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Navigating China-U.S. Nexus: (Dis) continuity of
Myanmar's Foreign Policy (1988-2013)

中美強權政治下的生存之道：緬甸外交政策的變與常

Student: Siriyakorn Kaewsangsai

Advisor: Alan Hao Yang

中華民國103年1月

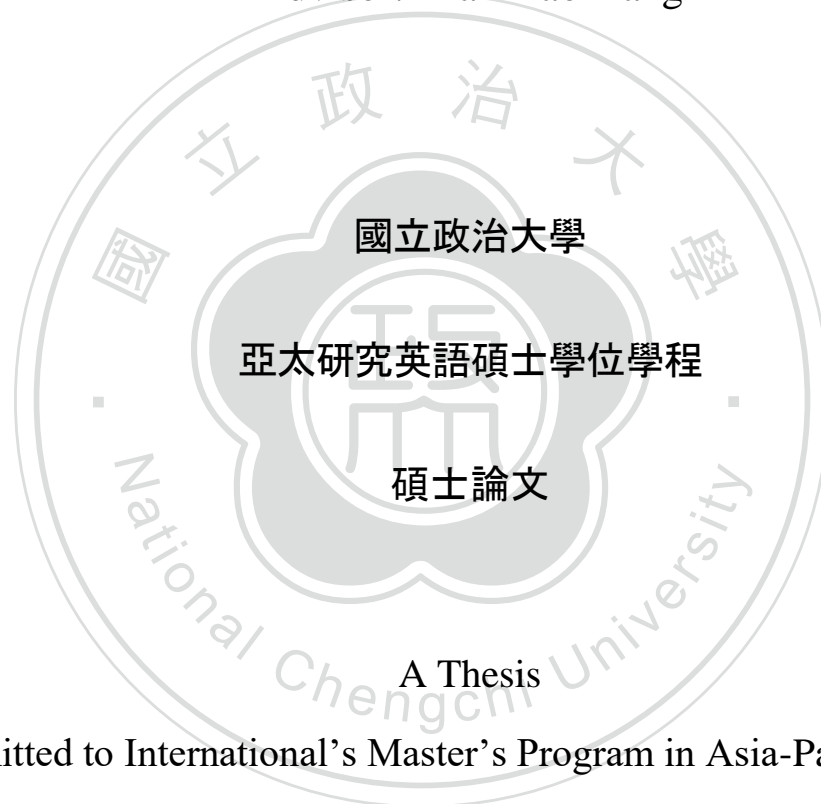
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A Thesis

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Abstract

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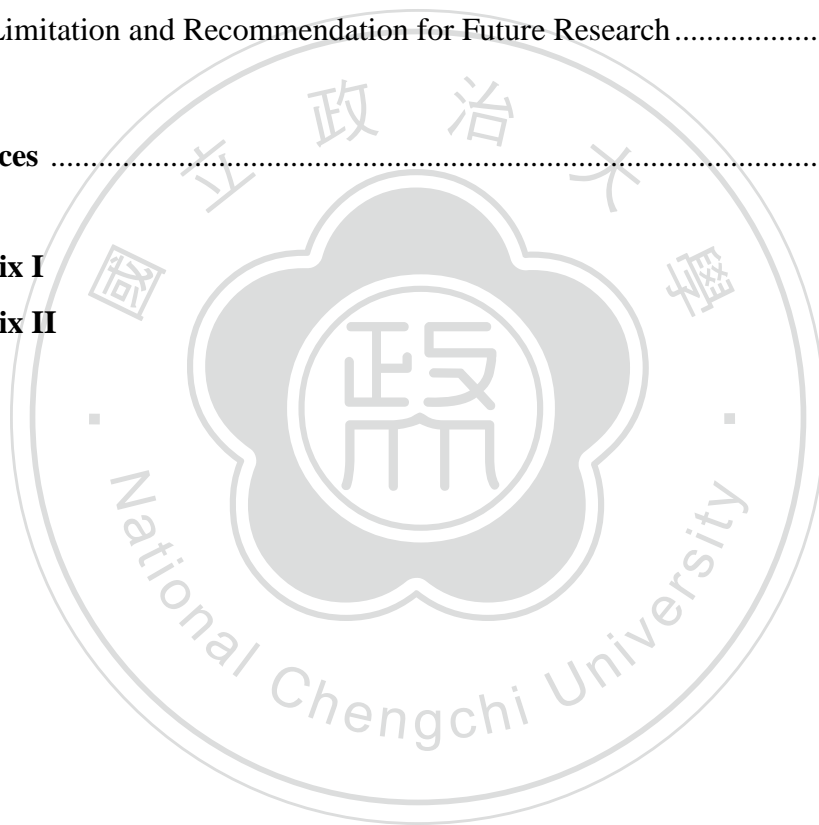
Being sanctioned by the United States and its allies, Myanmar has long been isolated from the international community and become deeply dependent on China over the past twenty years. Until recently, the country embarked on political and economic reforms and expressed its desire to engage with other countries. The United States positively responded to the opening gesture, consequently the rapprochement between the two countries was commenced. As the competition for influence between China and the U.S. in Southeast Asia has long been existed, the shift in Myanmar's foreign policy might represent the new challenge in this tug-of-war. This research aims to investigate the continuity or rupture in Myanmar's foreign policy trend and to re-assess the influence of China and the United States presented in Myanmar. The collected data is analysed qualitatively. The result of the study shows that despite the re-engagement in Myanmar-U.S. relations, Myanmar-China relations remain cordial and the status of China-U.S. influence in Southeast Asia is not challenged.

Key Words: Burma, China-U.S. Influence in Southeast Asia, Myanmar, Myanmar's Foreign Policy, Southeast Asian Affairs.

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Chapter One: Introduction

1.1 Introduction

As Southeast Asian countries enjoy fast economic growth, Myanmar seems to be falling far behind these stories of success. The country has long been living in the shadow of its label as a “pariah state” (Steinberg 2001; Canning 2007; Kinley and Wilson 2007; Kyaw Yin Hlaing 2008). Myanmar has been saddled with a regime of military rule and the consequent sanctions from Western countries which began two decades ago. While the United States acts as a forefront in pressuring the Burmese military regime, China approaches Myanmar closer and has turned itself into the most important ally for the country. Until recently, Myanmar signalled its intention to improve relations with other countries, revealing glimpses of political transformation to the international community. Washington positively responded to the opening gesture and the rapprochement in Burmese-U.S. has consequently taken place.

1.2 Background of the Problem

1.2.1 Myanmar’s Foreign Relations

As Myanmar is located at the crossroads of Asia’s great powers, India and China, geopolitical and demographic aspects have always been the main concerns in formulating its foreign policy. Moreover, the fact that the country is an ethnically diverse nation with 135 distinct ethnic groups means that the dynamic of the international system essentially matters as well internally (Tin Maung Maung Than 2010, 448-9). The military state has continually exercised a strict neutralism and subdued bilateral relations based on the “Five Principles of Peaceful Co-Existence”¹ until the 1988 military crackdown which had shifted the nature of Myanmar’s diplomatic relations (Maung Aung Myoe 2006, 6).

1. Ministry of Foreign Affairs 2004. According to Chinese Premier Wen Jiabao, “these principles are: mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit and peaceful coexistence.”

The State Law and Order Restoration Council (SLORC) started reviewing the self-imposed isolationist policy of the past as an irrelevant approach to the shifting international and regional security development. The country started working on narrowing the gap between itself and ASEAN in the early 1990s, and made a key gesture of its intention to join the group in 1995 (Maung Aung Myoe 2006, 9). The desire of Myanmar about the accession to ASEAN generated debate among member countries regarding the regime and human rights issues (Aung Zaw 2001, 41-43). However, Myanmar was finally accepted to join the group in July 1997, despite the controversy within the ASEAN (Alden 2010, 9-11).

Some scholars attempt to investigate the reasons behind this diplomatic action. Haacke believes that Myanmar has decided that it should no longer be isolated in this age of globalization, and it should instead strengthen “friendly relations with international partners whose help is vital for its economic development” (2006, 9). Maung Aung Myoe claims that besides following the flow of regionalism, joining the ASEAN group was perceived with delight by the military regime as it will receive financial support, gain regime legitimacy and still be able to retain the main intentions of its current foreign policy (2006, 10-14).

The nature of Myanmar’s diplomatic relations shifted after the events of 1988 when the country was ruled by SLORC (McCarthy 2010, 330). Under the military rule, the country has traditionally relied on strict neutralism coupled with low-key bilateral relations (331). The regime has emphasized high value on an independent foreign policy and halted attempts at foreign interference in internal affairs. While implementing this non-aligned policy, the military took some diplomatic steps in order to support its economic policy. It developed bilateral relations with China, India, and Thailand and joined ASEAN in 1997 (Katanyuu Ruukun 2006, 830). While China was the first country to recognize the new military regime after the 1988 coup, and the frequent visits between the two countries

paved the way for agreements on the military, economy and other cooperation, the United States instead applied sanctions and isolated Myanmar to force it into regime change.

For more than a decade, the military government proved the persistence of its independent foreign policy. Myanmar's ties with China were considerably improved whereas the U.S. attempted to condemn Myanmar in the international community over its undemocratic regime and human rights violations. However, after a new government took office, Myanmar demonstrated its new attitude of being responsive to domestic pressure on over-dependence on China. Myanmar's re-balancing of its relationship with China was evidenced when its relations with the U.S. were perceived to become closer after the visit of the Secretary of State in 2011. Myanmar has proved itself to be more open recently by re-engaging with Western nations and preparing to take the ASEAN chair in 2014 (BBC 2011).

1.2.2 China –Myanmar Relations: The Solid Friendship

China-Myanmar relations have been established since ancient times with hundreds of years of cultural exchange. In terms of contemporary history, the founding of the People's Republic of China was the beginning of new era in Sino-Myanmar relations. The ties between the two countries have changed drastically since late 1980s, and China is seen by Myanmar as its important ally until the present. (Arnott 2001, 69)

Although China's cooperation with Myanmar in some areas is not as deep as with other states, China nurtures its ties with Myanmar through the traditional term 'paukphaw' which means brotherhood (Li 2007, 49). By the end of the 1980s, Myanmar had suffered difficult situations both economically and politically, leading to the series of military crackdowns and the establishment of SLORC in consequence (Pels 2008, 15). Under military rule with a strong political stance, Myanmar was blocked from the international community by subsequent sanctions mainly because of its human rights violations and

undemocratic regime, and China remained the only one strong alliance that Myanmar had left (Pels 2008, 15-16). According to Li (2007, 49), China overlooked Western criticism of Myanmar and decided to establish a special relationship with the isolated nation. As a result, isolation allowed the ties between China and Myanmar to be even more tightly (Clapp 2010, 409).

Despite the uncertainty of the military regime, a strong political relationship between the two countries has been manifested through the frequent exchange of visits by top leaders (Li 2007, 50). China's top leaders have visited Myanmar at least 7 times; similarly, Myanmar's top leaders have visited China more than 9 times since the 1950s (Arnott 2001). Moreover, China and Myanmar support each other when dealing with important and global and regional issues. China provides political protection at the United Nations Security Council, and Myanmar consistently support "One China policy" (Li 2007, 51).

Whilst the bilateral relations have been deepening, Myanmar starts seeking new allies (Yun 2011). Recently, Myanmar has demonstrated opening signs to the outside world that it wishes to improve its relationship with others by establishing initiatives on political and economic reform. It is believed that the release of political prisoners including Aung San Suu Kyi, granting of more freedom to the public, and the acceptance of the 2012 election of the civil-backed government are deliberate signals to the international community (Barta 2012). Although China has publicly approved the relationship of Myanmar with others, after all of these opening gestures to the West, China has appeared nervous about Myanmar's relations with its new allies (Bristow 2011).

1.2.3 Myanmar-U.S. Relations: The Rapprochement

Myanmar and U.S. relations over the past few decades have been characterized as an aloof, but stressful relationship. The series of military crackdowns in September 1988 and the establishment of the SLORC seem to be the beginning of the United States' isolationist policy towards Myanmar (Steinberg 2006, 209). As Washington's main diplomatic purpose in general is the promotion of democracy and human rights, the fact that the SLORC employed violence to suppress protests, refuted the validity of election results and placed Aung San Suu Kyi under house arrest consequently harmed Myanmar's cordial relationship with the U.S. (Contemporary Southeast Asia 2010).

The worsening of the diplomatic fall-out was evidenced by the downgrading of the U.S. representative from Ambassador to Chargé d'Affaires in 1990, the termination of the diplomatic mission in the same year, and the decision to retain the relation at the Chargé d'Affaires level until recently. Despite the changes in U.S. government during the 1990s to 2000s, the relationship between the two countries remained troubled; the U.S. government maintained limited contact with Myanmar's government and did not permit new investment in Myanmar by U.S. individuals or entities (U.S. Congressional Research Service 2012, 7).

Shortly after Myanmar signalled its intentions for reform, the U.S. secretary of state, Hilary Clinton, was dispatched to Myanmar, revealing U.S. hopes for improving the relationship. Clinton also indicated the steps that Myanmar's government would have to take to further improve relations including;

- The release of all political prisoners and the establishment of rule of law in Burma;
- The cessation of hostilities in ethnics' areas, and allowing international humanitarian groups, human rights monitors and journalists access to conflict areas;

- Effort to seek a ‘true political settlement’ with Burma’s opposition and ethnic groups;
- The continuation of the democratization process and the holding of free and fair parliamentary by-elections ‘in a timely manner’;
- The creation of a broader space for political and civic activities;
- The implementation of legislation protecting the ‘universal freedom of assembly, speech, and association;’ and
- Compliance with U.N. Security Council Resolutions 1718 and 1874 [which impose sanctions on North Korea] and the severance of military ties with North Korea (U.S. Library of Congress 2012, 28-29).”

When the Secretary of State Clinton returned home, the U.S. government decided to ease sanctions banning investment followed by the European Union and Australia which also suspended certain sanctions on Myanmar (Norman and Hookway 2012). The United States Treasury Department has issued a general directive authorizing certain financial transactions in support of humanitarian, religious, and other non-profit activity in Myanmar (Bangkok Post 2012). In May, Derek J. Mitchell was nominated the first American ambassador to Myanmar since 1990 (Myers 2012). These developments are indicative of the improvement in the bilateral relationship.

1.2.4 Southeast Asia in the China – U.S. Tug of War: Bandwagoning, Hedging and Balancing

The result of serial military crackdowns on the pro-democracy protests in Myanmar in 1988 has shaped the country’s diplomatic relations with great powers – China and the United States – in paradoxical directions. While its relations with China have been growing stronger and stronger, the incident led Myanmar into consequent sanctions imposed by the U.S. (Storey 2007, 15). As China starts to be considered as the potential regional hegemon, geo-political friction with the U.S., whose influence has been previously dominant in the region, was generated (Friedberg 2005, 7).

There has been a long and intriguing debate amongst scholars of international relations theories regarding the provision of policy options for states facing an emerging power or hegemon. The terms 'bandwagoning,' 'hedging,' and 'balancing' have been commonly used among scholars to analyse Southeast Asian states' reactions to the China-U.S. nexus. Among these three terms, scholars tend to see Myanmar as a bandwagoning state rather than a balancer toward regional hegemons (Chung 2010; Roy 2005).

While its economic ties with China seem to be deepened, Vietnam seems to suffer from the trade ties with China due to trade competitiveness and unequal job opportunities (Chen and Yang 2013, 291). Combined with the strategic concerns which derive from a geographical proximity, history and South China Sea disputes, Vietnam is considered to adopt the soft-balancing strategy against China (292-294). Conversely to its neighbour, Cambodia is evidently pursuing the bandwagoning strategy toward China (295). Cambodia not only perceives low threat from China but also gains considerable benefits from partnership activities with Beijing including military assistance, political support, direct investment and foreign aid (295-298).

Singapore is hedging its interest and do not wish to side with any major powers (299-302). Despite the concern over the sea navigation, Singapore is not acutely alarm by the fact that China's presence in the sea has become more eminent (300). Moreover, the country, amongst its neighbouring countries, has enjoyed the benefit from the economic ties without losing its trade deficit to China (301). Thailand has been pursuing classic hedging strategies trying to maintain good relations with both China and the United States simultaneously (Roy 2005, 312). Many Thais perceive the United States quite positively. The U.S. has been a significant arms provider for Thailand, and the two countries conduct military exercises annually. On the other hand, Thailand has a strong bilateral economic cooperation with China, and tries to accommodate Beijing by criticizing Taiwan and not welcoming Dalai Lama and Falun Gong (312-313). Despite

growing economic and warm diplomatic ties, the Philippines clearly perceives an external threat from China especially from South China Sea dispute. Although the agreement allowing American base in the country was terminated in 1991, Philippines realized that it became too weak militarily to be against China, so that the military ties with the United States was strengthened again with an American regular military exercise (314-315).

In the case of Vietnam, Philippines, Indonesia, Malaysia and Singapore as an example of the lack of balancing behaviour in Asia (Kang 2003, 61-62). Even if Vietnam has been through several difficult historical moments with China including the current issue on Spratly Islands, deepening economic agreement and tourism cooperation are the indication proving that Vietnam has no intention to balance against China (61-63). Moreover, as the military ties between the United States and Philippines, Indonesia, Malaysia and Singapore are maintained, these countries simultaneously engage with China (63). However, Kang's argument was criticized as treating the term 'bandwagoning' as an economic engagement and failing to encompass security considerations in his analysis. Moreover, economic cooperation can be existed even amidst an intensify situation between the two governments, and it unnecessarily forestalls military conflict (Acharya 2003/4, 152 and Roy 2005, 307-08).

1.3 Problem of the Study

As mentioned earlier, the influence of the United States and China over Myanmar evidently have detrimental effects on Myanmar's interactions with other countries. Following the pro-democracy uprising in 1988, China has become Myanmar's staunchest ally who provides financial support and acts as political umbrella against international criticism for the country (Li 2007, 49-55). Although the reciprocal relations with China have benefited the country both in various aspects, it is conjectured that some Burmese elites are concerned about Myanmar's over-dependence on China (Roy 2005, 319).

Myanmar's recent opening gesture draws growing attention throughout the region and attracts a number of potential new allies. After a series of reforms by the civil-backed government, the country has become a host welcoming many world leaders and diplomats to the country. The landmark visit of U.S. Secretary of State Hillary Clinton to Naypyidaw in December 2011 raised questions from observers as to whether this would usher in a new chapter in Myanmar's relations with the U.S. (Myers 2011.) Despite the uncertainty over the government's long-term commitment to political reform, re-engaging with Myanmar could unleash the country's economy and open a new and vibrant market in Asia for the U.S. (Quinn 2011).

China-U.S. geopolitical friction has been heated for quite some time, but it still remains under control as the two countries tried to avoid falling into the trap of confrontation and escalation. While evidence of major power's competition has been investigated in many Southeast Asian countries, no such competition has been studied in Myanmar. As having been closely tied with China, the changing situation may bring about the new challenge of Myanmar in responding to the two giants' manoeuvres. Besides, prior studies on Myanmar's recent transition, particularly regarding its foreign affairs, have been mixed and contradictory. It could be conjectured that Myanmar became acutely aware that its international isolation was deepening its dependence on China, an unwelcome situation which led the nation to seek to improve its relations with other countries (Roy 2005, 319). On the other hand, it is argued that despite its reform initiatives, the military-backed government may possibly claim that reforms have been ineffective and rescind upon them, particularly if the U.S. does not give a substantive response (Steinberg 2001).

1.4 Significance of the Study

Due to its non-alignment policy combined with the persisted political uncertainty, Myanmar's interaction with other countries had been minimal. Over the past twenty years, the pattern of interaction in Myanmar's foreign policy is tentatively viewed as having China as the main supporter and the United States as the perpetual opponent.

Until recently, the competition for influence between the two major powers has been widely studied in Southeast Asia countries except in Myanmar because Beijing influence over Naypyidaw is knowingly overwhelming, and the Myanmar-U.S. relations are deeply estranged. Consequently, scholarly works in this regard are rarely found in pertinent literature.

When the Burmese government implemented political and economic reforms and expressed its desire to re-engage with the West, the relationship between Naypyidaw and Washington was lifted up to the whole new level. As the rapprochement have just commenced, the comparative study related to competition for influence between China and the U.S. in Myanmar remains minimal. This research offers to conduct an extensive review and analysis on the particular subject to fulfil such gap in the body of literature. Moreover, the recent improvements in Myanmar-U.S. relationship have sparked the intention academically whether Myanmar is genuinely going through transition in its foreign relations with the two major powers. It is also worth investigating why the Burmese government has suddenly decided to transform the country in various aspects after more than 20 years of isolations.

1.5 Purpose of the Study and Research Questions

This research attempts to explore why the Myanmar's military government should have suddenly decided to undergo such significant changes and to examine how the country balances its relations with the two major powers in order to pursue and ensure its best national interests. The expected contribution of this thesis is adding a fresh insight analysis on Myanmar's foreign relations with China and the U.S. to current literature body. The main objective of this study is to investigate how Myanmar positions itself in the China - U.S. tug-of-war. In order to obtain a well-rounded answer for the research's central question, four pillar questions are constructed as a guideline for extensive and thorough study.

1. How have Myanmar's relationships with China and the U.S. changed since 1988?

This question examines the evolution in Myanmar's relations with China and the U.S. since the military coup in 1988. Viewing from an external perspective, the driving forces of the two respective countries in engaging with Myanmar are also investigated.

2. What are Myanmar's internal concerns?

Domestic issues play an important role in shaping Myanmar's relations with other countries. As mentioned earlier, the shift in Myanmar's foreign policy took place a few times over the past twenty years. This question is created in order to explore the link between Myanmar's internal issues and its changing position in foreign affairs.

3. Which strategic theories – balancing, hedging, or bandwagoning – could be the most plausible and understandable explanation for Myanmar's current foreign policy towards China and the United States?

The realist terms of balancing, hedging and bandwagoning are commonly used to identify the dominant characteristics in relationships between major powers and secondary states in Southeast Asia. Myanmar has been normally viewed as a bandwagoner to China for many years. However, there has been a shift in the pattern of Myanmar's foreign policy recently; thus, its relationship with China and the U.S. should be reassessed in the particular term.

4. What are the driving forces of continuity or rupture in Myanmar's foreign policy toward China and the U.S. from 1988-2013?

Myanmar's has recently gone through shifts in its foreign policy. This question attempts to explore whether there is continuity or rupture appeared in the pattern of interaction in Myanmar relationship with China and the U.S. and to identify the cause of that continuity or rupture.

1.6 Research Design and Methodology

1.6.1 Research Design

Research design is a logical sequence that connects empirical data to a study's initial research questions and ultimately to its conclusion. The design can generally be described as the overall plan for a piece of research and consists of four main ideas: the strategy, the conceptual framework, the question of who or what will be studied, and the tools to be used for the collection and analysis of empirical materials (Punch 2005, 142). This research aims to investigate the interactions between Myanmar, China and the U.S. in order to explore the continuity or rupture of Myanmar's foreign policy from 1988 until 2013. The study is carried out through a qualitative approach, which is developed in the social sciences in order to enable researchers to best study social and cultural phenomena (Punch 2005, 56).

In the process of answering the research questions, four main features need to be taken into consideration: theoretical terms which best explains the pattern of strategic interaction between Myanmar and the two major powers, internal factors which has an effect on decision-making process in Myanmar's foreign policy toward China and the U.S., Myanmar's relationship with the two respective countries from the external perspectives, and the driving forces of continuation or ruptures occurred in Myanmar's relationship with China and the U.S.

In order to answer the research four main questions, the study is consisted of five chapters. Chapter is an introductory part which displays the rationale behind the research and the guideline on how the entire research should be conducted. The study in Chapter Two has two objectives; first is to refine the strategic theories which are used as the tool to test out behaviors of the three main actors acting toward one another, second is to address Chinese and U.S. influence over Southeast Asia to the audiences in general. In the second parts, patterns of competition and cooperation between Beijing and Washington combined with the interactions of the two major powers with secondary states in the region are examined.

Chapter Three's main goal is to answer the second research question. This Chapter examines Myanmar's domestic concerns from various perspectives including politics, economics, traditional security and non-traditional security. Chapter Four aims to investigate the dynamics of Myanmar's relationship with the two major powers over the past twenty years and to identify their interests in engaging and dis-engaging with Naypyidaw. Chapter Fives consist of research finding and assessment for the future dynamics parts. The results of the study in each chapter are integrated to identify continuity or shifts in Myanmar's foreign relations with China and the U.S. mentioned in the first question and test out the refined strategic theories in the third question. Empirical findings derived from the previous study combined with information gathered from interviews with experts offer an extensive analysis of Myanmar's foreign relations with China and the U.S. The assessment for the future dynamics of the relationship is also discussed in this chapter.

1.6.2 Methodology

Several types of data collection may be used in a qualitative research. Interviews, observation, participant observation and document collection are the common methods in gathering qualitative data (Punch 2005, 169). The possibilities for collecting valid and reliable firsthand data on foreign policy is relatively low as the opportunities to interview

policymakers are practically zero. As such, this research will rely on two other methods of collecting data – documentary evidence and semi-structured interviews with experts in related fields – in order to obtain well-rounded information.

The functional process of this research is divided into two main stages, the pre-empirical and empirical stage. Chapter One to Chapter Four is considered to be in a pre-empirical stage dealing with literature review and preliminary analysis of the study result. Secondary data is collected in this stage from published and unpublished works including books, journals, official documents, news articles and multimedia sources. Chapter Five is in the empirical stage which involves an extensive analysis on secondary data and interviews with experts and journalists on Myanmar's foreign policy, Myanmar-China relations, Myanmar-U.S. relations and Chinese-U.S. influence in Southeast Asia.

Respondents for an interview were selected based on their background knowledge regarding international relations and the familiarity with Myanmar's foreign relations (See Table 1). The interview question formulation was based on the main research questions presented in Chapter One as well as on the relevant matters which emerged during an interview. Before the interview commenced, the purpose of the interview and the broader context of the research were explained to the participants. As the discussed topics can be considered as a sensitive matter for some group of people, interviewees were asked to ensure the confidentiality of the data they were about to give and if they would like their names to appear in the research. Data were collected through voice recording machine and the interviewer's notes. After the in-depth interviews, data was integrated and analysed along with a result of the studies from previous chapters.

Table 1: List of the names of scholars, students and journalists interviewed

Names and Organizations	Time	Location
Ko-sume Saichan Lecturer at Faculty of Political Science and Public Administration, Chiang Mai University	August 5, 2013	Chiang Mai University, Chiangmai, Thailand
Pich-apa Pisutseranee Lecturer at Faculty of Political Science and Public Administration, Chiang Mai University	August 5, 2013	Chiang Mai University, Chiangmai, Thailand
Wirat Niyomtam Director of Myanmar Studies Center, Naresuan University	August 13, 2013	Naresuan University, Phitsanulok, Thailand
Burmese student (anonymity) Undergraduate Program	August 15, 2013	Chiangmai, Thailand
Burmese student (anonymity) Undergraduate Program	August 15, 2013	Chiangmai, Thailand
Burmese student (anonymity) Undergraduate Program	August 15, 2013	Chiangmai, Thailand
Burmese student (anonymity) Graduate Program	August 15, 2013	Chiangmai, Thailand
Burmese student (anonymity) Graduate Program	August 15, 2013	Chiangmai, Thailand
Toe Zaw Latt Democratic Voice of Burma, Thailand Bureau Chief	August 23, 2013	Chiangmai, Thailand
Khin Maung Soe Democratic Voice of Burma, Editor.	August 23, 2013	Chiangmai, Thailand

Source: Author's own

1.7 Assumptions, Scopes, and Limitations

1.7.1 Assumptions

This research is expected to provide an extensive review and analysis of Myanmar's foreign relations with the two major powers – China and the U.S. – and explores its foreign policy trends toward the two external actors. As China's influence in Southeast Asia grows, the rivalry between Beijing and Washington, whose power dominance has long been presented in the region, has been intensifying. This research identifies how secondary states – with Myanmar as the specific case study – adapt themselves under

such circumstance. As Myanmar has been isolated and considered a pariah state for decades, the vast majority of literature on foreign policy focuses on times when there were very few external influencing factors involved. This study is anticipated to fill a gap in existing literature, by exploring how Myanmar's foreign policy choices are made when more external actors are involved.

1.7.2 Scopes

Regarding influence of China and the U.S. over the region, the majority of literature either takes a generalizing approach, treating Southeast Asian states as one unitary actor, or focuses on Myanmar-China or Myanmar-U.S. relations separately. This research looks at the potential rivalry for influence between China and the U.S. in Myanmar through strategic theories and other aspects including politics, economics and non-traditional security. The China-U.S. relations and their competition for influence over the region are mentioned in order to provide a basic understanding to the audiences; however, extensive analyses on the overall relationship of the two major powers are not included. The investigation on Myanmar's foreign policy trend covers pressure that perceived by the country both externally internally. Apart from China and the U.S., other external factors such as India, Thailand are mentioned only when they are relevant to the content.

1.7.3 Limitations

The study time frame begins from the military crackdown in 1988, which is viewed as the point when not only Myanmar's economic policy but also the nature of its diplomatic relations changed considerably. The time frame continues up until 2013 which includes a major shift in Myanmar's foreign policy as it allows the topic to be studied more thoroughly and comprehensively as it covers the most crucial transition periods in the country's history.

A further and crucial limitation of this research may be the lack of scholarly literature on recent occurrences in Myanmar. Although Myanmar's sudden opening gesture to the world has raised its significance in the international community, this gesture remains under academic debate. As a consequence of the recent nature of these changes, there is as yet very little academic work available to inform the specific approach of this study. As a result of the shortfall of academic work concerning Myanmar's current situation, this research may also be confined by inadequacy in empirical evidence; the study will thus depend substantially on literature review and empirical data from interview. This research method may be afflicted with uncertainty and may not directly suggest new theories or approaches. In order to resolve these limitations, interviews with scholars may help gather more in-depth information for the analysis.

Finally, since this thesis is analysed qualitatively, it carries some inherent limitations and pitfalls due to the nature of qualitative research. However, it is argued that this approach provides tools and data-collection techniques which provide a better understanding of social phenomenon and international relations.

