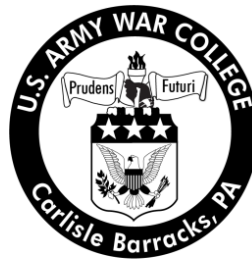


Strategy Research Project International Fellow

Sino-Myanmar Nexus: Regional Impact and US Strategy

by

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United States Army War College
Class of 2013

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Abstract

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China is viewed as a strategic competitor of the United States (US) in the global environment. Three decades of economic reform have led to a comprehensive recasting of China's geostrategic priorities in its immediate periphery. China's relations with Myanmar have grown in the past two decades following internal political upheavals in the late 1980s that motivated the two countries to reach out to each other following international opprobrium. Myanmar's strategic location on a tri-junction between South Asia, Southeast Asia and China is potentially important for China to achieve its strategic presence in the Indian Ocean and to help fulfill its goal of becoming a great power in the 21st century. Realizing the overall scenario, the US reassessed its strategy towards Myanmar and the Asia-Pacific. The US is also quite supportive of Myanmar's recent democratization, which is perceived by China as part of the global American effort to complicate and constrain China's rise. Therefore, in view of China's long-term strategy and its growing strategic distrust of the US, it is essential for the US to reorient its strategy for the South and Southeast Asian region to ensure regional stability while maintaining its global hegemony.

Sino-Myanmar Nexus: Regional Impact and US Strategy

All of the trends demographic trends, geopolitical trends, economic trends and military trends are shifting toward the Pacific. So our strategic challenges in the future will largely emanate out of the Pacific region, but also the littorals of the Indian Ocean.¹

—General Martin E. Dempsey
Chairman, Joint Chiefs of Staff

The People's Republic of China and the United States (US) are strategic competitors; countries whose relations have been tense and whose interests are at times more in conflict than agreement. As Thucydides observed 2500 years ago, rising powers challenge the established international order.² Historians and researchers predict that even without war, the US and China will develop the major global rivalry of the twenty-first century, a rivalry that will force other countries to take sides and will involve all of the major elements of competition: military strength, economic well-being, influence among other nations, and values and practices that are accepted as international norms.³

Three decades of economic reform have led to a comprehensive recasting of China's geostrategic priorities in its immediate periphery. As a part of the long term strategy, China is expanding its presence in South and Southeast Asia through investments, development assistance, security cooperation, and diplomatic engagement, while asserting control over aspects of the regional environment. Indeed, China's rise has led to fear that it will soon overwhelm its neighbors and subsequently supplant the US as a global hegemon.⁴ Chinese leaders assert, however, that the purpose of this growth is to expand its influence only in the region, not globally.

Myanmar sits at an important geostrategic location that connects the Indian subcontinent with China and the Indochina Peninsula. In the fluid strategic environment

of the early 21st century, with the rise of China and India, together with the reengagement of the US in the region, Myanmar's important position is once again attracting world attention. Many analysts perceive that the future dynamics of regional security will largely depend on Sino-Myanmar relations. The Sino-Myanmar relationship is complex, involving layers of sometimes antithetical interests both in China and Myanmar. Though engaging with Myanmar may be part of China's overall economic offensive as a "Soft Power" in the Southeast Asian region, its relationship with Myanmar is on a special footing because of strategic and geopolitical reasons, particularly access to the Indian Ocean.⁵ Chinese influence in Myanmar prompted a reversal in Indian policy and increased concerns about China's heightened role in South and Southeast Asia. The issue is of major policy interest to the US and its allies. Myanmar is not a client state of China, but the relationship creates dilemmas for both due to shifting dependencies at different levels and among different groups.

The year 2012 has transformed Myanmar from a country in total isolation and under military rule to a budding democracy, though it is being termed as a "Discipline Flourishing Democracy."⁶ Introduction of sweeping reforms on political, social and economic fronts by Myanmar leadership in recent months had made the US rethink its policy. A string of visits from US officials to the country, as well as lifting of many restrictions, have ushered in a new era of diplomatic relations between the countries. With the US reasserting itself in Asia and an emboldened China projecting military and economic power as never before, each side is trying to gain the advantage in economically struggling but strategically placed Myanmar.⁷ For the US, having another

country move from dictatorship toward democracy would be a political achievement; having a friendly country on China's border would be a strategic one.⁸

The recent development of US-Myanmar ties reflects hard calculations for China in an escalating battle with the US for regional influence. As Myanmar loosens the grip of decades of military dictatorship and improves ties with the US, China fears a threat to a strategic partnership that offers access to the Indian Ocean and a long-sought shortcut for oil deliveries from the Middle East. Retaining control over geo-strategically important South and Southeast Asia is quite significant for both China and the US in order for either to dominate greater Asia and the Pacific. Although Southeast Asian states favor US regional involvement, they do not want to be forced to choose between external powers.⁹ In order to minimize the chances of inadvertently contributing to a growing security dilemma, the US must avoid unnecessarily strengthening Chinese paranoia about American intentions while building partnership in this region. Therefore, for the US, success in dealing with a rising China will rest on achieving desired effects through the instruments of power, fully understanding the difficulties and challenges that lie ahead in the twenty-first century.

This paper will analyze the Sino-Myanmar relationship in different perspectives and study the implications of Sino-Myanmar ties on the South and Southeast Asian region. It will then briefly highlight the US strategic interests in the region and finally, conclude with suggested policy strategies in dealing with a rising China in the South and Southeast Asia region.

Critical Analysis of Sino-Myanmar Relations

The relationship between China and Myanmar is often referred to in the Burmese language as “paukphaw” (fraternal). China and Myanmar celebrated the 60th

anniversary of their diplomatic relations in June 2010 when Chinese Premier Wen Jiabao visited Myanmar. China was perhaps the sole country which did not condemn the crackdown on the pro-democracy uprising in Myanmar in 1988. Myanmar reciprocated identically on the Tiananmen incident in 1989.¹⁰ Since then China has supported Myanmar, diplomatically, economically and militarily and has recently surpassed Thailand as the largest investor in Myanmar. China's relations with Myanmar are an instance of a bilateral relationship that has gone from strength to strength in the past two decades following internal political upheavals in the late 1980s that motivated the two countries to reach out to each other following international opprobrium.¹¹

Overview of Diplomatic, Military and Economic Cooperation

In the last 60 years of diplomatic relations between these two countries, China has used pressure, persuasion, economic and military assistance, and protection from the international community for Myanmar's military regime in order to achieve its strategic and economic goals. C. S. Kuppuswamy writes, "China's action at the United Nations Security Council (exercising the veto power) underscores its confirmed position as Burma's most valuable ally. Since the early 1990s Burma has viewed China's veto power at the United Nations as its ultimate insurance policy against an East Timor-Style international intervention."¹² If the sanctions of the West had no impact on the military regime it was all due to the whole-hearted support of China, which had its own vested interests. China's diplomatic protection with its veto power and condoning the anti-democratic policies has made Myanmar beholden to China. Besides, Myanmar also needs the support of China to settle disputes with the ethnic armed groups on the border areas of China.

