

Comparative Connections

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China-Southeast Asia Relations: Myanmar, South China Sea Issues

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Myanmar's military offensive against armed militias of minority groups along the border with China disrupted the status quo that had prevailed along the frontier for the past two decades and complicated the extensive Chinese interests that have developed in the border region during this period. Frictions over territorial claims, fishing, and surveillance among China, Southeast Asian countries, and the U.S. over the South China Sea were less prominent than in recent quarters. China signed an investment agreement with ASEAN members marking the completion of the China-ASEAN Free Trade Area, which is to go into effect on Jan. 1, 2010. Chinese commentary joined other regional media in highlighting, with some reservations, the prominence of U.S. Secretary of State Hillary Clinton and the more activist U.S. regional agenda at the ASEAN Regional Forum Foreign Ministers' Meeting.

China-Myanmar relations

Relations between China and Myanmar saw new, important developments this quarter. To be sure, China maintained its longstanding principle of noninterference in domestic issues and watered down hopes of imposing further UN Security Council sanctions and punitive measures against Myanmar following Aung San Suu Kyi's sentencing in July. But, there were emerging signs of frustration in Beijing about Myanmar's military junta as its recent clampdown on the Kokang militia along the China-Myanmar border in August pointed to the growing challenge and dilemma Myanmar poses for Chinese foreign and security policy.

Aung San Suu Kyi sentenced. The Chinese Foreign Ministry spokesperson on July 14 urged the world to respect Myanmar's judicial sovereignty after opposition leader Aung San Suu Kyi was sentenced to three additional years of detention for violating an internal security law. The violation involved an incident in May in which John Yettaw, a U.S. citizen, swam to her lakeside home and stayed uninvited for two days, in violation of Suu Kyi's terms of house arrest. Official Chinese media duly noted Western outrage over the Myanmar court's decision and ASEAN's statement of "deep disappointment." Chinese commentary highlighted the fact that the junta cut in half to 18 months shortly after the judgment was rendered.

China's stance of noninterference was seen by official Chinese media as the basis for blocking any UN action against Myanmar, while the Foreign Ministry spokesperson urged "dialogue with Myanmar, not criticism." In a similar vein, at a July 13 meeting at the UN called to review the findings of UN Secretary General Ban Ki-moon's July 3-4 visit to Myanmar, China's deputy UN

ambassador defended Myanmar's decision to refuse Ban's request to meet Suu Kyi. Concerned countries were urged to deal with Myanmar "with less arrogance and prejudice."

Against this background, official Chinese media gave positive publicity to the visit to Myanmar of U.S. Sen. James Webb, which followed the sentencing of Suu Kyi. Webb's success in gaining the release of Yettaw along with meeting Suu Kyi and Senior Gen. Than Shwe were depicted positively. He was said to be the first member of the U.S. Congress to visit the country in over a decade and the first "senior U.S. political figure" to meet with Than Shwe. While duly noting the White House's position that Webb did not represent the administration during his visit, Chinese reporting made repeated reference to Webb's assertions about the Obama administration's reassessment of U.S. policy toward Myanmar.

Clashes along the China-Myanmar border. In August, the junta launched a raid against a local militia group based in the Kokang region, which is largely comprised of ethnically Chinese communities, in Myanmar's northern Shan State. A ceasefire agreement struck nearly 20 years ago had provided a degree of autonomy for the local militia group. Details of how the ceasefire agreement broke down remain uncertain; the junta reportedly has been exerting greater control throughout the country in the lead-up to the national elections in 2010. As such, the clampdown by the junta resulted in an unexpected clash with the Kokang militia group and the flight of more than 35,000 refugees to China. According to Chinese news reports, there were also three rounds of shells fired into China's Yunnan Province from the Myanmar side, which killed one border inhabitant and injured two others. Additionally, one Chinese border inhabitant was killed and 13 others were injured as people fled from the Kokang region.

The border incident points to the growing complexity of China's relationship with Myanmar. According to a new report entitled "China's Myanmar Dilemma" issued by the International Crisis Group, China was unable to dissuade the generals from launching their bloody campaign. The report also finds that Beijing's influence over Myanmar is often overstated and may even be waning. The military junta is fiercely nationalistic and tries to balance and hedge its relations with neighboring countries such as Thailand, Bangladesh, India, and China.

