

The changing dynamics of China-Myanmar relations post the Military Coup - From Hedging to Bandwagoning?

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Abstract

Myanmar was ostracized by the major western democracies and a series of sanctions were imposed against the military junta post the coup in 2021. This led other major powers like China to capitalize on the situation on the ground. With Myanmar sharing one of its longest land borders with China, therefore the response of Beijing regarding the military coup becomes a critical issue to investigate. This article investigated how China which is one of the major powers and one of Myanmar's most important trading partners responded to the military coup. The paper further examines the geo-strategies and geo-economic interests of China with respect to Myanmar. The paper analysed the alteration of China's Myanmar policy from the beginning of the coup and how it had altered post one year after the coup. The paper uses the theoretical approach of hedging and bandwagoning to determine the change in China's approach toward Myanmar.

Keywords: Myanmar, China, Military coup, BRI, Hedging, Bandwagoning

Background of the military coup

Myanmar began a hybrid transition towards democracy in 2010, under the 2008 Constitution to recover from the socio-economic downturn following over a half-century military regime since the first military coup in 1962. A provision of the 2008 Constitution provides that 25% of the seats in the lower and upper houses of parliament will be reserved for military officers. The former military general and the head of the Union Solidarity and Development Party (USDP), U Thein Sein, became the President of Myanmar in 2011. Upon the democratic transition, Aung San Suu Kyi was released on 13 November 2010, after being detained under house arrest since 1989. She ran for the by-election in April 2012, and her party the National League for Democracy (NLD) won 43 out of 44 available seats (Olarn, 2012). Furthermore, the NLD won 887 (77.1%) out of the 1150 seats in country's general election in 2015 (Dinmore and Wage, 2015). However, Aung San Suu Kyi could not serve as President of Myanmar as stipulated in Chapter 3, No. 59 (f) Constitution of the country (Union of Myanmar, 2008). She assumed power by creating the State Counsellor position.

During the NLD government, between 2015 and 2020, the people enjoyed relative freedom and significant socio-economic development. In response to that, the NLD had won 82% or 920 seats of 1,117 seats available from 37 million eligible voters among 87 political parties that contested the general elections on 8 November 2020 (The Irrawaddy, 2020a). As the NLD won 80 percent of the vote, the opposition USDP party demanded re-elections on November 11, 2020, claiming voter fraud (Naing, S., 2020). In response, UEC (Union Election Commission) official Myint Niang stated, "it's their allegation that the election was unfair. It is from a small group of people. A true democracy values the minority's wish" and dismissed the USDP's call for re-election on 12 November 2020 (Myanmar Now, 2020). That led the military to issue a warning that it would take necessary actions to deal with the so-called irregularity.

In the early morning of February 1, 2021, the Myanmar military declared a "state of emergency" for one year and arbitrarily detained the President of Myanmar U Win Myint, State Counsellor Aung San Suu Kyi, and other democratically elected political representatives who were to serve as a government official for another five-year term (2021 - 2025). The military leaders claimed the coup was inevitable to protect the country's sovereignty under the rule of law on the ground that 2020 election fraud and the NLD party triggered political instability and unlawfully attempted to take over the country. The coup leader Min Aung Hlaing promised a new election would be held after an investigation of the election fraud within the "state of emergency" period and stated power will be returned to the winner "after a free and fair general election" (Siow

and Agencies, 2021). Although the military claimed election fraud was the reason for the coup, no evidence of voter fraud was found in regard to the election even after 21 months.

22 months post-military coup and its consequences

Following the illegal military coup, the people in Myanmar resisted the coup through peaceful demonstrations. With various initiatives like healthcare workers initiated Civil Disobedient Movement (CDM) (Thura and Wai, 2021), a public servant from across the county joined the CDM as a non-violent demonstration (The Irrawaddy, 2021a). Some initiated a boycott campaign to stop purchasing military-related products as a sign of their rejection of the military coup and the call for the restoration of democracy (Arab News, 2021). However, the military responded violently to all the peaceful protestors and conducted an indiscriminate attack on civilian houses, including religious buildings, schools, and hospitals. As of November 2022, over 1.4 million civilians have been displaced internally due to the intensified brutal human rights violation by the military. Among them over half of them are children (Save the Children, 2022). Moreover, over 15.2 million people are facing acute food insecurity, with only 2.7 million people receiving assistance in 2022 from the World Food Program (World Food Programme, 2022). This humanitarian crisis caused by the military action post the coup had led to numerous international firms leaving the country and the international community sanctioning conglomerates involved in Myanmar's military as their response.

