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## Burma–China: Another dam puzzle (Part 1)

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*On 30 September 2011, president Thein Sein shocked everyone—both inside Myanmar and outside it—by announcing the suspension of work on the massive Myitsone Dam and associated hydroelectric power project. These facilities were being developed in Kachin State by a consortium of Chinese and Myanmar companies, but China stood to benefit the most from the power produced.*

Over the past 20 years, Burma has developed a close relationship with China. It thus came as a shock when President Thein Sein announced in September that he had suspended construction of the massive Myitsone Dam in northern Burma.<sup>1</sup>

China's public response was low key, but the decision clearly upset Beijing, which had already invested heavily in the project and stood to benefit most from it. The Burmese President claimed that he was responding to the popular mood in Burma, where there is reportedly widespread concern about the dam and its consequences.<sup>2</sup>

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1 Francis Wade, 'China-Backed Myitsone Dam "Suspended"', *Democratic Voice of Burma*, 30 September 2011, [www.dvb.no/news/china-backed-myitsone-dam-%E2%80%98suspended%E2%80%99/17887](http://www.dvb.no/news/china-backed-myitsone-dam-%E2%80%98suspended%E2%80%99/17887) [page discontinued].

2 Aung Zaw, 'Is the Myitsone Dam Burma's WMD?', *The Irrawaddy*, 26 September 2010, [www.irrawaddy.org/article.php?art\\_id=22143](http://www.irrawaddy.org/article.php?art_id=22143) [page discontinued] [now at [www2.irrawaddy.com/opinion\\_story.php?art\\_id=22143](http://www2.irrawaddy.com/opinion_story.php?art_id=22143)].

Given Naypyidaw's record, however, this explanation was unconvincing, leading to widespread speculation about the real reasons for the decision and the future of the bilateral relationship. After the failure of the 1988 uprising, Burma was ostracised by the West, which imposed economic and other sanctions against the new military government. Largely as a result, the generals turned to China, which was prepared to provide Burma with loans, technical assistance, arms, trade goods and diplomatic support.

Burma has since balanced this relationship with other foreign policy links—for example, it joined ASEAN in 1997. The unprecedented closeness of the two countries, however, and groundless rumours about a Chinese military presence in Burma have led some observers to label Burma a Chinese client state.<sup>3</sup>

China has never exercised the kind of influence in Burma that has often been claimed. Indeed, it has been careful not to upset its notoriously prickly southern neighbour. It could even be argued that, in some respects, Burma has exercised the whip hand in the relationship, by exploiting its critical geostrategic position and possession of precious natural resources.

Even so, successive Burmese governments have recognised that a close friendship with China serves the country's national interests and they have tried to maintain an amicable relationship. Burma still relies on China's protection in the UN Security Council. This makes Thein Sein's suspension of the Myitsone project even more surprising.

So, what might be the reasons for Thein Sein's decision? A number of possible explanations present themselves, which will be examined in a follow-up post.

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3 Andrew Selth, *Chinese Military Bases in Burma: The Explosion of a Myth*, Griffith Asia Institute Regional Outlook Paper No.10 (Brisbane: Griffith University, 2007), [www.griffith.edu.au/\\_\\_data/assets/pdf\\_file/0018/18225/regional-outlook-andrew-selth.pdf](http://www.griffith.edu.au/__data/assets/pdf_file/0018/18225/regional-outlook-andrew-selth.pdf) [page discontinued].

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