Chapter Two: China-U.S. Relations and Strategic Interactions in Southeast Asia

This chapter is consisted of three folds: navigating U.S.-China relations, strategic interactions, and further discussion. Despite the central goal of this research is to investigate U.S.-China influence in Myanmar as a specific case study, it is necessary to understand the relationship in a broader sense as a background for the investigation in the following chapters. The first fold focuses on the China-U.S. interaction in three main areas, economic, strategic and other non-traditional security perspectives. The second fold, on the other hand, examines how Southeast Asian countries response to the competition between the two great powers.

2.1 China-U.S. Relations

2.1.1 Great Powers' Patterns of Interaction: Competition and Cooperation

Security

The United States and China have shared their long history of ups and downs in the complex relationships as the two countries have fought one another and also have been strategic partners. In a military relationship over the past decades, Beijing and Washington have experienced both important achievement and major setbacks, and continued to an effort to improve mutual trust and understanding. However, strategic distrust which has arisen from tensions and crises periodically seems to play a major role in the relationship, consequently, military-to-military interaction between the two countries is considered to be minimal.

Despite the end of Korean War in 1953 and the volatile confrontation during Cold War which lasted as long as 20 years, military ties still remained one of the most intriguing dimensions of Sino-U.S. relations. During the last decade of the twentieth century, the

two countries were struggling with the unhealthy relationship because of several provocative incidents. After the Taiwan Strait crisis in 1996² and the accident at Chinese Embassy in Belgrade in 2000³, the tension standoff broke off again when a Chinese F-8 fighter jet collided with a US Navy EP-3 surveillance plane about 70 miles off the Chinese island of Hainan in international airspace. It was reported that 24 U.S. military personnel on board were removed from the aircraft by the Chinese military personnel and detained in an undisclosed location (Rosenthal and Sanger 2001). Immediately following the accident, both sides blamed each other for causing the accident and accused each other of violating international laws of air and sea. After the several rounds of intense negotiations and a number of diplomatic notes exchanges, the standoff came to an end in a peaceful manner (Tian and Chao 2008, 2-4).

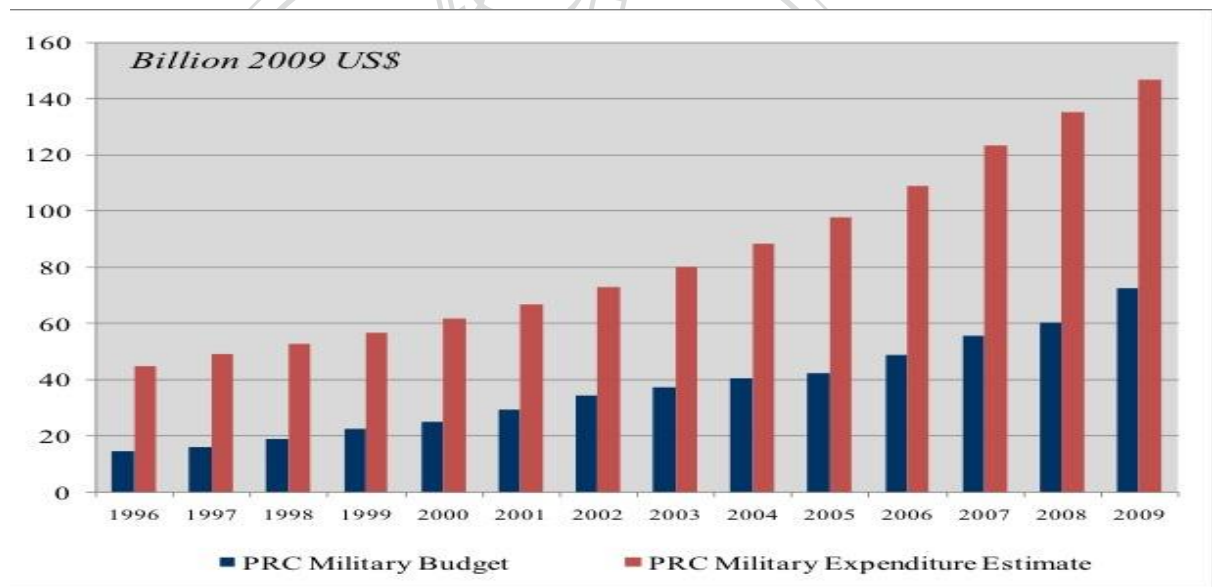
Mutual distrust within the U.S. government derived from not only the legacy of Cold War and the fear of the potential military confrontation over Taiwan Strait but also from the suspicion on Chinese military capability. As its economy has grown rapidly, Chinese government has spent considerable sum to improve its military capability making its military budget the highest in Asia (Lum et al. 2010, 31). According to the Chinese government report, China spent less than US\$ 20 billion in 1996, US\$ 40 billion in 2004, and recently US\$ 70 billion in 2009 respectively to support its People's Liberation Army or PLA (Cordesman and Yarosh 2012, 66). Chinese military expenditure trend has sparked a debate among experts and American policymakers on China's intention in pursuing hegemony (Chen and Feffer 2009, 47-48). Chinese government, later on, came out to explain that the rising military spending was simply reflected from the general

2. Robert S. Ross 2002, 48. In 1996, China carried out the military manoeuvre and missile tests in the area of Taiwan Strait believably aiming to threaten Taiwan during the time of the presidential election. The U.S. was uneasy with such action and deployed two aircraft carriers to be stationed in the area. The U.S. arm sales to Taiwan were increased, and the US in missile defence was heightened.

3. Gries 2001, 45. NATO warplanes bombed the Chinese Embassy in Belgrade during the war in Kosovo in 1999. The attack killed three Chinese journalists and injured more than 20 staff members (Myers 2000). NATO and the United States came out to apologize to the public and claimed that the forces mistakenly attacked the embassy; however, the bombing sparked mass protests from Chinese across the globe and the apology was not well-accepted.

economic growth, and devoted to non-threatening expenditures. More importantly, it is considered as a small percentage when compared to the U.S. military spending each year (48). However, it is argued that China has vastly underreported its military spending. According to the annual report to congress (Figure 1), it is estimated that China spent roughly US\$ 40 billion in 1996, US\$ 80 billion in 2004, and US\$ 140 billion in 2009 (Office of the Secretary of Defence 2010, 42).

Figure 1: PRC's Annual GDP and Military Budget Growth, 2000 – 2009



Source: Military and Security Developments Involving the People's Republic of China 2010. Washington, DC: Office of the Secretary of Defence.
http://defense.gov/pubs/pdfs/2010_CMPR_Final.pdf.

Although tension and crisis are dominant factors in shaping Sino-U.S. security relations, Beijing and Washington have shown their efforts to improve the relationship through confidence-building measures and high-level exchange visits of defence ministers and military leaders.

After the Korean War, two estranged major powers were drawn closer when Henry Kissinger, the national security advisor, and President Richard Nixon made groundbreaking visits to China in 1971 and 1972 respectively (Garson 1994, 153). By the end of 1980s, the rapprochement of Sino-U.S. relation was improved according to the vision of new Chinese leader, Deng Xiaoping, and the changing gesture of the United States in handling Taiwan issue (Yahuda 1993, 562-63). Alongside hundreds of science and technology research projects, it was reported that there had been cooperation agreements on security initiated which mainly covered three elements: high-level visits, selected transfers from the United States to China of military technologies and items and functional exchanges meant to enhance the PLA's institutional capacities (Finkelstein 2010, 6). From 1985 to 1987, the United States granted four programs of Foreign Military Sales (FMS) including modernization of artillery ammunition production facilities, modernization of avionics in F-8 fighters, sale of four Mark-46 anti-submarine torpedoes, and sale of four AN/TPO-37 artillery-locating radars (Kan 2012, 1). However, all the defence contacts and military-related commerce which had been made with China were suspended after the Tiananmen Square incident in 1989 (Campbell and Weitz 2005-06, 169).

The relationship was revived in 1993 when Assistant Secretary of Defence Chas W. Freeman, Jr. visited China to resume military-to-military contacts and open up dialogues with the Chinese military (Finkelstein 2010, 10). However, previous tensions such as the dissolution of the Soviet Union and the 1989 suspension have made China reluctant to be closely re-engaged with the United States (10). In 1994, Washington emphasized its effort to build mutual trust and understanding with the PLA by sending Secretary of Defence William Perry to Beijing to improve the relationship through high-level dialogue (Yuan 2003, 53). Since then, there has been a regular visit between the top defence and military leaders from the two countries (Table 2).

Table 2: Military Leaders Visits between China and the United States from 1994-2014

Year	China	The United States
1994		Secretary of Defence William Perry
1996	Defence Minister Chi Haotian	
1997		Chairman of the Joint Chiefs of Staff General John Shalikashvili
1998	Vice Chairman of the Central Military Commission(CMC) General Zhang Wannian	Secretary of Defence William Cohen
2000		Chairman of the Joint Chiefs of Staff General Henry Shelton with Cohen
2003	Vice Chairman of the Central Military Commission(CMC) General Cao Gangchuan	
2004		Chairman of the Joint Chiefs of Staff General Richard Myers
2005		Secretary of Defence Ronald Rumsfeld
2006	Vice Chairman of the Central Military Commission(CMC) General Guo Boxiang	
2007		Secretary of Defence Robert Gates
2011		Secretary of Defence Robert Gates
2012	Defence Minister General Liang Guanglie	Secretary of Defence Leon Panetta
2013	Defence Minister General Chang Wanquan	Chairman of the Joint Chiefs of Staff General Martin Dempsey
2014		Secretary of Defence Chuck Hagel

Source: Yuan (2003); U.S. Library of Congress (2012); U.S. Library of Congress (2014).

Economics

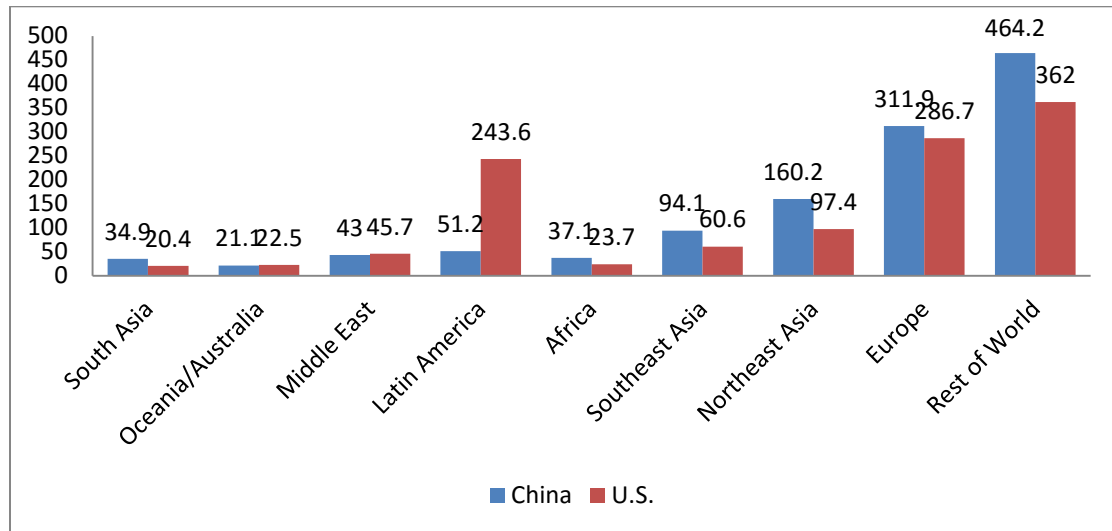
The trade ties between the two countries has been bridged 30 years ago and drastically developed after China's accession to WTO, despite the political tensions. (Frisbie and Overmayer 2006, 243). Although both have benefited from this link, they are considered as competitive rivals on global trade (Lum et al. 2010, 39). The competitiveness has been evident in an export sector in both countries and their attempts to creating economic ties with other countries through FTAs. In the U.S. public opinion, China's growing economy is seemingly to be at the U.S. expense. A growing number of Americans, including policy

makers, believe that China has harmed the U.S. economy through its unfair trade practices, namely the policy on currency and on the intellectual property rights.

In an international trade perspective, as China has surpassed Japan to be the world's second-largest economy, it becomes a major trading nation which is catching up with the United States in export of merchandise (Dawson and Dean 2011). In comparison on China-U.S. export in 2007, both countries exported about the same amount in total. The United States exported more than China did in Oceania, the Middle East and Latin America while China exported more than the United States did in South Asia, Northeast Asia, Africa, Europe and the rest of the world (See Figure 2).

Moreover, there have been efforts from both China and the United States to establish FTAs with their trading partners. China has the FTAs agreement with Hong Kong and Macau, and is currently negotiating with more than 24 countries including Australia, South Korea, Pakistan, Peru, Iceland, Switzerland, the Gulf countries and the Southern Africa Customs Union (Lum et al. 2010, 37). On the other hand, the United States has signed FTAs with Israel, Canada, Mexico, Jordan, Chile, Singapore, Australia, Morocco, Bahrain, Peru and Oman, and the agreements with Panama, South Korea and South African Customs Union are still legislative approval and negotiation process (37).

Figure 2: U.S. and China’s Export of Goods to Selected Regions of the World in 2007 (in Billions of U.S. Dollars)



Source: COMTRADE Database, United Nations. <http://comtrade.un.org/db/>

China’s currency policy is another issue that creates uncomfortable political situation between the two countries because some American policy makers believe that an undervalued RMB is the major cause of a widening U.S. trade deficit with China (Council on Foreign Relations 2007, 59). In May 2005, the U.S. Treasury Department released its report on international exchange and identified China as a “currency manipulator” (Frisbie and Overmayer 2006, 248). In the same year, Senators Schumer and Graham received a bipartisan support in Congress to call for 27 per cent tariffs on Chinese exports to the U.S. if China does not “float” its RMB (59).⁴ After the Asian financial crisis in 1997, the flow of financial resources from China to the United States is much greater than the United States to China evidenced by increased China’s share in the U.S. imports 5.8 per cent in 1995 to 15.5 per cent in 2006 (Bottelier 2008, 199). However, it is argued by some experts that the bilateral trade imbalance between the two countries occurred long before the RMB was thought to be undervalued, and the

3. Council on Foreign Relations 2007, 59. However, the Schumer-Graham bill was withdrawn in the fall of 2006 according to the pressure of Bush administration after visiting China in summer 2006.

exchange rate might not be the important factor which influences international trade flow (204-05).

Table 3: PRC's Trade with the United States from 1982 to 2013 (in Billions of U.S. Dollars)

	1982	1985	1988	1991	1994	1997	2000	2003	2006	2009	2011	2013
U.S. Exports	2.91	3.80	5.04	6.29	9.29	12.48	16.3	28.4	55.2	69.6	103.9	121.7
U.S. Imports	2.50	3.86	8.51	18.98	38.78	62.6	100.0	152.4	287.8	296.4	399.3	440.4
Total	5.41	8.02	14.31	25.27	48.07	75.4	116.3	180.8	343.0	366.0	503.2	562.1
U.S. Balance	0.41	-	-3.47	-	-	-49.8	-83.7	-	-	-	-	-
Balance		0.06		12.69	29.49			124.0	232.5	226.8	295.5	318.7

Source: U.S. Department of Commerce. <http://www.census.gov/foreign-trade/balance/c5700.html>

As the trade ties between China and the United States are growing, the intellectual property rights in China have been a major concern in both American business community and Congress. The U.S. Chamber of commerce has estimated from its study that the United States loses between US\$ 200 billion to US\$ 250 billion each year globally due to the intellectual property rights violation, and China is believed to be responsible for a quite significant proportion of that loss (Council on Foreign Relations 2007, 57). Despite Chinese willingness to improve the intellectual property rights protection by acceding the World Intellectual Property Organization (WIPO) Copyrights Treaty and the WIPO Performances and Phonograms, the American intellectual property is seemingly not adequately protected according to lax enforcement and modest punishment in Chinese law (57-58).

In spite of depressing issues such as trade deficit lie within China and the United States commercial relationship, the two countries, at a present, have been among each other's important economic partner (Frisbie and Overmayer 2006, 243-44). The economic

relationship has begun in the late 1970s when China decided to open itself to foreign trade 243). From a barely trickle in 1970s, the U.S. total imports and exports with China reached US\$ 2.32 billion in 1979, increased to US\$ 14.31 billion and up to US\$ 75.4 billion in 1997 (See Table 3). Despite the fluctuated political situation, the trade volume grows even more drastically over the past ten years (Xu 2001, 239). The trade volume accelerated to US\$ 116.3 billion, US\$ 343.0 billion, US\$ 503.2 billion in 2000, 2006 and 2011 respectively (See Table 3). According to the Office of the United States Trade Representative, China is currently the U.S. third largest good exports market, and the U.S. largest supplier of good imports.

The U.S. investment in China began in 1980; however, the trade ties became largely integrated when China and the United States reached an agreement on China's entry to the WTO (Xu 2001, 238-41). According to the Chinese Ministry of Commerce, the U.S. direct investment in China was just US\$ 1.7 billion between 1979 to 1989. As China has continued its economic reforms, opened up more sectors to foreign investment and adopted some exceptions to encourage foreign companies to enter China such as tariff reductions, the elimination of import licensed and quotas, the U.S. direct investment went up to US\$ 26 billion in 1999 and reached US\$ 51 billion by the end of 2005 (Frisbie and Overmeyer 2006, 243).

Non-traditional security

To attain a global power and to advance their goals, both China and the U.S. have been exerting their influence through other non-coercive approaches to promote their culture, political ideology and diplomacy. In addition to the issue regarding strategic and economic concern, the two countries also compete each other to gain global confidence through foreign aid funding and educational activities. In the bilateral relationship; however, there has been counterterrorism cooperation and combined efforts to solve environmental issues between Beijing and Washington.

As its economy is growing rapidly, China has shown its desire to be a part of global aid effort (Tan-Mullin, Mohan and Power 2010, 879-80). However, it is argued that aid program initiated by Beijing has challenged the West's architecture for aiding Africa's development and has supported pariah regimes or paved the way for accessing resources (Brautigam 2011). According to a white paper on China's foreign aid, 45.7% of overall Chinese foreign aid was poured into 51 African countries in 2009, and most of the funding was distributed to industry, economic infrastructure and public facility sector (China's Information Office of the State Council). Besides providing financial aids (See Table 4), it is also reported that China has cancelled 380 debts worth 25,580 million RMB from 50 countries which 312 debts are from countries in Africa (China's Information Office of the State Council). The increasing Chinese aid brings about concerns within the U.S. government because it believes this new aid landscape represents China as a new alternative to the U.S. (Tan-Mullin, Mohan and Power 2010, 890). Although the U.S. has been attempting to encourage China to embrace the good governance-mode of foreign aid and to reconsider its non-interference policy, China does not seem to respond to the U.S. concern and continued its no strings attached policy (Kjøllesdal 2010, 10).

Table 4: Statistic on debts owed to China that have been cancelled by the Chinese Government (by the end of 2009)

Region	Number of Countries	Number of Debts Cancelled	Amount Cancelled (million RMB)
Africa	35	312	18960
Asia	10	41	5990
Latin America and the Caribbean	2	14	400
Oceania	3	13	230
Total	50	380	25580

Sources: China's Information Office of the State Council, issued on April 21, 2011.
<http://www.scio.gov.cn>

Educational activity is one of discernible aspects indicating China and the United State have been competing in power expansion. According to its high ranking universities, the United States has been attracting more foreign students than China has (Lum et al. 2010, 25). It is reported that the U.S. Department of State issued more than 600,000 student and exchange visitor visas in 2007, while the number of foreign students studying in China was just 195,000 in the same year (25). However, the student enrollment in the U.S. has been dropping due to the stricter visa policy after the September 11 terrorist attack (25). On the other hand, China not only loosened its requirement to attract more students but also expanded its influence through academic institutes, the Confucius Institute to present a kinder and gentler image of China to the outside world (Gill and Huang 2006, 19). According to the Chinese government report, there were 322 Confucius Institutes and 369 Confucius classrooms established in 96 countries and regions by the end of December 2010 (Hanban 2010, 74).

Despite the fact that the two countries have to contend against each other to gain global influence, China and the U.S. share some common interest and are willing to establish a cooperation. Notably, the relationship between Beijing and Washington has been improved considerably after the terrorist attack on September 11, 2001 (Friedberg 2005, 7). After President Bush announced the war on terrorism, China showed the sign to fully cooperate with the U.S. in a wide range of counter-terrorism measures (Roy 2006). One example showing China's effort to accommodate both international public opinion and the U.S. objectives in war on terrorism is its suppression of the financing of terrorism. Beijing attempted to freeze assets linked to terrorist group and have the People's Bank of China organized a Terrorist Finance Investigative Department within its anti-money-laundering bureau (Roy 2006). In addition, the two countries see an increasing understanding about environmental issues between the two largest consumers of energy over the past few years. The China-U.S. forum on climate was held more frequently, at the same time, there was also a support from a private sector such as American and

Chinese company which provided a financial support the environmental protection campaign (Zhang and Smith 2012, 61-62).

2.1.2 Great Powers' Competition in Southeast Asia

Southeast Asia is considered as a crucial arena of Sino-U.S. competition (Egberink and Putten, 2010). Due to its strategic position connecting the Indian and Pacific Ocean, not only the United States but also China are seeking to have a permanent strategic interest with the ability to control sea-lanes and maritime choke points in order to transport armed forces and energy resources from the Middle East through these flows to support their economy (Percival 2007, 129). As a result, both countries see the potential economic interests that can be secured from the Southeast Asia's open markets and equal commercial access (130). As a region that is open for many external influences, it is argued that the strategically pragmatic Southeast Asian States prefer to maintain the U.S. strong presence in the region to ensure regional stability against a potential expansive China, at the same time, some countries in the region are increasingly asserting their own interests from the Chinese rising influence.

Security

If the Southeast Asian region is treated as the stage of a game for influence between the two major powers, the United States is presumably in a favour of this competition strategically. The traditional U.S. security relation with Southeast Asia has been established since the Cold War era by having Thailand and Philippines as its strong alliance (Park 2011, 138). Although it is unlikely for the Southeast Asian nations to flock with Washington in a balance-of-power coalition against Beijing, the region sees a more aggressive move from the U.S. to shore up the bilateral military-to- military relations with a number of countries. (Stuart-Fox 2004, 136). Since the beginning of the new millennium, the United States has sought to strengthen its security relations by offering an increased military financing assistance from US\$ 17 million to US\$ 30 million for

Philippines in 2005 and engaging with Malaysia, Brunei, Thailand, Indonesia, Singapore and the Philippines in a series of training exercises with the U.S. naval forces since the year 2002 (Economy 2005, 419).

As for the weaker countries with similar regime to China including Cambodia and Laos, they are believed to be drawn closer to Beijing because the need of protection from their powerful neighbours, namely Thailand and Vietnam, rather than from the U.S. threat (Stuart-Fox 2004, 134). Additionally, despite its strong strategic ties with China, Myanmar was no longer estranged from the U.S. evidenced by the U.S. invitation for Myanmar to participate the 2012 Cobra Gold military exercise as an observer in Thailand (Alexander, Thatcher and Storey 2012).

In addition, China's assertiveness on claiming its sovereignty over the islands in South China Sea has generated acute concerns among its neighbour, namely Philippines and Vietnam (Thayer 2011, 78). After the China's provocative action in 2011, Philippines evidently increased its funding for defence modernization, lobbied ASEAN states and strengthened its alliances with the U.S. (79-81). Likewise, Vietnam protested Chinese action and solidified its defence cooperation with the U.S. (88-87). Although the three island claimants have agreed on the guidelines to implement the 2002 Declaration on Conduct of Parties in the South China Sea (DOC) toward the end of 2011, the guidelines are criticized as not binding, and the diplomatic process still have to operate under limit and tensions (96-98).

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During the 1997-99 financial crisis, China had an opportunity to demonstrate regional leadership and its commitment to Southeast Asia (Ba 2003, 635). While Southeast Asian countries were disappointed that the United States was reluctant to help Thailand during the time of trouble, China became the helping hand by pledging US\$ 1 billion to help

Thailand and supported it throughout the crisis (637). China's benevolent action during that time is the cultivation for its latter economic prospects in the region. Until the present, the rapid growth of Southeast Asian-Chinese trade is frequently mentioned as the indication of Chinese growing influence, and consequently, as challenge to the United States power in the region (Percival 2007, 134-35).

China has also been attempting to boost its economic ties with ASEAN through several trade agreements. The Framework Agreement on Comprehensive Economic Co-operation to create ASEAN-China Free Trade Area within 10 years was signed in 2002, the Agreement on Trade in Goods of the Framework Agreement on Comprehensive Economic Co-operation between the Association of Southeast Asian Nations and the People's Republic of China was signed in 2004 and the Agreement on Trade in Services of China-ASEAN Free Trade Area was signed in 2007 (Lum et al. 2010, 69). While China is creating strong economic bond with Southeast Asian countries through multilateral approach, the United States is bonding with ASEAN states individually through the Free Trade Agreement. However, Singapore was the only Southeast Asian nation that successfully signed the Free Trade Agreement (FTA) with the United States while the negotiations with Malaysia and Thailand have failed to reach agreements (70).

Non-traditional security

China and the United States have long been involved in Southeast Asia as vital external actors and drawn upon considerable strength in projecting soft power in the region. Chinese influence has increased considerably owing to the effort to improve public perceptions in its neighbours combined with the U.S. aloofness during the post-Cold War era; nevertheless, it is still indiscernible to pinpoint the region is dominated by which side.

While China proposed its new security concept, The Five Principle of Peaceful Coexistence which encourages a country to avoid interference in other's internal affairs and creating mutually beneficial contacts and security stability, the United States engaged the region with the counterterrorism agenda (Sutter 2005, 290). Following the September 11 terrorist attacks, Southeast Asia suddenly became the 'second front' in a global war on terror for the United States (Economy 2005, 418). In 2003, President Bush sent message of counterterrorism during bilateral visits to the Philippines, Thailand, Singapore and Indonesia and successfully persuaded those countries including Malaysia to become the based cooperation on the counterterrorism campaign (Percival 2007, 132-34).

Later on, the U.S. conducted a military cooperation with Thai and Filipino's military to improve port security and expending significant resources and provided assistance to the Indonesian police to improve its counterterrorism capacity (Economy 2005, 419). The U.S. intention on region was emphasized again in November 2012 when President Barack Obama and Secretary of State Hillary Clinton made the Asia trip, visiting Thailand, Myanmar and Cambodia, in order to strengthen its partnership and promote democracy and human rights (Baker 2012).

On the other hand, China's diplomatic effort with the region has been increasingly visible. China seeks to improve the positive perception and extend its trade ties with the Southeast Asian states by including itself into multilateral organization, including ASEAN Plus Three and the East Asia Summit (EAS), and restraining its assertive action on South China Sea (Thayer 2011, 90-98 and Lum et al. 2010, 69). Moreover, China's influence is also actively expanded through educational exchange activities and foreign aid. Chinese government provided scholarships to more than 10,000 foreign students, expected to award 3,000 additional scholarships each year between 2008 and 2010, and planned to enroll 300,000 foreign students by 2020 (Xinhua 2008). Like in Africa, China offered a considerable amount of foreign assistance to developing countries including Cambodia, Laos and Myanmar (Lum et al. 2010, 71). With the pledging amount of US\$

12.6 billion for Southeast Asian countries, 59% was poured into infrastructure development, 38% for investment in natural resources and only 3% distributed to humanitarian and military assistance (71).

In conclusion, in spite of China and the United States are competing for dominance in Southeast Asia, both countries appear to use different approach to engage with the region. Instead of stridently opposes to American power, influence, and policies in Southeast Asia, China subtly and gradually expands its influences at the expense of the United States and other powers in Southeast Asia through multilateral initiatives and economic cooperation. While the Southeast Asian nations deeply value the long-standing U.S. security umbrella, China has spent over a decade actively persuading Southeast Asian States with new diplomatic initiatives, trade and investment and foreign aid. The U.S. firmly responded to Vietnam, Philippines after the South China Sea tension broke out, and the claimants have made it clear to keep Americans close as security partners and also to counterbalance growing Chinese power (Paal 2012, 8-9).

Despite the U.S. economic and military power displays its world's superpower status; it is apparently becoming more difficult for the United States to dominate the international agenda and to pass on its own economic difficulties to international market. It is still debated among scholars on China's future capabilities and intentions in a sense of pursuing hegemony; nonetheless, the rivalry between the two major powers is inevitable. China will be wherever the United States seeks to expand its power and influence and ready to deflect US moves with its own alternative initiatives to achieve a more equitable order in the wide spectrum of international affair (Garson 1994, 222).

2.2 Theoretical Perspective: Balancing, Hedging and Bandwagoning

2.2.1 Balancing, Hedging and Bandwagoning: The origin

The concepts of balancing, hedging and bandwagoning are considered as a part of the balance of power theory, a core tenet of both classical and neo-realist theories. While the term of balancing and bandwagoning has been in an International Relation literature and developed through scholarly debates for a few decades, the concept of hedging is relatively a new term. The term bandwagoning as a description of international alliance behaviour first appeared in Kenneth Waltz's Theory of International Politics. Waltz gave credit to Stephen Van Evera as the person who coined the term; however, it was later on suggested by Randall Schweller that bandwagoning was created by Quincy Wright in his work, A Study of War (Waltz 1979, 126 and Schweller 1999, 28).

In his structural model of balance of power theory, Waltz explains that bandwagoning represents the opposition of balancing as balancing means allying with the weaker side while bandwagoning refers to joining the stronger coalition (Waltz 1979, 126). In an anarchical environment where a political authority is absent, state cannot assume other states will come to their defence even if they are allies. In order to protect themselves from being attacked by a hegemon, states prevent potential dominance from arising by balancing against it (121). States can ensure their survivals through either internal balancing where states rely on their own capabilities to increase economic and military strength, or through external balancing where states form alliance to increase their capabilities (118).

