliance,³⁹ command at least four times as many troops as do those which are NCA signatories.⁴⁰ Kachin state, where the Karen Independence Organisation has yet to sign the NCA, has seen particularly high levels of violence as has northern Shan, where several EAOs and militias are battling both the military and each other. China plays a potentially key role in the peace process. Its ability to do so lay both in its influence over many EAOs, which have

³⁸ Burma News International (n.d), "United Wa State Army", retrieved from <http://www.mmpeacemonitor.org/stakeholders/mpsi/169-uwsa>.

³⁹ The Northern Alliance comprises Kachin Independence Organization, the United Wa State Army, Shan State Progressive Party, Mongla's National Democratic Alliance Army, Kokang's Myanmar National Democratic Alliance Army, Ta'ang National Liberation Army and Arakan Army.

⁴⁰ Myanmar Peace Monitor estimates that NCA groups command 16,600 troops while non-NCA groups command 65,400 troops.

not signed the peace deal and, to a lesser extent, in the leverage it has to push the government in Naypyidaw to make concessions.

Historically, China has had close relations with many of the EAOs in Shan and Kachin states in the northeast, both in providing funding and arms. Today, many EAOs have their roots in the Chinese-linked Communist Party of Burma (CPB), whose struggle only ended in 1989. Others with looser ties to the former CPB, such as the Shan State Army-North and Kachin Independence Organisation/Army, also have had strong economic and military linkages with China, with many of their weapons being of Chinese origin and with operating expenses paid for through the illicit export of gems and other raw materials to China.⁴¹ The UWSA, the military wing of the ruling party in Wa, receives most of its weaponry from China.⁴²

This influence has at times been used to pressurise groups to come to the negotiating table and to encourage the Myanmar military to negotiate with groups that have not been part of the formal peace process. China has also played a role as mediator. This can be seen in the announcement on 12 December 2018 by the Ta'ang National Liberation Army (TNLA), Arakan Army (AA) and the Myanmar National Democratic Alliance Army (MNDAA). The three armies had not signed the NCA but said that they would join peace talks with the military.⁴³ This was the result of two years of negotiations, facilitated by China, between the three groups and the government's Peace Commission, with monthly meetings held from August 2018 onwards.⁴⁴ Sun Guoxiang, Special Envoy for Asian Affairs at China's

⁴¹ Ganesan, pp. 8-9.

⁴² Manu Pubby, "China emerging as main source of arms to N-E rebels: Jane's Review", *The Indian Express*, 22 May 2008, <http://archive.indianexpress.com/news/china-emerging-as-main-source-of-arms-to-ne-rebels-jane-s-review/312894/>.

⁴³ Lawi Weng, "Peace Commission's Acceptance of Three EAOS Deserves Praise", *The Irrawaddy*, 13 December 2018, <https://www.irrawaddy.com/opinion/commentary/peace-commissions-acceptance-three-eaos-deserves-praise.html>.

⁴⁴ Nyein Nyein, "Three Armed Groups Offer to Stop Fighting, Enter Peace Talks", *The Irrawaddy*, 13 December 2018, <https://www.irrawaddy.com/news/burma/three-armed-groups-offer-stop-fighting-enter-peace-talks.html>.

foreign ministry, has been the go-between, shuttling back and forth between Naypyidaw, Myanmar's northeast and China as peace negotiations have continued.⁴⁵

The Chinese government also sent special envoys to the three 21st Century Panglong Peace Conferences (Union Peace Conference), encouraging the Northern Alliance armed groups to attend.⁴⁶ From 2018 to 2020, China facilitated and was involved in the peace dialogues between the Myanmar government and the northern armed groups. During Wang Yi's visit to Myanmar in mid-January 2021, Beijing also affirmed its continued support to Naypyidaw's peace talks with the ethnic minority groups.

