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**China's Role in the World: The China-Burma Relationship**

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Members of the Commission, good afternoon. I appreciate the opportunity to appear before the Commission as it examines the principal factors in China's diplomatic strategy in Asia, and the effects of this strategy on the United States's international relations and energy security. My remarks today are my personal views, and are not made on behalf of any group or organization.

I will focus my comments on China's relationship with Burma. First, I will discuss the history of the two nations' friendship leading up to the past fifteen years. Second, I will explore China's search for natural resources and enhanced security as the motivating factors for its alliance with Burma. Third, I will examine how Burma benefits from its relationship with China. Fourth, I will present the detrimental aspects of this alliance for both countries. Lastly, I will conclude my remarks by presenting an analysis of how the China-Burma relationship has played out in the UN Security Council over the past year.

**I. The History of the China-Burma Relationship**

As of mid-2004, relations between Burma and China have led to over fifty memoranda of understanding, agreements and exchange of notes.<sup>1</sup> However, China has had relatively good relations with Burma since 1949 when Burma became the first non-Communist country to recognize the People's Republic of China.<sup>2</sup> Until the Cultural Revolution, the Burmese democratic government tried to maintain a neutral foreign policy stance with China.<sup>3</sup> However, anti-Chinese riots in Burma, caused by China's radical mobilization policies and its denigration of Burma's neutral policy towards the U.S., combined with China's support for the insurgent Communist Party of Burma taxed the tenuous relationship.<sup>4</sup> This tension lasted until 1974 when General Ne Win, leader of the 1962 military coup, established a new constitution and recognized only one legal political party, the Burma Socialist Program Party, thus eliminating the Communist Party of Burma as a legitimate political power.<sup>5</sup> Burma's economy deteriorated under Ne Win, and, in 1987, completely collapsed.<sup>6</sup> The government demonetized the currency and rice shortages were extensive. Non-violent demonstrators, led by students and Buddhist monks, demanded reform and a regime change.<sup>7</sup>

Events in 1988 and 1989 solidified China and Burma's alliance. On August 5, 1988, the two countries signed an agreement to legalize border trade, which was worth \$300 million at the time.<sup>8</sup> Three days later, on August 8, 1988, Burmese military forces took violent action against non-violent demonstrators killing thousands.<sup>9</sup> The 8/8/88 Massacre led to the suspension of international aid and development assistance to Burma.<sup>10</sup> Foreign currency reserves plummeted to as low as \$9 million.<sup>11</sup> In 1989, after the military government changed the country's name to Myanmar, Aung San Suu Kyi, the daughter of Burma's founding father, made her first political

speech against the regime.<sup>12</sup> The government subsequently placed her under house arrest, but fearing her popularity, it held a general election for voters to choose a parliament on May 27, 1990.<sup>13</sup> Aung San Suu Kyi's party, the National League for Democracy, and its allies won over eighty percent of the parliamentary seats, yet the military government refused to recognize the new government.<sup>14</sup> The UN General Assembly unanimously denounced the military regime's decision.<sup>15</sup> Burma's isolation due to these events along with international reaction to China's own Tiananmen Square Massacre encouraged the two countries to further collaborate with one another and increase trade in natural resources and arms.<sup>16</sup>

## **II. China's Objectives in Pursuing a Relationship with Burma**

China's primary goal as a country is to achieve and preserve stability, both internally and in its relationships with its neighbors. China's objectives in pursuing its relationship with Burma are twofold. First, China seeks natural resources, such as oil, timber, and gas to satiate the Chinese population's needs and maintain its economic growth. Second, China wants to improve its security capabilities by expanding its access to the Bay of Bengal and the Andaman Sea thus allowing for greater protection of its "southwest silk road" trade routes and the development of a modern maritime reconnaissance system.