Later on in 1987, Stephen M. Walt offered more suitable terms for the balance of threat theory: "when confronted by a significant external threat, states may either balance or bandwagon. Balancing is defined as allying with others against the prevailing threat; bandwagoning refers to alignment with the source of danger." Walt explains, although balancing behaviours is more common, the existential evidence in history has provided

support for the bandwagoning hypothesis. He argues that there are two motives which can lead a state to its bandwagoning behaviour; a state may side with the dominant power to avoid being attacked or to share the victory during wartime (Walt 1987, 17-21).

The term of hedging was originally used in finance, and later on, it was introduced to international relations studies, particularly in U.S. strategic discourse related to China (Kuik 2008, 161 and Goh 2006). It appeared in the 2006 National Security Strategy stated as U.S. strategy “seeks to encourage China to make the right strategic choices for its people, while we hedge against other possibilities (White House 2006, 42).” When the term of hedging has been used in International Relations literature, it was applied to describe interactions amongst states in several different aspects. First, it is referred to Sino-American strategies in pursuing engagement and integration mechanism while both sides are deeply concerned about the other’s real intension (Mederios 2005, 145). Second, the term implies the Southeast Asian states’ strategy in response to the two major powers in the region, namely China and the U.S., by adopting engagement and indirect balancing policies. Finally, there is the term “dual hedging” used to explain the case of Japan during the U.S. war in Afghanistan which the country depended on the United States as to hedge against possible military threats, on one hand, it sought different partners to hedge against its potential economic adversaries (Heginbotham and Samuels 2002, 111).

It is nevertheless argued that the term of hedging cannot be applied to the U.S. strategy toward China as a dominant power that is inclined to see its security interests in a zero-sum fashion, and the shifted U.S. strategy which emphasizes containing alliance and multilateralism is rather suspicious than solving the security dilemma to China (Goh 2006) By contrast, as the literature regarding Southeast Asian countries responses’ to the rise of China is growing, many analysts have discovered that the term of balancing and bandwagoning seem to fail to provide sufficient explanations in some cases because there is no evidence indicating the regional states are employing pure forms of balancing

and bandwagoning to handle Chinese and American influence in the region. Since then, hedging has become the alternative serving as “middle” position between the two terms of bandwagoning and balancing (Kuik 2008, 160).

2.2.2 Theoretical Refinement

Although Walt’s balance of threat theory has made a great contribution into International Relations literature and is widely accepted, it has gained some critics. The balancing and bandwagoning concepts have become the central debate amongst experts when International Relations scholars have seen no evidence of obvious balancing behaviours against the United States in the post-Cold War era, and the China has successfully managed to expand its power without provoking a regional backlash (Kang 2009, 1-2). Also, in a context of secondary states dealing with major powers, there have been cases where states neither employ the two strategies. This urges international relations observers to explore other concepts which might suggest such outcome in a state’s alignment strategy.

Some scholars are trying to elucidate that there are numerous historical example where states decide to adopt bandwagoning instead of balancing, and suggest that Walt’s theory overlooks the importance of domestic factors in alliance decision (Schweller 1994, 74). Schweller argues that balancing and bandwagoning are rather associated with opposite systemic conditions rather than being the opposite behaviours.

Since the debate over the two main concepts of Walt’s theory by the end of twentieth century, a literature on the role of small states in international politics has grown considerably. Despite the meanings are straightforward, scholars have found the term of balancing and bandwagoning are too extreme and may not capture the behaviour which is being played by small states (Goh 2008, 154 and Kang 2009, 2). Roy has developed four elaborate concepts in a range of alignment strategies spectrum for evaluating Southeast

Asian countries behaviors. In the middle area, hedging is “keeping more open more than one strategic options against the possibility of a future security threat”, and engagement is “the situation where a state uses inclusion and rewards to attempt to socialize a dissatisfied power into accepting the rules and institutions of the pre-existing international order” (10-11). Balancing, as he implies, is a state balances against a perceived potential adversary either internally by shifting resources allocations to strengthen its defensive capability or externally, by cooperating with another state that fear the same potential adversary” (306-07). Balancing may involve different levels of intensity. While low-intensity balancing is a state still sustain a positive relationship with the potentially threat while high-intensity balancing is the relationship between states are more openly hostile that economic cooperation is negatively affected from the political tension (306-10).

According to Roy, there is only one state in Southeast Asia that is employing hedging strategies to deal with China’s emergence; however, Goh argues that most states are evidently “hedging their bets” at some degree (2006). In addition to Waltz, Walt and Schweller’s definitions, Goh explains that balancing “sometimes can be nebulous but generally implies the forging of countervailing strength against a potentially hegemonic or threatening power, and clarifies the meaning of bandwagoning as “a clear policy of engagement toward the same state”(2005, 3). Observing from the premise that United States has been playing an important role as a ‘security guarantor’ toward China challenge, it is suggested that hedging is the most accurate term for describing the small and medium sized states’ behaviour in a response to the changing security in the Asia-Pacific (2006). As she puts it, hedging is “a set of strategies aimed at avoiding (or planning for contingencies in) a situation in which states cannot decide upon more straightforward alternatives such as balancing, bandwagoning, or neutrality. Instead they cultivate a middle position that forestall or avoids having to choose one side (or one straightforward policy stance) at the obvious expense of another” (2005, viii). She further explains that hedging behaviour in Southeast Asia can be pursued through three types of manners which are soft or indirect balancing, complex engagement with China at the

political, economic and strategic levels, and enmeshing a number of regional great powers (viii).

Kang also mentions in his work that to empirically test a concept of balancing is far more difficult than it appears as the term of balancing and bandwagoning are relatively complex and involve substantial commitments (2009, 3). In his alignment strategies spectrum, Kang has offered re-defined definitions of balancing and bandwagoning including terms of strategies within a middle range such as hedging and accommodating. As he writes, balancing should be implied as preparation for force, on the other hand, bandwagoning refers to clear attempts to curry favour with a state through military alliances or economic and diplomatic cooperation.” Hedgers will refer to “the countries that may not balance but still be somewhat sceptical of another country, in which case it might prefer to hedge.” However, “countries that do not fear a larger state do not hedge, even if they do not bandwagon.” Those countries should be implied as accommodation with “attempts to cooperate and craft stability that are short of slavish bandwagoning” (7). He believes that the concepts will be more useful if they are properly defined and applied, and adding adjectives such as ‘hard’ and ‘soft’ to the term ‘balancing’ does not empirically and theoretically help to clarify the term (21).

In conclusion, Walt’s balancing and bandwagoning concept represent the extreme scenario at the end of state alignment strategy spectrum. Moreover, bandwagoning strategies are defensive and pessimistically implied in which the situation that states have limited choices, and their policy choice and behaviour are constrained by international system controlled by great powers (Liow 2005, 286). On the other hand, Schweller views bandwagoning strategies slightly different as they are approaches which can be deliberately and intentionally selected by small states in order to increase their own interests. Some suggest that the importance of economic dependence in smaller states is usually downplayed by these realist theories; consequently, analysis of the impact of China rise cannot be fully assessed (Ross 2006, 189). However, the concepts in the

middle area such as accommodation, engagement and hedging introduced in this section will more or less filling the gap in the triangular relations evaluation as they offer attempts to look at economic cooperation and pay more attentions on the policies of individual Southeast Asian states toward China.

2.2.3 Balancing, Hedging and Bandwagoning in Southeast Asia

While China's influence is increasingly expanding to its neighbours, in terms of analysing Southeast Asian states' behaviors toward the rising power, it is argued that choices should not be limited only bandwagoning or balancing as the foreign policy of those countries are dynamic and different amongst countries (Chen and Yang 2012, 2). Chen and Yang construct the typology of Southeast Asian states' behaviour as soft-balancing, hedging and bandwagoning by using perception of threat and trade expectation as the factors to examine states' behaviors (2). Vietnam is considered to adopt the soft-balancing strategy against China, Cambodia is seen to actively taking bandwagoning approach with China, and Singapore' behaviour fits the hedging category as its behaviour indicates that the country does not desire to be dominated by any major powers (27-37).

Apart from strategic and economic concerns as the main factors that direct secondary states' reactions toward China's ascendancy, there are also other aspects such as domestic factors and disputes taken into the behaviour analysis. In the study of East Asia's response to China's emergence, Chung locates the position of 15 countries in Northeast Asia and Southeast Asia into three main categories, balancers, hedgers and bandwagoners according to his observation on trade dependence, the number of overseas Chinese, regime similarities, territorial disputes and U.S. alliance (2009/10, 659-71). Of the Southeast Asian states, Myanmar, Cambodia and Laos are put in the bandwagoning group as their fears of China had been hardly expressed, and these countries are rather seen to seek assistance and protection from China (662-69). On the other hand, Malaysia, Indonesia and Vietnam are characterized as 'hesitant hedgers', and Thailand, Singapore and Philippines' behaviors are categorized in 'active hedgers' group (665).

Regarding to the United States and a rising influence, Kang argues that Southeast Asian nations do not seem to be balancing China as theorists expect, instead the region will see more bandwagoning behaviour (2003, 55). Despite the existence of a U.S. alliance system in Southeast Asia, the economic and cultural ties of China and its neighbours that have been strengthened have proven that Southeast Asian countries are not inclined to balance against China (64). Slightly more complex than Kang's, Roy has elaborately analysed Southeast Asian nations' behaviour into four different groups. Thailand is the only country using hedging strategies, Myanmar is clearly bandwagoning with China, Singapore and the Philippines are categorized in overt low-intensity balancers, and Malaysia, Vietnam and Indonesia are also considered as a low-intensity balancers but with a more subtle manner (2005, 312-19).

While Goh argues that 'hedging' concept offers a more proper description of Southeast Asian states' behaviour as a response to China-U.S. influence, she suggests that there are three states in the region including Singapore, Vietnam and Thailand, are pursuing hedging strategies at some degree (2005, 2). Hedging behaviour seen in those countries involves three elements; indirect balancing which means resorting to the United States power as a counterbalance to Chinese emerging power, including China into a conduct of international rules and norms through a deep political, economic and security cooperation, and allowing other regional powers into the region and offering them a stake in order to maintain a regional stability (4).

According to the study of a specific country, Liow has concluded his analysis on Malaysia's relations with China that hedging in a sense of "bandwagoning-like policies toward a range of major powers which are rather made as a mean to advance their own interests than out of security concerns" best describes Malaysia's response toward the rising China (Liow 2005, 286). He argues according to a less threatening approach which has been used by China to engage with Malaysia, the country find itself more

manoeuvring room to bargain positions and secure its interests through the bandwagoning-like strategies (300).

In conclusion, the Southeast Asian states' behaviours toward China-U.S. rivalry for influence cannot be simply pinpointed in one particular term as they are deeply influenced by different factors. Their responses are vary amongst different countries; however, bandwagoning and hedging strategies dominate the reaction of the region as a whole while balancing approach tends to be adopted in a subtler manner as soft-balancing or low-intensity balancing (See Table1). According to scholars, Cambodia, Laos and Myanmar are unanimously viewed as bandwagoners who seek both military assistance and benefit through economic cooperation from China. Thailand is on the forefront of hedgers followed by Singapore, Malaysia. These hedgers are often seen to simultaneously react positively to Beijing's attempt in expanding trade ties and maintain the strategic alliance with Washington. Although outright balancing is rarely noticeable, balancing behaviour has been expressed indirectly in the form of explicit security concern and an effort to prepare for the uncertainty in the future by Vietnam, and to the lesser extent, by Philippines and Indonesia.

Table 5: Southeast Asian states' behaviour in response China-U.S. influence competition

Scholars/ Countries	Chen&Yang	Chung	Kang	Roy	Goh	Liaow
Cambodia	bandwagoner	bandwagoner	The region, as a whole, has seen as adopting bandwagoning rather than balancing strategies.	-	-	-
Indonesia	-	hesitant hedger		low-intensity balancer	-	-
Laos	-	bandwagoner		-	-	-
Malaysia	-	hesitant hedger		low-intensity balancer	-	hedger
Myanmar	-	bandwagoner		bandwagoner	-	-
Philippines	-	active hedger		overt low- intensity balancer	-	-
Singapore	hedger	hesitant hedger		overt low intensity balancer	hedger	-
Thailand	-	active hedger		hedger	hedger	-
Vietnam	soft-balancer	hesitant hedger		low-intensity balancer	hedger	-

Source: Kang (2003); Goh (2005); Liow (2005); Roy (2005); Chung (2009/10); (Chen and Yang 2012).

2.3 Further Discussion

Over the past few years, the pattern of International Relations in Asia has undergone a fundamental change as the structure of power and the nature of the regional system are profoundly adjusted. While the U.S. focused on Iraq and the broader war on terrorism policies, Asia is burgeoning as a result of the progress of regional multilateralism and expanded technological and economic interdependence throughout the region (Shambaugh 2004/05, 64 and Sutter 2008, 85) Perception of Washington in Asia is in decline, but Beijing regional influence has considerably increased. The U.S. leadership in Asia is challenged, and the China's emergence is the most crucial variable of all.

Owing to China's growing military, economic and diplomatic influence, especially around its periphery, there has been a growing debate among scholars whether the world is anticipating the clash between the existing dominant power and the rising power in the future (Shambaugh 2004/05, 64-67). Some scholars point out that China has been recently showing signals of being a status quo state rather than a revisionist state by including itself into the international economy, joining international institutions and playing a more active and responsible role in international affairs (Shambaugh 2004/5, 89-95, Sutter 2008, 92-97 and Zheng 2005, 22). On the other hand, it is argued that although China is not aggressively balancing, it expresses dissatisfaction to the U.S. unipolarity, and seeks revision (Alagappa 2003, 159 and Taylor 200, 33-37). Some analysts argue that Chinese intention to destroy the existing order is still difficult to identify; however, whether the transformation from unipolarity to multipolarity will occur largely depends on the roles that China decides to play in the future (Sweller and Pu 2011, 42 and Legro 2007, 527).

Regardless to the choice of policy that China is making, the effect of its policy is inevitably felt in Asia, especially in Southeast Asian countries whose interdependence with Beijing has been deeply integrated. The entire region is placed into a complex dilemma of balancing between the prosperity gained from economic cooperation with

China and the security assurance cultivated from alliance with the U.S. These secondary states, as a result, have to adopt different strategies to deal with the competition between the two major external powers in the region to maintain their survival. The principal cause of differences on each country's foreign policy may be involves several factors including U.S. alliance, regime type, trade dependence, territorial dispute and domestic factors such as Chinese overseas, differences on ideology or citizen attitude toward China.

Traditional balancing, which is to strengthen the defence capability either internally or externally against the threatening power, has been an uncommon strategy taken by small states against China according to pertinent literature (Schweller 1994, Roy 2006, Goh 2008 and Kang 2009). This can be explained by the Chinese 'Good Neighbour Policy'⁵ combined with the absence of the U.S. influence after the end of Cold War, and most importantly, the effort to avoid conflicts which may embroil the two countries and lead to the escalated hostility. Although strong balancing is unlikely to be a feasible option for these small states, there is a softer or indirect form of balancing, which refers to "an explicit expression of security concerns and conscious effort to prepare for unfavourable contingencies against the major power" (Chung 2009/10, 660). In this sense, some of Vietnam and Philippines' policies are within the range of balancing behaviour against China, especially regarding to their reaction to the South China Sea dispute. Despite its ambivalent relations with China and the U.S., Indonesia also has some worries about Beijing similar to Vietnam and Philippines but in a lesser extent. Apart from the issues of Natuna island in South China Sea, the country suffers from the legacy of violence involving the ethnic Chinese in the past (Roy 2005, 317). Cambodia, Laos and Myanmar are considered to principally taking bandwagoning approach to China which means to implement a clear policy of engagement toward the same state through military alliance

5. Chung 2010, 13-22. Good Neighbour Policy is "a comprehensive approach adopted by the PRC to pursue better relations with its neighbouring countries in the Asia Pacific regions". In Southeast Asia, China attempts to obtain a peaceful and secure surrounding environment for its economic and military modernization by employing non-interference policy, including itself into multilateral organization, increasing trade interdependence and downplaying the territorial disputes.

or economic cooperation for either profit-sharing or rent-seeking. All three states are deeply dependent on China both economically and militarily, and security concern over China's influence has been rarely expressed. The remaining three states including Malaysia, Singapore and Thailand, are positioned as the hedger who prefer not to antagonize any external great powers, at the same time, employing set of strategies to secure its best interest and protect itself from the possibility of future threat. These countries do not wish to be dominated by either China or the United States, at the same time, actively pursue economic cooperation with China and firmly maintain their alliance with the U.S.

After having undergone a tremendous change in many significant ways, the question emerged whether Myanmar is adopting some 'hedging strategies' toward the two external great powers in its triangular relationship. As having been isolated for more than 20 years and being a loyal friend of China, Myanmar is gradually revealing the desire to be a part of international community and to advance its benefit by cooperating with other countries. Internally, a long-standing military regime state has revealed a glimpse of democratization by setting up the civilian-backed government, freed thousands of political prisoners and increased the freedom of media. Externally, the isolated state has shown the desire to interact with other nation by unprecedentedly attracting a number of influential visitors including Secretary of State Hillary Clinton and President Barack Obama. In response to the opening gesture, Washington has formulated its new policy toward Myanmar by normalize fully economic and diplomatic ties including raising level of representation in Myanmar back to an ambassadorial level and alleviating the sanction regimen (Steinberg and Fan 2012, 365-66). A series of reforms, the suspension of Myitsone Dam project and the improved relationship with the United States is suggested to possibly frustrate China's Myanmar's aspiration (Sun 2012, 76) To find out whether Naypyidaw is adopting the new strategies in the same manner as its neighbour such as Malaysia, Singapore and Thailand, the answer lies behind the continuity and rupture in its national interests which need to be further investigated.

Chapter Three: Myanmar's National Concerns

(Domestic Perspective)

This chapter aims to touch upon Myanmar's national concerns in different areas from the internal perspective. After having been held back and isolated for many years, Myanmar has gone through a major change recently. As the government has unexpectedly embarked the reforms to lead the country to democratization, Myanmar's relations with the U.S were improved. The key objectives of this chapter are to identify domestic concerns and investigate whether the driving force of such transition derive internally. The scope of discussion covers five parts which are political stability, economic concerns, security concern, non-traditional security concerns and further discussion.

3.1 Political Instability

Ever since the independence from British rule in 1948, Myanmar has been struggling with its internal political uncertainty which is partially an offshoot of the divide and rule policy. Through a several times of power transition, the issue has clearly been the thorn in a flesh of every Burmese central government and also affected their alternatives in making both internal and foreign policy. This section aims to discuss political concerns that have been a long-standing challenge to the central government since the political transition during 1988-1990. In the current Burmese political landscape, it is argued that the persisting armed conflict with the ethnic groups and the Tatmadaw political opposition, Aung San Suu Kyi, are regarded as the important keys in the government's policy-making process.

The first issue which internally threatens Myanmar's stability and poses a challenge to any Burmese administrations is the fragmentation of ethnicity. Within 55 million of its

population, the country is composed of 135 ethnic groups⁶ (Roycee 2008, 32-33). Some of these ethnic groups have been anti-government rebels since Myanmar became independent republic in 1948 as to fight for independence in the beginning, and later on, struggling for some type of autonomy under a federal system (Steinberg 2012, 221). The clashes between the army and ethnic groups have been erupted at some times displacing tens of thousands of people within Myanmar and fleeing thousands more across the borders. However, the demand of self-government among the ethnic groups has been clearly rejected because the regime has firmly stood on its principle of national unity (Turnell 2012, 160).

In the long-standing conflict, the Burmese government periodically uses offensive campaigns to suppress the ethnic rebels alongside its reconciliation plan with a number of minorities along the Burmese periphery. The SLORC signed ceasefire agreements with eleven ethnic rebel groups including Shan State Army, the Kachin Independence organization and the Karenni group in 1989 (Callahan 1994, 205). A more flexible approach was later on made by the SPDC. The central government created the proposal to integrate the minority military into the Border Guard Forces under the national control by offering economic development and freedom of travel for unarmed ethnic leaders in exchange (Moe Thuzar 2012, 211). In spite of the offer which successfully persuaded a few ethnic groups, the plan was quietly set aside after President Thein Sein took office in 2011 (Steinberg 2012, 222).

However, the newly inaugural civil-backed government has shown its intentions to put more effort on the peaceful dialogue with ethnic minorities. As to continue the promising democratization process and prepare for ASEAN chairmanship in 2014, the president

6. Roycee 2008, 32-22. The figures of population are roughly estimated by the Ministry of Home and Religious Affairs in 1983. Also, the number of recognized ethnic groups is suspect as it based on the survey in the early colonial era.

recently set the national solidarity as one of the country's priorities in his inauguration speech and emphasized that the ethnic minority issue needed to be resolved (The New Light of Myanmar 2011). Despite the intensified fight with Kachin rebels recently, the president was meeting with ethnic leaders to seek a peaceful solution for the ethnic insurgencies, and some preliminary peace agreements have been successfully negotiated (Moe Thuzar 2012, 211).

Moreover, foreign aids to Myanmar have decreased since 1988 as a result of violent military crackdown in 1988 and the rejection of 1990 election. With this damning reputation of human rights abuse and aid restriction, Myanmar has become one of the least funded countries in the world. The amount of international aid that the country receives is considerably scarcer than, for example, Laos or Cambodia, which are at an equal level of poverty (IRIN 2009).

Regarding Burmese politics since 1988, Aung San Suu Kyi and her NLD party have been treated as the perpetual enemy to the military regime. The leader of NLD was perceived negatively by the military as a wife of foreigner and should not be accepted as the leader of the country⁷. Despite being put under the house arrest over 20 years by dubious charges, Aung San Suu Kyi's struggle against the junta has not only been an inspiration for democratic movement within the country but also been the influential factor determining the international community's reaction toward Myanmar.

As Steinberg describes, "Aung San Suu Kyi has emerged as the avatar of democracy both to many opposition within Myanmar and to the external world" (2010, 36). In one of the Burmese biggest protest in 2007 led by 10,000 monks, the anti-government protestors reportedly marched to greet the NLD's leader at the gate of her home and shouted

⁷ Interview with Thai scholar on August 13, 2013, Chiangmai University, Thailand

support for her along the street in Yangon (Mydans 2007). Myanmar has also been criticized by international institutions and other countries including the U.N., EU, ASEAN, the United States and Philippines on the human rights issue, and some even refuse to support the country unless Aung San Suu Kyi was released (Ardeth Maung Thawngmung and Maung Aung Myoe, 2008, 19).

Being seen as a threat to the regime stability, the generals were attempting to use a 'stricter' approach in order to handle the Aung San Suu Kyi's domestic and international influence. After the release of the first round of detention in 1995, Aung San Suu Kyi was invited to the first round of negotiations with Sr. Gen. Than Shwe. Basically, the chairman of SPDC thought that she would be easily persuaded and asked her to accept the military government. The negotiation unquestionably failed, and there was a rumour that the general has become very hateful about 'the lady' since then. He refused to address Aung San Suu Kyi by her name but called her by using Burmese term which mean 'a wife of foreigner' instead (Kyaw Yin Hlaing 2012, 202).

Although the NLD leader and its members was considered as threat to its stability in the past, the current Burmese government is now taking a more pragmatic approach to the 'lady' and allowing more space for its political oppositions. The government tends to see that the standoff against Aung San Suu Kyi is detrimental to its credibility domestically and internationally; thus, having her as the part of reform process possibly reduces the scepticism from both sides. Internal pressure was evidently lessened when the government's mild approach took place. Celebrations among the Burmese people were reported to be seen when Aung San Suu Kyi was released from the third detention in 2010, allowed to participate in 2012 election and seated in the parliament (Mydans 2010 and DiMaggio and Clapp 2012). Internationally, 'the lady' has a new role as the country representative travelling to many countries including Thailand, the United States, the United Kingdom and South Korea to rebuild the international confidence in Myanmar (Pitman 2012, Min Zin 2012, and Kim 2012).

3.2 Economic Struggle

Myanmar 's strategic location and rich endowment of natural resources are indeed the valuable assets for the country's economic development; however, the country's economic performances has been riddled with civil conflict, exploitation, poverty and poor health throughout several decades of military rule. According to the United Nation survey, the country remains one of the poorest in Southeast Asia with 26% of its population living below the poverty line.⁸

Despite the recent reforms involving boosting macro-economic stability, changes in financial regulations and improved relationships with Western countries, there are remaining issues which derive internally and externally that need to be tackled in order to successfully generate growth and sustain development. This section discusses various issues which hinder Myanmar's economic development. It first examines related issues arisen internally such as political stability and fiscal system, and later on, investigates concern created by external factors such as international sanctions and trade dependency on China.

It is strongly premised that Myanmar's economic performance is essentially altered by the political stability. After going through the economic downturn resulted from the government socialist-styled management during 1982-1988, the GDP growth rate dramatically dropped after the military crackdown from -4% to -11% in 1988/1989 fiscal year (See Table 2). The economic activities were slowly revived by the economic liberation implemented by SLORC when it came into power. The Union of Myanmar Foreign Investment Law in 1988 was implemented in order to transformed Burmese

8. UNOPS 2013.

economy from a planned socialist system to market-oriented system (McCarthy 2000, 233).

Despite the incentives such as a series of tax reliefs and exemptions combined with favourable conditions to investment such as the abundance of natural resources and cheap labour, SLORC's economic liberation policy successfully attracted Western investors only in the beginning. The proportion of foreign investment from Western countries dropped considerably after the investment and financial support for Myanmar were restricted according to the military's refusal of the 1990 election result. As a consequent withdrawal of foreign investment, the GDP rate was lowered from 7.5% in 1994/1995 fiscal year to 5.7% in 1997/1998 fiscal year (See Table 5).

Table 5: Myanmar Economic Growth (1981 -2013)

Fiscal Year	GDP Growth Rate (%)	Fiscal Year	GDP Growth Rate (%)	Fiscal Year	GDP Growth Rate (%)
1981/1982	6.4	1992/1993	9.7	2003/2004	13.8
1982/1983	5.4	1993/1994	6	2004/2005	13.6
1983/1984	4.3	1994/1995	7.5	2005/2006	13.6
1984/1985	4.9	1995/1996	6.9	2006/2007	13.1
1985/1986	2.9	1996/1997	6.4	2007/2008	11.9
1986/1987	-1.1	1997/1998	5.7	2008/2009	10.7
1987/1988	-4	1998/1999	5.8	2009/2010	10.4
1988/1989	-11.4	1999/2000	10.9	2010/2011	6
1989/1990	3.7	2000/2001	13.7	2011/2012	6.3
1990/1991	2.8	2001/2002	11.3	2012/2013	6.5
1991/1992	-0.7	2002/2003	12.0		

Source: CSO, Ministry of National Planning and Economic Development, Myanmar.
https://www.mnped.gov.mm/index.php?option=com_content&view=article&id=22&Itemid=39&lang=en

Besides the volatility of political situation, it is argued that the financial mismanagement by the military government has essentially had Myanmar's economy remained underdeveloped (Turnell 2011, 151). Instead of distributing its income to health, education and public infrastructure sectors, which need to be developed in order to support the country's economy in a long term, the SPDC poured a large proportion on arms and military infrastructure (152). Also, Tatmadaw's deep concern on its regime security brought about inconsistent of expert input and restricted financial system which have become the major setbacks in the country's economy progress (152).

Furthermore, because of the government tight control on banking system, the banking sector and capital market were considered to be primitive with no real competition, no stock market and no independent central banks (McCarthy 2000, 237). Currency is one of crucial issue in Burmese banking system as the Kyat exchange rates fixed by the official banks and by the market are considerably different. It is reported that the official rate is set at around K6/ US\$ 1 while the market rate stood at K800-1,000 / US\$ 1 (Herman 2012). The inconsistency in currency exchange system not only toppled the inconveniences, besides other strict financial regulations, to foreign investors but also increased foreign currency flow in a black market.

The issue of inadequate infrastructure facilities has been gradually aggravated according to the subsequent sanctions. Although the topic regarding whether sanctions are effective enough to change the regime is still under a scholarly debate, the economic restriction from Western countries have evidently harmed Myanmar's economy considerably. The positive economic environment in early 2000s was pulled back when the SPDC decided to brutally suppress the massive demonstration in the city of Yangon in 2007. The crackdown followed by the outcry and expanded economic sanctions from international community. The U.S. Congress enforced an act on banning the import of gems and timber from Myanmar, the EU embargoed the country's logging, timber and mining sectors, and Australian government imposed a financial blacklist against Burmese

government officials and businessmen (Ardeth Maung Thawngmung and Maung Aung Myoe, 2008, 18). These restrictions have worsened the country's economy. Although it is still debated by scholars whether sanctions have a direct effect on the country's growth rate, the GDP dropped from 13.1% in the 2006/2007 fiscal year to 11.9% in the 2007/2008 fiscal year and 10.4% in the 2009/2010 fiscal year respectively (See Table).

Besides the direct economic liberation initiated by the SLORC, fundamental infrastructure is crucial in developing the country's economy. The rocky relationship with international community has also resulted in decreasing foreign assistance, which is an important source for the country's infrastructure development. The pressures from the West combined with its critical debt obligation with IMF and the World Bank forced Myanmar to seek for aids and private investment from Asian nations such as Singapore and Japan (242). However, Japanese aids to Myanmar was suspended after the Depayin incident in 2003 and cut off US\$ 4 million grant to Myanmar after the death of a Japanese reporter in the 2007 political violence (Ardeth Maung Thawngmung and Maung Aung Myoe, 2008, 18).

