

FROM BROTHERS TO STRANGERS: MYANMAR'S POLITICAL TRANSITION IN 2011 AND ITS EFFECT ON THE SINO- MYANMAR PAUKPHAW RELATIONSHIP

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Myanmar's political transition from a military dictatorship to a civilian-led government in 2011 took the world by surprise, especially their longtime ally, China. What was believed to a paukphaw or sibling-like relationship of Myanmar and China took an abrupt turn as Myanmar halted the Myitsone Dam project, one of China's three largest investments in Myanmar, but also rapidly improved its relations with the United States under Obama's "Pivot to Asia" policy. This paper argues Myanmar's political reform primarily resulted from the internal desires as dissatisfaction grew amongst the civilians and the military in response to the nation's failing economy and governance. The government's decision for reform was further enhanced by China's growing assertiveness in the country as Beijing took Myanmar's international isolation and dependence in gaining both economic and political leverage. Furthermore, Obama's "Pivot to Asia" policy was favorable to Myanmar as it allowed the government to balance its asymmetrical partnership with China. Since the reform, China has taken a "wait and see" stance with Myanmar, which will most likely continue until the upcoming 2015 elections.

The once strong Sino-Myanmar *paukphaw*¹ relationship took a rapid turn in 2011 when Myanmar transitioned from a military dictatorship to a civilian-led government. The radical changes in Myanmar's domestic political sys-

1 *Paukphaw*, a Burmese word for siblings or kinsfolk, is commonly used to describe the cordial Sino-Myanmar relationship, where Myanmar plays the role of the younger brother and China is perceived as the older brother. Myanmar reserves this term exclusively to describe her relations with China. China also accepts it. Within the *Paukphaw* relationship, although the Sino-Myanmar relationship is asymmetric, tilted in favor of Beijing, Myanmar has skillfully played the "China card" and enjoys considerable space in her conduct of foreign relations. Maung Aung Myoe, In the Name of Pauk-Phaw: Myanmar's China Policy Since 1948," Institute of Southeast Asian Studies, Singapore, (2011), 8.

tem challenged both China's existing interests in the country and its strategic planning for the future. Earlier in 2012, after the March inauguration of the new president, China radiated confidence in its asymmetrical *paukphaw* relationship with Myanmar and attempted to maintain the status quo bilateral relationship by following this traditional and well-developed foreign policy.² China's strategic blueprint for Myanmar consisted of border stability, energy transportation, economic cooperation and strategic cooperation,³ all of which required continuation of the traditional fraternal relationship and economic ties between the two countries.

Taking into consideration the harsh political and economic situation of Myanmar's pre-2011 transition, continuation of the fraternal relationship seemed like the optimal choice. China, well aware of this, was confident that Myanmar's transition would prompt no fundamental changes and the Sino-Myanmar brotherly relationship would continue. From August 2011, however, a series of events soured the China-Myanmar relationship. The unexpected suspension of the Myitsone Dam project⁴ and Myanmar's rapid improvement in relations with the United States overturned the general assumption of China's overwhelming influence in Myanmar and shook the foundation of its strategic blueprint.⁵ Therefore, China was compelled to modify its expectations about Myanmar and readjust its policies and commitments.

The deterioration of the Sino-Myanmar relationship puts the legitimacy of China's regional influence in Asia into question. China, known for its diplomatic protection of pariah states,⁶ has maintained monopolistic relation-

2 Yun Sun, "China's Strategic Misjudgement on Myanmar," *Journal of Current Southeast Asian Affairs* 31, no. 1 (2012): 74.

3 Li Chenyang and Lye Liang Fook, "China's Policies Towards Myanmar: A Successful Model for Dealing with the Myanmar Issue?" *China: An International Journal* 7, no. 2 (2009): 258-261.

4 In 2011, the US\$3.6 billion Myitsone dam project was suspended by the civilian led government in Myanmar in response to significant local opposition. The project developed by a state-run Chinese company and brought Chinese workers into the area, faced significant opposition from the local Kachin population who were sidelined. The project involved government troops, which came into tension with the ethnic opposition group, Kachin Independence Organization. Stakeholders voiced their concern over the project over controversial issues such as manipulated environmental impact assessment, lack of transparency and corruption associated with the negotiation, negative ecological, environmental and social impacts, displacement of villagers, etc. Cook, A. D. B. "Myanmar's China Policy: Agendas, Strategies and Challenges." *China Report* 48, no. 3 (Sage Publication, 2012): 276-277.

