

## The Role of China in Myanmar's Peace Process

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### Abstract

Myanmar government has undertaken a series of political and economic reforms under president U Thein Sein after the dissolution of military government. In so doing, positive political changes resulted in reviving peace process for ongoing ethnic conflicts. Despite all peace efforts had resulted in limited success before 1988, the peace process emerged in Myanmar under the U Thein Sein government as the best opportunity of political reform. The purpose of this research is to examine the importance of China's role in the Myanmar's peace process because armed ethnic groups settle along the Myanmar-China border, particularly, in Shan and Kachin states.. This paper also assesses Chinese policies on the peace process. In this respect, this paper explains some questions: Why does China invest political and financial capital to support the peace process of Myanmar?, What are the major sources of China's influence in Myanmar?, Will China be continued to play a constructive role in promoting the peace process in Myanmar?. In order to explain these questions, both primary and secondary sources were systematically analyzed. This is an exploratory research using qualitative approach to data collection.

**Keywords:** China, Ethnic Groups, Myanmar, Panglong Peace Conference, Peace Process

### Introduction

The brief historical context helps to understand China's attitude toward the peace process of Myanmar. Myanmar is situated between two Asian giants, China and India, and also its geostrategic is important for both countries as well as for East Asian and Southeast Asia countries. Among these countries, China has been consistently expanded its influence in Myanmar. Myanmar government began to sign ceasefire agreements with the ethnic groups from as early as 1989 following the collapse of the Burmese Communist Party (BCP).

The political upheaval broke out in Myanmar in 1988. By the time the State Law and Order Restoration Council (SLORC) came to power to suppress a national uprising. By then, China had apparently realized that official relations with the Myanmar government would better serve for Chinese interests in Myanmar. With the collapse of Soviet Union, the Burmese Communist Party (BCP) has been split into two more ethnic insurgent groups - Wa, Kokang, Mong La and Kachin units left the BCP and agreed bilateral ceasefires with the new military government. In this context, in order to reach perpetual peace in Myanmar with the ethnic groups, China plays partially an important role to help resolve the conflict and aid efforts in Myanmar to forge reconciliation. Without the positively involvement of China in peace process of Myanmar, Myanmar cannot be achieved in peace-making to some extent. So it is essential to study the role of China in Myanmar's peace process.

From 1989, the military regime pursued a new era of ceasefire agreements between the government and all of the main armed ethnic groups in the country. There were 40 groups involved with some forms of a ceasefire or disarmament from 1988 to 2010. During this period, the ceasefire process was to some extent a success. Out of 40 armed groups that joined the ceasefire process, only five groups refused to transform either the Border Guard Force (BGF) or militia<sup>1</sup>. Therefore, this paper attempts to explain why collapsed the ceasefire between the government and these five groups.

Since President U Thein Sein began to initiate peace process in 2011, fighting continues between government and 11 armed ethnic groups in addition to the five groups.

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<sup>1</sup> Min Zaw Oo: Understanding Myanmar's Peace Process: Ceasefire Agreement, Swiss Peace Foundation, 2014, p.12

Therefore, there are 16 total numbers of armed ethnic groups which are recognized by U Thein Sein government to be a part of the new ceasefire process. Myanmar government has signed bilateral cease-fires with 14 out of 16 significant armed ethnic groups. However, fighting continues between government and armed ethnic groups, particularly in Shan and Kachin states. In his article “Ethnic Insurgency and Nationwide Ceasefire Agreement in Myanmar”, N. Ganesan (2015) discusses particularly the situation of conflicts between Myanmar government and armed ethnic groups – the Kachin Independent Army (KIA), the United Wa State Army (UWSA), the Myanmar National Democratic Alliance Army (MNDAA), and the Ta’ang National Liberation Army. He pointed out that a number of complications arose as a result of this skirmish. Along the Myanmar-China border, authorities of Yunnan Province have provided arms, money and shelter to these armed ethnic Chinese groups who flee across the border. Thus, the conflict with these ethnic groups has deteriorated the relations between Myanmar and China. But, China’s influence remains significantly in Myanmar over ethnic armed groups along the border.

