

The Effect of China: The BRI Projects in Myanmar

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Abstract

This article focuses on China's gaining favourable approaches in Myanmar as a result of its investment in BRI projects within it. The study tries to explain both how China-Myanmar bilateral relations have developed and how Myanmar's position in ASEAN can be a possible "ally" of China by addressing China's BRI projects in Myanmar. The article focused on some of China's unfinished BRI projects in Myanmar and touched upon China's geostrategic goals through it. In this article, after analyzing the quantitative data, a result has been tried to be obtained by considering the political approaches of the aforementioned countries. ASEAN's economic dependence on China and the need to maintain China's economic and political dominance in the Southeast Asian region make BRI projects both an economic lifeline and an endless interdependence for both parties. Due to countries Myanmar that has close economic and political relations with China, it remains unclear what position ASEAN will take in the future.

Keywords: ASEAN, China's Belt and Road Initiative Projects, Myanmar

Introduction

The possible impact of the deep economic relationship between ASEAN (The Association of Southeast Asian Nations) and China can be effective on ASEAN's decision-making mechanism against China. After starting relationship between China and ASEAN, China's both regional and global policy changed towards ASEAN. Therefore, China has given a new meaning to the "good neighbour" perception with BRI projects and how it has established its own economic and political power more solidly within ASEAN countries.

On the other hand, while China tries to reduce the growing trust problem in ASEAN against itself with BRI projects, it also attempts to use the same BRI projects against ASEAN countries as a "stick" in recent years. Additionally, China's BRI projects in ASEAN countries can be China's strategy to contain Southeast Asian countries in terms of economy and policy because among the ASEAN countries, there are countries that are in a "debt trap" against China, such as Laos PDR, Myanmar, and Cambodia. BRI projects may have an impact on the attitudes of such countries toward ASEAN's political and economic decisions. Thus, BRI projects might affect ASEAN's attitude towards China and these countries may not take a move that may harm China's interests during the decision process taken against China in ASEAN. However, ASEAN countries continue their economic development rapidly and try to protect their sovereign rights against rising China.

ASEAN has a strong economic capacity as a regional organization. However, even though it is not in a position to deal with China in terms of military capacity makes it is difficult for ASEAN to prevent China's threatening attitudes in the future. The fact that the ASEAN formation is far from the regional leadership level and that it does not have any economic resilience against the measures that can be taken against China at the country level is one of the obstacles in ASEAN's inability to form a bloc against China. At the same time, China has greatly increased its economic activities, especially in ASEAN countries, through BRI projects. For this reason, ASEAN countries are economically and politically interdependent with China.

When the trade volume between ASEAN countries and China is considered, it is seen that there is a need for deepening. Especially with the period of COVID-19, the increase in the economic interdependence between ASEAN countries and China has become more visible (Hong, 2020). As with the natural gas dependency of the European Union (EU) on Russia today, ASEAN's dependence on China will pose a great threat to both regional countries and the global system in the coming years.

Due to Myanmar having a weak system economically and politically, China's necessity for economic growth and geopolitical strategies bring China and Myanmar closer. At the same time, the principle of ASEAN's non-interference in the internal affairs of countries does not create any obstacle for China exert to against Myanmar. Although the economic interdependence between China and Myanmar is an undisclosed reality, China's continuing innovations in terms of military capacity expose the Southeast Asia region to the threat of possible Chinese "hegemony" in the future. China's defence of its sovereignty claims, especially in the South China Sea, by ignoring other regional states, has caused China to be perceived as a "threat" in Southeast Asia. Therefore, ASEAN countries search to reduce their economic dependence on China, on the other hand, we will see whether Myanmar chooses to follow other ASEAN countries' policies towards China as a hedging strategy or not.

Research Method

As stated in the abstract section of the main purpose of the article, while trying to explain China's activities in ASEAN on the basis of countries, especially by using BRI projects, materials such as news and press releases were used in general. The materials were generally researched in accordance with the subject of the study and examined in order to find an answer to the question on which the article is based. Due to the topicality of the question, the information

obtained from the articles and books has been re-evaluated in order to add an objective interpretation. In the article, the descriptive research method was applied in general. Chinese activities in Myanmar were handled specifically for BRI projects, and ASEAN's recent attitudes towards Myanmar were interpreted through qualitative data. In the content of the study, which generally consists of articles and newspaper news, there is also an analysis of China's investments in Myanmar.