Sino-Myanmar military co-operation has transformed the Myanmar military. Myanmar's armed forces are one of the largest in Southeast Asia and very well equipped with Chinese military equipment. Analysts are of the view that the expansion is not based on the fears of external threat but more because of the continuing civil war with ethnic armed groups and inhibition for national reconciliation with the pro-democratic opposition groups. China undertook to train Myanmar's air force and army personnel. From 2002-2004, China trained Burmese Navy officers and conducted joint naval exercises along Burma's southern coast. In 2003, China helped Myanmar by building an 85-meter jetty along with reconnaissance and electronic intelligence system on Coco Island, close to India's Nicobar Island. In 2010, the Myanmar air force acquired 50 K-8 Karakoram jet fighters from China. Since the 1990s, China has assisted Myanmar in the modernization of its naval facilities at Hainggyi Island, Great Coco Island, Akyab, Kyaukpyu and Mergui, all in the Bay of Bengal.¹³

Li Xiguang, Director of the International Center for Communication at Tsinghua University says, "Myanmar is the pivot of China's grand strategy to achieve its economic growth goal."¹⁴ Chinese commodities account for 80 per cent of Myanmar's imports. A media report indicates that out of \$20 billion of foreign investment for big projects that have come up since 1988, China's share is \$12.3 billion. Chinese investment and trade in Myanmar is growing dramatically. The amount of Chinese investment between April and August 2010 was two-thirds of China's total investment in the country over the past two decades. As trade is increasing, so is Myanmar's trade deficit with China. In the first four months of 2010, China's exports were four times the amount of those from

Myanmar. China is now Myanmar's largest trading partner and Myanmar's top provider of Foreign Direct Investment.¹⁵

According to an Earth Rights International report, 16 Chinese oil companies were invested in Myanmar in 2008. China National Petroleum Corporation (CNPC) is constructing a dual oil and gas pipeline from Myanmar's western coast to China's Yunnan Province. In a related project China's Qingdao Port has signed an agreement with CNPC to build and operate a wharf in the Arakan coastal town of Kyauk Phyu in Myanmar; which is also being developed by China. It is estimated that China will annually channel 22 million tons of oil and 12 billion cubic meters of gas to Yunnan Province from this wharf at Kyauk Phyu. CNPC has signed production sharing contracts with the Myanmar Oil and Gas Enterprise for oil and gas exploration in a number of onshore and offshore blocks. Chinese companies are involved in all but one of 21 major dam projects currently underway in Myanmar.¹⁶ A project report on the impact of these dams on rivers in Myanmar indicates that since China is the main investor in the dam projects, it will receive most of the electricity.

A proposal is under consideration for a 1920-kilometer rail link between Kunming, the capital of China's Yunnan Province and Yangon, with plans to extend the line up to Tavoy, where a major Thai port development project is under construction. There are also plans to build a railway along the pipeline linking Kyauk Phyu and Kunming.¹⁷ China is involved in renovating the Stilwell road constructed during the Second World War. The "Irrawaddy Corridor", which envisages establishment of road links between China's Yunnan Province with Myanmar and a railway connection between Kunming (China) and Lashio (Northern Myanmar), will help the economic development of China's

south-western provinces (Sichuan, Guizhou and Yunnan).¹⁸ A Chinese company has been entrusted with the construction of an airport near Naypyidaw, the capital of Myanmar.

A Comprehensive Strategic Cooperative Partnership

China and Myanmar announced the elevation of their bilateral relations to a “Comprehensive Strategic Cooperative Partnership” during Myanmar President Thein Sein’s visit to Beijing in May 2011.¹⁹ This is the first time that the Chinese government defined the bilateral relationship as a strategic one, clearly signaling a new degree of affiliation. In outlining the specifics of what the comprehensive strategic cooperative partnership constitutes, Chinese President Hu Jintao emphasized four basic components: elevating bilateral relations and expanding exchanges and cooperation at all levels, strengthening mutual strategic support, deepening pragmatic cooperation, and maintaining border stability.²⁰

Some analysts argue that China’s partnership diplomacy is nothing new. China established strategic partnerships with Russia and the US in the 1990s, and gradually expanded the scope of “Strategic Partners” to other powers (UK, France, Germany, India) and neighboring countries (Pakistan, Indonesia, South Korea, Laos, Cambodia, Vietnam) over the past ten years.²¹ However, given the importance of Myanmar to China and the close ties between the two countries, the fact that a strategic partnership with Myanmar was not established until 2011 seems odd. The coincidence of the timing (the partnership was established immediately after the inauguration of the new civilian government) is a clear indicator of China’s changing perception of Myanmar from a political and economic friend (under the junta) to a strategic partner (under a legitimate civilian government).²²

Influencing Regional Institutions

A key component of the Sino-Myanmar partnership concerns Myanmar's role in the regional multilateral institutions. China believes that with the democratic reform in place, Myanmar has finally improved its international status and reputation. As Myanmar gradually reintegrates into the international community, it has the potential to become a solid, powerful diplomatic supporter of China's national interests and policy preferences in the region. After years of shielding Myanmar internationally, China feels that the time has come for Myanmar to reciprocate.²³

China's most immediate expectation of Myanmar is its support for China's position on South China Sea issues at the Association of Southeast Asian Nations (ASEAN). Three key ASEAN members – Vietnam, the Philippines and Malaysia – have major territorial disputes with China in the South China Sea, with the tensions reaching an historic high during the first half of 2011.²⁴ ASEAN claimants have been seeking to engage China in multilateral negotiations using ASEAN as a platform, to mitigate the overwhelming leverage of a powerful China during bilateral negotiations with individual countries. China, however, has consistently pursued a bilateral negotiation formula to settle the disputes. China has insisted that Myanmar support its positions, especially the “bilateral negotiations” formula at ASEAN. This expectation was directly conveyed to Myanmar officials before the July 2011 ASEAN Regional Forum in Bali.²⁵