The government initially targeted for signing by 2014, but this was postponed several times. The final agreement was signed in October 2015. However, the Nationwide Ceasefire Agreement (NAC) was signed by only eight out of the sixteen ethnic insurgent groups<sup>2</sup>. Although China and the UN had been invited to serve as witnesses along with the other major power, China was accused of providing the instruction to ethnic insurgencies to reject the national ceasefire agreement by Myanmar side. Therefore, during the period of U Thein Sein administration, China’s role in the peace process was marked as a controversy. In this context, this paper aims to examine how Beijing could play its leading role in the peace process under President U Thein Sein at the second section.

In 2015 national election, Daw Aung San Su Kyi led National League for Democracy party won a majority seats in both houses. On 6 April 2016, she is created to serve as a State Counsellor. Peace process is top priority for new government led by Daw Aung San Su Kyi. She planned to hold a 21<sup>st</sup> Century Panglong Conference on 31 August 2016 which is a positive development of national reconciliation after decades of ethnic conflict in Myanmar. During Chinese Foreign minister Wang Yi visited Myanmar, after the inauguration of the NLD government, he had demonstrated a heightened interest in enhancing Chinese involvement in the peace process and also showed to improve relations with the new government<sup>3</sup>. So, in the last section, this paper also intends to study the relations between Myanmar and China in attempting to promote the peace process under the NLD Government.

### **Research Questions**

As above mentioned the factors, Chinese policies on the peace process also are complicated by the variety of actors and interests involved. Chinese government wants to maintain stability in border regions and this one reason why Beijing backs the peace process. Its support is important for the peace process because many of the armed ethnic groups in Myanmar which are based in border areas. The purpose of this research is to examine the role of China in Myanmar’s peace process past, present and future prospects. In so doing, this study will explain some questions:

1. Why does China invest political and financial capital to support Myanmar’s peace process?

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<sup>2</sup> “Myanmar’s Nationwide Ceasefire Agreement”, Institute for Security & Development Policy, October 2015, <[www.ISDP.EU](http://www.ISDP.EU)> (Henceforth, “Myanmar’s Nationwide Ceasefire Agreement”)

<sup>3</sup> Sun, Yun: “China to enhance its role in Myanmar’s peace process”, *Pac Net*, No. xxxiv, 6 April 2016, Honolulu, Hawaii, Pacific Forum CSIS, p.1 (Henceforth, Sun: “China to enhance its role in Myanmar’s peace process”, 2016)

2. What are the major sources of China's influence in Myanmar?
3. Can the Chinese government bring the remaining ethnic groups to the negotiating table?
4. Will China be continued to play a constructive role in promoting the peace process in Myanmar?

### **Research Methodologies**

In order to explain the above mentioned questions, both primary and secondary sources were systematically analyzed. This is an exploratory research using qualitative approach to data collection. Data collection method is based on primary documents and the secondary books and articles from open literature. Secondary data is gathered from multiple sources of evidences such as government reports, documents, publications, journals, and relevant websites.

### **Background of China's Interest in Myanmar**

Myanmar gained independence in January 1948 and China proclaimed the establishment of the People's Republic of China (PRC) in October 1949. Myanmar and China established formal diplomatic relations on 8 June 1950. During the 1950s, there were three closely interrelated issues in Sino-Myanmar relations: the undemarcated boundary; the aggression of KMT forces; and the incursion of Chinese People's Liberation Army (PLA) troops. After a civil war erupted in Myanmar after independence, both leaders were able to accomplish the demarcation border and enjoyed good relations between Myanmar and China.

In 1962, General Ne Win seized power in a coup and formed a revolutionary government to rule the country. Myanmar ways to socialism and its nationalization policies reduced Chinese influence in Myanmar. The impact of 1967 Cultural Revolution in China further deteriorated China- Myanmar relations. After anti-Chinese riots erupted in Yangon, China downgraded state-to-state relations with the Myanmar government in favour of party-to-party relations with the BCP. Beijing decided to actively and openly support by arming Myanmar communist cadres in China and sending them into Shan State to fight against the Myanmar government. In March 1968, China formed military units that fought against the Tatmadaw under the flag of the Burma Communist Party. In this regard, General Ne Win tried to reestablish the normal diplomatic relations with China. But the BCP forces remained in Shan State. By the mid-1980s, as a new geopolitical situation emerged, China decided to correct its past mistakes. In 1985, the Chinese Communist Party (CCP) cut off support to the BCP<sup>4</sup>. So, China's policy toward Myanmar is vital to stable and develop the domestic politics of Myanmar.

