

# Misguided Defensive and Offensive Realism Based on the Sino-Myanmar Pipeline Project

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#### **Abstract:**

This paper attempts to analyze China's foreign policy in regards to the Sino-Myanmar pipeline project through a look at misguided uses of defensive and offensive realism. The argument of this paper is that in the anarchical international system, states do not seek security as defensive and offensive realism commonly hold. Rather, states seek to control and shape their external environment. First, defensive and offensive realism are briefly discussed, specifically within the context of the Sino-Mayanmar pipeline project. Further, it is suggested that neoclassical realism may be a better guide to understand the contemporary oil situation in China.

#### Résumé:

Ce travail tente d'analyser la politique étrangère de la Chine en ce qui a trait au projet pipeline Sino-Myanmar à travers d'une interprétation de l'utilisation erronée des réalismes défensif et offensif. L'argument de ce travail maintient qu'au sein du système international anarchique les états ne recherchent pas la sécurité tel qu'il est soutenu par les réalismes défensif et offensif. Les états cherchent plutôt à contrôler et définir leur environnement externe. D'abord, les réalismes défensif et offensif sont discutés brièvement dans le contexte du projet pipeline Sino-Myanmar spécifiquement. Plus loin, il est suggéré que le réalisme néoclassique pourrait être un meilleur guide pour comprendre la situation pétrolière contemporaine en Chine.

Energy security is inevitable in China's foreign policy since China's economic growth is heavily dependent on imported energy resources, mainly oil. Most of the Chinese oil industry depends on comes from the Middle East and Africa passing by the Strait of Malacca, where it connects the Indian Ocean with the South China Sea. However, China fears that the United States might block oil flows into China through the Strait of Malacca in the event of its military action against Taiwan. China also worries that the U.S. might control the Strait of Malacca since international terrorists might target ships passing through the critically strategic waterway. The Sino-Myanmar pipeline project is one of China's efforts to find alternative pathways to avoid the vulnerability in the Strait of Malacca. Between defensive realism and offensive realism, where can China's pipeline project in Myanmar be situated as its empirical example? Can defensive realism explain it fully since it predicts that when nations feel threatened they will pursue military, economic, and diplomatic strategies to increase security? However, offensive realism might argue that "states begin with a defensive motive, but are forced to think and sometimes act offensively because of the structure of the international system."

The purpose of this paper is to show that both defensive realism and offensive realism are misguided. This is from the perspective of neoclassical realism, which can explain the Sino-Myanmar pipeline project. The argument of this paper is that in the anarchical international system, states do not seek security as defensive and offensive realism commonly hold. Rather, states seek to control and shape their external environment. Depending on the amount of their resources or power

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<sup>1</sup> Park K Lee, "China's Quest for Oil Security: Oil (War) in the Pipeline?", The Pacific Review 18, no. 2 (2005): 269, quoted in Shaofeng, "China's Self-Extrication," 9.

<sup>2</sup> Shaofeng, "China's Self-Extrication," 9.

<sup>3</sup> Ibid., 11.

<sup>4</sup> Blazevic, "Defensive Realism," 60.

<sup>5</sup> Mearsheimer, "Back to the future: Instability in Europe after the Cold War." in Brown et al.; idem(fn.4): 337, quoted in Rose, "Neoclassical Realism," 149.

with which states can influence other states, states determine the degree of their foreign policies.<sup>6</sup> This paper consists of six parts. First, the paper describes briefly the debate between defensive realism and offensive realism. Second, it examines China's concerns on the Strait of Malacca. Third, it examines the backgrounds of the Sino-Myanmar pipeline project. Fourth the paper examines why defensive realism is misguided, followed by examining why offensive realism is misguided based on the Sino-Myanmar pipeline project. The paper concludes by discussing Myanmar's changing foreign policy toward China.