There has been much skepticism from Western observers about the role China has played in the peace process. The US Institute for Peace (USIP), for example, highlights that China has sought to limit the involvement of other countries as third parties in the peace process⁴⁷ and has also tried to limit the role of the multi-donor Joint Peace Fund.⁴⁸ The USIP has argued that China benefits from a situation of "neither hot war nor complete peace" and that "continued friction between central authorities and border populations provides Beijing with a major source of influence over Naypyidaw."⁴⁹ Also, although there have been some dialogues, the progress for peace with the Northern Alliance is thus far limited and uncertain. Unlike two years earlier, six armed groups did not attend the Fourth Union Peace Conference held in mid-2020. And two months prior, the TNLA, KIA, AA and MNDAA rejected invitations for peace talks from the Myanmar government. The on-and-off dialogues are now further complicated with the recent military coup.

⁴⁵ Lawi Weng, "Army's Willingness to Sit Down with FPNC's Members Shows China's Growing Clout", *The Irrawaddy*, 18 December 2018, <https://www.irrawaddy.com/opinion/commentary/armys-willingness-sit-fpnc-members-shows-chinas-growing-clout.html>.

⁴⁶ Bi Shihong, "Myanmar peace crucial for China's security", *Mizzima*, 19 December 2018, <http://mizzima.com/article/myanmar-peace-crucial-chinas-security>.

⁴⁷ "China's Role in Myanmar's Internal Conflicts", United State Institute of Peace, Senior Study Group Report, September 2018, No. 1, p. 7., <https://www.usip.org/sites/default/files/2018-09/ssg-report-chinas-role-in-myanmars-internal-conflicts.pdf>.

⁴⁸ Correspondence with conflict analyst, December 2018.

⁴⁹ USIP, p. 7.

Nevertheless, in the last few years, China has sought and played a more involved role in Myanmar's peace process and this has paid dividends in terms of bringing the groups to the table. Indeed, both the actions and rhetoric of Beijing appear to show that it is serious about bringing more stability to northeastern Myanmar, in large part to help facilitate the smooth development and operation of investments under the CMEC, which runs through northeast Shan state.

India was one of just six official international witnesses to the signing of the NCA in October 2015.⁵⁰ In the past, India has engaged in coordinated military operations along the India-Myanmar border in Sagaing Region, where there has been coordination between Naga insurgents on both sides. India has also supported training and exchanges aimed at learning lessons from conflicts and peace building in India's northeast.

Yet, the role of India in Myanmar's conflicts and the national peace process has been much less significant than that of China. This is primarily because the EAOs that operate in areas bordering India have had significantly less capacity than those that operate near the Chinese border. The Nationalist Socialist Council of Nagaland-Khaplang, for example, is likely to have less than 500 troops and has signed the NCA. With groups such as this providing little military threat, there has been no need for the Myanmar government to turn to the Indians for support. As such, beyond the conflict in Rakhine (see the chapter on 'Violence and Humanitarian Crisis in Rakhine'), India has played a backseat role – supporting the national peace process through low-key participation, and diplomatic and military coordination.

The national peace process is Myanmar's domestic issue and is beyond ASEAN's involvement. Thailand is the only ASEAN member that is acting as an international witness, as it hosts many refugees from the ethnic conflicts and has some links with ethnic groups along the eastern border. However, its role is also limited compared to China, as the Myanmar government has faced little problem securing

⁵⁰ Data export tool, <https://acleddata.com/data-export-tool/>.

ceasefire agreements with the EAOs which operate along the southeast border with Thailand.

China can contribute to the progress of the NCA. Peace will benefit development in Myanmar and encourage international trade, investment and regional integration efforts. A key question is whether this further indebts Myanmar to the Chinese in ways that have spillovers into broader political or economic relations, especially when some form of international sanctions will likely follow the coup.

The February 2021 coup prompted the NCA signatories to suspend their engagement in the political dialogue element of the peace process. While it is still too early to tell how the coup will shape the trajectory of the peace process, China is likely to assist if and when peace talks with the Northern Alliance continue.