China's Bridgehead Strategy

As part of the “Twelfth Five Year Plan” launched in 2011, China formally introduced the national “bridgehead strategy,” which proposes to turn Yunnan into a strategic corridor and a bridgehead for China's strategic engagement in the Indian Ocean.²⁶ As the Vice Governor of Yunnan explained, China's main theater of

international relations is the oceans. China's coastline is on the east side, leading naturally to the strategic prioritization of the Pacific. For inland China, however, it is more convenient to use the Indian Ocean as its outlet. The bridgehead strategy will free China from the "strategic passivity" of the "One Ocean Strategy", allow pursuit of the "Two Ocean Strategy", and represents China's strategic aspirations in the Indian Ocean. Although most of the reports have focused on the economic, trade, and transportation aspects of the bridgehead strategy, government analysts from both Beijing and Yunnan privately acknowledged that the orientation of such a strategy has an eventual political and security component and that "the bridgehead strategy itself is China's strategic offensive into the Indian Ocean."²⁷

Many in China call for a more active Indian Ocean strategy and for turning Pakistan and Myanmar (two of China's most loyal friends) into outposts of China's strategic outreach into the Indian Ocean.²⁸ To facilitate this goal, these analysts assert that China must go beyond the existing political and economic ties with Myanmar and pursue security and military cooperation. Some hardliners even go as far as calling for the expansion of China's naval forces and the establishment of a military base in the Indian Ocean. The aim is to protect the Sea Lines of Communication (SLOC), as well as to maximize China's geopolitical interests. By comparison, the bridgehead strategy provides a less threatening way to establish and enhance China's strategic outreach into the Indian Ocean.

The US Factor

There was a visible shift in the US policy towards South and Southeast Asia within a few months of Barack Obama taking over as President in 2009. This was the Obama Administration's effort to increase the visibility of the US in Asia, described as a

strategic “pivot” and later a “rebalancing” toward Asia.²⁹ As part of this strategic shift the US policy on Myanmar also changed, when in September 2009 Secretary of State Hillary Clinton announced that the sanctions had not achieved their aim. She remarked, “Engagement versus sanctions is a false choice in our opinion. So going forward we will be employing both of these tools, pursuing our same goals. To help achieve democratic reform we will be engaging directly with Myanmar authorities.”³⁰

Since November 2009, there have been a flurry of visits from US officials, culminating with the November 2012 visit of US President Barack Obama. The easing of sanctions commenced during the landmark visit of Hillary Clinton in December 2011. Between February and July 2012, all the US sanctions imposed on Myanmar have been waived except for the ban on imports from Myanmar and the arms embargo.³¹ The US also restored full diplomatic relations with Myanmar in July 2012. US Secretary of Defense Leon Panetta hinted in June 2012 at the Shangri-La Dialogue in Singapore that the military-to-military ties with Myanmar that were severed in 1988 may be resumed, depending on the progress in other areas of engagement with Myanmar.³²

China’s fear of the rapid improvement of US-Myanmar relations is multi-fold. First and most importantly, the warmer ties between the US and Myanmar are essentially seen by Beijing as a US conspiracy to encircle and contain China, with potential threats to the Chinese southwestern border, Indian Ocean access, and the oil and gas pipelines. In terms of economics, the easing of sanctions could open the floodgates for Western companies to return to Myanmar, creating competition for Chinese companies that have thrived under the sanctions during the past two decades.³³ Furthermore, China is concerned that as multilateral financial institutions return to Myanmar offering

technical assistance, these pro-Western institutions will help the country to formulate a set of economic, financial, and monetary systems without China's participation, forcing China to accept potentially unfriendly rules in its future economic activities in the country.

In terms of regional influence, Washington's relationship with Myanmar is being scrutinized within the broader scope of US competition with China in South and Southeast Asia. Beijing sees that the US is attempting to economically replace China's leadership in these regions. Washington's engagement with Myanmar is seen as another layer in the behind-the-scenes maneuvering of the US to alienate the traditional friendship between China and continental ASEAN and South Asian Association for Regional Cooperation (SAARC) states.³⁴ Specifically, China is fearful that Myanmar's improved reputation and regional status might be exploited by the US to advance its agenda at SAARC and ASEAN on regional issues such as the Indian Ocean and South China Sea. China has hinted that the US has played a part in the suspension of the \$3.6 billion Myitsone Dam hydro-power project, which would have benefitted China immensely.³⁵ Though China welcomes the warmer US-Myanmar ties overtly, it will not accept any movement that goes against its interests.

Implications for the Region

Some interpretations of the China-Myanmar relations are quite critical. For example, some Chinese think "the cooperation may cover all areas including military cooperation as it is a comprehensive cooperative partnership."³⁶ Myanmar President U Thein Sein wished to gain China's support for Myanmar's ASEAN chairmanship in 2014 and project loans during his visit to Beijing in September 2012. That is why Myanmar backed its northern neighbor regarding South China Sea issues. Thein Sein's support

for China on South China Sea issues could further weaken the unity of ASEAN. Besides leveraging connectivity with Myanmar, it is China's very geographical centrality to Asia, coupled with a growing navy and burgeoning economic might, that will cause the US to continue to lose influence in the region.

Strategic Influence

The China–Myanmar comprehensive strategic cooperative partnership should be interpreted within the framework of China's diplomacy in the post-Cold War era. It can be understood that China's "Strategic Partnership Strategy" is not only for Myanmar. Moreover, it also should be viewed in the context of China-South Asia and China-Southeast Asia relations. In the early 1990s, Thailand was becoming wary of China's strategic inroads into Myanmar. ASEAN was also worried about the increasing influence of China over the other countries in the region. To balance this and to adopt a common strategy towards China, ASEAN decided to accept Myanmar and Laos as members in 1997 and Cambodia in 1999. Since then ASEAN has resorted to "constructive engagement" with Myanmar (despite pressure from the US) and the member nations also increased their diplomatic and trade relations with Myanmar.³⁷ However, China-ASEAN relations have greatly improved in the last decade.

Today, China's "Charm Offensive" has downplayed territorial disputes while focusing on trade relations with South and Southeast Asia which are viewed by some as the catalyst for expanding political and security linkages.³⁸ Eight out of the 10 ASEAN member states have agreed to build strategic partnerships with China. All the four new ASEAN member states (Cambodia, Laos, Myanmar and Vietnam) have established comprehensive strategic cooperative partnerships with China. Indonesia is China's strategic cooperative partner while Malaysia, Philippines and Thailand also maintain

strategic cooperation with China.³⁹ Its dominance over Southeast Asia has been felt very widely in the recent days.

