

# China's "Realpolitik" Engagement with Myanmar

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Conventional wisdom has it that the pursuit of energy resources is a primary driving force behind China's foreign policy. One can attribute this claim to China's growing ties with African countries in recent years, which hold approximately 10 percent of the world's total oil reserves.<sup>1</sup> First, China began to make inroads into the oil sector of Sudan in the mid-1990s, transforming the African country into an oil exporter since the end of the decade. An overwhelming majority (81 percent) of the total African output of Chinese national oil companies in 2006 came from Sudan.<sup>2</sup> African oil-producing countries are now supplying about one-third of China's crude imports. Second, China's extensive oil interests in Sudan are widely believed as the predominant factor that led China to thwart until July 2007 the United States

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**China Security, Vol. 5 No. 1 Winter 2009, pp. 101-123**  
**2008 World Security Institute**

and European countries from imposing United Nations sanctions on Khartoum and intervening into the infamous Darfur humanitarian crisis, which began in early 2003.<sup>3</sup> Third, led by the then Chinese President Jiang Zemin in April 2000, Chinese senior leaders, including Hu Jintao, Li Peng, Wen Jiabao and Zhu Rongji, frequently visited the continent in recent years.<sup>4</sup> Three ministerial conferences of the Forum on China-Africa Cooperation have been held since October 2000. Peter Brookes of The Heritage Foundation has therefore asserted that "... nothing is driving China into Africa more than its quest to satisfy its insatiable appetite for oil and gas."<sup>5</sup>

As a corollary, many have viewed Beijing's attempts to court other energy-producing, unsavoury governments through the lens of energy security. David Lamp-ton argues that "... [Beijing] make friends with every regime that has energy in the ground (whether or not the partner regime observes internationally recognized human rights, and whether or not new relationships intrude into sensitive regions)."<sup>6</sup> In particular, this rationale has become a popular explanation of China's close ties to Myanmar and its resistance to the imposition of sanctions there. Indeed, since the military junta, the State Law and Order Restoration Council (SLORC), took power in a 1988 coup, China has remained one of the regime's few public supporters, shielding it from United Nations Security Council (UNSC) action and other foreign sanctions.<sup>7</sup> China (and Russia and South Africa) defeated a draft resolution set forth at the UNSC in January 2007 by both the United Kingdom and the United States calling on the Myanmar government to cease military attacks against the ethnic minorities in the country and take steps to advance into a genuine democracy (discussed in detail below). However, the reasons for Beijing's protection of Myanmar's sovereignty are more complex than a single-minded pursuit of energy.<sup>8</sup> Moreover, although the bulk of international opprobrium is focused on China's role, Beijing's approach towards Myanmar is consistent with that of other regional governments.

While Myanmar has effectively become isolated from Western countries, China has maintained good relations with it. During the last decade, China sent high-level dignitaries such as the former Chinese Communist Party general secretary and president of the state, Jiang Zemin, and his successor, Hu Jintao, to Myanmar while the latter dispatched top leaders, Than Shwe and Maung Aye, the chair and vice chair of the ruling SLORC/SPDC respectively, to Beijing. Bilateral contacts have included the sale of Chinese armaments and machinery to the military junta, joint efforts to combat cross-border trafficking of narcotics, border trade of consumer goods, and Myanmar's exports of timber (largely through illicit smuggling) and precious stones to Yunnan, China's south-western province. China has meanwhile shielded the Myanmar regime from Western and United Nations opprobrium and sanctions.<sup>9</sup>

More important to critics of China's role in Myanmar are Beijing's manoeuvres aimed at increasing its energy security. Currently, China is considering building oil and gas pipelines from the Myanmar south-western port of Sittwe (also known as Akyab) to the Yunnan capital, Kunming.<sup>10</sup> With depleted oil resources, Myanmar is not likely to be a supplier of crude oil to China; instead the oil pipeline would carry

### **A Brief History of Myanmar Sanctions**

Most external assistance to Myanmar came to a halt after the junta, the State Law and Order Restoration Council (SLORC), assumed power as a result of a military coup in September 1988. The coup aimed to bring a countrywide protest against the Burma Socialist Programme Party to an end. The junta annulled the results of the May 1990 legislative elections, which brought a sweeping victory to the National League for Democracy (NLD). The NLD was led by Aung San Suu Kyi, a pro-democracy activist, the 1991 Nobel Peace Prize laureate and the daughter of Aung San, the late Burmese nationalist leader who is considered as the father of modern-day Burma. She was placed under

house arrest by the junta in July 1989 before the general election which in effect prevented her from assuming office as Prime Minister of Myanmar. In the wake of the regime's alleged attack on her and her entourage in May 2003 (known as the Depayin Incident) and the subsequent house arrest of her, the United States imposed new economic sanctions in August 2003, including a ban on imports of Myanmar products and a ban on provision of financial services by US persons. As a result of the violent crackdown on anti-government protestors in Yangon in September 2007, the United States tightened its sanction.

oil from the Middle East and Africa, bypassing the bottlenecked sea lane of the Malacca Strait, which currently delivers 80 percent of China's oil imports.<sup>11</sup> According to Chinese analysts, an over-reliance on the strait poses two threats to China's energy security: the threats of piracy and maritime terrorism in the region and the attempts of the powerful states, notably the United States, to exert dominance over the strait through joint naval exercises with India and Japan and through such programmes as the Container Security Initiative, the Proliferation Security Initiative and the Regional Maritime Security Initiative.<sup>12</sup> Proponents of the pipeline argue that it would reduce China's reliance on the Malacca Strait for oil transportation by at least one-third.<sup>13</sup>

In 2001, China also began joint natural gas explorations with Myanmar. Four years later Myanmar allowed China to explore in the areas off its western coast in the Bay of Bengal.<sup>14</sup> As soon as India suffered a setback in reaching an agreement with Bangladesh about delivering gas from Myanmar to India via Bangladeshi territory, Myanmar swiftly decided in December 2005 to sell its gas to China through the overland pipeline to Kunming. Myanmar leaders were not willing to change the direction of gas sale even when New Delhi was allegedly prepared to construct a much more costly overland pipeline bypassing Bangladesh.<sup>15</sup> More recently, in January 2008, Myanmar's Ministry of Energy inked a contract with China National Petroleum Corporation (CNPC) to explore natural gas in three deep-sea gas blocks off western Myanmar.<sup>16</sup> In the following May and June, Daewoo International of South Korea signed an agreement with CNPC to jointly explore a block in the Shwe field, off Sittwe in western Myanmar, estimated to hold 4.5 trillion cubic feet (or 127.4 billion cubic metres) of natural gas, and to sell gas from the field to China.<sup>17</sup> As a result, China is often portrayed by security analysts and journalists to be supportive of the reclusive regime out of a strategic consideration of its own energy security.<sup>18</sup>

While there are some elements of truth in these arguments, they overestimate the role of Myanmar oil and gas in China's grand foreign policy and fail to address a couple of puzzles regarding the importance of oil and gas to China. As commonly stated, China has been an ally of the military regime since 1988, but China did not perceive the danger of oil insecurity at that time. Until 1993 China was self-sufficient in oil, and thus paid relatively little attention to energy security.<sup>19</sup> Yunnan province has been more active than the central government in forging diplomacy with the military regime.<sup>20</sup> Growing economic engagement with Myanmar is believed to be conducive to the economic development of China's landlocked south-western region, helping to narrow the income gap between it and the more prosperous coastal provinces.<sup>21</sup>

Despite China's penchant for overland oil and gas pipelines, Myanmar's material value to China is not a straightforward calculus. There are controversies over the viability of the pipelines due to several reasons. The primary one is that Myanmar possesses and produces little oil (see Table below) and the gas pipeline will be

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costly to construct.<sup>22</sup> The Rakhine state in western Myanmar, where Sittwe is located, is also plagued by Islamic radicalism, as the military regime has used Theravada Buddhism to suppress Rohingya Muslims in the country.<sup>23</sup> Tension between Bangladesh and Myanmar has flared up over contested territorial

borders between the two countries, particularly when Daewoo International attempted to extend offshore exploration into Block AD-7 in the Bay of Bengal, about 93 km southwest of St. Martin's island of Bangladesh.<sup>24</sup> To bypass the choke point of the Malacca Strait, China has the option of using the Gwadar port in Pakistan, which China helped to construct, although the route has to pass through the politically volatile Kashmir area. Myanmar's material value to China is therefore open to dispute.