Violence and Humanitarian Crisis in Rakhine

Violence in Rakhine has created a humanitarian crisis that concerns the Muslim and non-Muslim countries in ASEAN. Countries where ships with fleeing Rohingyas docked have faced issues of whether to host them and, if yes, how. The crisis also puts intra-ASEAN relations under a strain as Singapore and the Muslim majority members push for the Myanmar government to provide justice to the victims.

Security operations in response to attacks by the Arakan Rohingya Salvation Army (ARSA) in 2017 killed up to 10,000 and forced around 700,000 Muslim Rohingyas over the border into Bangladesh.⁵¹ There are now more than one million refugees in camps in Bangladesh, with another 130,000 internally displaced in camps in central Rakhine. International pressure on Myanmar has grown in response to the perceived ineffectiveness of the government's response, leading to a degree of estrangement between Myanmar and the West. The international community in large part has considered that the events of August 2017 constitute genocide⁵² and the case was raised to the International Court of Justice by The Gambia in late 2019. Sanctions on members of the military have also been put in place by the Western countries. The situation in Rakhine deteriorated further with the emergence of the AA, a Buddhist ethno-nationalist group, which is fighting for the self-determination of the Arakanese population. Rakhine saw the highest number of armed clashes in Myanmar in 2019-2020.⁵³

Stability in Rakhine state is important to China and India as Kyaukpyu and Sittwe ports and other infrastructure plans in the CMEC and BCIM corridor as well as some parts of Chinese oil and gas pipeline are in Rakhine, although mostly away from the battle areas.

⁵¹ United Nations Human Rights Council, Report of the independent international fact finding mission on Myanmar, 10-28 September 2018, https://www.ohchr.org/Documents/HRBodies/HRCouncil/FFM-Myanmar/A_HRC_39_64.pdf.

⁵² The US House of Representatives formally declared that genocide had taken place in December 2018.

⁵³ Data imported from The Armed Conflict Location & Event Data Project (ACLED), accessed on 15 February 2021, <https://acleddata.com/data-export-tool/>.

China has sought to fill the gap that has resulted from Myanmar's estrangement with the West, presenting itself as a friend and constructive partner to the Myanmar government and military. This has involved two sets of actions: acting as a protector of Myanmar at the UN and providing support for refugee return through brokering deals with Bangladesh and supporting infrastructure development.

China has used its position as a permanent member of the UN Security Council (UNSC) and in the UN General Assembly (UNGA) to resist international pressure on Myanmar. It has not always been able to do this successfully. For example, following the release of the report of the UN-appointed Fact-Finding Mission in September 2017, the EU and Organisation of Islamic Cooperation (OIC) submitted a critical resolution that established a future fact-finding body. China refused to allow the adoption of the resolution by consensus and pushed for a public vote. However, the resolution was approved by a great majority. A similar dynamic occurred in mid-November 2017 when the EU and OIC submitted a resolution to the UNGA condemning Myanmar's record on human rights. While China voted against the resolution, it was passed by 142 votes to 10. Bilateral responses to the crisis from the Chinese government have also sought to reaffirm the country's support for Myanmar. Statements have emphasised Myanmar's prerogative in taking actions to protect its sovereignty and national security, and to combat terrorism and separatism.⁵⁴

China has also emphasised the need for talks with Bangladesh to solve the refugee problem rather than using international fora. Since 2017, Beijing has been facilitating bilateral talks between Bangladesh and Myanmar on the repatriation of the Rohingya refugees despite repeated failures to secure the refugees' voluntary return in 2018 and 2019. China has also provided support to infrastructure, delivering 1,000 prefabricated houses, in addition to a US\$150,262 (S\$199,935) donation to Rakhine state in 2018, and giving 200 million yuan (S\$41.57 million) to the Myanmar government in 2020 to support socio-economic development in Rakhine.