As a consequent of the decline of FDI in Myanmar from Western countries in first round of sanctions, the investment was taken over by some Asian investors from Thailand, Singapore and China. Among its Asian trade partner, China's economic relations with Myanmar have grown considerably since 1988 with Myanmar suffering annual deficit all along. The domestic demands combined with the Western sanctions turns Myanmar into a market for Chinese goods, and the country has been increasingly dependent on trade with China. China has become a major supplier of consumer and capital goods to Myanmar with its total imports from and exports to Myanmar jumped from US\$ 255.62 million with US\$ 26.04 million trade balance in 1988 to US\$ 2,907.36 million with US\$ 1,615.2 million trade balance in 2009 (Steinberg and Fan 2012, 209). In 2009, China is the 4th largest foreign investors in Myanmar with an investment value exceeded US\$ 1, 331 million (Steinberg and Fan, 2012 229). However, China-Myanmar trade accounted

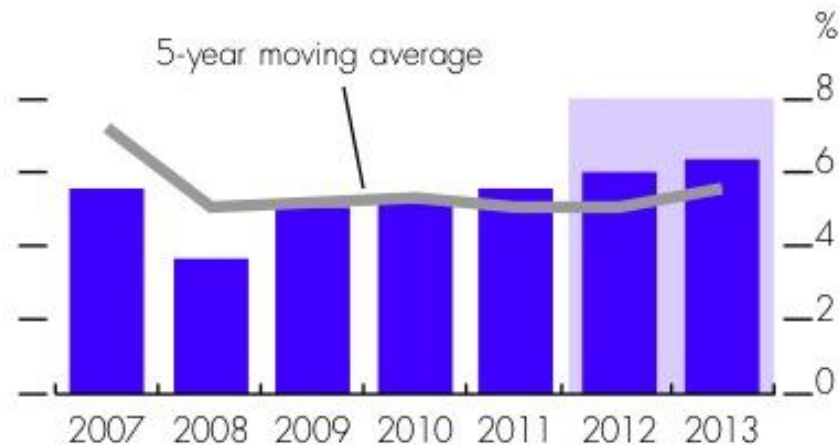
for only 1.2 % of China-ASEAN trade value from 2000-2008, and Myanmar is not considered as China's major trading partner when compares to Russia, Kazakhstan and Kyrgyzstan (218).

Moreover, China has become a major financial source for Myanmar's development by providing assistance in the forms of grants, interest free loans, or concessional loans and debt relief. Between 1989 and 2006, the Chinese government provided over RMB 2.15 billion and US\$ 400 million combined with RMB 10 million of debt relief and RMB 200 million grant aids to Myanmar (Maung Aung Myoe 2007, 10). The country has also received an immense support from China in modernizing its industries and expanding its infrastructure. Apart from providing coastal liners, irrigation pumps, construction materials, an auto telephone exchange and a satellite ground station, China has also assisted Myanmar in establishing state-owned enterprises including sugar and textile factory, plywood plant, cement plant, rice mill, coal-fired power plant, pulp and paper mill, mobile liquefied petroleum gas plants, agriculture equipment plant and other light industrial factories (Tin Maung Maung Than 2010, 466).

Recently, such economic concerns seem to be no longer neglected by the Burmese-civilian government as it has attempted to boost the country's economic growth by initiating a series of political and economic reforms. Despite a limited number of policy reforms, the increased political stability, improved relationship with Western countries and relaxed financial system will favourably expand investment, develop infrastructure and increase domestic consumption in Myanmar (Turnell 2012, 161). Some countries suspended their sanctions after having seen positive signs from the country's new government. The EU and Australia have lifted their travel and financial restrictions on Myanmar while the U.S. still maintains its list of targeted sanctions and only allows the U.S. companies to transact with four Burmese banks (Kinetz 2013). According to the ADB, Myanmar's external reserve has increased from US\$ 3.6 billion in 2007 to US\$ 5.2 billion in 2009 and U.S. US\$ billion in 2011, and it is expected to rise even higher in

the following years owing to expanding trade activities, improved financial system and increased financial assistance from international organizations (See Figure 3).

Figure 3: Myanmar's External Reserve and Its Tendency 2007-2013



Source: Asian Development Bank (ADB). <http://adb.org/countries/maynmar-fact-sheet?ref=countries/myanmar>.

3.3 Military Insecurity

According to the country's historical background, Myanmar's security concern has been evolved around its internal insurgency and the external influence. Despite going through several times of structural change, the Tatmadaw and the individuals within the institution remains the most important organ in ruling the country. During the 1990s - 2000s, top military officers were the majority in SLORC and SPDC until early 2011. Later on, when the civilian-backed government was established under the Roadmap to Discipline-flourishing Democracy, 25% of the parliament members were Defence Service personnel appointed by the Defence Service Commander-in-Chief with a retired

general as its paramount leader.⁹ This section aims to explore anxieties emerged within the Tatmadaw both resulted from domestic and external factors.

Burmese government evidently began to strengthen its arm forces after 1988 (Byman and Cliff 1999, 20). The major expansion is believably derived from the Tatmadaw's concerns on the escalating internal situation and its fear of foreign invasion (Selth 2008, 381-382). Domestically, the threat perceived from the upsurge of arms guerrillas and the wide-spreading protests aroused the military to increase the army capacity as well as purchase new ammunition. Although the precise number and statistics concerning Burmese military capability suffers from its accuracy and are still under the debate, experts estimate the size of the army with the number of military personnel around 200,000 in 1988, 400,000 in 2002 and currently below 600,000 (Selth 2009, 283-84). According to the government's nominal spending, the military budget grew considerably 19% in 1988 to 45% in 1999 and hovered around 40% until 2002 (283).

However, within the long list of weaponry purchase, it included some highly technologically advanced weapons. Radar and air defence weapons purchased overseas were suggested that they were clearly not being used to handle unarmed protestors or suppress lightly-armed ethnic rebels in the countryside (Selth 2008, 383). Beside grave ethnic conflict, external intervention is also the situation that the Burmese generals have been feared for. Historically, Myanmar suffered from multiple foreign invasions

9. Constitution of the Republic of the Union of Myanmar 2008, Chapter 1, Article 12(a), Chapter 1, Article 12(b), Chapter 1, Article 74, Chapter 1, Article 109, Chapter 1, and Article 141. According to the SPDC's 2008 constitution, the National Parliament consists of two Assemblies or Hluttaw, the National Parliament Assembly (Pyithu Hluttaw) and the National Assembly (Amyotha Hluttaw). The Pyithu Hluttaw has 330 representatives elected on the basis of township and population and 110 representatives appointed by the Defence Services Commander-in-Chief. The Amyotha Hluttaw has 168 representatives elected by each state or Division and 56 representatives appointed by the Defence Services Commander-in-Chief.

including China, India and Thailand in 13th century, the British Empire during 19th century with a few years being controlled by Japan (380). Burmese government perception of external threat is expressed in which the fear of foreign intervention as a result of the way Myanmar deals with its domestic problems. Various activist groups whose primary goal is the collapse of military regime have been receiving recognition and support from several Western countries (Selth 2008, 395).

The pressure from outside was compounded by the fact that the Western governments have been trying to condemn and criticize the country through international and regional organization, namely the U.N. and ARF (Haacke 2006, 65). The uneasiness of the military regarding foreign intervention was illustrated vividly by the Cyclone Nargis incident in which Sr. Gen. Than Shwe was reluctant to accept foreign aids by delaying visa granting to foreign experts and refusing to allow helicopters with supplies to enter the Burmese territory (Seekins 2009, 168).

Apart from the threat that the Tatmadaw perceived from the persisting internal insurgency and the external influence, inconsistency within the army also plays an important part in shaping the respective institution. In Burmese politics, power and national unity need to be continually preserved by the generals otherwise they could lose their privileges and be punished for the power abuse in the past. Despite its reputation of unity within the institution, it is argued that the Tatmadaw may not be as coherent and consistent as it claimed. There are evidences suggesting that the Burmese military has experienced the internal struggle, among the top level military in particular.

During the SLORC and SPDC administrations, the frailty of the army was divulged in the form of purges of military leaders. To begin with Sr. Gen. Saw Maung who was the commander-in-chief and chairman of the SLORC, the founder of the military government publicly announced to retire according to his poor health condition caused by stress. It is

reported that he humiliated the military by having delusional idea of himself being the reincarnated the 11th century Burmese king (Thomas, Jr 1997). His doctor and family members; however, believed that his illness was the result of the combined efforts of his colleagues in getting rid of his power (Win Min 2008, 1024). After his positions were succeeded by the associates, Saw Maung was completely out of public sight, and his name and pictures were removed from the government office and the military's history book (1024).

The hidden flaws that the military regime attempted to conceal were also premised by the disagreement between the three remaining SPDC leaders, Sr. Gen. Than Shwe (SPDC chairman), Sr. Gen. Maung Aye (SPDC vice-chairman) and Lt. Gen. Khin Nyunt (initially appointed as the secretary-1 of the SPDC and head of Military Intelligence and as prime minister in 2003). Khin Nyunt's reputation of pragmatic approach to international affairs coupled with his credits gained from successful cease-fire agreements with the ethnic groups made other generals feel uncomfortable with the fear that he might turn on them in the future (Haacke 2006, 13). He was eventually dismissed from the post in 2004 and convicted of eight different charges including bribery, corruption and insubordination (13). At the same time, the frustration with Than Shwe as the chairman of SPDC was also escalating in spite of his efforts to consolidate the power and ensure his continuing role in ruling the country. Reportedly, the brutal crackdown against the monk demonstration in 2007 appeared to aggravate other generals including Maung Aye who was also opposing the plan to attack Aung San Suu Kyi in the Depayin incident (Win Min 1035).

The military government dissolved in 2011 and was replaced by the civilian-backed government, but the internal breach continues as a legacy of military regime. Although the sacking has not been premised in the quasi-parliamentary system yet, the deepening conflict between hard-line and reform-minded military groups was already apparent in the new era of Burmese politics. While the liberal officials believe that the country's

serious economic and political problems could be resolved by reforms, the hardliners prefer military- ruling system and NLD being under control (Kyaw Yin Hlaing 2012, 209). Some generals reveal their desire of a faster pace of reforms, on the other hand, some hardliner ministers are still reluctant to work with Aung San Suu Kyi and feel that the reform are proceeded too quickly (212). Such internal conformities will inevitably become the obstacle in building a confidence both within the Burmese and among the international community with the fear that there might be a regime reversion.

3.4 Non-Traditional Security Concerns

Apart from political, economic and strategic concerns, this section discusses issues regarding Myanmar's human rights violations, narcotics and energy security. In Asia, there is probably no country which has been the subject of more attention and more criticism for its poor human rights record than Myanmar. With the scale and extent of abuses, the country is ranked 6th in the 2013 Human Rights Risk Atlas after Sudan, Somalia and Afghanistan by the U.K. business advisory company (the Irrawaddy, 2012). Under the different forms of human rights violations, the case which is drawn to international scrutiny the most is the one related to political freedom.

The demonstration started in 1988 due to the shortages of essential goods and spiralling rice prices was brutally ended by the military opened fire to unarmed demonstrators, and thousands of them were reported to be killed (Smith 1991, 2-3). The abuse of political power continued with the detention of Aung San Suu Kyi, imprisonment and torture of political activists and the rejection of 1990 election results (3-6). These actions, as being described by Western governments as an abuse of political freedom, brought about a series of punitive actions which not only affected the military regime but also its people.

The regime received strong criticism not only from the West but also its Asian neighbours when brutal force against the opposition was carried on by the military. In May 2003, Aung San Suu Kyi and NLD members were reported to be attacked in the village on the outskirts of Depayin Township by the troops who were believed to be commanded by Sr. Gen. Than Shwe. Although there were no official reports on the death tolls, the dissidents claimed that there were at least 50 people were slaughtered, and some women were allegedly raped during the penetration (Saw Yan Naing, 2011). After the incident, rumour about the NLD leader being captured by the military was circulating among the public. Malaysia's prime minister, Mahathir Mohamad urged the SPDC to immediately release her otherwise Myanmar's ASEAN membership would be in jeopardy (Seekins 2005, 439). Japan, known as being very patient with the military regime, response to the incident by announcing that it would suspend the new official assistance to Myanmar (439).

In 2007, the country was sealed in order to contain the protestors which included roughly 10,000 of monks. During the rally, policemen fired warning shots to people on the street, and troops were reported to be seen chasing the protestors and took them away in the trucks. The military was successfully clearing up the demonstration with an estimated death toll of at least 300 people (Mydans 2007). Once again, the violent suppression caused harsh criticism from ASEAN member states against the SPDC. As Chair of ASEAN, Singapore's Foreign Minister strongly expressed the brutal suppression as the 'collective revulsion' to Myanmar's Foreign Minister while Indonesia urged the Burmese government to peacefully handle the protest and to stop further violence (Davies 2012, 9).

The country's performance on human rights is not only crucial to the Burmese people trust in their new government but also important to the international acceptance. In order to develop the country which has been sealed for decades, assistance from other countries can be great helping hands. Moreover, as the country will be soon chaired the ASEAN

which has been increasingly paying attentions on human rights improvement in its country members, it is important to improve the image of the country as a more democratic and responsible leader.

Although the central government seemed to turn a blind eye on the international condemnation and public outcry over the past twenty years, the new civilian-backed government is taking a new approach by embarking its will to improve human rights through the political and economic reforms. Since the government under Thien Sein presidency took the office, a large number of political prisoners were released, Aung San Suu Kyi was elected as a parliamentary member, and the press restrictions were loosened with the improving ranking in the World Press Freedom Index. However, the U.N. still warns that the key human rights issues remain unaddressed. According to the U.N. Human Rights Council, “downgrading the scrutiny of the U.N. Human rights body would be premature” as there is still a big gap of improvement regarding the issues of Rohingya Muslim, the law of war in Kachin State and also political prisoners (2013). Moreover, behind the scene of the prisoners charged with the case 1988-1990 political uprising were released, the local newspaper reported there were at least 50 people being arrested in August 2013 because of their involvement with political activities.¹⁰

Apart from the issues of human rights violations, Myanmar has long been criticized on its narcotics issue; the United States once called the country “the narco-state”. Despite the effect of narcotics is rarely investigated internally, drug trafficking is always the target of condemnation on the country in the international stage alongside its human rights and regime legitimacy. Drug-producing activity in Myanmar has started since the country gained its independence in 1948 (Gibson and Hasema 2003, 2). Although the official has declared that opium sale was illegal since 1959, trade regarding narcotics began to burgeon afterwards (Steinberg 2001, 215). With the lucrative nature of the trade,

10. Interview with Burmese Students on September 15, 2013, Chiangmai University, Thailand

refineries were built in the Golden Triangle region, the border of Myanmar with Thailand and Laos, and the production of opium increased from a few hundred tons to 2500 tons during 1997-1998 (215). The country currently remains the world's second largest producer of illicit opium and a major exporter of methamphetamine to the black market around the world (Wylter 2008, 79). Such trading activities were reported to generate between US\$ 1 billion and US\$ 2 billion annually in exports (78).

Narcotic issue nevertheless became Myanmar's national concern when it significantly caused social issues in other countries such as China, Thailand and the United States. The first two countries are very important to Myanmar in patronizing the country's destitute economy while the latter keeps criticizing the military regime and persuading international community to impose sanctions against Naypyidaw. Apart from the absence of the central government's genuine effort to curtail the trafficking activities, the prosperous business has been carried on uninterruptedly because of the lack of control from the central government over the ethnic group areas. Steinberg argues that due to the persisted volatile situation and occasional military confrontation between the Tatmadaw and the rebel groups, trade on illegal drug can generate lucrative income and has become critical in financing the ethnic guerrillas (2001, 216). However, Myanmar's authorities recently acknowledged that country's drug problem has been increasingly deepened (AFP 2012). It is also noticed that methamphetamine is currently widely used among young people and adults in some states.¹¹

Contrast to its economic status, Myanmar is indeed rich in natural resources which fortunately have not been widely exploited yet as those in its neighbouring countries. According to the estimation of Thailand's national oil company, PTTEP, Myanmar's proven reserves for crude oil and natural gas could stand at 11.7 years and 26.8 years respectively (Richardson 2012, 2). As a series of reform have taken place, oil and gas

11. Interview with Burmese students on September 15, 2013, Chiangmai University, Thailand

industry, among other conventional industries such as minerals, gems and teak, are fully supported by the government and considered to be on the verge of rapid expansion (Shun 2013, 8).

The inflexible investment law was fixed in response to Naypyidaw's wishful plan to gain a lucrative profit and simultaneously revitalize the relations with Western investors through oil and gas business expansion. However, since the new government claims that the domestic demand should be addressed along the reforms, the question of whether the business would benefit the country as a whole potentially looms large internally as the expansion commenced. Among oil and gas producers in Southeast Asian countries, Myanmar's appears to be the least democratic and transparent (Sovacool 2010, 255). The lack of transparency consequently increases resistance among the people. Regarding the projects initiated by the by the state-owned Myanmar Oil and Gas Enterprise (MOGE), public discontent still exists. Some local villagers are concerned that the construction might bring about demolition, land erosion, deforestation and unfair land compensation from the government (Zhao 2011, 103).

Moreover, as this sector of industry expands, citizen's awareness whether the natural resources are equitably distributed is raised. While the country is facing with the problem of power shortages in many areas, 25 mega-dam projects have been planned and built, and 90% of the electricity they can produce will be sold overseas (Roughneen 2011). 90% of oil and gas produced in each field is directly managed by the MOGE, but it is reported that only 20% of crude oil and 25% of gas are reserved for the domestic market (Shun 2013, 9).

Further Discussion

In its isolation, Myanmar has long suffered from the unstable political situation, distressing economy, military power struggle and international condemnation on human

rights violation and narcotics. According to the previous study, it is undeniable that the military regime is not only the initial cause of those issues but their policies also exacerbate the situation. Public opposition and international pressure have been apparent as the response to the lack of legitimacy in a military ruling regime while aggravated economic situation and persisting ethnic conflict are partially the result of government mismanagement. Although the political and economic reforms had long been anticipated in Myanmar, the military regime managed to surprise many people as the reform were announce to be finally taken place.

Kyaw Yin Hlaing mentions Huntington's idea regarding democratization under authoritarian regime that it might take place under the following conditions: "when the regime is toppled by social movement or seriously weakened by a crisis; when reformers from within the regime and liberals from the movement find a way to work together; or when the regime feels that it cannot survive without initiating political reforms (2012, 199). Clearly, Myanmar has been struggling with social movements and critical economic condition, and the military has finally found the way to work with their political opposition. However, despite the constant political instability and the unprecedented cooperation between the junta and its oppositions, it is argued that the reforms were undertaken by the military as they are essentially important to the regime survival. The generals realize that they could not rule the country indefinitely the change is thus inevitable.

As a result of its inflexible and uncompromising ruling style, the military government had been facing pressure both from its people in the form of social movements and from international condemnation in the form of sanctions. What happened in the 1988 military crackdown and the rejection of 1990 election has toppled the aggravation and dissatisfaction among the Burmese people and the prodemocracy groups which brought about several major demonstrations afterwards. The conflict with the ethnic minority has also persisted, and the army is acutely aware of this hostility evidenced by the country's

income which was allocated mainly to increase the military capability. The economic restriction not only has decreased the general income generated from their business but also put the whole country into scarcity.

Despite acute problems which constantly threatened the country and the regime stability, the Tatmadaw stood firmly, and was seemingly confident, on its own principle in managing the domestic pressure. Looking through most of the major anti-government protests, extreme measures were normally the option for the army to clear up the riots. The military was indeed well-aware that the brutal reaction would inevitably result in even more aggravating public and stricter sanctions; it nevertheless was not hesitate to apply these brutal measures against the demonstrators when such incident occurred. Although it can be argued that the Burmese central government has been attempting to negotiate with the rebellious ethnic minority groups, it is beyond a doubt that the deal of federal system which is the ultimate goal of those ethnic groups can hardly be accepted by the military or the newly-established government whose majority is from the army and its allies. In the situation where the military confrontation takes place, those ethnic groups would hardly handle the troops with a larger scale of capacity. Moreover, despite the poor economic conditions resulted from the mismanagement, the military was still able to exploit the country's abundant natural resources and remain solvent economically with the help from trade with its Asian neighbours.

Although the NLD leader views her country's democratization progress as in a very beginning process, the military's unprecedented decision which has been recently made about her is relatively convincing to the public and international community that Myanmar is heading to the new era. ¹²It is completely acceptable to claim that the military and lady, after the twenty years of hostility, finally made a massive step in improving their relationship. However, whether the progress achieved by the two sides

12. Aung San Suu Kyi 2012.

can be regarded as the driving force to the regime change is still arguable. Before Aung San Suu Kyi's was allowed to participate in and honoured by the landmark election in April 2012, the referendum of the new constitution already took place and the quasi-parliamentary system was established in 2010. The change of power structure was intended to be made even before the victory of Aung San Suu Kyi. It is believed that Sr. Gen.Than Shwe singlehandedly decided the day of 2010 election and picked the members in the new government himself. (Kyaw Yin Hlaing 2012, 204-05). Besides, the huge gap of more cooperative attitude between the old and the new parliamentary remains to be filled in spite of the praise to the military received from other countries on the ground-breaking political change.

Regime survival appears to be the most contributing underlining factor which drives the country into the democratization under the Myanmar's authoritarianism. Considering the central government's reaction against domestic instability assessed from the past, social movement is seen to be controllable from the Tatmadaw's perspective. The meaningful step undertaken by the military with Aung San Suu Kyi was also evidently commenced after the initial reforms. Genuineness of the cooperation between reform-minded and parliamentary members and the hardliner is still needed to be approved in a long run.

According to Ko Ko Hlaing, the adviser of President Thein Sein, the Tatmadaw has always been aware that the country will be inevitably democratized in the future according to the global trend, and it desires Myanmar to go through the transition as smooth as possible.¹³ This clearly indicates that the Tatmadaw fears the sudden regime change where their power will be overthrown and some of them might be punished for the things they committed in the past. It is premised that before fully stepping in the so-called roadmap to democracy, the junta had been working to ensure that the country will go through a "smooth" transition. The new constitution which was heavily criticized by

13. Ko Ko Hlaing 2012.

the oppositions and international community of lacking transparency and genuine political liberation was finally ratified in the days following cyclone Nargis in May 2008 (Seekins 2009, 169).

The constitution gives the military an absolute power by establishing permanent military tribunals which is completely separated from civilian justice mechanism, limits the power of the oppositions by forbidding persons married to foreigners to hold political offices, ensures the junta power present in a parliament by requiring 25% of members of national legislature to be military personnel who are appointed by the commander-in-chief, and provides a blanket amnesty to the members of SPDC for their previous commission of heinous crimes (Seekins 2009, 169-170 and Aung Htoo 2010).

Besides securing the dominant power from the oppositions, the military also gains advantages in several areas. Internally, the political reforms and Aung San Suu Kyi's new role will calm the public, and the threat from social movement will be consequently lowered. As the country's financial condition is improved as a result of economic reforms, the state income, which is knowingly and mostly controlled by the military elites, will be dramatically increased. Internationally, the outside pressures are alleviated and the central government gains more acceptance. The improved image will pave the way for the country to be worthy to chair the ASEAN in 2014. In addition, some sanctions have been suspended, and more foreign assistances are expected to return.

Since the military thinks it will no longer survive in its isolation with a few allies, the reforms, beyond the outsider's expectation, emerged. Mounting problems suffered internally reach the point where they cannot be solved without adaptation. In a different form of ruling system, the dominant power remains in the hand of military elites so that their interests remain secured. The result of a study in this chapter suggests that the change is likely to commence internally; however, it is interesting to find out whether the

enthusiastic response from the external factors have contributed to a successfully-established reforms. As a result, the influence from other countries, namely China and the United States needs to be further investigated.



Chapter Four: Myanmar's Relations with China and the United States (External Perspective)

This chapter examines Myanmar's foreign relations with the two major powers; China and the United States in various aspects. The first four sections cover diplomatic and political relations, economic relations, traditional-security relations and non-traditional relations. The study aims to explore Chinese and U.S. goals in pursuing relationship with Myanmar and their shifts of strategies over the past twenty years. The last section sums up the pattern of interactions between Myanmar and its two external powers in general and comparatively discusses dominant characteristics in their foreign policy toward Myanmar

4.1 Diplomatic and Political Relations

The relationship between Myanmar and the world's two major powers over the past twenty years, in a diplomatic and political extent, has been directed in somewhat the opposite directions. This section investigates the pattern of diplomatic and political approaches in the relationship within the study time frame.

Myanmar was one of the first countries that officially accepted the PRC when it was established in 1949 (Arnott 2001). The cordial diplomatic relation has started since then with a regular ambassador appointment until the present. Although there were some stumbles caused by U.S. involvement in providing assistance to the KMT in Myanmar in the beginning of the relationship, the controversy was solved through diplomatic dialogues of high-ranking official and the U.S. aids cancellation in 1970s (Jirasawad 2000, 31-49).

The fact that Myanmar was isolated and vulnerable, both politically and economically, is viewed as the springboard for China to improve the proximity with its small neighbour. Through the frequency of officials visit exchange, Beijing represented itself as an understanding and benign power to Naypyidaw; thus, trust within the Burmese military has been built. A number of the bilateral agreements covering political, economic and strategic cooperation were signed during President Jiang Zemin visit to Myanmar in 2001 (See Appendix I). Cultural and sport ties were also encouraged. China provided Myanmar funding in building its national theatre during 1985. The exchange of athlete representative visit and friendship matches of volleyball and basketball between the two countries were frequently took place over the past 20 years (Arnott 2001).

Beijing was also seen as a political umbrella supporting and defending Burmese government both domestically and internationally. While the SLORC's action in cracking down the anti-government demonstration in 1988 was heavily criticized by the West, China announced that there would be no intervention in Myanmar's internal conflicts and hoped that the Burmese government would be able to bring the country back to peaceful state as soon as possible. In turn, Myanmar offered its understanding to China regarding the Tiananmen incident in the same year (Saichan 1999, 49). Regardless to the disagreement from the U.S. and its allies, China fully endorsed Myanmar accession to ASEAN claiming that being granted to the association would generate positive outcome to both Myanmar and the entire region (Xinhua 1997).¹⁴ In addition, China alongside Russia defended Myanmar that its issues related to human rights record were irrelevant to the potential threat to the region and vetoed the UN resolution proposal made by the U.S. in September 2007. Similarly, Myanmar's foreign ministry reaffirmed the one-China policy, and it strongly opposed Taiwan accession to the UN in 2007 and 2008 (See Appendix I).

¹⁴ Xinhua 1997.

By the end of 2009, Vice President Xi Jinping put forward the PRC policy to deepen the “paukpaw” relations with Myanmar (Arnott 2001, AlamGir 2008, 987; Haacke 2010, 121; SUN 2012, 79). “The proposal included maintaining high-level contact, deepening reciprocal cooperation, safeguarding peace and propriety of the border area, and strengthening coordination on international and regional affairs”. During the same year, Sr. Gen.Than Shwe travelled to observe reform process which has been successfully implemented in China. When President Thein Sein took the office in 2011, Beijing was the first destination of his foreign visit, and 9 agreements were signed during the trip. Moreover, China’s foreign ministry publicly congratulated Myanmar on its successful 2010 election and also urged Western governments to lift their sanctions after the 2012 election ended (See Appendix I).

Apart from the issue involving providing the KMT party assistance based in Myanmar during 1948-1953 and giving the Burmese government support in tackling human rights abuses and narcotics, Myanmar was considered not to receive much attention from the U.S. during the Cold War era (ISEAS 2010, 434). During the time of political turmoil in 1988-1990, the United States, on the other hand, has been estranged itself from Myanmar and simultaneously maintaining its effort to cripple the military regime by using international boycott. However, the aloofness and tension with the Myanmar has seen to be lessened in recent years when several political and economic reforms were initiated, and the U.S. new administration embarked its commitment to re-engage with the Southeast Asian countries.

On the verge of the USSR collapse and the democracy was prospering, the escalating violence between the pro-democracy groups and the military government emerged in 1988 finally drew the U.S. attention into Myanmar. U.S. Congressman Stephen J. Solarz, the Chairman of the house of representative sub-committee on Asia and Pacific Affairs visited Naypyidaw to observe the situation and negotiate with the military to end the political turmoil and bring the country into the democratization process as soon as

possible (See Appendix II). Evidenced by the extreme military's measure which resulted in the death of thousands protestors, the U.S. effort in pushing the junta to establish democracy was clearly unsuccessful. Washington, therefore, took a stronger approach by halting all the arm sales to Naypyidaw (ISEAS 2010, 435).

Besides ignoring the American warning signs, the military government maintained its strong stance in dealing with the domestic by arresting thousands of protestors and putting Aung San Suu Kyi into a detention. The action combined with the rejection of 1990 election consequently brought about the aggressive response from the U.S. The diplomatic relations between the two countries was degraded from embassy level to Charge'd Affair in August 1990 by the George W. H. Bush administration. Despite growing tension, it is apparent that both sides have made an effort to alleviate pressure through diplomatic dialogue. For example, Madeleine Albright, the U.S. ambassador to the U.N. met with the opposition leader and Lt. Gen. Khin Nyunt to discuss solution in the political conflict in 1995. Recently, U.S. Democrat Senator Jim Webb met with both the opposition and government leaders in 2009 (See Appendix II).

The Burmese generals' intransigency to be remained in power after the election came about a series of the U.S. broad sanctions which were imposed during the Clinton administration and Bush administration with a few additional restrictions afterwards. Moreover, Washington oftentimes addresses Burmese government's illegitimate power in ruling the country with the international community and successfully persuaded some Western countries to place such penalties on it. In 1997, the U.S. and its allies strongly opposed the Myanmar accession to ASEAN claiming the country's poor human rights records needed to be improve before the membership was granted (Guyot 1996, 193). Condoleezza Rice, who later on became the U.S. Secretary of States, named Myanmar in a list of six countries the U.S. considered as 'outpost of tyranny' in 2005 (BBC 2005). Claiming that political instability in Myanmar potentially posed a threat to regional and

international security, Washington proposed a resolution in demanding to end the Burmese military rule at the UN Security Council in the following year (Hoge 2007).

The changing direction of U.S. foreign policy toward Myanmar, as in the principle level, was taken place when President Barack Obama took the office. After the presidential inauguration, the administration announced to embark on putting more effort in engaging with countries in Southeast Asia (Godement 2010, 23-24). While sanctions imposed by Washington still remains, the U.S. government have adopted a 'pragmatic engagement' strategy to approach Naypyidaw (23). The changing principle was taken into actions when the U.S. Senior Diplomat Kurt Cambell paid his visit to Myanmar and met with the prime minister and the opposition leader. Despite its condemnation on the irregularities in 2010 election, the U.S. showed its commitment in pursuing a more friendly approach to Myanmar as it was planned. Official visits were unprecedentedly frequent during the year of 2011. The U.S. Deputy Assistance Secretary of State Joseph Yun came to Yangon to presented himself to the newly-formed government in May, U.S. special envoy Derek Mitchell visited Myanmar for two times, Foreign Minister Wunna Maung Lwin made trip to the U.S. and Secretary of States Hillary Clinton made a historic trip by the end of the year (See Appendix II).

