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Under the Shadow of China-US Competition: Myanmar and Thailand's Alignment Choices

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Abstract

With the U.S. and China competing for influence in Southeast Asia, how secondary states in the region make their foreign policy choices has come under more scrutiny. It seems secondary states in the region have exerted strong will and capacity to maintain significant amount of freedom in choosing their foreign policy orientations, rather than being totally dictated by the great powers. This paper presents a detailed paired comparison of Myanmar and Thailand's alignment policies and their consequences since the end of World War II. The paper argues that international structural factors certainly constrain the options for secondary states, but domestic politics often play a significant role in how political leaders make the alignment choices they do, which is heavily conditioned by how these leaders derive their political legitimacy. Thus, to explain the alignment choices of secondary states in Southeast Asia, we need to pay more attention to the intertwined nature between domestic political contestation and foreign policy making.

Introduction

The rise of the People's Republic of China (PRC) in recent decades has generated considerable strategic anxiety among the many concerned parties. As the current major power, the United States, one of whose main concerns is maintaining primacy in the Asia Pacific region, has sought to strengthen its existing security alliances while rebalancing its strategic focus to the Pacific.¹ Particularly in

- 1 For example, see Aaron L. Friedberg, *A Contest for Supremacy: China, America, and the Struggle for Mastery in Asia* (New York: W. W. Norton & Company, 2012); Hugh White, *The China Choice: Why We Should Share Power* (Oxford: Oxford University Press, 2013); Thomas Christensen, *The China Challenge: Shaping the Choices of a Rising Power* (New York: W. W. Norton & Company, 2015).

Southeast Asia, member states of the Association of Southeast Asian Nations (ASEAN) have been under growing pressure due to the great power rivalry in the region. On the one hand, the competition between the two powers makes foreign policy decision-making more complicated, because trying to balance economic and military concerns while juggling competing domestic and international interests is no easy task. On the other hand, however, challenges apart, such competitive pressure also carries the potential to create more opportunities for these secondary states to optimally achieve their national interests.²

Recent scholarship in Southeast Asia has noted that secondary states in the region are not practicing a straightforward balancing or bandwagon strategy in response to the growing great power competition between the United States and China.³ Although there are debates as to what the concept of hedging actually entails,⁴ many scholars argue that several Southeast Asian states have indeed adopted a hedging strategy, apparent in ambiguous signals with respect to their intentions amid the rise of China and the American presence in the region. According to Kuik, this is how ASEAN states have elected to 'mitigate the risk surrounding Beijing's assertiveness and Washington's uncertain commitment'.⁵ Singapore, for example, has tried to perform a balancing act between the United States and China by, 'sending supportive and critical signals to both great powers and never allowing itself to be too closely associated with either'.⁶ Indonesia, the largest state in Southeast Asia, although cautious of the military threat China poses in the South China Sea, does not overtly support the United States' military rebalance to Asia. In fact, Indonesia has opted to continue with its traditional, 'independent and active' foreign policy that 'emphasises neutrality and prioritises autonomy and manoeuvrability'.⁷ Similarly, Malaysia, despite ongoing territorial disputes in the South China Sea, has played down the 'China Threat' rhetoric and pushed for deeper political and economic cooperation with China on multiple regional platforms, albeit while maintaining existing military cooperation with

- 2 This article uses the term 'secondary states' to differentiate them from great powers. It avoids use of the term 'small states' due to the attendant ramifications of conveying objectively the concept of size relative to area or population.
- 3 David C. Kang, 'Getting Asia Wrong: The Need for New Analytical Frameworks', *International Security*, Vol. 27, No. 4 (2003), pp. 57–85; Steve Chan, *Looking for Balance: China, the United States, and Power Balancing in East Asia* (Stanford: Stanford University Press, 2013); Ann Marie Murphy, 'Great Power Rivalries, Domestic Politics and Southeast Asian Foreign Policy: Exploring the Linkages', *Asian Security*, Vol. 13, No. 3 (2017), pp. 165–82.
- 4 Darren J. Lim and Zack Cooper, 'Reassessing Hedging: The Logic of Alignment in East Asia', *Security Studies*, Vol. 24, No. 4 (2015), pp. 696–727.
- 5 Cheng-Chwee Kuik, 'Variation on a (Hedging) Theme: Comparing ASEAN Core States' Alignment Behaviour', in Gilbert Rozman, ed., *Joint U.S.-Korea Academic Studies 2015* (Washington, D.C.: Korea Economic Institute of America, 2015), p. 16.
- 6 Lim and Cooper, 'Reassessing Hedging', p. 722.
- 7 Kuik, 'Variation on a (Hedging) Theme', pp. 22–3.

the United States.⁸ Vietnam, which also has ongoing territorial disputes with China, has seen increasingly converging security interests with the United States. Yet, Hanoi still maintains its ‘Three-Nos’ foreign policy of not forming of military alliances with foreign powers, disallowing foreign military bases on Vietnamese soil, and not allying with one country to counter another.⁹ Finally, a few months after being elected, President Rodrigo Duterte of the Philippines announced, to the great surprise of many, the country’s economic and military ‘separation’ from the United States in order to pursue a more independent foreign policy and carry out economic cooperation with China.¹⁰

On reviewing the recent foreign policy choices of such Southeast Asian countries, it seems that these secondary states have exerted a strong will and displayed a capacity to maintain a measure of freedom in choosing foreign policy orientations, rather than meekly following those imposed by the great powers. There was little such ‘freedom of manoeuvrability’ during the Cold War period. The structure of US security alliances in the region at that time maintained close-knit political, economic, and military ties to avert the threat of communism. But although countries in the alliance structure benefited from US security protection, it imposed significant constraints on their diplomatic relations. Thailand and the Philippines, for instance, did not recognise the PRC until 1972, when the United States and China reached the rapprochement that initiated bilateral relations between them, and the withdrawal of American troops from Indochina became imminent. Thus, it was no coincidence that both Bangkok and Manila recognised Beijing only a few months after Vietnam’s reunification in April 1975. Looking back at the changes that took place over that period, how may we explain the context under which secondary states made their foreign policy choices, and the consequences that would follow with respect to the national interests of those countries?

To answer these two questions, this article presents a detailed comparison of the alignment policies of two Southeast Asian countries—Myanmar and Thailand—since the end of World War II (WWII), and the impact of these policies on the national interests of these countries. I have selected Myanmar and Thailand for this comparative analysis for the following reasons. First, both are located on the mainland of Southeast Asia, and neither has ongoing territorial disputes with China. They are also of a similar size as regards territory and population. Myanmar has a total territory of 676 578 sq km, and Thailand of 513 120 sq km. As of 2017, Myanmar had a total estimated population of around 55 million, and Thailand’s was around 68 million.¹¹ Having each experienced different historical encounters with European imperialism, the two countries have adopted

8 Cheng-Chwee Kuik, ‘The Essence of Hedging: Malaysia and Singapore’s Response to a Rising China’, *Contemporary Southeast Asia*, Vol. 30, No. 2 (2008), pp. 174–75.

9 Carlyle A. Thayer, ‘Vietnam’s Foreign Policy in an Era of Rising Sino–US Competition and Increasing Domestic Political Influence’, *Asian Security*, Vol. 13, No. 3 (2017), p. 195.

10 Richard Javad Heydarian, ‘Tragedy of Small Power Politics: Duterte and the Shifting Sands of Philippine Foreign Policy’, *Asian Security*, Vol. 13, No. 3 (2017), pp. 220–36.

11 CIA The World Factbook.

distinctly different foreign policy orientations in the post-war period. Thailand allied closely with the United States at the start of the Cold War, while Myanmar remained mostly neutral throughout its post-independence years. They were, in addition, two of the three countries in Southeast Asia (the other being Malaysia) to which the Chinese Communist Party (CCP) provided active support during the Cold War for their communist insurgencies. Thailand and Myanmar hence constitute suitable case studies for an examination of how two countries of similar geo-strategic importance have pursued quite different foreign policy choices and the impact of such choices on their national interests.