In the first part of the study, the historical background of ASEAN, which has a unique structure as an economic organization in Southeast Asia, is summarized through articles and book chapters written by academics who are experts in their fields. In the second part of the study, the historical perspective of ASEAN and China relations is analysed. At the same time, China's economic and political approach towards ASEAN has been tried to be handled objectively after both Chinese and ASEAN sources have been scanned. However, in the third part, the information about the BRI projects that China wants to realize or has been completed in Myanmar has been confirmed by both Chinese sources and other international news agencies and then examined. In light of the data received from the World Trade Organization, the trade volume between China and ASEAN has been useful in evaluating the subject. Due to the coup event in Myanmar, the developments about Myanmar were generally reached from

regional and international news sources. In accordance with the ASEAN principle, statements about the developments in the internal affairs of the countries were not easily encountered, but the situation was tried to be analysed with the statements of the ministers of some states in the G20 and ASEAN meetings.

Discussion

General Overview of ASEAN

In 1967, the ministers of five Southeast Asian countries came together and decided to establish a regional organization focused primarily on economic growth in the region and then on peace and stability. This regional organization also showed the presence of the non-aligned movement in Southeast Asia during the Cold War period. The most important step of this regional organization was to give the green light to the participation of all countries in Southeast Asia. After regional conflicts such as the Vietnam War, ASEAN managed to gather all the states in the region under its own roof. Despite the unique -sui generis- demographic characteristics of ASEAN countries, it has taken the steps of a regional organization. However, although the ASEAN countries are united under one roof, the claims on the country borders among themselves still remain unclear. ASEAN was founded on the necessity of its existence as a regional organization in the years when the Cold War was at its strongest and China was looking at its neighbouring countries as a "threat". Despite ethnic, religious, and

linguistic differences, it aimed to unite around "common interests". Not being in any conflict with global powers and not interfering in the internal affairs of member countries are among the main objectives of ASEAN. Through the principle of non-interference in internal affairs, Southeast Asian countries may have maintained regional peace among themselves. However, this principle is also the reason why the great tensions and changes in the ASEAN countries are kept silent today (Severino, 2008, pp. 1-6).

ASEAN literally spread across the Southeast Asian map with Cambodia's membership in 1999, but with the arrival of new members, ASEAN also faced new problems. The most important of these is the very deep developmental disparity between the skilled human capacity of countries like Singapore and the state of society in countries like Vietnam. Although this separation still continues today, ASEAN has not taken any institutional decision to bridge this gap. Today, China invests more in developing and underdeveloped ASEAN countries and these investments may be the reason why countries that have not received economic aid from ASEAN have a more moderate attitude towards China. ASEAN countries, whose main aim is to maintain their economic development by providing stability in the region, have started to accept non-regional states as observers in the 2000s. Thus, ASEAN shows that it wants to both help a peaceful reconciliation in the region and increase its trade capacity. However, unlike ASEAN, which chose

diplomacy to resolve disputes over the South China Sea, China declared that there would be no compromise. With this situation, relations between China and ASEAN started mutually. From 1990 onwards, with the end of the Cold War and major changes such as China's economic and political opening, ASEAN has sought to develop close relations with China and Russia (Severino, 2008, p. 17).

Background of China-ASEAN Relations

The historical beginning of China's relationship with ASEAN countries can be traced back to the visit of Chinese Premier Li Peng to Thailand. During and after this visit, relations between China and ASEAN gradually gained momentum. In the 1990s, agreements were signed between China and ASEAN primarily in the economic and commercial fields, and at the same time, various breakthroughs were made between ASEAN countries and China in the field of science and technology. The year 1996, when China's position in the ASEAN Ministerial Meeting was updated as a “dialogue partner”, is very important in China's relationship with ASEAN, because with this new position, China started to have more activity areas within the ASEAN group (Thomas, 2019, p. 139).