General Ne Win government was dissolved in 1988 and in September of that year the military seized power to quell a national uprising. In 1989, the BCP was broken into ethnic groups such as Wa, Kokang, Mong La and Kachin units which agreed bilateral ceasefires with the new military government<sup>5</sup>. Following the collapse of the BCP, the Chinese government established cordial relations with the military government and defended it in the international community. In dealing with the armed ethnic groups for ceasefire, the government reached the agreement with 40 groups from 1988 to 2010. During that period, however, the government

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<sup>4</sup> Sithu Aung Myint: "The peace process: What's in it for China?",

<<http://www.frontiermyanmar.net/en/the-peace-process-what-in-it-for-china>> , (Henceforth, Sithu Aung Myint: "The peace process")

<sup>5</sup> *Ibid.*

did not officially sign any ceasefire agreements except in the case of the Kachin Independent Organization (KIO).<sup>6</sup> So, all peace efforts had resulted limited success.

Out of 40 only 25 armed groups remained not to join the ceasefire process. By the end of 2010, among them only five armed ethnic groups had agreed to join the government's Border Guard Force (BGF) and to place their armed forces under Tatmadaw control. Fifteen groups were transformed into people Militia. The five ethnic groups do not want to join neither BGF nor Militia. These groups are the Kachin Independence Organization (KIO), the New Mon State Party (NMSP), the United Wa State Army (UWSA), the Karen peace Council (KPC), and the National Democratic Alliance Army<sup>7</sup>. They are felt that the government planned to form the BGF for undermining the command and control of existing commanders of ethnic armed groups because one provision of the BGF excluded individuals over the age of 50 in the formation<sup>8</sup>. So, this was the reason they didn't join either BGF or militia. After the collapse of ceasefire, fighting was broke out between government troops and many of the remaining ethnic groups. These are including most of the Wa area on the Myanmar–Chinese border. When the clashes occurred with the United Wa State Army (UWSA), and the New Mon State Party (NMSP) they were described as 'insurgents' by state media for the first time since the SLORC-brokered ceasefires of the late 1980s and 1990s<sup>9</sup>. Since then, several armed conflicts between Myanmar's ethnic armies and the military government have occurred along the country's border with China. These groups have informal contacted and have been supported with/by China.

China was able to earn considerable benefit from doing business both in border regions, which had become more stable under the ceasefires, and elsewhere in Myanmar. China was able to reap rich rewards from the extraction of jade, timber and other natural resources. China has huge investments in Myanmar. They include the pipelines delivering oil and gas to its southern Yunnan Province from Kyaukphyu in Rakhine State, where it is also building a Deep-sea Port, and the Letpadaung copper mine. China has also invested heavily in the Myitsone Dam<sup>10</sup>. Therefore, China wants to support for maintaining stability in border regions. Its support is important for the peace process because many of the armed ethnic groups in Myanmar, including some of the biggest, are based in border areas. In this regard, China understands that a lack of stability along the border harms China's interests in Myanmar.

### **The Role of China in the Peace Process under President U Thein Sein**

While President U Thein Sein began to initiate peace process in 2011, fighting continues between government and 11 armed ethnic groups in addition to the five groups. President U Thein Sein had launched a three-stage strategy of initial ceasefire agreements. The first stage is a state-level peace talk, followed by union level talks and a political dialogue in line with the Panglong Agreement<sup>11</sup>. Therefore, there are 16 total numbers of armed ethnic groups which are recognized by U Thein Sein government to be a part of the new ceasefire process.

