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**IMPACT OF CHINA'S INDIAN OCEAN STRATEGY:
THE CASES OF INDIA AND MYANMAR**

by

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June 2019

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THE CASES OF INDIA AND MYANMAR**

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ABSTRACT

Chinese policy, both internally and internationally, is overwhelmingly concerned with sustaining economic development, which is significantly dependent upon overseas trade, in order to ensure social stability and government legitimacy. China's strategy encompasses not only the economic investment of the Belt and Road Initiative but also the political and military aspects. This thesis considers the impact these kinds of Chinese actions may have on India and Myanmar, which also have a strong interest in the security of Indian Ocean trade. David's theory of omnibalancing was used to assess the aspects of national power utilized by the Chinese Indian Ocean strategy. This thesis finds that the military aspect of Chinese strategy in the Indian Ocean has influenced India to balance against China while not necessarily committing to potential closer ties with the United States. Additionally, the military and political aspects of Chinese strategy in the Indian Ocean have drawn Myanmar closer, while the economic aspects of China's strategy have made Myanmar more cautious, causing it to hedge between the competing strategies of China and the United States. These findings suggest that the United States should focus on moderate actions toward China within the reassurance-dissuasion spectrum, seeking areas of cooperation that could decrease misunderstandings, and pursuing active denial by strengthening relations and partnerships between the United States and other Asian countries.

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LIST OF ACRONYMS AND ABBREVIATIONS

ASEAN	Association of Southeast Asian Nations
BRI	Belt and Road Initiative
BRICS	Brazil, Russia, India, China, South Africa
CCP	Chinese Communist Party
NLD	National League for Democracy
OBOR	One Belt One Road
PLA	People's Liberation Army
SLOC	Sea Lines of Communication
UNCLOS	United Nations Convention on the Law of the Sea

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EXECUTIVE SUMMARY

This thesis considers the impact that the Chinese Indian Ocean strategy may have on India and Myanmar in terms of political agreements, trade, and military implications for the United States. Chinese policy, both internally and internationally, is overwhelmingly concerned with sustaining economic development, which is significantly dependent upon overseas trade, in order to ensure social stability and government legitimacy. China's trade in general, and its access to oil and natural gas in particular, depend on sea lines of communication. This dependency has been perceived as uncertain and vulnerable to containment measures, a situation that President Hu Jintao termed "The Malacca Dilemma". To solve this dilemma, China has begun to invest in overseas basing, and port facilities to protect the main maritime routes between East Asia and the Middle East, and to identify alternative routes, such as transnational pipelines, in order to moderate dependency on the Strait of Malacca specifically. China's strategy is much more comprehensive than just the economic investment of the Belt and Road Initiative as it encompasses the political and military aspects as well.

This thesis finds that the military aspect of Chinese strategy in the Indian Ocean has influenced India to balance against China militarily while at the same time not necessarily being fully committed to supporting the strategies proposed by the United States. Additionally, the military and political aspects of Chinese strategy in the Indian Ocean have drawn Myanmar closer, while the economic aspects of China's strategy has made Myanmar more cautious, thus causing them to hedge between the competing strategies of China and the United States. The larger implications of these findings are that China could potentially cause India to balance further if China creates closer ties with Myanmar. However, closer Chinese political ties with Myanmar could cause a more unstable environment within Myanmar despite the increased economic benefit, thus further polarizing the dynamics within Myanmar.

Policy recommendations for the United States toward China should focus on moderate actions within the reassurance-dissuasion spectrum, finding areas of cooperation that could decrease misunderstandings, while also pursuing active denial through the

strengthening of relations and partnerships between the U.S. and other countries in Asia. Specifically, this would mean an unwavering commitment to India, thus reducing their need to unilaterally balance against a perceived threat from China which would make the region more unstable. Additionally, the United States should pursue increased multilateral engagement with Myanmar to achieve more liberal policies and ways to incorporate the political representation of the ethnic minority groups into their stalled democracy. This would potentially open their markets to more diversified investment opportunities that would reduce China's leverage currently gained through monopolized military sales, UN Security council veto power, and debt-trap diplomacy.

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I. BACKGROUND

A. MAJOR RESEARCH QUESTION

Chinese policy, both internally and internationally, is overwhelmingly concerned with sustaining economic development, which is significantly dependent upon overseas trade, in order to ensure social stability and government legitimacy. China's trade in general, and its access to oil and natural gas in particular, depend on sea lines of communication. This dependency has been perceived as uncertain and vulnerable to containment measures, a situation that President Hu Jintao termed "The Malacca Dilemma".¹ To solve this dilemma, China has begun to invest in overseas basing, and port facilities to protect the main maritime routes between East Asia and the Middle East, and to identify alternative routes such as transnational pipelines, in order to moderate dependency on the Strait of Malacca specifically. This thesis will consider the impact these kinds of Chinese actions may have on India and Myanmar, which also have a strong interest in the security of Indian Ocean trade.

How has China's strategy impacted their regional partners and rivals in the Indian Ocean? This thesis will conduct a deeper analysis into what factors determine the extent to which countries decide to either hedge against China's rising presence and influence, or to profit from it by "bandwagoning."

B. SIGNIFICANCE OF THE RESEARCH QUESTION

1. Significance of the Greater Indian Ocean

The rise of China has been a significant development due to the geopolitical implications to their regional partners and rivals. China's accelerated economic and military expansion also has broader consequences for established world powers such as the United States. China has widened the scope of their maritime strategy to reflect its national interest. This widening of reach and projection has caused a shift from littoral defense to one that is more blue-water in terms of capabilities. This enhanced power projection has

¹ Ian Storey. "China's Malacca Dilemma". *China Brief* no 6 (2006): 8.

led to the development of man-made islands in the South China Sea, and the broader aim of extending its maritime presence through the Strait of Malacca and into the Indian Ocean, with the ultimate goal of energy and trade security.

The impact that China's maritime strategy will have on nations within the Greater Indian Ocean is still a relatively new topic of interest to naval strategists and policy makers alike. This research question is significant because the way that countries respond to Chinese economic and political pressure will determine if they will potentially cooperate with China or balance against future Chinese objectives. What often takes place within countries is a foreign policy that is dependent upon internal dynamics within their domestic politics.² This in turn makes the study of those internal factions significant to the extent that they recognizably shape international behavior.

The Greater Indian Ocean is in itself significant because of its geostrategic location that connects much of the world economically. Robert Kaplan has proposed that "the Greater Indian Ocean region stretching eastward from the Horn of Africa past the Arabian Peninsula, the Iranian plateau and the Indian subcontinent, all the way to the Indonesian archipelago and beyond, will be the centre of global conflicts, because most international business supply will be conducted through this route. Most important of all, it is in this region the interests and influence of India, China and the United States are beginning to overlap and intersect. It is here the 21st century's global power dynamics will be revealed."³

The United States has already recognized how significant this issue has become. The U.S. Navy has renamed the Pacific Command as the Indo-Pacific Command as a gesture of their commitment to the region. Although the U.S. is the predominant naval power, the disposition and alliances of the governments and navies within the Indian Ocean will likely be a more significant sign of how the balance of power in Asia will play out in the future.

² J. N. Rosenau. *Linkage Politics: Essays on the Convergence of National and International Systems* (Glencoe: Free Press. 1969).

³ Robert Kaplan. *Monsoon—The Indian Ocean and the Future of American Power* (New York: Random House Inc. 2010).

2. Larger Implications of Chinese Influence in the Indian Ocean

India and Myanmar are strategically important to China. India also seeks influence over Myanmar, to some extent in competition with China. China views Myanmar as strategically important for two main reasons. The first is that Myanmar may help to counter India's regional influence. The second is that Myanmar is the shortest and most direct way for China to access the Indian Ocean as a means of circumventing the Strait of Malacca, and thus relieve China's dependency on the strategic chokepoint.⁴

China views India as strategically important because India is the most capable regional rival. In order to win the support of other countries in the Indian Ocean, China has mostly had to contend with the influence of India. India is also the most populous country in the Indian Ocean and is a large trading partner with China. This combination poses both a great challenge to China, but also a great opportunity for cooperation and mutual economic development. It is important to note that "increased economic co-operation and interdependence in themselves provide no guarantee against conflicts," and furthermore that "a state's expectations of future trade are crucial determinants of whether interdependence causes war."⁵

Depending on how Chinese objectives are viewed will affect how receptive countries within the India Ocean will be toward China. The larger implication of this question is that the growing influence of China will most likely raise economic development and living standards in all countries working and cooperating with China. However, the growing national interests that China will consequently have in the Indian Ocean will also bring with it the need for security and other measures which would have the potential to increase tensions in the area. This would affect countries within the IOR and their relations with China, but it would also have economic, political, and economic impacts on the United States due to the fact that much of America's trade, and military alliances as well as partnerships are located in and on the periphery of the Indian Ocean.

⁴ N Ganesan, and R Amer. *International Relations in Southeast Asia: Between Bilateralism and Multilateralism* (Singapore: Institute of Southeast Asian Studies, 2010), 7.

⁵ Russell Ong. *China's Security Interests in the Post-Cold War Era* (Richmond, Surrey: Curzon Press 2002), 164.

C. LITERATURE REVIEW

1. Chinese Broad Strategic Objectives in the Greater Indian Ocean Area

There are three Chinese core interests. “The first is ‘maintaining China’s basic system and national security’ [which] highlights continuing concerns of the Chinese Communist Party (CCP) about regime security and threats to its power.” The second core interest “outlined by Dai Bingguo is ‘national sovereignty and territorial integrity’. Most frequently identified with this interest is Tibet and Taiwan...the dispute with India on the border, [has] not yet been labeled specifically as [a core interest].” China’s third core interest is the “continued development of the economy and society.”⁶

The third core interest is mainly what drives Chinese foreign policy toward neighboring states. Ong argues that the reason for this is because “China wants a stable regional environment in order to sustain its economic growth, above all else...therefore, it is evident that China needs an international environment of co-operation rather than confrontation in the post-Cold War era.”⁷

These three core interests lead to three main Chinese objectives. The first is that China “seeks to maintain a ‘peaceful and stable external environment’ to focus resources on economic development.” Second, “Beijing seeks to reassure other states about how it will use its growing material capabilities to prevent them from balancing against China...lest they seek to strengthen ties with the United States or increase costly security competition in the region.” Third, “China aims to maximize its autonomy in the international system to limit the constraints of unipolarity.”⁸ In order to achieve these objectives China aims to strengthen political ties with regional countries, enhance bilateral economic interactions through free trade agreements, and manage or resolve disputes that

⁶ Ashley J Tellis, Travis Tanner, and Jessica Keough. *Asia Responds to its Rising Powers China and India* (Seattle and Washington, DC: The National Bureau of Asian Research 2011), 67–68.

⁷ Russell Ong. *China’s Security Interests in the Post-Cold War Era* (Richmond, Surrey: Curzon Press 2002), 169.

⁸ Ashley J Tellis, Travis Tanner, and Jessica Keough. *Asia Responds to its Rising Powers China and India* (Seattle and Washington, DC: The National Bureau of Asian Research 2011), 69.

might hinder political and economic interactions.⁹ China thus relies on the People's Liberation Army (PLA) to "pursue a limited regional power-projection capability to cope with any armed conflicts that might occur on its periphery, [since] 'regional stability carries important significance for [Chinese] economic development as well as resisting America's posture against [China].'"¹⁰

What kind of concrete implications could these strategic goals lead the Chinese to pursue? In his article "The Sixteen Fears: China's Strategic Psychology," Michael Pillsbury outlines how the Chinese seek to support their core interests in strategic terms. Of the sixteen fears the Pillsbury identifies, eleven revolve around regime stability and territorial integrity. For example, the sixth fear is the fear of "instability, riots, civil war or terrorism" which is aimed at the core interest of ensuring regime stability.¹¹ The majority of fears revolve around maintaining territorial integrity, such as a fear of Taiwanese independence and the fear of not having sufficient forces to prevent Taiwanese independence.¹²

There are five fears that deal indirectly with the Chinese Indian Ocean Strategy. The first three are fear of an island blockade, loss of maritime resources, and a choking off of sea lines of communication. These three encapsulate the Malacca Dilemma. The other two fears are of potential attacks on pipelines and by neighboring adversaries, particularly India.¹³ These concerns all revolve around maintaining a stable environment to ensure economic growth as well as preventing other adjacent countries from become polarized or balancing against China.

⁹ Ashley J Tellis, Travis Tanner, and Jessica Keough. *Asia Responds to its Rising Powers China and India* (Seattle and Washington, DC: The National Bureau of Asian Research 2011), 70.