However, it was 1997 that changed ASEAN's perspective towards China. China's economic assistance to Southeast Asian countries during the 1997 Economic Crisis and the protection of

Chinese national currency in favour of these countries created a source of sympathy for China by ASEAN countries. China's assistance to ASEAN countries in "hard times" has allowed China to attend different meetings of ASEAN and to start replacing Japanese investments with more Chinese investments. The fact that the US and Western-based institutions (IMF, WB, etc.) base their economic aid on certain criteria was perceived as Western countries' turning the crisis into an opportunity for ASEAN countries, and more precisely, the West's lack of economic support for Asia has put China in a different position in the eyes of ASEAN. In the 2000s, in the ASEAN plus Three mechanisms, China signed a series of agreements in disputed areas, especially in the South China Sea, thus weakening the position of Japan and South Korea in ASEAN. The best example of this weakening is the Asia Monetary Fund (AMF) because China has gained more political and economic space through mutual currency swap agreements. At the same time, it aimed to reduce the economic impact of Japan on ASEAN countries in this direction. In 2005, the Eminent Persons Group (EPG) was formed, which allowed China to deeply influence ASEAN countries, and steps were taken to coordinate more local governments between ASEAN countries and China.

With the EPG, ASEAN-China relations began to take place within a tighter and more comprehensive framework, and as a result, the Memoranda of Understanding (MOU) was developed in 2007. MOU

has provided China-ASEAN bilateral work in all areas from commercial issues to food safety (Thomas, 2019, pp. 141-144).

China's relationship with ASEAN did not remain only in economic terms; on the contrary, it was desired to develop a working principle covering all fields. The main reason behind all this is the economic growth move that China has started since the 1990s. At the same time, it is the best example to be given to China's attempts to solve the problems in the Southeast Asian region with more "diplomacy and reconciliation" methods.

Since the early 2000s, China has needed a secure and stable global order to maintain its own economic growth. However, the Chinese Communist Party, with the effect of the "power vacuum" in the global order, has chosen the "wolf warrior diplomacy" path primarily in the South China Sea issue and then in the understanding of diplomacy in the global system. The threat posed by this was naturally first seen in ASEAN countries. Especially the Philippines, which are one of the countries in conflict with China in the South China Sea, was openly against China's activities in the South China Sea until 2016. However, as a result of the change of power in the Philippines and the close relations with China, the Philippines avoid the conflict over the South China Sea. Another reason why the optimistic attitudes of ASEAN countries towards China have changed over time and see China as a threat is the ambiguity in the

international arena that emerged with the rise of China. The fact that the USA's Asia-Pacific policy is not clear has also been a factor that increased this suspense. ASEAN countries do not want to side with the USA in this uncertain environment, but they do not completely trust China. Especially, almost all ASEAN countries have made their infrastructure and development moves with China's BRI projects. In a global order where such interdependence is at its peak, the diplomacy preferred by the ASEAN countries is the "hedging strategy" (Haitao, 2017, p. 52).

China attaches more importance to BRI projects, especially in Southeast Asian countries, and the reasons for this are that China is under the threat of US encirclement through the South China Sea and China does not want to depend only on the sea route. However, a much more important economic reason is China's aim to find new markets for itself in the economic sense with the 2008 Economic Crisis. Considering that BRI projects generally cover infrastructure works, it is clear that China aims to create a workforce and benefit from the geostrategic position of the countries where the projects are located (Jie & Wallace, 2021).

In the first years of BRI projects, both China and the countries hosting the project are very satisfied with the situation, but recently, as a result of the failure to pay back the funds given by China for the construction of the projects the countries, one by one, have fallen into

the "debt trap". China tries to become effective in the economic and political systems of the countries by using the debt trap method within the ASEAN countries with its BRI projects. The situation of Myanmar, which is among the underdeveloped countries in terms of both liberal democratic index and educated human capacity in ASEAN, will help to understand the influence of China with BRI projects (Chatzky & McBride, 2020).