China's response to the military coup

With major international sanctions and condemnation, China had described the military coup in Myanmar as a "major cabinet reshuffle" as reported by Chinese news media, avoiding the term "coup" (Huaxia, 2021; Shenzhen Daily, 2021; People's Daily, 2021). In addition, China blocked a statement condemning the military coup in Myanmar at the United Nations Security Council since it is one of its five permanent members with veto power (BBC News, 2021). On February 16, Chen Hai, the Chinese Ambassador to Myanmar, said that "all parties should avoid using violence in the current situation; the basic right of all people must be protected as a Myanmar citizen". He also says that "the current development situation in Myanmar is not what China wants to see" as a response to a question from Myanmar media. Furthermore, Chen Hai denied the allegation of the Chinese transported technicians to Myanmar to help the military build a firewall by stating that the aircraft was "normal flights between China (Kunming) and Myanmar (Yangon) carrying seafood and other exports from Myanmar to China" (CGTN, 2021a). However, all international flights were banned except for flights between China and

Myanmar till 30 April 2021.

On February 19, Chinese State Councillor and Foreign Minister Wang Yi said that "both China and ASEAN (Association of Southeast Asian Nations) believe that the current situation in Myanmar is an internal affair" (CGTN, 2021b). China repeated its stance that the coup in Myanmar was an internal affair and blocked the UN (United Nations) Security Council from agreeing on a statement condemning the coup. That led to the growth of anti-Chinese sentiment in Myanmar with the burning of Chinese owned factories. That led China to urge Myanmar to take effective measures to stop all acts of violence and punish the perpetrators under the law and ensure the safety of life and property of Chinese companies and personnel in Myanmar (South China Morning Post, 2021). As a response, the military killed at least 22 peaceful protestors after the factories were blown up on that day and imposed martial law on Hliangthaya, where the factories were located, and other several districts of Yangon (Regan, 2021). However, no evidence was found to support that the protestor has burned down the Chinese factories.

In late March 2021, China voted "No" in the UN General Assembly resolution on the Responsibility to Protect (R2P) on the Myanmar crisis on May (UN Watch @UNWatch, 2021). R2P is an international norm against war crimes and it was set to post the atrocities which had occurred in Rwandan and former Yugoslavia adopted at the United Nations World Summit in 2005 (Global Centre for the Responsibility to Protect, 2005) with the main aim to stop such acts against humanity in the future. However, both China and Russia used their veto power to restrict a condemnation in the UN against the Military when it killed around 760 civilians (23). As a response to Myanmar's demand for R2P, Chinese Foreign Minister Wang Yi said to his counterparts from Singapore, Malaysia, Indonesia, and the Philippines in Fujian, "Southeast Asian Nations need to be alert for external forces informing Myanmar as the military junta face rising international pressure" (Ng, 2021).

Moreover, amid international communities sanctioning the coup in response to military terrorist acts against its citizens, China Foreign Minister Wang Yi asked the ASEAN member countries to avoid "undue interference" in Myanmar. He added, "China is a close neighbour of Myanmar linked by mountains and rivers, and the situation in Myanmar has a direct bearing on China's interest" (The Jakarta Post, 2021). On the same day, China's Ambassador to Myanmar held a meeting with the Myanmar military leader Min Aung Hlaing and referred to him as "the leader of Myanmar" (Strangio, 2021) despite no country recognizing the regime. China had appeared to support the military by recognizing it as the legitimate government, by expanding investment projects, and is reluctant to agree on a resolution condemning the military coup in the UN

Security Council. For example, China's investment has increased to USD 166.7 million as of April 30, from USD 139.4 million before the coup on January 2021. The data shows the 2021 foreign direct investment approved by the Country (Ministry of Investment and Foreign Economic Relations, 2021). Moreover, the Military-controlled Myanmar Investment Commission (MIC) has approved 15 projects for \$2.8 billion, including a single project involving US \$2.5 billion for Liquefied Natural Gas (LNG) power plant in the early part of May 2021; however, it has not disclosed details (Reuters, 2021)

Therefore, the above data proved that China is backing the Myanmar military despite the humanitarian crisis as a consequence of the coup. The purposes of this study were to identify what factors are influencing the Chinese government to support the Myanmar military despite the inhumane action of its citizens post the coup. Based on the different media reports and government official document reports, we will discuss China's position in Myanmar using the "hedging to bandwagoning" theory to determine where the Chinese position is headed and why the China-Myanmar military relationship has grown since the military coup. The study will also discuss China's geostrategic interests and geo-economics interests in Myanmar to support the major theoretical argument.

China's position on the coup in Myanmar – From Hedging to Bandwagoning?

Myanmar's geo-strategic position can be argued to be the fundamental perspective through which Beijing views Sino-Myanmar relations. However, with the occurrence of the coup, it became a dicey situation for China to pick between the two power centres in Myanmar. That led Beijing to adopt a mixed approach which would enhance its strategic and national interest in the region. The structural feature which guides and commands the dynamics of international politics is anarchy (Mearsheimer, 2003). Therefore, nation-states have to adopt strategies that safeguard their interests and security as no state can depend on the other state in the structural framework of international politics. This, therefore, leads nations to take up policies and approaches which suits their strategic interest.