¹⁰ Ashley J Tellis, Travis Tanner, and Jessica Keough. *Asia Responds to its Rising Powers China and India* (Seattle and Washington, DC: The National Bureau of Asian Research 2011), 71.

¹¹ Michael Pillsbury. "The Sixteen Fears: China's Strategic Psychology," *Survival: Global Politics and Strategy*, no. 54 (Oct 2012): 154, <https://doi.org/10.1080/00396338.2012.728351>.

¹² Michael Pillsbury. "The Sixteen Fears: China's Strategic Psychology," *Survival: Global Politics and Strategy*, no. 54 (Oct 2012): 156, <https://doi.org/10.1080/00396338.2012.728351>.

¹³ Michael Pillsbury. "The Sixteen Fears: China's Strategic Psychology," *Survival: Global Politics and Strategy*, no. 54 (Oct 2012): 152-160, <https://doi.org/10.1080/00396338.2012.728351>.

2. Defining Strategy and Associated Theories

China's strategy will be analyzed based upon political, military, and economic objectives as separate facets that collectively create an impact within the cases of India and Myanmar. There are theories within international relations that can assist in predicting or understanding the outcome of Chinese strategy in the Greater Indian Ocean. Typically, relations have been understood as a balance of power between countries. However, the theory of omnibalancing can be utilized to understand how the reactions of India and Myanmar to China can be complicated or polarized because some aspects of society may be drawn closer to China while others are pushed away.

Omnibalancing is a theory originally proposed by Steven David to explain the way in which countries within the third world tend to align themselves with regards to other larger powers. It has been commonly accepted that within international relations, the way in which countries align and create alliances has to do with the country or state as a whole acting within the chaotic environment of other states. This is typically referred to as the third image and evaluates relations between states by framing the nation state as the basic actor. These third image theories focused on balance of power in that one nation will typically resist threats from another nation. However, there are second and first image theories which look within the state and at specific individuals, respectively. David uses the second image international relations theory when defining the concept of omnibalancing in that the workings within the nation state should be analyzed as well as the power shifts within the international environment.¹⁴

David states:

The theory of "omnibalancing" meets this end. It draws upon some of the key assumptions of balance of power while also correcting those elements that make it inapplicable to the Third World. Omnibalancing agrees with the central assumption of balance of power—that threats will be resisted. But it departs from balance of power in explaining Third World alignment decisions as a result of the Third World leadership's need to counter *all* threats. Thus, whereas balance of power focuses on the state's need to counter threats from other states, omnibalancing considers internal and

¹⁴ Steven R. David, "Explaining Third World Alignment." *World Politics* 43, no. 2 (1991): 233.

external threats to the leadership, and, as a result, it fundamentally alters our understanding of why Third World leaders align as they do and also provides insights that explain a wide range of Third World behavior.¹⁵

David goes on to explain:

The most powerful determinant of Third World alignment behavior is the rational calculation of Third World leaders as to which outside power is most likely to do what is necessary to keep them in power. This is so because of the unstable, dangerous, and often fatal nature of the international and *domestic* political environment that characterizes the Third World... leaders of states will appease—that is, align with—secondary adversaries so that they can focus their resources on prime adversaries...this often means appeasing other states (which often pose less pressing threats) in order to counter the more immediate and dangerous domestic threats. Since the dominant goal of Third World leaders is to stay in power, they will sometimes protect themselves at the expense of the interests of the state. This theory rests on the assumptions that leaders are weak and illegitimate and that the stakes for domestic politics are very high...it assumes that the most powerful determinant of alignment is the drive of Third World leaders to ensure their political and physical survival.¹⁶

There are several reasons why the omnibalancing theory is appealing, especially in the cases of third world countries. David points out that often, the leaders of third world countries lack the institutions or power to “resolve disputes within their borders. Thus, there is often no ‘strong consensus’ or ‘integrated society’ to inhibit conflict.”¹⁷ This detail is perhaps the greatest strength of the theory when contrasted to the basic balance of power theory in that this factor has a huge influence on the leader’s decision-making elements and exposure to risk. The second main strength of the omnibalancing theory is that it hinges upon the contingent of the third world leader finding an outside power that will ensure their own personal security rather than their own personal expansion of power which could put their own security into question. This dichotomy perfectly describes many of the broad phenomena that is observed in the third world in which the leadership is unlikely to

¹⁵ Steven R. David, “Explaining Third World Alignment.” *World Politics* 43, no. 2 (1991): 233.

¹⁶ Steven R. David, “Explaining Third World Alignment.” *World Politics* 43, no. 2 (1991): 236.

¹⁷ Steven R. David, “Explaining Third World Alignment.” *World Politics* 43, no. 2 (1991): 243.

integrate the society to prevent conflict because doing so could cause such a shift that their own personal hold on power would be overthrown.

However, there is one weakness that omnibalancing may not address and that is the problem of determining which threat the leadership of a country considers the most pressing. In some cases, the external power may pose a bigger threat than the domestic or internal one. It is extremely hard or almost impossible for an outside observer to analyze the thought process of the third world leadership in how they address risk and prioritize which side to align with. For this reason, the theory is not a panacea, and in fact may not be the best theory to explain third-world alignment. Furthermore, other weaknesses in the theory that have been pointed out by Waltz include the arguments that third world states have no impact on global balance of power and that the government of a nation state should be the unitary block of analysis since they have the legitimate claim to violence and use of force.¹⁸ David refutes these arguments however, by explaining that a third world nation's overall influence is not relevant in the context of the smaller study of third world alignment, and that most of the time a third world government will not have complete monopoly over the use of force domestically.¹⁹

D. POTENTIAL EXPLANATIONS AND HYPOTHESES

There are three potential explanations for how Chinese strategy will impact countries within the Indian Ocean. The three different impacts that can be expected are that geostrategic countries will either balance against, bandwagon with, or be internally divided toward Chinese foreign policy. This research question draws upon three potential conclusions.

¹⁸ Steven R. David, "Explaining Third World Alignment." *World Politics* 43, no. 2 (1991): 251–252.

¹⁹ Steven R. David, "Explaining Third World Alignment." *World Politics* 43, no. 2 (1991): 252.

- (1) Hypothesis #1: The military aspect of Chinese strategy in the Indian Ocean will cause countries to view China as a potential threat and will therefore balance against China in order to counter their influence.

The balance of threat theory explains why Chinese strategy is causing India as a geostrategic country within the Indian Ocean to balance against Chinese power projection because Chinese power projection is perceived as a threat. The case study on India shows that the military aspect of Chinese strategy is the largest factor contributing to India's reaction.

- (2) Hypothesis #2: Chinese political strategy upon Indian Ocean countries has caused internal division thus creating internal polarization or omnibalancing.

The theory of omnibalancing best explains why Chinese strategy is causing Myanmar to adopt a hedging strategy: Myanmar views Chinese power projection as potentially beneficial in the short term (by way of limiting U.S. influence in the region) but potentially harmful in the long term (in the event that it leads to Chinese domination of the region). This is because domestic factors within Myanmar play a larger role to how the Burmese leadership view threats since Chinese strategy is perceived as a secondary threat to the domestic one. The case study on Myanmar demonstrates that the economic and political aspects of Chinese strategy contribute substantially to Myanmar's efforts to hedge external influence.

- (3) Hypothesis #3: Chinese economic strategy upon Indian Ocean countries has led to closer ties with those corresponding economies thus leading to a band-wagoning response.

Part of China's long-term objectives are to prevent other states of the Indian Ocean region from cooperating against China. China thus wished to use economic investment as a means of preserving amiable diplomatic relationships with neighboring countries.

E. RESEARCH DESIGN

This research will be done through the analysis of opposing views regarding Chinese-Indian relations as well as Chinese relations with Myanmar. The two schools of thought generally fall into one that characterizes the relations as cooperative in nature and

the other that views relations as competitive in nature although there can be a mix of both. The scope of the research will use political, military, and economic indicators as empirical evidence to develop upon the potential explanations. After the evidence has been presented supporting the competitive and cooperative schools of thought, the strengths and weaknesses of the arguments will be analyzed in the conclusion. The theoretical material in the literature review will also be applied regarding omnibalancing as a means to understand the polarization within countries due to the potential various impacts Chinese strategy has had on the political, military, and economic aspects of India and Myanmar.

F. OUTLINE OF THESIS

This research question is aimed at understanding how China's expansion and shifting strategy toward the Indian Ocean has impacted those countries within the region in terms of economic, military, and political effects. The thesis will analyze the situation by using contemporary case studies as a way of considering how Chinese strategy in a broad sense is currently impacting the region on a more focused scale.

This thesis will have four chapters. The first chapter will discuss the circumstances and drivers of China's interest in the Indian Ocean and the literature review discussing viewpoints of how Chinese presence will impact countries within the region economically, militarily, and politically. The second chapter will focus on China's strategy as it applies to India due to the fact that India is arguably China's foremost competitor for influence within the Indian Ocean and is the most capable of responding to China's actions. This will be a case study that uses a range of secondary sources including think tank reports, scholarly articles, and news sources. The third chapter will follow the methodology of the second chapter and will be a case study of China's strategy as it applies to Myanmar due to its geostrategic location for economic and military power projection within the Indian Ocean. The fourth chapter will draw conclusions based upon the case studies and present the implications as well as policy recommendations that apply to the United States.

II. CASE STUDY: CHINESE STRATEGY IMPACT ON INDIA

A. BACKGROUND OF SINO-INDIAN RELATIONS

In the 19th and 20th centuries both China and India were confronted with the expansion of the British and Japanese Empires. The British Empire first came to India in the form of the East India Company in the 18th century and began seeking trade with China as well. It was Britain's desire to sell Indian opium in China that brought about the First Opium War (1839-42), and it was Britain's victory in that war that brought Britain into possession of Hong Kong. In 1856, the Second Opium War commenced as a result of Western great power competition over trading rights in China. During the Second Opium War the Indian Rebellion of 1857 broke out demonstrating resentment to the British presence in India as well. The British were supported in India by the Sikhs and other princely states like Kashmir which supplied troops for the British.²⁰ Both of these conflicts were British victories resulting in the Government of India act of 1858 establishing the British Raj in India, and the Convention of Beijing in 1860 which ceded more territory in Kowloon to the British as well as expanding trading rights for the British within China.

China and India were also both affected by the expansion of the Japanese Empire in the first half of the 20th century. Japan's attempt at creating the Greater East Asia Co-Prosperity Sphere to rid Asia of Western colonialization had a polarizing effect within Asian countries. That is to say that the populations were typically divided between an idealistic nationalist group who were pro-Japanese for the purpose of freeing their individual countries from Western imperialism. This group was typified by individuals such as Subhas Bose of the Provisional Government of Free India, or Wang Jingwei of the Reorganized National Government of the Republic of China.²¹ The other groups were characterized within these countries as more pragmatic and saw Japan as a more imminent threat. Thus, they typically fought alongside the Allied Forces in India and China against the Japanese.

²⁰ Percival Spear, *A History of India*, Vol. 2 (New Delhi and London: Penguin Books, 1990), 147–148.

²¹ William G Beasley, *The Rise of Modern Japan* (New York: Saint Martin's Press, 2016), 204–206.

After India's independence in 1947 and the People's Republic of China (PRC)'s creation in 1949, the two countries signed the Five Principles of Peaceful Co-Existence in 1954 but their relationship quickly deteriorated with the Sino-Indian Border War in 1962. Relations worsened further as India sought closer ties with the USSR in the 1970s. Relations between China and India began to improve since the late 1980s with the two "pledging to resolve long-standing border disputes and boost trade and economic cooperation between two rising powers that together account for more than a third of the world's population" in 2005.²² Although disputes remain between the two countries currently, the relationship has lately been characterized by growing trade and economic ties: "the India-China bilateral trade reached \$84.44 billion [in 2017], an historic high notwithstanding bilateral tensions over a host of issues including the Doklam standoff."²³

The post-colonial history of both countries has led India and China to adopt similar goals internationally. Their parallel national narratives of colonial humiliation and national liberation have emphasized the lesson that a strong government, economy, and military are necessary in order to avoid falling into another state's sphere of influence.

B. CHINESE OBJECTIVES AS THEY RELATE TO INDIA

There are two schools of thought regarding Chinese objectives toward India. The first tends to see Chinese goals as cooperative in nature. The second views Chinese goals as more competitive in nature. Although these two schools tend to view Chinese goals differently, they are not mutually exclusive since multiple cooperative or competitive strategies can be utilized on the spectrum of national power.