A recent article by Ian Storey in *China Brief* also finds that the Chinese leadership is increasingly frustrated with the lack of progress toward national reconciliation and economic development in Myanmar. Storey cites at least three instances since 2004 where the Chinese leadership had been urging the authorities in Myanmar to implement political reform but had limited success influencing the junta's behavior.

In managing the latest tension along the border, Beijing's approach reflected a degree of prudence and caution. Publically, its Foreign Ministry called for Myanmar to "properly deal with its domestic issue to safeguard the regional stability in the China-Myanmar border area." It was also concerned with the safety of the Chinese citizens living and working in the Kokang region and asked the Myanmar government to offer full protection.

At the same time, Chinese press reports also indicated that the leadership in Beijing commissioned and dispatched Public Security Minister Meng Jianzhu and other senior officials to inspect Chinese border areas and provide clear guidance to the local authorities in Yunnan

Province to help stabilize the situation. The Yunnan provincial government, in turn, activated a border stability mechanism, “calling on units concerned to make all-out efforts to maintain border stability, safeguard the security of border inhabitants’ lives and properties, and prevent the situation from worsening.” These actions indicate that the Chinese leadership was concerned with the potential spillover effects of the conflict along the border. Since Beijing was unable to restrain the junta from launching the raid against the Kokang militia, it had to take these precautionary steps to safeguard Chinese national interests.

South China Sea issues

Chinese official media and commentary were more muted than in recent quarters in dealing with disputes in the South China Sea. Reported incidents generally involved disputes over fishing. That China took these matters seriously was underlined in a July 1 report in official media of remarks by Wu Zhuang, director of the Administration of Fishery and Fishing Harbor Supervision of the South China Sea, at the launch of an exercise involving seven Chinese vessels concerned with safeguarding Chinese fishing interests in the South China Sea. Wu recounted a litany of problems for Chinese fishermen in the South China Sea including “illegal” arrests by other governments, piracy, and foreign encroachment on Chinese fishing grounds. According to Wu, it sometimes takes years for countries to release Chinese fishermen arrested in disputed waters; boats and equipment are often not returned. The arrest by Indonesia on June 20 of 75 Chinese fishermen in eight vessels was noted, as was the release in late June of 25 Chinese fishermen after being held by the Philippines since 2006. Wu asserted that “China usually does not detain foreign fishermen who invade its waters.” However, reporting from Vietnam in late June said that China detained 25 Vietnamese fishermen for 10 days and continued to hold 12 others until fines were paid. In August, a report from Vietnam said a Vietnamese trawler crew was arrested by the Chinese navy in the disputed Paracel Islands.

Wu also underlined past reportage of Chinese intention to add new vessels to its more active patrols in the South China Sea. He referred to an option likely to raise concerns by some in Southeast Asia, advising that “China should also build a few fishery administration bases on the reefs and islands in the South China Sea, so that the response to incidents can be quicker.”

The importance and problems of Chinese fishing were illustrated in an article by Lyle Goldstein in the Aug. 5 Jamestown Foundation *China Brief*. China’s annual fishing catch is four times larger than the take of the nearest competitor and far exceeds the combined catch of Japan, the U.S., and other Pacific maritime powers. Because of years of overfishing and other problems, China in recent years has worked to reduce the size of its fishing fleet and instituted summer fishing moratoriums in most Chinese coastal areas. The moratoriums have been a focal point of disputes with Vietnamese and other fishermen in the South China Sea

On related issues, media reports citing Russian sources pointed to extensive Vietnamese purchases of advanced aircraft and submarines from Russia. In response, some Chinese commentary warned of the growth of the Vietnamese navy and the threat it would pose to Chinese shipping and other interests in the sea lanes passing through the Malacca Strait and the South China Sea. The issue seemed to subside when reporting in August pointed out that the

Russian sources were incorrect as Vietnam did not have the resources to purchase and maintain the advanced Russian weapons systems.