5 Narayanan Ganesan, "Myanmar-China Relations: Interlocking Interests but Independent Output," *Japanese Journal of Political Science* 12, no. 1 (2011): 96.

6 According to Robert E. Harkavy, a pariah state is a small power with only marginal and tenuous control over its own fate, whose security dilemma cannot easily be solved by neutrality, nonalignment, or appeasement, and lacking dependable big-power support. Robert E. Harkavy, "Pariah States and Nuclear Proliferation," *International Organization* 35, no. 1 (1981): 136.

ships with reclusive nations in the past such as North Korea, Iran, Darfur, and Myanmar.⁷ Whereas China provided diplomatic protection, these pariah states satisfied China's need for economic expansion and energy and natural resource securement in the absence of Western competition.⁸ Since these states were heavily dependent on China for political and economic support, which were unattainable elsewhere due to international condemnation and isolation, China was certain of uncontested influence. The political transition of Myanmar, however, contradicted the orthodox view of China's monopolistic relationship with pariah states. In turn, such "humiliation" for China raised doubts about the future of its influence in other pariah states, especially North Korea. Specifically, whether its influence will remain or wane. And if so, would it trigger Chinese policy makers to adjust its foreign policies in order to maintain its regional influence in Asia?⁹

This paper will deal with the history of the Sino-Myanmar paukphaw relationship, analyzing the factors that triggered Myanmar's rapid improving relations with the West and deterioration with China. This study will then evaluate China's post-2011 foreign policies towards Myanmar and speculate the future of the Sino-Myanmar relationship. Finally, the paper will present the implications it has on China's future foreign policies towards Asia's sole pariah state, North Korea, and the lessons North Korea could take away from the Myanmar case.

Paukphaw: Sino-Myanmar Relationship

Myanmar, after its independence from the British in 1948, was one of the first countries to welcome and recognize the establishment of People's Republic of China. The two countries have since then enjoyed an amicable relationship where China considered Myanmar "essential" to its security and the latter stood "high in the degree of importance China attaches to its peripheral areas."¹⁰ Over the period of six decades, the Sino-Myanmar relationship was premised upon the five principles of peaceful co-existence¹¹ and

7 Stephanie Kleine-Ahlbrandt and Andrew Small, "China's New Dictatorship Diplomacy: Is Beijing Parting with Pariahs?" *Foreign Affairs* (January/February 2008): 38.

8 Ibid, 41.

9 John Kim and Daniel Freedman. "What North Korea could learn from Myanmar," *CNN*, May 14, 2013, <http://edition.cnn.com/2013/05/14/opinion/kim-freedman-north-korea/> (accessed November 8, 2014)

10 Daw Than Han, "Common Vision: Burma's Regional Outlook," Occasional Paper, *Institute for the Study of Diplomacy School of Foreign Service*, Washington, D.C.: Georgetown University (1988), 62.

11 Five principles of peaceful co-existence agreed upon by Myanmar, China and India was signed at Peking on 29 April 19. It includes mutual respect for each other's territorial integrity and sover-

was further strengthened by personal diplomacy from both sides, initiated by Chinese Premier Zhou Enlai's visit to Myanmar in June 1954 followed by President U Nu's visit to China in November 1954. The result of high-level diplomatic exchange between the two countries gave birth to the *paukphaw* relationship, which was a high water mark of the bilateral relationship.

The Sino-Myanmar *paukphaw* relationship rapidly improved in 1988 as the State Law and Order Restoration Council (SLORC) of Myanmar came into power, putting an end to the protest against its former government Burma Socialist Programme Party (BSPP).¹² The rise of the new government led to the disintegration of the Burma Communist Party (BCP),¹³ thus improving bilateral relations with China at a time when the Western states and Japan withheld ODA and imposed sanctions and weapon embargoes in response to Burma's crackdown on the protestors. During the initial period of Western ostracism and condemnation, SLORC's number two leader and Chief of Army Lt. General Than Shwe visited China. This became the watershed moment to the Myanmar-China relationship under the junta. The events of 1988 solidified China's "big brother" position in the *paukphaw* relationship and marked the beginning of a period where China would be Myanmar's staunchest supporter.