Furthermore, if this energy-security argument were to hold true, then one would expect China to engage equally wholeheartedly with other energy-rich states marked as pariahs in and alienated by the West, namely Libya and Iran. But the correlation remains unclear. Among the four "pariah" states (Iran, Libya, Myanmar and Sudan), Iran and Libya hold the largest oil and gas reserves and the longest projected production lifespan (see Table below). But, first, China did not develop cordial ties with Libya when the Gaddafi regime was ostracised until 2003 by the West.<sup>25</sup> Furthermore, when the West takes steps to impose United Nations sanctions on three of them, China is less cooperative in the cases of Myanmar and Sudan than in the case of Iran. Were oil to be so important to China, why would China not engage the countries that have the most promising energy assets, regardless of the effect on its international image?<sup>26</sup> Bowing to intense pressure from the United States, China began in 1997 to dissociate itself from Iran's nuclear programme. Nonetheless, even after 1997 China frequently came to Iran's defence by claiming that as a signatory state of the Nuclear Non-Proliferation Treaty (NPT), Iran has the right to develop

nuclear energy programmes for civilian use. China was loath to cooperate with the United States in 2004 in referring the nuclear issue to the United Nations Security Council. To secure China's support in the Security Council, Iran allegedly offered Chinese corporations precedence in more than 100 economic projects, which included China Petroleum and Chemical Corporation (Sinopec)'s investment in the Yadavaran oilfield, close to the Iran-Iraq border. But Beijing still voted in the Security Council in 2006-2008 in favour of imposing punitive sanctions against Tehran and reportedly shared intelligence about Iran's nuclear programme with the International Atomic Energy Agency (IAEA).<sup>27</sup> Although Chinese oil officials emphasised that the negotiations with their Iranian counterparts over Sinopec's development of the Yadavaran oilfield were stymied by disagreements over commercial terms rather than politics, one cannot rule out the possibility that the lack of any progress on the investment for three years until late 2007 was partly due to Iran's displeasure at China's increasingly pro-Western posture with regard to its nuclear programme.<sup>28</sup> That China has been more cooperative with the West in dealing with the larger oil-producing outlaw states than the smaller ones defies the presumed logic that China attaches primary importance to the quest for external oil and gas in dealing with the rest of the world.<sup>29</sup> Therefore, the energy-security argument alone cannot satisfactorily explain China's foreign policy towards oil-rich, unsavoury states. To account for China-Myanmar engagement, one has to look for reasons other than energy motivation.

Proven Reserves of Oil and Gas in China and Four "Pariah" States, 2007

	Oil		Natural Gas	
	Proven reserves (billion barrels)	R/P ratio (years)	Proven reserves (trillion cubic feet)	R/P ratio (years)
China	15.5 – 16.0	11.3	66.54 – 80.00	27.2
Iran	136.27 – 138.4	86.2	974.00 – 981.75	100+
Libya	41.464 – 41.5	61.5	52.65 – 52.80	98.4
Myanmar	0.05	N.A.	10.00 – 21.19	40.8
Sudan	5.0 – 6.6	39.7	3.00	N.A.

Sources: British Petroleum, *BP Statistical Review of World Energy June 2008* (London: British Petroleum, 2008), 6, 22; "Country Energy Profile," Energy Information Administration, U.S. Department of Energy, <http://tonto.eia.doe.gov/country/index.cfm> (accessed October 20, 2008).<sup>30</sup>

Echoing the argument that energy security is not of pivotal significance is an equally widespread assertion that the military junta allows the Chinese navy to set up military facilities in its country's military bases in exchange for China's political support on the world stage. Since 1992 there has been considerable and continuing speculation about the existence of China's naval bases on the Great Coco Island and Hainggyi Island in Myanmar.<sup>31</sup> This allegedly forms part of China's emerging assertive maritime diplomacy, otherwise known as a "string of pearls" strategy, which covers ports in Pakistan, Bangladesh, Myanmar, Thailand and Cambodia.<sup>32</sup> However, as put forward forcefully by Andrew Selth, there is no consistent and verifiable evidence for the claims that Chinese naval technicians are permanently stationed in the

bases or are in direct control of the operation of the military facilities there.<sup>33</sup> Even Adm. Arun Prakash, India's chief of naval staff, admitted in August 2005 that there were no Chinese military or intelligence facilities on the Great Coco Island.<sup>34</sup> The speculation is further discredited by the fact that the United States, which possesses the most advanced intelligence collection capability, has not voiced any concern about the reported presence of Chinese bases in the Indian Ocean.

Therefore, factors other than both energy supply and use of military bases should be considered to account for China's pragmatic approach to Myanmar. While the latter has been ostracised by the West since 1988, it has not been isolated by regional powers, we therefore propose to examine in the following sections China-Myanmar relations in the context of regional powers' continuous partnership with the military regime.

### Myanmar Plays the China Card

While the popular assumption is that Myanmar is a client state of China, the depth of the relationship between the two is often overstated. In fact, the junta has skillfully played the China card to improve or maintain good relations with its ASEAN brotherly states, especially Thailand, India and Japan. After seizing power in 1988, the SLORC abandoned the autarkic, socialist economic programme adopted

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by the Ne Win regime. Instead it opted for developing a more "open" economy, inviting foreign, including Chinese, investment into its domestic economy.<sup>35</sup> Largely due to their mounting concern about China's overwhelming dominance over Myanmar, ASEAN, India and Japan have all acknowledged the need to be involved. Hence they have accepted the principle of non-intervention in their dealings with Myanmar, with India and Japan laying aside their initial principled support for human rights and democratisation in the reclusive country. As a result, Myanmar's natural gas sector has not come under Chinese domination.<sup>36</sup> More recently the military junta began to forge relations with fellow outlaw states to counterbalance its growing engagement with China.

Bolstered by xenophobic nationalism, Myanmar makes every effort to maintain cordial relations with all major powers in the region to ward off over-dependence on any one country.<sup>37</sup> This is particularly true when it comes to its interaction with China. Although it was the first non-socialist country to recognize the People's Republic of China in December 1949, the decision was largely made out of a fear of a possible Chinese invasion. Burma's colonial history left a legacy of border disputes between the two countries. Burma's U Nu was wary that China would invade his country under the pretext of pursuing the remnant of Guomindang forces that fled across the border between the two countries and concerned about Chinese continuous assistance to the Burma Communist Party (BCP; also known as the White Flags).<sup>38</sup> Mutu-

al hostility heightened during China's Cultural Revolution period when anti-Chinese riots broke out in Burma in June 1967. Even today, the Myanmar regime is resentful of China's support for the BCP which lasted until the mid-1980s.<sup>39</sup> An illegal party in the country, the BCP is often associated with the insurgent armed forces in the politically sensitive ethnic minority areas along the China-Myanmar border. As a consequence of these historical factors, Myanmar is often apprehensive about the potential threat to its sovereignty and security posed by its more powerful north-eastern neighbour.

China is not the only, nor is it the biggest, supporter of the abusive regime. Contrary to what is widely believed, Myanmar's largest trading partner is Thailand, not China, due to natural gas sales.<sup>40</sup> Although Thailand and Myanmar had experienced strained relations in the past, as early as December 1988, shortly after the coup by SLORC, Thailand began to adopt a policy of "constructive engagement" with Myanmar with a visit to Rangoon (renamed Yangon in 1989) by the Thai commander of armed forces, General Chaovalit Yongchaiyut. Thailand made to no avail an appeal to the George H. W. Bush administration in February 1989 to improve relations with Indochina as well as Myanmar.<sup>41</sup> Thailand invited Ohn Gyaw, the then Myanmar foreign minister, to attend ASEAN ministerial meetings in Bangkok in 1994.<sup>42</sup> Commercial interests between the two countries have since developed rapidly and they include the offshore Yadana and Yetagun gas fields in the Gulf of Martaban, and forestry and hydroelectric power projects.<sup>43</sup> More recently, Thailand's PTT Exploration and Production (PTT-EP) has begun to explore offshore gas from the Gulf of Martaban.<sup>44</sup> Thailand has refused to cooperate with the West in imposing sanctions on the regime. In December 2003 Thakin Shinawatra invited representatives from 11 countries to Bangkok (known as the "Bangkok process") to discuss Myanmar's seven-point roadmap to democracy proposed by the Prime Minister Khin Nyunt.<sup>45</sup> Other ASEAN member states, with the possible exception of the Philippines which has strong ties with the United States, are all supportive of strengthening political and economic ties with Myanmar.

In Myanmar's effort to balance the pulls of outside influences, India plays a key role. Well aware of the competition and rivalry between China and India, the junta tends to play China against India in the negotiations over potential gas routes.<sup>46</sup> Both India and Burma were parts of British India before independence. Between 1962 and 1991, however, India had fairly strained relations with the military junta, partly because of its moralistic rejection of the legitimacy of the anti-democracy coup d'état. However, as a result of the rise of P. V. Narasimha Rao to power following the death of Rajiv Gandhi in May 1991, the Indian government began to implement pro-market economic reforms domestically and to adopt externally a "Look East Policy" to cement ties with the economically vibrant Southeast Asia and to counter-balance the influence of China.<sup>47</sup> The starting point of the policy of reaching out to Southeast Asia was naturally Myanmar. India also felt compelled to seek the latter's support to rein in anti-Indian insurrections in Indian Northeast.<sup>48</sup> This presaged a

complete turnaround in its dealings with its eastern neighbour. U Aye, director general of Myanmar's Ministry of Foreign Affairs, visited New Delhi in October 1992. Indian foreign secretary, J.N. Dixit, paid a reciprocal visit to Yangon four months later. Both countries agreed in principle not to interfere into each other's internal affairs.<sup>49</sup> Since then, bilateral trade has increased remarkably from US\$87.4 million in 1990-91 to US\$323.4 million in 2001-02 with India becoming a major market for Myanmar exports.<sup>50</sup>