U.S. Role. Chinese officials and commentary muted complaints that had accompanied incidents of Chinese ships confronting U.S. ships carrying out surveillance activities in waters near China earlier this year. Nonetheless, China registered its continued opposition during U.S.-China talks on maritime safety on Aug. 26-27. Official media cited the Chinese Ministry of Defense to say that China called on the U.S. “to reduce and eventually end military surveillance by both aircraft and ships close to its shores after a series of territorial disputes earlier this year.” *China Daily*, on Aug. 28, noted U.S. Defense Department statements of repeated confrontations between Chinese ships and U.S. surveillance ships in the first half of this year, and cited the Chinese Defense Ministry for the view that “the way to resolve China-U.S. maritime incidents is for the U.S. to change its surveillance and survey operations policies against China. Decrease and eventually stop such operations.” The *China Daily* report went on to cite a U.S. Embassy spokeswoman for the view that the U.S. position of “exercising its freedom of navigation while putting emphasis on taking care to avoid any unwanted incidents,” had not changed.

The seriousness of the issue to the U.S. was underlined in the first oversight hearing of the Senate Foreign Relations Committee’s Subcommittee on East Asian and Pacific Affairs under the direction of Subcommittee Chairman Sen. James Webb. The July 15 hearing focused on major maritime disputes in the East and South China Seas. Webb’s opening statement was supportive of Vietnamese and other Southeast Asian resistance to perceived Chinese expansionism, and more nuanced statements by Obama administration witnesses expressed concern over greater Chinese “assertiveness” over maritime claims, firm U.S. opposition to Chinese interpretations of international law that would impede U.S. maritime access, and criticism of efforts by China to intimidate U.S. companies operating with Vietnam in the South China Sea.

ASEAN Regional Forum (ARF) and U.S. activism

Official Chinese media placed the spotlight on U.S. Secretary of State Hillary Clinton during the ARF Foreign Ministers’ Meeting in Thailand in July. A Chinese expert in Southeast Asian matters noted in the *China Daily* that this year’s meeting gained “global attention” when Clinton attended the meeting and signed the Treaty of Amity and cooperation (TAC) with ASEAN members. The U.S. visit marked “the return of the superpower” to the region. By contrast, the activities of the Chinese foreign minister and Chinese initiatives toward Southeast Asia received little attention.

Chinese commentary place mixed motives behind stepped-up U.S. activism in Southeast Asia. An underlying reason was to balance China, according to a news analysis in the July 23 *China Daily*. The account cited Chinese experts for the view that intensified U.S. competition with China in Southeast Asia would not upset overall U.S.-China relations as “both countries have more important things to do such as tackling the economic crisis and global warming.” It also cited Secretary Clinton’s remark that she hoped for a “positive framework” in working with China in Southeast Asia as the U.S. strengthens ties with “a lot of China’s neighbors” who have “expressed concerns” regarding China.

Chinese commentary reflected on the strengths and weaknesses of the Chinese position in Southeast Asia as it faced the prospect of greater U.S. activism in the region. On the plus side, a July 23 commentary in *China Daily* cited Chinese bilateral trade with ASEAN worth \$231 billion surpassing U.S.-ASEAN trade of \$178 billion, while Chinese-ASEAN investment was \$60 billion vs. U.S.-ASEAN investment of \$100 billion. On the other hand, an analysis by a Chinese expert appearing in the Aug. 21 *China Daily* duly noted the negative impact on Chinese influence as a result of the recent disputes over territorial issues in the South China Sea. It also noted that renewed U.S. activism could bring “hegemonism” back to the region; it said this would not be welcomed by ASEAN countries.

Muted Chinese enthusiasm for ASEAN; China-ASEAN Investment Treaty. Consistent with Chinese commentary over the past year, the Aug. 21 *China Daily* commentary frankly acknowledged the “long intractable” problems in ASEAN and among Southeast Asia nations regarding integration, development, and security. Citing postponed summits and graphic signs of instability in several countries, the commentary saw few easy solutions. China’s more sober view of Southeast Asian weaknesses has been accompanied by less frequent media attention and high-level leadership attention to ASEAN and its members – a contrast with the years of Chinese activism in the region at the end of the 1990s and throughout most of this decade.

Seemingly emblematic of this trend was the routine coverage devoted to the signing in Bangkok on Aug. 15 of a China-ASEAN investment agreement. According to official Chinese media, the agreement “marked the end of negotiations over the China-ASEAN Free Trade Area, which is to be realized on January 1.” Earlier in this decade, such a seemingly consequential agreement and even less consequential accords between China and ASEAN would have prompted extensive reporting and comments by Chinese officials about China’s positive relationships in the region. The Aug. 21 commentary noted above did foresee that China would focus positive attention on ASEAN during the East Asian Summit and Sixth China-ASEAN Expo later this year.

