

CHAPTER V
THE IMPLICATIONS FOR ASEAN
(Association of South East Asian Nations)

ASEAN or the Association of South East Nations is another key neighboring power that have been effected by Sino –Myanmar cordial relations gradually strengthened since the 1988 bloody massacre. In contrary to the West and similar to India, long historical experiences and geographical proximity shape complex relations between China, Myanmar and ASEAN countries. Significantly, ASEAN’s perceptions and responses toward the two neighbors have changed a lot due to the rapid growth of Sino –Myanmar ties. As the result, this new situation has pushed ASEAN into dilemma. On one hand, the admission of Myanmar into the association in 1997 aimed to reduce Chinese sphere of influence has caused ASEAN under international pressure. On the other hand, China as the regime’s main supporter and closest ally is a big power in Asian region that could provide economic and political support to the group.

This chapter will analyze the historical background of relations between ASEAN, China and Myanmar, particularly since 1988. Later the association’s concerns and policy responses will be elaborated.

A. Sino –Myanmar and ASEAN Relations

Long historical experiences and geographical proximity have brought China Myanmar and South East Asian countries have developed interactions since the ancient times. Yet, China, Myanmar and ASEAN relations have been building up in a more complex structure in the post Cold war era. In other word, while China and Myanmar is strengthening their good neighborly friendship, ASEAN keeps worried about the increasing Sino –Myanmar threat.

Concerning the ASEAN –Burmese relations, both sides had little interest in each other before the admission of Myanmar into the association in 1997. However,

the growing closeness of ASEAN countries' business with the military regime since the Burmese junta has adopted the open door policy¹ and the fear of too much Chinese influence in Myanmar have spurred ASEAN's interest. In July 1996, at the ASEAN Ministerial Meeting in Jakarta, Myanmar become an official observer of ASEAN and a member of ASEAN regional forum (ARF). At the 30th Anniversary of ASEAN's creation in 1997, Myanmar was officially admitted as ASEAN member.

With regard to ASEAN –China ties, according to Kulk Cheng-Onwee, their relationship in the modern era have been characterized by four features; the disappear of the ideological barrier that eventually paved the way for the restoration of diplomatic ties between China and all ASEAN states by 1991, the importance of economic links ,that have created both convergent and divergent interests for the two sides, the salience of the Spratly territorial disputes and the gradual emergence of multilateralism as a mode of diplomatic interaction between China and ASEAN countries². It must be noted that Beijing's move to involve itself in ASEAN activities since the early 1990s was part of the country's good neighborliness policy³ aimed to strengthening its ties with the neighboring countries in the wake of the Tiananmen incident in 1989.

Bilateralism remains the principal thrust of China's policy towards Southeast Asian countries. However, as a range of multi level and multi sector cooperation mechanisms developed largely by ASEAN's initiatives throughout the 1990s, China has actively participated in ASEAN multilateral institutions; the Asian Regional Forum (ARF) in 1994 and ASEAN Plus Three (APT)⁴. Moreover, China – ASEAN trade, which has already reached US\$ 100 billion annually and is growing at least 25% per year, has speeded up the process of China-ASEAN Free Trade

¹ Kavi Chongkitavorn, "The Evolution of Constructive Engagement," in *From Consensus to Controversy: ASEAN's relationship with Burma's SLORC Alternative ASEAN Network on Burma*, 1997.

² Kulk Cheng-Onwee. "Multilateralism in China's ASEAN Policy; Its Evolution, Characteristics and Aspiration," *Contemporary Southeast Asia* 27, no.1, (2005): 102-122.

³ Meaning of good neighborliness policy in Chinese language is "mulin zhengce."

⁴ ASEAN Plus Three or APT meaning ASEAN Plus China, Japan and Korea.

Agreement (FTA) proposed since 2001. Moreover, at the 7th China –ASEAN summit in 2003, Beijing joined the grouping's Treaty of Amity and Cooperation (TAC) making itself the first major power to join the non aggressive pact.