⁵⁴ Adrienne Joy, "Understanding China's Response to the Rakhine Crisis", United States Institute of Peace, Special Report, February 2018, p. 4, <https://www.usip.org/sites/default/files/2018-02/sr419-understanding-chinas-response-to-the-rakhine-crisis.pdf>.

China's support has improved its relationship with the Myanmar government and the military, which has traditionally been more suspicious of its northern neighbour. In late November 2018, Commander-in-Chief, Min Aung Hlaing, conducted a four-day visit to China at the request of the Joint Staff Department of China's Central Military Commission.⁵⁵ Furthermore, in 2020, the two countries upgraded their relationship to 'Sino-Myanmar Community of Common Destiny'.⁵⁶ Myanmar is the third country after Cambodia and Laos to adopt this formulation.

India's response to the Rakhine crisis has been similar to that of China. While it has not expended as much political capital supporting Myanmar in multilateral fora – it did not vote against either of the two resolutions discussed earlier – it has reiterated that it continues to provide support for the embattled Myanmar government.

One element of the Indian government's approach was to focus on the attacks by the ARSA that triggered the Myanmar military's response rather than the latter's action. In public statements, the Indian government condemned the "recent terrorist attacks in northern Rakhine, wherein several members of the Myanmar security forces lost their lives",⁵⁷ thus supporting the Myanmar government's narrative that the military's actions were justified. During his visit to Myanmar in September 2017, Indian Prime Minister Narendra Modi expressed his concern over extremist violence in Rakhine without any mention of the exodus of refugees.⁵⁸ Only later during its foreign minister visit did India shift its position to support addressing the root causes of the problem and the "safe, secure and sustainable" return of the refugees as the Bangladeshi public expressed anguish over India's response to the latest crisis in Rakhine.

⁵⁵ Ibid., p. 4.

⁵⁶ The Community of Common Destiny is a new Chinese vision on foreign policy put forth by President Xi Jinping in 2017 for China to play an active role in foreign policy and collaboration with other countries in generating peaceful development such as the BRI.

⁵⁷ Government of India, Ministry of External Affairs, https://mea.gov.in/bilateral-documents.htm?dtl/28924/IndiaMyanmar_Joint_Statement_issued_on_the_occasion_of_the_State_Visit_of_Prime_Minister_of_India_to_Myanmar_September_57_2017.

⁵⁸ Joyeeta Bhattacharjee, "Bangladesh First: Behind India's Changing Stance on the Rohingya", *The Diplomat*, 23 May 2018, <https://thediplomat.com/2018/05/bangladesh-first-behind-indias-changing-stance-on-the-rohingya/>.

As with China, India has sought to provide support to the refugee return and the development of Rakhine state by providing 250 prefabricated houses in its northern part⁵⁹ and a fund of US\$25 million (S\$33.261 million) for the five-year development of the region.⁶⁰ Beyond individual attempts, India has also collaborated with Japan in development projects involving housing, education and electrification in Rakhine.⁶¹ Japan has played a significant role in humanitarian assistance, supporting the Myanmar government in the socio-economic development of Rakhine and in brokering ceasefire talks between the AA and the Tatmadaw in late 2020, leading to a unilateral ceasefire of the Three Brotherhood Alliance,⁶² which includes the AA, during January-February 2021. This has been viewed as another effort to balance the role of China.

ASEAN's approach towards the Rakhine crisis is not much different from that of China and India. This may be due to three reasons. First, the fact that these two major powers choose to provide support to Naypyidaw, and that Japan would also rather continue constructive engagement than blame the Myanmar government, make it difficult for ASEAN to opt for an effective formal hard-line. Second, due to the principle of non-interference, ASEAN, especially its non-Muslim countries, is reluctant to get involved in the affairs of a member even when it is affected. Moreover, several members also have problems with human rights violations back home. Third, harsh measures may push Myanmar away and shut the door for ASEAN's involvement that may lead to some improvement in Rakhine.