The article starts with a general theoretical explanation of the alignment policies of secondary states, and a brief historical background of Myanmar and Thailand prior to the start of the Cold War in Southeast Asia. The empirical content comprises three diachronic comparisons between these two countries. The first compares the extent of economic and military aid the respective countries received during the Cold War and the intense competition between the PRC-led communist forces and US-led anti-communist bloc in Southeast Asia.¹² The second comparison is of the way in which the two countries dealt with domestic communist insurgencies from the mid-1960s onwards under the context of the regional geopolitical reshuffle. The third comparison focuses on the post-Cold War period, and how each state sets out to withstand external pressure from the great powers and maintain autonomy in the wake of their respective regime changes.

The article argues that although international structural factors certainly constrain the options open to secondary states, domestic politics also play a significant role in political leaders' alignment choices, and these are largely determined from what their political legitimacy is derived, and often rooted in the countries' political histories. This is particularly true of secondary states that are former colonies and were hence historically dominated by external powers. The long duration of authoritarian governments in many developing countries, along with domestic political instability due to factional fighting, also contribute to the prominence in their leaderships of idiosyncratic factors.¹³ Ultimately, however, the alignment policies of secondary states are made through a mutually constitutive process by virtue of their domestic politics and external environment.¹⁴ In such two-level games, statesmen make decisions on their alignment choices via a complex web of strategic opportunities and dilemmas that are shaped by international structural constraints and domestic political cleavages.¹⁵

12 This article does not directly discuss the role played by the former Soviet Union, because the PRC was a much more central figure in the Communist movement in Southeast Asia than the Soviets.

13 Daniel L. Byman and Kenneth M. Pollack, 'Let Us Now Praise Great Men: Bringing the Statesman Back In', *International Security*, Vol. 25, No. 4 (2001), pp. 107–46.

14 Robert D. Putnam, 'Diplomacy and Domestic Politics: The Logic of Two-Level Games', *International Organization*, Vol. 42, No. 3 (1988), pp. 427–60.

15 *Ibid.*, p. 460.

Once made, alignment policies have direct impact on these states' national interest. When competition between great powers intensifies, and if a secondary state decides to seek a close alliance with a particular great power, it will stand to benefit from that power's security protection and economic assistance. This makes such an alliance arguably the best option for the secondary state. However, if the secondary state opts to stay neutral or isolate itself, it runs the risk either of being abandoned by the outside world or punished by the great powers. On the other hand, if competition between great powers is on the whole moderate, and if a secondary state pursues engagement with two or more great powers, it may then exploit the healthy competition between them to play one off against the other. This is the choice that will best serve its national interest.

Secondary States' Alignment Choices and Their Impact

The focus of mainstream International Relations (IR) literature is invariably on the great powers. As Thucydides once observed, 'The strong do what they can, and the weak suffer what they must.'¹⁶ Great powers, with their immense capabilities, have historically exerted preponderant influence over the international system, which accounts for the partiality of the conventional IR literature, especially that in the realist tradition, towards them.¹⁷ However, the vast majority of countries in the world are not great powers. Therefore, IR literature that is derived largely from the experiences of great powers might not offer an adequate explanation of the comparative alignment policies of secondary states. A more appropriate approach would be one that is better attuned to the circumstances of secondary states insofar as their being relatively constrained by a general lack of power capabilities and the specific logics of their domestic politics.¹⁸

Existing literature on secondary states' alignment policies examines certain specific dimensions. The first is the effect that various types of international

16 Thucydides, *History of the Peloponnesian War*; Translated by Rex Warner (Harmondsworth: Baltimore Penguin Books, 1972), p. 402.

17 For example, see Stephen G. Brooks and William C. Wohlforth, 'The Rise and Fall of the Great Powers in the Twenty-First Century: China's Rise and the Fate of America's Global Position', *International Security*, Vol. 40, No. 3 (2016), pp. 7–53; Paul K. MacDonald and Joseph M. Parent, 'Graceful Decline? The Surprising Success of Great Power Retrenchment', *International Security*, Vol. 35, No. 4 (2011), pp. 7–44; John Mearsheimer, *The Tragedy of Great Power Politics* (New York: W. W. Norton & Company, 2014); Sebastian Rosato, 'The Inscrutable Intentions of Great Powers', *International Security*, Vol. 39, No. 3 (2015), pp. 48–88; Jack Snyder, 'Trade Expectations and Great Power Conflict—A Review Essay', *International Security*, Vol. 40, No. 3 (2016), pp. 179–96.

18 For a good review of the literature on secondary states, see Christine Ingebritsen, Iver Neuman and Sieglinde Gstohl, eds., *Small States in International Relations* (Seattle & Reykjavik: University of Washington Press, 2006).

systems exert on secondary states' alignment choices.¹⁹ Particularly among many realist scholars, one common assumption that secondary states are most constrained by external structural factors.²⁰ Robert Rothstein, for example, argues that when great powers are, 'more concerned with maintaining what they have than with attaining something new', secondary states may then achieve security, but at the expense of influence.²¹ When great powers become competitive with each other, however, this creates more room for these states to manoeuvre.²² Michael Handel raises the similar argument whereby the manoeuvrability of secondary states' foreign policy is largely a function of the nature of the particular international system to which they belong. In a competitive system, secondary states have the chance to manipulate the great powers and so advance their interests, whereas those in a hegemonial system are dominated by the great power in its particular sphere of influence, and thus lack autonomy.²³ Indeed, levels of international competition relate closely to the ways secondary states can realise their national interests.²⁴ It seems that secondary states' alignment choices are heavily constrained by international structural factors. As Lin points out in his study on Chinese support for North Vietnam during the Cold War, this patronage relationship was heavily contingent upon China's power rivalry with the Soviet Union and the United States.²⁵

However, others contend that structural explanations are overly deterministic, and instead draw attention to domestic factors that explain variations in secondary states' alignment choices. Annett Baker Fox, for example, in her seminal work on the neutrality of several small European states, argues that geostrategic factors together with diplomatic skills explain how these states managed to resist pressure from great powers and remain neutral during WWII.²⁶ Also laying

19 Robert O. Keohane, 'Lilliputians' Dilemmas: Small States in International Politics', *International Organization*, Vol. 23, No. 2 (1969), p. 299.

20 Robert Jervis, 'Cooperation Under the Security Dilemma', *World Politics*, Vol. 30, No. 2 (1978), pp. 167–214; Jack Snyder, *Myths of Empire: Domestic Politics and International Ambition* (Ithaca: Cornell University Press, 1991).

21 Robert L. Rothstein, *Alliances and Small Powers* (New York: Columbia University Press, 1968), p. 188.

22 *Ibid.*, p. 189.

23 Handel defines a competitive system as one where a 'weak state can enjoy complete or almost complete freedom of manoeuvre and action and can freely align with any other country', and a hegemonistic system is one where 'the weak state is included within a clearly marked sphere of influence of a great or super power'. See Michael I. Handel, *Weak States in the International System* (London: FCass, 1981), p. 171.

24 David Vital, *The Inequality of States: A Study of the Small Power in International Relations* (Oxford: Clarendon Press, 1967); Keohane, 'Lilliputians' Dilemmas', p. 300.

25 Kuen-Da Dalton Lin, *Buying Your Way to Periphery Influence: Patronage Politics at Great Power's Peripheries*, Ph.D. Dissertation, University of Wisconsin-Madison, 2015.