### **A. China's Search for Natural Resources**

China, with a current population of 1.3 billion people, produces 3.5 million barrels of oil per day, but consumes almost twice that amount, forcing the country to look elsewhere for its oil needs.<sup>17</sup> By way of contrast, Burma operates only ten oil rigs compared to Iran's fifty rigs.<sup>18</sup> However, Burma's strategic location has encouraged Chinese investment in Burmese oil. Most recently, in February 2006, China loaned Burma \$85 million to finance the purchase of two new oil rigs.<sup>19</sup> However, China also needs Burma, not only as a source of oil, but also for its own energy security. China's oil imports from the Persian Gulf travel through routes along Burma's coast, necessitating a good relationship between Burma and China.<sup>20</sup>

Up until May 2006, China also imported large amounts of timber from northern Burma.<sup>21</sup> After more than a decade of illegal and predatory logging in Burma, China closed its borders to the timber trade.<sup>22</sup> However, in 2005 alone, China illegally imported 1.5 million cubic meters of wood worth around \$350 million.<sup>23</sup> The impact of the formal cessation of lumber imports is, as of yet, unclear.

Despite its overwhelming demand for timber and oil, China's most important Burmese import is gas. Burma currently has the tenth-largest known reserves of natural gas.<sup>24</sup> In 2003, Burma produced almost 10 billion cubic meters of natural gas, but only consumed 1.7 billion cubic meters. That same year it exported almost 8.5 billion cubic meters.<sup>25</sup> These exports brought in an estimated \$850 million to the impoverished nation.<sup>26</sup> More recently, in November 2005, PetroChina negotiated a deal with Burma for 6.5 trillion cubic feet of gas over the next thirty years.<sup>27</sup> The gas will be pumped through a proposed 2,400 kilometer pipeline from the Bay of Bengal to China's Yunnan Province.<sup>28</sup> Preparatory work for another pipeline that is scheduled to pump 600 million cubic feet of gas daily to China is complete as well.<sup>29</sup>

China, however, is not the only country competing for Burmese resources. India is also vying for gas and oil exports from Burma as well. Unlike China, though, India's relationship with Burma has not always been positive. India was one of the loudest critics of Burma's 8/8/88 Massacre, and India's protestations only increased in 1990 when the Burmese military government refused to recognize the democratically-elected parliament.<sup>30</sup> However, China's military interaction with Burma, India's "Look East" policy, Burma's large gas reserves and its strategic location all motivated India to develop better relations with Burma and employ a 'pragmatic policy' of engaging Burma's military junta.<sup>31</sup> In December 1997, Bangladesh, India, Burma, Sri Lanka, and Thailand formed BIMST-EC, an economic cooperative organization, which instituted a free trade agreement in February 2004.<sup>32</sup> From 1997 to 2003, India extended \$50 million of credit to Burma for industrial development and provided a further \$56 million in July 2004 to upgrade rail transportation between the two countries.<sup>33</sup> The Indian President, Abdul Kalam, visited Burma on March 12, 2006 equipped with a \$40 million aid package and a natural gas deal.<sup>34</sup>

Regardless of India's efforts, however, China continues to control most of Burma's mineral wealth.<sup>35</sup> In 2004, India was only Burma's fourth largest trading partner behind Thailand, China and Singapore.<sup>36</sup> In 2006, China upstaged India when PetroChina, and not India, signed the deal for 6.5 trillion cubic feet of natural gas. Burma decided China was a more viable customer because it provided direct assurances regarding the pipeline's construction schedule and completion date.<sup>37</sup> Thus, despite intense competition between China and India over Burma's resources and friendship, China continues to outbid and outperform India.