Under Singapore's chairmanship in 2018, Singapore and the Muslim majority countries wanted to push harder for Naypyidaw's behaviour to change. In practice, the formal statements then were limited to ASEAN's expression of concern over civilian and refugee safety and support for the safe and voluntary repatriation, and for the

⁵⁹ Nyan Lynn Aung, "India signs two agreements to help Rakhine's recovery", *Myanmar Times*, 13 September 2018, <https://www.mmmtimes.com/news/india-signs-two-agreements-help-rakhines-recovery.html>.

⁶⁰ Government of India, Ministry of External Affairs, https://mea.gov.in/bilateral-documents.htm?dtl/28924/IndiaMyanmar_Joint_Statement_issued_on_the_occasion_of_the_State_Visit_of_Prime_Minister_of_India_to_Myanmar_September_57_2017.

⁶¹ Government of India, Press Information Bureau, <https://pib.gov.in/PressReleasePage.aspx?PRID=1551166>.

⁶² This comprises the MNDAA, TNLA and AA.

government to address the root causes of the problem. ASEAN managed to keep the channel of engagement in the Rakhine issue open. Beyond providing relief through the ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management and deploying ASEAN Emergency Response and Assessment Team personnel to Rakhine, ASEAN's roles have seemed more proactive. At Myanmar's invitation, it conducted the Preliminary Needs Assessment for the repatriation process in March 2019 and high-level visits to Cox's Bazar twice in the same year. Like China and India, no further efforts have been made to address the real root cause of the conflict, which is the lack of recognition of the Rohingyas as citizens by the Myanmar government.

The Rohingya crisis is an example of ASEAN's shortcoming in upholding human rights and achieving a rules-based and people-centred community. However, while China and India's current approach will hardly bring any change to how the Myanmar government treats the Rohingyas, the fact that the three Asian powers, including Japan, have chosen to balance each other in their involvement in Rakhine provides strategic benefit to ASEAN with regards to its concern about China's influence.

Democratic Progress in Myanmar

Democratic progress in Myanmar is important to all parties, including China, as it is the linchpin to a prosperous, stable and integrated Myanmar. Political reform and democratic progress had provided an indispensable platform for the national peace process, which in turn provides stability for economic and infrastructure development in the country. It was the political reform and democratic prospects that brought the EAOs to the national peace process at the beginning, as their reasons for joining the NCA are federalism, self-determination and ethnic equality, and these conditions can only be achieved under a democratic regime.⁶³ As such, the NCA signatories suspended their involvement in the peace process following the February 2021 coup and announced their support for anti-coup civil disobedience.⁶⁴ Apart from peace, rule of law, political liberalisation and having an elected and internationally recognised government, the EAOs support Myanmar's economic integration within Southeast Asia and beyond. This would benefit ASEAN, India and even China.

Even before 2011, China had tried to convince the Tatmadaw to embark on political reform and rebuild ties with the West to stabilise the economy.⁶⁵ Over the years, Beijing developed good collaboration with the NLD government, inking several agreements on key infrastructure initiatives. It was the Tatmadaw which was strongly suspicious of Chinese influence over the armed rebels and felt deeply concerned about the dependence on China to the point it initiated political reform.

Following the recent coup, the first reaction from Beijing was to acknowledge that it was merely a change of government and that it was an internal matter. With help from Russia, China managed to tone down the UNSC's statement from condemnation to an expression of concern. Protecting Myanmar at the UN is a favour

⁶³ "Ceasefire Signatories Vow to Work with Myanmar Military Govt for Peace Process," *The Irrawaddy*, 4 February 2021, <https://www.irrawaddy.com/news/burma/ceasefire-signatories-vow-work-myanmar-military-govt-peace-process.html>.

⁶⁴ "NCA signatories suspend political negotiations with junta, say steering team," *Development Media Group*, 20 February 2021, <https://www.dmediag.com/news/2630-pause-peace-nca>.

⁶⁵ Sebastian Strangio, *In the Dragon's Shadow* (London: Yale University Press, 2020), p. 149.

