

RESEARCHERS AT SINGAPORE'S *INSTITUTE OF SOUTHEAST ASIAN STUDIES* SHARE THEIR UNDERSTANDING OF CURRENT EVENTS

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Enmity in Myanmar against China

*By Fan Hongwei**

EXECUTIVE SUMMARY

- Although Sino-Myanmar relations are generally portrayed as *pauk phaw* or fraternal, anti-China sentiments in Myanmar have been growing since 1988. The image of China and Chinese enterprises suffered significantly following the events that led to the suspension of the Myitsone Dam project.
- China's non-interference approach to diplomacy has been a major contributing factor towards the negativity. Beijing's political and economic support to the former Myanmar military regime also generated resentment amongst the general public.
- Chinese projects in Myanmar, primarily in the natural resources and energy sectors, have failed to bring substantial benefits to the people, and locals feel that economic relations between the two countries are unequal, with Beijing plundering their natural resources while disregarding their interests.
- China's reputation was further tainted by the misfeasance of some Chinese enterprises and businessmen in Myanmar, as well as the influx of low-quality and counterfeit products.

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- New immigrants and newly urbanized Myanmar-Chinese have also been accused of controlling the local economy.
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INTRODUCTION

Pauk phaw means 'fraternal' in Burmese. Historically, this is how China and Myanmar have officially portrayed their relationship. From 1988 to 2010, China had consistently been a leading supporter of Myanmar at a time when Western nations had imposed various economic sanctions on the military-led government. Beijing's shielding and support for Naypyidaw, even at the United Nations Security Council, tended to reflect the closeness of their friendship.

Although bilateral relations may have been portrayed as *pauk phaw*, anti-China sentiments in Myanmar society have been accumulating for over twenty years, and became more pronounced following the relaxing of media censorship after Myanmar President Thein Sein came to power in 2011.

Through controversial investments that have had negative social and environmental impact and through single-minded efforts to protect its commercial interests, China is now part and parcel of many of Myanmar's deep-seated problems. Strong distrust and hostility towards Chinese investors have been increasing across the country especially after the Myitsone incident.

CHINA'S TROUBLED MYANMAR POLICY

China's non-interference approach to diplomacy during a time of rising conflict within Myanmar has been a major contributing factor towards the development of such negative sentiments. Myanmar's junta—an outcome of a *coup d'état* in 1988—had earned itself a notorious reputation for its brutal repression of the opposition; defiance of the results of the May 1990 elections; and failure to address poverty. Sanctions imposed by the West against the military regime were deemed a moral gesture and gained some support among Myanmar's population.

China's shielding of Myanmar from punitive measures imposed by the United Nations Security Council (UNSC) dampened the effects of Western sanctions, and consequently generated considerable criticism. While Beijing became one of the regime's few supporters, its non-interference policy—in particular on Myanmar's internal affairs—has incurred the resentment of the Myanmar population.

China has been perceived as "a wolf working hand-in-glove with a jackal" by many in Myanmar, especially in the urban areas. In their eyes, the junta could have been weakened much more under Western pressure if China had not supported it. What has been deemed as China's "immoral and irresponsible" Myanmar policy is claimed to have also hindered Myanmar's democratization. This has generated even more resentment amongst Myanmar's general public, including the opposition parties, nationalists, democracy advocates and human rights activists.

Some Chinese scholars argue that Beijing's policy of 'non-interference' did not mean doing nothing¹ but rather involved intervention in a softer manner.² It bears remembering that China's economic presence in Myanmar has been filling the space left when sanctions forced the United States and its allies to withdraw. As a consequence, the argument that Chinese influence in Myanmar was monolithic and that Myanmar had become China's "satellite state", "puppet state" and "neo-colony" or even the 24th province became popular in Western countries and among Myanmar nationalists.³ This widespread perception of China's dominant influence over Myanmar has catalyzed and intensified anti-China sentiment. During the author's fieldwork in Naypyidaw in 2012, some Myanmar parliamentarians angrily expressed that "your country China is colonizing our country Myanmar. Even the British did not treat us like this during the colonial period."⁴

LOCAL INTERESTS IGNORED

Chinese investment projects, primarily in natural resources and energy, have failed to create sizeable employment opportunities for the locals. At the same time, the military government of Myanmar did not spend the earnings from deals with China on improving the people's livelihood. As a result, China's presence in Myanmar has not brought substantial benefits and has instead strengthened the locals' perception that the economic relations between the two countries were unequal. In particular, locals believe that China is grabbing their natural resources and disregarding their interests.⁵

Authoritarian regimes are usually characterized by arbitrary rule. They tend to lack transparency in policy-making and high-level decision-making acting in secret as they frequently do, and often even against their own rules. During the *pauk phaw* era in 1988-2010, Sino-Myanmar business deals were typically like black-box operations. In addition, foreign companies who dealt directly with the military government—often ignoring the interests of local people—were automatically deemed as guilty by association.

