Abstract

This thesis argues that Myanmar’s China policy since 1988 has been jointly determined by systemic imperatives and domestic factors. To make this argument logically acceptable, I create a neoclassical realism model of ‘strategic preference’. The strategic preference is the intervening variable which decides the state’s reactions to external environments. It assumes that states will adopt active diplomacy if they have an ‘integration’ strategic preference, and that otherwise, they will to be neutral about foreign affairs or isolated from the world. The external environments are divided into inclusive and restrictive ones, where the former means economic and political competition between great powers, while the latter refers to military confrontation between them. The hypothesis is that states are more likely to hedge against the threatening state when they have an ‘integration’ strategic preference and are faced with an inclusive external environment. Alternatively, states will keep their distance from the threatening state.

In the case of Myanmar, it formulated an ‘integration’ strategic preference in 1988 because the domestic politics remained stable and moderate leaders were in charge of foreign affairs. Meanwhile, it faced a high threat from the US and great opportunity of gaining benefits from China. Given this, Myanmar engaged closely with China and thus resisted the US. However, Myanmar switched to the ‘isolation’ strategic preference after 2004 and confronted moderate Sino-US competition, thereby keeping both China and the US at a distance. Myanmar then revived the ‘integration’ strategic preference in 2011 and was faced with high risks of over-depending on China and a good chance of re-approaching the US. Hence, Myanmar improved relations with the West and fostered relations with ASEAN, India, and Russia to balance the rising Chinese influence. It also attempted to reduce its over-dependence on China by decreasing Chinese investment and slowing down its strategic partnership with China. The successive NLD government inherited the ‘integration’ strategic preference and faced strong US criticism. Therefore, it enhanced engagement with China to relieve the US pressure while strengthening relations with neighbouring countries to balance China’s influence.

Myanmar has stabilised bilateral ties and won the support of China through the high-level exchanges between the two countries; it has benefited greatly from the close bilateral economic and defence cooperation. Nevertheless, Myanmar has expanded the country’s trade and investment partners and aid resources, diversified its foreign relations, and promoted defence cooperation with other military powers, thereby selectively reducing its reliance on China. However, Myanmar’s balancing act is a highly restrained one because of its vulnerability and limited access to external resources, especially the strong political support and economic assistance from other great powers, such as the US in particular. In the near future, Myanmar will continue to give top priority to engagement with China, while gradually expanding its balancing act.

Keywords: Myanmar, China, US, engagement, balance.
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