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<sup>6</sup> Min Zaw Oo: "Understanding Myanmar's Peace process", *Catalyzing Reflection2/2014*, Yangon, Swisspeace Foundation, 2014, p.8, (Henceforth, Min Zaw Oo: "Understanding Myanmar's Peace process", 2014)

<sup>7</sup> Min Zaw Oo: "Understanding Myanmar's Peace process", 2014, pp.12-13

<sup>8</sup> *Ibid.*, p.12

<sup>9</sup> McCarthy, S.: "Civil Society in Burma: From Military Rule to Disciplined Democracy", *Regional Outlook Paper*, No. xxxvii, Australia, Griffith University, 2012, p. 11 (Henceforth, McCarthy: "Civil Society in Burma", 2012)

<sup>10</sup> Sithu Aung Myint: "The peace process"

<sup>11</sup> "Challenging the reconciliation Process: Myanmar's Ethnic Divide and Conflicts", <<http://www.ipcs.org/issue-brief/southeast-asia/challenging-the-reconciliation-process-myanmars-ethnic-divide-and-conflicts-221.html>>, p.5 (Henceforth, "Challenging the reconciliation Process")

Myanmar government has signed bilateral cease-fires with 14 out of 16 significant armed ethnic groups<sup>12</sup>. However, fighting continues between government and armed ethnic groups, particularly in Shan and Kachin states. Myanmar government asserted that the Wa, Kokang, Kachin, and Mongla groups are subject to China's influence and support. The breakdown in the ceasefire arrangements with the KIO and the ongoing fighting in the Shan state complicated the ceasefire process.

China's intervention connected directly with the intensity of the conflict and its spillover effect on China. In December 2012, the tension was escalated between Myanmar army and the Kachin rebels when aerial attacks using jet fighters and helicopter gunships were carried out in the Kachin rebels held areas. In these attacks, some bombs had reached into the Chinese territory and refugees fled to China<sup>13</sup>. In 2013, China appointed Wang Yingfan as the first special envoy for Asian affairs, stipulating the sole mandate of mediating the armed conflict between the Myanmar central government and ethnic armed groups. Since then, the Chinese special envoy has consistently participated in and observed nationwide ceasefire dialogues with the UN special envoy and special adviser on Myanmar, Vijay Nambiar<sup>14</sup>. After the appointment of Yingfan, two rounds of peace talks with the KIA have been held on February 4 and March 10, 2013 at Chinese border town Ruili. Some Chinese officials attended at these peace talks which were hosted by the Chinese authorities<sup>15</sup> with an obvious focus on the Kachin peace process. These moves are commonly regarded as an unprecedented deviation from the non-interference principle that has long characterised China's foreign policy. Besides this, Chinese citizens have demonstrated in Yunnan Province to demand the Chinese government intervene in the Kachin conflict<sup>16</sup>. China desires to see the situation in resolving peacefully and also urges the ethnic armed groups to make progress in signing a ceasefire agreement.

In May 2013, while a temporary cease-fire agreement was signed between government and KIO but fighting is continued. Nevertheless, from 30 October to 2 November 2013, hostilities had been eased after both parties signed an agreement to work together to end fighting, established a conflict monitoring committee, and resettled refugees, known as Laiza agreement<sup>17</sup>. On 19 November 2014, armed conflict had been occurred between government forces and the KIA in Laiza, near headquarters of the KIO and KIA. Between February and May 2015, the ethnic conflict was escalated when the Myanmar national Democratic alliance Army (MNDAA) attacked government forces in Laukkaing, in northern Shan state. In this skirmishes, the Ta'ang National Liberation Army (TNLA) and the Arakan Army (AA) were involved to support the MNDAA<sup>18</sup>. The conflict with the MNDAA has also strained Myanmar's bilateral relations with China. The Kokang and the Wa are not only ethnic Chinese but also operate close to the Chinese border. This situation resulted thousands of refugees moved into China border. This incidence led to the deaths of five Chinese citizens due to the bombing of Myanmar army inside Chinese territory. As a result, the Chinese clearly signaled to prevent this event by deploying fighter aircraft in the region. In this regard, Myanmar

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<sup>12</sup> Min Zaw Oo: "Understanding Myanmar's Peace process", 2014, p.14

<sup>13</sup> "Challenging the reconciliation Process", p.6

<sup>14</sup> Sun, Yun: "China and Myanmar's Peace Process", *Special Report 401*, Washington D.C, United States Institute of Peace, March 2017, <[www.usip.org](http://www.usip.org)>, p.3 (Henceforth, Sun: "China and Myanmar's Peace Process", 2017)