26 Annette Baker Fox, *The Power of Small States: Diplomacy in World War II* (Chicago: University of Chicago Press, 1959).

emphasis on domestic factors, Miriam Elman insists that domestic politics also matter to secondary states, citing the way in which the rules and structures of presidentialism influenced US military strategies in the 19th century.²⁷ In addition, recent constructivist scholarship has highlighted domestic ideational factors that can also explain secondary states' foreign policy choices. For example, Gvalia et al., argue that elite ideas, identities, and preferences in regard to social order explain the balancing behaviour of Georgia against Russia as compared with that of other former Soviet republics.²⁸ Indeed, recent studies on alignment policies in Southeast Asia have called upon scholars to focus on the crucial role that domestic politics have played in ASEAN member states' hedging strategies amid ongoing Sino–US strategic competition in the region.²⁹

Within specific structural constraints and under peculiar domestic political configurations, we can conceive three broad types of alignment choices open to a secondary state. The first is to seek alliance with one great power. The other two options are to stay neutral overall but with differentiable levels of openness, or to be isolationist, with no engagement with the outside world. Alternatively, a secondary state can pursue open engagement with two or more great powers at the same time. For instance, recent scholarship on hedging notes that many Southeast Asian states have tried to engage with two or more great powers without necessarily committing to any, due to the existence of a high level of strategic uncertainty in the region.³⁰ Hedging by secondary states entails the use of an ambiguous positioning through mixed signals to great powers, and selective deployment of power

- 27 Miriam Fendius Elman, 'The Foreign Policies of Small States: Challenging Neorealism in Its Own Backyard', *British Journal of Political Science*, Vol. 25, No. 2 (1995), pp. 171–217.
- 28 Giorgi Gvalia, David Siroky, Bidzina Lebanidze and Zurab Iashvili, 'Thinking Outside the Bloc: Explaining the Foreign Policies of Small States', *Security Studies*, Vol. 22, No. 1 (2013), pp. 98–131.
- 29 For example, see the following special issue of *Asian Security* in 2017. Murphy, 'Great Power Rivalries, Domestic Politics and Southeast Asian Foreign Policy', Thayer, 'Vietnam's Foreign Policy in an Era of Rising Sino–US Competition and Increasing Domestic Political Influence'; Elina Noor and T. N. Qistina, 'Great Power Rivalries, Domestic Politics and Malaysian Foreign Policy', *Asian Security*, Vol. 13, No. 3 (2017), pp. 200–19; Emirza Adi Syailendra, 'A Nonbalancing Act: Explaining Indonesia's Failure to Balance Against the Chinese Threat', *Asian Security*, Vol. 13, No. 3 (2017), pp. 237–55; Heydarian, 'Tragedy of Small Power Politics'; Pongphisoot Busbarat, 'Thai–US Relations in the Post-Cold War Era: Untying the Special Relationship', *Asian Security*, Vol. 13, No. 3 (2017), pp. 256–74.
- 30 Evelyn Goh, 'Great Powers and Hierarchical Order in Southeast Asia: Analysing Regional Security Strategies', *International Security*, Vol. 32, No. 3 (2007), pp.113–57; Denny Roy, 'Southeast Asia and China: Balancing or Bandwagoning?', *Contemporary Southeast Asia*, Vol. 27, No. 2 (2005), pp. 305–22; Kuik, 'The Essence of Hedging'; Rosemary Foot, 'Chinese Strategies in A US-Hegemonic Global Order: Accommodating and Hedging', *International Affairs*, Vol. 82, No. 1 (2006), pp. 77–94; Van Jackson, 'Power, Trust, and Network Complexity: Three Logics of Hedging in Asian Security', *International Relations of the Asia-Pacific*, Vol. 14, No. 3 (2014), pp. 331–56.

acceptance and power rejection.³¹ Essentially, it means a relatively open engagement with two or more great powers at the same time.³²

To contribute to the burgeoning literature on secondary states' foreign policy choices in Southeast Asia, this article compares two mainland Southeast Asian states—Myanmar and Thailand—focusing on their alignment choices since the end of WWII. By providing a diachronic comparison of these two countries over this long duration, the article aims to identify how these two countries of similar size and geostrategic importance pursued different alignment policies under the structural constraints during and after the Cold War, and to explain how we can evaluate the implications of these alignment policies for their respective national interests.

Comparison of Myanmar and Thailand's Alignment Choices

As the only country in Southeast Asia to have escaped colonisation, Thailand (formerly known as Siam) retained a degree of sovereignty by conferring extraterritoriality on foreigners and exploiting the rivalry between the British and French, as well as by ceding large areas of peripheral territories over which it had formerly claimed suzerainty.³³ Although Thailand collaborated with the Japanese during WWII,³⁴ the post-war government under the leadership of Pridi Banomyong emerged relatively unscathed from the shadow of that war.³⁵ However, the country's domestic political instability, manifested in the power struggles between Field Marshal Phibun Songkram and Pridi

31 Of course, the concept of hedging also does not have a universally agreed-upon definition. For a discussion on whether secondary states in East Asia are in fact practicing the hedging strategy, see Lim and Cooper, 'Reassessing Hedging'.

32 Cheng-Chwee Kuik, 'How Do Weaker States Hedge? Unpacking ASEAN States' Alignment Behaviour towards China', *Journal of Contemporary China*, Vol. 25, No. 100 (2016), p. 502.

33 Chaiyan Rajchagool, *The Rise and Fall of the Thai Absolute Monarchy* (Bangkok: White Lotus Press, 1994); Thongchai Winichakul, *Siam Mapped: A History of the Geo-Body of a Nation* (Honolulu: University of Hawaii Press, 1994).

34 With Japanese help, Thailand gained territories from British Malaya and the eastern part of the Shan States of British Burma. R. Sean Randolph, *The United States and Thailand: Alliance Dynamics, 1950-1985*, Research Papers and Policy Studies, No. 12 (Berkeley: Institute of East Asian Studies, University of California, 1986).

35 Thailand's post-World War II peace settlement was relatively lenient, despite the fact that Thailand was an ally of Japan. Citing the Seri Thai underground resistance movement under the leadership of Pridi Banomyong, with the support of the allied powers, the US government pressured the British to agree to leniency. Bruce Reynolds, *Thailand's Secret War: OSS, SOE and the Free Thai Underground during World War II* (Cambridge: Cambridge University Press, 2010); Daniel Fineman, *A Special Relationship: The United States and Military Government in Thailand, 1947-1958* (Honolulu: University of Hawaii Press, 1997), p. 18.

Banomyong in a series of coups and counter-coups, drove both parties to seek international support to consolidate their domestic position.³⁶

In contrast to Thailand, Burma was colonised by Britain through three wars, and eventually became a province of British India. Initially supported by Japan, but later turning against it, nationalist groups under the leadership of Aung San demanded independence from Britain upon its return to Burma after Japan's defeat. After achieving independence, the Burmese government faced tremendous challenges in consolidating its control over the country due to the militarisation of its society during the Japanese occupation,³⁷ and in dealing with the conflict between strong Bamar (the main ethnic group) nationalism and restive ethnic minorities which, fearing Bamar domination, sought self-determination.³⁸

Therefore, since the end of WWII both Thailand and Burma needed to deal with internal challenges and strong divisions of power, as well as the looming communist threat in Southeast Asia after the communist victory in China. Thailand and Burma responded quite differently to the American position, borne of its focus on countering the spread of communism in Southeast Asia to prevent a 'domino effect' in the region. Thailand chose to engage closely with the United States by forming an alliance early in the Cold War period, and only started to improve relations with Beijing after the Sino-US rapprochement in the early 1970s. The Burmese government, meanwhile, initially tried to balance the two great powers through an open neutralist foreign policy, but later switched to self-isolation to distance itself from the competition ongoing between them since the early 1960s. Why did these two countries pursue different foreign policy choices, and what were the implications of them for their national interests?

