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The Limits of Beijing's Support for Myanmar's Military

With the junta in a weaker position, China recalibrates its approach with an eye to expanding its influence in Myanmar.

Friday, February 24, 2023 / **By:** Jason Tower

Since late 2022, Beijing has increasingly signaled the limits of its support for Myanmar's junta against pro-democracy forces and protection against international efforts to hold the army accountable for its crimes. In particular, Beijing has demonstrated a reluctance when doing the junta's bidding internationally results in significant political costs vis-à-vis its relations with Southeast Asian states or its reputation at the United Nations.



Soldiers in a truck on the streets of Yangon, Myanmar, Tuesday, Feb. 2, 2021. Beijing has begun to hedge its support for the military junta as its position grows weaker and Western support for the opposition grows. (The New York Times)

As global pressure on Myanmar's generals grows, Beijing is particularly sensitive to signals that Western support for Myanmar's powerful Ethnic Armed Organizations (EAOs) or People's Defense Forces (PDFs) that are fighting the military may increase. To the

extent that the Chinese government senses that such support is on the rise, it will become much more assertive in leveraging its strategic relationships with both the military and the most powerful of the EAOs, which operate on the border in the immediate orbit of China's influence, to shape the overall trajectory of the conflict.

Rather than seeking to back the military against all odds, Beijing aims to strengthen support for both the military and the most powerful of the EAOs, thereby dramatically increasing Chinese influence in Myanmar. This approach challenges the ability of pro-democracy forces to forge powerful coalitions that might threaten the traditional status quo between the military and the EAOs, because it pushes northern EAOs to distance themselves from what is perceived by Beijing as a Western-backed pro-democracy resistance.

As the United States considers options for implementing the provisions of the recently passed Burma Act, a top priority should be support to inclusive coalitions between the EAOs and the National Unity Government (NUG), the parallel government formed by democratically elected lawmakers. Assistance under the act should carefully consider possible impacts on and prospects for such alliances.

China's Meandering Response to the Coup

In the immediate aftermath of the February 1, 2021 military coup led by Min Aung Hlaing, China initially took a wait and see approach, seemingly not wanting to burn bridges with either the military or the National League for Democracy (NLD) party, which it had committed to partner with in implementing billions of dollars of strategic infrastructure projects as part of the China-Myanmar Economic Corridor. While Chinese state media parroted the Myanmar army's propaganda, referring to the coup as a "cabinet reshuffle," China also sent public signals of the importance of its relationship with the NLD.

Popular concern that China actively supported the military's crackdown on protesters in the weeks following the coup triggered a rise in anti-China sentiment. Anxiety increased in Beijing after a series of attacks on Chinese business interests culminated in threats that "China's gas pipelines will be burned." China responded by increasing pressure on the military, EAOs and the NUG to ensure that all would actively play a role in defending Chinese strategic economic interests in Myanmar. While all these parties responded favorably to Beijing's request, the military's propaganda apparatus played to fears in Beijing that pro-democracy resistance forces were directly targeting China's strategic interests in the country. These interests include a multibillion-dollar oil and gas pipeline that represents the only source of piped natural gas to China's southwestern provinces, and which accounts for over 10 percent of the gross domestic product of Yunnan Province.

By June 2021, Beijing's posture had shifted significantly in favor of the junta, with the Chinese Ministry of Foreign Affairs hosting the junta's top international affairs representative, Wunna Maung Lwin. The Chinese Communist Party had a final public interaction with the NLD in September of that same year. It subsequently ceased inviting

the NLD to its international political party engagements. From October 2021 until July 2022, the Chinese government gradually scaled up its relations with the junta, culminating in Beijing cohosting the foreign ministers' meeting of the Chinese-led Lancang-Mekong Cooperation (LMC) Forum in Myanmar. With Chinese state-owned enterprises (SOEs) once again initiating new business with the junta, Chinese State Councilor Wang Yi announced to the foreign ministers of the LMC countries — Laos, Cambodia, Thailand and Vietnam — that China would partner with Min Aung Hlaing's regime to host an LMC summit before the end of 2022.