<sup>15</sup> "Challenging the reconciliation Process", p.6

<sup>16</sup> Song, Lili, Dr.: "The Chinese connection to Myanmar's ethnic war: China's evolving role in the Kachin State's peace process", Canberra, Australian National University, Coral Bell school of Asia Pacific affairs, March 2016, <[www.ips.cap.anu.edu.au/psc](http://www.ips.cap.anu.edu.au/psc)>

<sup>17</sup> Kuok,: *Promoting Peace in Myanmar*, 2014, p.7

<sup>18</sup> Ganesan, N.: "Ethnic Insurgency and the Nationwide ceasefire Agreement in Myanmar", *Asian Journal of Peacebuilding*, Vol.III, No. ii, Seoul National University, The Institute for peace and Unification Studies, 2015, p.276 (Henceforth, Ganesan,: "Ethnic Insurgency and the Nationwide ceasefire Agreement in Myanmar", 2015)

government offered to compensate the deaths of five Chinese citizens, 70,000 yuan per person. Subsequently, Myanmar government urged the Chinese government not to support the MNDA and not allow its territories be used by the ethnic groups<sup>19</sup>. So, the conflict with the MNDA has also strained Myanmar's bilateral relations with China.

In May and November 2015, UWSA organized two summits among ethnic leaders in Panghsan to strengthen coordination and team building. During those summits, the twelve ethnic armies from the Nationwide Ceasefire Coordination Team (NCCT) supported the Wa demand for an independent state. In addition, they called for an end to military offensives in Kokang, Shan, and Rakhine states as well as amendments to the 2008 constitution and the development of a genuine federal union<sup>20</sup>. UWSA hosted another coordination meeting between the Ta'ang National Liberation Army (TNLA) and Shan State Army-South (SSA-S) over their territorial dispute. China backs UWSA efforts to enhance its leadership role among ethnic groups, hoping that the group could emerge as a centripetal force to rein in and manage various ethnic minorities. As one of the largest and strongest ethnic groups, UWSA has more capacity and appeal to rally ethnic groups together<sup>21</sup>. The government faces all these difficulties for negotiating to conclude an inclusive ceasefire arrangement and to support it.

Myanmar government tried several efforts to reach mutual agreement with armed ethnic groups and the signing of the Nationwide Ceasefire Agreement (NCA). On October 15, 2015 the NCA was signed between the leaders of eight<sup>22</sup> of the sixteen armed ethnic groups and the government with the witnesses of China and UN to the NCA process. The remaining groups continue to postpone their final decision on signing the NCA<sup>23</sup>. This is one of the successes of U Thein Sein Government's political step.

Despite China's efforts to paint a positive picture of its role in the peace process under President Thein Sein, its real role remains "controversial." China insists that it follows the principle of non-interference and does not interfere with ethnic reconciliation in Myanmar. However, by accepting ethnic refugees during the conflicts, China was accused of providing sanctuary to ethnic rebels. Chinese business engagements in mining and logging, in cooperation with ethnic groups in ethnic states, were criticized for looting resources and financing war. When Chinese officials meet with ethnic groups, regardless of their intentions, they are suspected of undermining the peace process. Myanmar officials accused China of instructing ethnic groups to reject the national ceasefire agreement<sup>24</sup>. Beijing understands that it has no choice but to take part in Myanmar's peace process.

China insisted that the ethnic issue essentially focuses on the best strategy to advance China's national interests in Myanmar. During decades of western sanctions, China approaches quickly to Myanmar with the main reasons: stability of China's border; the development of energy security<sup>25</sup>; and enhancing regional connectivity with its One Belt, One Road Initiative". In order to achieve its interest, China has investment in Myanmar infrastructure projects and movement to maintain stability in border regions. In 2011 President U Thein Sein government prompted to cancel the Kunming-Kyaukpyu railway project and also to suspend the Myitson

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<sup>19</sup> *Ibid.*, p.281

<sup>20</sup> Ganesan, "Ethnic Insurgency and the Nationwide ceasefire Agreement in Myanmar", 2015, p.280

<sup>21</sup> Sun: "China to enhance its role in Myanmar's peace process", 2016, p.2

<sup>22</sup> The signing groups are: RCSS/SSA-S, KNU.CNF.APL, PNLO, KNU/KNLA-PC, DKBA, and AB-SDF.