## Defensive realism vs. Offensive realism

As theories of foreign policy which deals with a particular state and its motivations, policies, and behaviour with respect to international affairs, both defensive realism and offensive realism, as Rose argues, derive from the common assumption that "the international system is anarchic nature and states are motivated by a desire for security." Similarly, Kirshner argues "virtually all realists share the view that fear - alertness to the dangers of the world - is a primal motive of behaviour, and that security is a principal and urgent desire." However, the two branches disagree with respect to the logical implications of anarchy.

Defensive realism holds that international anarchy is not as malignant as generally assumed, that is that "security is often plentiful rather than scarce and that rational states pursuing security can often afford to be relaxed, only responding to external threats, which are rare." In the defensive realists' world, international anarchy provides incentives for expansion only under

<sup>6</sup> Rose, "Neoclassical Realism," 52.

<sup>7</sup> Feng and Ruizhuang, "The Typologies," 117; Rose, "Neoclassical Realism," 145.

<sup>8</sup> Rose, "Noeclassical Realism," 149.

<sup>9</sup> Kirshner, "The tragedy," 55.

<sup>10</sup> Rose, "Neoclassical Realism," 149.

certain conditions. 11

Offensive realism, in contrast, holds that international anarchy is generally Hobbesian; security is scarce and states try to achieve it by maximizing their relative advantage. <sup>12</sup> Mearsheimer argues that states, motivated to ensure their own security, will recognize that the safest position in the system is "one of regional hegemony." <sup>13</sup> In regard to the rise of China, for example, Mearsheimer argues that "a powerful China will seek to dominate Asia the way the United States dominates the western hemisphere" and urges the US "to reverse course and do what it can to slow the rise of China." <sup>14</sup> For offensive realists, anarchy provides strong incentives for expansion and all states strive to maximize their power because only the most powerful states can guarantee their survival. <sup>15</sup> In the offensive realists world, rational states pursuing security are liable to take actions that can lead to conflict with others. <sup>16</sup> Mearsheimer concludes, "China cannot rise peacefully"; as its capabilities increase, China will become "an aggressive state determined to achieve regional hegemony." <sup>17</sup> Whether China's pipeline project is derived from its ambitious desire to be regional hegemony or for preparing for a rainy day will be discussed in the next section.

## China's concerns with the Strait of Malacca

Eighty per cent of China's oil imports pass through the Strait of Malacca. <sup>18</sup> As Shaofeng describes, in every respect can the Strait of Malacca be regarded as "a life line of the rising dragon,"

<sup>11</sup> Taliaferro, "Security Seeking," 129.

<sup>12</sup> Rose, "Neoclassical Realism," 149.

<sup>13</sup> Kirshner, "The tragedy," 60.

<sup>14</sup> Ibid., 59-60

<sup>15</sup> Taliaferro, "Security Seeking," 128; Kirshner, "The tragedy," 60.

<sup>16</sup> Rose, "Neoclassical Realism," 149.

<sup>17</sup> Kirshner, "The tragedy," 59.

<sup>18</sup> Zhao, "China," 2; Shaogeng, "China's Self-Extrication," 2; Kong, "The Geopolitics," 58.

therefore, any disruption or blockade on the Strait of Malacca, either by groups or by nation states, will definitely interrupt China's economic growth. Shaofeng describes China's three major concerns. On the strait of Malacca, either by groups or by nation states, will definitely interrupt China's economic growth.

The first concern is ongoing piracy incidents. In the 1980s and 1990s, the yearly reported piracy incidents in Southeast Asian waters were below sixty, but there were 1220 (one thousand two hundred and twenty) actual and attempted attacks over 1999 to 2005. As a result, Southeast Asia was regarded as one of the world's two most frequent scenes of pirate attacks against seaborne vessels, and the Strait of Malacca is frequently troubled by piracy attacks, just next to Indonesia. Despite the three littoral states in the Strait of Malacca, Indonesia, Malaysia, and Singapore, have launched coordinated patrols and brought the piracy attacks down; possibilities of pirate attacks can hardly be deterred. Singapore incidents.