The visit by Jaswant Singh, then Indian minister for external affairs, to Myanmar in February 2001 kicked off a series of protracted negotiations on purchasing natural gas from Myanmar. Two Indian oil and gas companies - ONGC Videsh Ltd and GAIL - are involved in the exploration of the Shwe gas field, of which, as mentioned before, Daewoo International holds the controlling share. Ideally, India wished to deliver Myanmar gas to Kolkata (Calcutta) via a pipeline going through Bangladesh. But New Delhi was reluctant to meet the conditions imposed by Dhaka in 2005.<sup>51</sup> Without waiting for India to sort out the routing problem, the Myanmar government announced in March 2007 selling natural gas from Blocks A1 and A3 to China rather than India. Despite this setback, bilateral cooperation between India and Myanmar continued. In August 2007 India sealed a \$150 million contract for gas exploration in the Gulf of Martaban. During the military crackdown in September 2007, Indian Oil Minister Murli Deora was in Yangon to observe the signing of an additional oil and gas exploration contract between his country's ONGC Videsh Ltd and Myanmar's military leaders.<sup>52</sup> In April 2008 when Maung Aye, vice chairman of the SLORC, visited India, Indian Vice President Hamid Ansari reiterated his country's opposition to imposing international sanctions on Myanmar. In the wake of Cyclone Nargis that killed 138,000 Burmese nationwide in May 2008, India was one of the first countries to provide emergency aid to Myanmar.<sup>53</sup>

Well aware of the geostrategic value of Myanmar, Japan is another major actor in regional politics. Its relations with Burma date back to the Pacific War in 1937-45 when the Japanese forces invaded Burma to cut off the international supply lines to China.<sup>54</sup> In the 1940s the "Thirty Comrades," including Aung San and Ne Win, received military training from the Japanese. Up to 1988 Japan was the principal provider of development aid to Burma. Between 1954, when Japan's official development assistance (ODA) programme started, and 1988 Japan offered it more than \$2 billion in grants and loans. Japan has since 1988 faced a struggle between, on the one hand, the need to prevent Myanmar from leaning heavily on China, to accommodate the strong influence of major Japanese trading firms and to maintain its diplomatic clout in Southeast Asia, and on the other hand, the imperative not to undermine its alliance with the United States which persistently urges it to isolate the military regime. Japan's policy is to occupy the middle ground by exercising "quiet diplomacy" in dealing with the junta.<sup>55</sup> Tokyo formally recognised the military regime in February 1989 and resumed disbursements of funds agreed upon *before* the coup as soon as the SLORC announced the holding of general elections in the

following year. In March 1990 the Japanese government annulled Myanmar debt worth \$22.8 million by converting it into a grant. Four years later, it offered two *new* humanitarian aid grants to Myanmar.<sup>56</sup> Three months after the release of Aung San Ssu Kyi from house arrest in July 1995, Japan approved a grant of 1.6 billion Japanese yen for the renovation and expansion of the Institute of Nursing in Yangon. This was followed by a low-key visit to Tokyo by Maung Aye between late October and early November 1995.<sup>57</sup> Alarmed by China's "aid offensive" in Myanmar, Japan supported the admission of Myanmar to ASEAN in June 1997 in defiance of the United States and European Union.<sup>58</sup> Yoriko Kawaguchi, Japan's Foreign Minister, made a visit to Myanmar in August 2002 after the junta lifted restrictions on Aung San Suu Kyi who was put again under house arrest between September 2000 and May 2002. The visit had enormous symbolic significance, as it was the first visit by a serving Japanese foreign minister in 19 years and the first by any incumbent G8 foreign minister to Myanmar since 1989.<sup>59</sup> The Japanese government did not impose any official economic sanctions on the regime, so direct investment from Japan continued after 1988 and amounted to \$212.57 million in the period 1988-2003.<sup>60</sup> Japanese companies are also active in Myanmar energy sector. Mitsui Trading Company entered into an agreement in April 1996 to construct a gas pipeline from the Yadana gas field.<sup>61</sup> Nippon Oil Exploration (Myanmar) Ltd holds a 19.3 percent stake in the Yetagun gas field.<sup>62</sup>

Mutual ties have, however, become strained since the Depayin Incident of May 2003.<sup>63</sup> Nevertheless, the Japanese government has steadfastly maintained that "quiet diplomacy" works better than sanctions. Yoshinori Yakabe of the Ministry of Foreign Affairs was quoted as saying that Japan's most important goal is to work together with ASEAN countries rather than support sanctions.<sup>64</sup> Despite that bilateral relations have been frostier than ever after Kenji Nagai, a Japanese video journalist, was shot dead by a Myanmar soldier in the junta's crackdown on the September 2007 anti-government protests, Japan did not end its aid to the military-ruled country, as it pledged in January 2008 to extend humanitarian aid worth \$1.79 million.<sup>65</sup> To assist Myanmar in overcoming the grave humanitarian crisis after the southern Irrawaddy Delta (also known as Ayeyarwady Delta) was devastated by Cyclone Nargis, the Japanese government sent through the United Nations a \$10 million emergency relief package for the victims. Japan also offered through Japan International Cooperation Agency disaster relief supplies worth \$950,000. Japan argued that the relief aid was given after taking into account "the friendly relationship between the two countries and the scale of the disaster."<sup>66</sup>

In an effort to further diversify and balance outside influences, Myanmar began to adopt a proactive diplomacy in 2007 by reaching out to states that have strained relations with the United States and/or the European Union; they include Iran, North Korea, Venezuela and Russia. It resumed diplomatic relations with North Korea, which were broken off in 1983, and was in talks with Russia for setting up a nuclear research reactor.<sup>67</sup>

### **The ASEAN Way**

The ways in which regional powers engage Myanmar have largely shaped how China develops ties with the military regime. In response to the active involvement with Myanmar in the names of "constructive engagement" by Thailand and ASEAN, the "Look East Policy" by India and "quiet diplomacy" by Japan, China has become even more determined to cling to its longstanding "Five Principles of Peaceful Co-existence." In particular, it has stressed the principles of mutual respect for territorial integrity and sovereignty and mutual non-interference in other's internal affairs. Short of regime change in Myanmar which might result in a spillover of political instability into China's south-western border, China is willing to cooperate with the West in nudging the junta into undertaking limited domestic reforms. It is in China's interests to see a "civilianisation" of the regime, propping up the legitimacy of the ruling generals, and conciliation between Myanmar and the United States. China brokered talks between Eric John, US Deputy Assistant Secretary of State for East Asian and Pacific Affairs, and two Myanmar ministers in Beijing in June 2007. China also backed the effort of the UN special envoy Ibrahim Gambari to promote reconciliation between Aung San Suu Kyi and the generals, and the resumption of the National Convention which is primarily tasked with drawing up a new constitution.<sup>68</sup> Collectively they would likely help China to earn its reputation in the West as a "responsible great power" while averting the establishment of a pro-Western regime on its south-western border.

Furthermore, there is a nonmaterial or social element in China-Myanmar relations: the "ASEAN Way", a general approach adopted by ASEAN countries that encompasses, among other things, non-confrontational, consensual, incremental and noninterventionist ways to resolve regional conflicts.<sup>69</sup> ASEAN's policy of constructive engagement is characterised by the regional endeavour not to "embarrass and isolate" the military regime and by the commitment to resolving Southeast Asian issues by nations within the region (i.e. regional autonomy).<sup>70</sup> This policy of regional engagement is meant to redress two prominent concerns among ASEAN members: US hegemony in the region and growing Chinese influence on Myanmar.<sup>71</sup> Myanmar's ruling regime has skilfully used the twin threats of instability in minority border regions and increasing reliance on China to dissuade its neighbours from intervening into its internal affairs and pushing it too hard.<sup>72</sup>

China's policy is largely contingent on how ASEAN treats its reclusive member state. In the first place, this is because China believes that regional institutions have the primary right to speak on the issues that directly concern them. China's state-centric approach to global governance is to be built on individual states at the basic level, regional intergovernmental organisations at the middle level and the United Nations at the global level. This would serve to restrain the United States from exercising power unilaterally and meddling in the domestic affairs of other states, indirectly enhancing China's security and freedom of action on various fronts. As we argue elsewhere, the Chinese government was annoyed by the fact that without

UNSC's authorisation, the US-led NATO in March 1999 used armed forces against the former Yugoslavia, a sovereign state that posed no direct threat to it. China has since then demanded that forcible humanitarian intervention be authorised by the UNSC and receive prior consent of the host state.<sup>73</sup> China's appreciation of an increased role of regional organisations in regional and global governance is evident in its "Position Paper on the United Nations Reforms" released in June 2005. China maintains that the reforms should safeguard the principles of sovereign equality and non-interference in internal affairs. Even if a massive humanitarian crisis takes place, China says, the opinions of the country in question and *the regional organisations concerned* should be respected, and that it is eventually the responsibility of the Security Council to make the decision to ease and defuse the crisis within the framework of the UN.<sup>74</sup>