Nevertheless, the development of ASEAN –Myanmar and ASEAN –China relations has not been smooth. Since the admission, Myanmar has become the black spot in the association, while China as an rising regional economic and security power in the region has always affirmed its friendly stance towards the regime. Consequently, ASEAN has been pushed into dilemma on how to deal effectively with the Sino-Myanmar closer friendliness.

B. ASEAN'S Concerns

a. Political Interest against International Pressure: Myanmar Issue

Studying the implications of Sino-Myanmar cordial relations since 1988 for ASEAN, it is important to emphasize the issue of Myanmar. ASEAN is generally considered by diplomats and academics to be the second most successful example of a regional organization after the European Union⁵ since its foundation in 1967. ASEAN's reputation for success was based on high rate of economic growth and the leading diplomatic role. The admission of Myanmar, an international pariah into ASEAN in 1997 is one of the most challenging evolution against its long- been credibility. Myanmar's admission has provoked tensions and controversy both within the association and with extra –regional actors. ASEAN has been under international pressures, especially from the United States, European Union and the United Nations, for tougher stance on this member country. Over a decade, ASEAN's image has been tarnished as it appeared ineffective in responding Burma problems.

⁵ Thayer Carlyle A., "ASEAN: Form Constructive Engagement to Flexible Intervention," Harvard Asia Pacific Review, 1999.

Back to the past history, Sino –Myanmar have developed their strong relationship since 1988. Not taking long time later, ASEAN countries began to perceive Myanmar's dependency to China and decided to invite its Southeast Asian neighbor to join the group attempted to move it away from China's sphere. According to many analysts, China is holding a dead card for ASEAN's Burma resolution and for ASEAN to recover its image in the eye of international society. As well, many leaders from ASEAN countries has recently expressed their hope for Beijing's role in this regard. However, Beijing's position on Yangon regime is still unchanged seeing problems in Myanmar as a matter of domestic affairs and that China will not intervene. Besides, ASEAN's concern is increasing when counterweighing it with China that Myanmar will definitely opt China side than committing on what ASEAN has repeatedly asked for. The criticism by the West provides only negative impacts to the collective interest of ASEAN. As proven lately when the US Secretary of State, Condoleezza Rice decided not to attend the 2005 ASEAN Meeting and ARF due to the issue of Myanmar's turn for ASEAN chair. This was widely interpreted as an expression of the US satisfaction with ASEAN's handling of the Myanmar⁶.

b. Economic Interests

The strong relations between China and Myanmar in the contemporary period have concerned not only ASEAN's collective reputation as mentioned earlier, but also the association's economic interests. ASEAN has witnessed the flow of Chinese assistance in terms of military hardware, trade and investment blossomed overnights after the reestablishment of Sino-Myanmar ties with anxiety. In order to mitigate Myanmar's reliance on China and accomplish ASEAN's vision to remain competitive in the growing economic market by including all 10 Southeast Asian countries, ASEAN decided to admit Myanmar as a member.

Myanmar, since opening to the outside world has been ASEAN's main trade and investment destination as well as an ample supply of cheap natural

⁶ Haacke Jurgen, "Myanmar Foreign Policy" in Adelphi Paper 381, International Institute for Strategic Studies, 2006.

resources. By 2004, the percentage of total exports with ASEAN has risen to 45.8 %, with the official trade volume amounting to 47.2% of total trade⁷. To open more business opportunities remains another important intention of ASEAN. Similarly, the rise of China's economic development and security power is significant for ASEAN's interest. ASEAN countries have always been cautious in its moves toward China. On one hand, the Chinese economic development and military modernization arouses the fears for China's domination in the region. On another side, Sino –ASEAN trade and investment links are advantageous for the group as a whole.