The close Sino-Myanmar relationship worries neighboring countries, especially those that are China-wary, like India. Having to contend with a Chinese threat along its northern frontier and a China-backed Pakistan threat from the west, India fears that the growing Chinese presence in Myanmar makes its eastern flank vulnerable too. India believes that China tries to make friends with all of India's neighbors to contain the rise of India in the region, in particular through the maritime strategy called "the String of Pearls."⁴⁰

India is thus concerned over possible access that Chinese naval vessels could secure to Myanmar's bases, which would mean Chinese naval presence near the Strait of Malacca and in the Indian Ocean. This is a scenario that worries not just littorals like India, Thailand, Singapore, Malaysia and Indonesia, but also distant countries like Japan and the US, whose oil imports from West Asia pass through these waters.⁴¹ Therefore, as part of its "Look-East" policy, India raised the level of interaction with ASEAN in general and Myanmar in particular. It also suited Myanmar to counterbalance its total dependence on China for all its military and economic needs.

South and Southeast Asia will be the world's largest hub of trade by 2025. Therefore, China is desperately trying to establish its dominance over these regions. China has already surpassed the US in total trade with ASEAN countries and with the support of Myanmar wants to influence ASEAN trade.⁴² A good Sino-Myanmar relationship provides China a strategic outlet to the Indian Ocean and dominance over this ocean will allow it to control most of the commercial sea lanes including the Strait of

Malacca. China became India's largest trading partner in 2009, as Indo-China bilateral trade reached to \$43.38 billion from \$250 million in 1990.⁴³ China already has a free trade agreement with Pakistan and has become a major trading partner with Nepal and Sri Lanka in South Asia.

Dominance over Indian Ocean and South China Sea

China's main interest in the Indian Ocean is to secure its energy supply. Establishing deep sea ports and naval surveillance in the Coco Islands indicates the Chinese aspiration to dominate the Indian Ocean.⁴⁴ It is remarkable that China's "String of Pearls" strategy, which refers to the negotiation of basing rights along the sea route that connects China to the Middle East, does not include interaction with India.⁴⁵ Indian policy-makers increasingly are worried about the future control of SLOCs and the security of India's energy. Due to the String of Pearls, China is able to check India's rise and monitor India's maritime exercises. Furthermore, China's strategy allows access to routes that bypass the Malacca Strait. This impacts regional security, as any blockade of the Strait would heavily damage the countries in the region.⁴⁶

The South China Sea symbolizes Beijing's larger maritime dilemma. Naval strategists see China as hemmed in along its sea coast by a chain of states or territories hostile to Beijing: Japan, Korea, the Ryuku Islands, Taiwan, and the Philippines. The overriding goal of Chinese naval strategy is to establish dominance over the waters within this "first island chain."⁴⁷ The South China Sea is crucial to China's commercial shipping, energy flows, and the access of its Hainan island-based submarines to the Pacific. But the South China Sea's southern and western access points – the Sunda, Lombok, Luzon and Malacca Straits are controlled by allies or partners of the United States. The best way to offset this vulnerability is to control the South China Sea itself

and thereby loosen the American position in Southeast Asia. In this regard, China appealed to Myanmar in 2011 for support in order to resolve disputes with the ASEAN states and to establish its dominance over the South China Sea.⁴⁸

Concerns for India—Offsetting the Regional Power Balance

Since the beginning of the 1990s, India has been extremely sensitive to the growing influence and presence of China in the Bay of Bengal, particularly when China helped to upgrade Myanmar's radar facilities in the Coco Islands and to construct a naval base in Sittwe.⁴⁹ In order to achieve India's strategic objective and to minimize China's growing presence and influence in Myanmar, New Delhi has decided to shift its liberal policy concerning human rights and democracy to a realist policy, mainly emphasizing strategic/security interests. Thus India's main objective is to remove Myanmar from China's orbit or sphere of influence. When Indian Prime Minister Manmohan Singh and Burmese activists Aung San Suu Kyi met in Yangon in May 2012, they adopted a forward-looking and constructive approach, expressing satisfaction at prospects of closer relations between the two countries in the future. The changing situation creates new opportunities for Myanmar and India to deepen their dialogue and strengthen their cooperation.

In India's strategic thinking, Myanmar's location is central to strengthening New Delhi's geopolitical position in Southeast Asia. Myanmar is a key stepping stone in India's new 'Look East' policy, which seeks to develop and expand political, economic and security ties with ASEAN.⁵⁰ Current celebrations marking two decades of India-ASEAN engagement, Myanmar's chair of ASEAN in 2014, ASEAN's deadline to establish a Economic Community by 2015, and Myanmar's next general elections in

2015 will combine to ensure that India-Myanmar relations receive far greater attention than before.⁵¹ Thus, the period 2012-15 is likely to be of transformational importance.

US Interests in South and Southeast Asia

In the fall of 2011, the Obama Administration announced that with the wars in Iraq and Afghanistan winding down, the US was turning its attention to the vast potential of the Asia-Pacific region.⁵² Though the Administration has denied that the rebalancing is directed against any country, commentators have widely viewed the move as an attempt to provide a counter-balance to China. However, to implement US policy objectives in the Asia-Pacific, South and Southeast Asia would play a critical role. US policy on South and Southeast Asia during the Cold War focused on security to maintain its influence gained during World War II. In the early 1990s, the US shifted its focus from security to economic issues. The establishment of the Asia-Pacific Economic Cooperation Forum (APEC) in 1989 with the active participation of the US indicates this shift in US policy.

The US has six key interests in the region. First, promote stability and a balance of power, with the strategic objective of keeping South and Southeast Asia from being dominated by any other hegemon. Second, prevent US exclusion from the region by another power or group of powers. Third, ensure freedom of navigation and protection of the sea lanes. Fourth, enhance trade and investment. Fifth, promote democracy, rule of law, human rights, and religious freedom. And finally, implement counterterrorism and nuclear nonproliferation.⁵³ In *Sustaining US Global Leadership: Priorities for 21st Century Defense*, US leaders confirmed these policies:

US economic and security interests are inextricably linked to developments in the arc extending from the Western Pacific and East Asia into the Indian Ocean region and South Asia, creating a mix of evolving

challenges and opportunities. Accordingly, while the US military will continue to contribute to security globally, we will of necessity rebalance toward the Asia-Pacific region.⁵⁴

Geo-Strategic Interests

Leadership in the Asia-Pacific is essential to US long-term national interests. The shift of geopolitical forces from the West to the East is a defining feature of the 21st century's international landscape, and Asia will be the main stage for this transformation.⁵⁵ Essential to the long-term national interests is to make sure that the United States remains true to its identity as a Pacific power. The Obama Administration, following a long history of bipartisan commitment to Asia, has articulated four key objectives for its engagement in the Asia-Pacific. First, deepen and modernize its alliances with Japan, the Republic of Korea, Australia, Thailand and the Philippines. Second, broaden its engagement with increasingly important partners like Indonesia, Vietnam, Mongolia, New Zealand, Singapore, Malaysia, and most notably India. Third, develop a predictable, stable, and comprehensive relationship with China. Fourth, engage and invest in the region's burgeoning multilateral architecture. Secretary of State Hilary Clinton emphasized the adoption of an aggressive "forward-deployed diplomacy" in support of US interests.⁵⁶ She has also articulated that US forward-deployed diplomacy in Asia seeks to leverage these relationships to underwrite regional security, heighten prosperity, and support stronger democratic institutions and the spread of universal human rights in the Asia-Pacific region.