²² John Lancaster. "India, China Hoping to 'Reshape the World Order' Together. Once-Hostile Giants Sign Accords on Border Talks, Economic Ties, Trade and Technology." Last modified on April 12 2005. Accessed August 11, 2018. <http://www.washingtonpost.com/wp-dyn/articles/A43053-2005Apr11.html>.

²³ "India-China bilateral trade hits historic high of \$84.44 bil," The Times of India, last modified March 7 2018, Accessed August 11, 2018. <https://timesofindia.indiatimes.com/india/india-china-bilateral-trade-hits-historic-high-of-84-44-billion-in-2017/articleshow/63202401.cms>.

1. Chinese Objectives toward India: Cooperative

According to The National Bureau of Asian Research, China's strategy toward India can be broken down into three main objectives: comprehensive engagement, diplomatic deterrence, and military deterrence. Although "Chinese elites see India as a competitor in certain areas and acknowledge the frictions created by long-standing contentious issues such as the border dispute, as well as new issues such as access to the Indian Ocean, they do not foresee a relationship dominated by competition or rivalry."²⁴ Comprehensive engagement has three parts, the first is political engagement which is characterized by increased high-level diplomatic and military meetings aimed at cooperation. The second is economic engagement, which is typified by an effort to increase trade between the two nations and an effort to sign a bi-lateral trade agreement. The third is international engagement, in which China has encouraged India's participation in multilateral organizations such as BRICS. This objective would assist in the "building [a] multi-polar world order that would be based on principles of equality of nations" that would consequently reduce the influence of the United States.²⁵ International engagement would thus help create "an India strong enough to dilute U.S. power and help promote China's own strategic objectives, but not an India so strong that it would limit or check China's freedom of action or be able to harm Chinese core interests."²⁶

China's other two objectives toward India, which are diplomatic and military deterrence, are meant to prevent India from detracting from other Chinese objectives that are not necessarily shared with India. These include China's cooperation with Pakistan in the construction of an economic corridor, creating alternative transportation and energy routes through Myanmar, opposing India securing a permanent seat at the UN Security Council, and the ongoing border dispute with India. This last point regarding diplomatic hedging over the border dispute leads into Chinese military deterrence goals. The liberal

²⁴ Ashley J Tellis, Travis Tanner, and Jessica Keough. *Asia Responds to its Rising Powers China and India* (Seattle and Washington, DC: The National Bureau of Asian Research 2011), 66.

²⁵ Ashley J Tellis, Travis Tanner, and Jessica Keough. *Asia Responds to its Rising Powers China and India* (Seattle and Washington, DC: The National Bureau of Asian Research 2011), 81–86.

²⁶ Ashley J Tellis, Travis Tanner, and Jessica Keough. *Asia Responds to its Rising Powers China and India* (Seattle and Washington, DC: The National Bureau of Asian Research 2011), 66.

view of these military objectives is that India is a periphery to the main focus of China's military goals which is Taiwan. This stance also rejects the so-called string of pearls strategy which had determined that China was building a string of naval bases in an attempt to contain India. Chinese military deterrence is thus viewed as more cooperative in nature because the bases are limited investments in civilian ports,²⁷ they are all vulnerable to Indian attack, and the ongoing Chinese focus on "near seas" instead of "far seas".²⁸

This view is echoed by the former Vice Chief of Naval Staff of the Pakistan Navy, Taj Khattak, who argues that "within India too, there isn't much support for 'string theory' to threaten its security. C. Raja Mohan, a foreign policy analyst, and director of Carnegie India, for example, argues in his book on Sino-Indian rivalry in the Indian and Pacific Oceans, that China's port policy reflects a desire to get easier access for trade to and from west part of China. The globally expanded footprint of its mercantile marine warrants increased presence of Chinese Navy whose duties for the first time in recent years have been described, in a White Paper published by People's Liberation Army (PLA) , as including 'open seas protection' far from its shores."²⁹

Even though the Indian Ocean is a secondary "far sea," China still validates the requirement to have some military presence as being necessary to security of trade. In the 2015 defense white paper China asserted that "China will safeguard its national sovereignty and maritime rights and interests", the People's Liberation Army Navy (PLAN) vice admiral Su Zhiqian said in Sri Lanka that "safety and freedom of navigation in the Indian Ocean is very important for the resurgence and growth of global economy; the Chinese navy will strongly maintain the peace and stability of the Indian Ocean."³⁰

²⁷ It should be noted that this assessment was conducted in 2011 prior to the construction of the Chinese Naval Base in Djibouti in 2016.

²⁸ Ashley J Tellis, Travis Tanner, and Jessica Keough. *Asia Responds to its Rising Powers China and India* (Seattle and Washington, DC: The National Bureau of Asian Research 2011), 86–91.

²⁹ Taj M Khattak, "China's Maritime Strategy in the Indian Ocean." *Defence Journal* (June 2016): 43–45.

³⁰ Hafeez Ullah Khan Khalid and Dr. Ijaz, "New Delhi Response to Beijing 'BRI' Project: A Lucid connection with Chinese "String of Pearls." *Journal of Political Studies* 25, no. 1: 243–254, http://pu.edu.pk/images/journal/pols/pdf-files/18_25_1_18.pdf

Chinese media tends to draw a cooperative picture of their objectives toward India as well. Zheng Xie from the *Global Times* “wrote that ‘China’s [One Belt One Road] is not an alliance and comes with no political strings attached’ to rebut the claims of Western outlets, which have described the program as China’s Marshall Plan”.³¹

2. Chinese Objectives toward India: Competitive

There is another school of thought that characterizes China’s objectives toward India as being more competitive in nature. Jayanna Krupakar argues in the *Strategic Analysis Journal* that China’s objectives toward India and the Indian Ocean region are similar to the three objectives outlined by The National Bureau of Asian Research. However, there are some differences in the posturing and intent. Krupakar makes the case that there are four main objectives. Firstly, “the security of the Sea Lines of Communication (SLOCs), as the Indian Ocean accounts for over \$1.5 trillion of China’s annual maritime trade.”³² Secondly, “energy security, as nearly two-thirds of China’s oil imports transit through the Indian Ocean.”³³ Third, “to harness the economic potential of emerging markets in the IOR. Lastly, the stability of volatile sub-regions in the IOR (East Africa, for instance) where China has commercial investments in sectors like hydrocarbons and mineral exploration and is undertaking several infrastructural projects.”³⁴

In naval terms, all four of these objectives have a “forward” component to them, which lends “credence to the ‘string of pearls’ theory: the idea China is encircling the Indian Ocean by means of power projection at sea. At least eight deep-water ports, aided and constructed by China, stretching from Kenya to Myanmar, are designed for potential dual-use functions.”³⁵ Nevertheless, the strategic location and purpose for which they may

³¹ Lim Tai Wei and Chan Henry Hing Lee Lim Wen Xin. *China’s One Belt One Road Initiative* (Singapore: World Scientific, 2016), 118.

³² Yuan Can, “China’s Presence in Indian Ocean Legitimate, Military Expert Say,”. March 18. Accessed April 11, 2016. <http://en.people.cn/n3/2016/0318/c90000-9032455.html>.

³³ Eleanor Albert. “Competition in the Indian Ocean.” Accessed April 7, 2016. <http://www.cfr.org/regional-security/competition-indian-ocean/p37201>.

³⁴ Jayanna Krupakar, “China’s Naval Base(s) in the Indian Ocean—Signs of a Maritime Grand Strategy?” *Strategic Analysis* (2017): 207–222.

³⁵ Jayanna Krupakar, “China’s Naval Base(s) in the Indian Ocean—Signs of a Maritime Grand

be used are consistent with a more competitive interpretation of Chinese objectives. Current Chinese “port-construction projects in the IOR include: Beira (Mozambique), Bagamoyo (Tanzania), Lamu (Kenya), Obock/Doraleh (Djibouti), Gwadar (Pakistan), Marao Atoll (Maldives), Colombo and Hambantota (Sri Lanka) and Kyanukpyu (Myanmar).”³⁶

National Defense University professor and strategist Liang Fang agrees that “the security of the sea lanes involved in the One Belt, One Road concept is linked, in the views of some Chinese military and naval analysts, with robust blue water naval capability dedicated to sea lines of communication (SLOC) defense”.³⁷ William Yale concurs in *The Diplomat* that “the Maritime Silk Road, and especially Chinese infrastructure investment, is implicitly intended to facilitate more frequent People’s Liberation Army Navy (PLAN) deployments in the Indian Ocean and beyond to secure the reliable logistics chains across SLOCs throughout Southeast and South Asia”.³⁸

C. INDIA’S STANCE ON CHINESE OBJECTIVES

1. Against Chinese Strategic Aims

There are five major points of contention between India and China. The most serious of these originates from the 1962 border war and India’s harboring of the Dalai Lama, whose Tibetan homeland has been controlled by China since 1950. Secondly, China views the potential of India (or anyone) to block the Strait of Malacca as a security risk, and thus seeks alternate routes through Myanmar and Pakistan, which is viewed as threatening to India. Thirdly, the influence in Myanmar that China seeks to achieve alternate shipping routes is viewed as competitive in nature. Fourthly, the basing rights and security cooperation with countries within the Indian Ocean is an issue that both China and

Strategy?” *Strategic Analysis* (2017): 207–222.

³⁶ Eleanor Albert. “Competition in the Indian Ocean.” Accessed April 7, 2016.
<http://www.cfr.org/regional-security/competition-indian-ocean/p37201>.

³⁷ Lim Tai Wei and Chan Henry Hing Lee Lim Wen Xin. *China’s One Belt One Road Initiative* (Singapore: World Scientific, 2016), 116.

³⁸ Lim Tai Wei and Chan Henry Hing Lee Lim Wen Xin. *China’s One Belt One Road Initiative* (Singapore: World Scientific, 2016), 116.

India are competing for primacy. Lastly, these competitions cause India to view China as potentially threatening, which may motivate India to seek a deeper relationship with the U.S., or to seek permanent membership on the U.S. Security Council. Both of these possibilities cut against Chinese interests.³⁹

Individuals such as Indian Foreign Secretary S. Jaishankar, the former Indian Ambassador to China, view Chinese projects as being hegemonic in nature, in which China is trying to achieve the goals of a unipolar Asia in an attempt to create a multi-polar world to balance U.S. influence.⁴⁰

The Indian security establishment agrees with Jaishankar's view by pointing out that China "claims the PLAN (People's Liberation Army Navy) growing presence in the Indian Ocean [is] for combating piracy; however, the Chinese nuclear submarine patrolling in the Indian Ocean (in December 2013 for first time) is another story. The Indian security establishment knows that the nuclear submarines are not needed to tackle pirate boats."⁴¹

The Centre for Public Policy Research (CPPR), an India-based think tank, opposes Chinese strategic objectives and the way they impact India. Zachariah of the CPPR argues that an effort should be made to counter China's objectives in the IOR through the use of Indian-Japanese led investment initiatives such as the Asia Africa Growth Corridor (AAGC) that can provide an alternative to the Belt and Road Initiative (BRI). This economic initiative would also necessitate the need for security measures much like the string of pearls acts as basing and security for the BRI. Zachariah advocates for the return of the "Quadrilateral Security Dialogue or the 'Quad' which is a coalition of the US, Japan, Australia and India to patrol the waters from the Indian Ocean to the Pacific all the way to the disputed South China Sea." The combination of these counter strategies would be

³⁹ Ashley J Tellis, Travis Tanner, and Jessica Keough. *Asia Responds to its Rising Powers China and India* (Seattle and Washington, DC: The National Bureau of Asian Research 2011), 79–80.