As the *paukphaw* relationship was based on the principle of non-interference in internal affairs, China actively protected Myanmar from Western condemnation and the imposition of punitive measures on issues of democracy, human rights, and forced labor. China, within international fora such as the UN and ILO congresses, refused to accept sharp language and concrete measures on Myanmar due to the mutual interest between leaders of both countries in opposing "western values", which threatened the non-interference principle. China's protection of Myanmar from international criticisms and actions was reciprocated by Myanmar's support for China on various controversial issues such as Taiwan, bombing of the Chinese embassy in Belgrade, and the spy plane incident with the U.S.¹⁴ Such political support was followed by high level exchanges of leaders and officials, which included

eighty, mutual non-aggression, non-interference in each other's internal affairs, respect for mutual equality to work for mutual benefits, and peaceful co-existence.

12 The SLORC came into power through a military coup in 1988 after violently suppressing the 8888 Nationwide Popular Pro-democracy Protests, which accounted for thousands of civilian deaths.

13 In the 1950s, the People's Republic of China supported the Burma Communist Party, which was in direct opposition to the military government and was also a source to tension between the two countries.

14 Maxwell Harrington, "Conference Report: China- Myanmar Relations: The Dilemmas of Mutual Dependence," *Journal of Current Southeast Asian Affairs*, no. 1 (2012): 134.

President Jiang Zemin's visit to Myanmar in December 2001 with a large entourage of 135 government officials. His visit once again gave reassurance of the *paukphaw* relationship between the two countries as he stressed the importance of "good neighborly foreign policy" and gave assurance that "this... will not change."¹⁵

China also provided relatively modern armaments that the Burmese government was forbidden to procure under sanctions imposed by Western states. Although Myanmar practiced strict neutrality during the Cold War, strong sanctions led Myanmar to rely heavily on its neighbor for not only small arms and ammunition but also large armaments. Two major deals with China were made in 1989 and 1994 involving weapons and military equipment worth US\$1.2 billion for the former, and US\$400 million for the latter.¹⁶ In addition to arms trade, China trained Myanmar security personnel both in China and Myanmar, and provided facilities for production of mines, small arms and ammunition. Through Chinese assistance, Myanmar was able to make up for the lost time in enhancing its military capabilities to establish a credible defense of the state against internal and external aggression.

The trade border regularization between Myanmar and China in 1988 paved the way for substantial economic exchange, in which China became the major supplier of Myanmar's consumer products. Trade developed as Myanmar adopted an "open door policy" in 1990. Myanmar liberalized its economy and the volume of Chinese imports increased, ranking China as one of the top five traders with the nation.¹⁷ In addition to contributing to Myanmar's economy along with booming trade, China was also involved in Myanmar's industrial and infrastructure development. Since Than Shwe's visit to China in 1989, Chinese, particularly Yunnanese, companies began to play a major role in the economic reconstruction of northern Myanmar. Examples of their roles included building power stations, roads, bridges and telecommunication facilities.¹⁸ The vacuum created by Western sanctions was filled

15 "China-Myanmar Friendship Highlighted in Yangon," *People's Daily Online*, December 13, 2001, http://english.peopledaily.com.cn/200112/13/eng20011213_86540.shtml (accessed November 8, 2014)

16 Poon Kim Shee, "The Political Economy of China-Myanmar Relations: Strategic and Economic Dimensions," *Southeast Asia* 19, no. 1 (1997): 36-37.

17 Toshihiro Kudo, "6: Myanmar's Economic Relations with China: Who Benefits and Who Pays?" *Dictatorship, Disorder and Decline in Myanmar* (2008): 90-91.

18 Jurgen Haacke, *Myanmar's Foreign Policy: Domestic Influences and International Implications* (New York: Routledge, 2006), 17.

by China to meet Myanmar's attempt to modernize its archaic industries and infrastructure by providing the necessary machinery and equipment.

