

US seeks to expand influence in Burma at China's expense

John Roberts

26 November 2015

In the wake of her party's win in Burma's national election on November 8, Aung San Suu Kyi last week met with the representatives of 40 foreign embassies, all of whom pledged their support for the formation of a new government, scheduled for early next year. Behind the diplomatic niceties, however, lie sharp rivalries, above all between the US and its allies, on the one hand, and China on the other.

For more than two decades, China enjoyed significant influence in Burma as the largest investor, trading partner and supporter of the military junta, which was subject to punitive US-led economic sanctions. As part of its "pivot to Asia," the Obama administration mounted a concerted "carrot and stick" campaign to pressure the military to distance itself from Beijing. This offensive bore fruit in 2011 with the resumption of Burma-US diplomatic ties and an easing of sanctions.

Washington will undoubtedly exploit the victory of Suu Kyi and her National League for Democracy (NLD) to further boost its influence in Burma. Suu Kyi represents sections of the Burmese elites who were marginalised by the junta's economic monopolies and sought to open up the country's economy, particularly to Western investment. The US has long regarded her as the means to advance its interests in Burma, which, as well as having significant potential as a cheap labour platform, is strategically located on China's border.

Following the election, President Barack Obama rang Suu Kyi to commend her for "her tireless efforts and sacrifice ... to promote a more inclusive, peaceful and democratic Burma." He also rang President Thein Sein, an ex-general, to commend him on the running of the election. Having denounced the military for years for running a "rogue state," the US is now seeking a close relationship, not only with Suu Kyi, but also the generals.

US Assistant Secretary of State Daniel Russel, who visited Burma this week, held extensive meetings with Thein Sein, senior ministers in his military-backed government and the country's military chief Min Aung Hliang, as well as Suu Kyi. In an interview with the *Irrawaddy*, Russel explained that Obama sent him "to make an assessment" and "to probe the key players as to what their intentions and plans are."

Russel stressed that as the NLD forms the next government, the United States is "squarely on their side." At the same time, however, he made clear that the US was not going to press the military to immediately relinquish its substantial constitutional and political powers. "Well it's, in most countries, an incremental process," he declared. "There is a case to be made that the reforms that we've witnessed ... here in Burma couldn't have occurred without the concurrence ... of the military."

Indeed, the Pentagon is already establishing ties with the Burmese military, which was certainly a consideration in the junta's decision in 2011 to make a shift toward Washington. Speaking to the *Washington Post*, commander-in-chief Min Aung Hliang explained that the two militaries had close relations in the past, which became "distant" after the imposition of sanctions. "Now we are back on the right track so that the relationship between the two armies will be good."

In a report on November 13, the Center for Strategic and International Studies (CSIS) was blunt about its assessment of the election and the strategy that must be pursued. Washington, it stated, had built up "considerable leverage with Myanmar's traditional ruling elite, and should deploy it to US advantage." The CSIS has played a central role in devising the strategies of Obama's Asian "pivot," aimed at undermining Beijing throughout the region and preparing for war.

According to the CSIS: “The best scenario for Myanmar’s democratic transition [sic] is one in which the long-term opposition leader and the generals who imprisoned her can come to a political deal acceptable for both sides.” The report calls for stepped-up US assistance to the new government, advocates “exploring next steps in bilateral military-to-military-engagement” and urges the American government to encourage US corporations to invest in Burma.

China has a great deal at stake in Burma. Over the past two decades, Chinese corporations have invested \$US14.7 billion in Burma, making China by far the largest source of foreign investment. More importantly for Beijing, Burma is a key country in its strategic planning, a vital link in China’s 21st century Maritime Silk Road and its Indian Ocean strategy.

Faced with the prospect that the US would mount an economic blockade of China in the event of war, Beijing has sought to reduce its dependence on the Malacca Strait, which the US navy could control, to import energy and raw materials from Africa and the Middle East. Burma offers an alternative land route from the Bay of Bengal to southern China, along which China has already constructed oil and gas pipelines and is planning a rail link.

Well aware that the US is seeking to use Suu Kyi to further undermine its interests in Burma, the Chinese government invited her to Beijing in June, where she was polite but non-committal. Following Burma’s election, the Chinese state-owned *Global Times* warned the incoming government that a break with China would be “a witless move that would ruin the strategic space and resources it can obtain from China’s amicable politics.”

In an interview with China’s state-run Xinhua news agency last week, Suu Kyi suggested that relations between “neighbours are always more delicate than between counties far apart.” Moreover, in comments clearly directed at Chinese companies, she said Burma would welcome businesses that operated in the country’s interest and had won public confidence.

In 2013, Suu Kyi attacked China’s state-owned oil corporation for lacking transparency in its deals with Burma, while praising Western conglomerates Total and Chevron as more responsible.

The new government’s attitude to China will come into focus when it decides on the contract to run the

country’s first deepwater port at Kyaukphyu and an associated special economic zone. Chinese corporations are in the bidding as part of Beijing’s plans to consolidate a transport and energy corridor from the Bay of Bengal to southern China.

China faces other rivals aligned with Washington. US allies Japan and Thailand have joined forces to develop the Dawei port and special economic zone, as a competitor to Kyaukphyu. US strategic partner India is seeking to establish the port at Sittwe as part of a hub to connect its northeast provinces with South East Asia via Burma.

In the area off the coast, US, British, Australian and European firms have been awarded contracts for production-sharing arrangements with Burma, which is estimated to have 3.2 billion barrels of oil and 18 trillion cubic feet of natural gas reserves.



To contact the WSWs and the
Socialist Equality Party visit:

wsws.org/contact