<sup>23</sup> "Myanmar's Nationwide Ceasefire Agreement", Institute for Security & Development Policy, October 2015, <[www.ISDP.EU](http://www.ISDP.EU)>

<sup>24</sup> Sun: "China to enhance its role in Myanmar's peace process", 2016, p.1

<sup>25</sup> Kuok, Lynn: *Promoting Peace in Myanmar: U.S Interest and Role*, New York, CSIS, May 2014, p.3 (Henceforth, Kuok,; *Promoting Peace in Myanmar*, 2014)

Dam project due to the growing opposition to Chinese investment in Myanmar<sup>26</sup>. Chinese government holds that two strategies – one is to actively support the ethnic armed groups due to the domestic pressure and the other is to maintain good relations with U Thein Sein government. Therefore, during U Thein Sein government, China's role in the peace process was best characterized as “controversial.” Although China insisted that it had promoted dialogues and peace, its unclear relations with armed ethnic groups on the Sino-Myanmar border raised broad suspicion in Myanmar that China was undermining the process. Now that China is determined to improve relations with the new Myanmar government, it has demonstrated a heightened interest in enhancing its involvement in the peace process.

### **The Role of China in the Peace Process under NLD Government**

National League for Democracy party led by Daw Aung san Su Kyi, won a majority seats in both houses in 2015 national election. On 6 April 2016, she is created to serve as a State Counsellor. Peace process is top priority for new government led by Daw Aung San Su Kyi. She planned to hold a 21<sup>st</sup> Century Panglong Conference (Union Peace Conference) on 31 August 2016 which is a positive development of national reconciliation after decades of ethnic conflict in Myanmar. The new government intends to arrange peace talks every six months and aims to achieve complete peace across the country by 2020.<sup>27</sup> It will expect to tackle issues ranging from security and political representation, to sharing of mineral resources, economy, language and culture.

Soon after the National League of Democracy (NLD) government came to power, Chinese Foreign Minister Wang Yi visited Myanmar at the invitation of Daw Aung San Suu Kyi. During this visit, Beijing showed that it can play a larger positive role in ethnic reconciliation of Myanmar. These offers reflect China's desire to maintain influence over developments in Myanmar as the country appears to be moving away from Beijing<sup>28</sup>. China is taking steps to support her efforts. Moreover, in January 2016, China contributed US\$1 million to Burma's peace process through the Ministry of Foreign Affairs, out of a total pledge of \$3 million by 2020 into the peace fund<sup>29</sup> which is created by Daw Aung San Suu Kyi to fulfill her top priority for ending armed conflict in Myanmar. To some extent, China is able to use its leverage over ethnic armed groups to bring and participate in the peace process. Myanmar should take full advantage of these opportunities and make full use of China's aid, while guarding against China's potentially overwhelming influence.

During the previous U Thein Sein government, China's role in the peace process was best characterized as “controversial.” China is recently determined to improve relations with the new government of Myanmar. It has demonstrated a heightened interest in enhancing its involvement in the peace process. On 4 March 2016, China's ambassador to Myanmar in a public speech announced that China will “actively work with the NLD government and promote the peace process, including providing material and financial support”<sup>30</sup>. It is clearly

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<sup>26</sup> “China Role in Myanmar's Peace process”, <<http://www.usip.org/olivebranch/2016/09/02/chin-s-role-in-myanmar-s-peace-process>>

<sup>27</sup> “China Looks for New Approach as Myanmar Conflict Threatens Border”, <<http://www.m.baidu.com/s?from=942g^word=china-look-for-new-approach-as-myanmar-conflict-threatens-border>>

<sup>28</sup> Sun: “China to enhance its role in Myanmar's peace process”, p.1

<sup>29</sup> Nyein Nyein : “Analysis: What Role Will China Play in Burma's Peace Process?”, *The Arrawaddy.com* 6 February 2017, <<http://www.Irrawaddy.com/news/Burma/analysis-what-role-will-china-play-in-burmas-peace-process.html>. > (Henceforth, Nyein Nyein: “Analysis: What Role Will China Play in Burma's Peace Process?”)