⁴⁰ Hafeez Ullah Khan Khalid and Dr. Ijaz, "New Delhi Response to Beijing 'BRI' Project: A Lucid connection with Chinese "String of Pearls." *Journal of Political Studies* 25, no. 1: 246, http://pu.edu.pk/images/journal/pols/pdf-files/18_25_1_18.pdf

⁴¹ Hafeez Ullah Khan Khalid and Dr. Ijaz, "New Delhi Response to Beijing 'BRI' Project: A Lucid connection with Chinese "String of Pearls." *Journal of Political Studies* 25, no. 1: 243–254, http://pu.edu.pk/images/journal/pols/pdf-files/18_25_1_18.pdf

“where real democracies like India and Japan, who are also economic powerhouses, can balance out the influx and influence of Chinese ‘dollars.’”⁴²

This view has been affirmed by the Center for a New American Security (CNAS) which points to India’s recent cooperation with other Indian Ocean littoral states as evidence of reacting to China’s presence in the IOR. Kaplan explains that “Indian response to China’s Indian Ocean strategy is manifesting in its stepped-up efforts to improve bilateral ties with Indian Ocean littorals. Significant is New Delhi’s participation in the multilateral fora like the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC) and the Indian Ocean Naval symposium.”⁴³

2. Supportive of Chinese Strategic Aims

The second school of thought within India takes a less conflictual view. Individuals such as Sun eel Saurian, part of a private sector think tank, writes that “Indian response to OBOR should be much more pragmatic, India should offer China an alternative, that in CPEC both governments, Pakistani and Chinese find difficulties to carry on. India should invite Chinese to build roads, railway lines, and allow their companies to invest in manufacturing along that corridor which will connect Kunming (China), then why would China want CPEC.”⁴⁴

Besides the Indian private sector, the National Bureau of Asian Research which is an American nonprofit research institution, argues that “contrary to the conventional wisdom, China views India’s rise as a positive development that promotes China’s own core interests and strategic objectives more than it threatens or challenges them.”⁴⁵

⁴² J Paul Zachariah, “China’s African Foothold—Djibouti & Beyond,” May 17 2018, Accessed August 20, 2018. <https://www.cppr.in/article/chinas-african-foothold-djibouti-beyond/>.

⁴³ Robert Kaplan, “China’s Unfolding Indian Ocean Strategy-Anaylsis,” February 11 2014, Accessed August 20, 2018. <https://www.cnas.org/press/in-the-news/chinas-unfolding-indian-ocean-strategy-analysis>

⁴⁴ Hafeez Ullah Khan Khalid and Dr. Ijaz, “New Delhi Response to Beijing ‘BRI’ Project: A Lucid connection with Chinese “String of Pearls.” *Journal of Political Studies* 25, no. 1: 246, http://pu.edu.pk/images/journal/pols/pdf-files/18_25_1_18.pdf

⁴⁵ Ashley J Tellis, Travis Tanner, and Jessica Keough. *Asia Responds to its Rising Powers China and India* (Seattle and Washington, DC: The National Bureau of Asian Research 2011), 64.

3. Neutral toward Chinese strategic aims

The main trend that should be highlighted through this literature review is summarized concisely in the *Journal of Contemporary China*. The generalized perception “is that those in the media and defense establishments/think tanks tend to emphasize China as a problem or threat; those in the business sectors and economic establishments tend to think of China more positively; and civilian policymakers are more likely to adopt a more balanced (though still ambivalent) perspective toward China.”⁴⁶

D. FUTURE OF SINO-INDIAN RELATIONS

While the history of the security environment within South Asia has been dominated by the India and Pakistan conflict, the future of stability within the South Asia will likely reflect rising Chinese influence. The tensions dating back to the 1962 border war will have future implications not only for India and China but also for India’s neighbors as China vies for influence within Pakistan as part of the “belt,” and maritime nations such as Sri Lanka as part of the “road” in China’s Belt and Road Initiative. This leads to the question of whether the South Asian region will become more or less stable over the next ten to fifteen years. This question is significant because whether the security situation improves or deteriorates has economic and military implications for the United States. The main argument that I will make in this paper is that the security situation will most likely become worse in the near future. There are three reasons that explain this argument: historically unresolved tensions diplomatically, unaligned value systems politically, and competing spheres of interests economically and militarily.

There are four factors that will have the greatest impact on Sino-Indian relations in the future. Firstly, that the historical conflict between China and India has left a precedent between the two countries that has been one of mistrust and mutual unease regarding true intentions. Secondly, India does not support the same set of values that other countries in the region support regarding international order and norms and this will lead to a less secure environment in South Asia. Thirdly, India has overlapping spheres of interest with China

⁴⁶ Hoo Tiang Boon, “The Hedging Prong in India’s Evolving China Strategy,” *Journal of Contemporary China* 25, no. 101 (2016): 792–804.

within South Asia in terms of economic partners as well as strategic positioning militarily and this will create tensions and a competing power dynamic. Lastly, the larger implications that this degrading security environment could have for other organizations as well as the United States in the future will be analyzed.

1. Historical Tensions

The first reasons why the security situation in South Asia might deteriorate over the next decade is due to unresolved historical disputes. There are several border disputes that developed after the partition of India when the British left, one of these disputes was between India and China. The reason that this is significant is because China is a rising power while Pakistan is a declining or stagnating power thus making those border disputes with Pakistan less strategically emphasized although still formidable. The disagreement between India and China originated in 1954 when both the Chinese and Indians decided to let the border issue lapse until a further date, each assuming that the other mutually understood where the boundary was drawn.⁴⁷ The tensions were exacerbated during the 1955 Bandung conference in which “both Governments recognized that parts of their boundaries were not finally fixed; but while Peking would acknowledge this, it will be seen that it was integral to the Indian approach to deny it.”⁴⁸ The border dispute became more relevant in 1959 after the Lhasa Revolt. Eventually, tensions escalated in 1962 when the dispute culminated in a conflict in which the Indian position remained that there would be “no comprehensive boundary negotiations, no discussions about the ceasefire or anything else until the situation prior to 8 September 1962 had been restored... [and] no discussion of the marginal adjustments in the Indian claim in the west...until the Chinese had withdrawn from Aksai Chin.”⁴⁹ This is significant because a mutual agreement was never

⁴⁷ Neville Maxwell, “China and India: The Un-Negotiated Dispute,” *China Quarterly*, No. 43 (July-September 1970): 51.

⁴⁸ Neville Maxwell, “China and India: The Un-Negotiated Dispute,” *China Quarterly*, No. 43 (July-September 1970): 54.

⁴⁹ Neville Maxwell, “China and India: The Un-Negotiated Dispute,” *China Quarterly*, No. 43 (July-September 1970): 76.

reached. Thus, the border dispute is still a catalyst for conflict, even though the relative power balance between the two countries has widened.

While this power balance has been widening, the reasons behind the border dispute have changed very little. Pringshiem argues that the reasons why China permitted the deterioration of the situation were due to the strategic nature of the highway through Aksai Chin which would allow China to solidify their border. China's "long range political goals were the destruction of India's prestige and influence in the entire Himalayan area (and the non-aligned world at large) and of Nehru's dominant position in Indian politics."⁵⁰ The long range political goals were rooted in the fact that India had supported the Dalai Lama as well as the Sino-Soviet split.⁵¹ In 1963, the relations between China and India were at a standstill because China was intent on "keeping India off balance...rather than conciliate her" and India could not "afford to concede China's territorial demands without risking grave challenges to [their] government and leadership."⁵² This description of diplomatic stalemate a half century ago still characterizes the contemporary situation.

The fact that many of the points of contention along the border have not been resolved means that the dispute will likely continue into the future. From the Chinese point of view, the reasons behind the 1962 war related to the strategic position of the highway in solidifying their border are still a valid objective. Chinese policy focuses on the survival of the CCP, continued economic growth, and solidifying their borders in order to make the country whole once again. Although Taiwan is the primary target of the third objective, the border dispute and ensuring territorial integrity is still an ongoing issue. Gilboy points to the fact that China has become an increased security concern to India highlighted by instances such as in 2010 when "the Indian government ordered the armed forces to raise

⁵⁰ Klaus Pringsheim, "China, India, and Their Himalayan Border (1961-1963)," *Asian Survey* 3, no. 10 (October 1963): 481-482.

⁵¹ Klaus Pringsheim, "China, India, and Their Himalayan Border (1961-1963)," *Asian Survey* 3, no. 10 (October 1963): 482.

⁵² Klaus Pringsheim, "China, India, and Their Himalayan Border (1961-1963)," *Asian Survey* 3, no. 10 (October 1963): 494.

new divisions and refurbish unused forward air strips on the border with China.”⁵³ These developments have continued even up until the 2017 Doklam Standoff in which India intervened to prevent Chinese road construction. The threat has become more complex as well with China’s recent closer relations with Pakistan. Gilboy’s analysis of the likelihood of future conflict concludes that, although some Indians view the border war as provoking conflict, others prioritize economic development as the Chinese do and thus increase the chance for cooperation between the two countries. Although Gilboy highlights the fact that the security situation in South Asia could either improve or degrade, the importance of the historical tensions argument is that the original strategic goals of India and China are still valid, and the original issues have not been resolved which means conflict could easily reoccur.

2. Differing Values

There are two main points of friction caused by differing values in South Asia, one is interregional and one is from outside of the region. The traditional interregional value differences are between Pakistan and India. This is characterized by Pakistan valuing a nation defined in terms of religious identity, while India values a secular state that embraces the diversity within the different ethno-religious groups. It utilizes a parliamentary system of representation and democracy to reflect that value.

The larger external competing value systems between the United States and China are more likely to cause a deteriorating security situation in South Asia over the coming decades due to the fact that each country’s power projection abilities are more developed and each is interested in South Asia to form potential partnerships in order to achieve strategic objectives. The United States is seeking closer ties with India due to their shared values of free trade and democracy while China is seeking closer ties with Pakistan due to their shared values of emphasizing economic development and security. The reason that India values adhering to liberal norms and democracy is in part due to the partition and national narrative built upon British colonial legacy and the eclectic nature that comprises

⁵³ George J. Gilboy and Eric Heginbotham, “Double Trouble: A Realist View of Chinese and Indian Power,” *Washington Quarterly* 36, no. 3 (Summer 2013): 168.

India's vast population. "India shares interests with the United States on a wide spectrum of strategic issues. Many of them, ranging from the promotion of free trade to countering Islamist terrorism, are unrelated to China. In addition to these issues, however, both countries share an interest in hedging against the uncertainties associated with China's rise."⁵⁴

Pakistan, on the other hand must stress security as a value because their national narrative is anti-India in nature and they come from an inherent position of weakness caused also by the partition. However, these are not all solidified value differences. This is because the India-Pakistan relationship has been dominated by conflict over the territory of Kashmir. This has in turn "severely tarnished India's international reputation, largely because New Delhi's efforts to combat the Kashmiri insurgents have led to large-scale human rights violations."⁵⁵ This divide caused by sacrificing the value of human rights to achieve strategic aims could potentially cause rifts in U.S.-Indian relations, although it seems that the ties have only gotten stronger over the past decade. Additionally, the Sino-Pakistan relations are not a sure thing either. This is because Pakistan has been eager to accept investment in their country from China, but this has also caused concerns over whether China's investment policies are actually just a form of neo-colonialism and thus making their security less stable.⁵⁶

3. Competing Spheres of Interest

The historical tensions and differing values of nations within and outside of South Asia lead to the third reason why the security situation will most likely worsen within the next couple of decades: India and China have overlapping and competing spheres of interest. These spheres are not only political, they are also economic and military spheres of interest.

⁵⁴ S. Paul Kapur, "India's Relationships with the United States and China: Thinking through the Strategic Triangle," in *The New Great Game: China and South and Central Asia in the Age of Reform*, ed. Thomas Finger (Stanford: Stanford University Press, 2017), 54.

⁵⁵ S. Paul Kapur and Sumit Ganguly, "The Transformation of U.S.-India Relations: An Explanation for the Rapprochement and Prospects for the Future," *Asian Survey* 47, no. 4 (July/August 2007): 655.

⁵⁶ Samir Saran and S. Paul Kapur, "How India and the U.S. Can Lead in the IndoPacific," *Lowy Interpreter* (August 18, 2017).

China's vision for South Asia "is multifaceted. China erodes the autonomous politics of sub-regional groupings, using its economic leverage to create differences amongst ASEAN members, denying strategic space to India through economic projects like the China Pakistan Economic Corridor, and using North Korea to limit Japanese and U.S. influence in East Asia."⁵⁷ This includes building infrastructure in Pakistan that is funded with Chinese financial institutions and Chinese trade agreements that then create strategic dependence.

China's actions breaks from the norms set up by the U.S. through actions such as "territorial reclamations, rejection of maritime-dispute arbitration, establishment of an air-defence identification zone, and confrontations such as the ongoing Sino-Indian standoff over borders in Bhutan, suggest an authoritarian approach to the region."⁵⁸ The United States and India seek to uphold international law, resolution of disputes on territory and trade through arbitration, and diplomatic compromise. To this end, the U.S. has built relationships in the region mainly through security cooperation, arms sales, and joint exercises with like-minded nations.

India and the United States each have interests that overlap with China's Belt and Road Initiative as well. The United States has recently changed the U.S. Pacific Command to the United States Indo-Pacific Command which symbolizes the increasing importance of the Indian Ocean region to the United States.⁵⁹ The U.S. is making this shift in an effort to draw in more partners like India to share some of the burden of upholding international norms such as freedom of navigation and territorial sovereignty. These have manifested in the form of organizations such as the Quad as a notional balance to China's interests in the region.