China has always given, but experts⁶⁶ have noted that it is in no way content with the coup. Aggravated by rumours of Chinese technicians aiding the junta's civil rights censorship, anti-Chinese sentiment has worsened, and some anti-coup protests have turned against China for backing the junta. All of this may have contributed to a change in the Chinese approach from being ready to support whoever is in power to seeking collaboration with ASEAN and encouraging it to play the lead role in easing the tensions in Myanmar. In a call to his Indonesian counterpart, Wang Yi emphasised the alignment of interests that "a peaceful and stable Myanmar was important to both China and ASEAN".⁶⁷

India has been cautious in its reaction to the coup, expressing deep concern and calling on Myanmar to uphold the rule of law and democratic process, while not condemning the coup. As the largest democracy in the world, cooperating with undemocratic and repressive regimes like Myanmar during the 2000s for strategic and security interests has been practical but never brought comfort to New Delhi, whose role as a democratic and responsible great power is growing in prominence.

India's relations with Myanmar are significantly shaped by its concerns over Chinese influence over Naypyidaw and China's attempts to construct ports on the Indian Ocean's coast surrounding India. Another important element is New Delhi's reliance on counter-insurgency assistance from the Tatmadaw. Thus, its engagements with Myanmar cannot be different from that of China. On the other hand, China's reliance on Burmese natural resources, using the Kyaukpyu port to give sea access to landlocked Yunnan, and its BRI aspiration make it extremely difficult and risky for China to act against any Burmese government or to apply serious pressure on important matters like domestic political struggles. In this regard, ASEAN is in a better position than any individual foreign government to try to intervene to moderate the impact of the coup on Myanmar's

⁶⁶ See for example, Shannon Tiezzi, "What the Myanmar Coup Means for China," *The Diplomat*, 3 February 2021, <https://thediplomat.com/2021/02/what-the-myanmar-coup-means-for-china/>.

⁶⁷ Laura Zhou, "China 'ready to work with Asean' to ease Myanmar coup turmoil", *South China Morning Post*, 20 February 2021, <https://www.scmp.com/news/china/politics/article/3122478/china-ready-work-asean-ease-myanmar-coup-turmoil>.

progress to democracy. Firstly, Myanmar is an ASEAN member and its affairs have implications for ASEAN's regional vision and its neighbours. Second, beyond not fulfilling the vision or any aims in the charter, ASEAN itself does not particularly have significant security and economic interests to lose if its bilateral relations with Myanmar are affected.

The latest democratic crisis in Myanmar is another example of the alignment of interests between China, India and ASEAN. The balancing of engagements between the various key players within Myanmar makes it very difficult for China to shape Naypyidaw at its will, even if the junta chooses to reverse the country back to the pre-2011 days. However, this balancing also significantly limits international pressure that could force Myanmar to uphold human rights and democracy, both in the case of Rakhine and the military coup. For ASEAN, the coup in Myanmar surprisingly brings forth ASEAN's centrality as the UN and China turn to it for intervention. As much as ASEAN, in principle, wants to make its member adhere to the principle of democracy, the reality is many ASEAN countries still struggle with this themselves. Thailand, for example, went through several military coups which impacted its democratic progress. However, this has barely affected its relations with ASEAN and its members. It is thus difficult for ASEAN to play a serious role in determining Myanmar's path to democracy, given its lack of enforcing power.

Conclusion and the Way Forward

This Scan has discussed ASEAN's possible perspectives towards Myanmar's relations with China and India by looking at how they align with or affect ASEAN's objectives and work in managing conflicts in the region, enhancing socio-economic development and regional integration, and supporting the members' pursuance of universal principles and people-centred development. ASEAN's work necessitates the need to balance relations with external partners and secure cooperation with them while maintaining its independence. Myanmar's relations with China and India concern ASEAN in two ways: first, how they contribute to economic development in Myanmar and its ability to integrate with ASEAN and the global economy; and second, how they affect ASEAN's centrality. ASEAN wants its members to benefit from economic cooperation with external powers but not in a way that entails falling under their influence in ways that would affect ASEAN. The analysis focused on China and India's involvement in the four areas most relevant to ASEAN: economic and infrastructure development, the national peace process, the crisis in Rakhine and Myanmar's democratic progress.