Maritime terrorism is another concern with China's increasing reliance on seaborne shipments. However, the seriousness of this problem is interpreted differently among countries. Countries like the U.S. and Singapore tend to highlight the vulnerability of the Strait of Malacca to terrorist attacks, claiming that the threat of terrorist attacks have increased since September 11th 2001.<sup>24</sup> However, Indonesia and Malaysia believe that some countries including the U.S. use the greater risk of terrorist attacks in the Strait of Malacca as an excuse to control the economically strategic waterway.<sup>25</sup> China has fears that international terrorists might target ships passing through

19 Shaofeng, "China's Self-Extrication," 2.

<sup>20</sup> Ibid., 8-9.

<sup>21</sup> Ibid., 8.

<sup>22</sup> Ibid.

<sup>23</sup> Ibid.

<sup>24</sup> Ibid.

<sup>25</sup> Ibid., 9.

the Strait of Malacca and the U.S might control the waterway. <sup>26</sup>

The third concern, and probably the deepest one, rests with the U.S.' active presence in the Asian Pacific waters.<sup>27</sup> In the eyes of some Chinese strategic analysts, the Strait of Malacca is crucial for the U.S. "to gain geopolitical preeminence, check the rise of China and other powers, and control the flow of world energy."<sup>28</sup> China particularly worries that the U.S. might obstruct seaborne oil flows into China in the event of its military action against Taiwan.<sup>29</sup> China also holds that the U.S. would make use of its presence in the strategic Strait of Malacca to halt the People's Liberation Army Navy to go to blue waters, a precondition for its rise as a world power.<sup>30</sup> This raises the question of what the probability is for the U.S. to interrupt China's oil imports.

Many Chinese analysts believe that an oil blockade by the U.S. would be highly unfeasible because of questionable legality in international law while Chinese military analysts and energy experts are "nearly unanimous" in their conclusion that a U.S. blockade of China's oil imports would be tantamount to war.<sup>31</sup>

The U.S. oil blockade may remote, yet the psychological impact of its very possibility is often far greater than physical consequence.<sup>32</sup> Much of this anxiety stems from the belief that China's economy cannot tolerate a substantial disruption to its oil supply and this belief has led the

<sup>26</sup> Ibid.

<sup>27</sup> Ibid.

<sup>28</sup> Shi, "Potential threat," quoted in Shaofeng, "China's Self-Extrication," 9.

<sup>29</sup> Shofeng, "China's Self-Extrication," 9; Blair, Yali, and Hagt, "The oil weapon," 42; Pamwar, "India and China," 5.

<sup>30</sup> Shofeng, "China's Self-Extrication," 9.

<sup>31</sup> Blair, Yali, and Hagt, "The oil weapon," 42.

<sup>32</sup> Ibid., 43.

Chinese government to a global search for alternative pathways.<sup>33</sup> Zhao argues that China needs to place a high priority on getting "as much future oil and gas as possible from as close as home as possible."<sup>34</sup> The Sino-Myanmar pipeline project will open a fourth route for China's oil and natural gas imports, after ocean shipping via the Strait of Malacca, the Sino-Kazakhstan crude oil and natural gas pipelines, and the Sino-Russian oil pipeline.<sup>35</sup>

Sino-Myanmar Pipeline Project: origin, expectations, and challenges

This section begins with explaining the origin of the pipeline proposal because it was not China who approached Myanmar first. India's gas pipeline was proposed before China's approach and Myanmar dramatically switched its decision to make pipelines with China from India. This is important in order to understand how national interests or decision makers' calculations on those interests impact on a country's foreign policy in international relations.

In late 2003, a consortium of South Korean and Indian companies led by Daewoo International discovered substantial reserves of natural gas in three gas fields - Shwe, Shwe Phyu and Mya - located off the Myanmar city of Sittwe in the Gulf of Bengal and it was thought that India would be granted exclusive buying rights over the Shwe gas fields.<sup>37</sup> In January 2005, in a trilateral meeting, India, Bangladesh and Myanmar agreed to transport natural gas from Myanmar to India by pipeline transiting through Bangladesh.<sup>38</sup> India's domestic energy priorities led to a close Indo-Myanmar relationship regardless of "great power disapproval" such as the United States

<sup>33</sup> Ibid., 36.