⁵⁷ Samir Saran and S. Paul Kapur, "How India and the U.S. Can Lead in the IndoPacific," *Lowy Interpreter* (August 18, 2017).

⁵⁸ Samir Saran and S. Paul Kapur, "How India and the U.S. Can Lead in the IndoPacific," *Lowy Interpreter* (August 18, 2017).

⁵⁹ Tara Chan, "The Trump Administration Made a Subtle Shift," *Business Insider* (November 6, 2017).

India also has interests that do not totally align with the United States. India's main concerns are not only its historical rivalries and disputed territories with Pakistan, but also the rising Sino-Pakistan alliance and the extended continental threat this could pose in the future. This could cause additional strategic obstacles for India, especially since they have limited contingencies to counter Pakistan's use of "militants under the cover of nuclear weapons," which "has severely constrained India's punitive capabilities."⁶⁰ Additionally, India has an increased maritime concern due to China's recent strategic aims that stretch into the Indian Ocean. It is due to the Sino-Pakistan cooperation and the two-sided threat of China from the northern border and from the sea that has caused India to view China as the main threat and Pakistan as not posing a significant long-term threat.⁶¹ India will most likely look for strategic partnerships, thus further polarizing the region.

⁶⁰ Manjeet Pardesi, "India's Conventional Military Strategy," in *Oxford Handbook of India's National Security*, edited by Nicolas Blarel, Sumit Ganguly, and Manjeet Paresi (Oxford University Press, 2018), 1.

⁶¹ S. Paul Kapur, "India's Relationships with the United States and China: Thinking through the Strategic Triangle," in *The New Great Game: China and South and Central Asia in the Age of Reform*, ed. Thomas Fingar (Stanford: Stanford University Press, 2017), 54.

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III. CASE STUDY: CHINESE STRATEGY IMPACT ON MYANMAR

A. INTRODUCTION

There are two schools of thought as to how Myanmar fits into China's strategic objectives for the Indian Ocean. The first school of thought is that Myanmar is located geographically in such a way that China's objectives there are purely strategic in nature. The second school of thought is that China's relations with Myanmar support China's third core interest of sustained economic development, and thus serve a more transparent and obvious economic purpose.

B. CHINESE OBJECTIVES AS THEY RELATE TO MYANMAR

1. Chinese Objectives toward Myanmar: Strategic

The first school of thought acknowledges that Chinese objectives in Myanmar have a component that is based upon trade and economic development. However, most argue that the benefit derived from their relationship is overshadowed by the Malacca Dilemma that China faces. China's 2015 Defense White Paper "formalized a new maritime strategy encompassing 'open seas protection' for which its naval capacity to protect its overseas interests and assets must increase. This makes a naval presence in the Indian Ocean an integral part of China's maritime strategy." It goes on to argue that "China's SLOCs are subject to military blockades or interruption in the East and South China seas, Chinese defense planners began stressing the need for 'a route from Yunnan to Rangoon [as] an important transport line for goods and materials.'" ⁶² Malik argues that "China's Maritime Silk Road is not only an economic development plan, but also a strategic solution to breaking the tight U.S. control of the Strait of Malacca." ⁶³

⁶² J. Mohan Malik, "Myanmar's Role in China's Maritime Silk Road Initiative." *Journal of Contemporary China* (2017): 62–378.

⁶³ J. Mohan Malik, "Myanmar's Role in China's Maritime Silk Road Initiative." *Journal of Contemporary China* (2017): 362–378.

The main evidence that many scholars point to in order to support the claim that the relationship is more strategic than economic is China's energy security and the role that the Myanmar-China energy pipeline plays. Cook points out that some scholars "viewed the pipeline as part of China's larger national energy security strategy to avoid relying on the passage of cargo through the Malacca Strait... and thus its potential geopolitical impact on regional energy politics."⁶⁴ The reason that Myanmar will serve as a solution to the Malacca Dilemma instead of more of an economic and energy partnership is because by 2030 the Myanmar-China oil pipeline will only make up 3.5% of total imports into China. Thus, the strategic necessity of developing ties with Myanmar is more about how "China sees the strategic importance of having access to the Indian Ocean transforming it from a one-ocean nation to a two-ocean nation."⁶⁵

2. Chinese Objectives toward Myanmar: Economic

The second school of thought views Chinese objectives around the peripheries of the Indian Ocean, to include Myanmar, fall under the Chinese core interest of continued economic development. The energy security of China plays a direct role in their continued economic growth. "China paid relatively little attention to energy before it became a net importer of oil in 1993. However, by 2008 it imported 50 per cent of total oil consumption, which is expected to reach 60 per cent by 2020." This is why some scholars have viewed energy security as purely "a footnote to the Myanmar-China relationship, which was not only facilitated by but also reinforced the bilateral relationship."⁶⁶ This is important for the Chinese central government since the poorer south-western region of China is much in

⁶⁴ Cook is contrasting schools of thought that are in support of the first strategic objective (Cheng, 2004; Li, 2004; Lin, 2005; Wang, 2009; Wang, 2013); and those in support of the later strategic consequence (Kulkarni and Nathan, 2016, Dai and Qin, 2015, Lin, 2012, Li, 2010, Sinha, 2009, Kolås, 2007, Lim, 2010, Odgaard and Delman, 2014). Alistair D. B. Cook, "Myanmar's China Policy: Agendas, Strategies and Challenges." *Sage Journals* (2012): 269–281.

⁶⁵ Alistair D. B. Cook, "Myanmar's China Policy: Agendas, Strategies and Challenges." *Sage Journals* (2012): 269–281.

⁶⁶ Alistair D. B. Cook, "Myanmar's China Policy: Agendas, Strategies and Challenges." *Sage Journals* (2012): 269–281.

need of ways to strengthen their economy locally and thus energy supplied from Myanmar to the region around Kunming is an effective way to accomplish economic growth.⁶⁷

C. DOMESTIC FACTORS IMPACTING MYANMAR'S REACTION

There are several domestic factors that impact Myanmar's reaction to Chinese strategy. These domestic factors revolve around the main political split within the ethnic groups of Myanmar. The primary manifestation of these domestic factors can be seen in Myanmar's recent transition to democracy. The first school of thought claims that the elites are main driver behind the political changes in Myanmar. The second school of thought asserts that it is actually an external force from within and outside of the country upon the elites that is causing the changes. Answering this question and accurately attributing the driving force behind Myanmar's political change is significant because it can shed light on the correct policies to implement in order to prevent Myanmar's shift to democracy from stalling.

The elite drivers and those made for external factors acting upon the elites will be analyzed in this section. The strengths and weaknesses will be explained of each argument and finally the implications as far as which policies will be more effective toward Myanmar's democratization will be laid out. Ultimately, the thesis that I will argue is that it is not the elites driving democratization, but rather the external forces that are creating pressure upon the elites to change the political system.

1. Argument for Elite Drivers

The first school of thought highlights the fact that political change within Myanmar is internally driven from the top and those influences radiate outwards from the elites to the institutions and then into civil society. William Case analyzes the argument concerning this top down flow of influence and the extent to which external factors play a larger role in driving political change than the elites within Myanmar. Elites are logically a greater force for change than institutions because "for institutional engineering to change politics

⁶⁷ Alistair D. B. Cook, "Myanmar's China Policy: Agendas, Strategies and Challenges." *Sage Journals* (2012): 269–281.

and perpetuate democracies, it must be preceded by appropriate elite outlooks”.⁶⁸ This would be unlikely in the case of the elites in Myanmar because they would not agree to elections that weakened their own position.

The second factor is civil society, which is characterized by NGOs that provide development or governance. Case claims that this is not the driver of democratization because it is relatively easy for the elites within Myanmar to cooperate in order to suppress NGOs or help provided by donor governments.⁶⁹ The third factor is the external influence of globalization. Case argues that elites within Burma were able to control the level of globalization influence within the country to the point where they are able to meet the funding they need and afterward withdraw and survive without any foreign investment.⁷⁰

This all raises the question of why the elites would want to shift to a more democratic system if they were the true drivers of the political change. The best answer to this question that Case gives is that, following the economic collapse in the 1980s and subsequent uprising of Buddhist monks and student leaders, the elites crushed the uprising using the military. However, this precipitated a change from the more socialist party to one that was technocratic in nature. In order to restore the economy, the elites “undertook some liberalisation through which to attract foreign investment. And to shore up its political legitimacy, it held remarkably free elections in 1990.”⁷¹ This essentially backfired on the elites; however, they were still able to control external forces sufficiently enough to remain in power.

2. Argument for External Drivers

Min Zin makes a compelling argument that although the changes within Myanmar are being made by the elites, the reasons for those changes are due to elites reacting to other

⁶⁸ William Case, “New Routes to Understanding Burma’s Democratic Prospects,” *Australian Journal of International Affairs* 57, no. 2 (2003): 373.

⁶⁹ William Case, “New Routes to Understanding Burma’s Democratic Prospects,” *Australian Journal of International Affairs* 57, no. 2 (2003): 376.

⁷⁰ William Case, “New Routes to Understanding Burma’s Democratic Prospects,” *Australian Journal of International Affairs* 57, no. 2 (2003): 379.

⁷¹ William Case, “New Routes to Understanding Burma’s Democratic Prospects,” *Australian Journal of International Affairs* 57, no. 2 (2003): 380.

forces. These external forces are characterized by the need to create a modern and developed state in order to prevent relying upon China by engaging with the west, and to prevent an uprising by encouraging development.⁷² Zin states that Myanmar's overreliance on China for aid has created a geopolitically difficult situation in which China is able to gain access to the Indian Ocean in return for investment in infrastructure within Myanmar.⁷³ This could give China too much political leverage in the long run, and has caused the elites to attempt to reengage with the West in order to offset China's influence. However, this reengagement could only be accomplished by the at least outward appearance of democratization by the elites.⁷⁴ This process of incorporating the minority ethnicities of Myanmar into having more of a political role in order to reengage with the West actually encouraged uprisings such as the Saffron Revolution.⁷⁵ This predicament of attempting to democratize to encourage development in order to prevent uprisings and foreign influence has actually perpetuated both and thus the elites have attempted to stall the political change to reevaluate.

3. Strengths and Weaknesses of the Arguments

There is a very fine but interesting difference between the two arguments. The elite argument postulates that the elites were the driving mechanism behind the political changes and thus the changes were undertaken from their own initiative to achieve their own goals. The external force argument implies that the elites were coerced or compelled to enact political changes that may not have been beneficial to them but were more out of necessity.

First, the strengths and weaknesses of the elite argument should be analyzed. The logical reasoning behind Case's argument is compelling at the surface level because it seems obvious that the elites are able to mitigate all external influences. This is a strong

⁷² Min Zin and Brian Joseph, "The Opening in Burma: The Democrats' Opportunity," *Journal of Democracy* 23, no. 4 (October 2012): 106.

⁷³ Min Zin and Brian Joseph, "The Opening in Burma: The Democrats' Opportunity," *Journal of Democracy* 23, no. 4 (October 2012): 108.

⁷⁴ Min Zin and Brian Joseph, "The Opening in Burma: The Democrats' Opportunity," *Journal of Democracy* 23, no. 4 (October 2012): 110.

⁷⁵ Min Zin and Brian Joseph, "The Opening in Burma: The Democrats' Opportunity," *Journal of Democracy* 23, no. 4 (October 2012): 110.

argument because the elites are acting in their own interests out of a motivation of self-preservation, to the point where they would not allow institutions to take away their power or other sources of financial aid through NGOs or global investment, so as to funnel money into the hands of their opposition. This argument is weak in some respects however, because it raises the question of why the elites would want to enact political change toward a more democratic system in the first place. If they were enacting these changes to open their markets in order to have more financing, so that they could better control the minorities and the opposition, then why wouldn't they remain authoritarian and just siphon off funds from non-democratic sources? Even Case points this out by writing that "rather than reform its political regime and business practices, Burma's military government has found new partners in China and the ASEAN countries, especially Thailand, Malaysia, and Singapore. Indeed, by gaining formal membership in ASEAN, they have embraced a deft regionalism through which to ward off globalised pressures for change."⁷⁶ Case writes this in defense of his own thesis, but this actually works against his argument because it highlights the weakness inherent within the article.