The recent coup and the violence proceeding are one of the most devastating episodes in Myanmar's recent history. Since 2011 there had been a gradual shift in the political domain of Myanmar with the occurrence of its first democratic elections in decades in 2015 (Ariffin, 2018). That had slowly started steering the nation towards a more progressive path, however, the February 2021 coup by the armed forces of Myanmar has again backtracked that development process. With China being one of the major powers which share a border with Myanmar the

stands it takes have a big geo-political effect. It is in that regard that understanding China's position which already has a lot of stakes in Myanmar becomes of prime significance. It has been argued that China's position in regard the coup, in the beginning, had been mixed as it was either condemning or supporting the military regime (Aung and Lwin, 2022).

Therefore, based our argument on that it can be said that China, in the beginning, was trying a hedging approach by keeping its line open with both the parties which are involved. Understanding it from the theoretical point of view of international politics, hedging is a phenomenon where nations choose a different path either from the traditional balancing and bandwagoning approach. This includes a mixed bag of selective engagement, limited restraint, and partial deference (Kuik, 2021). Hedging is a phenomenon where nations distribute their interests between major powers so the chance of survivability in times of great power competition exponentially increases. In context to China's position in regards to the coup, during the early days, the spearheading of western sanctions and the unpredictability of which side the domestic power shift would take would have made China take the approach of hedging. With self-interest being the primary object, that nations hold in international politics. Beijing's action to manage its relationship with both parties due to the heavy investments that it has made in Myanmar consolidates the theoretical approach of hedging.

This argument can be solidified with China's action that it had conducted to keep the ball rolling on both sides of the court. After the military takeover, Chinese media outlets which can be argued to be the mouthpiece of the party mentioned that there was a major cabinet reshuffle in Myanmar (Xinhua, 2021). It had denounced terming it a coup as that would in a sense make the military junta look illegitimate. The Chinese foreign minister Wang Yi in his statement had termed the situation in Myanmar as an internal matter (CGTN, 2021b). China had even blocked a UN resolution condemning the military coup in the UN post the rise of civil demonstrations in Myanmar (BBC, 2021a). With all the major western powers side-lining themselves from the military junta government. Beijing welcomed Myanmar's foreign minister in June 2021 with the Chinese foreign minister having a meeting with his counterpart (Ministry of Foreign Affairs the People's Republic of China, 2021). This move solidifies the claim that China was keeping its relationship with Myanmar as a primary objective not with the type of government running the show in the nation.

Following the onset of the coup, China had also pushed for both parties to come to peaceful agreements and shed aside the violence. It points out that it was trying to keep its option with the NLD open too. As stated by the Chinese foreign minister that the problem that Myanmar

faces should be resolved peacefully within its constitutional framework and domestic democratic transition should be promoted in an orderly manner (CGTN, 2021a). The military strong hand approach in cracking down on the anti-coup demonstrators led to high civilian causality (BBC, 2021b). That led China to urge the junta to stop further bloodshed and as stated by Wang Yi that the immediate priority should be to end the bloodshed and cool down the situation as soon as possible (Khaliq, 2021). Amidst the political turmoil members of the Chinese consulate in Yangon had a telephone conversation with the members of NLD where they discussed the current situation that has engulfed Myanmar (The Irrawaddy, 2020b). This confirms that Beijing had been keeping its tap on both the governing parties in Myanmar to safeguard its strategic interests. With the Military trying to disband the NLD, China had shown its reservation and wanted the junta to keep the NLD government alive (The Irrawaddy, 2021b). This clearly shows that China along with its relationship with the junta was keeping a window to deal with the NLD so it will not be taken off guard if the junta regime collapsed due to foreign pressure. That clearly portrays the hedging approach adopted by China in Myanmar by betting on both the junta and the civilian government to uphold its strategic interest.

However, it can be argued that post one year of the occurrence of the coup China's approach had altered. It will be argued in this paper that its approach had taken an alteration from hedging to bandwagoning to enhance its strategic gain. The concept of bandwagoning was first described by Waltz in his book *Theory of International Politics* where he pointed out that bandwagoning is joining a stronger side and balancing is allying with a weaker side (Waltz, 1979, p. 126). Understanding it from the theoretical framework of international politics bandwagoning is a method adopted by weaker states to merge their interests with the stronger power to salvage gains from the stronger powers' victory (Sweeney and Fritz, 2004). By putting this argument at a unitary level, it can be assumed that inside Myanmar either the NLD or the junta is the major power, and China and other outside nations are the smaller powers as decision-making is in the major power's hands. Therefore, bandwagoning can be a phenomenon when the outside power joins in support of the domestic power which is in a decision-making position by cutting its reliance on the other domestic power which is not in a decision-making position.