Third, given the prevalence of the "China threat" arguments in the region, China finds that it is in its interests to work in tandem with ASEAN to allay the latter's concern over its increasingly close alignment with Myanmar.<sup>75</sup> It has gone to great lengths to maintain good relations with ASEAN at large and not to marginalise the organisation.<sup>76</sup> Otherwise, China is fearful that it would likely push the regional countries to form an anti-China coalition with Japan as well as the United States.<sup>77</sup> That explains why Beijing is loath to play a proactive role in resolving Myanmar's domestic crises despite the calls by human rights activists on China to use its leverage over the military junta to push it to embrace a more liberal standard of governance. Instead, it is supportive of the involvement of ASEAN in the domestic affairs of Myanmar. When China and Russia vetoed the aforementioned draft resolution submitted to the UNSC in January 2007, China's rationale was that the Myanmar issue was an internal affair of a sovereign state and that Myanmar's immediate neighbours, ASEAN member states, did not believe that the grave challenges Myanmar was facing posed a threat to them. While the first "double veto" by China and Russia since September 1972 came under spotlight, what escaped the notice of many pundits was Indonesia's abstention from the voting and its stance.<sup>78</sup> The Southeast Asian state, a non-permanent UNSC member in 2007-2008, agreed with China that the host of issues such as democratic transition, human rights, HIV/AIDS and narcotics and human trafficking "did not make Myanmar a threat to international peace and security".<sup>79</sup> Jakarta emphasised that both the United Nations and ASEAN could work together to address them.<sup>80</sup>

Both China and Myanmar's ASEAN neighbouring states have been at pains to put ASEAN in the driving seat in multilateral engagement with the military regime. This was particularly evident in the response to Cyclone Nargis, which devastatingly hit Myanmar in May 2008. In the wake of the disaster, 24 countries and the United Nations swiftly offered aid and assistance to the Myanmar government. However, in fear of foreign intervention into its domestic politics and even aggression, the military regime refused to accept aid from Western nations.<sup>81</sup> China was one of a few Asian countries which successfully dispatched relief supplies to the country. US

Secretary of State Condoleezza Rice made an appeal for China to press the military regime to accept more external disaster assistance.<sup>82</sup> While China was more successful than Western countries and non-governmental aid agencies in dispatching relief supplies to Myanmar and had pledged aid worth \$15 million, it resisted putting pressure on Myanmar to open up its borders for emergency relief from other donors. When France argued in the UNSC for invoking the notion of "responsibility to protect" to deliver aid forcibly to the victims of the disaster without the consent of the military regime, China disagreed. But it is worth noting that in addition to China and Russia, Vietnam and Indonesia, both Myanmar's fellow members in ASEAN, rejected the involvement of the UNSC.<sup>83</sup> Eventually it was ASEAN that took the lead to coordinate a "coalition of mercy" to undertake humanitarian relief. An ASEAN-UN International Pledging Conference was held in Yangon on May 25, 2008, which received international aid amounting to \$50 million.<sup>84</sup>

Mounting evidence indicates that a quest for national and regional autonomy and international legitimacy occupies a more central place in China's grand strategy than a hunt for energy resources in countries with moderate oil wealth. The former, which has a direct bearing on its regime security, requires an international order built less on US hegemony than on heightened cooperation between sovereign states and regional intergovernmental organisations. China increasingly relies on the support of nation-states and regional organisations that share the cardinal principles of inviolability of national sovereignty and non-interference

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China's grand strategy than  
the hunt for resources.*

in the internal affairs of other states to constrain the sole superpower, the United States. This is more salient in Southeast Asia due to several reasons. First, ASEAN is an important political ally of China not only because the Southeast Asian states are on its periphery but also because they share a commitment to repudiating the post-Cold War normative assertion that only liberal democracies are rightful and legitimate members of the "civilised" international society and to resisting an increased temptation of liberal democracies to intervene into the internal affairs of other states.<sup>85</sup> China acts in accordance with the norms and rules of a regional order fashioned by both ASEAN and it: a pluralist order based on a common commitment to the fundamental institution of state sovereignty enshrined in both the United Nations Charter and the ASEAN Treaty of Amity and Cooperation. According to the English School of International Relations, this pluralist conception of international society does not undermine cooperation between states and international peace even if they hold varying political values and ideologies.<sup>86</sup> Second, American political influence and authority in Southeast Asia was on the wane under the George W. Bush administration. Since the United States started the wars in Afghanistan and Iraq in the wake of Sept. 11, it has shown reduced interest in Southeast Asian affairs. Condoleezza Rice has skipped two ASEAN Regional Forum meetings since 2005. George W. Bush was absent from a summit

meeting with ASEAN in September 2007, which marked the 40th anniversary of the founding of the organisation.<sup>87</sup> In a way, as a gradual shift in power balance in favour of China in East and Southeast Asia seems to be taking shape, China is at pains to carve out a normative buffer zone on its border with Southeast Asia to counter American hegemony. Third, critics of the West charge that the sheer moral hypocrisy of Western powers is evident in Southeast Asia. In spite of economic sanctions against Myanmar by both the United States and the European Union, Chevron/Unocal (United States) and Total (France), two major international oil companies, have not ceased their operation in the Yadana and Yetagun gas pipeline projects.<sup>88</sup> China and Asian nations are convinced of the moral grounds for adopting a “business-as-usual” approach to Myanmar.

### **Norms, Energy and Beyond**

Although ASEAN, China, India and Japan form partnerships with Myanmar for different reasons, interactions among the regional stakeholders with regard to Myanmar have reinforced the regional norm of non-intervention into other states’ internal affairs. Despite their initial preference for supporting and promoting political liberalisation in the reclusive country, both India and Japan, the two democratic countries in the region, have been socialised, though in varying degrees, into the norm when they engage Myanmar as well as ASEAN.<sup>89</sup> The regional normative environment in which all stakeholders find themselves defines and constitutes their Asian identities, national interests, and more importantly, what counts as rightful action. At the same time, regional actors create and reproduce the dominant norms when they interact with each other.<sup>90</sup> This approach prompts us to look beyond such material forces and concerns as the quest for energy resources as well as military prowess to explain China’s international behaviour. Both material self-interest and normative factor are at work in China’s relations with Myanmar and ASEAN. But pundits grossly overstate the former at the expense of the latter. To redress this imbalance, this paper asserts that China adopts a “business-as-usual” approach to Myanmar largely because this approach is regarded as appropriate and legitimate by Myanmar and ASEAN and practised by India and Japan as well, and because China wants to strengthen the moral legitimacy of an international society based on the state-centric principles of national sovereignty and non-intervention.

As a corollary, we argue that regional politics at play have debunked the commonly held simplistic belief that China’s thirst for Myanmar’s energy resources is a major determinant of China’s policy towards the regime. A close examination of the energy assets in Myanmar reveals that it is less likely to be able to become a significant player in international energy politics. Whereas Myanmar may offer limited material benefits to China, it and ASEAN at large are of significant normative value to the latter. Ostensibly China adopts a *realpolitik* approach to Myanmar; however, the approach also reflects China’s recognition of the presence and prominence of a regional normative structure and its firm support for it.

The arguments of this paper may be fruitful in furthering research on China's engagement with pariah states in a number of ways. First, analysts may examine how the Gulf Cooperation Council, the League of Arab States and the African Union deal with the unsavoury states of Iran, Libya and Sudan to see whether China follows closely the policy lines established by the regional organisations. Second, one may study how China adjusts its approach to Myanmar if and when ASEAN shifts to assume a more interventionist stance with regard to Myanmar's political stalemate.<sup>91</sup> Finally, if the new Obama administration comes to an understanding that "democracies will have to work with rising autocracies if they are to tackle global challenges"<sup>92</sup> and fosters a cooperative international order made up of a concert of great powers of diverse political systems and values, would China become more receptive to the preferences of the West in bringing about positive political changes in Myanmar? ☹️

### Notes

<sup>1</sup> Michael Klare, *Rising Powers, Shrinking Planet: How Scarcity of Energy Is Creating a New World Order* (Oxford: Oneworld Publications, 2008), 150.

<sup>2</sup> Ibid, 166-68; Erica S. Downs, "The fact and fiction of Sino-African energy relations," *China Security* 3, no.3 (2007): 42-68.

<sup>3</sup> The United Nations Security Council passed Resolution 1769 to deploy a hybrid international force of up to 26,000 UN and African Union soldiers and police officers to Darfur. British officials argued that China dropped its objections to the vote because a possible international human rights backlash from human rights activists against the 2008 Olympic Games in Beijing outweighed China's oil interests in Sudan. <http://daccessdds.un.org/doc/UNDOC/GEN/N07/445/52/PDF/N0744552.pdf>. (accessed March 1, 2009) Patrick Wintour and Julian Borger, "UN vote backs Brown's call for action to end Darfur conflict," *Guardian*, August 1, 2007, <http://www.guardian.co.uk/politics/2007/aug/01/uk.topstories3> (accessed August 1, 2007). See Daniel Large, "From non-interference to constructive engagement? China's evolving relations in Sudan," in Chris Alden, Daniel Large and Ricardo Soares de Oliveira (eds.), *China Returns to Africa: A Rising Power and a Continent Embrace* (London: Hurst & Company, 2008), 275-94 and Sharath Srinivasan, "A marriage less convenient: China, Sudan and Darfur," in Kweku Ampiah and Sanusha Naidu (eds.), *Crouching Tiger, Hidden Dragon? Africa and China* (Scottsville: University of Kwazulu-Natal Press, 2008), 55-85 for two studies of the role of China in the Darfur crisis.