## **B. China's Security Concerns**

China's second motivation for its relationship with Burma is security concerns. Burma, in exchange for favorable trade agreements, arms and Chinese investment, has provided China with greater access to the Bay of Bengal and the Andaman Sea to support Chinese defense strategy and protect China's trade routes. China is surrounded by Russia and India, which are both large democratic nations with critical ties to the U.S. China, in an effort to defend itself, has developed strong diplomatic and economic relations with its neighbors, regardless of these nations' international status and reputation. Burma, along with North Korea, is a prime example. As early as 1997, then-Chinese Premier Li Peng and Than Shwe, the present Chairman of the State Peace and Development Council ("SPDC"), agreed to exchange military intelligence.<sup>38</sup> In 2003, China supported Burmese efforts to build an eighty-five meter jetty to naval facilities on Great Coco Island, which lies eighteen kilometers from India's Nicobar Island. China also established a modern reconnaissance and electronic intelligence system on the island, which, along with electronic surveillance facilities at the Alexandra Channel in the Andaman Sea, monitor India's military and missile testing activities in the Indian Ocean.<sup>39</sup>

Greater access to the Bay of Bengal and the Andaman Sea has also allowed China to secure its trade routes, which is vital to the progress of China's western interior that has developed at a slower rate than its eastern coastal areas.<sup>40</sup> For example, in 2004, China worked with Lt. General Khin Nyunt, the then-prime minister of Burma, to build a new port and shipyard in Rangoon 'to promote Chinese exports on Chinese vessels.'<sup>41</sup> China has also invested in Burmese infrastructure to facilitate trade. In 1997, the two countries performed a joint study that evaluated the feasibility of a land and water route between Yunnan province, Rangoon, and the Indian

Ocean.<sup>42</sup> The project was shelved until December 2001, when then-Chinese President Jiang Zemin visited Burma and revived the agreement.<sup>43</sup> Finally, China has provided equipment, labor and past experience for several road and rail projects.<sup>44</sup> In 2001, China helped Burma build a road linking Yunnan Province to Burma's Irrawaddy River.<sup>45</sup> As of March 2006, China had built 190 miles of Burmese highway, and was planning a 67-mile railroad, the final link in a pan-Asian network.<sup>46</sup>

### **III. How Burma Benefits from its Relationship with China**

#### **A. Favorable Trade Agreements**

China continues to be one of Burma's major trading partners in non-energy related goods, such as clothing, beans, fish and rice. Trade statistics for Burma are often inconsistent, but in 2004 Burma's exports were estimated at \$3.1 billion, and the country's imports were around \$3.5 billion.<sup>47</sup> However, official figures are grossly underestimated due to the amount of illegal smuggling of timber, gems, narcotics, and other products to China, Thailand and Bangladesh.<sup>48</sup> The Thai Farmers Bank estimated that Thai imports from Burma along the countries' shared border were worth \$389.4 million in the first half of 2002 alone.<sup>49</sup>

Legitimate trade between China and Burma started increasing dramatically in 1989 after the 8/8/88 Massacre and Tiananmen Square. Between 1988 and 1989, trade increased eight-fold from \$9.5 million to \$76 million.<sup>50</sup> In 1995, the total value of trade grew to \$767 million, and after a slight decline in 1998, total trade recovered in 2000 to \$621 million.<sup>51</sup> In 2004, Burma and China started free trade activities under the Early Harvest Plan, which is an advanced program of the ASEAN-China Free Trade Area.<sup>52</sup> The plan covers 596 items, including meat and dairy products as well as fruits and vegetables.<sup>53</sup> Burma will eventually remove the tariff on these items by 2009.<sup>54</sup> In 2005, Burmese trade with China reached \$1.21 billion, equivalent to twenty percent of Burma's foreign trade volume.<sup>55</sup> Both countries hope to reach a target of \$1.5 billion in bilateral trade in the future.<sup>56</sup> Trade deals signed in July 2005 worth \$300 million should help the two countries achieve this goal.<sup>57</sup> Burma has also opened six trade points along the countries' shared border to further facilitate transactions.<sup>58</sup> The success of these recent commitments was reflected in the first four months of 2006 when trade between China and Burma reached \$466 million.<sup>59</sup>

After a ban on new investment in 1997, the U.S. imposed more stringent sanctions against Burma in 2003 in response to an attempted assassination of Aung San Suu Kyi by paramilitary forces aligned with the military junta.<sup>60</sup> These new sanctions include a ban on imports of Burmese products and a ban on the provision of financial services by U.S. citizens.<sup>61</sup> The import ban has had a substantial impact on the military junta. Over a ten-year period, U.S. imports from Burma had grown at an average annual rate of 28% a year from \$38 million in 1992 to \$470 million in 2001.<sup>62</sup> As a result of the import ban, all of those imports were immediately cut off.