The strengths and weaknesses of the external force drivers should also be analyzed. The argument is strong because the variable of pressure upon the elites can be more easily isolated and assessed. It is more difficult to understand changing attitudes within the elites, but the rise of China, external investment, and globalization is a rising tide that influenced all of South East Asia. With the economic collapse within a system that was not liberalized enough to accept foreign investment and cooperate with outside entities, the elites needed a political system compatible with other economic institutions. This gives the argument credibility and sheds light on the elites having to also balance the influence of China and the West in their calculus. The argument is weak, however because since Myanmar's independence there has been a constant variable of uprisings of minority ethnic groups that have been oppressed or underrepresented by the authoritarian government. Because this variable has not changed, it would not make sense that the elites would have transitioned the political system for this reason alone.

⁷⁶ William Case, "New Routes to Understanding Burma's Democratic Prospects," *Australian Journal of International Affairs* 57, no. 2 (2003): 379.

D. MYANMAR ETHNIC MINORITY GROUPS AND CHINESE STRATEGY

1. The Rohingya Crisis

The Rohingya crisis is one manifestation of the larger tensions between the majority and minority ethnic groups in Myanmar. The Rohingya are a Muslim ethnic minority group living within the Rakhine State. The main tensions come from their contact with the Buddhist Rakhine ethnic group. The government of Myanmar plays a major role in the response. It is headed by Suu Kyi since the democratic reforms in 2015, with the Tatmadaw military leadership holding 25% representation. Regionally, ASEAN is the organization most impacted by the outflow of refugees created by the crisis. Other actors include the United Nations, which deals with the crisis through the Human Rights Council, and the major world powers including the United States, China, and the European Union.

2. Regional Challenge

The Rohingya refugee originates from within Myanmar. This makes the issue difficult to address internationally because of the non-interference principle that prevails among ASEAN members. More broadly, the UN has been challenged when dealing with the situation because China is a permanent member of the Security Council, and together with Russia is has been able to block votes within the UN to intervene in Myanmar. Regionally, the Rohingya issue is politically sensitive to neighboring countries like Bangladesh because refugees have been crossing the border for years. This has led to the official position of having the refugees returned but the common understanding that “many will never return to Myanmar, and the focus is now on preventing further waves of refugees and migrants from Myanmar.”⁷⁷ Bangladesh has made it clear, however, that it views the Rohingya as citizens of Myanmar, and that the problem is a regional challenge that requires the cooperation of international partners to resolve.⁷⁸

⁷⁷ “Myanmar: The Politics of Rakhine State,” *International Crisis Group* (22 October 2014): 26.

⁷⁸ “Myanmar: The Politics of Rakhine State,” *International Crisis Group* (22 October 2014): 27.

3. Domestic Challenge

In recent years, Myanmar has had four extensive reforms that have impacted the way in which it is able to respond to the Rohingya crisis. The first of these is the 2015 election which led to the civilian-military governance of the country. This is significant because although there are civilian leaders, the Tatmadaw military leadership was still able to enact policies that forced the Rohingya minority into Bangladesh. The second reforms are the ongoing effort for the Myanmar government to sign ceasefire agreements with the other ethnic minority groups, of which seven out of the fifteen major ones have signed. The third set of reforms are an effort to shift the economy from a command economy to a liberal economy that attracts foreign direct investment and can diversify partnerships with other countries, so as to reduce Myanmar's reliance on China. Some backlash within Myanmar has occurred in response to the foreign direct investment from China that seeks to build infrastructure that can be used in the Belt and Road Initiative. The last set of reforms is an effort to broaden Myanmar's diplomacy. The current Rohingya crisis has led to a dampened response from the West to continue trading with Myanmar.⁷⁹

These four reforms only outline the broad environment that Myanmar is operating in when dealing with the Rohingya refugee crisis. "The government faces a major challenge in that the demands and expectations of the Rakhine Buddhist and Muslim communities may not be possible to reconcile."⁸⁰ This challenge, as it applies specifically to the Rohingya, includes insuring political stability and due process as well as continued economic and infrastructure development.

Within the Rakhine State the Buddhist Rakhine and the Muslim Rohingya face their own challenges as well. The Rakhine challenge is concerned with the fear that they could be marginalized due to demographic threat, a history of repression which has weakened their heritage, weakening economic opportunities, and the lack of security.⁸¹ From the

⁷⁹ Marc Lanteigne, "The rock that can't be moved": China's revised geostrategies in Myanmar," Centre for Defence and Security Studies, *The Pacific Review* (2017): 1–3.

⁸⁰ "Myanmar: The Politics of Rakhine State," *International Crisis Group* (22 October 2014): 3.

⁸¹ "Myanmar: The Politics of Rakhine State," *International Crisis Group* (22 October 2014): 15.

Rohingya point of view, the major challenges include political and social exclusion due to discrimination lack of political representation or citizenship recognition.⁸²

4. ASEAN's Role

There are five main responses that ASEAN is able to consider regarding the Rohingya crisis. These responses range from the most intrusive to the most passive options. The most intrusive option available to ASEAN is a regional peacekeeping force, perhaps in the form of UN security forces. The second option would be an ASEAN-led coordination model in which the organization could “take the lead to negotiate and coordinate international assistance.”⁸³ The third option would be informal mediation. The fourth option is facilitating Tatmadaw involvement to negotiate peace settlements within Rakhine State. The last option is ASEAN responses to actions requested by the National League for Democracy (NLD) government.⁸⁴

ASEAN has tended toward the more passive response option as of November 2018. ASEAN has not used the most intrusive option because it is not something that has been done before, and runs counter to the non-interference principle. The ASEAN-led coordination model has not been utilized due to the weaker consensus within ASEAN. The informal mediator option has not been implemented because Bangladesh and Myanmar have signed a repatriation agreement in November 2017 to return their respective refugees. Furthermore, it is “unlikely that Tatmadaw can be persuaded to initiate a serious peace effort in Rakhine State under present circumstances.”⁸⁵ This is why conforming to the wishes of the government has become the default option for ASEAN. This has taken the form of publicly and directly criticizing Suu Kyi but has also included not implementing any tangible solutions.

This is not to say that all of ASEAN members have the same viewpoint, however. China has “also been successful in bringing some of Myanmar’s ASEAN neighbors into

⁸² “Myanmar: The Politics of Rakhine State,” *International Crisis Group* (22 October 2014): 20–22.

⁸³ Moe Thuzar, “ASEAN’s Myanmar Dilemma,” *ISEAS Yusof Ishak Institute* no. 3 (2018): 7.

⁸⁴ Moe Thuzar, “ASEAN’s Myanmar Dilemma,” *ISEAS Yusof Ishak Institute* no. 3 (2018): 7–9.

⁸⁵ Moe Thuzar, “ASEAN’s Myanmar Dilemma,” *ISEAS Yusof Ishak Institute* no. 3 (2018): 7–9.

greater alignment with Beijing, including Thailand and the Philippines” due to the United States withdrawal of diplomatic engagement and reimplementing of sanctions in 2017.⁸⁶ Other ASEAN countries have even taken a more active role in “the plight of the Rohingya has been compounded by the response of several Southeast Asian nations who in 2015 turned away boats carrying thousands of desperate Rohingya.”⁸⁷

5. Myanmar’s Political Response

The political aspect is evidence of omnibalancing due to the leadership in Myanmar being willing to work with China as a secondary threat in order to counter the primary threat posed by the minority factions spread throughout the country. Myanmar’s Suu Kyi has been able to utilize the political support from China to counter the internal threat. This is because China currently sits on the United Nations Security Council and was able to back Myanmar politically following the “2017 army crackdown that drove 730,000 Rohingya Muslims out of the former Burma.”⁸⁸ Additionally, Beijing has also been able to facilitate peace talks between the government of Myanmar and the “ethnic armed groups operating along northern and eastern borders with China.”⁸⁹ China has historically backed Myanmar on the issue of ethnic minorities as well. This included China’s U.N. Security Council veto on S/2007/14 regarding a “call for end to violence against ethnic minorities and for political freedom in Burma” to which China cited that “Burma’s problems do not ‘pose a threat to international peace and security’ and thus are outside the UNSC mandate.”⁹⁰ However, the shift in 2015 toward democracy has been considered to be an

⁸⁶ Marc Lanteigne, “The rock that can’t be moved’: China’s revised geostrategies in Myanmar,” Centre for Defence and Security Studies, *The Pacific Review* (2017): 11.

⁸⁷ Richa Shivakoti, “ASEAN’s role in the Rohingya refugee crisis,” *Forced Migration Review* (2017): 76.

⁸⁸ Antoni Slodkowski, “Myanmar official suggests downsizing or relocating dam that frayed China ties,” last modified on January 19 2019, Accessed March 19, 2019, <https://www.reuters.com/article/us-china-myanmar-dam/myanmar-official-suggests-downsizing-or-relocating-dam-that-frayed-china-ties-idUSKCN1PN0OU>.

⁸⁹ Antoni Slodkowski, “Myanmar official suggests downsizing or relocating dam that frayed China ties,” last modified on January 19 2019, Accessed March 19, 2019, <https://www.reuters.com/article/us-china-myanmar-dam/myanmar-official-suggests-downsizing-or-relocating-dam-that-frayed-china-ties-idUSKCN1PN0OU>.

⁹⁰ Evan S. Medeiros, “China’s Foreign Policy Actions.” in *China’s International Behavior* (RAND Corporation, 2009), 190.

attempt at attracting more foreign investment and cooperation from the West as well as the United States. This shift is likely due to Myanmar's political realization that they have relied too heavily upon Chinese investment and bilateral relationship. Thus, this shift to balance against the external political threat of China by reaching out diplomatically to the West.

The response within Myanmar has been divided between the military and the civilian portion of the government. As of 2016, Aung Sang Suu Kyi began advocating keeping the ASEAN countries informed on developments within the country. This was reflected in the briefing to ASEAN but the statement highlighted the fact that the dispute was domestic in nature and did not require intervention. This was in part due to the outflow of refugees by boat to other ASEAN countries south of Myanmar. Naypyitaw, in contrast, has refused offers such as the one from the Organization of Islamic Cooperation to establish a liaison within Myanmar due to concerns from public unrest.⁹¹ The actions of the Tatmadaw have corresponded to their attempt to prevent oversight from the international audience. Much of the response internally has been characterized by the mistreatment of the Rohingya minority group which has led to an increase in the outflow of refugees.

6. Myanmar's Economic Response

One of the biggest turns away from China's economic strategy occurred after many countries in Southeast Asia noticed the debt for equity swaps resulting from some of the Belt and Road Initiative investments. The most well-known instance occurred after Sri Lanka relinquished port access to China when they were unable to pay the debt incurred from the port facility's construction that was funded from Chinese banks in 2017.⁹² This precedent directly impacted Myanmar's deep-water port project in Kyaukpyu town on the coast of the Indian Ocean. Upon seeing the strategic leverage that China is gaining, Myanmar's government "cut down the price for a Chinese-backed deep water port in the

⁹¹ "Myanmar: The Politics of Rakhine State," *International Crisis Group* (22 October 2014): 30.

⁹² Nyshka Chandran, "Fears of excessive debt drive more countries to cut down their Belt and Road investments," last modified on January 17 2019, Accessed March 18, 2019, <https://www.cnbc.com/2019/01/18/countries-are-reducing-belt-and-road-investments-over-financing-fears.html>.

conflict-ridden state of Rakhine from \$7.3 billion to \$1.3 billion...citing concerns [that] the initial cost would leave the Southeast Asian nation in a lot of debt.”⁹³ This major reduction in economic investment from China is significant because it indicates that the external threat of Chinese economic debt leveraging tactics outweigh the internal threat of the humanitarian crisis within Myanmar that is driving sanctions and stifling the economy.

Another example of the deteriorating economic relationship between China and Myanmar concerns the Myitsone hydro-power dam project. The \$3.6 billion dam was suspended in 2011 due to concerns that it would run over the top of an earthquake fault line and that the catchment area would displace residents in the north of Myanmar.⁹⁴ The reason why this is significant is because the specific location of the dam would displace people in the Kachin state, a province currently in active armed resistance against the government of Myanmar. Thus, Myanmar’s decision to delay the dam is an indication that it sees China as the bigger threat compared to the internal domestic threat.

7. Myanmar’s Military Response

The military aspect of Myanmar provides the most convincing aspect for the application of the omnibalancing theory. The country continues to be ravaged by civil war, much of which is conducted along the border between Myanmar and China. Militarily, China’s strategy within Myanmar is two-fold. The first is create stable conditions, especially along the border, to facilitate economic development and investment. The second involves the potential for future use of Myanmar as a means of power projection into the Indian Ocean.