Decades of authoritarian rule have left the Burmese with a deep mistrust of their government. They have witnessed too many cases of the junta sacrificing the environment, land and local residents' interests for economic profits that hardly trickled down to the people. For example, China and Myanmar have been criticized for

¹ Li Chenyang and Lye Liang Fook, "China's Policies towards Myanmar: A Successful Model for Dealing with the Myanmar Issue?", *China: An International Journal*, 7, 2, September 2009, p.283.

² Hak Yin Li and Yongnian Zheng, "Re-interpreting China's Non-intervention Policy towards Myanmar: Leverage, Interest and Intervention", *Journal of Contemporary China*, 18(61), September 2009, p.219.

³ "Is Myanmar Turning On China?", <http://nationalinterest.org/commentary/Myanmar-turning-china-6438>

⁴ Interview with Myanmar Parliamentarians, Naypyidaw, August 14, 2012.

⁵ Interview with Ko Tar, Yangon, August 10, 2012; Kachin Peace Network, Yangon, August 11, 2012; Salon Foundation, Yangon, August 12, 2012; NGO, Mandalay, August 16, 2012; interview with Bai Huize, Mandalay, August 17, 2012.

failing to provide adequate information to the local population about the potential impact of the Myitsone Dam before its construction by the state-owned China Power Investment Corporation (CPI). In a belated move, CPI attempted to win over the Burmese by citing the positive benefits of the hydropower dam project, such as free power supply, technology transfer, increased revenues, and job creation. Locals were subsequently aggrieved to learn that ninety per cent of the electricity generated by the project was to be exported to China while their domestic power supply would remain inadequate.

President Thein Sein suspended the Myitsone dam project in September 2011 soon after taking power from the military junta. He also pledged that the project would be halted for the duration of his five-year term. When reviewing the suspension of the project in 2012, CPI President Lu Qizhou concluded that “as a central state-owned enterprise (SOE), [the CPI] has not been used to dealing with non-governmental organizations (NGOs) and local community. This is a lesson that [central SOEs] need to learn when ‘going out’”.⁶

SOURCES OF ANTI-CHINA SENTIMENTS

Despite recent reforms, Myanmar is still near the top of Transparency International's global corruption rankings. And with financial reforms and economic liberalization measures promising to lure foreign investments and boost asset prices, the continuing collusion between Chinese businessmen and Myanmar officials is not surprising. The Burmese tend to see these as environmental destroyers and plunderers of natural resources. In addition, Chinese businessmen are considered generally rude, thereby damaging China's general reputation and arousing the ire of locals. Some are ignorant of local religions, culture and social customs. It is thus not uncommon for Myanmar-Chinese to show antipathy towards Mainland Chinese⁷. For example, an interview respondent said:

We classify Chinese into two categories, Chinese from Hong Kong and Taiwan; and Mainland Chinese. Hong Kong and Taiwan businessmen usually do business lawfully and employ Myanmar people, while Mainland Chinese investors tend not to obey the law. So, we have a good impression of Hong Kong and Taiwan Chinese and a bad impression of Mainland Chinese. We also know that China has many civilized and well-educated nationals but those we meet and witness are far from being that. That's where our negative impression of Chinese comes from. Too few good Mainland Chinese come here.⁸

⁶ “Lu Qizhou: Central Government-owned Enterprises ‘Going Global’, Draw the Lessons from the Suspension of Myitsone Dam”, March 10, 2012, <http://economy.caixin.com/2012-03-10/100366609.html>

⁷ Interview with Yang, Yangon, August 11, 2012.

⁸ Interview with Thet Su Auang, Shwe Yee, Phyo, and Daw Mie Mie Htwe, Mandalay, August 19, 2012.

While Chinese economic activity in Myanmar is a significant driver of growth and impacts various aspects of the country's economy, there has been a tendency to exaggerate Myanmar-Chinese economic power. **Agriculture** is the key sector in Myanmar's economy, but the vast majority of Myanmar-Chinese are engaged in industry and commerce. As most of them live in urban areas, their commercial success or presence is conspicuous. For example, gold shops and supermarkets with Chinese signboards are ubiquitous in downtown Yangon, Mandalay, and Myitkyina.

This perception is further exacerbated by new Chinese immigrants and newly urbanized Myanmar-Chinese. Since the 1990s, there has been an influx of Chinese migrants into Upper Myanmar. They are thought to control the local economy and, thus have become a source of grievance for the local population. These two groups have also increasingly become a liability in Chinese-Burmese ethnic relations. As Ko Ko Hlaing, the Chief Political Advisor to the President, pointed out:

The relationship between Myanmar and old Chinese migrants is all right. The trouble is with the newcomers, who live in separate communities, keep their distance from local people, and refuse to accept local culture.⁹

This observation is also echoed by a Crisis Group report: “[In Myanmar] the new immigrants in particular make few efforts to integrate into local society, frequenting mostly Chinese establishments and living—to the greatest extent possible—an entirely Chinese way of life.”¹⁰ Further intensifying local resentment is the ostentatious display of wealth by Chinese immigrants.