Likely as a result of the import ban, the U.S. Department of State recently reported that Burma has increasingly encouraged the use of euros, as opposed to dollars, in its official trade transactions. Also some banks in China, Japan and Singapore have started to refuse to handle

dollar-denominated Burmese accounts, impeding the Burmese government's international financial transactions.<sup>63</sup>

## **B. Chinese Investment in Burma**

Not only has China granted Burma favorable trade agreements, such as preferential tariffs, but it is also the largest foreign investor in Burma<sup>64</sup>, providing loans and labor contracts to the cash-strapped nation.<sup>65</sup> Statistics on Chinese investment, which is rumored to be the largest in the world, are not published. However, according to Taiwan, between 1961 and 1994, China gave Burma a total of Rmb 500 million (roughly \$60.5 to \$62.5 million) in aid.<sup>66</sup> China has also provided Burma with emergency aid. For example, in 1998, when Burma was faced with a debt crisis, China provided it with a \$150 million loan.<sup>67</sup> In 2004, China granted Burma a new preferential loan and funded the second tranche of a 2000 loan agreement worth \$20 million.<sup>68</sup> In the wake of new U.S. sanctions in 2003, China loaned Burma \$200 million. Most recently, in June 2006, China publicly announced its intent to provide Burma with a special low-interest loan of another \$200 million earmarked for five unspecified government ministries.<sup>69</sup> That said, some experts familiar with these transactions have told me that most of these funds were never actually provided.

Starting in 1982, China also initiated project and labor cooperation contracts in Burma.<sup>70</sup> By the end of 1999, Chinese companies had signed 507 Burmese contracts worth \$1.4 billion.<sup>71</sup> The vast majority of these are devoted to engineering; however, labor contracts also comprise a large portion of the total.<sup>72</sup> By October 2002, Chinese companies had contracted a further 293 projects for a total value of over \$2.1 billion.<sup>73</sup> In September 2005, China signed a \$46 million contract to provide Burma with equipment and power cables for the construction of Burma's biggest hydropower plant.<sup>74</sup> This was the fifth contract signed between the two countries on this project alone.

## **C. The Arms Trade**

Finally, Chinese support has not been limited to economic support. China is also the principal arms exporter to Burma, providing 90% of Burma's armaments.<sup>75</sup> Without China's \$1.6 billion in military assistance and naval modernization<sup>76</sup>, Burma would not have been able to create the second largest military, behind Vietnam, in Southeast Asia. Burma first signed an arms deal with China in 1989. The \$1.2 billion deal provided Burma with substantial arms and military assistance and training.<sup>77</sup>

Throughout the 1990s, Burma received 100 medium-sized tanks; 100 light tanks; two dozen fighter planes; 250 armored personnel-carriers, multiple-launch rocket systems, howitzers, anti-aircraft guns, surface-to-air missiles, mortars, assault rifles, grenade launchers, and heavy trucks; and numerous patrol boats, guided-missile fast-attack craft, minesweepers and small gunboats.<sup>78</sup> The deal also included the services of Chinese trainers.<sup>79</sup> A second arms deal, worth \$400 million, was signed in 1994.<sup>80</sup> This deal provided Burma with naval vessels and armored vehicles, which were aimed at modernizing Burma's military capabilities, as well as helicopters, small arms, and artillery, which the military junta hoped to use against rebellious minorities.<sup>81</sup> By 2001, Burma's armed forces were estimated at 400,000 with a goal of 500,000.<sup>82</sup> Burma's

regular military force is now estimated to be 500,000, with a paramilitary force of a further 100,000.<sup>83</sup> In 2002, China placed 200 military trucks and five new warships along Burma's southern coast for the purpose of special training classes and joint naval exercises between Burma and China.<sup>84</sup> Finally, in 2005, China sold 400 military trucks to Burma, bringing the total sales of military trucks from China to Burma to almost 1,500.<sup>85</sup> These recent purchases have increased Burma's military capabilities significantly.