<sup>4</sup> Since early 2004, Hu Jintao has visited 18 African countries. He was in Mali, Senegal, Mauritius and Tanzania in February 2009. Eric Watkins of *Oil & Gas Journal* argues that the hunt for oil and gas motivates Hu to visit the four "resource-poor" countries because of their location. Eric Watkins, "Hu eyes African oil," *Oil & Gas Journal*, February 16, 2009.

<sup>5</sup> Peter Brookes, "Into Africa: China's grab for influence and oil," *Heritage Lectures*, no. 1006, February 9, 2007, 2, <http://www.heritage.org/research/Africa/hl1006.cfm> (accessed March 1, 2009).

<sup>6</sup> David M. Lampton, *The Three Faces of Chinese Power: Might, Money, and Mind* (Berkeley, CA: University of California Press, 2008), 246. Despite the fact that Beijing no longer provides uncritical support for such pariah states as North Korea, Iran and Sudan in its "new dictatorship diplomacy," Stephanie Kleine-Ahlbrandt and Andrew Small maintain, Beijing's "main motivations [behind the new approach] remain energy security and economic growth." Stephanie Kleine-Ahlbrandt and Andrew Small, "China's new dictatorship diplomacy: is Beijing parting with

pariahs?" *Foreign Affairs* 87, no. 1 (2008): 38-56. See also David Zweig and Bi Jianhai, "China's global hunt for energy," *Foreign Affairs* 84, no. 5 (2005): 25-38.

<sup>7</sup> The State Law and Order Restoration Council changed the name of the country from Burma to the Union of Myanmar in June 1989 and it itself was renamed the State Peace and Development Council (SPDC) in November 1997.

<sup>8</sup> Many commentators attribute the close China-Myanmar relations to military or strategic reasons. See below for more discussion.

<sup>9</sup> Tin Maung Maung Than, "Myanmar and China: a special relationship?" *Southeast Asian Affairs 2003* (Singapore: Institute of Southeast Asian Studies, 2003), 189-210.

<sup>10</sup> According to Mi Gongsheng, the director of Yunnan Provincial Development and Reform Commission, the pipelines would be built at a total cost of \$2.54 billion in the first half of 2009. China National Petroleum Corporation (CNPC) will hold a 50.9 percent stake of the project while Myanmar Oil and Gas Enterprise (MOGE) will own the remaining 49.1 percent. Wan Zhihong, "Yunnan to build new gas pipeline," *China Daily*, November 19, 2008, [http://www.chinadaily.com.cn/regional/2008-11/19/content\\_7219714.htm](http://www.chinadaily.com.cn/regional/2008-11/19/content_7219714.htm)

(accessed November 20, 2008).

<sup>11</sup> "Myanmar pipelines yet to be approved," *South China Morning Post*, March 6, 2008. Myanmar is an oil-importing country due to the depletion of its onshore oilfields. See Tin Maung Maung Than, "Myanmar's energy sector: banking on natural gas," *Southeast Asian Affairs 2005* (Singapore: Institute of Southeast Asian Studies, 2006), 257-89, and Marie Lall, "Indo-Myanmar relations in the era of pipeline diplomacy," *Contemporary Southeast Asia* 28, no. 3 (2006): 424-46.

<sup>12</sup> Xuegang Zhang, "China's energy corridors in Southeast Asia," *China Brief* 8, no.3 (2008), [http://www.jamestown.org/single/?no\\_cache=1&tx\\_ttnews%5Btt\\_news%5D=4693](http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=4693) (accessed November 27, 2008); Zhang Xuegang, "Southeast Asia and energy: gateway to stability," *China Security* 3, no. 2 (2007): 18-35, [http://www.wsichina.org/cs6\\_2.pdf](http://www.wsichina.org/cs6_2.pdf) (accessed November 27, 2008). According to Zhang, China has grounds to be suspicious of American motives regarding the Regional Maritime Security Initiative because it is not open to Chinese participation and because of the unpleasant memories of the *Yinhe* incident in 1993. Although China is a signatory to the Container Security Initiative, with Shanghai and Shenzhen participating in it, the country is loath to join the Proliferation Security Initiative. It began to be concerned that the United States would use the war on terrorism as a cloak for controlling the Malacca Strait as soon as the US proposed in 2004 that its elite forces be allowed to patrol the Strait. See Marc Lanteigne, "China's maritime security and the "Malacca dilemma,"" *Asian Security* 4, no. 2 (2008): 143-61; You Ji, "Dealing with the Malacca Dilemma: China's effort to protect its energy supply," *Strategic Analysis* 31, no. 3 (2007): 467-89.

<sup>13</sup> Zhang, "Southeast Asia and energy."

<sup>14</sup> Zhang, "China's energy corridors in Southeast Asia."

<sup>15</sup> Åshild Kolås, "Burma in the balance: the geopolitics of gas," *Strategic Analysis* 31, no. 4 (2007): 625-43.

<sup>16</sup> Zhang, "China's energy corridors in Southeast Asia.;" "China-Myanmar oil pipeline project approved," *Alexander's Gas and Oil Connections News & Trends: E & SE Asia* 13, no. 7, April 15, 2008, <http://www.gasandoil.com/goc/news/nts81610.htm> (accessed November 27, 2008).

<sup>17</sup> Daewoo International began in 2000 to explore natural gas in the Bay of Bengal in partnership with Myanmar Oil and Gas Enterprise (MOGE). Four years later Daewoo International announced the discovery of a gas field in Shwe. Daewoo International holds a 51 percent stake in the Shwe field. Minor partners include India's Oil and Natural Gas Corporation (17 percent), MOGE (15 percent), GAIL of India (8.5 percent) and Korea Gas Corporation (8.5 percent). Kolås, "Burma in

the balance"; Charles Lee, "Myanmar gas sales, transport to CNPC set," *Platts Oilgram News*, June 24, 2008.; Song Yen Ling, "Daewoo signs Myanmar pact with CNPC," *International Oil Daily*, June 24, 2008.

<sup>18</sup> See, e.g. Amy Kazmin, "Beijing holds key to change in Burma," *Financial Times*, August 7, 2008 and Brian McCartan, "China's footprint in Myanmar expands," *Asia Times Online*, November 1, 2008, [http://www.atimes.com/atimes/China\\_Business/JK01Cb02.html](http://www.atimes.com/atimes/China_Business/JK01Cb02.html) (accessed November 2, 2008); Stephanie Kleine-Ahlbrandt and Andrew Small, "China's new dictatorship diplomacy: is Beijing parting with pariahs?" *Foreign Affairs* 87, no.1 (2008): 38-56.

<sup>19</sup> Pak K. Lee, "China's quest for oil security: oil (war) in the pipeline?" *Pacific Review* 18, no. 2 (2005): 265-301.

<sup>20</sup> John Bray, *Burma: The Politics of Constructive Engagement*, Discussion Paper 58 (London: Royal Institute of International Affairs, 1995), 44-48. This has been echoed by Lin Xixing of Jinan University, Guangzhou, who argues that the central government is less than determined in implementing the pipeline plan. Lin Xixing, "Miandian-Zhongguo: xin shiyou liuxiang," ("Myanmar-China: new direction of oil flow") *Zhongguo shiyou shihua (China's Petroleum and Petrochemicals)*, April 1, 2006, 28-29; "Zhong Mian guandao weihe haoshi duo mo" ("Why is the road to China-Myanmar pipeline strewn with setbacks?"), *Ibid.*, March 1, 2007, 30-31.

<sup>21</sup> Liu Shaohua, "Lun Zhong Mian guanxi," ("On China-Myanmar relations") *Wuhan daxue xuebao (renwen kexue ban) Journal of Wuhan University* 54, no. 3 (2001): 325-29.

<sup>22</sup> The cost of constructing the 2,380 km gas pipeline would be up to \$1.04 billion and China has to offer Myanmar credit of \$83 million to help it develop the gas reserves. B. Raman, *Myanmar Gas: The Pipeline Psywar*, South Asia Analysis Group Paper, no. 2244, May 12, 2007, <http://www.southasiananalysis.org/papers23/paper2244.html> (accessed October 19, 2008). See also Lee, "China's quest for oil security," 270, 286.

<sup>23</sup> Renaud Egretreau, *Woing the Generals: India's New Burma Policy* (New Delhi: Authorspress, 2003), 113-14.; Angel M. Rabasa, *Political Islam in Southeast Asia: Moderates, Radicals and Terrorists*, Adelphi Paper no. 358 (Oxford: Oxford University Press, 2003), 22-23.

<sup>24</sup> China urges both countries to settle the dispute "through equal and peaceful negotiations." "Bangladesh looks to end offshore gas dispute with India and Myanmar," *Alexander's Gas and Oil Connections News & Trends: E & SE Asia* 13, no. 13, July 21, 2008, <http://www.gasandoil.com/goc/news/nts83007.htm> (accessed November 27, 2008); Andrew Symon, "Bangladesh and Myanmar in fuel spat," *Asia Times Online*, November 20, 2008, [http://www.atimes.com/atimes/Southeast\\_Asia/JK20Ae01.html](http://www.atimes.com/atimes/Southeast_Asia/JK20Ae01.html) (accessed November 22, 2008); Nirmal Ghosh, "Dhaka reinforces border security; high alert comes after Myanmar said to have mobilised ground troops," *Straits Times* (Singapore), November 10, 2008.