Some newly urbanized Burmese from the ceasefire areas have also controversially acquired considerable wealth by smuggling jade, lumber and narcotics. This group has often been conflated with ethnic Chinese. According to Tournier and Le Bail (2010):

This perception that Yunnanese are colonizing Mandalay might be related to the surge in investors from Kachin and Shan States buying property and opening businesses in the former royal capital after the conclusion of ceasefire agreements between the Junta and various insurgent groups. Those investors might be of Chinese origin, like the Kokang, or just master Chinese better than Myanmar language, like the Wa, who belong to the Mon-Khmer ethnolinguistic group. Yet, due to their complexion, their inability to speak proper Myanmar language and the proximity of their homelands to Yunnan, they are often categorized as ‘Chinese’ by a local population, whose understanding of ethnic categories is sometimes confused.¹¹

⁹ Interview with Ko Ko Hlaing, Yangon, August 13, 2012.

¹⁰ *China's Myanmar Dilemma*, Crisis Group Asia Report No. 177, 14 September 2009, pp.24-25.

¹¹ Hélène Le Bail and Abel Tournier, From Kunming to Mandalay: The New “Myanmar Road”, IFRI Asia Visions 25, March 2010, p.36.

Central Mandalay, the heart of Myanmar traditional culture and nationalism, has been dubbed a “Chinatown” where Burmese feel themselves outnumbered. Those up north tend to see China as an economic ogre to which the government is selling out their country.¹² As a scholar argues, “the Chinese takeover of Mandalay and northern Myanmar replicates the economic consequences of the British colonization of Myanmar.”¹³ When this author was conducting fieldwork in Mandalay and Kachin State in March 2010, some Burmese stated that “we will seek revenge and re-seize lands and houses taken by the Chinese.”¹⁴

With massive new Chinese immigrants and wealthy urbanized local Chinese flocking into cities and towns in Upper Myanmar, the cost of living has escalated and some poor locals are being forced out of the city. This, too, has become a source of grievance for the local population.

Under the former military regime, some observers and media reports had already warned against Chinese domination of the country, both directly and indirectly. Anti-Chinese sentiments have been present since the mid-1980s. The intensity of resentment was already high in Upper Myanmar throughout the late 1980s and 1990s.

The negative attitude extends beyond Upper Myanmar, and is now felt in the whole country due to the relaxation of media restrictions under the new government.¹⁵ Myanmar internet postings are filled with accusations, rumours, attacks, curses and satire against Chinese and China. Anti-Chinese sentiments are clearly on the rise.

After the opening up of the Sino-Myanmar border trade in the late 1980s, China’s commodities poured into Myanmar through both legal and illegal channels. China became a major supplier of cheap consumer goods to the country. However, the market share of China’s consumer goods in Myanmar began to decline during the end of the 1990s partly because the goods were counterfeit and of poor quality. In addition, a series of food safety scandals and incidents in China have not only seriously harmed its international image and its products’ credibility, but also affected global consumer markets. During the 2008 Chinese milk scandal, for example, many Chinese consumers purchased baby formula from supermarkets in Myanmar and other countries, and retailers were forced to ration sales to limit hoarding.

Being victims of China’s fake and shoddy commodities could not be increase local anger and resentment towards Chinese businessmen and the Chinese government. On one occasion, angry consumers in Upper Myanmar piled up and burned Chinese counterfeit products in protest.¹⁶ Even sympathetic locals have complained

¹² *China’s Myanmar Dilemma*, Crisis Group Asia Report No. 177, 14 September 2009, p.25.

¹³ Mya Maung, “On the Road to Mandalay: A Case Study of the Sinicization of Upper Myanmar”, *Asian Survey*, Vol.XXXIV, NO.5, May 1994, p.455.

¹⁴ Interview Respondent, Mandalay, March 14, 2010; Interview Respondent, Myitkyina, March 16, 2010.

¹⁵ See Min Zin, “Myanmar Attitude toward Chinese: Portrayal of the Chinese in Contemporary Cultural and Media Works”, *Journal of Current Southeast Asian Affairs*, No.1, 2012, pp.121-127.

¹⁶ Interview with L.X. Ruili, Yunnan October 23, 2013.

that “the Chinese government has not done enough to promote food safety.”¹⁷ The negative impression of Chinese products has become another contributing factor to China’s deteriorating image in Myanmar.

CONCLUSION

Although Sino-Myanmar relations are officially portrayed as *pauk phaw*, anti-China sentiments have been on the rise, even among government officials since 1988. There has been a shift in local perceptions of China, and both Myanmar’s government and public have developed a ‘victim mentality’ in their relations with China. As an interview respondent argues,

Because of Myanmar nationals’ fierce hatred of the former Myanmar military regime and China’s support of it, opposing China is to some extent seen as part of the effort to fight the junta and struggle for democracy.¹⁸

¹⁷ Interview Respondent, Myitkyina, March 17, 2010.

¹⁸ Interview with Yang, Yangon, March 19, 2010; Interview with Guan, Yangon, August 11, 2012.

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