Burma has also turned to Russia. Burma purchased ten Russian fighter jets, and in July 2001 finalized plans to buy a 10-megawatt nuclear research reactor from the Russians.<sup>86</sup> Burma approached Russia with a list of arms and military hardware which it wants to buy as well, including a national air-defense system similar to Russia's, more fighter jets, and personnel training for Burmese soldiers in Russian military schools.<sup>87</sup> In exchange for arms and military training, Burma will permit Russian exploration of Burmese oil and gas fields.<sup>88</sup> There have also been recent reports of Burma renewing ties with North Korea.<sup>89</sup>

Although military equipment sales by China to Burma may have added to the junta's arsenal, experts have indicated to me privately that much of the equipment is actually second-rate. More importantly, soldiers in Burma's military are not well paid because the junta is always strapped for cash and soldiers are forced in many instances to live off the land.

#### **IV. The Detrimental Effects of the Relationship for China and Burma**

While China views its relationship with Burma as largely beneficial, the alliance poses difficulties and has adverse effects on both nations.

##### **A. Human Rights Issues in Burma**

China's support of Burma's military junta, particularly with weapons and military equipment, has clearly helped it remain in power. Furthermore, Chinese investment in Burma props up a brutal regime. Slave labor will inevitably build the new pipelines and infrastructure so the cash-starved military junta can purchase armaments, rather than pay salaries.<sup>90</sup> The military junta forces more than 800,000 Burmese to work for little or no pay.<sup>91</sup>

In addition, China's investment and preferential economic treatment has created a trade imbalance in the form of a \$730 million trade surplus with Burma, which injures Burmese workers and threatens the nation's food supply.<sup>92</sup> Finally, Chinese political, economic, and military support of Burma's military junta has allowed the regime to brutalize and torment its citizens through extrajudicial killings, destruction of villages, use of child soldiers, and systematic raping of ethnic minority women. The result is that over one million Burmese refugees have fled their repressive homeland, and a further one million Burmese citizens have been internally displaced.<sup>93</sup> The documented abuses of forced labor by the Burmese government have created a market for human trafficking as well.<sup>94</sup> Statistics on trafficking are unreliable, but the United States Department of State placed Burma in Tier 3, the lowest rank, of its Trafficking in Persons Report.<sup>95</sup>

Burma's military junta is also heavily involved in the production and transportation of Burma's drug trade, which fuels the rampant HIV/AIDS infection among the Burmese population.

## **B. The Drug Trade and the Spread of HIV/AIDS in China**

Burma's illicit drug trade in opium, heroin and methamphetamines has not only affected the Burmese people; it has also resulted in rampant addiction among the residents of China's Yunnan Province, and the consequential sharing of needles has spread HIV/AIDS at a devastating rate.

UNAIDS estimates that the prevalence of HIV amongst adults aged fifteen to forty-nine is 1.3%.<sup>96</sup> The actual rate is probably much higher and is rapidly increasing.<sup>97</sup> Moreover, a separate strain of the virus, sub-type C of HIV-1 was created in Burma and has spread to neighboring countries through prostitution and drug use.<sup>98</sup> Unfortunately, the Burmese government has made few efforts to prevent the spread of the disease or educate the Burmese people about its existence. As Dr. Chris Beyrer, the director of Johns Hopkins University Fogarty AIDS International Training and Research Program said, "I think its very clear that the health and well-being of the Burmese people is not in the interest of the Burmese junta . . . the failure to respond to HIV/AIDS [is] part of something much larger, which is the failure to respond to the will and aspirations and well-being, health, and education of the Burmese people as a whole."<sup>99</sup>