Therefore, in the context of China- Myanmar relations post one year of the coup when power consolidation became much stronger in the hands of the junta, bandwagoning with them makes sure of obtaining greater strategic interests. Also, during the first year of the coup when the international politics was in a lesser disorder, situation in Myanmar was seen with greater

interest by the international community. However, post-US retreat from Afghanistan and fundamentally with Russia's invasion of Ukraine the dynamics of international politics have restructured. That was pointed out by one of Myanmar's government in exile representatives as a distraction from the situation in Myanmar to Europe (Hutt, 2022). This has led the international community to be focused on the European sector giving somewhat of a free hand to the military junta to operate in Myanmar.

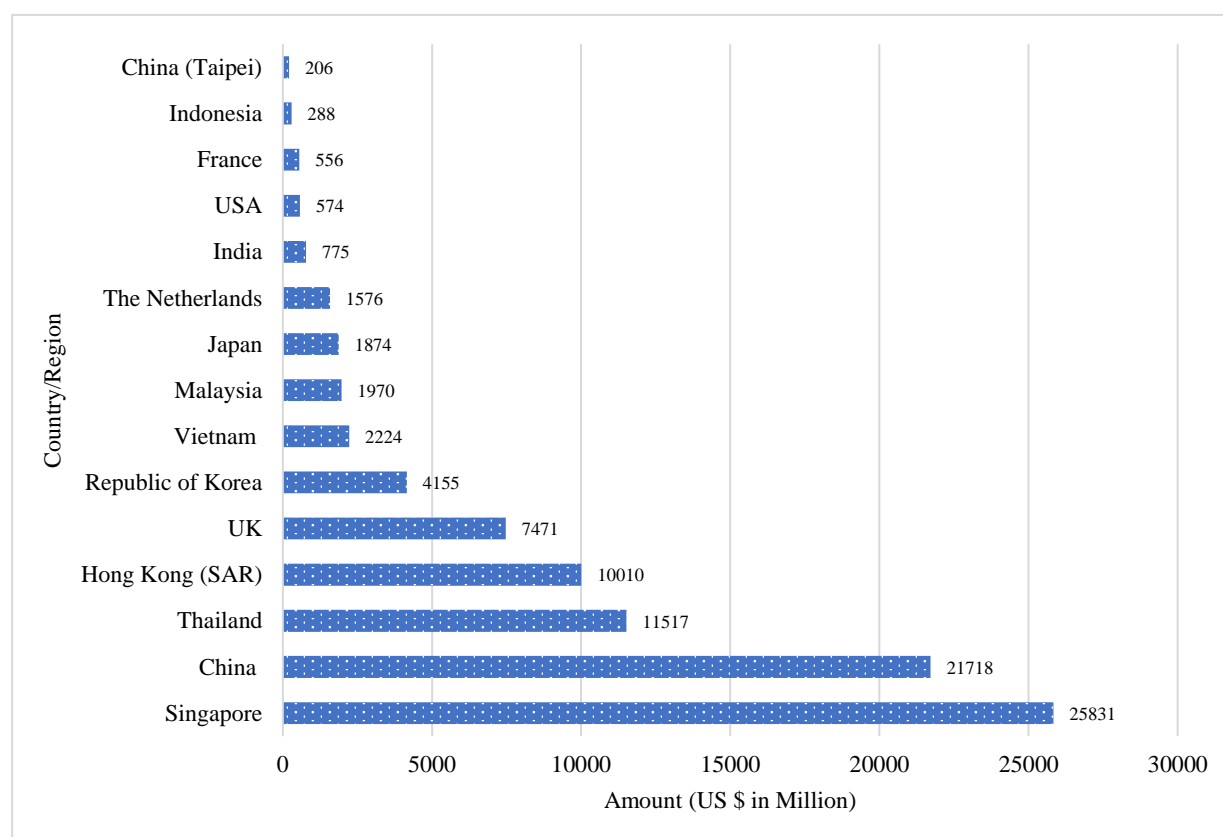
Also, with the western powers putting sanctions on the junta the government in Myanmar is hungry for foreign investments (Psaledakis and Lewis, 2021). This creates a lucrative opportunity for China to further tap into the market for its strategic gain. This makes working with the junta a win-win scenario for both parties so it can be argued that post the international destabilization and with the growing consolidation of power in the junta's hand China has altered its strategy from hedging to bandwagoning. This argument can be solidified by Chinese statement that it will support the military government in Myanmar no matter how the situation changes (Strangio, 2022). It has also been pointed out by the UN Human Rights report that China and Russia are selling arms to the junta which is being used against civilian (Kurlantzick, 2022). China is also using multilateral platforms to engage Myanmar which will enhance the junta's credibility internationally. During the Chinese foreign minister's visit to Myanmar in July 2022, he had co-chaired a sub-regional mechanism named Lancang-Mekong Cooperation Forum (Tower, 2022). The supplying of weapons to strengthen the junta regime, trying to legitimize the regime by supporting it in sub-regional mechanism, and by illustrating statements that points to definite support for the regime clearly point which side has China taken. This is clearly an alteration from China's previous stand regarding the junta government where it was engaging both parties and trying to keep the window of negotiation open. China has now clearly decided to support the junta as its grip over the nation grows which will in turn enable China protection of its interest and further access to various natural resources (Kurlantzick, 2022). This is clearly a shift from its earlier hedging strategy to that of its current bandwagoning strategy.