<sup>34</sup> Zhao, "China-Myanmar," 95.

<sup>35</sup> Ibid.

<sup>36</sup> Lall, "Indo-Myanmar," 428; O'Connor, "State building," 15; Panwar, "India and China," 14.

<sup>37</sup> O'Connor, "State building," 15.

<sup>38</sup> Ibid.

and the United Kingdom, and India's proposed gas pipeline with Myanmar through Bangladesh was of particular interest.<sup>39</sup> India's effort to have good relations with Myanmar aimed not only for energy security for its economic growth but also its opening up the trade with Myanmar which would enhance India's relations with the rest of Southeast Asia.<sup>40</sup>

However, the Bangladesh government's demands on India hold the Indo-Myanmar pipeline project and in late 2005, eventually, China's state owned the company, PetroChina, signed a Memorandum of Understanding with State owned Myanmar Oil and Gas Enterprise. <sup>41</sup> This allowed China, who came late for the project, to have purchasing rights of gas from the Shwe fields on the basis that it would be exported to Yunnan Province in China through a pipeline. <sup>42</sup> In late 2008 the consortium led by Daewoo who owns fifty one per cent of the equity stakes in the three gas fields finally agreed to grant exclusive purchasing rights of the Shwe gas to China for a period of thirty years. <sup>43</sup>

Through all those dramatic events, finally in June 2009, a MoU between China and Myanmar on the construction of the Sino-Myanmar oil pipeline to be laid next to the gas pipeline was signed and the construction of pipelines was officially launched in 2010 and is expected to be in operation in 2013. China is responsible for the construction and operation of the pipelines while Myanmar will provide security for the pipelines. In addition to financing the construction of pipelines and pipeline related facilities, China will pay Myanmar a sizable transit fee (about one billion or more in annual revenue), which will generate stable source of income for Myanmar's

39 Lall, "Indo-Myanmar," 426.

<sup>40</sup> Ibid.

<sup>41</sup> O'Connor, "State building," 15; Zhao, "Introduction," 186; Panwar, "India and China," 14.

<sup>42</sup> O'Connor, "State building," 15.

<sup>43</sup> Panwar, "India and China," 14; Zhao, "Introduction," 186.

<sup>44</sup> O'Connor, "State building," 16.

<sup>45</sup> Panwar, "India and China," 15.

<sup>46</sup> Zhao, "China-Myanmar," 3.

government over 30 years.<sup>47</sup>

It is commonly held that the Sino-Myanmar pipelines, once operational, would eliminate Chinese reliance on present Malacca Strait enhancing China's oil supply security, and would create a transport reduction to China's southern coast. 48 However, given that the pipeline will only deliver ten per cent of China's current oil imports, 49 its impact is likely to be marginal, meaning the reliance on the Strait of Malacca are still likely to be continued. 50 Moreover, the Sino-Myanmar pipeline project would come at a high cost since pipeline related facilities, such as transport infrastructure, a deep-water crude oil serving dock, and an oil storage facility, have to be built along with pipelines. 51 Aside from the high cost of building, there are some challenges that the Sino-Myanmar pipelines might face. Firstly, the pipelines have to travel across a set of complex and diverse terrains, including transverse mountains, surging rivers, virgin forest, and parts of Yunnan province that are prone to landslides, erosions, and mudflows. 52

Secondly, the pipeline route passes close to areas controlled by ethnic militias in the northern Shan state bordering China.<sup>53</sup> There have been continuous conflicts between these opposition groups and the Myanmar government. The Sino-Myanmar pipelines could be endangered by civil conflict in Myanmar.<sup>54</sup> Thirdly, there is increasing resentment towards Chinese businessmen among local Myanmar people. Local people complain that there are no job opportunities for them and land use is not properly compensated.<sup>55</sup> However, Chinese companies

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<sup>47</sup> Kong, "The Geopolitics," 64.