Four-fifths of China's HIV/AIDS cases can be traced back to the unique Burmese HIV strain.<sup>100</sup> Historically, the Burmese drug trade was used to fund the Communist Party of Burma (CPB) and their war against Burma's military junta.<sup>101</sup> Now, top members of the military junta are involved in the drug trade, which has helped Burma avert economic ruin from foreign sanctions.<sup>102</sup> The value of Burma's heroin trade reached \$1.2 billion in 1997.<sup>103</sup> Burma is currently the second largest producer of illicit opium in the world, creating more than ninety percent of Southeast Asia's heroin.<sup>104</sup> The United Nations Drug Control Program estimates that roughly sixty percent of Burmese-produced drugs are trafficked through China, and a large proportion of these narcotics are consumed by Chinese citizens.<sup>105</sup> Cases of addiction in China have rapidly increased since the late 1980s. The official figure of registered addicts is 600,000 but there are believed to be several million Chinese users.<sup>106</sup> In 1995, Chinese public health officials calculated that there were 2.5 million heroin addicts, and from January through June 2001, Chinese law enforcement handled almost 160,000 drug-related cases, a thirty-three percent increase from the previous year.<sup>107</sup>

The Chinese have grown increasingly frustrated with Burma's lack of effort in the war against drugs. During a visit of Burmese Prime Minister Soe Win to China in February 2006, Chinese Premier Wen Jiabao pointed out in a public press conference that the spread of narcotics in the boundary area between China and Burma has "severely damaged the local society" and that this "must be controlled through severe measures."<sup>108</sup> Previously, Lei Jianbo, the deputy head of the Yunnan branch of China's Narcotics Control Committee said "[t]hrough the central Burmese government has prohibited the narcotics trade publicly, some local governments still connive with drug traffickers. This is a fact as everyone knows."<sup>109</sup>

Burma has made half-hearted attempts to make it appear as if it is controlling the drug trade – which have had some effect on the decline of opium production which had already been on the decline – but its efforts have been largely unsuccessful. In the first eleven months of 2005, Burmese law enforcement authorities seized 1.65 million ATS tablets and over 280 kilograms of crystal methamphetamine.<sup>110</sup> However, the Burmese government did not destroy one illegal drug lab that year.<sup>111</sup>

Burma's drug production not only spawns addiction, but also crime and the spread of HIV/AIDS in China. In the Yunnan Province alone, an estimated forty percent of crimes are drug-related.<sup>112</sup> In 1998, Chinese police investigated 1.35 million crime cases in the first nine months.<sup>113</sup> However, the HIV/AIDS epidemic is an even larger concern for China.<sup>114</sup> The 2006 UNAIDS Report on the Global Aids Epidemic estimates that approximately 650,000 people in China are infected with HIV, and injecting drug users account for almost half.<sup>115</sup> In areas like Yunnan Province, HIV prevalence among injecting drug users is over fifty percent.<sup>116</sup> Moreover, the rate of HIV is increasing among Yunnan Province's female population due to prostitution, and over 1% of pregnant women have HIV.<sup>117</sup> Drug addiction, along with the spread of HIV/AIDS, could dramatically hinder China's economic development.<sup>118</sup>

Drug trafficking and HIV/AIDS on the shared border and international perceptions of China's connections with Burma have begun to affect the China-Burma relationship. Chen Cunyi, the deputy secretary-general of China's National Narcotics Control Commission, said recently that the northern region of Burma, also known as the Golden Triangle, is the main source of drugs coming into China and presents the biggest nuisance to his nation.<sup>119</sup>