The Indian Ocean, as the third-largest body of water in the world and containing vital sea lanes, is of critical interest to the US in rebalancing to the Asia-Pacific region. The US perceives a relatively wide range of potential threats to its interests in the Indian Ocean Rim, ranging from state-based threats to non-state actors. The sea lanes in the

Indian Ocean are considered among the most strategically important in the world — more than 80 percent of the world's seaborne trade in oil transits through Indian Ocean chokepoints, with 40 percent passing through the Strait of Hormuz, 35 percent through the Strait of Malacca and 8 percent through the Bab el-Mandab Strait.⁵⁷ But it is not just about sea lanes and trade; more than half the world's armed conflicts are presently located in the Indian Ocean region.⁵⁸ A strong connectivity with Myanmar would enable China to develop the capacity to monitor Indian missile tests in the Bay of Bengal, and potentially to influence passage through the Strait of Malacca, which is a vital chokepoint through which the energy supplies for Japan, Korea and Taiwan flow, and which provides a US life-line to the Persian Gulf and related states and bases, such as Diego Garcia in the Indian Ocean.⁵⁹ Therefore, China's plan to dominate the Indian Ocean through the 'String of Pearls' strategy bears a special significance to US interests.

Eliminating terrorism within the South Asian region is another US interest. This is a broader problem than merely eliminating the Taliban and Al Qaeda in Afghanistan. Terrorist networks within the region have tentacles that extend beyond South Asia. Since the archrivals India and Pakistan both have acquired nuclear capability, maintaining regional stability in South Asia is another concern for the US. The US is also concerned about Pakistan's nuclear assets falling into the hands of the violent extremists, which might provoke an armed confrontation between the two countries that could potentially escalate to the nuclear level.⁶⁰

In the case of China, Secretary of State Clinton acknowledged that Beijing represents one of the most challenging and consequential bilateral relationships the US

has ever had to manage.⁶¹ The US perceives China as a significant strategic concern across the entire Indo-Pacific.⁶² US policy makers reaffirmed that the US is trying to cooperate strategically and economically with China in order to build mutual trust and encourage China's efforts in assisting on a range of global issues. However, the US is concerned about the transparency of China's military modernization, human rights transgressions, and unpredictability on a range of significant challenges including North Korea, Iran, Afghanistan, the South China Sea, and freedom of navigation more generally.⁶³

Economic Interests

Pursuing a confident and aggressive trade and economic strategy is a key feature of the Obama Administration's 'rebalancing' towards Asia. In South Asia, the most important enduring national interest of the US is economic prosperity. According to the World Bank, by 2020 Asia could become the world's largest center of economic activity, with its share of world GDP projected to reach close to 35 percent. Despite the global recession South Asia is poised to grow by about 7 percent in 2010 and nearly 8 percent in 2011.⁶⁴ Helping South Asia to realize its great economic potential will not only benefit the people of this region, but also the US. On the other hand, ASEAN has the third-largest economy in Asia, after Japan and China. As a developing region, its per capita income is low but its GDP is rapidly growing.⁶⁵ A dynamic economy in these regions will provide an impetus for continued global economic growth.

The region is essential to the success of President Obama's National Export Initiative, which is to double US exports by 2015 and create new American jobs. Through APEC and the Trans-Pacific Partnership (TPP) agreement, the US can continue to advance regional economic integration, and by reducing barriers to trade

and investment in the region, it can increase exports and support jobs at home at the same time.⁶⁶ Regional security and stability are necessary (but not sufficient) conditions for the economies of the South and Southeast Asian countries to grow and achieve prosperity. If the US hopes to promote regional security and stability, it needs to be involved in the region politically, economically and militarily.

US Strategic Interests in Myanmar

US interests in Myanmar declined after the collapse of the Soviet Union and the Cold War. The US reviewed its policy towards Myanmar in 2009 primarily with a view to containing the Chinese influence over Myanmar and the region. The concern of the US over Myanmar's military cooperation with North Korea for acquiring missile and nuclear technology has also contributed to the policy change.⁶⁷ Even though the US administration has made it clear that the stepping up of its presence in the Asia-Pacific region is not out of fear of China or to exclude China, the increasing Chinese influence in Myanmar and the region has been a major factor for revision of US policy towards Myanmar. Myanmar also possesses huge natural resources and offers an investment opportunity for the US. As Stanley A Weiss writes, "it is time to engage Myanmar as the real issue in Myanmar lies in the business sector. This is where Yankee ingenuity can lead by example."⁶⁸

The Obama administration has looked to Myanmar as a key component in its plan to promote democracy and human rights in the Asia-Pacific. US Deputy National Security Adviser Ben Rhodes said, "continuing to fill in our pivot to Asia will be a critical part of the president's second term and ultimately his foreign policy legacy."⁶⁹ Myanmar is certainly a vital component of this vision. However, US policy makers believe the ultimate aim of Myanmar's prompt transition towards democracy is to reduce the

country's total dependence on China, seek legitimacy beyond the neighborhood, and encourage the West (US) to ease sanctions.⁷⁰ Marie Lall gives three factors for the changes introduced, "Burma wants the ASEAN chair in 2014, needs the ASEAN Free Trade Area in 2015 for its economy to thrive and the current government wants to win the 2015 elections."⁷¹

US Strategy to Respond to a Rising China

The China-Myanmar nexus is designed within the framework of China's broader regional policy that is partly aimed at stabilizing and consolidating its interests and influence in Asia. The policy is also meant to cultivate allies on broader policy positions against western countries, and in particular the United States, on issues such as democracy, press freedom, and human rights. The nexus is embedded in the Chinese overall strategy to challenge US hegemony in the region in pursuance of its global leadership. Avery Goldstein asserts that China seeks to foster conditions that support China's growth and modernization without encouraging others to conceive of China as a threat.⁷² If the US fails to respond adequately to China's buildup, it could undermine the credibility of the security guarantees that it extends to its Asian allies, significantly affecting the status quo in the region.⁷³ Now that the US has reoriented its focus to the Asia-Pacific, it needs an appropriate strategy in response to China's rise in South and Southeast Asia.