Growing China-Myanmar relations post-coup

With the coup unfolding in Myanmar, the overall foreign investment has been estimated to drastically drop to the uncertainty and the sanctions being imposed. Since 2011 about 90% of Myanmar's FDI has been coming from other Asian nations (The Economist, 2021). The chart of FDI in Myanmar has been topped by Singapore since 2011, however, it is currently removing military-affiliated firms from its investment portfolio (Banerjee and Rajaura, 2021). That is

mainly due to the sanctions that have been put forward by the west on the military post the coup. The investment put forward by Japan in Myanmar is also massive. Figure (1) below puts into context the major nations with their FDI in Myanmar (Ministry of Investment and Foreign Economic Relation, (MIFER), 2021a). China's overall investment can be said to be more than Singapore's by including Hong Kong which is a special administrative region of China post the coup.

Figure 1. Foreign Investment of Permitted Project as of 31 October 2022 by Top 15 Country/Region)



However, post the coup the Japanese firms are also segregating themselves from the junta with around 180 firms conformed to have terminated their operations in Myanmar due to the difficulties that it facing mainly post the coup (The Economist, 2021). However, amidst the outflux of major foreign companies and their investment from Myanmar the junta has claimed that it has attracted \$3.8 billion in FDI since the coup had begun with two third of the investment arriving from China (Reuters, 2022). Therefore, the vacuum created by the outflux of investment from Myanmar has created an opportunity for China.

The investments originating from China have been a factor of steady rise since the launch of the Belt and Road Initiative. According to the data from Myanmar's foreign investment portal,

China is second behind Singapore in terms of its total investment in Myanmar before the coup (Ministry of Investment and Foreign Economic Relation, (MIFER), 2021b). However, among the investments that had been approved by the junta government since its return to power the Mee Lin Gyaing gas project worth \$2.5 billion is one of the biggest (The Irrawaddy, 2021c). This makes the junta a valid party for China to stay in power and supporting it its geo-strategic interest. The establishment of the Cross Border Economic Cooperation Zone (CBECZ) had been a major issue under discussion between the Chinese and Myanmar side for quite some time. It was mainly keeping in mind the development of cross-border trade and the development of the inland province of Yunnan. Among this, the Kanpiketi CBECZ had been an issue under discussion with the previous NLD government, although an MoU was signed the work was halted due to public concern but the project under the junta has been given the green light (The Irrawaddy, 2021d). The Junta has stepped up work on the other CBECZ in Chinshwehaw in Shan state. As pointed out by the new Vice Senior General the establishment of Special Economic Zones are crucial for the development of Myanmar and the government should look forward to more such initiatives (New Light of Myanmar, 2021). It has to be pointed out that China operates the largest amount of Special Economic Zones (SEZs) in Myanmar and with now the west and other nations retracting their investment will allow China to tap into the market. China before the coup had earlier been asking Myanmar to speed up its projects in Belt and Road Initiative (BRI) and the SEZs (Xinhua, 2021).

The Letpadaung Copper Mine is also an important case of analysis that points out that China is reviving its previously stuck investments. With over \$1 billion in investment, the Letpadaung Copper mine has been one of the largest of its kind investment in Asia which was a joint venture between Chinese and a Myanmar company (Cai et al., 2017). With such a heavy investment this natural resource investment is crucial from Beijing's stand of point. However, the Chinese company which had invested in the mine initially tended to work within the framework of local institutions and business partners affiliated with Myanmar's long-standing military junta before the democratic opening in 2011. However, after the democratic opening, when Burmese societal actors became powerful and were supported by local governing institutions, Wanbao had to accommodate local and societal demands. Accommodation to social demands impacted the project's overall development but post the coup things have seen getting into order in the mine (55). Post the coup the military junta has even reassured China that works in the mina will progress and that it would be providing security to the project from ant external threats evolving from the civil unrest (RFA, 2022).

Post the coup the strategic development of China inside Myanmar has exponentially increased. For the border trade, China and Myanmar have been trying to develop the Chinese Yuan as a standard form of currency for trade which would not only help the junta reduce dependency on the US dollar amidst sanctions but also give China an advantage in potential financing of its future projects (Thiha, 2022). Chinese e-commerce giant Alibaba has also entered the technologically fragmented market of Myanmar had allowed digital payment during the 2021 cash crisis (Thiha, 2022). This clearly portrays that China has started to have a much stronger presence inside Myanmar post the coup. Therefore, bandwagoning with the junta is paying China the dividend as it feels that the military will stay in power, and with other powers showing restrictions regarding their investment, China has defiantly capitalized on this issue.

