China and EU in Myanmar
Different Paths to the Same Goals

Niklas Swanström & Christopher O’ Hara

The elections that took place in Myanmar, on November 7, did not meet European expectations and many European states have responded by condemning the military government. This will do nothing for European–Myanmar relations or European interests in Myanmar. Instead, Myanmar will, more than before, have to lean towards China and other friends. This does not have to occur, but it will. This policy brief discusses the European and Chinese approaches to Myanmar in the post election environment and their overlapping goals.

China, as a friendly neighbor to Myanmar, is far smarter and practical than European countries. As usual, China has a grounded response to the election outcome, unlike the Europeans who remain on their moral high horse and refuse to lower themselves to the ground. One a more positive note, the Europeans do not have to put much effort into relations which Myanmar, which will save on time and much needed capacity.

European Approach to Peace and Stability

One of the over arching goals the Europeans have in mind for Myanmar is peace and stability as well as transferring the normative base of the country. This is partly in line with Chinese aims, but the method for achieving that goal differs greatly in approach as well as flexibility. Most of the leaders of European countries have responded to the result of the elections with condemnation in a way that leaves no room to influence the junta. The European approach does nothing for their interests, but on the contrary distances the EU from the situation prevailing in Myanmar. The Government in Myanmar has shown it is resilient, or even ignorant, of the European positions and increasingly relies on other partners, most significantly China.

Chinese Approach to Peace and Stability

The Chinese have reacted positively to the elections, focusing on the fact that they ran smoothly. But the Chinese also see the drawback in the outcome of the elections. This approach gives China a huge strategic advantage when dealing with the generals and the new government. It allows Beijing to gain more from and do more for Myanmar. Regardless of the intentions, China’s Myanmar strategy allows it to have an impact in areas that are important to it. The most important interest for China is that Myanmar is stable and economically developed. The Kokang incident in 2009 was a small indication of what could happen during turbulent times. The latest exodus of the Karen groups into Thailand also worries Beijing but, more importantly, the regional government in the Yunnan province. Moreover, the province of Yunnan is increasingly dependent on trade with Myanmar. An economically developed Myanmar would greatly benefit China, and the rest of the world.

The Lack of European Impact

There is no doubt that the sanctions and the high moral ground that the EU has excelled in regarding Myanmar has led nowhere. Peace and stability are the EU’s proclaimed core interests, but the EU position will more likely lead to increased tension and more difficult relations with the minorities as well as the central government. Each of EU’s demands is met with ignorance from the generals, which has left no room for communication and engagement with the leadership.

The EU has taken its normative base as a core interest and has tried to spread positive norms to states all around
the world, such as human rights, cooperation, legal systems, etc. As important as these values are, and despite the relative receptiveness the people in Myanmar have for them, the success has been negligible. This is due to the failure of the EU to recognize that the leaders in Myanmar will not listen to a person that is actively trying to oust them from their positions.

Other areas where the EU could potentially play an important role are trade and environment. The EU has a great deal of expertise and is interested in improving the economic and ecological systems of other states. In the case of Myanmar, this would not only bring close to 70 million customers and valuable goods to the global market, but also impact the environmental situation that threatens to go out of control. In both areas, there is no contact between Myanmar and the EU on a level that could have a positive impact, at the same time as the EU’s interaction with the Chinese in these areas is not necessarily positive. Corruption has become endemic in Myanmar and bribes have become a part of daily life. The environmental degradation in the northern and northeastern parts of the country is devastating and the plundering of natural resources continues on an unprecedented scale; in fact, so extreme that the government would like to see something done very soon. The reality on the ground is that the government in Myanmar can ask no questions to the Chinese and Thai companies that exploit the country as it is in dire need of financial resources.

**Sticking Your Head in the Sand or Getting Your Hands Dirty?**

If the EU ever want to have an impact in Myanmar, it has to learn from its Chinese competitors. Not only China but also India and Thailand are roaming the country and neither of them would care for the EU’s core interests apart from the issue of peace and stability. The confrontational policy of the EU has had no impact. This is a fact that the officials in EU are very aware of. The most telling is the lack of interaction with the government in Myanmar. The EU will have to engage the Myanmar government and after the elections is a good time, even if they were not up to EU standards. If the train is missed once more, the Europeans will stand at the station alone when the rest are travelling on board.

Much of this could be done by the EU in cooperation with China rather than as a competitor. China is not a strong proponent of human rights but economic development, political change – although not too fast – and peace and stability are strong interests for Beijing. From an EU standpoint, it is in its interests to improve its overall relations with China. The focus should be on practical and less politically sensitive areas where China, the EU and Myanmar all benefit. Such areas often involve economic development and peace and stability. China and Myanmar, among others, are all willing to cooperate but the EU has voluntarily disqualified itself from having a real impact in Myanmar. It is apparent that much of this is due to public opinion and the difficulty to explain the benefits of engagement rather than isolation, but it should not prevent a change of policy.

**Niklas Swanström is Director of the Institute for Security and Development Policy. Christopher O’Hara is a Junior Research Fellow with the Institute for Security and Development Policy.**

*The opinions expressed in this Policy Brief are those of the author and do not necessarily reflect the views of the Institute for Security and Development Policy or its sponsors.*