Foreign Aid during the Cold War

Thailand's alliance-oriented foreign policy stands in sharp contrast to Burma's studied neutrality. After ousting Pridi in 1948 to become Thailand's Prime Minister, Phibun, with the help of the coup group, actively carried out domestic political reshuffles, and sought international support to reward the army for its support. After the PRC was founded, the Thai government perceived Beijing as its largest external security threat, partially based on its fear of the anti-monarchist,

36 Fineman, *A Special Relationship*, pp. 54–63.

37 Mary P. Callahan, *Making Enemies: War and State Building in Burma* (Ithaca: Cornell University Press, 2005).

38 Ashley South, *Ethnic Politics in Burma: States of Conflict* (Abingdon: Routledge, 2008); Martin Smith, *Burma: Insurgency and the Politics of Ethnic Conflict* (London: Zed Books, 1999); Mary P. Callahan, *Political Authority in Burma's Ethnic Minority States: Devolution, Occupation, and Coexistence*, Institute of Southeast Asian Studies (Washington, D.C.: East-West Center Washington, 2007).

anti-religious communist ideology.³⁹ Furthermore, Phidi, whom Phibun defeated through domestic coups, was granted asylum in China, where Beijing used him to tarnish the Phibun government's domestic and international credentials.⁴⁰ Moreover, Bangkok interpreted the Chinese plan to establish a Sipsongpanna Tai Autonomous Region in Southern Yunnan as an indication of Beijing's hostile designs on Thailand.⁴¹ This combination of domestic power contests and fear of international menace led Phibun to actively lobby for American support. By publicly declaring himself a staunch anti-communist strongman, Phibun succeeded in winning over the Americans by presenting Thailand as the ideal base for US anti-communist activities in Southeast Asia.⁴² Through closely engaging one great power—the United States—Thailand received a substantial amount of aid. For example, after Phibun's government recognised the Bao Dai regime in South Vietnam at the behest of the Americans, it received US\$10 million in US military aid, as well as \$11.4 million in economic and technical assistance.⁴³ When the Korean War started, Phibun's government was once again quick off the mark in pledging support for the Americans, first by announcing shipments of rice and later by sending troops to Korea.⁴⁴ In return, in August 1950, the World Bank, under the auspices of the United States, approved US\$25 million in development aid for Thailand—the first funding it had ever authorised for an Asian country.⁴⁵

In addition, Thailand offered itself as a base for American covert operations against China. Through Operation Paper, Thailand helped the United States to arm the Kuomintang (KMT) forces positioned in Burma's Shan states, whose mission it was to invade and retake China's Yunnan province.⁴⁶ Key figures in Thailand's military and police forces, including Phibun, Phao, and Sarit, benefited personally from the US military aid the country received to back these covert activities against China, and also from the lucrative opium trade in which the

39 Anuson Chinvano, *Thailand's Policies towards China, 1949-54* (Houndmills: Macmillan, 1992).

40 Jim Glassman, 'On the Borders of Southeast Asia: Cold War Geography and the Construction of the Other', *Political Geography*, Vol. 24, No. 7 (2005), p. 785.

41 Bangkok initially interpreted this as China's plan to use Pridi to set up an alternative government in Yunnan. See David A. Wilson, 'China, Thailand and the Spirit of Bandung (Part I)', *China Quarterly*, No. 30 (1967), pp. 149–69.

42 Fineman, *A Special Relationship*, pp. 69–88; Thak Chaloemtiarana, *Thailand: The Politics of Despotism* (Ithaca: Cornell Southeast Asia Program Publications, 2007).

43 Fineman, *A Special Relationship*, pp. 114–15.

44 Palapan Kampan, 'Standing Up to Giants: Thailand's Exit from 20th Century War Partnerships', *Asian Social Science*, Vol. 10, No. 15 (2014), p. 155.

45 Fineman, *A Special Relationship*, p. 118.

46 Richard Michael Gibson and Wen H. Chen, *The Secret Army: Chiang Kai-Shek and the Drug Warlords of the Golden Triangle* (Singapore: Wiley, 2011); Robert H. Taylor, *Foreign and Domestic Consequences of the KMT Intervention in Burma* (Ithaca: Southeast Asia Program, Cornell University, 1973).

Table 1. US Economic and Military Assistance to Myanmar and Thailand, in \$US Millions

	Myanmar				Thailand			
	1946– 1948	1949– 1952	1953– 1961	1962– 2009	1946– 1948	1949– 1952	1953– 1961	1962– 2009
Total economic assistance	5.0	10.2	71.9	377.1	6.2	16.1	264.2	1313.7
Total military assistance	–	–	3.1	40.5	–	88.0	306.2	1937.2
Total economic and military assistance	5.0	13.3	112.4	427.8	6.2	104.1	570.4	3251.0

Source: US Overseas Loans and Grants, USAID, 'US Overseas Loans and Grants (Greenbook)', 1 April, 2016, <https://explorer.usaid.gov/reports-greenbook.html>

KMT engaged.⁴⁷ Indeed, by 1954, when the United States established Southeast Asia Treaty Organization (SEATO), Thailand had become the key base for American anti-communist activities in Southeast Asia. The United States thus bestowed on Thailand, its ally, and key Thai politicians considerable institutional and material benefits. Furthermore in return for large quantities of military aid, Thailand allowed the United States to construct military bases on its territory to support US military campaigns in Indochina, as shown in Table 1.

Burma, in contrast to Thailand, whose alliances translated into significant material benefits, was less fortunate as regards American financial aid. Burma's geostrategic position was certainly crucial to American efforts to counter the spread of Communism in Southeast Asia. As Clymer points out, citing Central Intelligence Agency (CIA) sources, 'In the early 1950s, the United States considered Burma to be nearly as important to the security of Southeast Asia as Indochina.'⁴⁸ However, the United States willingness to give aid to the Yangon government was continuously hampered by a combination of factors originating in Burma's official neutral foreign policy position.

Burma desired American economic and military assistance, but was wary of signing anything that would be interpreted as tying it to one camp in the Cold War. Since its independence in 1948, the Burmese government had steadfastly upheld a neutralist foreign policy that was a direct result of its colonial history, whereby its subjugation under British rule had become the foundation of Burmese nationalism. Thus, the ability to make its own foreign policy without outside domination became a fundamental component of its post-colonial independence. Burmese Prime Minister U Nu said in his speech at the National Press Club in Washington in July 1955, 'Our recent existence with great powers is such that in the minds of the people of Burma an alliance with a big power immediately means domination by that power.'⁴⁹ The Burmese government also worried that agreeing to American aid would imperil its economic

47 Alfred W. McCoy, *The Politics of Heroin: CIA Complicity in the Global Drug Trade* (Brooklyn: Lawrence Hill Books, 1991).

48 Kenton Clymer, *A Delicate Relationship: The United States and Burma/Myanmar since 1945* (Ithaca: Cornell University Press, 2015), p. 111.

49 <https://www.theatlantic.com/magazine/archive/1958/02/the-concept-of-neutralism/306834/>.

relations with the PRC.⁵⁰ Only after several rounds of negotiations did the two sides agree on the terms under which the Burmese government would receive aid from the United States. However, the amount involved was modest in comparison with US aid to Thailand, as shown in Table 1.