China's geo-strategic interest in Myanmar

The history of Sino-Myanmar relations goes back many centuries but in the contemporary period, Myanmar was one the first few states to recognize the newly established Peoples' Republic of China (PRC). With PRC came into existence on 1 October 1949 and Myanmar recognized it on 17th December the same year (The Irrawaddy, 2020b). The dynamics of the relation have been based on the Five Principles of Peaceful Co-existence which was agreed between India, China, and Myanmar in 1954 that constitutes of:

- I. Mutual respect's territorial integrity and sovereignty
- II. Mutual non-aggression
- III. Non-interference in each other's internal affairs
- IV. Respect for mutual equality and working for mutual benefit
- V. Peaceful co-existence (Than, 2003)

However, both nations had border issues, but in 1960 China signed a treaty with Myanmar it was the first time that China had demarcated it is a border and abounded 82% of its land dispute (Yoshikawa, 2022). Since then the relation was in a neutral swing but it can be argued that the bilateral relation took a lift post-1988 coup when Myanmar was bestowed with heavy western sanctions. Since 1988 China became a major source of Myanmar in regards to arms, and economic investment. With the opening of China and its economic growth, the geo-strategic significance was well understood by China to obtain its geo-political ambition.

The geographical location of Myanmar has been a major factor that has been historically driving Beijing's policy with its southern neighbour. The significance of Myanmar's geo-strategic location was pointed way back in 1985 by the former vice minister of communication Pan Qi

in an article in Beijing Review. The article expressed a desire for Chinese planners to open the old Burma Road which would help China link the poorer inland provinces which lag behind economically compared to the coastal provinces with the developing South East Asian and South Asian economies (Malik, 2011, p. 204). Apart from a linking route that would help develop the inner provinces, the geographical location of Myanmar will also help China get access to the strategic Indian Ocean (Zhou, 2020). With the launch of the Belt and Road Initiative the investments which China had previously commissioned in Myanmar has quadrupled, thereby increasing its strategic interests in the nations (The Irrawaddy, 2021e). Therefore, this section of the paper will analysis China's geo-strategic interests in Myanmar which is making the nation a cornerstone for its wider geo-political ambitions.

Geo-Economics

The economic factor has been a major component in the overall development of the Sino-Myanmar relations. The militaries suppression of the pro-democratic movement in 1988 had led major western nations to impose economic sanctions on Myanmar. That had made the government in Myanmar dependent on the China for major investments (Yoshikawa, 2022). Since then Chinese investment in Myanmar has only grown and with the launch of the Belt and Road Initiative (BRI) that investment level has only risen. Currently, China has 34 investment projects in Myanmar, mainly in the field of power or energy, transportation, economic cooperation zones, new city development, and agriculture. Total investment amounts reached USD \$24 billion, while the budgets for 14 projects remain unknown (Institute for Strategy and Policy, 2022).

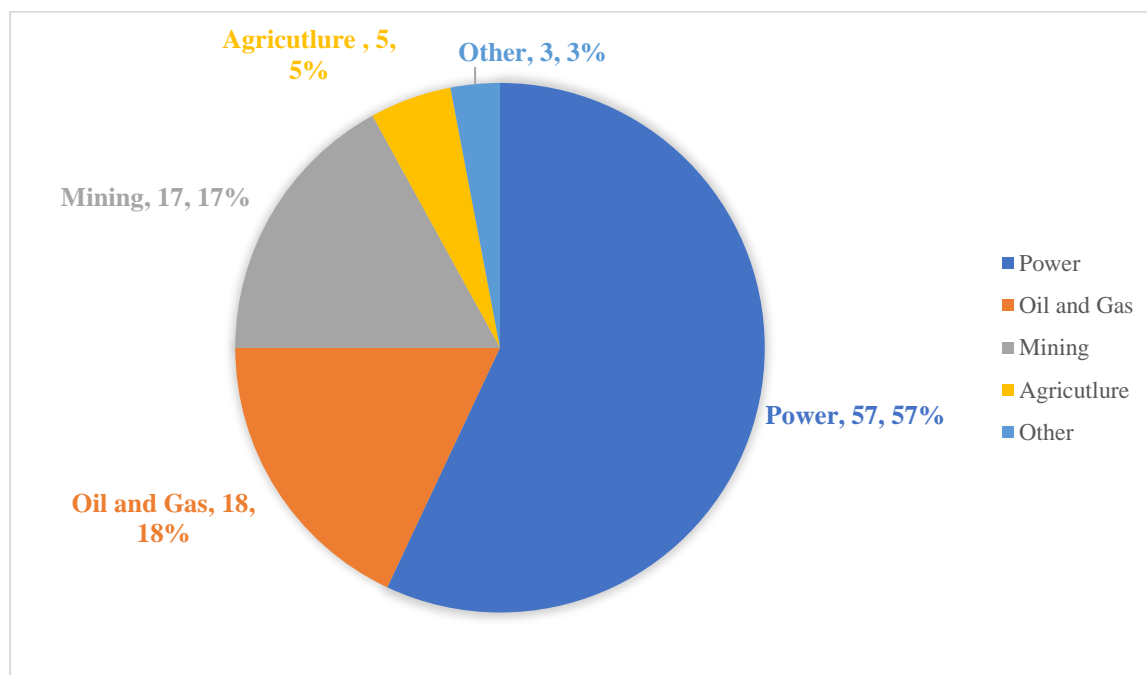
The major chunk of these investments has been under the China Myanmar Economic Corridor (CMEC) which is one of the signature initiatives of China's BRI. Through CMEC, China plans to connect its south western province of Yunnan with Myanmar's India ocean port of Kyaukphyu port (Myers, 2020). The port itself which is taken to be the signature initiative of the CMEC was projected to cost \$7 billion but the renegotiation conducted by the NLD brought it down to \$1.3 billion with fears of being caught in debt trap (Chaudhury, 2021). The port would be a major transit hub for oil and gas for which China's largest energy company China National Petroleum Corporation (CNPC) has built a 795kms long pipeline with the estimated cost of USD \$2 billion (Topcu, 2020). Apart from that China has also invested heavily on other sectors like mining, hydropower, agriculture with its major State-Owned Enterprises being involved in these investments (Dunn et al., 2016). For example, figure 2 illustrated that more