Regarding the first part of China’s strategy, if Myanmar indeed viewed China as the primary rising military threat, then they would be less likely to cooperate in what would seem to be an internal domestic issue of uprisings and violence. However, Myanmar’s

⁹³ Nyshka Chandran, “Fears of excessive debt drive more countries to cut down their Belt and Road investments,” last modified on January 17 2019, Accessed March 18, 2019, <https://www.cnbc.com/2019/01/18/countries-are-reducing-belt-and-road-investments-over-financing-fears.html>.

⁹⁴ Antoni Slodkowski, “Myanmar official suggests downsizing or relocating dam that frayed China ties” January 19 2019, Accessed March 19, 2019, <https://www.reuters.com/article/us-china-myanmar-dam/myanmar-official-suggests-downsizing-or-relocating-dam-that-frayed-china-ties-idUSKCN1PN0OU>.

willingness to meet with China with regards to internal military issues shows that the Myanmar government views the primary threat as being internal in nature. In December of 2016, Myanmar invited General Zhao Zongqi, “the commander of the Chinese PLA Western Theater Command, and his delegation” to visit Myanmar and have a meeting with “Deputy Commander-in-chief of Tatmadaw Soe Win and Chief of No.1 Special Operations Bureau of Tatmadaw Htun Naung.”⁹⁵ This meeting was intended to signify that “the two militaries have maintained long-term and friendly relationship and are willing to keep on close communication and cooperation,” but more importantly to express “concerns over the damage to Chinese border inhabitants caused by the armed conflicts in northern Myanmar and expected Myanmar side to strengthen border management and control, prevent stray bullets from falling into Chinese territory and maintain the peace and tranquility along the China-Myanmar border.”⁹⁶ The final outcome of this high level meeting was that the Myanmar military affirmed its willingness to “cope with border issues properly and take the situation under control, so as to ensure the stability of China-Myanmar border areas and avoid damage to Chinese border inhabitants.”⁹⁷ This meeting is significant because it shows proof of Myanmar’s willingness to work with China as a secondary threat, in order to counter the primary internal threat within the country.

Regarding China’s second military strategy within Myanmar, China has pursued using Myanmar as a military partner that could lead to basing and power projection in the future. To this end, China has gradually become the largest “supplier of military hardware to Myanmar since 1988. [China] has supplied over 90 per cent of Myanmar’s military transport and has also provided warplanes and ships. In May [of 2017], the Chinese navy

⁹⁵ China Military, “Ministry of National Defense The People’s Republic of China,” December 14 2016, Accessed March 15, 2019, http://eng.mod.gov.cn/DefenseNews/2016-12/14/content_4766693.htm.

⁹⁶ China Military, “Ministry of National Defense The People’s Republic of China,” December 14 2016, Accessed March 15, 2019, http://eng.mod.gov.cn/DefenseNews/2016-12/14/content_4766693.htm.

⁹⁷ China Military, “Ministry of National Defense The People’s Republic of China,” December 14 2016, Accessed March 15, 2019, http://eng.mod.gov.cn/DefenseNews/2016-12/14/content_4766693.htm.

conducted its first exercise with its Myanmar counterpart.”⁹⁸ These advances strongly suggest that closer ties with China despite the internal pressures within Myanmar as well.

Conversely, some analysts such as Murphy have argued that the internal threat within Myanmar has largely subsided and that this lack of a primary internal threat has given the government of Myanmar the opportunity to create a closer relationship with countries such as the United States. Murphy researched the potential impact that military-to-military engagement could have upon reform within Myanmar and points out that some critics believe military assistance will enhance ties and result in “making Myanmar’s military better at abusing the civilian population and will give them the tools to undermine democratic and economic reforms.”⁹⁹ Despite this possibility, the military engagement piece is crucial in Myanmar’s democratic reforms. Thus, closer military cooperation with the United States, a country concerned about human rights, would indicate that omnibalancing is not an applicable theory in the case of Myanmar due to the United States being opposed to their military assistance being used in a civil war against the Myanmar’s own citizens. This metric provided by the United States military vetting process is an objective way to see if omnibalancing is valid.

The significance for the military aspect of Myanmar’s military reaction to Chinese strategy concerns whether or not Myanmar is drawing closer to the United States or if their government is drawing closer to China. The attractiveness of China is that it does not put any restrictions on military aid that may go to fighting ethnic minority groups such as the Kachins. So far, progress with the United States has been limited. Murphy concludes that the “human rights abuses perpetrated by the military, particularly in ethnic minority areas, [critics] have offered few alternatives to punitive measures, or viable recommendations for reforming the [Burmese military].” Furthermore, “the effectiveness of [international military education and training programs] is largely unsubstantiated and that confidence is based on anecdotal data at best due to significant data gaps and a lack of rigorous

⁹⁸ Kinling Lo, “China eyes closer military cooperation with Myanmar as it looks to expand sphere of influence near India’s borders,” November 23 2017, Accessed March 18, 2019, <https://www.scmp.com/news/china/diplomacy-defence/article/2121298/china-eyes-closer-military-cooperation-myanmar-it-looks>.

⁹⁹ Erin Murphy “Reforming Myanmar’s Military.” *PRISM* 5, no. 3 (2015): 77.

analysis.”¹⁰⁰ Despite these doubts and the legislature in place that creates a large amount of red tape around military assistance from the United States to Myanmar due to Leahy Vetting, there has still been significant progress toward cooperation. This progress has been largely in the form of military to military dialogues which include a visit to Myanmar by “Lieutenant General Frank Wiercinski, commander of the U.S. Army Pacific, and Vikram Singh, the Deputy Assistant Secretary of Defense (DASD) for South and Southeast Asia” for a “two-day bilateral human rights dialogue in October 2012.”¹⁰¹ Another dialogue on human rights was held in January 2014 “with representatives of the U.S. military joining State Department colleagues to discuss a range of topics, including military reform.”¹⁰² While these meetings are relatively small progress, they are concrete in the direction forward.

¹⁰⁰ Erin Murphy “Reforming Myanmar’s Military.” *PRISM* 5, no. 3 (2015): 85.

¹⁰¹ Erin Murphy “Reforming Myanmar’s Military.” *PRISM* 5, no. 3 (2015): 80.

¹⁰² Erin Murphy “Reforming Myanmar’s Military.” *PRISM* 5, no. 3 (2015): 80.

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IV. FINDINGS AND RECOMMENDATIONS

A. SUMMARY IMPACT OF CHINESE STRATEGY ON INDIAN OCEAN CASE STUDIES

The hypothesis section in Chapter I initially laid out three potential explanations for how Chinese strategy is impacting countries within the Indian Ocean. Ultimately, the second hypothesis is the most comprehensive in that the political aspect of Chinese strategy is creating an omnibalancing or polarized response from Indian Ocean countries. This is due to their mutual desire to continue economic growth and receive investment from China while also being hesitant to support Chinese military footholds in the region that could potentially be mutually beneficial at ensuring stability but simultaneously pose a future threat to their security.

1. Chinese Strategy Impact on India

a. Differences in How Chinese Strategy toward India Is Interpreted

The main differences between the cooperative and competitive interpretations of Chinese objectives toward India come down to three issues. Firstly, China's economic objectives, namely their intentions with the One Belt One Road initiative. Secondly, China's energy objectives, specifically how this will affect Sino-Indian relations with other Asian countries and SLOC security. Thirdly, China's military objectives which support their economic and energy objectives. This last point brings out differing interpretations of the string of pearls strategy.

Both of the cooperative and competitive views of Chinese objectives toward India agree that China is trying to ensure economic prosperity. However, the cooperative interpretation emphasizes China's desire to secure a bi-lateral trade agreement with India while the competitive view of Chinese objectives highlights China's desire to diversify trading partners. This comes down to essentially differing interpretations of China's One Belt One Road (OBOR) initiative which in the cooperative aspect is seen as a stabilizing factor and being mutually beneficial to India and China's economies. The more suspicious competitive interpretation of the initiative asserts that "the projects inherently serve

China's economic interests. With growth slowing at home, China is producing more steel, cement and machinery than the country needs. So Mr. Xi is looking to the rest of the world, particularly developing countries, to keep its economic engine going."¹⁰³ This has raised suspicious claiming that "Mr. Xi is rolling out a more audacious version of the Marshall Plan, America's postwar reconstruction effort... China is deploying hundreds of billions of dollars of state-backed loans in the hope of winning new friends around the world, this time without requiring military obligations."¹⁰⁴

Both the cooperative and competitive views of Chinese objectives toward India agree that energy security is a priority as well. While the cooperative view of China's objectives emphasizes diplomatic meetings and international engagement to prevent India from interfering with the Pakistan Economic Corridor or the oil pipelines in Myanmar, the competitive view of Chinese objectives stresses the importance of security of the SLOCs and stability in the region to avoid disruptions in the oil supply.

The last and biggest difference between the two views is that the cooperative interpretation of Chinese objectives argues that India is a secondary concern for China's military and that because the Chinese Navy is preoccupied with near seas, the string of pearls theory is invalid. The competitive interpretation of Chinese objectives argues the opposite by pointing to the fact that since many of Chinese and Indian economic and political agendas do not align, the need to have strategically located bases and military force to ensure energy and trade access are precisely what support the string of pearls strategy.

¹⁰³ Jane Perlez and Yufan Huang, "China railway one belt one road," NY Times. May 13 2017. Accessed January 31, 2018. <https://www.nytimes.com/2017/05/13/business/china-railway-one-belt-one-road-1-trillion-plan.html>

¹⁰⁴ Jane Perlez and Yufan Huang, "China railway one belt one road," NY Times. May 13 2017. Accessed January 31, 2018. <https://www.nytimes.com/2017/05/13/business/china-railway-one-belt-one-road-1-trillion-plan.html>

2. Chinese Strategy Impact on Myanmar

a. *Differences in How Chinese Strategy toward Myanmar Is Interpreted*

One of the main points of debate is whether Chinese strategy is aimed at supporting the ethnic minorities or indirectly suppressing them through Chinese support of the government of Myanmar. What is interesting is that the ethnic minorities on the northern border are to some extent linked but not necessarily supported by China. There are two arguments as to how Chinese strategy is impacting these groups. The first school of thought points to the fact that “China’s growing footprint in Myanmar aroused popular resentment, social unrest and complaints about environmental degradation, insufficient compensation for expropriated land and the use of Chinese labor. With tens of thousands of Chinese moving south of the border, many feared the country was at risk of becoming just another Chinese province.”¹⁰⁵ Thus “Myanmar’s China policy is one of suspicion through ‘equal distance diplomacy’ primarily as a result of China’s interactions with the ethnic nationalities in addition to its more powerful global position.”¹⁰⁶

The second school of thought states that Chinese strategic goals are oriented at suppressing the ethnic minorities within Myanmar because the Chinese are mutually supportive of the Burmese elites. In September 2017, Chinese Foreign Minister Wang Yi told the UN Secretary General Antonio Guterres that China “supports efforts by the Myanmar government to protect its national security and opposes recent violent attacks in Rakhine state.”¹⁰⁷ This Chinese support of the Burmese government has helped foster relationships that make possible closer economic ties between the two states. Thus, “Myanmar sees China as a stable example of economic development and an investor that will generally limit its formal interference in Myanmar’s internal affairs. China’s Myanmar policy, meanwhile, is one of strategic necessity combined with multiple interests across

¹⁰⁵ High mountains, distant emperors. April 23 2016.
<https://www.economist.com/news/asia/21697287-aung-san-su-kyi-extends-wary-welcome-china-tries-regain-lost-influence-high-mountains>.

¹⁰⁶ High mountains, distant emperors. April 23 2016.
<https://www.economist.com/news/asia/21697287-aung-san-su-kyi-extends-wary-welcome-china-tries-regain-lost-influence-high-mountains>.

¹⁰⁷ “Timeline: China-Myanmar Relations.” *The Irrawaddy* (25 November 2017).

levels of governance.”¹⁰⁸ The general conclusion from these two schools of thought is that China is officially supporting the government of Myanmar which indirectly suppressed the ethnic minorities within the country. Thus China’s main priority has become one that allows the official permission from the Myanmar government to establish infrastructure while simultaneously maintaining the most internal political stability to allow for the greatest economic benefit to China.

b. Analysis of Omnibalancing Theory Regarding Myanmar

There is evidence on both sides of the argument that the theory of omnibalancing explains Myanmar’s reaction to current Chinese strategy in the Indian Ocean. This case study evaluated the aspects of the political, economic, and military policies and agreements to determine which set of evidence is stronger. Ultimately, omnibalancing does an adequate job of explaining Myanmar’s reaction to Chinese strategy.