Rewarding when democratization steps are taken place in the country is viewed as the U.S. newly adopted strategies to Myanmar after the 2010 election. An increase press freedom, release of political prisoners, and giving more political space to Aung San Suu Kyi has convinced Washington that the frozen relationship should be normalized. In the beginning of 2012, the diplomatic relations has been revived from Chargé d' Affaires to ambassador level by appointing Derek Mitchell as the U.S. ambassador to Myanmar.

Moreover, visa regulation which was restricted has been relaxed, and basketball players and coaches were sent to boost cultural ties. Important political figures visits have

ensured the international community that both countries are committed to their new moves in the recently revived bilateral relations. Aung San Suu Kyi spent 17 days travelling across the U.S. meeting with the country's leaders, top diplomats, policy makers and celebrities in October 2012, and President Obama spent a day in Yangon during his Southeast Asia trip in the same years. In May 2013, President Thein Sein has become the first Burmese president who visited the U.S. in 50 years (See Appendix II).

4.2 Economic Relations

Similar to the relationship in diplomatic and political aspects, Chinese and U.S foreign policies toward Myanmar are constructed to achieve different goals. Through different administrations since 1988, the United States has clearly expressed its stance on cracking down dictatorship and pushing for democratization in Myanmar. Apart from criticizing the country on the international stage, economic sanctions have been playing an important role in shaping Myanmar-U.S. relations.

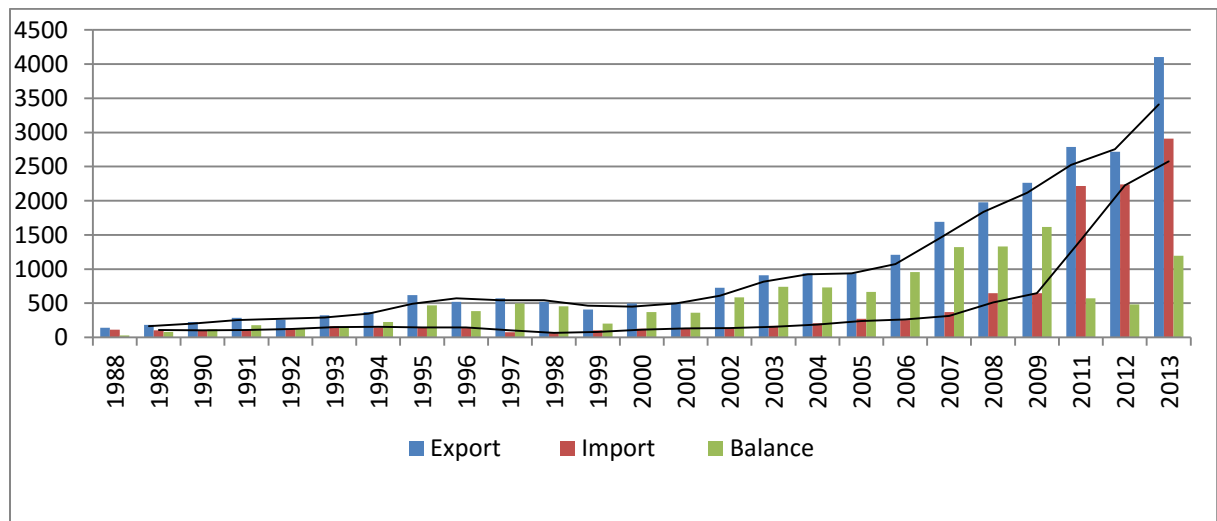
China, on the other hand, has started to closely engage with its south-western neighbour since 1990s according it aims to promote the "Go West" policy initiated by Deng Xiaoping to develop the country's inland areas. As being the second-largest country in the region and strategically located, Myanmar is seen as a potential market for Chinese goods and a connecting dot for Chinese logistic network. Myanmar's critical economic situation and its struggles to deal with the Western sanctions have yielded a great opportunity for China to rapidly expand its economic interests in the south. In order to examine Myanmar economic relations with the two major countries, the discussion covers U.S. economic sanctions, U.S. trade ties with Myanmar, Chinese trade with Myanmar both in general and along the border and Chinese economic assistance to Myanmar.

China has two main objectives in boosting its economic ties with Myanmar; turning Myanmar into the market for Chinese consumer goods and using the country as a bridge to the sea accession. Myanmar has the potential to absorb Chinese goods produced in Western China as the industrialization has not been developed, and the country has about 60 million consumers (Jirasawad 2000, 71-80). China has become the major supplier of commodities and goods to Myanmar after the trade ties were officially established. A huge amount of Chinese products flew to Myanmar when trade lanes were opened due to a longing shortage of daily consumer goods during the Burmese way to socialism era (Alamgir 2008, 980-983).

Due to the domestic demand coupled with the effect of Western sanctions, China-Myanmar trade volume has been steadily increased over the past twenty years (See Figure 4). Burmese exported products to China include woods, gems stone and fruits and nuts. This export generated trade value as high as US\$ 104.09 million in 1990, US\$ 124.82 million in 2000 and US\$ 2910.75 million in 2013. Besides consumer goods, Myanmar also imported vehicles, machines, fertilizers and iron ores from China which these Chinese products generated US\$ 223.54 million of income in 1990, US\$ 496.44 in 2000 and US\$ 4105.49 in 2013.

Figure 4: China Trade with Myanmar, 1988-2013

All figures are in millions of U.S. dollars on a nominal basis



Source: Yearbook of China's Foreign Economic Relations and Trade (1991-2003); China Commerce Yearbook (2004-2010); China Custom Office; IMF Direction of Trade Statistics (DOTS).

According to Steinberg and Fan, China's Yunnan Province shares a long border line with Myanmar, and trade activities conducted by the residents of the two respective countries started long before the official initiative during the late 1990s in the form of goods exchange by border residents and smuggling. Border trade has played an important role in expanding China-Myanmar bilateral trade when Burmese government legalized and formalized border trade with China (2012, 212-13). In 1988, four border trading offices were first established to support border trade activities, namely Lasher, Muse, Namkham and Kunlong (213). Until the present, there were four border trading points including Muse and Lwejel established in 1998, Chinshwehaw in 2003 and Kambiti in 2009 (219).

However, transforming trade system not only yielded benefit to the Chinese side but also allowed the Burmese central government to have a better control on trade activities along

its borders. Previously, small trade activities were conducted through unofficial trading points, and smuggling was mostly operated by ethnic rebel groups. Setting trading offices and opening legitimized trading points has not only increased government income from taxation but also sabotaged illegal business run by those anti-government armies whose incomes were mainly used to support their military capacities (Jirasawad 2000, 99-100). Obviously, China-Myanmar border trade has been flourishing after the official trade system was settled. According to the Department of Commerce of Yunnan, the trade volume along Yunnan border was US\$ 362.99 million in 2000 accounted for 58.5% of the overall China-Myanmar trade volume, US\$ 631.62 million in 2005 accounted for 52.2% and US\$ 1227.33 million in 2009 accounted for 42.2% (Steinberg and Fan 2012, 219).

Besides benefits generated from a direct trade activity with Myanmar, China also seeks the possibility to turn Myanmar into the bridge connecting its inland area to sea accession. With its strategic location connecting with three regions, including South Asia, Southeast Asia and East Asia, and lying between the world's major sea lanes, Indian Ocean and Malacca Strait, Myanmar can be the port for shipping Chinese products to the world market and importing energy to support Chinese economy. Myanmar's potential in advancing its economic interest has brought about Chinese assistance in different forms such as free or low-interest loans, infrastructure funding including capital and technical support in constructing manufacturing factors.

Hundreds of economic cooperation agreements were signed during the time that Yangon was isolated from Western governments (Steinberg and Fan 2012, 220). Agreements were usually signed during the high-ranking official visits. During President Jiang Zemin visit to Myanmar in 2001, two documents regarding agreements on fisheries cooperation, on economic and technical cooperation and on the promotion and protection of investment were signed. 21 economic cooperation agreements were signed during the visit of Vice Premier Wu Yi with a 33-member government delegations and a 46-

entrepreneur delegations in March 2004, and the two countries signed 16 documents in total covering agreements on development of trade, economy, transport infrastructure, technological cooperation and purchase of machinery during Chinese Vice President Xi Jinping visit in December 2009 (See Appendix II). Moreover, China also provides aid for Myanmar's infrastructure development. In September 2010, Sr. Gen. Than Shwe made a visit to Beijing, Shanghai and Shenzhen to learn from China's experiences in opening and reforming the country and to pick up US\$ 4.2 interest-free loan for hydropower, information and technology, roads and railways projects in Myanmar (See Appendix I).

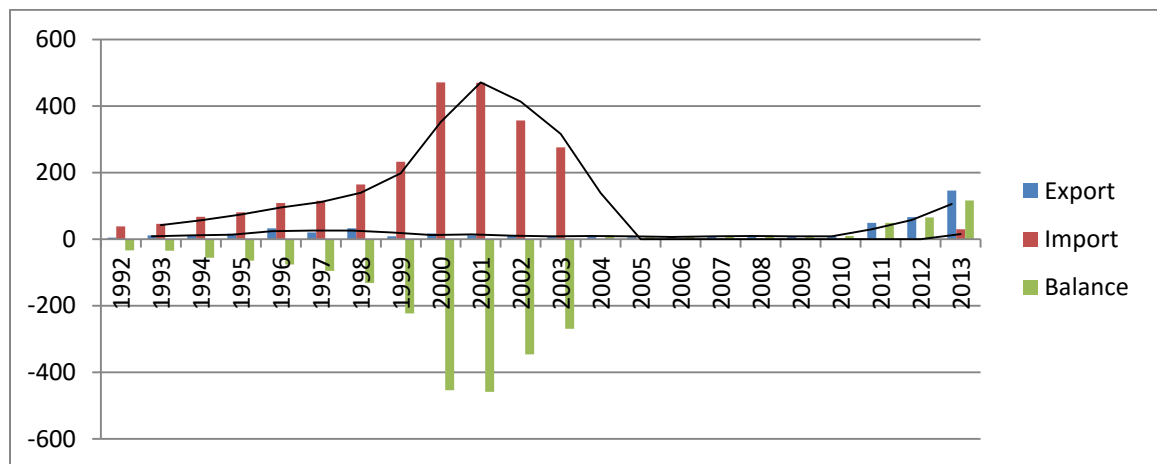
On the other hand, economic sanctions have been used by the U.S. as the punishment for an undemocratic ways in dealing with political instability by the Burmese military government. Since the U.S. strongly acted out against Burmese authoritarian regime in 1988, there were three major sanctions imposed by the U.S. against Myanmar. Broad sanction, covering economic, financial and travel restrictions, was firstly implemented by Senior Bush administration as a result of military violence used against the anti-government demonstration in 1988, the imprisonment of political activists, detention of Aung San Suu Kyi and the rejection of 1990 election. Sanction was extended again in 1997 during Clinton administration after the issue was debated among the U.S. policy makers after seeing no real democratic reforms in Myanmar.

In spite of Aung San Suu Kyi was released from the first round of detention, the U.S. Congress agreed to cancel the permission for American citizen or entities to invest in Myanmar except for a few energy company, namely UNOCAL and Total. The latest round of sanction on Myanmar took place in 2003 during George W. Bush administration. The decision was finalized by the Congress after the Depayin incident where Aung Suu Kyi was attacked, and many civilians are killed. The extension included the ban on Burmese imports and U.S. financial sector investment in Myanmar, blacklisting Burmese trans-national companies and generals' bank account, and enforcing the law stating that the U.S. Congress must vote against granting loans to Myanmar by

the international financial institutions. Moreover, this administration later on has blacklisted 110 more Burmese entity assets, increased restrictions on important precious stone and halted financial transaction of 10 Burmese companies (See Appendix II).

Figure 5: U.S. Trade with Myanmar, 1992-2013

All figures are in millions of U.S. dollars on a nominal basis



Source: U.S. Department of Commerce. <http://www.census.gov/foreign-trade/balance/c5700.html>

According to Figure 5, on-going trade activities between Myanmar and the U.S were visible until 2003. Before being completely halted by the third round of sanctions, Myanmar's trade volume with the U.S. had been increasing since 1992, especially in the year of 2000 which Burmese imports to the U.S. reached US\$ 470.8 million. Textile was one of Burmese business sectors which enjoyed the trade relations with the U.S. the most. It is reported that more than 100 textiles factories which were already in a poor financial condition, were closed, and it was estimated that the country lost 50,000-60,000 jobs during that time (Kudo 2008, 1006 -1015).

However, sluggish trade situation seems to be slightly improved in recent years after the bilateral relations in general was revived through high-ranking official visits. Even though the figure on Burmese goods imported to the U.S. remains frozen due to the sanctions, there has been a positive signs regarding the figure on U.S. goods exported to Myanmar. In addition, the president signed it into law stating that the U.S. would back Myanmar in receiving economic assistance from international financial institutions such as IMF and World Bank. The U.S. Treasury Department has issued permission to four Burmese banks for conducting financial transaction in the beginning of 2013 (See Appendix II)

4.3 Traditional Security Relations

Strategically speaking, apart from the issues related to Chinese support to the BCP and the U.S. assistance to the KTM in the early period after its independence, Myanmar did not receive much attention from both China and the United States until the late 1990s (Joonsiriwong 2007, 495). After the country's bloody civil war ended with the Communists' victory, Beijing had turned itself into an isolationist whose diplomatic activities with other countries were maintained minimal. Washington, similarly, did not view Myanmar as the key actor in the war of political ideology presumably because Naypyidaw obviously expressed itself of desiring not to be aligned with any sides and there were other Southeast Asian countries that needed more U.S. attention.

However, the Myanmar's strategic ties with China were impressively improved since the late 1990s while the one with the United States slowly became sour. Beijing has been considered to be the major arm supplier for the Tatmatdaw, on the other hand, Washington's policy toward Myanmar clearly aimed at crippling the Burmese army. This section, therefore, attempts to investigate the drastic change occurred in Burmese-Chinese strategic connection and explore the incentives behind that change.

Comparatively, the U.S. opposition to the military government and its punitive policy are also examined.

The proximity between PRC and the SLORC/SPDC is always described as the “paukpaw” or “brotherhood” by the leader both from the PLA and Tatmadaw (Arnott 2001, AlamGir 2008, 987; Haacke 2010, 121; SUN 2012, 79). Besides an exchange of official visits for economic purposes, high-level defence delegation exchange was seen to be relatively frequent. At invitation of General Zhang Wanian, Vice-Chaiman of SLORC, General Maung Aye visited China to boost military cooperation in 1997(See Appendix I). The military cooperation accord was finalized in the following year by the SLORC’s chairman, Sr. Gen. Than Shwe and the Chinese premier, Li Peng. Military cooperation was also fostered through the often regional military commander visits. Lt. Gen Tin Ngwe, the Commander in Chief of the Myanmar Air Force met with Fu Quanyou, the Chief of the PLA in Beijing in 1997, Major General Wang Jitang, commander of Yunnan Provincial Military Command of the Chinese PLA with military delegation visited Yangon in 1999, and recently in 2010, the Commander of Jinan Military Region, Fan Changlong, led a PLA military delegation to visit Myanmar (See Appendix I).

Through the time that the country was struggling with the civil unrest and enduring with the pressure from Western governments combined with the fact that its Southeast Asian neighbours, who were bound by the pressure of Western sanctions and their own internal security conflict, were unable to provide assistance, China remained Myanmar’s sole ally who was capable of helping (Thitiporn 2000, 106). As mentioned in Chapter Three, the Burmese army suddenly began to modernize its capability in 1988 in order to maintain internal stability and to deter foreign intervention, and its key sponsor was its giant neighbour from the north. It is suggested that 90% of Myanmar’s military hardware has been supported by China (Saez 2007, 676).

According to RAND's Project Air Force Research, China began to provide an extensive range of military equipment for the Tatmadaw in 1989 after a successful arms deal negotiation conducted during Sr. Gen. Than Shwe's Beijing visit in the same year (See Appendix I and Byman and Cliff 1999, 20). Chinese conventional weapons shipped to Myanmar included Type-62 and Type-63 light tanks, Type-69 battle tanks, F-6 and F-7 fighter jets, A-5 attack aircraft, PL-2 air-to-air missiles, HN-5A portable surface-to-air missiles, Hainan-class patrol craft, multiple rocket launchers, Y-8 and Y-2 transport aircraft and fire control radars (19). The Southeast Asian affairs scholar, Ian Storey claimed the evidence on China's weapons exported to Southeast Asian countries collected by SIPRI that half of them were delivered to Myanmar (2012, 298). During the 1988-1989, the cost of Chinese arms and ammunition purchased by the Tatmadaw was estimated to be US\$ 1.594 billion, and the scale of purchasing was reduced during 2000-2010 to be US\$ 183 million (298).

Apart from the economic interests and the partnership as an authoritarian with Myanmar, there are evidences suggesting that China's enthusiasm in boosting security ties might derive from the perceived threat from India. The strategic location can be used to fulfil China's strategic ambition in gaining an access to Indian Ocean (SUN 2012, 79). Its naval facilities were seen to receive special attention through a frequent visit of leading officials from the PLA. In August 1994, the Far Eastern Economic Review reported that China successfully secured an access to three islands off the Burmese coast for signals intelligence. Those three naval bases were Ramree Island which located in the Western Arakan state, Zadetkyi Kyun or St. Matthew's island which was close to the northern entrance to the Straits of Malacca and CoCo Island which was in Andaman Sea, Indian Ocean (12). Among those bases, the last one seems to trouble India the most as the island is knowingly close to India's naval base and the rumour that China has installed surveillance and communication equipment there (Byman and Cliff 1999, 19 and Jirasawad 2000, 80).

Contrast to what is seen in Chinese-Burmese relations, the security ties between Naypyidaw and Washington is rather estranged than cordial. The fears of foreign invasion deeply rooted in the junta combined with the U.S. solemnity on the difference of political ideology are the obstacles hindering the development of strategic connections. Despite its dire need of military hardware to maintain its internal stability during 1988-1990, not being the democratically-accountable armed forces made it impossible to receive military support from Western governments (Storey 2013, 294).

Instead, the military regime perceived threat from the U.S. since 1988 when the country was experiencing grave political situation. In September 1988, five U.S. naval vessels were detected off the Myanmar's coast (Selth 2008, 381). The Burmese generals' anxiety grew stronger when the U.S. embassy failed to convince that presence of the vessels was for embassy staff evacuation (382). Moreover, the Tatmadaw had long been concerned about the military exercises, namely the Cobra Gold, between Thailand and the United States. The military drill was possibly seen as the act of opposition against Myanmar's military regime as it sometimes took place near to the Thai-Burmese borders (Steinberg 2012, 222).

Apart from the suspicion on the U.S. relations with Thailand, the Tatmadaw has to strive to avoid the possible danger of being seen by Washington as a threat to regional security. In spite of the treaty on the Southeast Asia Nuclear Weapon-Free Zone (SEANWFZ) that Myanmar has signed in 1995, the international concerns over Burmese nuclear ambitions have been expressed at times (ABAD, Jr., 2005, 166). The suspicion that Myanmar was allegedly purchasing a nuclear reactor from Russia first brought up in U.S. Congress in 2001 (Haacke 2006, 68). Later on, Myanmar's Minister of Science, Thaung firmly denied the allegations and explained that the nuclear reactor was intended for research on medical purposes and the possibility of nuclear power generation (69).

Regardless to the lack of financial sources and specialist advice and the government's vigorous refusal, the military's obsession with secrecy, distrust of foreigners and commitment in self-reliance rather insist the U.S. to believe that Myanmar is potentially seeking its own nuclear weapons than defend it. Though there were claims made by locals of having seen nuclear weapon facility in Myanmar, evidences have not been substantiated.¹⁵ In June 2010, a documentary film about Myanmar's nuclear ambitions released by the Democratic voice of Burma (DVB) triggered international debates whether the Burmese army was constructing nuclear reactor and enriching uranium to develop atomic bombs (Selth 2010, 5). The U.S. Senator Jim Webb cancelled his trip to Myanmar as the allegation broke out (See Appendix II). Under such circumstance, Myanmar's military felt threatened, by the United State particularly, as the State Department's Bureau of Verification, Compliance and Implementation presumed that Myanmar may have an interest in pursuing nuclear program and receive assistance from North Korea to develop nuclear weapons (Selth 2010, 8). The U.S. was nevertheless unable to provide proof to support its claims, and the evidence which the DVB obtained from a mid-ranking Burmese military officer appeared to be weak and failed to affirm the Burmese intentions regarding nuclear program (9).

However, the unsteady relationship has been slightly improved recently. The U.S. took the first step in military re-engagement by inviting Myanmar to observe its military exercise with Thailand, Cobra Gold in 2012 (Aljazeera, 2012). Despite claiming that the cooperation was conducted for the humanitarian purpose, the initial success to boost Myanmar-U.S. security was followed by the invitation to the two Burmese officers participating as an observer in the same military drill in 2013 (Bangkok Post, 2013). Additionally, the two countries have shown their willing to increase military diplomacy and to solve issues regarding nuclear issues. In October 2012, head of the U.S. Army's Pacific Command, Lieutenant General Francis Wiercinski led 22 senior U.S. military officials visited Myanmar to discuss strategic issues and to continue the re-engagement

¹⁵ Interview with Burmese Journalists on August 23, 2013, Chiangmai, Thailand.

between two countries (See Appendix II). In the beginning of 2013, the meeting between the U.S. representative of the International Atomic Energy Agency (IAEA) and Myanmar's Ministry of Science and Technology's Department of Atomic Energy was held to discuss the International Safeguards and the Additional protocol (See Appendix II).

4.4 Non- Traditional Security Relations

This section discusses non-traditional security in Myanmar's foreign relations with China and the U.S. Looking through interactions occurred in the relationship, humanitarian assistance, anti-narcotics cooperation and energy security are viewed as three important factors used by the two major powers to approach Myanmar; however, each element receive different degree of attention from the two respective countries.

China's need of energy has been steadily accelerating since the economic reforms in Deng Xiaoping era as its government attempts to keep the certain pace of economic growth. Prosperity in trade with other countries also inadvertently brings about issues such as money laundering, bank fraud, and most importantly, spreading drug trafficking (Clarke 2008, 88). Chinese concern on the latter issue over Myanmar is raised when its internal drug problem has started worsened periodically since 1990s. According to the official statistics, the number of Chinese drug addicts registered with the public security organs jumped from 148,000 in 1991 to 1,140, 400 and 1,437,000 in 2005 and 2010 respectively (Steinberg and Fan 2012, 272). Considerable amount of heroin has been transported from Myanmar's Shan State and the United Wa State into China's Yunnan province through smugglers such as Yunnanese, Fujianese or ethnic Kokang (Clarke 2008, 75).

The PRC government not only adopts harsh anti-drug policy but also tries to promote cooperation in drug fighting with Myanmar both bilaterally and multilaterally with the UN Drug Convention participation. In July 1996, the information on drug smuggling prevention and controlling was discussed in Yunnan between the representatives from National Narcotics Control Commission (NNCC), Myanmar's Drug Abuse Control and the UN Drug Convention. The following year, six officials visited Myanmar to boost the cooperation in drug fighting. China also seeks to mitigate trafficking activities along its border through multilateral cooperation as well. The first anti-drug trafficking projects between the two countries were established in January 1990. In 1998, the Pact on drug cooperation, with the support of UNDCP, was signed by representatives from China, Laos, Myanmar, Thailand and Vietnam at the UN headquarters in New York (Saichan 1999, 151-152).

China also views Myanmar as a great access of energy supply to support its vibrant trade and exports as the domestic extraction and production cannot satisfy the increasing demand for economic and social development (Steinberg and Fan 2012, 163). The abundant natural resources combined with the advantage in transportation due to the proximity have made Naypyidaw the target to supply hydroelectric power, oil and gas for Beijing. China has been supporting Myanmar to develop hydropower projects since the early stage in the late 1990s. In some capacity, China has been involved in operating and building process of about 30 hydropower projects in Myanmar (Greacen and Palettu 2007, 108). In 1998, the Myanmar Electric Power Enterprise (MEPE) and the Yunnan Machinery & Equipment Import & Export Co. Ltd. (YMEC) signed US\$ 250 million MOU to implement the Paunglaung Hydro-electric Power Project which was located in the east of Pyinmana, Mandalay Division (See Appendix I).

Apart from the electricity, Chinese government also enthusiastically encourages Chinese companies to invest in Myanmar's oil and gas sector through the frequent official visits. Supported by a cordial relationship between the two governments, production-sharing

contracts on cooperation in petroleum exploration both onshore and offshore have been successfully made between Myanmar Oil & Gas Company (MOGE) and major Chinese oil corporation including China Petroleum & Chemical Corporation (SINOPEC), China National Petroleum Corporation (CNPC) and China National Offshore Oil Corporation (CNOOC) since 2001 (Steinberg and Fan 2012, 167-168). In 2010, contractors from China, India and South Korea funded US\$ 14.2 million for the construction of 793-kilometer long pipeline linking between Kyaukpyu Township on the coast of Arakan State and Kunming, southern China. The construction was complete and began fuelling China in July 2013 (Zarni Mann, the Irrawaddy).

In humanitarian aspect, China's support is mostly conducted in the governmental level in providing financial aids to build educational facilities and public infrastructure as mentioned earlier. Moreover, Chinese embrace of military regime is also partially blamed as the cause of the continuation of grave human rights situation in Myanmar as it has made the country become less enthusiastic in international concern on the particular issue (Davies 2012, 16).

Although the U.S. presence in Myanmar is not as strong as China in general, non-traditional security aspect has been dominant than the others in the overview relationship. Washington's attention on the Southeast Asian region had been declining since the end of Vietnam War in 1975, and assistance provided to Naypyidaw mostly focused on anti-narcotics campaigns and humanitarian (Joonsiriwong 2007, 496). In order to tackle drug traffickers whose stronghold was located in the Golden Triangle area and to provide basic needs such as food and medicine to Burmese people, the U.S. government spent around US\$ 12.3 million a year to support Burmese government (495). The aid program was later on proposed to be suspended after the unsuccessful negotiation between U.S. Congressman Stephen J. Solarz and the military government led by General Saw Maung during the political instability in 1988 (Saichan 1999, 93).

Although the U.S. suggestion of establishing democracy was not positively responded by the generals, the junta clearly expressed itself that it would not wish to be isolated by Washington. The Burmese government conveyed its commitment on fighting drug issue by inviting U.S. officials to heroine destroying session held by Burmese officials in February 1990 and gave its full cooperation in arresting Khun Sa, who was named as the ‘Opium King’ of the Golden Triangle, in the same year (94). The U.S. government insisted to suspend its direct aid program to Myanmar but remain its support in fighting the issue through the UN organizations.

Democratization and human rights promotion are knowingly the U.S. trademark in pursuing a relationship with other countries. When the pro-democracy demonstration took place in 1988, the U.S. was closely monitoring the situation, and its support to the oppositions has been manifested since the early stage of the conflict. In November 1988, U.S. representative-elect Dana Rohrabacher was sent to Thay Baw Bo student camp near Burmese-Thai borders to reaffirm its political support to the oppositions. The meetings between the U.S. envoys and the detained opposition leader took place for a few times. In 1994, U.S. Congressman Bill Richardson was allowed to visit Aung San Suu Kyi and give her a letter from President Bill Clinton.

Previously, the United States offered its assistance to Myanmar, but the military government was reluctant to receive as its fear of the U.S. hidden agenda. However, after the release of political prisoners and the initial political reforms embarked by the Burmese government, the U.S. humanitarian aid to Myanmar has been immense. During landmark visit to Myanmar by Secretary of State Hillary Clinton, the U.S. announced it would tighten the ties between the two countries by enhancing cooperation between Myanmar and the UN on health and anti-narcotics programs. Washington also expresses its concern over the violence in the ethnic minority areas evidenced by several visits made by the U.S. ambassador to the disputed areas such as Kachin and Arakan state recently. The government offered US\$ 2.73 million of humanitarian contribution for the

displaced person in the region in October 2012 and offered US\$ 100,000 for displaced person in sectarian violence in early 2013. Moreover, the U.S. had made a huge offer of US\$ 170 million to strengthen the U.S.-Myanmar Partnership program for promoting development in human rights, democracy and peace in Myanmar (See Appendix II).

4.5 Further Discussion

Chinese foreign policy toward Myanmar changed virtually in late 1980s from to geostrategic to geo-economic aspect which emphasizes national interest rather than political ideology. After having passed internal political struggle, China came out from its isolation and started economic reforms when Deng Xiaoping came into power. China sees not only trade benefit in but also the chance to expand its influence over its southwestern neighbour; the relationship between the two countries has been consequently improved politically, economically and strategically. Moreover, giving Myanmar supports during the time of its difficulty allows China to rapidly harness its influence and trust within the junta.

As being one of the undemocratic governments, the PRC definitely would like to bond with the authoritarian regime with the poor human rights record like Myanmar. China offers the country diplomatic and political protection, and Myanmar shows its gratitude by officially accepting China's ruling system and supporting the PRC government when it is criticized by Western countries. Tens of trade agreements signed by the two governments bring about the Chinese trade substantive benefit. China has become the major supplier of consumer goods in Burmese market, and the trade volume between the two countries has steadily increased since 1988 until the present.

Apart from the political and economic perspectives, China also makes an effort to tighten its military ties with Myanmar. Being the only ally who is capable of giving Myanmar military assistance, China not only gains a commercial benefit from arm sales but also an

access to the sea and to the Burmese military base in the Indian Ocean. The cordial relationship also allows China to take the lead in energy sector investment including hydropower, oil and gas. The energy resources from Myanmar help China to save its expense in transportation and conveniently fulfil the China's domestic demand in social and economic development.