<sup>25</sup> In spite of the fact that China National Petroleum Corporation and Libya's National Oil Corporation signed a cooperative agreement during Jiang Zemin's visit to Libya in April 2002, China did not import oil from the African country until 2003. China bought merely 128,900 tonnes of oil that year. Even in 2006 China only imported 3.4 million tonnes of crude oil from Libya or 2.3 percent of China's total annual imports. Angola, Republic of Congo, Equatorial Guinea and Sudan are China's major sources of imported African crude oil. Since the state visit by Jiang, Hu Jintao has not ever visited Tripoli. Chinese Foreign Minister Li Zhaoxing's African diplomatic tour in January 2006 took him to Libya. Wang Youyong, "Zhongguo yu Libiya de nengyuan hezuo," (China-Libya energy cooperation) *Guoji guancha (International Survey)*, no. 3, 2007, 47-52; Zhongguo shangwu bu (Ministry of Commerce, PRC), *Zhongguo shangwu nianjian 2007 (China Commerce Yearbook 2007)* (Beijing: Zhongguo shangwu chubanshe, 2007), 246. The United Nations Security Council lifted sanctions against Libya in its Resolution 1506 of September 12, 2003, [http://www.un.org/Docs/sc/unscl\\_resolutions03.html](http://www.un.org/Docs/sc/unscl_resolutions03.html) (accessed November 27, 2008).

<sup>26</sup> According to Michael Klare, only 15 oil-producing countries still have great untapped potential to increase output. They include Iran and Libya but not Sudan. See Klare, *Rising Powers, Shrinking Planet*, 43.

<sup>27</sup> John W. Garver, *China and Iran: Ancient Partners in a Post-Imperial World* (Seattle, WA: University of Washington Press, 2006), 139-65; Lee, "China's quest for oil security," 282.; Associated Press, "China gave IAEA intel on Iran's nuclear activities," *USA Today*, April 2, 2008, [http://www.usatoday.com/news/world/2008-04-02-nuclear-iran\\_N.htm](http://www.usatoday.com/news/world/2008-04-02-nuclear-iran_N.htm) (accessed January 6, 2009). China supported United Nations Security Council Resolution (UNSCR) 1696 of July 31, 2006, UNSCR 1737 of December 23, 2006 UNSCR 1747 of March 24, 2007, and UNSCR 1803 of March 3, 2008. Full texts of the resolutions are available at: <http://www.un.org/News/Press/docs/2006/sc8792.doc.htm>; <http://www.un.org/News/Press/docs/2006/sc8928.doc.htm>; <http://www.un.org/News/Press/docs/2007/sc8980.doc.htm> (accessed November 20, 2008) and <http://www.un.org/News/Press/docs/2008/sc9268.doc.htm> (accessed January 5, 2009).

<sup>28</sup> Chen Aizhu, "China-Iran oil talks slowed by terms, not politics," Reuters, November 13, 2007, <http://www.reuters.com/article/worldNews/idUSPEK8099820071113> (accessed November 13, 2007); "China's Sinopec, Iran ink Yadavaran deal," China Mining Association, December 11, 2007, <http://www.chinamining.org/Investment/2007-12-11/1197342543d8153.html> (accessed January 4, 2009); "SINOPEC starts Yadavaran oilfield BOD operation," *Tehran Times International Daily*, September 18, 2008, <http://www.tehrantimes.com/PDF/10416/10416-3.pdf> (accessed January 4, 2009).

<sup>29</sup> The case of Iran demonstrates that China has multiple interests in its international relations, of which maintaining good relations with the United States, non-proliferation and denuclearisation matter more than energy in China's calculus. With Iran supplying 13.6 percent of China's oil imports in the period 1998-2003, China's primary interest in Iran, according to Dingli Shen of Fudan University, is energy security. But China has to be mindful of damaging its relations with the United States. Dingli Shen, "Iran's nuclear ambitions test China's wisdom," *The Washington Quarterly* 29, no. 2 (2006): 55-66. See Gerald Chan, *China's Compliance in Global Affairs: Trade, Arms Control, Environmental Protection* (Singapore: World Scientific, 2006); and Evan S. Medeiros, *Reluctant Restraint: The Evolution of China's Nonproliferation Policies and Practices, 1980-2004* (Stanford, CA: Stanford University Press, 2007) for two studies of how and why China complies with the international non-proliferation regime.

<sup>30</sup> *The BP Statistical Review of World Energy June 2008* does not give any data about Myanmar proven oil reserves and Sudanese proven natural gas reserves. R/P ratio, defined as the length of time, in years, that the remaining reserves would last at the prevailing annual rate of production, measures the life span of the energy resources for individual countries.

<sup>31</sup> For journalistic reports, see, e.g. "Myanmar and China: new horizons," *The Economist*, January 23, 1993; Bilveer Singh, "China gives S-E Asia two causes for anxiety," *Business Times* (Singapore), June 9, 1993; David Blair, "India targets China's oil supplies as tensions grow between rivals," *Daily Telegraph* (London), September 15, 2008; "Blue water marks," *Indian Express*, December 22, 2008; For an academic study, see Brahma Chellaney, "Assessing India's reactions to China's peaceful development doctrine," *NBR Analysis* 18, no. 5, 2008, 23-36, <http://www.nbr.org/publications/analysis/pdf/vol18no5.pdf> (accessed January 5, 2009). The Great Coco Island is in the Bay of Bengal, 45 kilometers north of India's Andaman and Nicobar Islands; Hainggyi Island is located in the Irrawaddy/Ayeyarwady estuary.

<sup>32</sup> Christopher J. Pehrson, "String of pearls: meeting the challenge of China's rising power across the Asian littoral," Strategic Studies Institute, U.S. Army War College, June 2006, <http://www.strategicstudiesinstitute.army.mil/pdf/PUB721.pdf> (January 3, 2009).

<sup>33</sup> Andrew Selth, "Burma, China and the myth of military bases," *Asian Security* 3, no.3 (2007):

279-307. His arguments are echoed by Wayne Bert, "Burma, China and the U.S.A.," *Pacific Affairs* 77, no. 2 (2004): 263-82; and Renaud Egreteau, "India's ambitions in Burma: more frustration than success?" *Asian Survey* 48, no. 6 (2008): 936-57.

<sup>34</sup> "India says no China defence posts on Myanmar island, but will verify," *EagleSpeak*, August 24, 2005, <http://www.eaglespeak.us/2005/08/india-says-no-china-defence-posts-on.html> (accessed January 3, 2009).; "No report of anti-India activity at Coco Island," *Indiainfo.com*, August 25, 2005, <http://news.indiainfo.com/2005/08/25/2508coco-island-navy.html> (accessed January 3, 2009); "India says no China defence posts on Myanmar island," *Reuters News*, August 24, 2005.

<sup>35</sup> David I. Steinberg, *Burma: The State of Myanmar* (Washington, D.C.: Georgetown University Press, 2001), chapter 5, 133-39.

<sup>36</sup> China's Xinhua News Agency quotes official sources of Myanmar as saying that a total of 13 foreign oil companies, from Australia, Britain, Canada, China, India, Russia, South Korea, in addition to three ASEAN member states, are operating in Myanmar. Xinhua News Agency, "Companies from China, Myanmar, S. Korea sign gas pact in Myanmar," *Xinhuanet.com*, December 24, 2008, [http://news.xinhuanet.com/english/2008-12/24/content\\_10555064.htm](http://news.xinhuanet.com/english/2008-12/24/content_10555064.htm) (accessed January 3, 2009).

<sup>37</sup> It is an argument shared by Myanmar specialists. See Haacke, *Myanmar's Foreign Policy*; Helen James, "Myanmar's international relations strategy: the search for security," *Contemporary Southeast Asia* 26, no. 3, 2004, 530-53; Andrew Selth, *Burma's China Connection and the Indian Ocean Region* (Working Paper No. 377) (Canberra: Strategic and Defence Studies Centre, Australian National University, 2003).

<sup>38</sup> Cheng Ruisheng, "Cong Zhong Mian guanxi kan wu xiang yuanze de qiangda shengmingli" ("To look at the great vitality of the Five Principles [of Peaceful Co-existence] from Sino-Myanmar relations"), *Yafei zongheng (Exploring Asia and Africa)*, no. 4, 2004, 35-41. The author was a former Chinese ambassador to Myanmar; Jay Taylor, *China and Southeast Asia: Peking's Relations with Revolutionary Movements* (New York: Praeger Publishers, 1974), 192-94.

<sup>39</sup> Kolås, "Burma in the balance"; Liu Wu, "Miandian waijiao zhengce de xin tiaozheng: cong dui hua youhao dao daguo pingheng waijiao" ("The new adjustment of Myanmar's foreign policy: from a China-friendly to a balance of great powers policy"), *Dongnan Ya yanjiu (Southeast Asian Studies)*, no. 2, 2007, 44-49.

<sup>40</sup> Thomas Fuller, "Region's energy needs enable Myanmar junta," *International Herald Tribune*, October 2, 2007, <http://www.ihf.com/articles/2007/10/01/news/yanon.php> (accessed October 2, 2007). More than 43 percent of Myanmar exports in 2004-2005 went to Thailand, which also provided by March 2005 more than half of the foreign direct investment in Myanmar. Robert H. Taylor, *The State in Myanmar* (London: Hurst & Company, 2009), 465-66.