From Paukphaw to “Just” Neighbors

In 2011, the Sino-Myanmar *paukphaw* relationship took a turn as Myanmar underwent a rapid political reform unexpected by many, including China. The democratic reform began with President Thein Sein's historical meeting with National League of Democracy (NLD) leader Aung San Suu Kyi, followed by a series of dramatic reform procedures such as the release of political prisoners, greater media and Internet freedom, and implementation of new labor laws. However, the most significant reform measures was the NLD's participation in the by-elections, winning 43 out of the 45 seats, giving them a key role in the domestic politics since the 1990 elections.¹⁹

The political reform in Myanmar was welcomed by the U.S. and in turn, rekindled the long abandoned U.S.-Myanmar relationship. President Barack Obama and US Secretary of State Hilary Clinton visited Myanmar in 2011 and 2012 signifying American support for the newly established democratic government, and the two historic visits were reciprocated by President Thein Sein's visit to the White House in May 2013. All of which signified the thawing of the U.S.-Myanmar relations after twenty years of sanctions and deadlock.

China's initial response to the Myanmar's political reform was doubt over the legitimacy of its transition. China believed the political change was in name only and its strategic blueprint for Myanmar, mainly concerning border stability, energy transportation, and economic cooperation, would continue as it had previously.²⁰ China's confidence in the *paukphaw* relationship was strengthened as the fourth highest ranking military leader of China's Central Military Commission visited Myanmar six weeks after the inauguration of Thein Sein's government and pushed for a “comprehensive strategic cooperative partnership” which was established two weeks thereafter.²¹ China's expectations, however, were miscalculated as a series of events taking place from August 2012 frustrated China's Myanmar aspirations. The decision to suspend the Myitsone Dam project and Myanmar's

19 The NLD won 392 out of 492 seats in the 1990 elections. The military government, however, refused to recognize the results of the elections and put Aung San Suu Kyi under house arrest for 21 years until 2010 (BBC 2010).

20 Yun Sun, “China's Strategic Misjudgment on Myanmar,” *Journal of Current Southeast Asian Affairs* 31, no. 3 (2012): 87.

21 *Ibid.*, 83.

rapid improvement in its relations with the U.S. betrayed China's long held belief that it was one of Myanmar's few "loyal friends" and shook the foundation of China's strategic blueprint.

Myanmar's decision to transition primarily stemmed from the military's decreasing confidence as dissatisfaction grew among amongst civilians and the military itself in reflection of the nation's failing economy and governance. Top leaders, therefore, possessed great desire to change for better governance and economic performance. Since the crackdown on protesters in 1988, an incompetent and inexperienced government had searched for a way to return to civilian rule without relinquishing de facto military control of the government.²² The first election in 1990 put the government's desires on hold as NLD had a landslide electoral victory increasing the military junta's anxiety and prolonged their plans for a gradual political reform. The central government, in efforts to simultaneously attain political reform and maintain its power, carefully planned out a seven-stage roadmap to "disciplined democracy,"²³ which called for the building of a modern, developed and democratic nation under old authorities.²⁴ In addition, the fall of dictators, such as Gaddafi in Libya and Mubarak in Egypt, from popular domestic uprisings left the regime restless.²⁵

The key external factor for Myanmar's transition was China's large and growing presence in the Myanmar. In the initial stages of the *paukphaw* relationship, Myanmar enjoyed unconditional aid and support from China under the non-interference principle. However as China's strategic blueprint soon revealed its asymmetrical characteristics, which stemmed from Myanmar's international ostracism and heavy dependence on Beijing, the junta started considering the alternative of breaking out from isolation and diversifying its foreign relations to liberalize from its overdependence on China. Prior to the transition, anti-Chinese sentiments grew amongst military members and civilians as resources were sold at ridiculously cheap prices, and its infrastructure projects such as the Myitsone Dam project²⁶ brought on

22 Morten B. Pedersen, "The Politics of Burma's "democratic" Transition: Prospects for Change and Options for Democrats," *Critical Asian Studies* 43, no. 1 (2011): 56.

23 The seven-step Roadmap to Democracy, constituted in 2003, took eight long years to reach its final step as it was difficult to juggle between proceeding reform and retaining old powers.