Unlike China, U.S. foreign policy toward Myanmar was shifted for a few times over the past twenty years, nonetheless the overall relationship seems to be full of 'downs' more than 'ups'. According to Myanmar's non-alignment policy which desired to take a neutral stance in the international conflict particularly during the Cold War era, the U.S. viewed the country as an unlikely player to be allied with in order to tackle communism when compared to other Southeast Asian neighbours such as Philippines and Thailand. Except the assistance in tackling drug trafficking and humanitarian aid, Naypyidaw thus gained little attention from Washington during that time.

Later on, the aloofness in the relationship was replaced by tension during the political instability in 1988-1990. American foreign policy toward Myanmar after the brutal military crackdown in 1988 and the junta's refusal to honour the 1990 election result has been pivoting around the issues such as its undemocratic ruling government and poor human rights. The U.S. imposed economic sanctions on Myanmar and also persuaded other Western countries to do the same aiming to paralyze Burmese economy which heavily relied on exports. Additionally, Washington also worked through international organisations such as the UN seeking support in collapsing the military regime.

When President Barack Obama took the office in 2009, U.S. attention has brought back to Asia, particularly the south-eastern region, again. As having been deeply concerned about China's ascending power over the region, the U.S. undoubtedly would want Myanmar to move a bit further from its 'big brother'. Thus, Washington was not hesitant

to quickly patch up its frayed relationship with Naypyidaw when the junta sent opening gestures recently. Although the outcome from the rapprochement has not been apparent, the U.S. at least took the opportunity to show Myanmar that it is willing to support Myanmar's democratization plan and to ease distrustfulness among Burmese elites. Besides political and strategic aspect, the U.S. also anticipates to gain opportunity to increase its trade benefit in Myanmar as well. Even though the U.S. government announced that sanctions on Myanmar are still maintained until it sees more progress in political reforms, restriction such as banning the U.S. entity to invest in Myanmar is now suspended. This unquestionably increases American investment and trade activity conducted by American in Myanmar.



Chapter Five: Conclusion

This Chapter is the final part of the research. It consists of three main sections which are main findings, conclusion and limitation and recommendation for future research. Main findings is the provision of answers for the four research questions, conclusion sums up the main objectives and result of the study, and the last section discusses research limitations and recommends what should be further studied regarding this approach.

5.1 Main Findings

Question 1: How has Myanmar's Relationship with China and the U.S. changed since 1988?

The China-Myanmar relations were established during late 1980s when China began its economic reforms and sought to expand its economy. In the early years of the relationship, China's approach to Myanmar mainly focused on trade evidenced by agreements signed between the countries in order to legalized border trade. The ties were immensely improved when Myanmar faced difficulty according to domestic political situation and was consequently isolated by Western countries.

Without interfering with the internal affairs, Beijing offered its political, economic and military assistance to Naypyidaw during the hard time. Politically, The PRC government not only announced its acceptance when the SLORC was established in 1988 but also defended the Burmese government when it was heavily criticized on the abuse of human rights by the U.S. at the UN. in 2007. Though frequent official visit exchange between the two countries and hundreds of the cooperation agreements signed along the way, China and Myanmar are deeply bonded together politically, economically and militarily.

China's aim in providing military assistance to Myanmar is not only to gain commercial benefit from arm sales but the influence built with the junta also help Beijing to pave the way for the prosperity in trade and investment. Evidence in Chapter Four shows that China currently has been involved in 30 hydropower projects in Myanmar including the Paunglaung Hydroelectric Power which costs US\$ 250 million to build. Three pillar Chinese energy companies namely the SINOPEC, CNPC and CNOOC have the production-sharing contracts on cooperation with the Myanmar's state-owned company, MOGE in petroleum exploration both offshore and on shore. After the trade ties were established, China become the major supplier of consumer goods in Myanmar's market and took the lead in investment in Myanmar. Moreover, China also provided financial support for infrastructure development such bridge and road building to support its exporting route to the Indian Ocean.

The tension in Myanmar-U.S. broke out in 1988. Washington was deeply concerned about the extreme measures used by the military to suppress the demonstration in Yangon which resulted in the death of thousand civilians. Instead of normalising the situation by accepting the result of the election held in 1990 as the U.S. urged, the SLORC rejected the election's validity and insisted its legitimacy in ruling the country. As it mentioned in Chapter Two that American conventional foreign policy emphasizes the importance of democracy and human rights, the grave situation of human rights abuse and undemocratic action of the junta during 1988-1990 made the U.S. feel obliged to act out. According to evidence in Chapter 4, broad economic sanction was firstly imposed on Myanmar in 1988 by the Senior Bush administration, expanded in 1997 by the Clinton administration, and reached its peak in 2003 by Junior Bush administration.

The evidence from Chapter Two shows that the U.S. attention has drawn back to Southeast Asia region again during Obama administration as it become increasingly concerned about Chinese growing influence. Combined with Myanmar's gestures of desiring to be more democratic and more open to other countries, the rapprochement

between the two countries took place in 2011. Diplomatic relations have been revived and some sanctions were suspended. Although it is conjectured that Myanmar's re-engagement this time is aimed to lowered Chinese overwhelming influence, the evidence in the beginning of the rapprochement collected in Chapter Four has not been substantive to identify strong U.S. presence in balancing against Chinese influence Myanmar.

Regarding the pattern of interactions between Myanmar and the two major powers, it can be concluded that China and the United States has applied different strategies in approaching Myanmar over the past twenty years. While China skips the political dissimilarity work toward its national interests with Myanmar, Myanmar's authoritarianism remains the tangled issues for the U.S. Due to the proximity, strategic location and natural resources, China's constructive move on Myanmar is sensible in the Chinese national interest perspective. The country has the potential of being the market with roughly 60 million consumers for Chinese goods, natural and energy resources to back up the China's growing domestic demand and sea access.

Business opportunity in Myanmar unquestionably attracts the U.S. during the time that its economy slows down; nonetheless the main obstacle for business activity is the sanction which has long insisted by Washington government that it will not be lifted unless democracy is truly developed. Thus, the sensible approach to Myanmar is to encourage democratization process and to provide humanitarian supports. Strategically, the Burmese-Chinese bond is overwhelming; however, the U.S. has been attempting to lower mistrust within the Burmese army. This helps alleviating overall tension and creating friendly atmosphere to cooperation.

Arguably, the relationship between Beijing and Naypyidaw could not have been this cordial the without the Washington's coercive moves. Substantive evidence in Chapter Three and Chapter Four shows that being isolated not only from the U.S. who was its

major trade partner but also other European partner, Myanmar was inevitably driven to its Asian neighbours especially China. However, when compare to U.S. intention to other Southeast Asian countries in Chapter Two, it is found that Myanmar is relatively insignificant as an individual player; instead, it is rather viewed as a part of the U.S. strategy in increasing influence in the region as a whole. The U.S. rapprochement with Myanmar is not only implied to the intention to contain China's growing power and to regain its own influence in Southeast Asia but also the message to other Southeast Asian countries such as Laos and Vietnam that Washington is ready to work with in order to improve their relations.

Question 2: What are Myanmar's internal concerns?

After decades of virtual international isolation, the result of the study in Chapter Three reveals that the most intractable problems facing Myanmar perhaps its internal vulnerability. Over the past twenty years, Myanmar has suffered from a wide range of problems including political uncertainty, economic difficulty, and other security concerns. Among all the problems, the ones that acutely harm the country's stability and pose the challenge to the military government the most are unstable political and depressing economic situation.

The ethnic conflict has persisted since the Burmese gained independence from the British Empire in 1948. Myanmar is ethnically diverse with 135 minority groups in its population. While the SLORC/SPDC government pillar policy is to emphasize the national unity and to integrate those ethnic minorities into Myanmar's mainstream, those ethnic groups desire an acceptance and greater autonomy. As the two sides cannot agree on the same solution, the conflict has resulted in a long persisting civil war in Burmese history. Despite the central government's attempt hold the negotiation for the ceasefires, the clash between the central government and the ethnic rebels breaks out from time to

time. The confrontation not only poses a grave danger to the country's stability but also displaces thousands of people in the conflict areas and consequently brings about criticism from the neighboring countries.

Apart from the ethnic fragmentation, the political opposition and its leader, Aung San Suu Kyi, are seen by the junta as the threat to the regime stability as well. Despite being under the detention, the reputation and popularity of the NLD leaders are widely recognized both domestically and internationally. The importance of Aung San Suu Kyi is not only because her way of thinking about democracy represents the West but she is also the influential factor which determines the policy from Western countries toward Myanmar. It is premised that some strict measures imposed on Myanmar such as expansion of economic sanction and international criticism are the result of how undemocratically the junta treated Aung San Suu Kyi. For example, Washington announced to strengthen its trade restriction on Myanmar, and Japan halted its financial assistance after the Depayin incident in 2003 which Aung San Suu Kyi was attacked by the guerillas that were believed to be sponsored by the junta.

Another problem which has been deeply affected the well-being of the people and hindered the country from being developed is the chronic economic issues. It is reported by the U.N. that Myanmar is one of the poorest country in the region and 26% of its population lives under the poverty line. The country experienced the major economic crisis in 1988 which is the consequent result of mismanagement during the Burmese Way to Socialism era of Gen. Ne Win. However, when the SLORC/SPDC took power, the problem remained unresolved. The evidence in Chapter Three indicates that there are three main cause of Myanmar's depressing economy: the government mismanagement; political uncertainty and international sanctions.

Policies implemented by government, namely the strict investment law and tight banking control resulted in the lack of FDI in the country and the lack of real competition in the market. It is also observed that most of the country's income is allocated to arms and military infrastructure. The junta's obsession in security threat results in the lack of financial support for education and infrastructure which are crucial factors in developing human resources and logistic network.

Obviously, uncertainty in administration brings about the discontinuity in developing the country's economy. It is found that Burmese GDP rate dropped from -%4 to -11% after the military crackdown in 1988. As the country's economy mainly relies on export and foreign investment, being isolated by Western countries results in an even more difficult situation for Myanmar. International sanctions limit the option of trade partner and consequently drives Myanmar to count upon its Asian neighbors. China's economic influence is eminent in Myanmar's agricultural, industrial and energy sectors. Although the Burmese-Chinese trade volume has been rapidly increased over the past twenty year, it is premised that Myanmar suffers the deficit all along.

Although there are other issues mentioned in Chapter Three such as fracture within the Tatmatdaw and narcotics, they are perceived as less acute when compare to the two problems mentioned above. Despite the evidence of internal breach within the military which results in the change of power structure in the Tatmatdaw, the absolute power in ruling the country evidently remains secured in the hand of military. Drug trafficking seems to rather trouble the neighbouring countries than Myanmar itself as they are they serve as the market for drug produced in Myanmar. However, the military regime shows that it is willing to participate in the counter-narcotics campaign with the UNDCP and other countries; as a result the international criticism has been lowered.

The result of the study in Chapter Three combined with the empirical data collected from scholar interviews suggest that pressure derived internally has considerably pushing Myanmar to the point of transition. The evidence reveals the connection between the issues which Myanmar been greatly suffered from and the recent political and economic reforms. As the political and economic problems have been eroding, the regime stability is consequently challenged. Although conditions of Myanmar in general are far from ideal, they are yet to reach such point of severity that the military regime is in danger of collapse. Nevertheless, the military leadership is acutely aware of the high risks inherent in continuing instability and has thus begun to implement reforms designed to simultaneously alleviate condition and buttress their own. Political reforms including holding an election, giving press freedom and providing political space to Aung San Suu Kyi are aimed to decelerate pressures from both domestic and international aspects. While the people's resistance to the military is lowered, their power is secured. Aung San Suu Kyi's new role decreases the pressure from outside and attracts more assistance. At the same time, economic reforms allow more trade partner and investor to be involved.

Question 3: Which strategic theories –balancing, hedging or bandwagoning –could be the most plausible and understandable explanation for Myanmar's current foreign policy towards China and the United States?

The study in Chapter Two shows that prior to the recent rapprochement in Myanmar-U.S. relations, Naypyidaw has always been put in the category of “bandwagoner”, who implements a clear policy of engagement toward the China through military alliance and economic cooperation for either profit-sharing or rent-seeking, alongside Cambodia and Laos. However, the evidence of Myanmar's recent interactions with China and the U.S. reveals that even after the shift in its foreign policy toward the U.S., Myanmar still maintains its close military ties with and heavily relies on China economically.

Myanmar's strategic relationship with the U.S. since 1988 is full of distrust and tension. According to its history of being invaded by foreigners for many times, Burmese government always has the fears of being attacked by external powers. The provocative situation occurred when Burmese military detected five U.S. naval vessels in Myanmar's coast, and they were believed by the Burmese government to be deployed as an invasion fleet which was sent to help the protestors in 1988. In spite of the U.S. Embassy claim that the vessels were for the embassy staff evacuation, it failed to convince the Burmese side. In turn, the U.S. has always been concerned about Myanmar's ambition for nuclear weapons as the evidence in Chapter Four shows that Washington expressed its skepticism many times that Myanmar allegedly received assistance from North Korea and Russia in the particular matter. Moreover, the anxiety of the generals towards American is clearly expressed through its rejection to the U.S. assistance for the victims of the Cyclone Nargis in 2008.

While Naypyidaw and Washington became deeply estranged according to the perceived threat from each side, Myanmar's strategic relations with Beijing were rapidly improved. The evidence found in Chapter Three and Chapter Four identifies that China was the main weaponry supporter for the Tatmatdaw's major military enlargement in 1989. The PLA and the Tatmatdaw relations have always praised by the leaders of the two countries as "paukpaw" or "brotherhood". Beside arms purchasing in 1989, the evidence also shows that weapons used in the Burmese army are 90% from China, and Beijing was the arms supplier for Myanmar since then until 2010. Apart from the commercial benefit from arm sales, China also gained the access to Burmese military bases which was close to Indian military base in the Indian Ocean as well.

Economic cooperation between China and Myanmar is unquestionably vital to the Burmese economy as a whole. During the time that Naypyidaw was sanctioned by Washington and experiencing economic struggle, Beijing has turned itself into the major trade partner and investor in Myanmar. While the U.S. trade activities were absent,

Myanmar has become deeply and increasingly dependent on Chinese goods evidenced by the Chinese import value jumped from US\$ 223.54 million in 1990 to US\$ 6830.98 million in 2012. Tens of economic cooperation agreements were signed during the official visits to allow smoother business activity both in general and along the borders. Until the present, there are four border trading points established which include Muse, Lwejel, Chinshwehaw and Kambiti.

Although it has been conjectured by many observers that the changing policy of Myanmar toward the U.S. is the proof that the country is adopting “hedging” strategies in order to lower its dependency on China, the result of the study in this research reveals that Naypyidaw remains deeply engaged with Beijing both economically and militarily, and its behaviours in the rapprochement with the U.S. are hardly described as “hedgers.” According to the behaviours of Southeast Asian hedgers namely Thailand, Singapore and Malaysia, hedging strategy is to simultaneously react positively to China in expanding trade ties and maintain the strategic alliance with Washington.

After investigating Myanmar’s foreign policy which has been adopted by its government over the past few years, it has not seen the desire of the country to ally the U.S. strategically, and the trade between the two countries has not yet been deepened. Militarily, the major improvement in Myanmar-U.S. relations is the Burmese military officers were invited to participate the Thai-U.S military drill, Cobra Gold, in 2012 and 2013. This action of the U.S. could be only expected to lower the distrust within the Tatmatdaw which has been deeply rooted since 1988. Moreover, it is evidenced that the PLA and the Tatmatdaw still maintain their frequency in official visits and enhance their strategic cooperation until the present.

In spite of some economic restrictions were suspended, and the bilateral relation was generally revived recently, proportion of trade between Myanmar and China remains

overwhelmingly higher when compare with the U.S. While Myanmar imports to China generates as high as US\$ 1291.54 million, its imports to the U.S. costs lower than US\$ 200 million. Most importantly, the U.S. announced that it would maintain other sanctions until the real progress of democratization is seen.

The U.S. important roles in this rapprochement are mostly focused on democratization process and the promotion of human rights. Some scholars may suggest that the suspension of Myitsone Dam construction and the dispute over the Letpadaung copper mine project, the major Myanmar-China joint projects, are the sign of Naypyidaw resistance to Beijing. However, the evidence from the study shows that controversy was later on mediated through diplomatic efforts from both sides. Shortly after China expressed its concern over the tension caused by the suspension in 2011, Myanmar's Foreign Ministry visited China as a special envoy of the Burmese president to discuss the problem and emphasized the value of the Chinese friendship to Myanmar. Similarly, after the negotiations between the two parties, the mine operation was resumed in July 2013.

In conclusion, despite changes in its foreign policy toward the U.S., it is far too early to conclude that Myanmar is adopting "hedging" strategies as there are no such behaviors appeared in the pattern of interaction recently. Moreover, the strategic and economic conditions have shown that Naypyidaw is still deeply dependent on China.

Question 4: What are the driving forces of continuity or rupture in Myanmar's Foreign policy toward China and the U.S. from 1988-2013?

According to the evidence collected in Chapter Four and the chronology of Myanmar's foreign relations with China and the U.S., two critical junctions are found. The first shift in Myanmar's foreign policy was 1988 when its relations with the U.S. experienced a

rupture, and cordial ties with China were commenced. The change in Myanmar's foreign policy trend was apparent again when the deeply-estranged relations with the U.S. were improved.

When investigate the internal and external influences that possibly drive Myanmar to the point of breaking in its relationship with the U.S. and consequently the brotherly relations with China, the finding is likely to derive from the nature of Myanmar's foreign policy. According to its strategic location which situates between major powers, China and India combined with the anxiety of being attacked by foreigners stemmed from the history background, Myanmar has been deeply cautious in its foreign relations and prefer not to be aligned with any particular sides.

The military evidently shows its desire to manage the internal issues on their own during the political turmoil in 1988-1990; on the other hand, the U.S. gestures since in the beginning of the problem conveys its desire to be involved in Myanmar's internal affairs. Due to its nature in wishing to be closely aligned with any countries, the U.S. action of close monitoring and constantly advising on how the situation should be handled are seen to be relatively intrusive by the Burmese side. Combined with the fact that the Myanmar-U.S. relations were not particularly healthy during that time, as it described in Chapter Four of being "aloof", the SLORC were not obliged to take U.S. opinions into the consideration.

Being fully aware of its upcoming victory democratic world in the Cold War, the U.S. downgraded its diplomatic relations with Myanmar and imposed sanctions on the country as the punishment for human rights abuse and undemocratic action of the junta. In the situation where the country was crippled by critical economic condition and lacked of political companions, Myanmar was bound to ally with China who was capable of helping. As it sees great potential benefits in engaging with Myanmar, China looked over

the differences in political ideology and avoided interfering Myanmar's internal affairs. The relationship was consequently immensely improved.

The shift in Myanmar's foreign policy trend was found once again in the year 2011 when the Burmese government began the rapprochement with other countries including the U.S. The evidence found in Chapter Three suggests that the changing manner of the military rather derived as a result of a strive for regime survival. Although the long-standing internal problems have not reached the point of collapsing, they gradually destabilise the power of the junta. They realise that these mounting problems cannot be resolved without adaptation; as a result external actors are attracted to be involved.

The reason behind the U.S. response to Myanmar opening gestures can be simply explained by the evidence found in Chapter Two. According to the U.S. awareness that China's influence in the Southeast region has been drastically growing during the time that its intention was drawn somewhere else, the Obama administration embarked the shift in foreign policy in order to re-gain its influence in the region. Myanmar is considered to be one of the Southeast Asian countries whose relationships with China are dominant. When the country positions itself at the door of transition and reveal the desire of rapprochement with other countries, the U.S. positively responded to it.

However, the investigation on interaction between Myanmar and the U.S. over the past few years suggests that the impact of the rapprochement might not be as immense as it expected by observers. From Myanmar's perspective, the U.S. support in the reform process and the leading figure visit exchange between the two countries represent "the green light" to other Western countries who wish to engage with Naypyidaw. Moreover, it is worth to mention that the U.S. involvement is seen to be limited at the surface level and mostly focused on humanitarianism. The U.S. also views Myanmar as only a part of

the region which is stage of a game for influence with China. When the country shows its improvement in the direction which the U.S. desires, it is rewarded.

5.2. Discussion of the Main Findings

Regarding the result of investigation on the pattern of interactions between Myanmar and the two major powers, China and the U.S., Myanmar has gone through major shifts in its foreign policy two times from 1988 to 2013. The first shift took place in 1988 where the rupture in Myanmar-U.S. relations became apparent, and the cordial China-Myanmar relations began. The second shift was in 2011 where an unprecedented improvement in the Myanmar-U.S. relations was commenced, and the relationship with China remained healthy. China has embraced Myanmar's military government by supporting it politically, economically and militarily during the time of isolation; consequently, the ties between the two countries are based on a deepening trust which has been built over the past twenty years. Despite the rapprochement with the U.S. recently, Myanmar remains mostly dependent on China, especially in military and economic aspects. In the early stage of the re-engagement, the U.S. objectives are to encourage political reforms and promote human rights in Myanmar.

From Myanmar's perspective, the country's foreign affairs have been immensely improved as a result of political and economic reform initiatives. The U.S. official visits not only represent the U.S. support to the political transition in Myanmar but also the U.S. acceptance for the country which has been named as a "pariah" for decades, and the door for pursuing a relation with other countries for Myanmar is open. Myanmar's vantages over its Southeast Asian neighbor are the strategic location and abundant natural resources; when encouraging investment environment is built, new investors are thus attracted to come. Having more options for trade partners consequently boosts the country's economy in general and yields the Burmese government the better control to steer its economy out of the distressing situation in the foreseeable future. The

improvement of the economic situation and people's living condition is also expected to lower the internal political pressure on the government as well. Internationally, the criticism on being an authoritarian has been lowered, and country's image is ameliorated. This allows Myanmar to gain a better position in taking the ASEAN chair in 2014, and attracts more assistance from international community.

Regarding the conjecture whether Myanmar's changing foreign policy is mainly altered by its deepened dependence on China, the result of an investigation on Myanmar's internal concern suggests that the rationale behind the transition derived from pressures perceived by the military government from different sources. It is premised that despite Myanmar's improving gesture toward the U.S., the country clearly maintains the healthy relationship and highly values Chinese friendship. This behavior may not represent the desire to mitigate Chinese power but may represent the desire to bring more actors to be involved in order to assist the country to solve the problems that China fails to do so. Although China has expressed concerned over Myanmar's political situation from time to time, it does not wish to interfere. Moreover, even though China was able to protect the military government from the UN resolution, the government's legitimacy in ruling the country remained widely unacceptable, and the international pressure was still pounding. Therefore, initiating reforms and shifting its foreign policy would allow the military government to unleash the country from both internal and external pressures.

From China's perspective, Myanmar's recent move on foreign policy may not be detrimental as it was conjectured. Despite new allies, Myanmar still has to rely on China in many aspects and highly appraises the trust between the two countries. Although Myanmar has established a civil-backed government, the connection which has been built with the military government over the past twenty years is secured. 25% of the parliamentary members are directly appointed by the army, and some parliamentary members are formerly military officers. In addition, the evidence collected in the early stage of the transition shows that China is still able to secure its own economic interest

and take the lead in Myanmar's investment sector. In political aspect, China's image of responsible power will be complimented by Myanmar's initiative on democratization. The political reforms have apparently lowered international pressure not only subjected to Myanmar but also to China as being protective about Burmese authoritarianism in exchange of its economic interests.

From the U.S. perspective, despite the substantive improvement has not been seen during the beginning period of the rapprochement with Myanmar, it is considered as the point where the long-standing tension between the two countries is dramatically eased. What has been done in the U.S. foreign policy toward Myanmar since the visit of the Secretary of States Hillary Clinton suggests that Washington is well-aware of the firmly established ties between China and Myanmar; increasing the U.S. influence as leverage against Chinese influence in Myanmar is thus seemed to be the unlikely objective for the rapprochement. The improving relationship with Myanmar only reflects the U.S. commitment on providing more attention to the Southeast Asian region according to the foreign policy plan in the Obama administration. Although it can be argued that Washington's aim in increasing its economic interest is also included in the rapprochement plan, the improvement in this particular aspect mainly relies on Myanmar's progress in democratization and humanitarianism. As the Burmese government expresses that the reform is expected be achieved as in a long-term plan, Washington could only support Naypyidaw in political and humanitarian aspects and leave its economic goals in pending during the beginning stage of re-engagement.

In conclusion, the shift in Myanmar's foreign policy toward the U.S. began in 2011 has not challenged status quo in the China-U.S. competition for influence in Southeast Asia. Myanmar is able to maintain a cordial relationship with China, especially militarily and economically; Chinese anxiety on losing its influence in Myanmar is thus not likely to be created. However, Myanmar's changing approach may be considered as the signal for

China to be prepared for a more competitive situation in Myanmar's economy as there are more actors involved.

5.3 Conclusion

The main objective of this research is to investigate Myanmar's foreign policy toward China and the U.S. 1988-2013 in order to identify the dominant characteristics in the pattern of interactions. This qualitative-styled research employs mixed strategies of using strategic theories identify the answer main research problems and using analysis on collected data form secondary sources and interviews as the supporting evidence and the tool to find answer of other questions. Data collection in Chapter Two, Chapter Three and Chapter Four derived from secondary sources and interviews. Secondary data derives from books, journals, official documents, news articles, and Multimedia resources, and the interview subjects are scholars, students and journalists.

As the research approach is relatively new and includes information which has not seen to appear in the pertinent literature, the result of the study is unlikely to be compared with other research with a different timeframe. However, the result shows that despite the rapprochement with the U.S., Myanmar remains closely allied with China, and the rupture does not seem to appear in the pattern of interactions. The contribution of this study are: it has re-assessed the pattern of strategic interaction between China and the U.S. in Southeast Asia; China and the U.S influence in the new arena, which is Myanmar, is firstly examined after the shift in Myanmar's foreign policy in 2011 and a fresh insight analysis on current Myanmar's foreign policy are added to the pertinent literature.

5.4 Limitations and Recommendation for Future Research

The nature of a qualitative research is time-consuming method, and it is heavily involved with process. As a result, the researchers might obtain a subjective view and can only

base the result on their own interpretation. Another shortfall of this research derives as its approach relates to the trend of foreign policy. The chances in interviewing policy makers are rare; therefore, the result heavily relies on the literature review and data collected from interviewees. The recommendation for future research would be more attempts to gain fist-hand data as it is more accurate and deduct the researcher's bias in analysis. Secondly, as mentioned that the shift in Myanmar's foreign policy was just commenced, the research was unable to provide substantive evidences to support the result. The research in this approach should be conducted again when interactions between Myanmar, China and the U.S. become more apparent.



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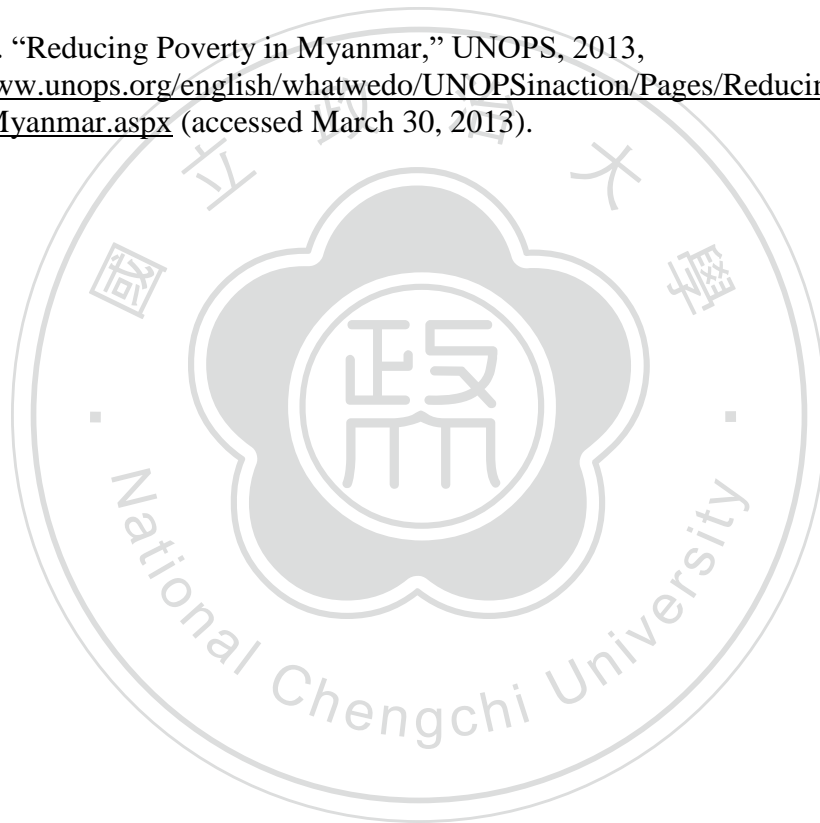
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Appendix I: Chronology of Myanmar's Bilateral Relations China (1988-2013)

1988

May 4: Foreign Minister Ye Goung left on a good-will visit to China. He was accompanied by Director General of the Political Department Ohn Gyaw, Director Tun Ngwe, and his personal secretary Hla Oo.

August 5: Zhu Kui, vice governor of China's Yunnan Province, signed an agreement for border trade between the Myanmar Export and Import Corp. and the Yunnan Provincial Import Export Corp. Trade began in October at Muse in Myanmar and Shweli in China.

September 22: SLORC was formed on September 18. Jin Guihur, the spokesman of China's Foreign Ministry said that China did not interfere in Myanmar's internal affairs but hoped the situation would return to normal. In 1988, China preserved a prudent silence towards Myanmar's domestic turbulence, and Chinese media only reported the situation in Myanmar without comment.

1989

April 22: Lt. Gen. Khin Nyunt travelled to the Salween to meet the Communist Party of Burma mutineers (CPB).

May 25: When meeting Myanmar's newly appointed ambassador to China, Premier Li Peng reaffirmed China's foreign policy.