than half (57.57%) of the Chinese investments in Myanmar were in the power sector and followed by oil and gas between 1988 and 2018 (Nan Lwin, 2019). As part of CMEC, the Myanmar military has reorganized the working committees of several crucial development projects and many are currently being planned and implemented to strengthen cooperation between Beijing and Naypyidaw (Banerjee and Rajaura, 2021), as summarised in Table (1). These investments have drastically increased Chinese stakes in the region and any major disturbance can cause China loses of billions of dollars.

Table 1. Chin's (BRI) projects in Myanmar post the military coup

Name of the project	Total Investment	Location	Status	Development under the military regime
Mee Lin Gyain LNG	US \$ 2.5 billion	Ayeyarwady region	On Going	Approved by Myanmar Investment Commission
Kyaukphy Special Economeci Zone (KPSEZ)	US %1.5 billion	Kyauphy Township, Rakhine State	On Going	Reoganized the Kyakphy Special Economic Zone management committee with further planning to construct.
New Yangon City Project	US \$ 1.5 Billion	Yangon	Planning	The land acquisition is being finalised
Chinshwehaw CBECZ	-	Northern Shan Sate	Planning	Officials to expedite work on new land border crossing
Kanpiketi CBECZ	US \$ 22.4 million	Norther Kachin State's special region	On Going	Approved by Myanmar Investment Commission
Kyakphy Power	US \$ 180 million	Kyakphyu Township, Rakhine State	On Going	Completed Phase I
Kyaukphyu deep sea port	US \$ 1.3 billion	Kyakphy Township	On Going	Joint venture between the Chinese consortium CITIC Myanmar post Investment and the KPSEZ Management committee.

Figure 2. China investments in Myanmar by Sector between 1988 -2018



It can be argued that one of the core objectives of BRI has been to support Beijing's Go West strategy which would help it to bring an economic equilibrium between the coastal and the hinterland region (Zhang, 2021). It is in this context that the development of CMEC would also help China to enhance the economic development of its southern province of Yunnan. The development of the CMEC will help Yunnan which is a landlocked province get access to the sea which will accelerate its economic growth (Ramachandran, 2020). During president Xi's state visit to Myanmar in 2020, both the nation had signed 33 MoU to fast track the works on projects related to BRI (Lwin, 2020). In the pretext of the various MoU's one of the significant agreements signed was aimed at improving the economic development of the southern province of Yunnan. The province of Yunnan since long had been demanding Beijing for creation of a CBECZ with Myanmar which would enhance its economic interaction. It was during the 2020 MoU that the BCEZ was listed which aimed at developing logistics, manufacturing, processing and tourism and develop border trade (Yoshikawa, 2022). The access to the sea port will not only let Yunnan get access to markets of South and South East Asia but also the growing trade and through the CMEC and BECZ will boost its domestic provincial industries.

Protection from Non-Traditional Security threats

Apart from trade, energy security and the amount of investment that has been done the security of the border is also of prime importance for China. Both nations share a 2000-plus kms of border which varies geographically. The governance level from the Myanmar side is loose due to the ongoing civil military clashes which has led to the up rise of various militia organisations. This has therefore created the issue of non-traditional security threat mainly in regards to illegal immigration and most importantly drug trafficking. The militias are directly or indirectly involved in the drug business and the cross border drug trafficking and at times give refuge to transnational organisations to operate from the region as it is there main source of revenue (Meehan and Dan, 2022). Myanmar has been serving as the gate way for drugs and narcotics into China from the Golden Triangle since 1980's with 95% of heroin sold in China coming from this region which enters Yunnan and gets distributed to other parts of China. This influx of drugs has created a great societal crisis in China as in Yunnan 60% of criminal offenses are drug related (Zhao, 2010). Along with drugs the issue of HIV (human immunodeficiency virus) is a serious concern too, due to the needle sharing for injecting the drugs which leads to the spread of the disease causing a major health crisis (Chen et al., 2018). The nation state of Myanmar is also gripped in major political turbulence between the government and the ethnic armed organizations (EAO) who are against the military rule in the state. This has always created a refugee crisis for the neighbouring states. During the 2009 Kokang Incident when fighting broke out between the Myanmar Army and the militias around 10,000-20,000 refugees crossed the border over to China. This influx took the Chinese government off guard, however and with the slowdown economy post, 2014 Chinese policy in regards to immigration has become stern (Lanteigne, 2019). However, the recent civil unrest in Myanmar is creating a sense of insecurity in refugee's influx as the fighting between the Army and the militias intensifies. This, therefore, makes border stabilization a major issue for the Chinese government.