Mekong River dams

Chinese media duly noted that Secretary Clinton met with the foreign ministers of the countries along the Mekong River during her stay at the ARF Foreign Ministers’ Meeting in Thailand in July. The meeting came in the context of persisting Western and regional concerns about how Chinese development actions and plans for the river will affect other countries, and China’s pattern of refusing to join the Mekong River Commission, presumably out of concern for limiting its freedom of action in developing the river for its own use. Writing in *Yaleglobal online* in July, Singapore-based Michael Richardson advised that China’s development of hydroelectric dams along the Chinese course of the river increasingly risks adverse effects on fish stocks in Cambodia, water supply for Vietnam’s rice fields, and other important sources of livelihood in downstream countries. Richardson noted China’s argument that controlling water flow will prevent adverse effects of erosion caused by the Mekong’s flooding cycle and will supply renewable energy. He viewed a pattern of smaller Southeast Asian states unable or unwilling to antagonize China with their complaints, while China refuses to be bound by the deliberations and guidelines of the Mekong River Commission, the regional body that endeavors to find common ground among the competing interests of the countries affected by the river.

China-Australian frictions, cooperation

Relations soured in recent months over several issues including negative Chinese reaction to Australia's latest defense white paper, a failed Chinese investment bid for ownership of an Australian mining firm, the arrest in China of an Australian mining executive on charges of stealing commercial secrets, the visit of a Uighur activist to Australia, and charges of spying in China and Australia. Reflecting a remarkable change from only a few years ago when relations seemed very cordial and the Chinese ambassador to Canberra enjoyed wide and positive acclaim, media on both sides recently have focused on the negative. Australian commentators took umbrage at Chinese efforts to pressure Australia over such issues as granting a visa to a Uighur activist and allowing the showing of a film on her life at an Australian film festival. Chinese media responded with a front page article in the Aug. 25 *China Daily* noting that there has been "an 80 percent drop in Chinese tourist visa applications to Australia in the past three months, as bilateral ties hit a low." The article cited Chinese experts for the view that "Australia will pay for its sour relations with Beijing." The next day, *China Daily* ran an article about disappearances and murders of Chinese students and other Asians in Australia entitled "Fear grips students in Australia" that seemed to threaten a significant reduction of what the article said were the 120,000 Chinese students who make up a significant part of the A\$15.5 billion international education market in Australia.

On the other hand, commercial relations continue to move forward. Australian media welcomed news from the Pacific Island Forum in August that the informal diplomatic truce between China and Taiwan means that the two powers are less inclined to use checkbook diplomacy – grants of aid that often go to corrupt purposes and undermine Australian efforts to promote good governance in the Pacific Island nations. In September, after the head of the U.S. Pacific Command and the chief of the Australian defense forces announced an interest in inviting China to join in three-way military exercises, the Chinese ambassador to Australia greeted the overture positively, noting that China would study it.

Outlook

High-level Chinese leadership participation and prominent media attention are expected during the ASEAN Plus 3 and East Asian Summit to be held in October, as well as the APEC summit in November. The events should provide a barometer of the status and outlook of Chinese relations with the region. Given China's reaction to Secretary Clinton's assertion of new U.S. activism in Southeast Asia, Chinese commentary on President Obama's expected visit to Southeast Asia in November may provide indicators of how the Chinese authorities view the purpose and scope of the new U.S. administration's policies in Southeast Asia.

Chronology of China-Southeast Asia Relations

July-September 2009

July 1-2, 2009: At the invitation of Foreign Minister Yang Jiechi, Indonesian Foreign Minister Hasan Wirayuda visits Beijing and meets Yang and Vice Premier Li Keqiang. They agree to strengthen bilateral relations and sign an extradition agreement.

July 4, 2009: Liu Qi, member of the Political Bureau of the Central Committee and secretary of the Beijing Municipal Committee of the Chinese Communist Party, arrives in Phnom Penh and meets leaders of the Cambodian People's Party and the Funcinpec Party.

July 8, 2009: Chinese and Malaysian authorities sign an agreement to establish the first Confucius Institute in Malaysia. The institute will be at the University of Malaya and provide cultural activities and exchanges as well as opportunities for students to study Mandarin.

