



Cato Institute: America is winning Burma's "Great Game" between the U.S. and China-Doug Bandow

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Relations between the U.S. and China have grown tenser as the latter has developed economically and advanced internationally. Few Americans want to cede their dominant position while most Chinese are determined to regain what they believe to be Beijing's rightful influence.

The two nations are waging a bitter but so far nonviolent struggle in Burma, or Myanmar. And the U.S. appears to be winning.

For decades Burma's military ruled ruthlessly. The West responded by isolating and sanctioning the generals, who renamed their nation Myanmar over popular opposition.

The junta turned to China for military cooperation and economic support. Beijing, which desired Burma's natural resources, including minerals, timber, and water, was happy to oblige. The embrace from Burma's northern neighbor grew ever tighter—too tight, in the view of many Burmese.

In 2008 the military began a gradual process of carefully limited political reform, which culminated in legislative elections in November. The junta's members had not undergone a miraculous conversion to liberalism. Rather, an important, though largely unarticulated, objective was to reduce reliance on the People's Republic of China.

For years Burma was a pariah state almost akin to North Korea. There was only limited interaction with both the U.S. and Europe, the most obvious sources of aid, investment, and trade. While Asian tigers roared, Burma slumbered.

While Burma benefited economically from its ties with the PRC, the costs were high and resentment was palpable. In fact, Burma is not alone in this regard. High-handed Chinese behavior in Africa sparked public protests and turned Beijing's role into an election issue. North Korea remains tied to the PRC but continues to look for new friends, most recently in Moscow.

For Burma opening to the West was the answer. Sanctions were eased, Western leaders rushed to visit, and business investment flowed in.

Unfortunately, reforms have slowed. Nevertheless, the country has moved dramatically from "the bad ole' days." It would be very difficult for the military to reverse democratization even if it wanted to. Which means China no longer is the essential investor.

The PRC has noticed. Policy analysts and university students alike have complained to me that the U.S. was undermining Beijing's relationship with Burma. Merely being willing to engage Burma has allowed the West to shift the geopolitical balance.

At the same time bilateral problems between China and Burma have multiplied. Four years ago the latter suspended the Chinese-financed Myitsone Dam, whose power was destined for the PRC. Earlier this year 155 Chinese loggers were arrested and prosecuted for illegal activity, before being deported.

Insurgents in Burma's Kokang area are ethnic Chinese and some 30,000 refugees have crossed into the PRC. In March while targeting Kokang rebels Burmese airstrikes killed five and injured eight Chinese citizens. In May several Chinese were injured by artillery fire. The PRC responded with a live fire exercise along the border. Burma later accused Beijing of discouraging the Kachin and Wa ethnic groups, long engaged in the illicit gem and timber trade, from signing a national ceasefire.

Concerned over relations, Beijing hosted Nobel Laureate Aung San Suu Kyi in June, an extraordinary step by a regime which fears elections and opposes meddling in other nations' affairs. Although Suu Kyi expressed her desire for better relations, her government is unlikely to be as close to China as was the junta.

India and Japan offer friendship at lower cost. Moreover, she obviously prizes access to the large, sophisticated Western economies, and knows that she would still be under house arrest if China had continued to dominate Burmese affairs.

Burma's shift demonstrates fistfuls of cash, whether yuan or dollars, are not enough. As I wrote for China-US Focus: "No one likes to be treated as a client state. In Burma the U.S. only had to offer the junta a way to join the global economy. Without deploying a ship or threatening a shot, Washington found an effective balance to the PRC."

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