24 Marco Bünte, "Burma's Transition to "Disciplined Democracy": Abdication Or Institutionalization of Military Rule?" *German Institute of Global and Area Studies* no. 177 (2011): 16.

25 Yun Sun, "China and the Changing Myanmar." *Journal of Current Southeast Asian Affairs* 31, no. 4 (2012), 56.

26 Until three years ago, China was not the largest investor in Myanmar, as ASEAN partners Thailand and Singapore surpassed China's levels of investments. In 2010, however, China invested more

negative ecological, environmental and social impacts displacing tens of thousands of local villagers. In addition, China's attempt for political leverage forced Myanmar to reluctantly accept China's de facto interference on ethnic border group issues and adjust its diplomatic positions for China in regional forums such as ASEAN. Initially, the junta continued the *paukphaw* relationship as it allowed military power maintenance while progressing with its gradual democratic transition, but when China's influence reached its paramount, Myanmar's leaders turned away from China beginning with the suspension of the Myitsone dam project in 2011. The transition led to a drastic reduction of Chinese investments and political interests in Myanmar. On the other hand, waned Chinese influence allowed the diversification of investments from U.S., Europe, Japan and Korean companies and increased political freedom for the new government.

The junta's desire to diversify foreign relations, in order to wane Chinese influences, was fulfilled as the Obama administration pursued the "Pivot to Asia" policy in 2011. Obama's "Pivot to Asia" discovered that engagement with Myanmar had geopolitical value as a counter to China and thereby served as a critical factor for the U.S. to pave a pathway to Asia.²⁷ The correspondence of Obama's "Pivot to Asia" policy and Myanmar's struggle against an asymmetrical partnership with China overlapping at a similar period of time helped the Myanmar government make its transition from a military dictatorship to a civilian-led government.

Betrayal of a Loyal Friend

Myanmar's "China-unfriendly" moves, like the suspension of the Myitsone Dam project in 2011 and its rapid improvement in relations with the U.S., discouraged further aggressive investments and foreign policies from China. In response to Myanmar's actions after political reforms, China dramatically reduced its economic investments, intentionally cooled down its bilateral political ties and launched a massive public campaign inside Myanmar aimed at improving its image and relationship with local communities.²⁸

than \$8 billion in three major projects, the Myitsone Dam project, Sino-Myanmar oil and gas pipelines and the Letpadaung Copper Mine project. The locals did not welcome these projects as they had detrimental environmental and societal effects, leading to mass local protests and demonstrations. As a result, the Myitsone Dam was suspended in September 2011 and the Letpadaung Copper Mine has been suspended since November 2012.

27 Wei Ling, "Rebalancing Or De-Balancing: US Pivot and East Asian Order," *American Foreign Policy Interests* 35, no. 3 (2013): 152.

28 Yun Sun, "China and the Changing Myanmar." *Journal of Current Southeast Asian Affairs* 31, no. 4

From 2008 to 2011, China's total investment in Myanmar was an equivalent of US\$13 billion, including the US\$8 billion invested in its grand three projects.²⁹ Myanmar's political reform since 2011 led to a sharp decline in Chinese investments where in the fiscal year 2012/2013, Chinese companies' investments fell to US\$407 million,³⁰ a major decrease compared to that of the previous two years. Myanmar's sudden halt of the Myitsone Dam project and increased local anti-Chinese sentiment created problems and uncertainties for Chinese investors. As a result, China as of now perceives Myanmar as a relatively unfriendly and risky nation to invest in.³¹ China was furthermore displeased by the government's inaction of protection measures for Chinese interests in the country.³² For China, the "Chinese-unfriendly" actions taken by the reformist Burmese government were a hindrance to Beijing's strategic blueprint, especially in its energy security, which had always been China's priority.

Not only did China turn passive in terms of investments but also its foreign policies towards Myanmar were readjusted to reflect an increasingly tepid bilateral relationship. The intentional cooling of the Sino-Myanmar relationship was evident from the absence of Myanmar from China's recent regional itineraries. For example, no member of the Chinese Politburo Standing Committee visited Myanmar since its inauguration in November 2012,³³ and during China's regional charm offensive of 2013, President Xi and Premier Li's back-to-back visits of five ASEAN member countries did not include Myanmar.³⁴

Myanmar's rapid shift from an over-dependent "little brother" to a reformist, more independent government not only caught Beijing off guard but put them in an uncertain position. China's officials have, at the moment, decreased political contact with Myanmar but still fear that the continuance of waning Chinese influence will threaten its strategic blueprint in Myanmar. Therefore, Beijing has launched massive public relations campaigns

(2012): 67.