Economic prosperity is one of the core interests of ASEAN. Improved infrastructure, especially transportation, will facilitate trade and investment and enhance economic growth as well as the capacity of Myanmar's economy to integrate with ASEAN and the global economy. Overall, cooperation with China and India on connectivity, trade and investment, as well as their development assistance, aligns with ASEAN's objectives and does not lead to Myanmar's overdependence on China. Myanmar has strong economic and development relations with several countries while bilateral trade with China remains a core element in its economy. India is far more generous than China in providing development assistance, more in the form of aid than loans that would burden Myanmar in the long run. Peace is significant to Myanmar's economic development and regional stability. China has a much more prominent role than India in the national peace process by using its power to get the armed ethnic groups in the north to the negotiating table with the Myanmar government.

There are concerns, for example, that Chinese support to the Myanmar government in the Rakhine crisis, and possibly following the coup, may revive its influence to the same degree it had before the reforms. India's engagements with Myanmar have tended to be driven by attempts to contain China. India has tried to strengthen its relations with Myanmar in several dimensions discussed, including by providing support to the Myanmar government on the Rakhine issue. Similarly, Japan and ASEAN also have the same concern over China's influence, preferring constructive engagement or soft pressure on Rakhine over official condemnation and sanctions. Japan is also increasingly coordinating with India on its engagement in Myanmar. This same balancing also applies to how China, India and ASEAN respond to the latest coup in Myanmar. While a democratic government is preferred, India, China and ASEAN are constrained from employing hard pressure on the junta for fear that their interests would be jeopardised and that the balance would be tipped in favour of others. Though this balancing is good for ASEAN's centrality, it limits Myanmar, ASEAN and other players from pursuing objectives relating to universal principles like democracy, human rights and good governance.

To capitalise on Myanmar's relations with China and India, ASEAN should continue to enhance economic cooperation between them through ASEAN-led cooperation platforms and encourage synergies between them. Through relevant multilateral fora, ASEAN should encourage foreign investment in the areas beyond natural resources as this will generate income for a larger number of Myanmar people with little impact on the local communities. It should collaborate with ASEAN-affiliated research institutes and think tanks to help Myanmar with an evaluation of the costs and benefits of large development projects, as well as in identifying alternative funding sources to reduce Myanmar's dependence on its development partner, especially China in the BRI.

ASEAN should continue to engage with and support civil society and rights groups and provide valuable inputs and highlight concerns on development projects. In the case of Myanmar, where there are many controversial development projects and the country is subject

to pressure from China to resume its projects, public resistance may help to counter the pressure.

In every arena, ASEAN should continue to at least rhetorically affirm the adherence to the principles of democracy, the rule of law and good governance, respect for and protection of human rights and fundamental freedom as enshrined in its charter, while maintaining workable relations and channels of engagement with Myanmar in the period of military rule.

About the Author

Ms Sasiwan Chingchit was, until recently, and while working on this Scan, an independent development and research consultant, specialising in conflict and development in South and Southeast Asia. She has consulted numerous non-governmental and non-profit organisations over the past two years, including the World Bank (2019), The Asia Foundation (2019-20), where she previously served as Program Officer from 2014 to 2018, and the Food and Agriculture Organization, Myanmar (2020). Before joining the Asia Foundation, Ms Chingchit was a Visiting International Fellow at the Institute for Defense Studies and Analyses in India (2013-14) and a non-resident WSD-Handa Fellow at Pacific Forum, Center for Strategic and International Studies, in Hawaii (2012-16). Earlier in her career, she was a lecturer at the Faculty of Political Science, Prince of Songkla University in Thailand.

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