The US has two fundamental options for responding to China's expansion in South and Southeast Asia; both require the incorporation of all elements of national power. First, the US may hedge against China's growing competitive role in South and Southeast Asia by increasing US presence in Asia to contain China's increasing power in the region. Second, the US may pursue a strategy of combining engagement and

balancing. Engagement would be geared toward enmeshing China in global trade and international institutions, discouraging it from challenging the status quo, and giving it incentives to become a "responsible stakeholder" in the existing international system. Balancing can maintain stability and deter aggression or attempts at coercion while engagement builds relationships and obligations.⁷⁴

The first option is likely to affect regional stability as it might lead to an escalation of violence between the two strategic competitors. Moreover, it would also prevent the US from exploiting mutual benefits and integrating China into the prevailing global system as a responsible stakeholder. By contrast, the second option supports the US objective to ensure a stable economic and political interest in the region; it also balances China's buildup while maintaining its status as the global leader. The option would require a concentrated effort using all elements of power to reassure China that cooperation with the United States will benefit China's interests. This option would require not only bilateral agreements with China, but also multilateral agreements between the US, China, and countries in Asia with mutual interests.

Successfully implementing the strategy of balancing and engaging a rising China would necessitate the US adopting a system of alliances or regional institutions, or a combination of alliances and regional institutions. Some analysts argue that even while adopting a system of alliances, Washington and its allies and partners should invest in maintaining the US system's predominance in Asia. This position of strength would keep the costs prohibitively high for any Asian power with aspirations to regional leadership.⁷⁵ The stability and certainty provided by a robust US alliance system would ensure continued prosperity and discourage potential challengers from upending the

continuity of Asia's security order. On the other hand, regional institutions help to reduce tensions and suspicion while contributing to regional stability. The success of ASEAN in shelving regional tensions and disputes bolsters arguments that Asia's future stability lies in multilateral institutions rather than bilateral alliances. Enhanced regionalism seeks to socialize away impulses toward hierarchy and rivalry through the repeated engagement of Asian countries in disaster relief, joint exercises, military exchanges, peacekeeping, patrolling against transnational threats and second-track discussions.⁷⁶ Finally, a combination of alliances and regional institutions implies that by investing in the alliance system and thus raising the costs to a challenger, the United States and its allies can deter China from taking on the status quo. The counterpart to this "hard" balancing is "soft" engagement through regional institutions where the deeper engagement of China will help socialize Beijing into accepting the status quo. The rationale is to soften the confrontational aspect of hard balancing while closing off China's other options to being socialized through regional institutions.⁷⁷

Strengthen Diplomatic Efforts

Despite many diverging national interests and beliefs between the US and China, the US should find a way to remove the mistrust and expect China to transform into a democratic state, embracing the ideals, values and interests that come with it. However, democracy is an unreliable predictor of allegiance to likeminded democracies; a democratic China will be no different.⁷⁸ Striving to stay neck-and-neck with China in Southeast Asia, or launching an attempt at containing China in that region is likely to backfire on the US because spending resources in the region to hedge against China might alienate potential allies, who would be uncomfortable at being forced to choose between two dominant powers. Therefore, the US must carefully calibrate its approach

in Southeast Asia, focusing on three fundamental considerations.⁷⁹ First, the US must strengthen bilateral ties in ways that are not threatening to China. Second, it must invest in ASEAN and related organizations that integrate the US into the region and provide opportunities for engagement. And finally, it must encourage critical regional (Vietnam, Indonesia, Thailand) and extra-regional (Japan, India, Korea, Australia) actors to strengthen mutual ties. The US would benefit from putting more diplomatic effort into consulting and coordinating with regional states in advance of ASEAN-related summits and ministerial meetings.

The US should foster the growing multi-polarity of the region along with other key extra-regional players such as India, Japan, and Australia—gently balancing China and offering a welcoming hedge for ASEAN nations. By strengthening its engagement without directly challenging China, the US can position itself as a power broker without spooking allies who wish to avoid choosing between the United States and the rising regional power. However, there are likely to be occasions when the US must confront China over challenges to its strategic interest in freedom of navigation throughout Asia's international waterways – as with the incident involving Chinese harassment of the USS Impeccable in 2009.⁸⁰ The US, as guarantor of the “global commons”, will need to use a variety of means to assert said freedom, including potentially high-visibility acts such as sailing gray-hulled vessels through sensitive areas. However, given the integral role that China plays in managing many threats to US interests in the Asia-Pacific region, the US may help in forming a cooperative management regime to solve the territorial disputes in the South China Sea based on a functional approach that exploits the common

interests of claimant countries.⁸¹ ASEAN and China should negotiate the establishment of setting up a management body.

India is considered by the US “to be one of the defining partnerships in the Asia-Pacific.” The two nations have begun a strategic dialogue on the Asia-Pacific region, along with an embryonic trilateral relationship between Japan, India, and the US. The US has also supported India’s “Look East” policy, highlighted by the annual Malabar military exercises.⁸² New Delhi and Washington share common interests in the region: the danger of maritime piracy, the emergence of China, and the protection of the SLOCs. The Indian Ocean is the arena where the India-China rivalry will play out. US strategic goals align well with India’s, and US interests would be well served by treating the Indian Ocean as a single policy space.⁸³ However, the smaller South Asian countries, especially Sri Lanka and Bangladesh, will play a greater role in the dynamics of the Indian Ocean region than traditional US policy would indicate. Engaging Sri Lanka will not only contribute in influencing the Indian Ocean but is likely to affect China’s ‘String of Pearls’ strategy to secure its long SLOC in the Indian Ocean. On the other hand, Bangladesh with its geostrategic importance, firm stance against terrorism, and India being a close ally during its War of Liberation, will positively contribute in achieving US objectives in the region.

Realign Military Forces

The most resolute and visible aspect of US national power lies in the military. Any US strategy in Asia must seek to develop new methods and capabilities to sustain a level of credible deterrence in the region while simultaneously strengthening alliances and enhancing new relationships. The US must recognize that the best way to avoid great power conflict is to remain vigilantly prepared. The US should fundamentally re-

examine how it uses bases and friendly ports to project and support military power in the region.⁸⁴ A new approach to basing in Asia looks to Oceania and South and Southeast Asia as potential dispersed staging areas to maintain a US military presence beyond the range of Chinese ballistic missiles.⁸⁵ This approach deemphasizes the importance of existing South and Southeast Asia to conduct security cooperation and capacity-building operations with new partners.