29 China's grand three investments in Myanmar include Myitsone Dam project, the Letpadaung Copper Mine and the Sino-Myanmar oil and gas pipelines.

30 "Myanmar Attracts More than 8bl USD Foreign Investment in 2011," Xinhua News Agency, Mar 13, 2012.

31 Yun Sun, "Chinese Investment in Myanmar: What Lies Ahead?" *Great Powers and the Changing Myanmar Issue Brief* no. 1 (Sept 2013): 1.

32 *Ibid.*

33 Yun Sun, "China adapts to new Myanmar reality," *Asia Times Online*, December 23, 2013, http://atimes.com/atimes/Southeast_Asia/SEA-04-231213.html (accessed November 8, 2014).

34 Phuong Nguyen, "China's Charm Offensive Signals a New Strategic Era in Southeast Asia," *Center for Strategic International Studies* 5, Issue 21 (Oct 17, 2013): 5.

inside Myanmar aimed at improving China's image and relations with the local communities.³⁵ They have worked to build better relations with Myanmar's democratic opposition and civil society groups, including its attempts to raise the political influence, especially of NLD leader Aung San Suu Kyi, as demonstrated in China's domestic and foreign policies.³⁶ Furthermore, as a part of diplomatic outreach, dozens of groups of Burmese journalists, civil society leaders and political parties were invited to China, including members of the NLD.

At the moment, the Sino-Myanmar relationship shows little indication of refurbishment. As China has little faith in Myanmar to become its strategic corridor into the Indian Ocean and its loyal supporter at ASEAN, the government has shifted to take on a "wait and see" policy towards Myanmar.³⁷ In other words, it seems that Beijing will at least temporarily refrain from additional commitments and only focus on the existing ones. Some speculate the Chinese government resents President Thein Sein for Myanmar's turning away from the *paukphaw* relationship. It hopes the Union Solidarity and Development Party (USDP)³⁸ remains a China-friendly political force and discreetly praises the political influence and ambition of Shwe Mann, current USDP chairman and speaker of the Lower House, and a strong presidential candidate in the 2015 elections.³⁹ In turn, Beijing has been working to cultivate close relations with Shwe Mann and assist the USDP in capacity building, alongside its massive public relations campaign as mentioned above.

Implications for North Korea

The wane of China's influence in Myanmar may alarm and cause Beijing to readjust its North Korean policy. Despite Myanmar and North Korea's black sheep status in the international community, the two have maintained a fairly stable relationship with China. In 2011, however, Beijing was caught in turmoil as Myanmar turned away from its *paukphaw* relationship and North

35 C.S. Kuppaswamy, "Myanmar-China Relations – Post Myitsone Suspension," *South Asia Analysis Group* No. 5380 (Jan 28, 2013).

36 Yun Sun, "China adapts to new Myanmar reality," *Asia Times Online*, December 23, 2013, http://atimes.com/atimes/Southeast_Asia/SEA-04-231213.html (accessed November 8, 2014).

37 Ishida Masami, "What Myanmar Can Learn on FDI from Other East Asian Countries: Positive and Negative Effects of FDI," *Institute of Developing Economic Japan External Trade Organization*, no.6 (Sept 2012), .:

38 Union Solidarity and Development Party is headed by President Thein Sein and its headquarters are in Naypyidaw.

39 Yun Sun, "China adapts to new Myanmar reality," *Asia Times Online*, December 23, 2013, http://atimes.com/atimes/Southeast_Asia/SEA-04-231213.html (accessed November 8, 2014).