Analysis

China's BRI Projects in Myanmar

Since Myanmar joined ASEAN, it has always been a country that has had problems in the name of liberal democracy among ASEAN member countries. ASEAN, as an organizational structure, did not react or impose any sanctions on the coup that took place in 2021 in Myanmar, where military coups were seen constantly, because the coup concerned Myanmar's internal affairs. Only Malaysian Foreign Minister Saifuddin Abdullah expressed his hesitations on the issue (Staff, 2022) . It is known that China has close relations with the military elites in Myanmar because China wants not to jeopardize its investments in Myanmar and to guarantee sustainability in some way (Kurlantzick, 2022) . This situation poses a danger to China's direct involvement in the resolution mechanisms within ASEAN in terms of ASEAN countries.

Although China and Myanmar were close to each other in economic relations, the government and civil society were trying to make progress in political relations with other countries before the coup. However, when the Myanmar administration, which could not adequately respond to the increase in domestic crises and violence, started to lose its prestige in the international arena, China has politically begun to get closer to this country, which it is economically interested in. In order to eliminate the distrust among the civil society and military elites, China has started to work more environmentally sensitively and consider public opinion. China has started to pay more attention to receiving public support in order not to fail in other projects after being aware of the influence of civil society and some non-governmental organizations in the cancellation of the Myitsone dam project. Due to the sovereignty and security concerns caused by Sri Lanka's financial over-dependence on China, Myanmar tries to reduce the amount of debt to China in Kyaukphyu projects in order not to suffer the same fate as other countries in the region that are in the "debt trap" of China (Xue, 2021).

Recently, the close relationship between China and Myanmar's military elites pushes ASEAN countries to interpret Myanmar as an important member despite the military coup d'état. Therefore, ASEAN has concerns that Myanmar's political decisions about the Indo-Pacific region may be the same as China's strategies and also ASEAN does not

want the balances in this region to change in favour of China, especially with China's BRI projects in Myanmar. Due to the lack of the ASEAN Summit's invitation for Myanmar's leader, Myanmar's relations get deeper with China for escaping from as an isolated country in ASEAN. Towards the end of 2021, as a result of the low level of economic development in China's Yunnan province, Chinese politicians started to work on the completion of the Kyaukphyu project as soon as possible. Thus, China contacted the Myanmar coup administration, and after the positive response from there, it was decided to accelerate the project. Although the Myanmar military can damage the BRI projects, China still continues the investments in the project (Tower, 2022).

The ongoing distrust between the Myanmar military elite and China, and also the ethnic conflicts within Myanmar jeopardize China's BRI projects. For this reason, China tries to develop close relations with the Myanmar coup government, on the other hand, especially with the Kyaukphyu project; Myanmar's high-ranking military officials have been keeping a distance from China, as Myanmar's sovereignty rights have been threatened by China (Nielsen, 2022).

Considering Myanmar, one of the countries in debt trap, will help us understand what kind of influence China has in ASEAN countries. First of all, considering the geopolitical importance of

Myanmar, it is clear why China included this country in the BRI project. The opening of Myanmar to the Indian Ocean like a port and the fact that the BRI project is located in Western Myanmar, Kyaukpyu district, makes China's geostrategic goal more visible. Myanmar's Kyaukpyu region consists of an island, and its significance for China is its direct connection to Kunming, the capital of the southern province of China. At the same time, Kyaukpyu has an important place, especially on the oil and gas route to China's south-eastern province of Yunnan, and China will be able to get rid of the Malacca Dilemma associated with the insecurity of the energy route with this project. Therefore, China attaches great importance to the completion of the project. However, due to the distrust of Myanmar military elites in China and Myanmar's indifference to BRI projects in general, project agreements between China and Myanmar have not always been concluded in favour of China (Editorial, 2018).

The biggest investor and also partner of the Kyaukphyu Special Economic Zone project are China International Trust Investment Corporation (CITIC) which will be responsible for the construction of the project and its operation for 50 years thereafter. The Deep-sea project will cost US\$7.3 million and the season \$2.7 million (Irrawaddy, 2021) . Through this economic investment, China aims to prevent possible opposition from Myanmar's military and political elites and to provide new job opportunities for the people of the region. With the

Kyaukphyu Deep Sea Port project, positive developments will begin in the local economy of Myanmar and the living level of the local people. The project's harmony with the natural environment helps sustainable development and also creates a new opportunity for the public in economic terms. The project, which contributes to transportation and logistics between China and Myanmar and between Myanmar and the global economy, will pave the way for regional economic integration (Xinhua, 2020).