Military aid to Burma was also negligible.⁵¹ Although Burma expressed interest in updating its military system, the Americans, despite their willingness to help in this respect, were heavily constrained by the Mutual Defence Assistance Act of 1951 (Battle Act), which prohibited American aid to, ‘any country supplying strategic materials to communist countries’. As Clymer points out, ‘[J]ust how to provide assistance without entering a normal military agreement produced immense bureaucratic headaches, which only became worse when it became clear that the Joint Chiefs of Staff opposed military aid. They objected to Burma’s neutral status and questioned the need for assistance.’⁵²

Although Burma’s neutralist foreign policy stance did not earn it much in aid from the United States, it did secure a certain amount of good will from China. Given its international isolation at the time of the Korean War, Beijing tried to cultivate a friendly relationship with Yangon.⁵³ In 1954, Burma and China agreed on the, ‘Five Principles of Peaceful Coexistence’, which indicated, ‘China’s public assurance that it would not interfere in Burma’s internal affairs.’⁵⁴ In light of the pledges Beijing received from Burma that it would pursue a neutralist foreign policy, and that it was not a ‘stooge’ for imperial powers, Beijing displayed significant understanding of the KMT issue, and initially refrained from direct military interventions in Burma to remove any remnants of the KMT. It was not until late 1960 that the Burmese government invited the People’s Liberation Army (PLA) to take part in a coordinated military campaign that finally eradicated KMT troops from the country.⁵⁵ Also in 1960, Burma and China peacefully demarcated the border between them, in the process of which the PRC allegedly made more concessions.⁵⁶ Beijing also offered to purchase Burma’s surplus rice, something the Americans had been unwilling to do.⁵⁷ In addition, in 1961 Beijing offered

50 Clymer, *A Delicate Relationship*, p. 112.

51 *Ibid.*, p. 144.

52 *Ibid.*, p. 147.

53 Maung Aung Myoe, *In the Name of Pauk-Phaw: Myanmar’s China Policy since 1948* (Singapore: Institute of Southeast Asian Studies, 2011), p. 23.

54 *Ibid.*, p. 23.

55 *Ibid.*, p. 39. Also see David I. Steinberg and Hongwei Fan, *Modern China-Myanmar Relations: Dilemmas of Mutual Dependence* (Honolulu: University of Hawaii Press, 2012).

56 The PRC’s international situation at the time perhaps explains its desire for a secure frontier in the Southwest at the expense of territorial claims. The Sino-Soviet split, the Tibet rebellion in 1959, and the increasing tension between China and India fostered Beijing’s interest in securing a friendly neighbour. See M. Taylor Fravel, *Strong Borders, Secure Nation: Cooperation and Conflict in China’s Territorial Disputes* (Princeton: Princeton University Press, 2008).

57 Clymer, *A Delicate Relationship*, p. 151.

Yangon a loan of \$84 million.⁵⁸ However, on the whole, Burma's foreign policy of neutralist open engagement brought it far less economic and military aid than Thailand's alliance-oriented approach.

Managing Domestic Communist Insurgencies

Both Thailand and Burma experienced domestic communist insurgencies during the Cold War period. Both the Communist Party of Thailand (CPT) and Communist Party of Burma (CPB) waged guerrilla warfare against their respective central governments. Their military campaigns differed in scale and intensity, but the ultimate success or failure of the CPT and CPB hinged on the Thai and Burmese governments' international relations. The alliance between Thailand and the United States ensured that Thailand possessed sufficient military capability for its counter-insurgent campaigns. Moreover, the Thai government's American military support and protection deterred the PRC from giving the CPT adequate support. Additionally, the normalisation of US–PRC relations in the early 1970s was beneficial to Thailand's counter-insurgent efforts, because Beijing started to wind down its support for the CPT. Burma's increasingly isolationist foreign policy, however, made it more subject to Beijing's intervention in its domestic politics.

The communist victory in China considerably boosted the morale of many other communist movements in Southeast Asia. Via ethnic Chinese ties, communist ideologies, propaganda materials, as well as material resources were spread throughout the region.⁵⁹ In 1952, the Phibun government passed the Anti Communist Act, by virtue of which it arrested and deported large numbers of left-wing overseas Chinese activist, shut down pro-communist Chinese newspapers, closed down Chinese language schools, and restricted immigration quotas from the PRC.⁶⁰ In retaliation, Beijing denounced the Phibun government as 'fascist and propped up by American imperialists'.⁶¹ The Chinese government also accused Thailand of committing criminal acts against Chinese diaspora communities.⁶² Yet throughout the 1950s, Beijing had offered little overt support for the CPT, which remained a thorn in the side of the Thai government. In the mid-1960s, however, and especially after the American military commitment to Vietnam, Beijing intensified its support for a militarised 'people's war' in Thailand.⁶³ Thus, in 1965 the CPT started its armed struggle against the Bangkok

58 *Ibid.*, p. 195. However, what must be noted is that due, to absence of data, it is difficult to obtain accurate figures on economic and technical aid from China during this period.

59 Kasian Tejapira, *Commodifying Marxism: The Formation of Modern Thai Radical Culture, 1927-1958* (Portland: Trans Pacific Press, 2001); Peng Chin, *Alias Chin Peng—My Side of History* (Singapore: Media Masters, 2003).

60 Dingbang Yu and Shusen Chen, *Zhong Tai guanxi shi (History of China Thailand Relations)* (Beijing: Zhonghua shuju, 2009), p. 315.

61 Wilson, 'China, Thailand and the Spirit of Bandung (Part I)', pp. 154–55.

62 *Ibid.*, p. 155.

63 Daniel Dudley Lovelace, *China and 'People's War' in Thailand, 1964-1969*, China Research Monographs, No. 8 (Berkeley: Centre for Chinese Studies, University of California, 1971), p. 78.

government which spread throughout rural mountainous areas in Northeastern and Northern Thailand.⁶⁴

The Thai military governments under Field Marshals Sarit Thanarat and Thanom Kittikachorn effectively utilised American military aid and counter-insurgency policy guidance in their carrying out of counter-insurgency measures against the CPT.⁶⁵ More importantly, after the Sino-US rapprochement as a result of Nixon's visit to Beijing in 1972, and especially after the unification of Vietnam in 1975, Vietnam replaced the PRC as Thailand's greatest perceived security threat. Thailand thus established diplomatic relations with the PRC in 1975, and both countries began to find common ground for a cooperative relationship based on common antipathy towards Hanoi. When Vietnam invaded Cambodia in 1978, Thailand and China formed a *de facto* alliance, whereby Thailand allowed Chinese material support for the Khmer Rouge to pass through its territory, and China promised to help Thailand if the latter came under Vietnamese attack.⁶⁶ China's invasion of Vietnam in 1979 also alleviated the pressure that Vietnam posed along the Thai border.⁶⁷ By 1980, the PRC had withdrawn its support for the CPT, which in subsequent years surrendered to the Thai government under a series of amnesty programmes. Under this situation, the geostrategic realignment of Indochina not only made China an important source of military support for Thailand,⁶⁸ but also both normalised and improved relations between the two governments to an extent that propelled Beijing's rolling back of its previous support for the CPT. The withdrawal of such external backing of the CPT empowered the Thai government to successfully suppress the internal security challenge that had plagued the Kingdom for decades.

Meanwhile, after Ne Win's coup in 1962 Burma's foreign policy orientation took an isolationist turn. The general's pursuit of 'the Burmese Way to Socialism' was evident in his isolating the country from the outside world, and how 'foreigners and their institutions were expelled, and even tourism was discouraged'.⁶⁹ Meanwhile, domestic radicalisation in China in the mid-1960s increased Beijing's willingness to export revolution to Burma.⁷⁰ Beijing mobilised the sizeable

64 Glenn Ettinger, 'Thailand's Defeat of Its Communist Party', *International Journal of Intelligence and Counterintelligence*, Vol. 20, No. 4 (2007), pp. 661–77.

65 Sinae Hyun, *Indigenizing the Cold War: Nation-Building by the Border Patrol Policy of Thailand, 1945-1980*, Ph.D. dissertation, University of Wisconsin-Madison, 2014.

66 Ann Marie Murphy, 'Beyond Balancing and Bandwagoning: Thailand's Response to China's Rise', *Asian Security*, Vol. 6, No. 1 (2010), p. 10.

67 *Ibid.*, p. 10.