C. ASEAN's Responses

a. Constructive Engagement Policy

Incorporating with ASEAN's fundamental norm of non interference in other members' internal affairs, ASEAN has pursued since 1991, the policy of Constructive Engagement as a vehicle to safeguard its economic, security and political interests. This policy has been initiated and applied specifically to engage and create ties with Myanmar. Politically, its most salient feature has been noninterference in Burmese domestic political affairs, leaving the junta to take care of its own affairs. Economically, the policy supports business interests in trade liberalization and investment incentives in Myanmar. According to Marvin Ott, "much of the impetus for constructive engagement comes from the perception of burgeoning economic opportunities in Burma"⁸

The primary security priority of constructive engagement is to offer Burma an alternative to China to stave off its growing influence in the region. In 1999, in a

⁷China nevertheless remains Myanmar's biggest import partner by far, although Thailand is its important trade partner, See European Union, DG Trade; EU Bilateral Trade and Trade with the World: Myanmar, 9 Mar 2006, <http://trade.europa.eu>.

⁸Ott MC, "From Isolation to Relevance," in *Burma: Prospects for Democratization* (Washington: Brookings Institute Press, 1998): 79.

rare interview, the regime's powerful first secretary, Lt.-Gen. Khin Nyunt summed up his foreign policy with ASEAN and its close ally, China.

The essence of Myanmar's foreign policy is to develop friendly relations with all the countries of the world, particularly with its neighbors. Myanmar therefore joined ASEAN with a view to promote regional peace, stability and prosperity through cooperation and integration with the other nations of Southeast Asia. On the other hand, China is not only a neighboring country but also one of our most important trading and economic partners. We therefore look forward to working together with both ASEAN and China for mutual benefit in the interests peace and progress.⁹

Thus, despite ASEAN's hopes of decreasing Yangon's reliance on China through constructive engagement, the regime continues to look towards its largest neighbor as a major source of political and economic support. ASEAN has succeeded in opening alternative channels for Myanmar to engage other countries besides China. However, in an article about the prospects of Myanmar weaning itself from China's influence, J. Mohan Malik is pessimistic. He states that:

“Given Burma's dependence on China for military hardware, training, spare parts, financial assistance and industrial equipment, Beijing can apply considerable pressure on the regime, be it military or civilian, to prevent its defection from China's camp. ASEAN's constructive engagement policy notwithstanding, China still remains Burma's main trading partner, arms supplier and a steadfast supporter in international fora”.

While Southeast Asian leaders continue to hope that ASEAN's constructive engagement policy will serve to mitigate Chinese influence on Burma, some are not all positive about the country's prospects. The Burmese regime may resent its growing dependency on China, but it is likely to remain necessary as long as it finds

⁹ Evmoon D, Faits and Protects Magazine, Paris, April 1999.

itself isolated from most of the rest of the international community. For Burma, constructive engagement has brought the benefit of recognition by ASEAN at little cost.

b. Cooperation Based on Multilateralism

Besides the policy of constructive engagement, ASEAN has consistently worked through multilateral institutions to integrate China and Myanmar into the association's framework. For economic engagement, ASEAN and China reached in 2001 the agreement to establish the ASEAN-China Free Trade Agreement (ACFTA) within 2010. The ACFTA plan, in particular, is instrumental to achieving many of foreign policy goals in both economic and political realms. ASEAN has long been China's fifth largest trading partner. With the average growth of 20% since 1990, ASEAN –China trade totaled US\$ 39.5 billion in 2000. The FTA is likely to enhance Sino-ASEAN trade and investment cooperation.

In the security paradigm, ASEAN Regional Forum (ARF) established in 1994 is an effective instrument in promoting stability in the region. It is a collective security arrangement which China is increasingly active in participation. In dealing with the issue of Myanmar, China is no doubt be willing to participate in the relevant process of ASEAN. ASEAN as well realizes the importance of the China Card for the positive change in Rangoon. Beyond the ARF framework, China had also been actively involved in the expanded ASEAN China Dialogue and ASEAN Plus Three in 2004.