### **C. China's Recent Relationship with Burma**

In the last few years, despite greater economic ties with China, Burma's junta has increased its self-isolation, taking actions that have publicly caused China's leadership to lose face. The ousting of Khin Nyunt, the former prime minister of Burma's military junta, on October 18, 2004, came as a shock to China, and also frustrated the Chinese. The Chinese had invested substantially in Khin Nyunt and his security apparatus – and as a result he was extremely supportive of China's efforts in Burma, helping to negotiate and finalize numerous arms and trade deals.<sup>120</sup> The former prime minister was widely viewed as the military officer who most favored engagement with the international community, and he was instrumental in Burma's accession into ASEAN in 1997.<sup>121</sup> Immediately after ousting Khin Nyunt, SPDC Chairman Than Shwe visited India, further angering Chinese officials.<sup>122</sup>

In early 2005, China began to openly question the stability of Burma. Chinese Foreign Minister Li Zhaoxing publicly stated his hope that Burma could maintain stability and development.<sup>123</sup> However, confidence in Burma's stability was further undermined when, on May 7, 2005, three bombs exploded in Yangon, killing at least 19 people and injuring 150 more.<sup>124</sup> A few months later, a Bangkok-based diplomat pointed to China's failure to invite Burma to a major military exercise involving twenty-four other nations as evidence of an increasingly fractured relationship.<sup>125</sup> Burmese exiles along with Burmese political analysts, who are in contact with Chinese officials, have also insisted that China is worried about Burma's instability as evidenced by Beijing's quiet contact with opposition groups.<sup>126</sup> Despite its role as a primary benefactor of



Burma, China also was not informed in advance about the move of Burma's administrative capital from Rangoon to Pyinmana on November 6, 2005.<sup>127</sup>

Many Chinese diplomats are uncomfortable with their country's interactions with Burma, to the point where China has become increasingly cautious in defending Burma, especially at the United Nations.<sup>128</sup> Although China has many economic, military, and political reasons to continue to support the Burmese junta, it also wants to be perceived as a responsible global actor.<sup>129</sup> As a result, China has to consider the impact of its defending Burma on its ability to protect its more important relationships with Iran and North Korea.

## **V. China, Burma, and the United Nations Security Council**

Over the last year, China has been relatively quiet in its public defense of the Burmese junta since an effort was launched to address the situation of Burma in the UN Security Council. Last year, I was the lead co-author of a report commissioned by former Czech Republic President Vaclav Havel and Bishop Desmond Tutu entitled *Threat to the Peace: A Call for the UN Security Council to Act in Burma*.<sup>130</sup> The report explained that the situation in Burma constitutes a non-traditional threat to regional peace and security. As a result, we argued, the UN Security Council should adopt a binding resolution with a lowest common-denominator set of recommendations designed to facilitate national reconciliation in the country, improve the humanitarian situation, and achieve the release of Aung San Suu Kyi and other prisoners of conscience.

On December 10, 2005, about four months after the launch of the Havel-Tutu Report, the UN Security Council held its first private briefing on the situation in Burma. Interestingly, China acceded to this discussion taking place, despite its position that the situation in Burma did not constitute a threat to the peace. China chose what it viewed as the least-worst alternative after the United States and its allies secured the nine votes necessary to place the situation in Burma on the UN Security Council's formal agenda. During the briefing, UN Under-Secretary Ibrahim Gambari presented a dire picture of the situation in Burma. As it turned out, according to people knowledgeable of the discussion, China's representative had little to say in response to Gambari's presentation.

During this time period, we also observed a substantial change in the position of ASEAN, which by December was calling for national reconciliation in Burma and the release of Aung San Suu Kyi. ASEAN had previously persuaded the junta to pass on its chairing of the organization in 2006. As a result, China's position also became more tenuous because of its past public statements that it would support ASEAN's perspective on the situation in Burma.

Since the briefing last December, the situation in Burma has only worsened. The Burmese military mounted an offensive in Karen state further displacing over 12,000 civilians and committing numerous human rights abuses. The junta postponed the visit of ASEAN envoy Syed Hamid Albar, and when he finally was allowed to visit Burma, it refused to let him meet with either Than Shwe or Aung San Suu Kyi. On May 27, 2006, despite a global call to release Aung San Suu Kyi, from individuals including UN Secretary-General Kofi Annan, the military junta extended her house arrest by another year.