While this is certainly a prudent strategy when considering the threat posed by Chinese anti-access strategies, it is in itself inadequate to address the broader challenge of system management in a multi-polar era. Bases are an essential aspect of America's engagements with its regional allies and partners throughout the region, whose main motivation to support such facilities is the belief that they contribute to their own security. Therefore, while major bases in Japan and Korea can be somewhat reduced to allow for a more flexible force posture, they should also be sustained and modernized to account for future threats. Existing bases must be hardened and protected against precision strikes, and the US military should examine options to use them to support a more widely distributed force posture. A reduction in the committed defense resources due to US defense spending cuts may create a capability gap in the Indian Ocean region. This may be partially ameliorated by the shift in defense resources from the Northwest Pacific towards the Southwest Pacific (Australia, Singapore and Guam) for deployment in the Indian Ocean in response to specific threats.⁸⁶

In balancing China, the United States should develop options to escalate horizontally instead of relying on the prospect of escalation to ever-higher levels of violence. Enhancing the ability to respond to aggression by joining with a coalition of

maritime friends and allies to cut China's SLOC remains the focus of such strategy.⁸⁷ Even if Beijing believed that it could use force to achieve a quick victory over Taiwan or in the South China Sea, for example, it would then face the prospect of losing the ability to export goods by sea or to import the energy and other resources it needs to keep its economy running. The United States can enhance the credibility of this threat by investing more in undersea warfare technologies; by deepening its cooperation with the navies of Australia, India, and Japan, among others; and by supporting Southeast Asian nations' efforts to acquire the weapons they need to defend their own airspace and coastal waters. Possible trilateral co-operation between the US, India and Australia may fit neatly into this context, particularly if broadened to include disaster response management.

While building the capacity of its allies and strengthening the strategic partnership, Washington should reassure Beijing that these moves are intended to create a balance of common interests rather than to threaten China. That assurance can be achieved by strengthening existing mechanisms for managing US–Chinese military interactions.⁸⁸ For example, the existing Military Maritime Consultative Agreement should be used to design procedures that would allow US and Chinese aircraft and naval vessels to operate safely when in close proximity. Thus, leveraging allies must be part of a wider military strategy that seeks to draw in China as part of an Asia-centric alliance system, in which militaries cooperate on a multitude of issues.⁸⁹

Build Alliances in the Region and Encourage Intra-Regional Cooperation

The US should act creatively and rapidly to evolve its existing alliances while building new partnerships in South and Southeast Asia. Instead of focusing solely on deterring or defending against particular security threats, alliances should become

vehicles for sharing the burden of managing the international system in a multi-polar era. The focus of US policy makers should be twofold: to revitalize America's well-established alliances in Northeast Asia and to expand and deepen American relationships in South and Southeast Asia. In Northeast Asia, American leaders should reaffirm the importance of ties to Japan and South Korea while recognizing the need to adapt them to new circumstances.

America's approach to alliances and partnerships needs to catch up to the rising significance of South and Southeast Asia. The littorals of East and Southeast Asia, from the Sea of Japan to the Bay of Bengal, are rapidly emerging as the most politically, economically and strategically important region of the world. Of fundamental importance for the US is that most countries in South and Southeast Asia seek a closer relationship with it as a source of investment and technology, a market for goods, and a hedge against the potential for Chinese aggression or coercion. The region wants the US to be engaged and involved, and it is up to Washington to answer the call. Failing to gain the confidence of its allies or focusing on parochial interests may not yield the desired output.

However, with the growing expectation of a US military drawdown, the US will rely heavily on engagement strategies. It would also seek to avoid military intervention everywhere; but instead buildup its regional allies to maintain the balance of power. Washington should accept that the best avenue for countering Beijing's regional preeminence is through local Asian balancing behaviors, which present China with a much more complicated challenge than direct military competition with the US. American and Asian interests should coincide here in using these new dynamics of

rivalry as stabilizing forces for the region.⁹⁰ Going forward, the US should work closely with regional organizations such as SAARC, ASEAN, and the Malacca littoral states to encourage robust and effective intra-regional cooperation. Further, the US should act as a bridge to improve regional cooperation by expanding military exercises from bilateral to multilateral. The more the US can facilitate collaboration among its allies, the stronger it will be.

Pursue Strategic Trade

China's massive bilateral trade surplus with the US and Beijing's accumulation of dollar-denominated assets are worrisome for reasons that transcend economics. If Washington wants to retain the greatest possible freedom of action, it cannot stay so deeply indebted to its main geopolitical rival.⁹¹ As the economies of the South and Southeast Asian region expand and grow increasingly interdependent, economic engagement by the US will be critical to ensuring America's continued political influence and presence in the region. Unfortunately, America's current domestic political climate is not wholly supportive of free trade and the current US administration has not yet articulated a clear trade policy, declaring its support for free trade but not following through with final agreements. Free Trade Areas (FTA) have expanded significantly in the past decade and by 2011 accounted for over 50 percent of all but one ASEAN countries' trade.⁹²

China is already utilizing FTAs and other economic agreements, such as the China-ASEAN Free Trade Agreement (CAFTA), to expand its influence. While not a robust FTA as Americans would define it, analyst Ernest Bowers points out that the CAFTA creates "an economic region of 13 million square kilometers with 1.9 billion consumers, a regional GDP of about \$6 trillion and total trade estimated at \$4.5 trillion.

CAFTA may not be comprehensive, but its impact is practical and it is clearly having a strong impact on the economic integration of China and ASEAN and East Asia generally.”⁹³

This is not simply an economic policy problem. In a globalized world, in which states pursue economic competition, economic power is as important as military power. Closer economic ties have political and strategic implications. Trade, therefore, should be viewed as a critical issue for the US in its approach to the region. FTAs must no longer be seen as unique arrangements between states whose economic interests happen to align, but as essential elements of 21st century alliances in Asia. Proposed FTAs with South Korea, Australia and Japan, as well as the TPP, could well be the foundation for this evolution in America’s relationship with the Asia-Pacific. Ashley J. Tellis noted, “China is more likely to act as an international stakeholder if the US frames US-China issues objectively, initiates serious efforts to address them, and credibly signals a willingness to engage in long-term bilateral cooperation.”⁹⁴

Enhance US-India Strategic Coordination

Since Myanmar could facilitate China’s permanent presence in the Indian Ocean, the Sino-Myanmar partnership has evoked deep concern among China-wary countries like India. As India embarks on a more forceful policy of internal and external balancing towards China, it will view the US as a critical balancer in the India-US-China triangular relationship and will look to Washington for support as both Sino-Indian and Sino-US competition enter into sharper relief in the coming years. India’s burgeoning relationship with the US gives New Delhi crucial strategic room to maneuver vis-à-vis China.⁹⁵ The US faces the prospect of an emerging power transition in Asia, and a robust partnership with India will be a valuable asset in stabilizing the region’s strategic landscape.