68 Busbarat, 'Thai-US Relations in the Post-Cold War Era', p. 260.

69 Clymer, *A Delicate Relationship*, p. 197. In addition, Ne Win's view of the United States was tainted by an unpleasant visit to Washington, D.C. in 1960 when his wife was racially abused. See Clymer, *A Delicate Relationship*, pp. 179–84.

70 The Sino-Soviet split also played a role here. General Ne Win's strict maintenance of neutrality was perceived by Beijing as a betrayal, and as a support for the Soviet Union. Robert

Chinese communities in Burma in support of the Cultural Revolution, which in 1967 resulted in a series of anti-Chinese riots in several cities.⁷¹ These anti-Chinese riots, along with the Yangon government's isolationist foreign policy positions, rendered it vulnerable to punitive measures from Beijing, which began overtly supporting the CPB in its armed struggle against Yangon with the aim of destabilising Burma and discrediting the Ne Win government. The CCP provided financial, military, and personnel support for the CPB to establish 'liberated areas' covering more than 20 000 sq km along the Sino-Burmese border.⁷² Between 1967 and 1973, China supplied the CPB with sufficient arms and ammunition to equip 10 000 soldiers. PLA military advisors were also dispatched to CPB-occupied areas. China supplied the CPB with RMB 2 million per year for general military expenditures, and Chinese hospitals along the border were opened for its use. Beijing also set up a radio station specifically for the CPB to disseminate propaganda.⁷³ This blatant support for the CPB's armed struggle on such a large scale clearly constituted open violation of Burmese sovereignty and territorial integrity, as set down in the 'Five Principles of Peaceful Coexistence'. Yet, there was little the Yangon government could do to protect itself from Chinese hostility. As a secondary state that pursued an isolationist foreign policy and refused to engage with any of the great powers, upon the international environment becoming hostile, Burma's security interests took a huge blow. The CPB lasted until 1989, the Chinese side having withdrawn support in the mid-1980s,⁷⁴ although it had carried on substantially longer than that for the CPT. The demise of the CPB was mainly due to internal factional fighting rather than to the effectiveness of the Burmese military government. Indeed, the CPB's legacy lingers on, as its troops have fragmented into numerous ethnic rebel armies that continue to occupy several 'special regions' in the Shan and Kachin states, and continue to engage in occasional skirmishes with the Myanmar central government to this day.⁷⁵

Myanmar and Thailand's Post-Cold War Foreign Policy Reorientations

Since the end of Cold War, the United States' foreign policy goal in East Asia has changed from the prevention of communism to the gradual countering of the

Taylor, *General Ne Win: A Political Biography* (Singapore: Institute of Southeast Asian Studies, 2015).

71 Hongwei Fan, 'The 1967 Anti-Chinese Riots in Burma and Sino-Burmese Relations', *Journal of Southeast Asian Studies*, Vol. 43, No. 2 (2012), pp. 234–56.

72 Bertil Lintner, *The Rise and Fall of the Communist Party of Burma (CPB)* (Ithaca: Southeast Asia Program, Cornell University, 1990), p. 26.

73 Myoe, *In the Name of Pauk-Phaw*, pp. 80–82.

74 Bertil Lintner, *Burma in Revolt: Opium and Insurgency since 1948* (Boulder: Westview Press, 1994).

75 Mandy Sadan, ed., *The War and Peace in the Borderlands of Myanmar: The Kachin Ceasefire, 1994-2011* (Copenhagen: NIAS Press, 2016); Kyaw Yin Hlaing, *Prisms on the Golden Pagoda: Perspectives on National Reconciliation In Myanmar* (Singapore: NUS Press, 2014).

challenges posed by China's economic and military rise. Since the 1990s, the two countries have maintained a competitive relationship. From 'strategic competitors' to cooperation on the 'War on Terror', to the most recent American pivot/rebalance to Asia, the bilateral relationship is complex and maintains a moderate level of competition.⁷⁶ Nowhere can we observe the same level of adversarial animosity that China and the United States displayed during the early years of the Cold War, and though this important relationship is certainly not that of a friendly one between allies, the competitive dynamic between the two could be reasonably described as moderate, although the level of competition has been increasing in more recent years.

The post-Cold War international environment the Myanmar military government encountered was not at all friendly to its ruling generals. As a result of its crackdown on the democracy movement in 1988 and nullification of the 1990 election results, Myanmar's military junta became a target for Western condemnation and sanctions.⁷⁷ To survive under such a hostile international environment, the Myanmar government decided to actively engage with one great power: China.

China expressed its principle of non-interference in Myanmar's domestic politics, in the context of its own suppression of the Tiananmen movement. But Beijing offered the Myanmar military government the diplomatic protection it so desperately needed to prevent regime change. The most significant event was that after the Depayin incident in 2003,⁷⁸ when China helped to shield the military government by vetoing a United Nations Security Council resolution against Myanmar sponsored by the United States and the UK. China reaped handsome economic and strategic benefits in return for such diplomatic protection. In 1989, bilateral trade with Myanmar was just US\$313.72 million, with a mere \$61.6 million trade surplus. However, 20 years later in 2008, bilateral trade had hit \$2.6 billion, with a Chinese surplus of US\$1.3 billion. In 2009 and 2010, the Chinese trade surplus vis-à-vis Myanmar grew to \$3.7 billion.⁷⁹

China has also emerged as the top investor in Myanmar. Official Foreign Direct Investment (FDI) from China had reached US\$6.4 billion million by mid-2010,

76 Charles L. Glaser, 'A U.S.-China Grand Bargain? The Hard Choice between Military Competition and Accommodation', *International Security*, Vol. 39, No. 4 (2015), pp. 49–90; Lyle J. Goldstein, *Meeting China Halfway: How to Defuse the Emerging US-China Rivalry* (Washington, D.C.: Georgetown University Press, 2015).

77 The United States expressed displeasure at the brutal military government in Yangon by imposing sanctions. Yet, throughout the 1990s and 2000s, Southeast Asia was not high on the US foreign policy agenda.

78 During the incident, the military-backed thugs attacked a travel convoy of Suu Kyi, which led to the death of scores of NLD members.

79 Jalal Alamgir, 'Myanmar's Foreign Trade and Its Political Consequences', *Asian Survey*, Vol. 48, No. 6 (2008), p. 986.

mostly in natural resource sectors.⁸⁰ Notably, in 2009 Myanmar and China agreed to construct a US\$1.5 billion crude oil pipeline and a US\$1 billion natural gas pipeline to connect the Kyaukphyu port in the Indian Ocean to Kunming, in China's Yunnan province.⁸¹ The two pipelines satisfied to a great extent the Chinese government's energy security concerns, as both bypassed the Malacca Strait and gave China direct access to the Bay of Bengal. Acquiring access to these two pipelines gained China considerable strategic access in Myanmar.⁸²

Thus, by relying closely on one great power, the military government in Myanmar attained what it desired in terms of security protection and economic investment from China. However, because this was a one-sided engagement, the secondary state lacked the capacity to bargain effectively with the great power. Indeed, China's preponderant position in Myanmar was described by some as a 'stranglehold', because many of the deals between the two countries were made on terms favourable to China.⁸³ Therefore, in order to improve its security interest, the Myanmar government's natural course of action was to reach out to the United States. For this to work, domestic political change had first to occur.⁸⁴ Consequently, after the 2010 election engineered by the military generals, the new Thein Sein government initiated a series of bold political reforms that included eliminating many of the political restrictions on opposition parties, on free speech, and on civil society.⁸⁵ Such domestic political reform paved the way towards improving relations with the United States, which rapidly translated into an active

80 Myoe, *In the Name of Pauk-Phaw*, p. 159.

81 *Ibid.*, p. 159.

82 Alex Vines, 'Mesmerised by Chinese String of Pearls Theory', *The World Today*, Vol. 68, No. 2 (2012), pp. 33–34; Gurpreet S. Khurana, 'China's 'String of Pearls' in the Indian Ocean and Its Security Implications', *Strategic Analysis*, Vol. 32, No. 1 (2008), pp. 1–39.