<sup>48</sup> Panwar, "India and China," 15.

<sup>49</sup> Zhao, "Introduction," 95; Kong, "The Geopolitics,"63.

<sup>50</sup> Kong, "The Geopolitics,"63.

<sup>51</sup> Zhao, "Introduction," 101; Kong, "The Geopolitics,"63.

<sup>52</sup> Kong, "The Geopolitics," 63; Zhao, "Introduction," 101-02.

<sup>53</sup> Zhao, "Introduction," 102.

<sup>54</sup> Zhao, "Introduction," 102; Kong, "The Geopolitics,"64.

<sup>55</sup> Zhao, "Introduction," 90, 101.

say they could not find enough qualified local workers to get involved in the pipeline project.<sup>56</sup> The local people's discontent might lead to an attack or disruption on the Sino-Myanmar pipelines.

In sum, China's effort to deliver oil to Yunnan province through a pipeline passing by Myanmar seems not to immune to the similar risks as those of oil ships passing by the Strait of Malacca. China's oil security might be still under uncertainties. This raises the question of what China's ultimate objective is from the Sino-Myanmar pipeline project if it is not for oil security. Which international relations theory can explain this?

Why defensive realism is misguided

Defensive realism predicts that when nations feel threatened they will pursue economic, diplomatic, and military strategies to increase security.<sup>57</sup> According to this analysis, the Sino-Myanmar pipeline project can be understood as China's search for oil security because China fears an oil disruption by the U.S. (as the deepest concern) given that there is no overarching authority to prevent the U.S. from using violence or the threat of violence to disrupt China's oil shipments passing by the Strait of Malacca. However, from a neoclassical realist perspective, defensive realism is misguided because it emphasizes countries' responses to threats and overlooks the fact that one's perceptions of threat are partly shaped by "one's relative material power with which states can influence each other." How much does China feel threatened by the U.S.? China, as an emerging great power, is notably an important strategic rival of, and economically with, the U.S.

China, first of all, is one of the five permanent members of the United Nations Security Council (China, France, Russia, United Kingdom, and the United States). Each member of the

57 Blazebic, "Defensive Realism," 62.

<sup>56</sup> Ibid., 102.

<sup>58</sup> Rose, "Neoclassical Realism," 150.

<sup>59</sup> Krishner, "The tragedy," 59.

Security Council holds a veto power, which can be exercised unilaterally. In other words, any permanent member alone can block any resolution. For example, China used a veto power to protect Myanmar whenever the U.N. Security Council, which includes the U.S., tried to impose sanctions on Myanmar for its violations of human rights and want of political reforms. Second, China's massive dollar holdings are a key pillar of support for the stability of the U.S. dollar. Finally, China's possession of nuclear weapons is another aspect to be considered when it comes to China's perception of threat.

Given that China has capabilities or resources with which it can influence the U.S., China's perceived threat would be marginal compared to the one of those states, which does not have as much political or economic power as China. China's fear of an oil blockade by the U.S. on the Strait of Malacca would remote its possibility. <sup>62</sup> More importantly, given that China's effort to seek oil security through the Sino-Myanmar pipelines might be interrupted by opposition groups or local people in Myanmar, defensive realism seems to be insufficient to explain full range of state behaviour with respect to international affairs.

## Why offensive realism is misguided

The distinction between defensive and offensive realism is a distinction with respect to whether states maximize security or power.<sup>63</sup> All of the scholars with the latter camp argue that states maximize power in order to achieve the primary goals that states seek; survival and security, and

<sup>60</sup> Panwar, "India and China," 8.

<sup>61</sup> Krishner, "The tragedy," 63.

<sup>62</sup> Blair, Yali, and Hagt, "The Oil Weapon," 55.