Korea underwent a power transition. While Myanmar's reform caught China by surprise, Pyongyang has continued to put Beijing in the dark. From North Korea's nuclear program development to Jang Song-thaek's purge, it has become evident that Beijing's grip on North Korea is no stronger than that over Myanmar. China's failure in Myanmar, therefore, may signal the possibility of another weakening relationship, which in turn may humiliate China by indicating waning Chinese regional influence in Asia. The consequence could be detrimental to China's strategic blueprint in North Korea. Though China has signed on tougher U.N. sanctions after North Korea's third nuclear test in 2013, it has been criticized for failing to implement them by western countries and experts. Taking as a possibility of another Myanmar-type fiasco and North Korea's upcoming fourth nuclear test into consideration, China may feel compelled to take stronger measures in violation of its non-interference principle. Such steps would in all likelihood severely impair North Korea's economy and nuclear ambitions.

Myanmar's recent developments can also offer useful lessons for North Korea's political future. Many predict the only way for North Korea to rejoin the international community is through regime collapse and unification under South Korean authority, which may further enhance North Korea's anxiety and hostility. But Myanmar's peaceful power transition can show North Korea an alternative method of re-engaging with the international society whilst retaining its power. Though there stand critical differences between the two countries, such as North Korea's possession of nuclear weapons, its *juche* system and absence of political opposition parties, North Korea can take away three valuable lessons from Myanmar's reforms. Firstly, reforms need to be in the interest of the ruling elite, ensuring their political survival. North Korea's one-man power concentration makes Arab Spring-like revolution difficult and therefore reforms will only take place if incentives and guarantee of political survival are assured. Second, foreign powers should effectively employ both sticks and carrots for North Korea. For example, it was a combination of Western sanctions and ASEAN's efforts to include Myanmar in its community that motivated Myanmar to progress. As such, foreign powers must cooperate to lay down clear punishments and rewards for North Korea, which will help build North Korean trust in the international community and counter perceptions that disarmament is a policy for regime change.⁴⁰ Lastly, Myanmar's successful transition will demonstrate the ben-

40 Jonathan T. Chow and Leif-Eric Easley, "No Hope Without Change: Myanmar's Reforms and Lessons for North Korea" *The Asan Institute for Policy Studies Issue Brief* no. 36 (Nov. 30, 2012): 11.

efits of reform. Myanmar's friendly relations with the U.S., survival of old leaders, removal of sanctions and increased aid to Myanmar will signal to the North Korea regime that reforms need not mean a death sentence.

Conclusion

The strong, important and expansive Sino-Myanmar *paukphaw* relationship took an abrupt turn in 2011 when Myanmar underwent a political reform from a military dictatorship to a civilian-led government. Myanmar's political transition, supported by series of dramatic reform procedures such as welcoming Aung San Suu Kyi and her NLD party to parliament along with increased media and Internet freedom, was triggered by three crucial factors. First, the military junta's decreasing confidence that stemmed from surmounting dissatisfaction amongst civilians and the military created internal desire to undertake a political reform. Second, China's overbearing presence in Myanmar, in which the "little brother" was over-dependent on its "big brother", pushed the military junta to consider the alternative of breaking out from isolation and diversify its foreign relations. Lastly, the correspondence of Obama's "Pivot to Asia" and Myanmar's struggle against the asymmetrical partnership with China happening simultaneously served as catalysts to the momentum of a great change taking place inside the once military dictatorship.

After Myanmar's transition in 2011, Beijing shifted to a "wait and see" policy, where for a time being China will refrain from additional commitments and only focus on existing ones. Though China's influence in Myanmar today is not as strong as that of the pre-transition period, Beijing remains critical to the future of Myanmar. As Myanmar's democratic reforms are still in its early stages, the country remains chaotic, incohesive and vulnerable. Though Myanmar, in order to refrain from relying heavily upon China, has diversified its foreign relations, no country knows Myanmar better than its *paukphaw*, China. Given that Myanmar still remains in early stages of national reconciliation, which may take years or if not decades to progress, western investors are extra cautious in their economic engagements. Therefore, the chances of western investment aiding Myanmar to bring national stability are weak. On the other hand, China will only continue to mature and grow in capacity, which in turn will make China indispensable for the future of Myanmar. In order for the relationship to recover, China may have to re-adjust its policies towards Myanmar so that Naypyidaw will once again regain its trust for China. To end, the Sino-Myanmar partnership is currently experiencing a