Beijing's warming ties with Myanmar's genocidal generals contrasted sharply with the growing calls within the Association of Southeast Asian Nations (ASEAN) to forge direct ties with the NUG, and to limit high-level interactions with Myanmar's army. Beijing drew strong criticism from key ASEAN countries, which were concerned that China's convening of high-level LMC meetings would undermine ASEAN unity and hamper efforts of the body to find a solution to the crisis. Faced with the choice of either upsetting its relationship with ASEAN or disappointing the junta, in late 2022, Beijing opted for the latter. Beijing scrapped plans for an LMC summit in Myanmar, and greater tensions emerged between Min Aung Hlaing and Beijing as it became clear that the military's poor performance on the battlefield and the unstable business environment would preclude progress on China's coveted infrastructure connectivity projects.

While the Chinese government had continuously pressured the seven powerful Myanmar EAOs located in northern Shan and Kachin states to negotiate with the military, these EAOs increasingly found themselves facing a weak and incompetent adversary on the battlefield, enabling them to make significant progress recovering territories lost over the two decades before the coup.

In other cases, EAOs such as the United Wa State Army (UWSA) leveraged the chaos to begin a generational change in leadership while also supporting their allies to defeat rival militias to the south of Shan state. These dynamics functioned to further weaken the military, but also served China's interests insofar as the northern EAOs extend Chinese influence deeper into Myanmar while pushing the frontlines of the fighting further from the Chinese border. By October 2022, a desperate military began deploying its air power to attack key positions held by three of these EAOs: the Myanmar Democratic Alliance Army, the Ta'ang National Liberation Army and the Kachin Independence Army. These attacks failed from both a military and a political standpoint, as the EAOs launched successful counterattacks, giving China a clear picture of the military's weakness while threatening stability on China's border.

Who Is Interfering in Myanmar?

In December 2022, as tensions between China and Myanmar's military persisted, two key international developments altered Beijing's calculations. First was the introduction of a United Nations Security Council (UNSC) Resolution — something which Beijing has traditionally been hostile toward. Yet with global frustrations rising vis-à-vis the junta's blatant human rights violations and growing security threats triggered by the rising

influence of transnational crime groups in Myanmar, China faced a difficult decision over whether to block the resolution. For the first time since China was seated at the UNSC in 1971, it opted to water down rather than veto the resolution on Myanmar.

A second development was the U.S. passage of the Burma Act as part of the National Defense Authorization Act in late December 2022. Particularly significant to the act was the incorporation of language indicating a U.S. intention to provide non-lethal support to both EAOs and PDFs. Myanmar's junta responded to these developments by condemning the international community's move and by renewing efforts to court favor with Beijing. This included pledging renewed political support to China on issues such as the South China Sea and Taiwan, as well as launching disinformation campaigns claiming Western-backed PDFs were increasingly perpetrating "terrorist attacks" across Myanmar.

With the weakened junta in an increasingly deferential position, China has once again recalibrated its approach. In late December 2022, China swiftly deployed a new Asian affairs special envoy to Myanmar, Deng Xijun. While Beijing has maintained an envoy since 2013, its most recent envoy, Sun Guoxiang, had been quietly retired in the summer of 2022, with Beijing communicating to the diplomatic community that it would take time for a new appointment to be made. Several nuances around China's deployment of this new envoy signaled a different direction: 1) no official announcements of the envoy's appointment were made, 2) the envoy met with the powerful northern EAOs before meeting with the military, and 3) the envoy has pressured the northern EAOs to negotiate with the military and to refuse assistance from the West.

The moves of the new Chinese envoy shine a light on Beijing's preferred approach to addressing the conflict: pushing for the military and the northern EAOs to forge an agreement that would dramatically increase the autonomy and influence of these groups across the Chinese borderlands in exchange for their support for the military's efforts to limit the growing power and influence of PDFs and NUG-aligned EAOs, and its moves to organize a sham election. Meanwhile, the evolving position of China's closest ally in Myanmar, the UWSA, maximizes pressure on the military to accept this deal. In mid-February 2023, at a key UWSA political meeting, the UWSA announced that they would maintain ties with both the military and the NUG, which they see as a "second Myanmar government."