<sup>63</sup> Feng and Ruizhuang, "The Typologies," 122.

further contend that states tend towards aggressive policies that can lead to conflict with others.<sup>64</sup> According to this view, China's action in Myanmar is a part of the effort to be the most powerful state in the system to ensure its survival and it might lead to conflict with other states; possibly with the U.S.

China benefits immensely from its ability to access the American market.<sup>65</sup> Besides, as Kirshner describes, China lives in "a very crowded neighborhood" in which it «is extremely unlikely to achieve regional hegemony."<sup>66</sup> China shares a long border with Russia, which has a very large nuclear force. China borders India, which is also a nuclear armed state and has a latent economic potential similar even to that of China. Japan is also very close by. Japan, which is a strong ally of the U.S., if frightened or provoked, has the capacity to develop an independent nuclear force. Nuclear-capable North Korea would be another regional player sharing a border with China.<sup>67</sup> In sum, there is no reason to believe that if China were a rational actor motivated primarily to survive, it would embark upon a bid for hegemony.<sup>68</sup>

For offensive realists, domestic differences between countries are considered to be relatively unimportant, because pressures from the international system are assumed to be strong and straightforward enough to make similarly situated states behave alike, regardless of their internal characteristics. <sup>69</sup> However, this view is misguided, from a neoclassical realist perspective because to understand the way states interpret and respond to their external environment, one must analyze how systemic pressures are translated through unit-level intervening variables such as

64 Feng and Ruizhuang, "The Typologies," 123-24; Rose, "Neoclassical Realism," 149; Kirshner, "The tragedy," 61.

<sup>65</sup> Kirshner, "The tragedy," 59.

<sup>66</sup> Ibid.

<sup>67</sup> Ibid.

<sup>68</sup> Ibid.

<sup>69</sup> Rose, "Neoclassical Realism," 149.

decision-makers' perception and domestic state structure.<sup>70</sup>

In an example of the Sino-Myanmar pipeline project, one of China's interests in Myanmar is to develop its western provinces, especially landlocked Yunnan and Sichuan, which lagged behind from China's economic boom. Security concerns of China, in relation to Myanmar, are the flow of drugs, cross border human trafficking and a growing HIV/AIDS epidemic. Yunnan province is the most affected by these concerns. As examined above, what has led defensive and offensive realism misguided is the common assumption between defensive and offensive realism that states seek security under anarchy. In the following section, I will show how the Sino-Mayanmar pipeline project can be explained differently.

The Sino-Myanmar Pipeline Project: oil security or something else?

Instead of assuming that states seek security, neoclassical realists assume that states respond to the uncertainties of international anarchy by seeking to control and shape their external environment. For neoclassical realists, "states are likely to want more rather than less external influence and pursue such influence to the extent that they are able to do so." From a regional perspective, the Sino-Myanmar pipeline project is expected to enhance energy cooperation between China and Southeast Asia. Southeast Asia is richer in natural gas than in oil. As for individual countries, Indonesia, Malaysia, and Brunei are the main gas exporters among Association of Southeast Asian Nations (ASEAN) countries. In 2002, ASEAN member states adapted the ASEAN MoU on the Trans-ASEAN Gas Pipeline (TAGP). Since then, several regional gas pipelines have been

<sup>70</sup> Ibid., 152.

<sup>71</sup> Panwar, "India and China," 10.

<sup>72</sup> C S Kuppuswamy, "Myanmar: Sandwiched between China and India and gaining from both", South Asia Analysis Group, no. 2574 (2005), quoted in Panwar, "India and China," 10.

<sup>73</sup> Rose, "Neoclassical Realism," 152.

<sup>74</sup> Ibid.