<sup>30</sup> Sun: “China to enhance its role in Myanmar's peace process”, 2016, p.1



in China's interests to maintain stability at its border and support efforts by the new administration to promote reconciliation.

State Counselor Daw Aung San Suu Kyi visited to Beijing in 19 August 2016 for five days before holding the Panglong Peace Conference in Naypyitaw in an attempt to end decades of civil wars and foster permanent peace. During her visit to China, Chinese President Xi Jinping pledged that his nation would play a "constructive role," and his government has taken several steps to enhance its own profile in the talks<sup>31</sup>. Daw Aung San Suu Kyi and Chinese Premier Li Keqiang agreed to work towards a solution of the stalled \$3.6 billion dam project in northern Myanmar funded primarily by Chinese energy interests. She also promised to find a resolution to the deadlocked Myitsone dam and other China-backed infrastructure projects suspended by U Thein Sein. A successful peace process would allow China to boost trade with Myanmar and make the country safer for Chinese investments. Soon thereafter, a Chinese envoy met with the United Wa State Army and the National Democratic Alliance Army in Myanmar, encouraging both to participate in the peace talks<sup>32</sup>. This was resulted that the United Wa State Army (UWSA) had agreed to participate in the Panglong Conference.

The fighting between ethnic rebel groups and government forces again intensified in northern and eastern parts of Myanmar, which led to flee several thousands of refugees into China's southern province of Yunnan, raising concerns in Beijing about border security. Due to the instability of along China - Myanmar border the value of trade between the two countries for the 2016-2017 fiscal year had decreased nearly US\$28 million from the 2015-2016, according to the Ministry of Commerce, Myanmar<sup>33</sup>. Therefore, Chinese government was encouraged to help resolve the conflict and aid efforts in Myanmar to forge reconciliation by the local people. Nevertheless, representatives from 17 other ethnic militias are attended the conference. Although the United Wa State Army attended the conference thanks to force from China, it had left the conference because they were allowed as observer<sup>34</sup>. The Arakan Army (AA), Myanmar National Democratic Alliance Army (MNDAA), and Ta'ang National Liberation Army (TNLA) were not invited to participate because they have refused to lay down their arms in advance of the talks.<sup>35</sup> The NLD government continues and tries to secure the participation of non-signatories of the NAC, and need to overcome obstacles to achieve its objective of an all-inclusive.

The second meeting of the 21st Century Panglong Peace Conference of Myanmar was hold in Nay Pyi Taw, on 24-29 May 2017. Some 1,400 representatives from the government, parliament, military, invited political parties, armed ethnic organizations and civil society participate in the 2<sup>nd</sup> meeting. The 15 armed ethnic organizations at the event include eight signatories and seven non-signatories to the Nationwide Cease-fire Accord (NCA)<sup>36</sup>. In this regard, Chinese experts said that China can continue to bring "soft power" to Myanmar's peace process. And then as a friendly neighbour, Chinese Foreign Ministry spokesperson, Lu Kang said that China has always supported Myanmar's peace efforts and reconciliation, and the meeting helps increase mutual understanding and trust. China hopes the relevant parties in Myanmar could stick to dialogue and negotiations, solve differences through peaceful means,

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<sup>31</sup> *Ibid.*, p.4

<sup>32</sup> Kyaw Myo Min: "China's Xi Jinping Pledges Support for Myanmar's Peace Process", RFA's Myanmar Service, <<http://www.rfa.com/China's-Xi-Jinping-Pledges-Support-for-Myanmar's-Peace-Process.htm>>

<sup>33</sup> Nyein Nyein : "Analysis: What Role Will China Play in Burma's Peace Process?"