Chinese SOEs, the Yunnan Provincial Government and Shady Business Networks

With Beijing increasingly leveraging parallel relationships with the most powerful of Myanmar's EAOs and the military to shape the trajectory of the conflict in its favor, three sets of Chinese actors have emerged as critical lifelines to Myanmar's army.

First are the powerful Chinese SOEs with deep interests in Myanmar and ties to the military that could enable them to reap windfall contracts should the military succeed. The ChinaPower Company, which entered the market during an earlier period of military rule,

is one of the few SOEs both implementing ongoing infrastructure projects as well as initiating new projects. These include an ongoing gas-to-energy project in Rakhine state, which has achieved milestones for completion post-coup. Emboldened by this success, ChinaPower has signed a series of new energy deals with the junta, which it has fast-tracked, bringing over 63 megawatts of new power projects online over the past six months. Chinese state media and the Chinese embassy have aggressively promoted these efforts to present narratives in China of a “new normal,” favorable to Chinese SOEs.

Second is the Yunnan Provincial Government, the current leadership of which includes senior officials with deep personal ties to Myanmar’s army, and which is convinced that the army will never cease to be a key political player in Myanmar. Almost immediately after the coup, the Yunnan Provincial Government appointed a key intellectual backer of the China-Myanmar military relationship to lead the Yunnan Department of Commerce. Li Chenyang, who was one of the initial proponents of the China-Myanmar pipeline project, has led a series of initiatives to align the Yunnan Provincial Government behind the military with the objective of finding a way to reset Yunnan’s economy post-COVID-19. In February 2023, Li led a delegation of Yunnan Provincial Government officials and business representatives to Myanmar for the Yunnan-Myanmar Commercial Forum.

Third are the shady business networks, including China-affiliated transnational criminal organizations, which thrive in kleptocratic and highly unstable contexts like Myanmar. These include criminal syndicates involved in trafficking individuals from across the globe into scam centers, where they are forced at gunpoint to engage in fraud. Post-coup, a series of Chinese business promotion agencies sprang to life in Myanmar, including organizations such as the South Asia Future Company, the China Myanmar Economic Cooperation and Development Promotion Association and the World Peace Ribbon Association. All of these organizations seek to extract concessions or gain preferential access to projects by building close ties to the junta and key crony companies. The World Peace Ribbon Association, which has previously played a role in Beijing’s Belt and Road Forum, featured in a December 2022 business exchange with Min Aung Hlaing, during which the association announced the establishment of a new “hub” in Yangon for the promotion of China’s Belt and Road Initiative projects.

Together, these forces all work to influence Beijing in the direction of enhancing its support to Myanmar’s army and play a key role in advancing the cause of the army in Beijing.

A Possible U.S. Response to Beijing’s Growing Influence in Myanmar

Beijing’s overall posture continues to prioritize a status quo that favors the military over pro-democracy forces. While so, cracks have emerged in the alliance between Beijing and the generals. In particular, China’s growing tolerance for EAOs to challenge the military’s positions on the Chinese border demonstrate one way through which Beijing

aims to deepen its leverage over the regime. At the same time, Beijing's moves risk throwing Myanmar deeper into protracted conflict. While China may think it can leverage its relations with the northern EAOs and the military to weaken pro-democracy forces and check Western influence in Myanmar, this threatens to further balkanize the country. It also represents a fundamental misreading of the Burma Act, which aims to recognize the essential role that Myanmar's myriad EAOs and PDFs must play in order to achieve the foundation necessary for sustainable peace in the future.

As the United States considers options for implementing the Burma Act, a critical need is to enhance assistance to the formation of inclusive coalitions, which can work together to place Myanmar back on a path toward democracy.

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