<sup>41</sup> Steinberg, *Burma*, 230.

<sup>42</sup> Myanmar became an observer to ASEAN and began to participate in the ASEAN Regional Forum two years later. Tin Maung Maung Than, "Myanmar: preoccupation with regime survival, national unity, and stability," In Muthiah Alagappa (ed.), *Asian Security Practice: Material and Ideational Influence* (Stanford, CA: Stanford University Press, 1998), 390-416.

<sup>43</sup> Bray, *Burma*, 40-42.

<sup>44</sup> Brian McCartan, "Myanmar signs up energy partners," *Asia Times Online*, July 10, 2008, [http://www.atimes.com/atimes/Southeast\\_Asia/JG10Ae01.html](http://www.atimes.com/atimes/Southeast_Asia/JG10Ae01.html) (accessed August 11, 2008).

<sup>45</sup> Ian Holliday, "Japan and the Myanmar stalemate: regional power and resolution of a regional problem," *Japanese Journal of Political Science* 6, no. 3 (2005): 404, 408.

<sup>46</sup> Zhang, "China's energy corridors in Southeast Asia."

<sup>47</sup> Lall, "Indo-Myanmar relations in the era of pipeline diplomacy." The closer links between China and Myanmar since 1988 and the increasing Chinese influence on the military junta were perceived by India as potential threats to its national security. The alleged installation of electronic surveillance facilities along the Myanmar coasts and on the Great Coco Island was denounced in 1998 by George Fernandes, then India's Defence Minister, as a military threat to his country. In order to avoid the Myanmar junta becoming a Chinese military pawn against Indian interests, India chose to reconcile with Myanmar rather than confronting head-on with the junta. See Renaud Egreteau, "India courts a junta," *Asia Times Online*, September 20, 2003, [http://www.atimes.com/atimes/South\\_Asia/EI20Df08.html](http://www.atimes.com/atimes/South_Asia/EI20Df08.html) (accessed October 17, 2008).

<sup>48</sup> There were as many as 20,000 anti-Indian insurgents operating within Myanmar. Egreteau, *Wooing the Generals*, chapter 6, especially 130-32, 150-58; Robert H. Taylor, "Myanmar in 2007: growing pressure for change but the regime remains obdurate," in Daljit Singh and Tin Maung Maung Than (eds.), *Southeast Asian Affairs 2008* (Singapore: Institute of Southeast Asian Studies, 2008), 247-73.

<sup>49</sup> The non-intervention policy was confirmed in 1996 by Pranab Mukherjee, Indian Minister of Foreign Affairs. Egreteau, *Wooing the Generals*, 133.

<sup>50</sup> Egreteau, *Wooing the Generals*, 132-33; Lall, "Indo-Myanmar relations in the era of pipeline diplomacy."

<sup>51</sup> India proposed an alternative pipeline which would bypass Bangladesh and yet be 40 percent longer and at a cost of three times of the original route. Lall, "Indo-Myanmar relations in the era of pipeline diplomacy."

<sup>52</sup> "China and Myanmar: our friends in the north," *The Economist*, February 9-15, 2008; Manik Mehta, "On their own, India and China won't pressure Myanmar," *World Politics Review*, October 10, 2007, <http://www.worldpoliticsreview.com/article.aspx?ID=1225> (accessed October 11, 2007). Another example is Myanmar's endorsement in October 2005 of India's endeavour to become a member of the United Nations Security Council in spite of China's reservation about India's membership. Haacke, *Myanmar's Foreign Policy*, 33.

<sup>53</sup> Siddharth Srivastava, "India lays out a red carpet for Myanmar," *Asia Times Online*, April 5, 2008, [http://www.atimes.com/atimes/Southeast\\_Asia/JD05Df01.html](http://www.atimes.com/atimes/Southeast_Asia/JD05Df01.html) (accessed November 27, 2008); Brian McCartan, "Myanmar Signs up Energy Partners," *Asia Times Online*, July 2008, [http://www.atimes.com/atimes/Southeast\\_Asia/JG10Ae01.html](http://www.atimes.com/atimes/Southeast_Asia/JG10Ae01.html) (accessed October 17, 2008).

<sup>54</sup> John W. Garver, *Protracted Contest: Sino-Indian Rivalry in the Twentieth Century* (Seattle and London: University of Washington Press, 2001), 248.

<sup>55</sup> For a general discussion of Japan's policy towards Myanmar since 1988, see Michael J. Green, *Japan's Reluctant Realism: Foreign Policy Challenges in an Era of Uncertain Power* (New York: Palgrave Macmillan, 2003), 179-84.

<sup>56</sup> Bray, *Burma*, 52-53; Haacke, *Myanmar's Foreign Policy*, 73; Donald M. Seekins, *Burma and Japan since 1940: From 'Co-prosperity' to 'Quiet Dialogue'* (Copenhagen: NIAS Press, 2007), 97-98, 132.

<sup>57</sup> Seekins, *Burma and Japan since 1940*, 133.

<sup>58</sup> Green, *Japan's Reluctant Realism*, 181, 183.

<sup>59</sup> Ministry of Foreign Affairs of Japan, "Minister for Foreign Affairs Yoriko Kawaguchi's visit to Myanmar (overview and evaluation)," August 6, 2002, <http://www.mofa.go.jp/region/asia-paci/asean/fmv0207/myanmar.html> (accessed October 31, 2008).

<sup>60</sup> Ministry of Foreign Affairs of Japan, "Japan-Myanmar relations," July 2008, <http://www.mofa.go.jp/region/asia-paci/myanmar/index.html> (accessed October 31, 2008).

<sup>61</sup> The investment was later called off or postponed. Seekins, *Burma and Japan since 1940*, 119,

122.

<sup>62</sup> Japan Oil, Gas and Metals National Corporation (JOGMEC), "Major projects; Southeast Asia," [http://www.jogmec.go.jp/english/activities/financial\\_oil/southeastasia.html](http://www.jogmec.go.jp/english/activities/financial_oil/southeastasia.html) (accessed October 31, 2008).

<sup>63</sup> New grants were suspended and technical assistance has largely been restricted to the grant aid for reforestation and improvement in maternal and child health care service under the Initiative for the Mekong Region Development. Haacke, *Myanmar's Foreign Policy*, 74; Ministry of Foreign Affairs of Japan, "Major projects of Japan's Initiative for the Mekong Region Development (Dec. 2004 – Present)," December 13, 2005, <http://www.mofa.go.jp/region/asia-paci/clv/project0512.html> (accessed October 31, 2008).

<sup>64</sup> Suvendrini Kakuchi, "Japan: activists pressure Tokyo on Burma sanctions," *Inter Press Service*, July 5, 2006.

<sup>65</sup> "Japan pledges 1.79 million dollars in aid to sanction-hit Myanmar," *Myanmar News Update*, no. 75, January 14-18, 2008, <http://www.aseanmp.org/docs/mnu/MNU%2075.pdf> (accessed November 2, 2008).

<sup>66</sup> Embassy of Japan in Myanmar, "The handling over ceremony of emergency relief goods for the Cyclone NARGIS victims of Myanmar," May 18, 2008, <http://www.mm.emb-japan.go.jp/profile/english/press/2008-05-18.htm> (accessed November 8, 2008).

<sup>67</sup> Taylor, "Myanmar in 2007," 264.

<sup>68</sup> Ian Storey, "China, Burma and the "Saffron Revolution,"" *China Brief* 7, no. 19, October 17, 2007, [http://www.jamestown.org/programs/chinabrief/single/?tx\\_ttnews%5Btt\\_news%5D=4485&tx\\_ttnews%5BbackPid%5D=197&no\\_cache=1](http://www.jamestown.org/programs/chinabrief/single/?tx_ttnews%5Btt_news%5D=4485&tx_ttnews%5BbackPid%5D=197&no_cache=1) (accessed January 7, 2009).

<sup>69</sup> A classic work on the "ASEAN Way" is Acharya, *Constructing a Security Community in Southeast Asia*, chapter 2.

<sup>70</sup> Amitav Acharya, *Constructing a Security Community in Southeast Asia: ASEAN and the Problem of Regional Order* (London: Routledge, 2001), 110.

<sup>71</sup> The US decision to impose sanctions on Myanmar in May 1997 prompted ASEAN to grant Myanmar a membership in July of the year. Acharya, *Constructing a Security Community in Southeast Asia*, 113. The growth of regionalism as a response to external influence is what Mark Beeson calls "reactionary regionalism" in his "ASEAN plus three and the rise of reactionary regionalism," *Contemporary Southeast Asia* 25, no. 2, 2003, 251-68.

<sup>72</sup> Haacke, *Myanmar's Foreign Policy*, 20, 27-29.

<sup>73</sup> Both conditions were fulfilled in the resolution of the independence crisis of East Timor in September 1999. Lai-Ha Chan, Pak K. Lee and Gerald Chan, "Rethinking global governance: A China model in the making?" *Contemporary Politics* 14, no. 1, 2008, 3-19.

<sup>74</sup> Ministry of Foreign Affairs of the People's Republic of China, "Position paper of the People's Republic of China on the United Nations reforms," June 7, 2005, <http://www.fmprc.gov.cn/eng/zxxx/t199318.htm> (accessed September 14, 2007).