June 13: Lt. Gen. Khin Nyunt, the secretary of State Law and Order Restoration Council (SLORC), called in China's ambassador to Myanmar, Cheng Ruisheng, and expressed sympathy and understanding on the Chinese government use of force against the demonstration at Tiananmen Square in Beijing.

October 18-29: A 24-man senior Burmese military delegation, led by Commander in Chief (Army) Lt. Gen. Than Shwe, visited China. The delegation met with Chinese Chairman Deng Xiaoping, Premier Li Peng, Chinese Commander in Chief Gen. Su Xian

and other high-ranking officials. During dinner hosted by Chinese commander-in-chief, Lt. Gen. Than Shwe praised the special Myanmar-China “Paukphaw” (brother) relationship.

November-December: SLORC-CBP mutineers concluded cease-fire.

December 4: A Memorandum of Understanding (MOU) regarding economic and trade co-operation between China and Myanmar was signed by the visiting Yunnan’s provincial delegation and Myanmar’s Ministry of Trade. Yunnan Province opened department stores in Mandalay and Lashio; commodities produced in Yunnan were sold department stores in Myanmar; branch company offices opened; and tourism between Yangon and Kunming was encouraged.

1990

May 13: The Ministry of Trade licensed the Union of Myanmar Muse/Namkham Border Chamber of Commerce, to establish friendly relations with similar organizations in China, to promote a fair rate of exchange between the Kyat and the Yuan, to cooperate in preventing trade in banned goods and protect poor traders.

August 22: A 6-member delegation led by Mr. Yuan Yong Yuan of the Chinese Ministry of Public Security arrived to study narcotics drug abuse control in Myanmar.

December 7-8: PLA Air Force Commander in Chief Wang Hai and Defence Minister Qin Jewie met Myanmar Air Force Commander in Chief Tin Tun in Beijing.

December 27: An economic and technical cooperation agreement was signed stipulating that China would provide a five-year interest-free loan.

1991

January 28 – February 1: State councillor and secretary-general of the Chinese State Council, Luo Gan, visited Myanmar and called on SLORC Chairman Sr. Gen. Saw Maung. He also formally handed over the National Theatre, constructed with Chinese aid, to the Myanmar Government.

May 9: Foreign Ministry Political Affairs Director Gen. Ohn Gyaw led 6 officials from the Central Drug Abuse Committee and 3 officials from the Ministry of Foreign Affairs and Public Works to visit China to attend a seminar in drug control in Beijing.

May 30: The Burmese Government approved the nomination of Mr. Liang Feng as Chinese ambassador to Myanmar.

July 18: Myanmar donated 1,500 tons of rice to China, as assistance to flood victims.

August 21-26: Sr. Gen. Saw Maung visited China and met with Chinese Premier Li Peng and President Yang Shangkun, who promised more political and military aid to Myanmar.

September 9: Ministry of Trade Order No. 7/91 regulates the China-Myanmar border trade as of October 1, 1991.

September 23: China donated US\$ 100,000 worth of clothes, biscuits, tinned provisions, and rubber shoes for a flood relief in Myanmar.

November 12: Director Win Sein of Myanmar Railways signed an agreement with Manager Mr. Zhan Jing Wen of YMEC to purchase 7,000 tons of rails for US\$ 3.6 million.

1992

February 14: China and Myanmar signed an agreement and exchanged notes under which “China will send two teams to study the Satellite Ground Station construction work and the Power Generating Plant in Mawlamyine and to provide necessary spare parts there.” Cost was covered by an interest-free RMB 50 million loan.

18 April: China’s Foreign Ministry denied that the border guards attacked Myanmar refugees who fled to China as a result of the fight between the Kachin force and the Tatmadaw.

June 12: Myanmar and UNDCP signed tri-partite project agreements on drug control with China and Thailand.

July 20: Rails worth US\$ 1.5 million which were purchased from China arrived from Nanking. The shipment totaled 3,000 tons at US\$ 518 per ton, and as used on the new Aungban-Loikaw Rail Track. The first shipment arrived in April.

1993

February 1: China's State Councilor and Minister of Foreign Affairs Mr. Qian Qichen with a 10-member delegations visited Myanmar.

February 4: Myanmar appointed U Set as a new Myanmar ambassador to China.

February 11: China's Foreign Ministry denied its intention to use a naval base in Pathein.

May 29: The Wanting-Kyukok Bridge on the Burmese-Chinese borders was opened by Minister for Development of Border Areas and National Races Maj. Gen. Maung Thint, Minister for Prime Minister's Office Gen. Lun Maung, and the vice-governor of China's Yunnan Province.

June 4: A contract was signed between Inland Water Transport, represented by Managing Director Khin Maung Thein and YMEC's general manager, Mr. Wu Wen Kuan, for the supply of 14 vessels and 28 cargo vessels which was financed with a US\$ 30 million of five-year interest-free loan.

July 30: China and Myanmar signed an agreement on economic and technical cooperation, granted Myanmar an interest-free loan of RMB 50 million (US\$ 6.8 million).

July 31: The Yangon-Thanlyin Bridge was completed with the PRC's special envoy Bu He attending the completion ceremony. The bridge, the biggest economic cooperation project between the two countries, was constructed with a RMB 0.1 billion Chinese loan.

September 1: The Myanmar Consulate-General in Kunming reopened.

November 29: The Myanmar/China/UNDCP Joint Executing Committee held their third meeting separately at the Medical Research Department.

December 7: Chairman Mr. Yang Guoxing of YMEC signed an agreement with Managing Director Aung Thein of Myanmar Railways for a US\$ 5 million interest-free loan for the purchase of coaches, freight wagons, and other railway equipment.

1994

Mar 19: Myanmar's shipyards in Sinmalaik were building an 800-ton vessel with a US\$ 30 million loan from China's Yunnan Province Import and Export Corp.

August 10-15: A Chinese government trade delegation visited Myanmar and signed a MOU on border trade with Myanmar.

August 22: The Chinese Consulate-General reopened in Mandalay.

September 1: The PRC government agreed to appoint Chen Baoliu as a new Chinese ambassador to Myanmar.

September 7-14: SLORC Secretary-1 Lt. Gen. Khin Nyunt visited China accompanied by 8 ministers and vice ministers as well as the commander of Northern Military Region.

September 30: The Myanmar Port Authority signed a MOU with Chairman Chen Tian Li of China Shipbuilding Trading Co. Ltd. for construction of a container wharf and development of container handling facilities in Yangon.

November 2: A goodwill delegation led by SLORC Secretary-2 Chief of Staff (Army) Lt. Gen. Tin Oo left Myanmar to visit China and Singapore.

December 26-28: Premier Li Peng visited Myanmar and met SLORC Chairman Sr. Gen. Than Shwe on 27 December. Li stressed that the government would encourage Chinese companies and economic enterprises to cooperate on major projects, and business should be the core of cooperation. Li reiterated China's concern about the stability of Burmese-

Chinese border, the border trade, and Myanmar's policy towards the Five Principles of Peaceful Coexistence and the overseas Chinese.

1995

April 10: A contract was signed between the Ministry of Rail Transport and China National Complete Plant Import and Export (Group) Yunnan Corp. for the purchase by Myanmar of locomotives and rolling stock worth US\$ 35 million, and trucks and passenger buses worth US\$ 5 million.

June 3: Myanmar Airways International launched an air service between Yangon and Kunming.

July 5-12: An 11-member goodwill delegation led by Chinese State Councilor and Minister of Defence Gen. Chi Haotian visited Myanmar.

October 11: Officials from China, Laos, and Myanmar met in Vientiane to exchange written authorization and a letter ratifying the agreement on the tri-junction point where the borders between the three countries meet.

December 8-12: Li Ruihuan, chairman of the Chinese People's Political Consultative Conference (CPPCC) visited Myanmar at the invitation of Vice-Chairman of the SLORC Gen. Maung Aye.

1996

January 7-13: SLORC Chairman Sr. Gen. Than Shwe visited China and signed agreements on economic and technical cooperation, a protocol on culture cooperation between the two countries' Cultural Ministries, and a framework agreement on provision of an interest-subsidized preferential credit to Myanmar.

January 31: SLORC established the Leading Committee for Promotion of Economic Cooperation between Myanmar and China "for promotion of bilateral mutual economic cooperation and for implementation of Myanmar's economy with momentum during the short-term five-year plan beginning 1996-97 fiscal years".

April 28 –May 3: Gen. Zhang Wannian, the vice-chairman of the Chinese Central Military Commission, led a 16-member goodwill delegation visited Myanmar and met Sr. Gen. than Shwe, who reaffirmed Myanmar’s one China policy and adherence to Five Principles of Peaceful Coexistence.

May 24: MEPE, China National Agricultural Machinery Corp. and Hunan Hydroelectric Power Survey and Design Institute signed a MOU for a 90 megawatt Kun Hydel Power Plant project in Phyu, Bago Division.

July 20: The representatives from National narcotics Control Commission (NNCC), the Central Committee for Drug Abuse Control of Myanmar and UNDCP met in Shweli, Yunnan Province to discuss “exchange of information on prevention of trafficking across the Myanmar-China border, communications and eradication and controlling of narcotics.”

October 22-29: Vice chairman of SLORC, Gen. Maung Aye, visited China at the invitation of Gen. Zhang Wannian to boost military cooperation.

1997

January 10: Minister of transport, Lt. Gen. Thein Win visited Beijing for 10 days at the invitation of minister of communications of China, Huang Zhendong.

January 22: The military cooperation accord between China and Myanmar was finalized by the SLORC’s chairman, Sr. Gen. Than Shwe and the Chinese Premier Li Peng.

March 24-27: Luo Gan, state councilor and secretary-general of the PRC State Council, led a 15 –member delegation to Myanmar at the invitation of Lt. Gen. Khin Nyunt. Both sides signed an agreement on border area management and cooperation and a MOU on technical and economic cooperation which extended RMB5 million in aid to Myanmar to purchase equipment and spare parts for the agriculture sector and to provide technical assistance.

April 26: The deputy commander of Eastern Command, Maj. Gen. Myint Thein as a representative of SLORC received 30 China-made 6 wheels military trucks from China. It was also reported that 32 Chinese military instructors in various fields of expertise were sent to Myanmar for training SLORC troops since January.

May 29: In Yangon, China and Myanmar signed an agreement establishing a joint working committee on trade, economic, and technical cooperation.

July 1: The Secretary-1 of SLORC, Lt. Gen. Khin Nyunt and Secretary-2, Lt. Gen. Tin Oo attended a reception to mark the PRC's resumption of exercise of sovereignty over Hong Kong.

July 12: A six-member Chinese delegation visited Myanmar to promote cooperation in drug fighting.

July 23: Chinese state-owned news agency reported Myanmar's accession to ASEAN and mentioned that the entry contributed not only to the development of Myanmar but also to peace, stability, and development of the region.

October 16: Fu Quanyou, the chief of general staff of the PLA, received Lt. Gen. Tin Ngwe, the commander in chief of Myanmar's Air Force in Beijing.

August 11: Chinese Minister of Foreign Trade and Economic Cooperation Wu Yi met with Burmese Minister of Commerce Tun Kyi to strengthen the bilateral economic and trade cooperation.

September 10: New Chinese ambassador to Myanmar, Liang Dong, presented his credentials to chairman of SLORC, Sr. Gen. Than Shwe.

September 14: China Shipbuilding Trading Co. Ltd. and Public Works of the Myanmar Ministry of Construction signed a contract on purchase of equipment for the building of Aung Ze Ya bridge in Insein township in the capital of Yangon. On the same day, an agreement on purchase of cable-stayed superstructure was signed by Public Works of the Ministry of Construction and China Shipbuilding Trading Co. Ltd. as well.

October 27-29: Vice Premier Wu Bangguo led a 40-member party to Myanmar and signed a framework agreement on a preferential loan with interest subsidized by the Chinese Government.

November 7: The Ministry for Progress of Border Areas and National Races and Development Affairs signed a contract with Kanematsu Corp. of Japan and Xuzhou Construction and Machinery Group Import and Export Co Ltd of the PRC for hire-purchase of heavy machinery worth US\$ 6.4 million for border region development projects.

November 7-12: A Chinese PLA delegation, led by Gen. Liu Jingsong, commander of the Lanzhou Military Region, visited Myanmar.

December 16: China's President Jiang Zemin met the Myanmar Chairman of SLORC, Than Shwe, and congratulated him on Myanmar's entry into ASEAN, when they attended the first informal China-ASEAN summit in Kuala Lumpur.

1998

February 3: An agreement on mutual exemption of visas for holders of diplomatic, official service passports was signed when Chinese vice foreign minister, Tang Jiaxuan visited Yangon.

February 12: Myanmar Electric Power Enterprise (MEPE) and YMEC signed US\$ 250 million MOU for implementation of Paunglaung hydropower project which was situated near Pynmana in Mandalay Division.

February 27: Representatives from Myanmar, China and UNCDP attended drug meeting held in Eastern Shan State Special Region to discuss the bilateral anti-drug campaign, the destruction of opium plantations and opium refineries at the border, the seizures of precursor chemicals, opium, heroine, stimulant tablets, and ephedrine power.

May 15: Pact on drug cooperation was signed at the end of a two-day meeting of senior drug-control officials from Cambodia, China, Laos, Myanmar, Thailand and Vietnam at the United Nations General Assembly Special Session.

June 9: Chi Haotian met visiting Myanmar Air Force Commander in Chief Maj. Gen. Kyaw Than in Beijing.

June 16: Chinese Vice Premier Wu Bangguo met with a delegation from Myanmar led by Minister of Electric Power Tin Htut in Beijing to emphasize the co-operation between the two countries in the electricity sector.

August 1: Secretary-1 of the SPDC and Chief of the Office of Strategic Studies Director of Defence Service Intelligence Lt. Gen. Khin Nyunt and Secretary-2 Chief of Bureau of Special Operations Chief Staff (Army) Lt. Gen. Tin Oo attended reception for 71st founding anniversary of PLA in Yangon.

August 28: New trade point along the Burmese-Chinese's border in Kachin State was opened.

November 4: The Myanmar Morning Post began publishing in the Chinese Language in Myanmar. This was the first time in 30 year that the government allowed a newspaper in the Chinese language to be published.

August 27: China's Yunnan Province agreed to help Myanmar to build its largest hydropower station in the next five years. Yunnan signed an agreement to sell a total of US\$ 250 million worth of equipment machinery, design and construction technology to the power station project.

October 6: A contract signing ceremony between MEPE and YMEC for implementing the Paunglaung Hydroelectric Power Station project held at the International Business Center in Yangon.

November 24: The second major power deal between China and Myanmar was signed. China's state-owned International Trust and Investment Corp. signed a US\$ 52 million

deal with Myanmar's Ministry of Electric Power to build two hydroelectric plants in the northwest of Yangon.

1999

January 14: The first anti-narcotics project established by the Ministry of Science and Technology and Yunnan Province's Science and Technology Commission was completed in the fourth special zone in Shan State.

June 7-11: SPDC Secretary-1 Lt. Gen. Khin Nyunt visited China. He met China's leadership including Chinese Premier Zhu Rongji and minister of national defence, Chi Haotian exchanging views on the two countries' bilateral relations, border management, anti-drug cooperation and matters of common concern. An economic and technological cooperation agreement expected to boost bilateral trade ties was signed.

July 16: Myanmar's government released its statement reiterated the country's full support on "one China" policy.

August 17: A Chinese military delegation led by Maj. Gen. Wang Jitang, commander of the PLA's Yunnan Provincial Military Command visited Yangon and welcomed by Burmese high-ranking military officials.

2000

May 24-25: Chinese State Councillor Chi Haotian alongside vice-chairman of the Chinese Central Military Commission, the vice chief of general staff of the PLA, minister of defence, PLA's Chief of General Staff, and a member of the Central Military Commission received the visiting Myanmar's military friendship delegation led by the Army Chief of General Staff Tin Oo.

June 2: SPDC Chairman Sr. Gen. Than Shwe received the visiting China's State Councillor Ismail Amat.

June 5-12: Vice Chairman of SPDC, Gen. Maung Aye, visited China, and discussed bilateral ties, common concerns, economic globalization, and the extension of China-

Myanmar economic trade cooperation. Two foreign ministers signed a joint statement on the Framework for the Future of Bilateral Relations and Cooperation of 6 June.

July 16-18: China's Vice President Hu Jintao paid an official visit to Myanmar on the occasion of the 50th anniversary of the establishment of diplomatic relations between China and Myanmar, and signed three agreements on economic and technical cooperation, tourism cooperation, and technology cooperation.

September 18: The project Paungluang Hydropower Plant built by YMEC took out a loan of RMB1 billion from The Export-Import Bank of China.

2001

April 25-29: A Chinese military delegation led by Fu Quanyou, the Chief of General Staff of the PLA and a member of the Central Military Commission visited Myanmar.

18 September: Fu Quanyou, Chief of General Staff of the PLA met the visiting Commander in Chief of the Burmese Air Force Myint Swe.

December 12-15: China's President Jiang Zemin paid a state visit to Myanmar with a large entourage of 135 members at the invitation of Than Shwe. The two signed documents on bilateral cooperation, including an agreement on phytosanitary cooperation; an agreement on cooperation in fisheries; a contract for improving petroleum recovery on IOR-4, Pyay Field; a protocol for cooperation in border areas; an agreement on economic and technical cooperation; an agreement on the promotion and protection of investment; and an agreement on cooperation in animal health and quarantine.

2002

January 20-21: SPDC First Secretary Khin Nyunt and the Chairman of SPDC Than Shwe, received the visiting China's State Councilor and Secretary-General of State Council Wang Zhongyu, respectively. The aim of Wang's visit was to implement the consensus reached by Jiang Zemin and Than Shwe during Jiang's trip to Myanmar in

2001 and promote the bilateral economic cooperation, particularly in the domain of human resources.

2003

January 6-11: During SPDC Chairman Than Shwe's visit to China, both sides signed agreements on health cooperation, economic and technical cooperation, and on cooperation in sports. President Jiang Zemin promised that China would provide Myanmar with US\$ 0.2 billion concessional loan to develop the economy.

January 14-15: Vice Premier Li Lanqing visited Myanmar to implement the consensus reached by President Jiang Zemin and Sr. Gen. Than Shwe during the latter's earlier trip to Beijing in 2003. Than Shwe reaffirmed that "Myanmar will forever be on the side of China on the matters relating China's interest." Agreement was reached to expand bilateral cooperation in trade, technology, education, culture, hygiene and sport, notably personnel training. The two sides signed an Agreement on Partial Debt Relief for Myanmar; a Memorandum of Understanding (MOU) on Extending a Grant for the Supply of Culture, Education and Sporting Goods by China to Myanmar; and a Memorandum of Understanding on the Program of Aerospace and Maritime Courses.

July 3-5: Myanmar Foreign Minister U Win Aung visited China as special envoy for Sr. Gen. Than Shwe, calling upon China's state councilor, Tang Jiaxuan, and foreign minister, Li Zhaoxing.

August 22: China's President Hu Jintao met the visiting Vice-Chairman of the SPDC, Gen. Maung Aye.

October 6: Premier Wen Jiabao met Myanmar Prime Minister Khin Nyunt in Bali, Indonesia, when they attended the seventh summit meeting between ASEAN and China, Japan and the Republic of Korea (ROK).

December 15: The "International Support for National Reconciliation in Myanmar Forum" was held in Bangkok. Delegate from 11 countries, as well as Myanmar Foreign Minister Win Aung, attended to discuss Myanmar's road map to national reconciliation

and democracy. Chinese Assistant Foreign Minister Shen Guofang attended the forum and expounded China's Myanmar policy.

2004

March 23-27: Vice Premier Wu Yi led a 33-member government delegation and a 46-entrepreneur delegation on an official visit to Myanmar. During the visit, the two countries signed 21 agreements, MOUs and exchange of notes, including: a MOU on the Promotion of Trade, Investment and Economic Cooperation; an Agreement on Economic and Technical Cooperation (Provision of a Grant of RMB50 million); the Framework on Cooperation for Promoting Trade and Investment between China Export and Credit Insurance Corp. and the Myanmar Ministry of Finance and Revenue; Government Concessional Loan Agreement for MPT Project Phase II between the Export-Import Bank of China and the Financial Institution Authorized by the Government of Myanmar; a Memorandum of Understanding between UMFCFI and the China Council for Promotion of International Trade; a Loan Agreement on Hydraulic Steel Structure (Lot HSS-1) of Yeywa Hydro-Power Project; Strategic Cooperation Agreement on Myanmar National Telecommunications Network Construction Project; a Commercial Contract for the Supply of Hydraulic Steel Structure Work and Electrical and Mechanical Equipment for Kun Hydro-Power Project; a Commercial Contract for Myaungtaka-Hlinethaya-Yekyi 230KV Transmission Lines and Substation Project; a Memorandum of Understanding on the Supply and Installation of Complete Equipment for Float-Glass Production Line with Melting Capacity of 150 TPD and for Tempered Glass, Laminated Glass and Mirror Glass Production Lines; a Contract for Construction of No. 4 Urea Fertilizer Factory at Taikkyi Township; a Memorandum of Understanding on Hydraulic Steel Structure (Lot HSS-2) and Electromechanical Equipment (Lot EM-1) of Yeywa Hydro-Power Project; the Nation Theatre Renovation Project; a Rice-Milling Machine Installation Project; a Combine Harvester Production Project; the Three Small-Scale Hydro-Power Plants Project; a Project for Propagation of Quality Sugarcane and Cotton Strains; Geological and Minerals Exploration in Myanmar-China Border Region; and the Lashio-Muse Railroad Project.

July 11-17: Myanmar's Prime Minister Khin Nyunt paid an official visit to China. The two countries signed 12 agreements, MOUs and exchanges of notes.

July 21-28: SPDC Secretary-1 Soe Win led a delegation to visit China and met Cao Gang chuan, the Chinese state councillor, Defence Minister and Vice Chairman of the Chinese Central Military Commission and Luo Gan, standing member of the Political Bureau of CCP Central Committee in Beijing on July 22.

November 2-6: The first foreign trip after taking office of Soe Win, Khin Nyunt's successor as prime minister, was a four-day visit to China to attend the "China-Association of Southeast Asian Nation Business and Investment Summit" in Nanning, Guangxi Zhuang Autonomous Region.

December 1-5: The vice chief of the general staff of the PLA, Gen. Ge Zhenfeng, led a delegation to Myanmar. The visit resulted in the signing of a MOU on the establishment of a border defence talks mechanism and the management of border affairs.

December 3: Chinese Vice Foreign Minister Wu Dawei led a delegation to attend the 6th bilateral diplomatic consultations held in Yangon.

2005

March 31-April 4: A delegation from the Chinese Association for International Understanding visited Myanmar and held talks in Yangon with USDA Secretary-General Htay Oo.

April 23: President Hu Jintao met Sr. Gen. Than Shwe during the Asian-African Summit in Jakarta, Indonesia.

April 28-30: Myanmar's Foreign Minister Nyan Win visited China. When meeting Nyan Win, State Councilor Tang Jiaxuan reaffirmed China's good neighbor policy towards Myanmar and stressed the value of cooperation on trade, the economy, and drugs.

July 4: Premier Wen Jiabao met Myanmar Prime Minister Soe Win at the second GMS summit in Kunming. The premier said China would provide more assistance to Myanmar.

After discussing trade volume, the investment of China's enterprises in Myanmar, economic aid, and the cooperation of anti-drug, both signed an economic and technical agreement.

July 28: SPDC Chairman Sr. Gen. Than Shwe and Prime Minister Soe Win received the visiting Chinese Foreign Minister Li Zhaoxing.

November 14-16: Committee Member of the CCP Central Politburo and Vice Chairman of the NPC Standing Committee Wang Zhaoguo visited Myanmar and met SPDC Chairman Than Shwe and USDA Secretary-General Htay Oo.

December 14: Premier Wen Jiabao met with Prime Minister Soe Win when attended the 1st East Asia Summit held in Kuala Lumpur.

2006

February 14-18: Prime Minister Soe Win met President Hu Jintao, Premier Wen Jiabao and Chairman of the Standing Committee of the NPC Wu Bangguo in Beijing. Soe Win and Wen Jiabao held discussions on the problem of anti-drug activities, treatment of ethnic Chinese in Myanmar, and economic cooperation. After the meeting, eight agreements and MOUs were signed.

April 7: A delegation from the USDA visited China and met Luo Haocai, vice president of Chinese Association for International Understanding, and vice chairman of the CPPCC National Committee in Beijing.

September 26: He Luli, vice chairman of the NPC Standing Committee received the visiting USDA delegation in Beijing.

October 22: SPDC Chairman Sr. Gen. Than Shwe received the visiting chief of the PLA general staff and member of the central military commission, Liang Gaunglie. On the same day, Liang held talks with Gen. Maung Aye, SPDC vice chairman, deputy commander in chief of Defence Services, and commander in chief (Army).

October 31: Chinese Premier Wen Jiabao met with Myanmar Prime Minister Soe Win on the sidelines of the China-ASEAN Commemorative Summit marking the 15th anniversary of the establishment of Dialogue Relations between China and the ASEAN.

November 23: When Assistant Minister of Commerce of China Chen Jian visited Yangon, both signed an agreement on economic and technical cooperation; had the second consultation meeting on cooperation in trade, timber and mining; agreed on the protocol of Chinese government's exemption of Myanmar government's partial debt; and created a framework agreement on provision of a preferential loan to Myanmar.

2007

January 22-25: The Vice Chairman of the National People's Congress (NPC) Standing Committee Li Tiejing led a delegation of NPC members to visit Myanmar.

January 31 –February 2: The visiting Chief of the General Staff Thura Shwe Man called upon Premier Wen Jiabao and Cao Gangchuan, the Chinese state councillor, defence minister and vice chairman of the Chinese Central Military Commission.

February 25-27: Tang Jiaxuan, the Chinese state councillor paid a working visit to Myanmar. SPDC Chairman Sr. Gen. Than Shwe met with Tang Jiaxuan in Naypyidaw on February 26.

April 3: Zhou Tienong, vice president of Chinese Association for International Understanding and vice chairman of the CPPCC National Committee, received a delegation from the USDA in Beijing.

June 5-10: Secretart-1 of Myanmar SPDC Thein Sein led a delegation to China.

June 10-13: SPDC Secretary-1 and Acting Prime Minister Thein Sein received the delegation of the China-ASEAN Association led by the vice chairman of the NPC Standing Committee, Gu Xiulian. The China-ASEAN Association and the USDA signed a MOU of cooperation. This was the first visit to Myanmar of the China-ASEAN Association since it was established in 2004.

July 12: Myanmar's Foreign Ministry issued a statement that Myanmar reaffirmed the one-China policy and opposed any Taiwanese attempt to join the UN under any name.

August 14-18: A PLA delegation led by the political commissar of Jinan Military Region, Gen. Liu Dong, visited Myanmar.

September 13: Myanmar Foreign Minister Nyan Win visited China, as special envoy of Than Shwe.

September 13: Responding to international concern about widespread anti-government protests and a government crackdown in Myanmar, Chinese UN Ambassador Li Baodong stated that China called on all parties concerned in Myanmar to exercise restraint, restore stability through peaceful means, promote national reconciliation, and achieve democratic progress, while supporting the work the UN secretary-general's special advisor on Myanmar, Ibrahim Gambari.

October 24-25: Chinese Assistant Foreign Minister He Yafei held talks with Gambari in Beijing. Chinese State Councilor Tang Jiaxuan met Gambari on October 25 and expressed the commitment to continue to support Ban Ki-moon and Gambari's good offices and to support ASEAN's role on Myanmar issues.

November 14-16: Vice Foreign Minister Wang Yi, as a Chinese special envoy, visited Myanmar and met Sr. Gen. Than Shwe on 15 November. Wang also held talks with the members of the SPDC who reaffirmed that they would take positive and pragmatic measures to accelerate the democratic process. Wang reiterated China's Myanmar policy and hoped to see Myanmar with political stability and economic prosperity.

November 19: Premier Wen Jiabao met Prime Minister Thein Sein in Singapore while attending a series of regional summit meetings there. Wen said that as an immediate neighbor of Myanmar, the Chinese government and leadership was deeply concerned about the developing situation in Myanmar and hoped for strengthened dialogue to promote national reconciliation. China maintained that the future of Myanmar should be determined by its people, and the international community should provide constructive

assistance to the country to achieve stability, national reconciliation, and democratic progress. China would continue to support the mediation efforts by UN Secretary-General Ban Ki-moon and his special advisor Ibrahim Gambari and was willing to play a positive role in properly resolving the Myanmar issue.

2008

January 11: He Luli, the vice chairman of NPC Standing Committee and the president of Chinese People's Association for Peace and Disarmament met Htay Oo, the secretary-general of USDA in Yangon.

January 21: Tang Jiaxuan, the Chinese state councilor met with the visiting Vice Foreign Minister Maung Myint, as the special envoy of the Burmese prime minister.

February 18-19: The UN secretary-general's special advisor, Ibrahim Gambari, visited Beijing and met with vice foreign minister, Wang Yi, and Yang Jiechi, foreign minister.

March 18: Myanmar's Foreign Ministry issued a press statement that Myanmar opposed any form of "Taiwanese independence" and a referendum on Taiwan's UN membership.

May 25: Foreign Minister Yang Jiechi met with Prime Minister Thein Sein at the sidelines of an International Pledging Conference for Cyclone Nargis held in Yangon.

August 2008: Prime Minister Thein Sein attended the Beijing Olympic Games.

August 21: Myanmar Chief of Defence Industry Lt. Gen. Tin Aye visited China where he met with Gen. Liang Guanglie, a member of the Central Military Commission and chief of general staff of the PLA.

October 27: Gen Zhang Li, PLA's vice chief of staff met with Sr. Gen. Than Shwe in Naypyidaw.

November 18-20: Zhang Gaoli, a member of the political Bureau of the CCP Central Committee and party chief of China's Tianjin municipality, met with Myanmar Prime Minister Thein Sein and others in Naypyidaw.

November 29: Chief of General Staff of the Armed Forces Thura Shwe Mann visited Beijing and met Chinese military officials and the chief of the general staff of the PLA, Chen Bingde.

