

Myanmar's Rare Earth: Formed China's domination, and Nebulous Conflict Dynamics of Myanmar Armed Actors

Saung Yanant Pyae Kyaw

Abstract

Myanmar has become the third-largest producer of Critical Minerals, specifically Rare Earth Elements (REEs), having an indispensable role in global competition for power control and economic rivalry among major powers like China. Myanmar has emerged as a strategic REEs extraction frontier, and as China becomes the dominant source of rare earth, Chinese investment projects of REEs mining are mainly dealing with non-state actors' autonomy, in the regions of Northern Kachin and Shan State near the China- Myanmar border area. Prior research on REEs, however, has supported the emulation of applications ranging from clean energy production to advanced defense systems and has highlighted the environmental impacts in the growth of modern society. This paper further analyzes the predominance of the geopolitical economy in cross-border trade where the mining projects of REEs occurred, through a political economy analysis of the secondary sources exploring how Chinese interest in REEs mining projects has reshaped the formlessness of Myanmar's conflict landscape. The extraction of Rare Earth Elements presents a critical paradox between the Myanmar State Security and Peace Commission (MSSPS) and Ethnic Armed Organizations (EAOs). The substantial profit margin provides unprecedented financial autonomy relative to China. This power comes at the cost of strategic dependence on the political and economic whims of the Chinese state and Chinese corporate actors, ultimately trading sovereignty for survival. This paper's findings suggest that answers to the complex form of de facto power in Myanmar can be found in how China navigates its relationship with MSSPS, which is seeking recognition, and the EAOs, which control the resources after four years in post-coup. Regardless of the consequences of the environmental impacts, the extraction of REEs can provide not only a beneficial conflict economy for Myanmar, but also give China a near-monopoly control over global REE processing.