<sup>75</sup> Despite the misgivings about accepting the autocratic Myanmar into ASEAN on the part of the latter's dialogue partners in the West, ASEAN was determined to welcome Myanmar in 1997 because, among others, it wanted to draw Myanmar away from China's orbit. Selth, *Burma's China Connection and the Indian Ocean Region*, 6.

<sup>76</sup> China acceded to ASEAN's Treaty of Amity and Cooperation (TAC) in October 2003. The guiding principles of the TAC are mutual respect for the independence, sovereignty, equality, territorial integrity and national identity of nations; non-interference in the internal affairs of one another; peaceful settlement of differences or disputes; and renunciation of the threat or use of force. See "The Treaty of Amity and Cooperation in Southeast Asia," ASEAN Secretariat,

February 24, 1976, <http://www.aseansec.org/1217.htm> (accessed June 18, 2008) and "ASEAN-China Dialogue Relations," ASEAN Secretariat, <http://www.aseansec.org/5874.htm> (accessed June 18, 2008).

<sup>77</sup> Michael A. Glosny, "Heading toward a win-win future? Recent developments in China's policy towards Southeast Asia," *Asian Security* 2, no. 1 (2006): 24-57. On its part, China had also harboured reservation till 1997 about participation in ASEAN-based regional institutions. For analyses of its changing views about regional multilateralism, see Alastair Iain Johnston and Paul M. Evans, "China's engagement with multilateral security institutions," in Alastair Iain Johnston and Robert S. Ross (eds.), *Engaging China: The Management of an Emerging Power* (London: Routledge, 1999), 235-72; David Shambaugh, "China engages Asia," *International Security* 29, no. 3 (2004-2005): 64-99; Rosemary Foot, "China's regional activism: leadership, leverage, and protection," *Global Change, Peace & Security* 17, no. 2 (2005): 141-53.

<sup>78</sup> See Warren Hoge, "U.S. rebuke to Myanmar is defeated by U.N. vetoes," *The New York Times*, January 13, 2007; Colum Lynch, "Russia, China veto resolution on Burma," *The Washington Post*, January 13, 2007, <http://www.washingtonpost.com/wp-dyn/content/article/2007/01/12/AR2007011201115.html> (accessed February 2, 2009). An exception was Frank Ching, "An eminently respectable stand," *South China Morning Post*, January 17, 2007.

<sup>79</sup> In September 2005 Vacláv Havel and Bishop Desmond Tutu called for the UNSC to take action against the Myanmar regime in their report entitled "Threat to the Peace: A Call for the United Nations Security Council to Act in Burma" (<http://www.burmacampaign.org.uk/reports/Burmaunscreport.pdf>; accessed January 5, 2009). They argue that the problems of the country were not restricted to human rights abuses. The outflow of refugees, drug production and trafficking and the spread of HIV/AIDS have led the country to "become a problem for the region and international community" (in the foreword). However, both China and ASEAN do not endorse this view. We thank Ian Holliday for bringing the report to our notice.

<sup>80</sup> United Nations Security Council, "Security Council fails to adopt draft resolution on Myanmar, owing to negative votes by China, Russian Federation," January 12, 2007, <http://www.un.org/News/Press/docs/2007/sc8939.doc.htm> (accessed November 21, 2008).

<sup>81</sup> For a study of the threat perception on the part of the military junta, see Andrew Selth, "Even paranoids have enemies: Cyclone Nargis and Myanmar's fears of invasion," *Contemporary Southeast Asia* 30, no. 3 (2008), 379-402.

<sup>82</sup> "Redai fengbao tuxi Miandian" (Tropical cyclone swiftly attacks Myanmar), *Wanxia (Sunset Clouds)*, June 2008, 40-43.

<sup>83</sup> Jason Leow, "China is urged to use influence with junta," *The Wall Street Journal Online*, May 12, 2008, <http://online.wsj.com/article/SB121054394987883529.html> (accessed May 13, 2008); Louis Charbonneau, "China, Indonesia reject France's Myanmar push," *Reuters News*, May 8, 2008.; Global Policy Forum, "Security Council Update: Myanmar," May 14, 2008, <http://www.globalpolicy.org/security/issues/burmamyanmar/2008/0514screport.htm> (accessed November 21, 2008). Note that Ramesh Thakur, one of the authors of the Responsibility to Protect report, also warned against invoking the concept to intervene into Myanmar's humanitarian aid programme. See his "Should the UN invoke the 'responsibility to protect?'" *The Globe and Mail*, May 8, 2008.

<sup>84</sup> "Myanmar after the cyclone: a modest opening," *The Economist*, May 24-30, 2008; "Myanmar: a turning point?" *Straits Times*, May 30, 2008.

<sup>85</sup> Ian Clark, *Legitimacy in International Society* (Oxford: Oxford University Press, 2005). During the 2008 US presidential election campaign, key advisors to both Barack Obama and John McCain were supportive of the idea of establishing a league or concert of liberal democracies to promote international security, democracy and human rights protection, and economic integration. Ivo

Daalder and James Lindsay, "Democracies of the world, unite," *The American Interest* 2, no. 3, January-February 2007, <http://www.the-american-interest.com/ai2/article.cfm?Id=220&MI=7> (accessed November 4, 2008); Charles A. Kupchan, "Minor league, major problems: the case against a league of democracies," *Foreign Affairs* 87, no. 6 (2008): 96-109.

<sup>86</sup> A pluralist international society is marked first by the claim that sovereign states are its primary members and they mutually recognise each other's rights to national sovereignty. Second, members of the pluralist international society have common interests in maintaining the order of the modern states system and the survival of the units within it. Tim Dunne, "The English School," in Christian Reus-Smit and Duncan Snidal (eds.), *The Oxford Handbook of International Relations* (Oxford: Oxford University Press, 2008), 267-85. We have argued elsewhere that the recent Chinese notion of a "harmonious world" (*hexie shijie*) bears a resemblance to the English School. See Chan, Lee and Chan, "Rethinking global governance," 14.

<sup>87</sup> Philip Bowring, "Neglecting East Asia," *International Herald Tribune*, August 3, 2007, <http://www.iht.com/articles/2007/08/03/opinion/edbwing.php> (accessed October 31, 2008); Ashwini Devare, "USA elections: impact on Southeast Asia," *Jakarta Post*, October 26, 2008, <http://www.thejakartapost.com/news/2008/10/26/usa-elections-impact-southeast-asia.html> (accessed October 31, 2008); Yoichi Funabashi, "Keeping up with Asia: America and the new balance of power," *Foreign Affairs* 87, no. 5, 2008, 110-25.

<sup>88</sup> Earthrights International, *The Human Cost of Energy: Chevron's Continuing Role in Financing Oppression and Profiting from Human Rights Abuses in Military-Ruled Burma (Myanmar)* (Washington, D.C. and Chiang Mai: Earthrights International, 2008), [http://www.earthrights.org/files/Reports/HCoE\\_final.pdf](http://www.earthrights.org/files/Reports/HCoE_final.pdf) (accessed November 6, 2008); "Oil companies look to exploit Burma," *Sydney Morning Herald*, September 30, 2007, <http://www.smh.com.au/news/World/Oil-companies-look-to-exploit-Burma/2007/09/30/1191090915956.html> (accessed November 6, 2008); Earthrights International, *Total Denial Continues: Earth Rights Abuses along the Yadana and Yetagun Pipelines in Burma* (Washington, D.C. and Chiang Mai: Earthrights International, 2003), <http://www.earthrights.org/files/Reports/TotalDenialCont-2ndEdition.pdf> (accessed November 6, 2008). Chevron Corporation acquired Unocal (Union Oil Company of California) in August 2005.

<sup>89</sup> It is, however, open to dispute whether observance of the non-interference norm is conducive to resolving the political impasse of the country. Ian Holliday is sceptical about it. See Holliday, "Japan and the Myanmar stalemate."

<sup>90</sup> This lends support to the constructivist argument that both agent and structure are mutually constitutive. Thomas Risse, "Social constructivism meets globalization," in David Held and Anthony McGrew (eds.), *Globalization Theory: Approaches and Controversies* (Cambridge: Polity Press, 2007), 126-47; Ian Hurd, "Constructivism," in Reus-Smit and Snidal (eds.), *The Oxford Handbook of International Relations*, 298-316. Glen Hook and the other authors have noted a revival of shared Asianist norms in Japan and the ASEAN member states. Glen D. Hook, Julie Gilson, Christopher W. Hughes and Hugo Dobson, *Japan's International Relations: Politics, Economics and Security* (Abingdon, Oxon: Routledge, 2005), 223.

<sup>91</sup> Constructivists claim that collective meanings and practices of world politics are socially constructed and are never fixed and permanent. The meaning and practice of national sovereignty and non-intervention have thereby undergone changes in recent years as a result of massive human rights violations in the Balkans, Africa and Southeast Asia in the 1990s. Hurd, "Constructivism," 300-02. For a succinct study of humanitarian intervention, see Thomas G. Weiss, *Humanitarian Intervention: Ideas in Action* (Cambridge: Polity Press, 2007).

<sup>92</sup> Cited in Kupchan, "Minor league, major problems," 109.