Politically, Myanmar has benefitted greatly by having close ties with China since China now sits on the United Nations Security Council. By having China on Myanmar’s side, China can veto any resolutions that could hurt Myanmar. This alliance with China is done despite some of the resolutions that China has proposed to repatriate refugees back to Myanmar, although this resolution is largely only symbolic. The counterargument to Myanmar’s close political alliance with China is the evidence that in 2015, the Myanmar government took steps to democratize and allow relations with the West to be more open. Despite this political liberalization however, Myanmar remains very authoritarian and has left clauses in its constitution that allow the military to retain power. Thus, the political evidence is supported by omnibalancing since the desire for the leadership to remain in control through the support of China is more pressing than the development of the country.

Economically, Myanmar has agreed to significant investment from China’s Belt and Road Initiative. This infrastructure includes oil and natural gas pipelines that run through much of the country and benefit China strategically while benefitting Myanmar economically. There is evidence to the contrary however, such as Myanmar’s recent

¹⁰⁸ Alistair D. B. Cook, “Myanmar’s China Policy: Agendas, Strategies and Challenges.” *Sage Journals* (2012): 269–281.

withdrawal from agreements to build hydro-electric dams in some of the areas controlled by ethnic minorities which could increase the threat from the domestic groups. Myanmar has also decreased Chinese investment in some of the deep-water ports, thus giving China less leverage over Myanmar. Overall, omnibalancing is mixed when it comes to the economic aspect of Myanmar as it is clear that the internal threat to the government outweighs the benefits of aligning with China in many cases although China is still Myanmar's largest trading partner.

Militarily, China has become Myanmar's largest military supplier. China has also offered to assist in the security of the contested border regions, a strategy that aligns with both the governments of China and Myanmar. Although the United States has pushed for greater cooperation with Myanmar, there just has not been much significant forward progress. Thus, Myanmar's bandwagoning with China can greatly be explained by omnibalancing in the military aspect.

In conclusion, the political and military aspects of China's strategy toward Myanmar, and to some extent their economic strategy, are indeed explained by the omnibalancing theory as to why Myanmar has aligned more with China in recent years.

c. Larger Implications of Chinese Relations with Myanmar

China has supported the government of Myanmar in how they have chosen to handle the situation because China has significant interest in utilizing Myanmar for infrastructure and strategic positioning in order to facilitate energy security and access to the Indian Ocean as part of the Belt and Road Initiative. Bangladesh and Myanmar have signed a repatriation agreement in 2017 which will return several thousand refugees to Myanmar. This is only a small percentage of the total amount of Rohingya that have fled to Bangladesh. Since China is a member on the UN Security Council, China has been able to block any intervening measures from the General Assembly and has thus limited the process to a bilateral interaction between Myanmar and Bangladesh.¹⁰⁹ The broader implications for this outcome is that "Naypyitaw hopes that a small number of returns

¹⁰⁹ "Bangladesh-Myanmar: The Danger of Forced Rohingya Repatriation," *International Crisis Group* (12 November 2018): 2–3.

would demonstrate to a sceptical world that it is ready to welcome Rohingya back, shifting the focus away from the reasons why they originally left—and thereby weakening, it believes, the basis for claims of ethnic cleansing and genocide.”¹¹⁰

Within Myanmar, the government has refused to recognize the Rohingya as citizens while the Rohingya have vowed not to return voluntarily until their security can be guaranteed through citizenship. This has led to a situation of dead lock politically in which there is no simple solution to solving the ethnic conflict. Meanwhile, the U.S. has implemented economic sanctions on Myanmar in 2017 which could further cement China’s strategic foothold within Myanmar. This could paradoxically give the government of Myanmar even less of an incentive to provide citizenship to the Rohingya and instead solely focus on security issues to continue attracting Chinese foreign direct investment to compensate for the decreasing diplomatic engagement from the West.

B. RECOMMENDATIONS

1. Policies toward China

There are two broad policy decisions that can be made toward China which are either cooperative or competitive in nature. Pillsbury classifies the cooperative measures as “reassurance” policies and the competitive measures as “dissuasive.” The reassurance policies can be split into four general options. Firstly, that the United States could propose bi-lateral arms control agreements, or a unilateral no-first-use pledge which hope to “influence China’s decisions on military strategy and modernization.”¹¹¹ Secondly, the U.S. could seek overt cooperation with China through accommodation. Thirdly, the U.S. could attempt to divert Chinese defense spending by offering American protection of the SLOCs. Lastly, the United States could “limit U.S. defence programmes without reciprocity.”¹¹²

¹¹⁰ “Bangladesh-Myanmar: The Danger of Forced Rohingya Repatriation,” *International Crisis Group* (12 November 2018): 3.

¹¹¹ Michael Pillsbury. “The Sixteen Fears: China’s Strategic Psychology,” *Survival: Global Politics and Strategy*, no. 54 (Oct 2012): 165, <https://doi.org/10.1080/00396338.2012.728351>.

¹¹² Michael Pillsbury. “The Sixteen Fears: China’s Strategic Psychology,” *Survival: Global Politics and Strategy*, no. 54 (Oct 2012): 165, <https://doi.org/10.1080/00396338.2012.728351>.

The dissuasive policies seek to be more competitive with China. These can be categorized into three broad options. Firstly, the United States could actually encourage “China to invest heavily in a blue-water navy, the rationale being that it is preferable for Beijing to invest in soon-to-be obsolete technology...than in more advanced technologies it might otherwise pursue. One way of doing so might be to facilitate India’s development of a blue-water navy, or otherwise increase the perceived threat to China’s sea lines of communication.”¹¹³ The second option open to U.S. policy makers would be to utilize arms control agreements in a way that would be “strategically advantageous to the United States... demonstrate capabilities needed to disable or destroy future Chinese capabilities...develop stealthy, long range and persistent intelligence, surveillance, reconnaissance and precision-strike capabilities...demonstrate defences and counter-measures such as hardening U.S. bases in the Pacific...demonstrate more effective cruise and ballistic-missile defence capabilities.”¹¹⁴ Thirdly, the United States could essentially revolutionize how war is fought and thus make all of the Chinese military investments obsolete. Examples of this could include laser communications or an emphasis on “submerged power projection.”¹¹⁵

Thus, the recommended policies toward China should focus on ones that are more moderate within the reassurance-dissuasion spectrum. This could include utilizing the United Nations as a stronger intuitional mechanism compared to the League of Nations to facilitate agreements with China regarding international law and avoid misunderstandings and estimation errors. Further emphasis could be placed upon creating international coalitions that are more strategically aligned instead of unipolar in nature. This would facilitate a common security of sea lines of communication in the Indian Ocean that could be utilized by all parties to continue economic growth and avoid unintentionally escalating tensions from a misperceived threat at choke points. Furthermore, a special attention should

¹¹³ Michael Pillsbury. “The Sixteen Fears: China’s Strategic Psychology,” *Survival: Global Politics and Strategy*, no. 54 (Oct 2012): 166, <https://doi.org/10.1080/00396338.2012.728351>.

¹¹⁴ Michael Pillsbury. “The Sixteen Fears: China’s Strategic Psychology,” *Survival: Global Politics and Strategy*, no. 54 (Oct 2012): 167, <https://doi.org/10.1080/00396338.2012.728351>.

¹¹⁵ Michael Pillsbury. “The Sixteen Fears: China’s Strategic Psychology,” *Survival: Global Politics and Strategy*, no. 54 (Oct 2012): 167, <https://doi.org/10.1080/00396338.2012.728351>.

be paid toward those countries strategically located in the Indian Ocean. The next two sections will deal with policies toward India and Myanmar specifically.

2. Policies toward India

The direction of the security situation in South Asia is not clear cut, although the evidence supports a downward trend. This paper initially set out to determine if the environment would become more or less stable in the coming decades and found that three factors play a large part in the region. The first factor was that historical tensions between powers in South Asia have not been resolved, thus the historic rivalries between India and its neighbors are still ongoing. Although India's relationship with China has become closer economically in recent years, this may not be enough to mitigate the threat posed by the underlying border disputes. Secondly, values throughout many of the countries in the region do not align. This may be the most influential factor in the downward direction of the security situation. Value systems are the underlying catalyst for much of the existing tension and potential future conflict because they determine what can be commonly agreed upon. The threat posed by differing value systems can be mitigated only if a compromise can be found diplomatically by the leading powers in the region. Thirdly, the competing spheres of influence overlap greatly in South Asia. However, the threat of conflict can be mitigated by the degree to which the United States engages with the region and the future U.S. policy toward the region. This is because India will be less likely to take drastic balancing actions against China as a perceived threat if India views U.S. commitment to the region to be stable and significant.¹¹⁶ This is complicated because the U.S. has long supported Pakistan in order to achieve strategic goals, recently cut U.S. defense spending, and reduced the nuclear arsenal, all of which has generated a problem of trust in which Indians may see the U.S. as an unreliable partner.¹¹⁷

¹¹⁶ S. Paul Kapur, "India's Relationships with the United States and China: Thinking through the Strategic Triangle," in *The New Great Game: China and South and Central Asia in the Age of Reform*, ed. Thomas Fingar (Stanford: Stanford University Press, 2017), 62.

¹¹⁷ S. Paul Kapur, "India's Relationships with the United States and China: Thinking through the Strategic Triangle," in *The New Great Game: China and South and Central Asia in the Age of Reform*, ed. Thomas Fingar (Stanford: Stanford University Press, 2017), 60.

Thus, the larger implications of this analysis are that in order to decrease the chances of conflict in South Asia, the mitigating elements for the three factors above must be achieved. However, trade relations and economic ties are unlikely to nullify historical tensions, the values that the West and China prioritize are unlikely to find common ground in South Asia, and the U.S. commitment to the region is questionable thus further polarizing Sino-Indian relations over their competing spheres of interest. It is for these reasons that the security situation in South Asia will most likely worsen in the future.

3. Policies toward Myanmar

Chapter III initially set out to analyze the drivers behind the political changes in Myanmar as well as the way in which Chinese strategy was impacting the way in which Myanmar reacted. This was significant because the driver of the change would need to be the target of any policies put into place by foreign governments who had an interest in the democratization of Myanmar. The two arguments that have been highlighted have shown that it was the external forces that have been driving the political change within Myanmar. This means that if the democratic transition has stalled then the policies that need to be implemented are ones that should focus on factors that do not cater to the elites but rather put pressure on economic policies and other issues such as human rights that can be influenced by globalization and the international community.

The Internal Crisis Group lays out three policy options that can be utilized. These three tools are firstly, the use of targeted sanctions which is thought to have little impact. Secondly, the use of international scrutiny from the UN Security Council which may or may not have an impact. Thirdly, the use of UN channels to help the government take responsibility for the crimes against humanity.¹¹⁸ The International Crisis Group advocates for this third option which consists of diplomatic engagement to have any meaningful change. The second article by the International Crisis Group argues that “Western countries must do their part to help make this rebalancing succeed. They have an important role to play in supporting positive change in Myanmar but need to be cognizant of domestic and

¹¹⁸ International Crisis Group, “Myanmar’s Stalled Transition,” *Crisis Group Asia Briefing* No. 151 (28 August 2018): 2.

regional sensitivities involved.”¹¹⁹ The third option is straightforward but it seems to be aimed at the elites and getting them to take responsibility instead of advocating for increased democratization.

Historically, policies that supported the government of Burma in order to achieve their strategic objectives of military security to facilitate their economic interests of the continued flow of natural resources have perpetuated ethnic tensions. Past U.S. policies were effective because they supported and worked alongside the ethnic minorities who desired to avoid repression when the Burman majority came to power. Those same ethnic minorities such as the Karen, Kachin, and more recently the Rohingya, were ultimately repressed in the past decades and have been involved in a civil war in some parts of the country. China has sought political ties with Burman elites to meet Chinese economic objectives such as the construction of pipelines that would circumvent the Malacca Strait and provide strategic energy redundancy.

The way forward should target increased engagement with the West, but should revolve around liberalization policies and ways to incorporate the political representation of the minorities. This will facilitate economic development while also quelling uprisings. One challenge that could arise however, is that increased investment from China that usually comes in a no-strings-attached form could result in support directly to the elites in exchange for strategic access to infrastructure regardless of the rights of ethnic minorities or political structure. This influence from China may further stall the democratization of Myanmar since the elites are not the main driver of political change.

¹¹⁹ International Crisis Group, “The Myanmar Elections: Results and Implications,” *Crisis Group Asia Briefing* No. 147 (9 December 2015): 2.

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