Access to Indian Ocean

The access to Indian Ocean has been one of China's major strategic ambitions in the recent times. It has been part of China's Two Ocean Strategy which focuses on obtaining access to both the Indian and the Pacific Ocean in order to break what China perceives as encirclement of its borders (Nielsen, 2022). The recent decade has seen the exponential rise of China which in turn has intensified the significance of the Indian Ocean for China's national security. The Indian Ocean has a great geo- economic significance for China as 95% of its trade with Asia,

Africa and Europe is being conducted through this stretch of water along with 80% of its oil import transit the Indian Ocean via the Malacca Strait (COLLEY, 2021). This heavy dependency of the Malacca strait in regards to Chinese oil import had led former president Hu Jintao to label it a major vulnerability which needs to be mitigated which thereby came to know as China's Malacca Dilemma (Storey, 2006). The Malacca Dilemma is a Chinese perception about any naval blockade of the strategically important strait by the US or its allies which will have a major impact on the Chinese economy and its national interest.

The development of the Kyaukphyu port will now allow China to get access to India Ocean and secure China's economic interest as it can send goods and oil up north from the port thereby reducing dependency on the Malacca Strait (Rose and Aung Hla Tun, Hla Tun, 2015). In 2021, China had successfully trailed a cargo run from Myanmar's Yangon port all the way to China's Yunnan province (Naing, Y., 2022). It has been argued by some Chinese analysts that Myanmar will not only provide a bypassing route but also a strategic ground to control access to Malacca Strait. Its position in China's southwest holds a strategic interest for the Chinese Navy in terms of reaching Indian Ocean via Myanmar controlled islands. It would help the plan to shorten the distance by 3000kms by bypassing the Strait of Malacca (Zhao, 2010). Therefore, it can be argued that Myanmar's geo-strategic location can help China obtain its geo-political ambitions in the wider Indo-Pacific region so the enhancement of the Sino-Myanmar relations is crucial from Beijing's point of view.

Conclusion

Based on the above discussion, it can be articulated that the dynamics of China Myanmar relations is taking a profound shift post the occurrence of the military coup. The military coup has not only impacted Myanmar domestically with major humanitarian crisis in forms of displaced refugees and civilian casualties but also has altered the nation's foreign policy. With Myanmar's transition towards democracy prior to the coup, foreign relations had also revamped, which allowed it to diversify its interests with Asian and Western powers. However, post the coup and with humanitarian crisis the west has again enforced its sanctions on Myanmar this as discussed has allowed China to strengthen its grip on the nation where it has a major geo-political interest. As argued, the beginning of the coup had its own sort of challenges for China with the public opinion not in their favour and the stability of the military junta under scanner too. Therefore, that had led China to adopt a hedging approach that engaged both the military-led government and the abolished civilian government. It did not want to jeopardise the major

economic investments that it has initiated in Myanmar which are of great geo-political interest to Beijing. The economic investments which mainly comprises of CMEC and the Gas Pipelines are of paramount importance to Beijing as it will relax its anxiety regarding its energy security which is predominantly depended on the Malacca Strait. Therefore, having an engaged policy in Myanmar served China strategic interest.

However, with the commencing of one year of military coup, China's approach in Myanmar took a paradigm shift. It had moved from one where it was upholding hedging policy to one where it started to bandwagon with the powerful military as it consolidated its power grip in Myanmar. China had engaged the military junta both domestically and internationally and tried to legitimize its governance which was heavily challenged. It provided China with major lucrative trade deals mainly due to stepping back of western investments and no civil society which were previously challenging certain Chinese projects, this made bandwagoning the go to option for China. Therefore, China now gets the free hand to optimize its geo-political hold in a nation that would give China access to Indian Ocean which had been a long-time ambition for Beijing under its Two Ocean Strategy. It can be pointed that the military coup in Myanmar had put Beijing in tricky waters in the Beijing but with the consolidation of militaries power and it sharing a hearty relation with the junta its power grip in geo-strategically important nations will solidify. This will lead other major powers like India to counter and Myanmar might turn into a fulcrum of rivalry of major powers in the near future.

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