However, as in all BRI projects of China, this project will employ Chinese at many key working points. Currently, the Kyaukpyu region is in an emigration position due to unemployment and will therefore pave the way for Chinese immigration. This, in turn, will cause the demographic structure to change in favour of China in the future, which may lead to negative political and economic effects for Myanmar. Another scenario is that China generally established military bases in the later stages of BRI projects, and it is predicted that the same scenario will happen here. However, Myanmar's 2008 constitution forbids the deployment of foreign troops on its soil (Poling, 2018).

The China-Myanmar Railway Project includes the same objectives as the projects planned by China in other Myanmar, such as getting rid of the "Malacca Strait Dilemma" and wanting to reach the Indian Ocean. For Myanmar, with this railway, the lack of infrastructure will be overcome and a new transportation capacity will

be added to the country's transportation capacity. The most important aspect of this railway is that it undertakes the task of transportation between China and Myanmar in the Kyaukpyu Project, on the other hand, Myanmar's encountering problems with transportation capacity in terms of financial opportunities constitutes an obstacle to the continuation of this project (Wu, 2021, pp. 28-35).

China's economic and political support to Myanmar through BRI projects prevents ASEAN from taking any political decision against the coup d'état in Myanmar. Since almost all of the ASEAN countries are satisfied with the high and close economic relations with China, they avoid certain actions that can be against China in political and economic terms. In other words, the fact that all ASEAN countries are not developed countries and that they contain countries that are close to China in terms of the political system hinders ASEAN's decision-making mechanism from revealing developments against China. The clearest example of this is the statements of ASEAN against the military operation launched by China around the island of Taiwan after the visit of Speaker of the United States House of Representatives Nancy Pelosi to Taiwan (Nguyen, 2022). ASEAN still has not found a solution to the violence and humanitarian crisis in Myanmar. Also, the close relationship between the coup generals and China is one of the crises that ASEAN has faced in recent years. Another crisis is that ASEAN has not yet reached a solution to China's

activities and claims in the South China Sea. Consensus could not be reached among some ASEAN countries such as Indonesia, which does not want the USA to be fully active in the region, and Cambodia and Laos among ASEAN countries that do not accept the development of harsh rhetoric against China (Karmini, 2023).

Conclusion

As a regional organization, ASEAN aims to enable Southeast Asian countries to achieve their economic development in a stable political environment. Both its regional proximity with China and its partners in the global economy highlight ASEAN as a regional actor. However, the fact that member states do not interfere in each other's internal affairs due to the principles of the organization makes China's influence open to member states. At the same time, member states are left alone with their own problems and cannot solve these problems within the organizational framework. Therefore, China increases its economic and political rapprochement towards these countries. ASEAN refrains from forming a military structure and its carefree attitude towards the political disagreements of its member states in their internal affairs paves the way for China to easily realize its claims in the region and international environment without any hindrance.

As in the case of Myanmar, China attaches great importance to infrastructure works for developing or underdeveloped countries

through BRI projects. The main reason behind this is both to increase the economic development level of China's own landlocked provinces and to ensure China's economic, political and military superiority in the regional sense. At the same time, China shows more interest than before to reach the Indian Ocean through Myanmar, which was excluded by both ASEAN countries and the international community after the coup in 2021.

The close relationship of Myanmar administrators with China is a very important factor in completing BRI projects. However, it is obvious that the military and political elites have concerns about losing the autonomy in the country and dominance in foreign policy. Myanmar is a country that is both in China's debt trap diplomacy with the BRI project and in a geostrategic position that ASEAN cannot ignore. This convergence is also seen in Laos and Cambodia, which are also member states of ASEAN, and this indicates that ASEAN will be under the influence of China economically, politically and militarily in the future.

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Declaration of Conflict Interest

The Author declares that there is no conflict of interest regarding the publication of this article.