

## Burma/Myanmar: The Chinese Dilemma

Written by David Steinberg

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DAVID STEINBERG, FEB 20 2008

The signing of the ASEAN Charter in Singapore, following the “saffron revolution” as the demonstrations by monks in Burma/Myanmar has been called, has prompted greater attention to that country, virtually all of it negative. There has been considerable agitation among the many critics of the Myanmar military that China has been less than insistent on Burmese reforms as it continues to provide funding and support to the military junta. Whatever pressures China has brought on Myanmar, however, and they may have been considerable, have been relatively quiet and discreet in contrast to the U.S. and EU public demands for change. This is likely to be a more effective way to deal with the Myanmar junta than the overtly confrontational American or EU positions, which naturally prompt a Burmese nationalistic response.

As close as relations between China and Burma may seem to the outside world, there are inherent tensions in such a dependent relationship. The highly nationalistic Burmese do not want to be, or even appear to be, dependent on the Chinese or on any other foreign power. But the long border between the two states creates more potentially dangerous scenarios.

No one, even the Burmese, really knows how many Chinese are now resident in Myanmar. In the last census of 1983, there were several hundred thousand so listed, although the criteria for such a categorization remain somewhat obscure, and there is an extensive Sino-Burman population of unknown size but considerable influence (witness General Ne Win, Brigadier Aung Gyi, etc.). What seems apparent to many senior Burmese officials is that there has been a marked unrecorded influx of Chinese from Yunnan Province who are both obvious and relatively wealthy compared to the poverty of the average Burmese. There are no official statistics, but some estimates by highly placed Burmese officials indicate there may be two million illegal Chinese in Myanmar and perhaps half a million Chinese registered with the government. This would be about five percent of the population.

Many Chinese bring with them capital, clan and linguistic networks that can supply credit far more effectively and extensively to these members than the official Burmese banking system, and a knowledge of external markets. Both Burmese and foreign observers indicate that it is not simply the border towns where the Chinese are in economic command, but also in Mandalay, Lashio, and other areas in the north. Lashio is estimated by a foreign embassy as half Yunnanese; it is the most important city north of Mandalay. Mandalay, the heart of Burman culture, itself is similarly estimated as one-fifth Yunnanese. The evidence of Chinese influence is everywhere. Years ago, this writer wrote that northern Myanmar was in fact “Baja Yunnan,” a term that may be as accurate as it was condemned.

The obvious Chinese wealth cannot but produce feelings of concern and even anger among the proud and nationalistic Burmese. The alienation of the Burmese from dominance over their own economy during the colonial period, when Europeans, Indians, and Chinese controlled economic life except for petty trading in the bazaars, produced a profound reaction—the insistence on moderate socialism during the civilian period and a rigid form of socialism from 1962 under military rule. These were attempts to try to get the economy back into Burmese hands.

The continuing influx of Chinese, uncontrolled by the central Chinese authorities, is likely to increase tensions that may already be apparent. The feeling of economic estrangement, dependence, and inevitable envy is dangerous for Myanmar, but it is also dangerous for Chinese national interests in that country, because the Chinese regard Myanmar as in their geo-political sphere and as a critical strategic element in any future issues they might have in

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dealing with India.

Too obvious Chinese affluence contrasted with local poverty could produce an explosive situation with anti-Chinese riots, as happened in Burma in 1967 and in Indonesia in the early 1990s. Predicting the longer-range future of Myanmar under any government is difficult, but if the future middle class of that country is composed of some higher-ranking retired military officers and a large number of Chinese, who are not ashamed to exhibit their wealth, we may be asking for the dangerous dualism of wealth and poverty— dangerous for the Burmese in terms of their well-being and for the Chinese pursuit of their own national interests. The Chinese government needs to understand that if they do not push discretely but intensely for economic and political reforms in their own national interests, they may lose out in the longer term.

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