Shortly thereafter, on May 31, 2006, the Security Council held its second private briefing on the situation in Burma. There, Under-Secretary Gambari relayed the substance of his conversations with Than Shwe and Aung San Suu Kyi from his visit to Burma several days earlier. Again the decision to hold a private briefing on the situation in Burma was unanimous among all 15 Security Council members. A short while later, the U.S. announced its intention to pursue a Security Council resolution on the situation in Burma.

There is no doubt that the world's attention on the situations in North Korea, Iran, and the Middle East in recent weeks has come as a big relief to the military junta in Burma. Until North Korea's launch of missiles, many observers believed that the U.S., United Kingdom, and its allies would be pressing hard to get the situation in Burma on the Security Council's formal agenda.

These recent distractions, however, have only postponed the inevitable for Burma. Ultimately, it is my belief that the deteriorating situation in Burma will make the formal agenda of the Security Council. At that point, China will be forced to make a decision about the importance of its relationship with Burma relative to its other priorities in the Security Council. China has announced that it opposes Security Council action on Burma. It may also threaten to veto any resolution aimed to address the situation. Nevertheless, I believe that a Chinese veto is not a foregone conclusion because any proposed resolution will be non-punitive and aim at achieving national reconciliation in Burma. Not only would standing up for a pariah regime like Burma inflict a public relations cost on China, but exercising a veto on such a resolution could inhibit China's ability to make progress on other areas of greater concern such as Iran and North Korea.

## **Conclusion**

The ongoing relationship between China and Burma is complex and evolving, consisting of numerous economic, military, and political ties. China values its relationship with Burma, especially in its global quest for natural resources and as a means to enhance its military presence in Southeast Asia. At the same time, it is also on the receiving end of many negative externalities from Burma, particularly the outflow of drugs and HIV/AIDS into Yunnan province. Above all else, China values stability – both internally and in its relations with its neighbors. In recent years, China has had ample reason to be concerned about the stability of the military junta in Burma. It is in China's interest to ensure that any transition in Burma takes place gradually and not because the junta collapses.

This is why, I believe, that although China will continue to fight attempts to bring Burma to the UN Security Council, it may ultimately relent and allow a broader internationally-facilitated reconciliation process to advance. Such an approach will enable China to hedge its bets. It can argue to the military junta that it continues to defend their mutual interests. At the same time, by allowing a national reconciliation process to develop, it can maximize the chance for a soft rather than hard landing. With a peaceful and gradual restoration of democracy to Burma, China will help preserve stability along its Eastern border while enabling it to build a relationship with a transitional government.

## End Notes

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- <sup>1</sup> See BBC Monitoring Service, *Premier Says Burma Fostering Cooperative International Ties*, Aug. 4, 2004.
- <sup>2</sup> See Wayne Bert, *Burma, China and the U.S.A.*, PACIFIC AFFAIRS, Vol. 77, No. 2, 2004, at 264.
- <sup>3</sup> See David Arnott, *China-Burma Relations, Challenges to Democratization in Burma: Perspectives on Multilateral and Bilateral Responses* 69, 69 (2003) (hereinafter Arnott Essay).
- <sup>4</sup> See Burma, China, and the U.S.A., *supra* note 2, at 264.
- <sup>5</sup> See DLA Piper Rudnick Gray Cary US LLP, *THREAT TO THE PEACE: A CALL FOR THE UN SECURITY COUNCIL TO ACT IN BURMA*, Commissioned by The Honorable Václav Havel and Bishop Desmond M. Tutu, at 8 (2005) (hereinafter Havel-Tutu Report).
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- <sup>8</sup> See Arnott Essay, *supra* note 3 at 69. See also Burma, China, and the U.S.A., *supra* note 2.
- <sup>9</sup> See Havel-Tutu Report, *supra* note 5 at 9.
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- <sup>11</sup> See Arnott Essay, *supra* note 3 at 69.
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