<sup>75</sup> Zhao, "China and Myanmar," 96.

completed and several more are in the process of design and construction.<sup>76</sup> Full interconnection of these pipelines would see "the creation of an interconnected gas grid" and increasing gas trade throughout ASEAN countries.<sup>77</sup> Given the ambitious magnitude of the Trans-ASEAN gas pipeline and the Sino-Myanmar pipelines, it is possible that the network would connect with gas markets in China, Japan, and India, making it the largest pipeline network in the world.<sup>78</sup>

In addition to the oil and gas trade, China's increasing investment in oil and gas exploration and production in Myanmar and other Southeast Asian countries is another important aspect of China-ASEAN energy cooperation. In fact, in 2004, Indonesia expressed that it would further strengthen energy cooperation with China. Given the importance of Southeast Asia in China's oil and gas supply, the level of oil and gas cooperation between China and other ten ASEAN countries is much higher and important than that between China and Myanmar. In sum, for China, the Sino-Myanmar pipeline is a "catalyst for China-ASEAN cooperation." China's desire to influence its external environment and its economic power to able to do so seem to follow neoclassical realists' line of explaining why a state behaves in a particular way.

Another importance of Myanmar for China is its strategic location. Myanmar is a doorway to the Indian Ocean and South Asia for China. 82 Financing the pipeline construction would limit the influence other countries might have on Myanmar and turn to the country into a strategic buffer zone. 83 Since China established a closer relationship with Myanmar after military suppression of

76 Ibid.

<sup>77</sup> Ibid., 97.

<sup>78</sup> Patricia Ohli, "Trans-Asian gas network could cost \$66 billion, Pipeline&Gas Journal, 221, no. 8 (1994): 1-2, quoted in Zhao, "China and Myanmar," 97.

<sup>79</sup> Zhao, "China and Myanmar," 97.

<sup>80</sup> Ibid.

<sup>81</sup> Ibid., 94.

<sup>82</sup> Panwar, "India and China," 10.

<sup>83</sup> Kong, "The geopolitics," 58.

pro-democracy movement in 1988, China has contributed greatly to regime survival. China aided Myanmar with massive arms supply and, in return, Myanmar gave China opportunity to afford control over the Strait of Malacca. Reference Myanmar's naval facilities in the Bay of Bengal, aiming to constrain and contain Indian and U.S. naval ambitions through direct monitoring in Bay of Bengal.

#### Conclusion

Although India failed in the competition with China for the pipelines, its energy cooperation with Myanmar is in continuation. India holds shares in the Sino-Myanmar pipeline project and is negotiating with Myanmar on building further oil and gas pipelines to western and eastern India. 86 The fact that the Myanmar government allowed Indian energy companies to be involved in its China-bound pipelines suggests that Myanmar has no intention of being subject to any foreign power. 87 Rather than seeking security by tilting toward either China or India, Myanmar wants to shape the magnitude of its foreign policy to the extent that its strategic location and its possession of vital energy resources allow the country to do so.

Zhao describes how the external environment changes have led Myanmar's foreign policy gradually change, especially in its relations with China. <sup>88</sup> For example, Myanmar has expressed its support for India to become a permanent member of the U.N. Security Council; Myanmar has improved its relations with the U.S. and its allies, and is ready to accept Western capital; its leaders

<sup>84</sup> Panwar, "India and China," 10.

<sup>85</sup> Zhao, "Introduction," 2; Panwar, "India and China," 12.

<sup>86</sup> Zhao, "China and Myanmar," 101.

<sup>87</sup> Kong, "The geopolitic," 65.

<sup>88</sup> Zhao, "China and Myanmar," 104.

suspended the construction of a China-backed dam, which was a complete surprise to China.<sup>89</sup> All this raises serious challenges to China's relationship with Myanmar in coming decades. Neoclassical realism might be a guide, again, to explain all the dynamic events that Myanmar might generate dealing with China. Neoclassical realism holds that "as their relative power rises states will seek more influence abroad, and as it falls their actions and ambitions will be scaled back accordingly."

89 Zhao, "China and Myanmar," 104; Sun, "China's strategic Misjudgment on Myanmar," 84.

<sup>90</sup> Rose, "Neoclassical Realism," 152.

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