<sup>34</sup> "Myanmar peace conference overshadowed by fresh violence between military, rebel groups", <<http://www.abc.net.au/news/2016-08-31/myanmar-sees-fresh-violence-on-eve-of-peace-talks/7800334>>

<sup>35</sup> "Aung San Su Kyi Begins Myanmar Peace Conference on Hopeful Note" <<http://www.rfa.org/english/news/myanmar/aung-san-suu-kyi-begins-myanmar-peace-conference-on-hopeful-note-8312016160018.html>>

<sup>36</sup> "Building Critical Mass for Peace in Myanmar", 29 June 2017, <<http://www.crisisgroup.org/asia/south-east-asia/Myanmar/287-building-critical-mass-peace-myanmar>>



and to achieve lasting ceasefire across the country. He added that China will continue to help promote peaceful talks, based on the willingness of the Myanmar government and other relevant parties<sup>37</sup>. China repeatedly shows to express her interest and attitude in the Myanmar's peace process.

China's positive attitude towards Myanmar's peace process is based on the fact that China wants to implement a "One Belt, One road" initiative, to promote its agenda of economic and social developments. Myanmar plays an integral role in linking China to India in connection with the scheme. Moreover, China has used pipeline diplomacy in Myanmar to meet its energy needs, from Kyaukphyu deep seaport to Kunming in Yunnan Province. However, the pipeline runs through conflict zones, including those in Arakan and Shan States. However, despite winning a tender to implement a special economic zone (SEZ) in Kyaukphyu, Arakan State, the project has yet to start<sup>38</sup>. Nonetheless, the relations between Myanmar and China have significantly improved under NLD government.

Yun Sun predicated that for the foreseeable future, China is likely to organize and host talks between the ethnic leaders in northern Myanmar and government negotiators and play a more assertive role in setting the tone and applying pressure on both parties for the ceasefire. There is talk in China about how Beijing could play the role of a "guarantor" for the national ceasefire: since fundamental distrust between ethnic groups and the central government is the key obstacle to the ceasefire, some Chinese and ethnic groups believe that an international guarantor is necessary to monitor and enforce the ceasefire<sup>39</sup>. Despite China remains a critical player in peace process, India will become a greater role in Myanmar by contrasting with China on the infrastructural projects.

### Conclusion

China remains Myanmar's largest investor and trading partner and wields significant influence over ethnic armed groups along the border. They are going to have to work out the parameters of a less asymmetric relationship, but can play a positive role in the peace process in Myanmar by virtue of its geography and close economic ties. Therefore, Daw Aung San Su Kyi has able to persuade nearly armed ethnic groups in the 21<sup>st</sup> Century Panglong Peace Conference/Union Peace Conference. But, ethnic conflict is ongoing tensions and the efforts of national reconciliation and peace process are slowing in Myanmar. There is a major disagreement between the ethnic armed groups and those non signatories want to have a political dialogue without being the signatory of National Ceasefire Agreement. There still exists the mistrust between all ethnic nationalities and government. There is no major change in decision-making due to the power sharing between government and army in the 2008 constitution. In this context, to achieve a perpetual peace in Myanmar, they have to give up their suspicion or hostility and accept in its place treated with respect and consideration each other.

However, in searching for lasting peace in Myanmar, China has partially powerful leverage to encourage the remaining ethnic groups for all inclusive in the peace process. The next step after broad agreement on a ceasefire will be a political dialogue that will focus on achieving national reconciliation and the creation of a federal state. In next step, China will not be necessary for involving in the dialogue. To achieve a lasting peace Myanmar will be sufficiently mature to achieve this only when the constitution harmonized with the necessities of essential unity and equality of Myanmar citizens. This issue can only be solved and based

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<sup>37</sup> Rou, Li : "2nd round of Myanmar peace talks begins as China brings 'soft power' to process", 25 May 2017, <[www.mizzima.com/news-domestic/2nd-round-myanmar-peace--talks-begins%E2%80%98soft-power%E2%80%99-process](http://www.mizzima.com/news-domestic/2nd-round-myanmar-peace--talks-begins%E2%80%98soft-power%E2%80%99-process)>

<sup>38</sup> Nyein Nyein : "Analysis: What Role Will China Play in Burma's Peace Process?"

<sup>39</sup> Sun: "China and Myanmar's Peace Process", 2017, p.5

on the Panglong spirit and the principle of finding solutions through the guarantee of equal rights, mutual respect and mutual confidence between all ethnic nationalities.

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