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## Myanmar as a Bridge between its Neighbours<sup>1</sup>

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*What is Myanmar's role in the region and the engagement it has had with its western and eastern neighbours, and allies in light of recent reforms? The paper shows that the new National League for Democracy government is continuing on the path set by President Thein Sein's administration that was looking east rather than westwards. Myanmar sees its relations with its western neighbours, in particular, India but also Bangladesh as less important than its engagement with China, the Association of Southeast Asian Nations and Japan. The paper focuses on two aspects of domestic policy that have resulted in changes in external engagement: the peace process (with China's involvement) and the rise of Buddhist nationalism (creating issues, in particular, with Bangladesh but also Malaysia). Lastly, the paper looks at Myanmar's foreign economic priorities, which link it closely to China and Japan.*

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<sup>1</sup> This paper is a transcript of the speech and a power-point presentation delivered by Professor Marie Lall on the panel, "South Asia: Looking East", at the 11<sup>th</sup> ISAS International Conference on South Asia. The conference, titled "Contemporary South Asia: Regional Dynamics and Changing Global Politics" was organised by the Institute of South Asian Studies (ISAS), an autonomous research institute at the National University of Singapore, on 3 March 2017. The title was suggested by the organisers.

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## **Introduction**

Following elections in 2010, Myanmar has been going through a period of transition. Under the leadership of President U Thein Sein, the country experienced widespread, if sometimes uneven, reforms, including the release of most political prisoners, a greatly improved environment for freedom of speech and association, a resurgence of the social sector, economic reforms, and the start of a peace process between the government and some two dozen ethnic armed organisations. Sanctions were lifted and the country developed closer relations with the wider world, resulting in a revised international and regional foreign policy.

The landslide victory of Daw Aung San Kyi's National League for Democracy (NLD) in the elections of November 2015 was a watershed moment. Two thirds of the electorate voted for change. The new NLD-led government, which assumed power in April 2016, faces many challenges, including the need for constitutional, education, legal and land reforms, the need for capacity building in many sectors, further economic reforms, and the challenges of an unfinished peace process. During the first 100 days of its administration, the NLD government worked on finishing a number of projects and policies that had been engendered by the previous government, offering, contrary to some expectations, more continuity rather than change.

It is important to remember that Myanmar did not change because of the outside world. It did not change because of outside pressure – not from the West, not from the East. This was very much an internal process. It started with ceasefires in the 1990s with the ethnic armed groups. It was followed by a political roadmap which was very clearly laid out including the writing of the constitution, along with an election. It was helped, unfortunately, by Cyclone Nargis, which brought in aid after many years. The Myanmar sanction regime actually meant that Myanmar received no outside money, including aid. However the change process was helped most importantly by local civil society organisations.

## **Myanmar Looks East**

Looking at Myanmar's foreign policy, one will find that there is a lot more continuity than there is change since the start of the reforms. Myanmar looks to the East; it does not look West. If one analyses the period between 1990 and 2010, Myanmar's external connectivity and

relations were with China, South Korea<sup>3</sup> and with the Association of Southeast Asian Nations (ASEAN). It was involved, in a very limited way, through aid, with Japan. The West had written Myanmar off as the country was under sanctions.

That changed post-2010 as Myanmar had a transition government, where the Western governments removed the sanctions. Thus, there have been new engagements with the United States, the United Kingdom and the European Union. They are seen clearly as ‘development partners’ who will give aid and pay for development initiatives. They are not really seen as economic investment partners. There is only a limited reengagement with India.

Japan is actually the most important new partner, but it is China which remains the main ally of Myanmar. Relations between China and Myanmar were not very positive before 1990. China had been financing the Burmese Communist Party on the China-Myanmar border for a very long time. However, things changed quite dramatically in the late 1980s. The northern part of Myanmar became important for the development of China’s Yunnan province.

Thus, the connectivity was improved and the borders there were opened for trade. China was also interested in the land, which was leased against soft loans to the military government. If one went to the China-Myanmar border in those days, the schools were using Chinese textbooks and currency, and there was a no-visa policy for Myanmar nationals visiting China, especially in Kachin state. Whilst Myanmar was being cut off from the rest of the world, that relationship became incredibly important.

## **China-Myanmar Relations**

Research conducted by the author in 2007 showed that there were very little India-Myanmar relations but there were a lot of China-Myanmar relations, partly also business-to-business relations. These were underpinned by the Chinese government supporting infrastructure or development. An example is the development of the deep sea port in Kyauk Pyu (Rahine state), where the pipelines from that port to Yunnan province are used for both gas and oil. In many ways, China underpinned infrastructure and development plans with a very long term strategy, not looking at 10 or 20 years but at a 50- to a 100-year engagement.