Both the US and India have some common interests in Myanmar. Therefore, the US may identify the Indian interests in Myanmar and assist them as a part of confidence building. The US and India may be engaged more closely on the significant political changes currently underway in Myanmar. US-India joint naval exercises, and an upgrading of Indian naval bases, may solidify their strength in the Indian Ocean. Another key issue could be the Myanmar-India gas pipeline project, which has not materialized yet due to lack of funding. The US may identify such strategic projects and render financial and technical support in pursuit of its own strategic goals.

As the US sensibly pursues a stronger strategic partnership with India, it should avoid the temptation of adopting India's long-standing approach of isolating and containing Pakistan. Tensions between India and Pakistan have had a profound effect on limiting Pakistani support for the US effort in Afghanistan. Pakistan is not likely to be the strategic ally the US wants or needs so long as Pakistan's overriding security concerns emanate from India.⁹⁶ Given the current lack of leverage that the US has over Pakistani decision-making, a patient and diplomatic engagement strategy remains the best option for regional stability.⁹⁷ Moreover, the US should offer assistance to both India and Pakistan in securing its nuclear sites and weaponry to decrease the risk of nuclear material falling into the wrong hands or rogue state agents. Reducing India-Pakistan tensions will alleviate the need for Pakistan to continue its support for terrorist proxies and bring their national security interests more in line with those of the US.⁹⁸ The US should also encourage India to enhance mutual cooperation and ease the discomforts with its smaller neighbors to discourage them from strengthening ties with China.

Develop Relations with Myanmar

Finally, the US efforts to forge stronger ties with Myanmar should continue in the future focusing on political reforms and promoting democratic rights. Investments and bi-lateral trade will play pivotal roles in consolidating the US-Myanmar ties.⁹⁹ According to Myanmar official statistics, US investment in Myanmar amounted to \$243.49 million in 15 projects as of March 2012 since Myanmar opened to such investment in late 1988. This amount is merely 0.6 percent of Myanmar's total foreign investment, making the US 9th in Myanmar's foreign investment line-up.¹⁰⁰ It is to be noted that Myanmar is to act as coordinator in ASEAN-US relations from 2014 to 2015, as it will chair ASEAN for that duration. Therefore, the US should immediately seek to accelerate investments and trade with Myanmar.

Improvement in military cooperation between the US and its allies with Myanmar could also occur. The recent offer to Myanmar to be an observer of the US-led multi-national exercise 'Cobra Gold' is noteworthy. The military cooperation should be extended further for confidence building. The US may also closely work with Myanmar for modernization of its armed forces and may open the supply of military hardware to Myanmar to reduce the dominance of China in this field. However, a strategic partnership or strategic cooperative relationship with Myanmar might deny China's access to the Bay of Bengal or the Indian Ocean, but may enhance the stubborn attitude of Myanmar. This, in turn, is likely to affect its relations with neighboring countries and the internal human rights situation as well. Therefore, the US must consider the contentious issues like human rights violations, refugee issues, transparency in military cooperation with North Korea, and arms and drug trafficking as bargaining chips prior to implementing any decision that benefits Myanmar.

Conclusion

China's Myanmar policy has been in accordance with its overall policy towards a stable external environment for its own modernization and development. Christopher H. Stephens noted, "The Chinese take a long-term perspective to secure strategic resources rather than a short term investment perspective."¹⁰¹ The perception of the rise of China in South and Southeast Asia depends to a great extent on whether the rise of China is viewed in zero-sum or variable-sum terms relative to American interests.¹⁰² A zero-sum perspective holds the potential to create strategic rivalry, as any gain for China, in either economic, diplomatic, or strategic terms, would be viewed as diminishing America's regional posture. Such a perspective could lead to policies by the US that China would view as seeking to contain its rise, which could lead to more assertive Chinese policies. A variable-sum approach holds the prospect of constructively engaging China in a way that would have it act without military force not only in the region but beyond. Such a perspective could focus on those areas where the US and Chinese interests converge, such as fighting organized crime, drug smuggling, counterterrorism, maintaining regional stability, and promoting energy security. However, if China adopts an aggressive posture triggered by the issue of Taiwan or dominance over the Indian Ocean or South China Sea, it could challenge American interests in the region.

Some analysts have viewed the emerging correlates of power of Asia as resting on three key "interactive forces," all of which are evident in the South and Southeast Asian context. These are: the ability of the US to remain committed to the region and play a leading role in "creating a new security architecture," the rise of China, and a deteriorating arc of instability in Asia.¹⁰³ From this perspective, the ability of the US to

remain committed to the region, beyond a narrow focus on the war against terror, is an important factor that will likely influence how regional states react to the rise of China. If regional states perceive the US as unwilling or unable to play an active role across the economic, diplomatic, and security spectrum in South and Southeast Asia, they may be increasingly drawn to China.

The US policy of 'Pivot to Asia' – a strategy that some says was meant to check a rising China – has sparked China's combativeness and damaged its faith in cooperation. Many scholars and analysts view that the pivot has already damaged US security interests, and the cost will only grow. If Washington continues down its current path, Chinese resistance to US policies will inevitably increase, preventing bilateral cooperation on crucial issues from trade to global economic stability.¹⁰⁴ The outbreak of hostilities in the region will become a real possibility, as China pushes back against the growing US presence on its borders. This would also cause the rise of nationalist tension between China and US security partners over disputed but inconsequential islands. The US could respond to China's tough diplomacy with policies that would both sustain the regional order and minimize the chances of a US-Chinese conflict. The better alternative for both China and the US is to create a new equilibrium of power that maintains the current world system, but with a larger role for China.

Finally, the China-Myanmar nexus is designed within China's grand strategy to achieve its strategic presence in the Indian Ocean and become a global power in the 21st Century. Lixin Geng noted that by the year 2050 China is expected to achieve world-class blue water naval status, and Myanmar would be crucial for China's multi-directional access to both the Pacific and Indian Oceans.¹⁰⁵ Therefore, in view of

China's long-term strategy and its growing strategic distrust of the US, it is essential for the US to reorient its strategy for the South and Southeast Asian region to maintain regional stability ensuring its global leadership. The US, while supporting Myanmar's political reform and consolidating its ties with the country, needs to engage and balance the rising China using all elements of national power to deter China from undermining the US position in the region.

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