December 4-5: Foreign Minister Yang Jiechi met the Myanmar's Foreign Minister Nyan Win and SPDC Chairman Sr. Gen. Than Shwe in Naypyidaw.

2009

March 18: Chen Bingde, chief of the general staff of the PLA, led a military delegation to Myanmar for an official goodwill visit.

March 25-29: Li Changchun, a member of the Standing Committee of the Political Bureau of the CCP Central Committee, visited Myanmar. Li held talks with SPDC Secretary-1 Tin Aung Myint Oo. Li Changchun suggested maintaining high-level exchanges for increasing mutual trust; advancing cooperation in key sectors and big projects in such areas as energy, transport and telecommunication; expanding the channels for friendly contacts; increasing communication between the political organizations. In addition, "China will continue to encourage competent enterprises to invest in Myanmar or participate in your infrastructure construction." Relevant government departments inked cooperative agreement, including one pact to jointly build up the crude oil and gas pipelines and the other to jointly develop hydropower resources in Myanmar.

April 17: Premier Wen Jiabao met Prime Minister Thein Sein in Sanya on the side-lines of the Boao Forum for Asia (BFA) Annual Conference 2009.

April 20: Premier Chief of the General Staff of the PLA Chen Bingde met with Tin Aye, member of Myanmar's SPDC in Beijing.

June 15-20: Gen. Maung Aye paid a six-day goodwill visit to China at the invitation of Chinese Vice President Xi Jinping. They held discussions on cooperation in politics; cooperative measures in the financial crisis; mutual cooperation in human resources development, energy, electrical, transport, trade, industrial sectors, and other sectors.

Three documents were signed, including an agreement on economic and technical cooperation; a memorandum of agreement on development, operation, and transfer of hydropower projects in Maykha, Malikha and the upstream of Ayeyawaddy-Myitsone River Basin; and a memorandum of understanding related to development, operation and management of the Myanmar-China crude oil pipeline project.

During the visit, China Nation Petroleum Corp (CNPC) signed an agreement with Myanmar's Energy Ministry to receive exclusive rights to build and operate the China-Myanmar crude oil pipeline. This granted operating concession of the pipeline to the CNPC-controlled South-East Asia Crude oil Pipeline Ltd. The pipeline company would also enjoy tax concessions and customs clearance rights. The agreement stipulated that the Myanmar government should guarantee the company's ownership and exclusive operating rights, as well as the safety of the pipeline.

October 19: Chinese Vice Premier Li Keqiang met with SPDC Secretary-1 Tin Aung Myint Oo in Nanning, when both of them came to attend the 6th China-ASEAN Expo held 20-24 October. Li said the Chinese government paid high attention to Sino-Myanmar relations and would keep supporting Myanmar's economic construction and sustainable development. "China and Myanmar should make efforts together to strengthen exchanges and cooperation, as well as safeguard stability on the border areas for the sake of the fundamental interests of the two peoples."

October 20: The Consulate-General of Myanmar in Nanning, the capital of Guangxi, opened.

October 24: Premier Wen Jiabao told his Myanmar counterpart Prime Minister Thein Sein on the side-lines of the Association of Southeast Asian Nations (ASEAN) summit that he believed Myanmar could properly handle problems and safeguard peace and stability in the China-Myanmar border region. "To develop good-neighbourly China-Myanmar relations with mutually beneficial cooperation conforms to the fundamental interests of the two contrives and will be conducive to regional peace and stability."

December 19-20: Chinese Vice President Xi Jinping put forward a four-point proposal to upgrade relations with Myanmar during his visit and held talks with the vice-chairman of the SPDC Maung Aye. The proposal included maintaining high-level contact, deepening reciprocal cooperation, safeguarding peace and propriety of the border area, and strengthening coordination on international and regional affairs. During the talks, Sr. Gen. Than Shwe said the Myanmar side recognized the importance of safeguarding peace and stability in the border area. “The peace and tranquillity in the border area between China and Myanmar is a demonstration of good neighbourly friendship and cooperation.” The two countries signed a total of 16 documents, including five agreements on development of trade, economy, transport infrastructures, technological cooperation and purchase of machinery; seven financial agreements on the energy sector and the oil and natural gas pipeline.

2010

January 30: The Chinese ambassador, Ye Dabo, met with the Burmese information minister, Brig-Gen Kyaw Hsan in Naypyidaw.

February 26: A delegation of the CCP visited Myanmar, led by Wang Jiarui, head of the International Department of the CCP Central Committee at the invitation of Htay Oo, secretary general of USDA.

June 2-3: Chinese Premier Wen Jiabao visited Myanmar and attended the celebrations of the 60th anniversary of China-Myanmar diplomatic ties in Naypyidaw. During the visit, the two leaders attended a signing ceremony for 15 documents on cooperation in natural gas, hydropower, and other fields.

June 5-9: A PLA military delegation led by Fan Changlong, commander of Jinan Military Region, visited Myanmar.

June 7-11: Myanmar Foreign Nyan Win visited China and attended the celebration in Beijing marking the 60th anniversary of China-Myanmar diplomatic relations He held

talks with his counterpart Yang Jiechi and briefed Yang on the preparatory work for Myanmar's general elections.

June 15: After the Myanmar's Air Force Chief Lt. Gen. Myat Hein's trip to China last November, it was reported that the Burmese Air Force decided to buy 50 k-8 jet trainer aircraft from China.

June 27- July 1: At the invitation of the USDA, the Chinese Association for International 3-12 Understanding (CAFIU) delegation headed by Zhou Tienong, the vice chairman of NPC Standing Committee and president of CAFIU visited Myanmar.

July: SPDC Secretary-1 Tin Aung Myint Oo visited China at the invitation of member of the Politburo Standing Committee of the CCP Central Committee, Vice Premier Li Keqiang. During a meeting with Tin Aung Myint Oo, Li Keqiang pledged to speed up and expand cooperation with Myanmar on energy and transport.

August 29: The 5th Escort Task group of the PLA Navy, comprising the warships "Guanzhou" and "Chaohu", visited Yangon's Thilawa port.

September 7-11: SPDC Chairman Sr. Gen. Than Shwe paid a state visit to China, picking up a US\$ 4.2 billion interest-free loan (30-year term) for hydropower, information technology, roads and railways projects in Myanmar. Besides Beijing, Than Shwe visited Shanghai and Shenzhen. During the last two legs of his China trip, he expected to learn from China's experiences in reform and opening up the country, and to promote economic and trade cooperation between Myanmar and China's developed areas.

September 16-20: At the invitation of the SPDC, He Yong, the secretary of secretariat of CCP Central Committee and Deputy Secretary of the CCP Central Commission for Discipline Inspection, led a party delegation to visit Myanmar.

November 9: Beijing welcomed Myanmar's smooth general election concluded on 7 November and believed that it was a vital part in Myanmar's Seven-Step Roadmap in its transition to an elected government.

2011

March 2-6: A PLA delegation led by Jia Tingan, deputy director of the PLA General Political Department, visited Myanmar.

March 31: President Thein Sein appealed to Western countries for cooperation with his country at his inauguration ceremony on 30 March. For this, Beijing said the international community would create a lenient environment for Myanmar's national reconciliation and economic development.

April 2-5: The Chairman of the CPPCC Nation Committee Jia Qinglin visited Myanmar, and met President Thein Sein and Amyotha Hluttaw Speaker Khin Aung Myint, and held talks with Pyithu Hluttaw Speaker Thura Shwe Mann. Five contracts or MOUs were signed.

May 12-15: Vice Chairman of China's Central Military Commission Gen. Xu Caihou visited Myanmar and met President Thein Sein, Pyithu Hluttaw Speaker Thura Shwe Mann, and Tatmadaw Commander in Chief Min Aung Hlaing. Both sides discussed bilateral military ties and international and regional security issues of common concern.

May 26-28: Myanmar's President Thein Sein visited China, signing 9 cooperation agreements including a US\$ 765 million credit package. Both sides signed a China-Myanmar joint statement on establishing a Comprehensive Strategic cooperative Partnership. This was Thein Sein's first state visit after his inauguration.

June 1-4: Li Yuanchao, a member of the Political Bureau of the CCP Central Committee, the secretary of the Secretariat of the CCP Central Committee and head of the Organization Department of the CCP Central Committee, visited Myanmar and met President Thein Sein, Vice President Tin Aung Myint Oo, Pyithu Hluttaw Speaker Thura Shwe Mann, and USDP Secretary-General Htay Oo. Both signed bilateral cooperation accords and a MOU between the CCP and the USDP on exchange and cooperation.

June 9: Deadly fighting between the KIA and the Burmese army broke near a dam project built by China, bringing this strategic region neighboring China to the verge of civil war.

September 30: In a memo to the Hluttaws, President Thein Sein announced to decide to suspend the Chinese-sponsored Myitsone Dam during his tenure (until 2015) because this project, which had been estimated to cost some US\$ 3.6 billion and on which the Chinese had already spend US\$ 42.5 million, was “against the will of the people” . In response, Beijing only stated that China had noted the report and was verifying it.

October 1: China’s Foreign Ministry Spokesperson Hong Lei remarked that the Myitsone Dam was a jointly invested project by two countries that had gone through scientific verification and strict examination on both sides. Relevant matters arising from the implementation of the project should be handled appropriately through friendly bilateral consultation.

October 1-2: Chinese Ambassador to Myanmar Li Junhua visited two major China-Myanmar joint projects, the China-Myanmar oil and gas pipeline and the Mon Ywa copper mine developed by Myanmar Wanbao Mining Copper Ltd.

October 7: Chinese Ambassador Li Junhua called on both President Thein Sein and Pyithu Hluttaw Speaker. They discussed recent developments in bilateral relations and further strengthening friendly ties and mutual benefits between the two countries.

October 10: The Myanmar Foreign Minister Waung Lwin visited China as a special envoy of the Burmese president to ease tensions over the cancellation of the dam construction. Vice President Xi Jinping held talks with him and urged the two sides to properly settle through friendly consultations all relevant matters that had emerged during the course of cooperation. Wunna Maung Lwin said President Thein Sein and the Burmese government highly valued the friendly relations with China and were paying close attention to China’s relevant concerns.

October 19: An USDP cadre delegation visited china.

October 20-27: Vice President Tin Aung Myint Oo visited China to attend the 8th China-ASEAN Expo and the 8th China-ASEAN Business and Investment Summit held in

Nanning. He met Premier Wen Jiabao and visited Nanning, Yulin, Shenzhen and Guangzhou.

November 6 –December 24: The Chinese Buddha's tooth relic was conveyed to Myanmar for a 48-day public obeisance in Naypyidaw, Yangon and Mandalay and during the obeisance was worshiped by over 4 million Burmese Buddhists. This is the fourth enshrinement visit of the Buddha's tooth relic to Myanmar.

November 11-15: At the invitation of USDP Secretary-General U Htay Oo, a member of the Political Bureau of the CCP Central Committee and Secretary of CCP Beijing Municipal Committee Liu Qi visited Myanmar and met President Thein Sein and Pyithu Hluttaw Speaker Thura Shwe Mann.

November 27 and December 2: Tatmadaw Commander in Chief Min Aung Hlaing visited China and signed a MOU on defence cooperation with China. During talks between Vice President Xi Jinping and Min Aung Hlaing, both declared an interest to further deepen bilateral military relations and cooperation. Xi stated that China would work with Myanmar to further bolster the comprehensive strategic partnership of cooperation. Min Aung Hlaing reiterated that Myanmar would adhere to the one-China policy and support China's position on issues concerning Taiwan, Tibet and Xinjiang.

December 1: U.S. Secretary of State Hillary Clinton visited Myanmar. Beijing stated that China was willing to see Myanmar strengthening contact and improving relations with relevant Western countries based on mutual respect; Western countries should lift the sanctions against Myanmar to push for its stability and development.

December 15: China's foreign ministry revealed that the Chinese ambassador to Myanmar met with Aung San Suu Kyi.

December 19-20: State Councilor Dai Bingguo participated in the 4th Summit of GMS Economic Cooperation Program in Naypyidaw, where he met President Thein Dein and Vice President Tin Aung Myint Oo. Dai stressed the need to boost China-Myanmar cooperation, implement existing plans, and jointly safeguard the stability of the China-

Myanmar border regions. He urged both sides to make use of their complementary advantages, properly work out the “China-Myanmar Economic and Trade Cooperation Program”, and implement major projects well between the two sides.

2012

January 16: After Washington announced to restore full diplomatic ties with Naypyidaw, Beijing stated that it was glad to see the U.S. and other Western countries strengthening contacts, and restoring and developing ties with Myanmar.

February 10: China’s Ministry of Foreign Affairs refuted international media reports of a mass exodus of Kachin refugees from Myanmar to China but acknowledged that some people had sought refuge in Yunnan Province from fighting between the KIA and Tatmadaw. The main refugee camps were said to be in border areas closer to the route of the China-Myanmar oil and gas pipeline.

February 22-26: Myanmar Pyithu Hluttaw Speaker Thura Shwe Man visited China at the invitation of the Chairman of the NPC Standing Committee, Wu Bangguo.

April 5: Beijing noted the by-election results of 1 April 2012, the Foreign Ministry hoping they would facilitate “political reconciliation and promote national stability and development”, and calling “upon all parties to completely lift sanctions against Myanmar at an early date.”

September 13: Wu Bangguo, the chairman of the Standing Committee of China’s National People’s Congress visited Myanmar and met with President Thein Sein and speakers of both house of parliament.

2013

March 15: The Chinese government appointed a veteran diplomat, Yang Houlan as a new Chinese ambassador to Myanmar.

June 24: Chinese State Councilor, Yang Jiechi held talks with Burmese Vice President Nyan Tun in Naypyidaw to strengthen the relationship between the two countries.

July 3: Maung Maung Thein, the general secretary of Myanmar's ruling Union Solidarity and Development Party (USDP) met with senior Communist Party of China (CPC) to maintain party-to-party ties.

July 25: Myanmar's President Thein Sein met with the Deputy Chairman of Chinese Central Military Commission (CMC) Gen. Fan Changlong at the President residence in Naypyidaw. The meeting was aimed to enhance relations between the two countries' armed forces and maintain positive relations between governments.

July 26: Myanmar's state mining enterprise, Myanmar Economic Holdings Ltd. (MEHL) and China Wanbao Mining Ltd. amended the benefit sharing contract conditions of the controversial Letpadaung copper mine project. After the new agreement was signed by the Chinese company and the Union Minister from the President's Office Hla Tun, the operation was to resume.

July 29: China began to receive natural gas from Shwe pipeline, the joint venture between China National Petroleum Corp. (CNPC) and the Myanmar Oil&Gas Enterprise (MOGE).

Source: The Irrawaddy; Archives; "News Archives on Burma 2001-2012"; Arnott (2001); ISEAS (2010); Seekins (2009); Seekins (2010); Steinberg and Fan (2012).

Appendix II: Chronology of Myanmar's Bilateral Relations the U.S.

(1988-2013)

1998

September 5: In the wake of a nationwide pro-democracy uprising, U.S. Congressman Stephen J. Solarz, the chairman of the house representative sub-committee on Asian and Pacific Affairs, visited Myanmar and met with President Maung Maung and Aung San Suu Kyi.

September 23: The Regan administration responded to a Burmese military crackdown by starting the gradual progress of sanctions on Myanmar which included suspending counternarcotics programs and stopping all arms sales.

November 27: U.S. Representative-Elect Dana Rohrabacher travelled to Thay Baw Bo student camp near the Burmese-Thai border and promised moral and political support to exiles that have fled the military government crackdown on student protest.

1990

August 23: The administration of George H. W. Bush imposed a range of economic, financial and travel sanctions against Myanmar as the response to the SLORC's election result refusal. Later on, Washington downgraded its levels of diplomatic representation from Ambassador to Charge d' Affaires and also refused to renew the bilateral textile agreement with Naypyidaw by the end of the year.

1933

February 9: U.S. Congressman Bill Archer, ranking minority member of the House Ways and Means Committee arrived at the invitation of the Myanmar Foreign Ministry and welcomed by Deputy Minister for Foreign Affairs Nyunt Swe. He was accompanied by his wife, Mrs. Sharon Archer, by Congresswoman Nancy L. Johnson and her husband, Dr. Theodore Johnson, and by President Richard G. Quick and Executive Director Marsha P. Lefkovits of the Far East Studies Institute.

1994

February 14: U.S. Congressman Bill Richardson was allowed to visit Aung San Suu Kyi at her house where she was detained. Richardson gave Aung San Suu Kyi a letter from President Bill Clinton.

1995

September 2: The U.S. ambassador to the UN (and later secretary of state), Madeleine Albright visited Myanmar and met with Lt. Gen. Khin Nyunt and Aung San Suu Kyi. Albright urged the Burmese government to take concrete steps toward political freedom and democracy, or the country would face continued isolation.

1997

May 20: The Clinton administration consolidated the sanctions against Myanmar by prohibiting new investment in the country by the U.S. individuals or entities. The exemption included U.S. firm, UNOCAL, and its investment with French Corp., Total, in natural gas exploration and pipeline offshore and across Myanmar into Thailand. Additionally, the U.S. countermeasures on the country due to its inadequate measures to eliminate money laundering and restricted issuing visas for certain Burmese military officers and their families.

July 23: The U.S. was strongly opposed Myanmar's accession to ASEAN. However, the country with its neighboring country, Laos, was accepted to the bloc.

1999

May 12: SPDC Secretary-1 Lt. Gen. Khin Nyunt received the PRC envoy Liang Dong and the U.S. Charge d' Affaires at the Defence Ministry's Dagon House. The meeting was attended by Deputy Foreign Minister Khin Maung Win, Director General of Foreign Ministry's Protocol Department Thura Aung Htet and responsible personnel.

2003

July 28: Following the brutal Depayin Incident on May 30, the Bush administration imposed new sanctions on Myanmar. The restriction extension included ban on import products from Myanmar and the export financial services to the country, freezing the assets of military junta and three designated Burmese foreign trade financial institutions. The sanctions also required U.S. government to vote against the extension of any financial assistance to Myanmar by international financial institutions.

2005

January 19: Condoleezza Rice, later succeeded Colin Powell as secretary of state, named Myanmar as one of six “outposts of tyranny” in the world.

2007

September 25-27: Bush administration expanded sanctions against Myanmar as a result of brutal crackdown against the massive anti-government protest in the city of Yangon. Asset freezes were imposed against individual designated as responsible for human rights abuses and public corruption and individuals and entities that provide financial or material support to those designated.

2008

April 30: President Bush signed Executive Order 13464, which further expanded sanctions to permit asset freezes against designated Burmese entities. Approximately, individuals and entities were designated for asset freezes under these authorities.

May 2: Cyclone Nargis made landfall on Myanmar, causing destruction and mass casualties along the Irrawaddy delta and the southern parts of the country. The Myanmar authorities hesitated to accept foreign aid in the first days of the catastrophe but eventually opened the country to controlled international relief.

May 6: President Bush signed into law H.R.4286 that “awards a congressional gold medal to Aung San Suu Kyi in recognition of her courageous and unwavering

commitment to peace, nonviolence, human rights, and democracy in Myanmar after the U.S. House of Representatives voted unanimously in favour of the resolution.

May 12: The U.S. Treasury Office of Foreign Assets Control authorized unlimited remittances to Myanmar as necessary aid following Cyclone Nargis.

July 30: President Bush signed into law the Burma Jade Act restricting the import of precious Burmese gems and stones, extended existing import restrictions and added 10 Burmese companies to the sanction list.

August 2008: President Bush hosted a private lunch for 9 Thailand-based Burmese exiles at the U.S. Embassy in Bangkok. The discussion covered U.S. sanctions, humanitarian aid after Cyclone Nargis and China-Myanmar relations. During the same trip, the First Lady Laura Bush visited the Mae Tao Clinic in the Thai-Burmese border town of Mae Sot and the Mae La refugee camp.

May 2009: Two weeks before Aung San Suu Kyi's scheduled release, an American citizen, John Yettaw, swam into the opposition leader's residence. Yettaw was charged on illegally entering a restricted zone, illegal swimming and breaking immigration laws by the Burmese authorities, and he was sentenced seven-year hard labor. The illegal visit resulted in another 18-month detention of Aung San Suu Kyi.

August 15: The U.S. Democrat Senator Jim Webb became the most senior official from Washington meeting with Sr. Gen. Than Shwe. On the same trip, Webb also successfully negotiated with the junta to free John Yettaw and met with Aung San Suu Kyi, who was still being held under a house arrest.

November 4: As part of a broad policy review announced by the Obama administration opting for a balance between economic sanctions and "pragmatic engagement" and for augmenting contacts with the higher levels of the Myanmar military, U.S. senior diplomat, Kurt Campbell, arrived in Myanmar and met with Prime Minister Thein Sein and Aung San Suu Kyi.

2010

February 11: The U.S. government and law makers urged the Burmese government to immediately release the U.S. human rights activist, Kyaw Zaw Lwin, after being arrested at Rangoon airport on the trip to visit his mother.

March 22: The U.S. Embassy in Bangkok announced that the current Burmese election law must be amended otherwise the scheduled 2010 election would hardly be regarded as free, fair or credible.

May 15: President Obama announced to extend the national emergency against Myanmar, which was first imposed during the Clinton administration, for one more year.

June 3: The U.S. Senator Jim Webb cancelled his plan to Myanmar as there was allegation that the Burmese military government was pursuing nuclear capability with North Korea collaboration. Later on, the U.S. accusation was strongly denied by the Burmese Foreign Ministry.

June 14: The State Department's 10th annual review of global effort to eliminate the human trafficking listed 13 countries including Myanmar on notice that they were not complying with minimum international standards and could face U.S. penalty.

July 28: President Obama signed into law a congressional resolution renewing economic sanctions against the Burmese military regime after the overwhelming votes by the U.S. House of Representatives and the Senate.

September 25: In the meeting with the ASEAN leaders during the United Nations Assembly in New York, President Obama urged the Burmese leadership to embark on a process of national reconciliation by releasing all political prisoners.

November 10: President Obama and Secretary of State Clinton strongly condemned the November 7 election in Myanmar that it was neither free nor fair and failed to meet any of the internationally accepted standards associated with legitimate elections.

2011

May 18: The U.S. Deputy Assistance Secretary of State Joseph Yun made a four-day trip to Myanmar for introductory meetings with members of Myanmar's new government.

September 9: The U.S. special representative and policy coordinator for Myanmar, Derek Mitchell, made his first visit to Myanmar and met with top government officials and Aung San Suu Kyi.

September 30: The Burmese Foreign Minister Wunna Maung Lwin visited the Foggy Bottom headquarters of the State Department in Washington meeting U.S. senior officials.

October 24: The U.S. special envoy, Derek Mitchell, made his second visit to Myanmar to talk with Burmese government officials.

November 30: The Secretary of State Hillary Clinton made a landmark visit to Myanmar meeting with President Thein Sein, Aung San Suu Kyi, civil society activists and representatives of ethnic minorities. According to Clinton, the U.S. would support enhanced cooperation between international financial institutions and Myanmar, as well as intensified UN health, micro-finance and counter-narcotics programs in the country. It is also announced that Washington offered Naypyidaw a US\$ 1.2 million humanitarian aid and also supported American universities and foundations to increase academic exchange collaboration in health, governance and other matters.

2012

August 21: The U.S. government welcomed Myanmar's announcement that it had ended press censorship; however, Washington also urged Naypyidaw to abolish its censorship board.

August 27: American professional basketball players and coaches were sent to Myanmar to boost cultural ties between the two countries.

August 30: The U.S. government announced to waive a visa ban against Myanmar.

August 31: Patrick Ventrell, U.S. State Department spokesman urged China to offer temporary protection to Kachin refugees who fled conflict in northern Myanmar and not force them back.

September 27: During the 67th United Nations General Assembly at the UN headquarters in New York, Secretary of State Clinton announced that Washington already begun the process of easing restrictions on imports of Burmese goods into the country and offered humanitarian aid for resolving Myanmar's ethnic issues.

October 5: Aung San Suu Kyi made a historic 17-day trip to the U.S. receiving several awards including the highest civilian award of the U.S. Congress, the Congressional Gold Medal, and met with President Obama, Secretary of State Clinton, prominent lawmakers, celebrities, former presidents and the members of the Burmese community in the U.S.

October 8: President Obama signed into law a bill allowing his administration to support the assistance being provided to Myanmar by the World Bank and IMF.

October 15: Twenty-two senior U.S. military officials including Lt. Gen. Francis Wiercinski, head of the U.S. Army's Pacific Command visited Myanmar.

October 26: The U.S. urged all parties including Burmese government to immediately take step to halt ongoing communal violence in Arakan State, and announced an additional humanitarian contribution of US\$ 2.73 million for the displaced person in the region.

November 19: Alongside Secretary of State Clinton, President Obama made a six-hour visit to Myanmar during his Southeast Asian trip. He met with the Burmese President Thein Sein, Aung San Suu Kyi and civil-society activists and gave a speech at the University of Yangon.

November 20: Nine American academic institutions planned to develop institutional partnerships with universities in Myanmar under an initiative launched by the Institute of International Education (IIE).

November 30: North Korean ship's cargo bound for Myanmar with materials suitable for uranium enrichment or missile development was seized by the Japanese authorities. The U.S. Republican senator, Richard Lugar wrote to President Thein Sein of Myanmar urging him to disclose the intended recipient of the materials and their planned use.

December 12-18: Acting Special Representative and Policy Coordinator for Myanmar W. Patrick Murphy visited Myanmar meeting with Burmese government officials and ethnic and civil society leaders and attending an anti-human trafficking event (EXIT) organized by MTV.

December 18: The U.S. ambassador made his first official visit to Kachin State meeting local leader and seeking to improve aid efforts for displaced refugees in the fighting areas.

2013

January 3: The UN and the U.S. expressed a deep concern over the conflict between Burmese government and the Kachin Independence Organization (KIO) and urged the government to stop air strike on the rebels.

January 17: The U.S. officials, a representative of the International Atomic Energy Agency (IAEA) and Myanmar's Ministry of Science and Technology's Department of Atomic Energy discussed the International Safeguards and the Additional Protocol.

February 5: The U.S. ambassador, Derek Mitchell invited 5 Arakan leaders to discuss the state's ongoing humanitarian crisis in Yangon.

February 22: The U.S. government human right negotiator met with Aung San Suu Kyi and Burmese officials to discuss the country's political reforms.

February 25: The U.S. Treasury Department issued a general license to the Myanmar Economic Bank, Myanma Investment and Commercial bank, and Asia Green Development Bank and Ayeyarwady Bank allowing to conduct financial transaction in the U.S.

March 8-9: Rajiv Shah, the head of the U.S. Agency for International Development (USAID) visited Myanmar to strengthen a US\$ 170 million U.S.-Myanmar Partnership Program set up in November 2012 which promoted development, human rights, democracy and peace in Myanmar.

March 13: The U.S. government announced in disapproving Burmese police using smoke bombs containing phosphorus to control demonstrations.

March 28: The U.S. Assistant Secretary for Conflict and Stabilization Operations Rick Barton visited Myanmar and offered an aid for Myanmar's landmine-affected areas along its border as a result of long-running ethnic conflict.

March 29: The U.S. provided US\$ 100,000 in aid to help residents displaced after sectarian violence in the central Myanmar city of Meikhtila.

April 3: Former U.S. President Jimmy Carter paid a visit to Myanmar meeting top government officials in Naypyidaw.

April 24: The Chinese state media reported the U.S. welcomed the release of 50 political prisoners.

April 29: Former top U.S. diplomat arrived in Naypyidaw to lobby for a huge contract to overhaul Yangon's international airport. The visit was welcomed by Burmese Vice President Nyan Tun and several deputy ministers.

May 3: The Obama administration extended by one year the president's authority to re-impose tough sanctions against Myanmar in order to prevent backsliding on democratic reforms. However, the administration has also eased U.S. visa restrictions on Myanmar's former military regime as a reward of the recent political reforms.

May 20: President Thein Sein has become the first Myanmar's president to visit the White House in 47 years. The President told his American audiences that Myanmar needed "maximum international support, including from the U.S., to train and educate, share knowledge, trade and invest, and encourage others to do the same" while President

Obama promised American backing for the Burmese government's reform. A member of Burmese delegation in this official visit, Myanmar's Energy Minister Than Htay signed an agreement on cooperation in implementing the Extractive Industries Transparency Initiative (EITI) with the U.S. special envoy for international energy affairs, Carlos Pascual. In addition, the U.S. agreed to help Myanmar to repair some of the main infrastructure of country's transportation sector.

June 3: Former U.S. Secretary of State Madeleine Albright paid a five-day visit to Myanmar and told the leaders of Myanmar's political parties that the National Democratic Institute (NDI) was willing to assist the country in its on-going transition to democracy.

June 10: Lower House Speaker and Union Solidarity and Development Party (USDP) Chairman Shwe Mann paid a goodwill visit to the U.S. at the invitation of the House of Representative Speaker and Republican Leader John Boehner.

June 28: An agreement on economic cooperation between Myanmar and the U.S. which included assistance from the U.S. Agency for International Development (USAID) providing US\$ 170 million for Myanmar was signed.

July 3: The U.S. blacklisted Myanmar's former Minister for Border Affairs Lt. Gen. Thein Htay who was accused by the U.S. government in violating a UN Security Council ban on buying military goods from North Korea.

July 25: The U.S. government announced that it would pledge a US\$ 500, 000 million fund to preserve Myanmar's historical Mandalay's Shwe Nan Daw Kyang Monastery.

August 1: The U.S. Ambassador to Myanmar Derek Mitchell, alongside a close advisor to the U.S. President Ben Rhodes, announced that the U.S. would boost military ties with Myanmar. The military engagement mainly focused on human rights issues.

August 2: The U.S. Senate Minority Leader Mitch McConnell spoke at the Congress that Myanmar should amend its undemocratic 2008 constitution, reform and reduce the political of its military and establish an independent judiciary.

Source: The Irrawaddy; Archives; “News Archives on Burma” (2001-2013); Arnott (2001); Seekins (2009; Contemporary Southeast Asia (2010); Seekins (2010); Steinberg and Fan (2012).