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<sup>3</sup> Relations with South Korea were not covered in the conference’s presentation due to time limitations.

If one looks at Myanmar and its domestic issues today, it is important to understand that everything in Myanmar's policy is driven by domestic politics because it has been isolated for so long. One of the main issues in Myanmar is the peace process with the ethnic armed groups. Between 2012 and 2015, the government engaged with those groups to achieve a nationwide ceasefire agreement. It was not a 100 per cent successful venture as not all the groups signed up to it. However, China was present at every meeting because of the China-Myanmar border. The Chinese were interested in observing the process because it would affect their trade and the connectivity between Yunnan province and Myanmar. They saw their involvement as keeping control of economic development in the region and how the ethnic armed groups were going to be operating along this border. The relations between the Myanmar government and the ethnic armed groups will determine the level of stability along the border. The peace process is part of why the Myanmar government continues to look East.

Japan is actually also part of the peace process, in terms of financing some of the infrastructure. A Japanese delegate was invited to the signing of the Nationwide Ceasefire Agreement in 2015. India was invited as well as a neighbour but it had had no inputs. Thus, one can clearly see where the priorities are. Japan went to Myanmar in terms of investment straight after the takeover of the transition government in 2010. Major aid packages were already in place, and they had continued to support the education in Myanmar even during the time of western sanctions. Japanese firms started to venture into Myanmar, opening offices within the country shortly after the 2010 elections.

Japan has become such an important partner, ready to invest and compete with China. Politics in many ways drives all the investment decisions and the relations between Myanmar and the East.

### **South Asia-Myanmar Relations**

If one looks West, Myanmar relations with India are negligible. Thus, in reality, things have not changed since 2007. With regard to India, the two sides are still talking about the same infrastructure projects that they were talking about 15 years ago. They are moving forward but it is still not complete. India had a window of opportunity of engaging with Myanmar between 2005 and 2012. Unfortunately, that opportunity was missed. There is hardly any connectivity between the two countries, partly because the roads are so bad that it is difficult to get across.

India has not expressed an interest in the peace process in Myanmar, and is, therefore, not involved in what is a key political issue. In many ways, that relationship has stagnated and not developed. So when one talks about Myanmar as a bridge between South Asia and Southeast Asia or East Asia, there is certainly a lot of work to be done to develop it as a bridge. Myanmar tends to think of its Western borders as problematic, even more so when it comes to Bangladesh. To Myanmar, the issues on that border are very much a problem that they have, not with their own population, but with the migration from Bangladesh.

There has been massive migration from Bangladesh over the past 50 to 60 years. In parallel to this, with the reforms, there has been a domestic movement of the radicalisation of Buddhist monks who have started a movement which is anti-minority and specifically anti-Muslim. A research project conducted by the author in 2012 and 2013 had a majority of young respondents saying that in order to be Burmese, one had to be a Buddhist. Given the number of non-Buddhists in the country, this is obviously highly problematic.

On the Bangladesh-Myanmar border are the issues of camps, refugees, people trafficking – this is a massive problem which is going to impede connectivity because, if nothing else, what Myanmar wants, is to seal this border. In particular, they do not want either armed groups to be able to be based in Bangladesh and come across or more migration.

## **ASEAN**

The Association of Southeast Asian Nations (ASEAN) has been instrumental in easing Myanmar's isolation. In the transition period after 2005, Myanmar learnt the diplomatic ropes after 60 years of isolation by becoming chair of the Association. Myanmar suddenly had to deal with international problems with the help of ASEAN. To Myanmar, this is an economic relationship, not a political one. The relations are also bilateral, particularly with Thailand to whom Myanmar supplies gas. Malaysia and Indonesia have, more recently been seen, as problematic partners because they have been raising the issues of Muslims in Rakhine State. For foreign policy at the moment, the issue is to obviously maintain its position and relation with ASEAN.

## **Conclusion**

It is premature to refer to Myanmar as a bridge between East and West. As Myanmar develops its foreign policy priorities in a period that is still full of economic and political transition, one can clearly see that its core interests are supported in the first place by relations with its North-eastern friends, China, Japan and South Korea. Relations with the ASEAN member countries are unlikely to change and represent another strand of continuity. However, in order to maintain stability across all borders, Myanmar should not forget its relations with Western neighbours either.

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