83 Stephanie Shannon and Nicholas Farrelly, *Whither China's Myanmar Stranglehold? ISEAS Perspective*, Books and Monographs (Singapore: ISEAS-Yusof Ishak Institute, 2014).

84 There is still no conclusive explanation for why the Myanmar military government decided to carry out the political transition. One of the most convincing accounts was provided by Dan Slater, who argues that the transition was carried out because the military believed it was in the position of strength after the 2008 Constitutional Reform that guaranteed the military veto power in Myanmar politics. See Dan Slater, 'The Elements of Surprise: Assessing Burma's Double-Edged Détente', *South East Asia Research*, Vol. 22, No. 2 (2014), pp. 171–82. Additionally, there is the belief that it was during Virginia Senator Jim Webb's visit to Myanmar in 2009 that he promised that the United States would reciprocate positively if Myanmar was willing to distance itself from China. Webb reportedly expressed that the United States needs to engage Myanmar to prevent China gaining dominance in the country that has strategic importance for the United States. See Bertil Lintner, 'China behind Myanmar's Course Shift', *Asia Times Online*, October 19, 2011.

85 David I. Steinberg, ed., *Myanmar: The Dynamics of an Evolving Polity* (London: Lynne Rienner Publishers, Inc., 2014); Maung Aung Myoe, 'The Soldier and the State: The Tatmadaw and Political Liberalization in Myanmar since 2011', *South East Asia Research*, Vol. 22, No. 2 (2014), pp. 233–49.

engagement between the two parties. The US Secretary of State Hilary Clinton's visit to Myanmar in December 2011 was the first by a senior US official since 1955. More significantly, US President Barack Obama's historic visit to Myanmar in November 2012 was the first ever to the country by an American president. A couple of years later, Obama made another visit to the country.

Myanmar's active engagement with the United States has made it more capable of pushing back against China's perceived domination. In September 2011, the Myanmar government announced the suspension of construction work on the Myitsonne Dam, a US\$3.6 billion hydropower project to supply electricity to China. Another major Chinese investment, the Lepadaung copper mine, also faced heavy domestic criticism and resistance in Myanmar. In 2014, China's plan to build a railway linking Yunnan to Myanmar's Rakhine state was shelved due to the lack of interest from the Myanmar side. China now has growing worries that many of the investment projects negotiated with the previous military government might now be at risk of a renegotiation of terms, or at worst of cancellation.⁸⁶ Even the crude oil pipeline project was delayed, the first tanker having been filled only in April 2017, despite the pipeline's nominal opening two years previously.

This competition with the United States over Myanmar also meant that China could not afford to lose further ground, but it seemed the country could do little to make Myanmar comply with its demands. Retaliation carried the risk of pushing the country further into the embrace of the United States, which is obviously not in China's national interest. It was this situation that prompted Beijing's diplomatic charm offensive towards Myanmar, expressed in a flurry of high-level visits between the two countries after the Myanmar-US thaw.⁸⁷ At the same time, the Chinese side reached out to the then opposition party, the National League for Democracy (NLD), by holding consultations and inviting party members to visit China. This culminated in Aung San Suu Kyi's visit to China in June 2015, before her party's victory in the national elections. The Chinese Foreign Minister Wang Yi was also the first major foreign dignitary to visit Myanmar after the inauguration of the new civilian president U Htin Kyaw in April 2016.⁸⁸ In fact, Suu Kyi has visited Beijing several times since coming to power. Especially since the Rohingya crisis in the Rakhine State in 2017,⁸⁹ Suu Kyi has expressed appreciation for Beijing's support for her government, for example by stating, 'China and Myanmar will be

86 For some strategic analyses on these issues, see Yun Sun's various blog posts at the Stimson Centre, <http://www.stimson.org/users/3326>.

87 Enze Han, 'Borderland Ethnic Politics and Changing Sino-Myanmar Relations', in Mandy Sadan, ed., *War and Peace in the Borderlands of Myanmar: The Kachin Ceasefire, 1994-2011* (Copenhagen: NIAS Press, 2016).

88 Myanmar Ministry of Foreign Affairs, <http://www.mofa.gov.mm/?p=6615>.

89 The Rohingya crisis in Myanmar's Rakhine State is ongoing, and it is still premature to elaborate on its consequences for Myanmar's foreign relations.

good neighbours forever with fraternal spirit' during a recent meeting with the visiting Chinese Foreign Minister.⁹⁰

Bilateral trade continues to increase since Myanmar's political transition. In 2015, China remained Myanmar's largest import partner, and the country's total imports from China stood at US\$3.04 billion.⁹¹ Myanmar's exports to China have gathered pace due to completion of the two pipelines, having skyrocketed to US\$7.7 billion in 2014.⁹² The volume of Chinese investment in Myanmar dropped significantly during 2012–2014, reflecting China's concern about the long-term feasibility and safety of many of its projects in the country during the initial years of uncertain political transition. However, Chinese investment in the fiscal year 2015/2016 quickly rebounded to US\$3.3 billion.⁹³

Thus, by ditching its isolationist foreign policy during the post-Cold War period and engaging solely with China, the Myanmar government benefited from Chinese security protection and economic investment. Yet the terms of that arrangement were nonetheless perceived as non-optimal. By actively reaching out to the United States and thus engaging with both great powers, Myanmar dramatically improved its national interests by maintaining its cherished national autonomy but without forfeiting its ongoing beneficial economic relations with China.

As for Thailand, since the Sino–US rapprochement and the US pullout from Vietnam the country has always maintained cordial relationships with both the United States and China, despite maintaining its security alliance with the former.⁹⁴ As a non-claimant in the South China Sea, Thailand has no direct conflict of interest with China as regards territorial disputes. Thailand rather treats the relationship with China as an economically beneficial one. In the immediate aftermath of the Asian Financial Crisis of 1997, during which Thailand took a financial beating, the Chinese government's pledge not to devalue the RMB while committing US\$1 billion to the international bailout of Thailand earned Beijing a positive image in Bangkok.⁹⁵ It was also during the 1997 Financial Crisis that the Thai state and society developed discontent toward the United States owing to Washington's reluctant and minimalist support for Thailand which, 'upset many

90 <https://www.irrawaddy.com/news/burma/chinese-foreign-minister-promises-continued-support-myanmar.html>.

91 Key Indicators for Asia and the Pacific 2017, Asian Development Bank.

92 *Ibid.*

93 Directorate of Investment and Company Administration (DICA), The Republic of the Union of Myanmar, accessible at <http://www.dica.gov.mm/>.

94 Pongphisoot Busbarat, 'A Review of Thailand's Foreign Policy in Mainland Southeast Asia: Exploring an Ideational Approach', *European Journal of East Asian Studies*, Vol. 11, No. 1 (2012), pp. 127–54; N. Ganesan, 'Thailand's Relations with Malaysia and Myanmar in Post-Cold War Southeast Asia', *Japanese Journal of Political Science*, Vol. 2, No. 1 (2001), pp. 127–146; Kusuma Snitwongse, 'Thai Foreign Policy in the Global Age: Principle or Profit?', *Contemporary Southeast Asia*, Vol. 23, No. 2 (2001), pp. 189–212.