July 8-9, 2009: The Malaysian Chief of Defense Force Tan Sri Abdul Aziz visits Beijing and meets senior military officials. While meeting Defense Minister Liang Guanglie, they agree to strengthen bilateral cooperation between the two armed forces. Beginning in 2010, junior and senior military officers from China will take part in a student exchange program at the Malaysian Armed Forces Defense College.

July 13, 2009: Liu Zhenmin, China's deputy permanent representative to the UN, states that China is opposed to putting the Myanmar question on the UN Security Council agenda and would not support sanctions as a result of the military junta's sentencing of Aung San Suu Kyi.

July 20-23, 2009: Foreign Minister Yang Jiechi attends a series of meetings in Thailand, including the 42nd ASEAN Ministerial Meeting, the 16th ASEAN Regional Forum, and the foreign ministers' unofficial consultation of the East Asia Summit.

July 23, 2009: U.S. Secretary of State Hillary Clinton meets representatives of the four riparian Lower Mekong basin countries (Cambodia, Laos, Thailand, and Vietnam) to discuss water management policy – the first time the U.S. has been involved in Mekong River issues.

July 29, 2009: Chinese officials attend the 6th ASEAN+3 Ministers on Energy Meeting in Mandalay, Myanmar and call for energy cooperation with ASEAN members.

Aug. 5, 2009: Vietnam files an official protest against China over the detention of 13 Vietnamese fishermen in early August, who, according to Vietnamese officials, were fleeing from a storm and took shelter at the disputed Paracel Islands.

Aug. 11, 2009: The Chinese naval destroyer *Guangzhou* arrives in Brunei for the 2009 Brunei International Defense Exhibition (BRIDEX).

Aug. 14, 2009: Chinese Deputy Foreign Minister Wu Dawei visits Vietnam and meets counterpart Pham Gia Khiem to discuss issues related to border demarcation. They agree to resolve border issues peacefully and to adhere to the Code of Conduct on the South China Sea.

Aug. 15, 2009: Chinese Commerce Minister Chen Deming attends the 41st ASEAN Economic Ministers Meeting and signs the ASEAN-China Investment Agreement in preparation for the ASEAN-China Free Trade Area, which will come into effect in January 2010.

Aug. 18, 2009: China proposes a \$10 billion fund to increase and expand the trade volume between ASEAN and China. The planned fund will provide capital for infrastructure and logistic system development projects.

Aug. 18-25, 2009: Singaporean Foreign Minister George Yeo visits Beijing and meets his counterpart Yang Jiechi and Vice-President Xi Jinping to discuss future prospects for deepening bilateral relations. Yeo also visits Qinghai Province and Tibet.

Aug. 23-26, 2009: Chinese Vice Premier Wang Qishan visits Singapore for the 6th China-Singapore Joint Council Meeting for Bilateral Cooperation. He signs a memorandum of understanding on furthering bilateral educational and science and technology cooperation, as well as a protocol on taxation.

Aug. 28, 2009: The UN releases a statement saying that more than 30,000 refugees from the northeast region of Myanmar have fled into China as a result of recent fighting between Myanmar's military and rebel ethnic armies.

Aug. 28, 2009: The Chinese Ministry of Foreign Affairs spokesperson says that Beijing hopes Myanmar can "properly deal with its domestic issue to safeguard the regional stability in the China-Myanmar border area."

Sept. 1, 2009: A new bridge that spans the Red River, connecting the Beishan Trade Center in China's Yunnan Province and Kim Thanh Trade Center in Vietnam's Lao Cai Province, opens. The bridge will facilitate economic interaction in the Mekong subregion.

Sept. 9, 2009: President Hu Jintao meets Laotian counterpart Choummaly Saygnasone in Beijing and they agree to establish a strategic partnership to improve and expand relations.

Sept. 14, 2009: Cambodian Prime Minister Hun Sen announces that China has become the largest development partner, that he appreciates Chinese assistance comes without conditions, and that China's infrastructure projects help with poverty reduction in Cambodia.

Sept. 22, 2009: Chinese Ambassador to the Philippines Liu Jianchao urges all claimant countries of the South China Sea region to avoid confrontation and to conduct joint seismic studies on the oil and natural gas reserves in the Spratly Islands as a way to build confidence. He acknowledges that the Chinese government sees no solution to resolve these territorial disputes and reiterates its objection to having external, non-claimant countries involved in the negotiations.