95 Michael R. Chambers, "'The Chinese and the Thais Are Brothers": The Evolution of the Sino–Thai Friendship', *Journal of Contemporary China*, Vol. 14, No. 45 (2005), p. 621.

people in Thailand and undermined the perception of true friendship and leadership to the Thais'.⁹⁶

In the years that ensued, Thailand has embraced a closer political and economic relationship with a rising China. For example, according to some sources, more than 1500 bilateral visits by government officials at all levels took place in the two years after the 1997 crisis.⁹⁷ In 1999, Thailand and China signed the Joint *Declaration* on the Cooperation Program of the 21st century, wherein both sides pledged military cooperation and further economic ties.⁹⁸ In 2012, Thailand and China further signed a series of agreements on building a comprehensive strategic cooperative partnership. Closer economic engagement between the two countries has translated into China vying with Japan to be Thailand's top trading partner.⁹⁹ In addition, China is now Thailand's largest source of foreign tourists, more than 8 million Chinese citizens having visited Thailand annually over the past couple of years, so making a significant contribution to the Thai economy.¹⁰⁰ Thailand has effectively pursued a hedging strategy whereby it combines active economic engagement with China with continual political and military relations with the United States, just like other Southeast Asian countries.¹⁰¹ In addition, by actively engaging with both China and the United States, Thailand has managed to resist political pressure from the United States as a result of its domestic political instabilities and recent military coups d'états.

Since the start of the 21st century, Thailand has experienced domestic instability, with competing rallies and counter-rallies between political forces that are loosely defined as 'yellow shirts' and 'red shirts'.¹⁰² Such grassroots confrontations reflect the power struggles between the ousted Prime Minister Thaksin Shinawatra and supporters of the royalist forces which prompted the military's takeover of the government twice, in 2006 and 2014. In particular, the most recent coup by General Prayuth Chan-o-cha has created a domestic political environment of deteriorating civil liberties and human rights violations, particularly evident in the draconian use of the *lèse majesté* law in dealing with political

96 Busbarat, 'Thai-US Relations in the Post-Cold War Era', p. 262.

97 Busakorn Chantasawat, 'Burgeoning Sino-Thai Relations: Heightening Cooperation, Sustaining Economic Security', *China: An International Journal*, Vol. 4, No. 1 (2006), p. 90.

98 Amy L. Freedman, 'Malaysia, Thailand, and the ASEAN Middle Power Way', in Bruce Gilley and Andrew O'Neil, eds, *Middle Power and the Rise of China*, (Washington, D.C.: Georgetown University Press, 2014), p. 111.

99 Quarterly Bulletin of Statistics 2014, National Statistical Office, Thailand.

100 <http://www.thaiwebsites.com/tourism.asp>.

101 Goh, 'Great Powers and Hierarchical Order in Southeast Asia'; Kuik, 'The Essence of Hedging'.

102 Pavin Chachavalponpun, 'The Necessity of Enemies in Thailand's Troubled Politics', *Asian Survey*, Vol. 51, No. 6 (2011), pp. 1019-41; Marc Askew, ed., *Legitimacy Crisis in Thailand*, King Prajadhipok's Institute Yearbook No. 5 (Nonthaburi: King Prajadhipok's Institute, 2010).

dissidents.¹⁰³ Thailand's domestic political regression has created a problem in its relations with the United States, which is no longer as tolerant or supportive of military coups there as it was during the Cold War years.

Officially, the United States government downgraded its military relations with Thailand, cancelled some of its military aid, and criticised the political situation in Thailand. However, US pressure, albeit feeble, had little impact on the Thai government, which actively courted Chinese support. On December 19, 2014, Chinese Premier Li Keqiang became the most high-profile foreign leader to visit Thailand since the coup in May.¹⁰⁴ A few days later, Thai Prime Minister Prayut flew to Beijing to meet with Chinese president Xi Jinping. Xi said during the meeting that both countries 'should continue to show mutual understanding and support on issues concerning each other's core interests'.¹⁰⁵ In addition to the closer political relations between Bangkok and Beijing, both countries have also stepped up military cooperation. Thailand has purchased submarines, tanks and other military equipment from China, and both countries have carried out the joint military exercise, Blue Strike, which in 2016 was considered, 'the most comprehensive exercise the two have ever had, including land and sea operations, and humanitarian relief training'.¹⁰⁶

By courting Chinese support, the Thai government has effectively resisted pressure from the United States. For example, the Thai Foreign Ministry summoned top American diplomats to register its displeasure after a January 2015 speech given by Daniel Russel, assistant US secretary for East Asian and Pacific Affairs, in which he criticised the military government.¹⁰⁷ A protest against Russel's speech was also organised in front of the Thai embassy in Bangkok.¹⁰⁸ In December 2015, Thai Prime Minister Prayut criticised the new American Ambassador Glyn Davis for expressing concern about the abuse of the *lèse majesté* law, calling his 'opinion is biased and not impartial. . . This can lead to the deterioration of our long-term friendship'.¹⁰⁹ In a way, the United States faces the same dilemma as China did in Myanmar, described above. The competitive dynamic between the United States and China for influence in Southeast Asia

103 Andrew Marshall, *A Kingdom in Crisis: Thailand's Struggle for Democracy in the Twenty-First Century* (London: Zed Books, 2014); Pavin Chachavalpongpun, ed., *Good Coup Gone Bad: Thailand's Political Development Since Thaksin's Downfall* (Singapore: Institute of Southeast Asian Studies, 2014); Federico Ferrara, *The Political Development of Modern Thailand* (Cambridge: Cambridge University Press, 2015).

104 'Thailand Welcomes China's Li as US Ties Cool over Coup', 18 December, 2014, <http://www.reuters.com/article/us-thailand-china-idUSKBN0JW2KH20141218>.

105 'Xi Satisfied with Breakthrough of China-Thailand Railway Cooperation', 15 February, 2016, http://news.xinhuanet.com/english/china/2014-12/23/c_133874400.htm.

106 Busbarat, 'Thai-US Relations in the Post-Cold War Era', p. 270.

107 Shawn W. Crispin, 'Thai Coup Alienates US Giving China New Opening', 5 March, 2015, <http://yaleglobal.yale.edu/content/thai-coup-alienates-us-giving-china-new-opening>.

108 Busbarat, 'Thai-US Relations in the Post-Cold War Era', p. 265.

109 *Ibid.*, p. 269.

means that the United States cannot afford to alienate the current Thai government by exerting pressure that could push Thailand further into China's embrace.¹¹⁰ Thus, the United States has treaded carefully in its dealings with the Thai government, and the annual military exercise, Cobra Gold, continued to take place in 2016, and again in 2017, despite earlier indications that the United States might cancel it.¹¹¹ After Donald Trump became the new President, relations between the two countries further improved, and in October 2017 Prayut visited the White House, the first Thai Prime Minister to have done so in 12 years.¹¹² Therefore, by keeping an open engagement with China and the United States, Thailand has managed to preserve its autonomy amid US pressure on its domestic political changes.

Conclusion

These comparisons of three of Thailand and Myanmar's respective alignment choices since the end of WWII demonstrate the crucial intermix between domestic politics and international structural factors. Owing to their unique political histories and domestic power contests, the two countries pursued different foreign policy choices during the initial years of the Cold War. Thailand relied on a close alliance with the United States, while Myanmar, then Burma, stayed neutral. Such initial choices certainly had a lingering effect on later government. We have seen that after 1962 the Ne Win government carried the neutralist policy further still to one of self-isolation.

As to Thailand's case, the alliance relationship certainly empowered the country's military, leading to a succession of military governments during the Cold War that further entrenched Thailand's foreign policy orientation towards Washington. Domestic political crises in Myanmar, however, eventually pushed the military government first to seek a closer engagement with China, so as to fend off Western pressure on its government, and then, two decades later, to seek re-engagement with the United States in efforts to balance China's preponderance. After its alliance with the United States, Thailand stayed close to the American side through to the Sino-US rapprochement. But since the end of Cold War, and the divergence of Thailand and the US's interests in the region, Thailand has pursued an increasingly independent foreign policy.¹¹³ In the wake of the country's recent political regression, Thailand's military government has

110 In fact, an opinion piece on the American Interest website does compare the United States getting Myanmar out of China's grasp with China getting Thailand out of United States' orbit. See 'Is Thailand's Coup an Opening for China?', 23 May, 2014, <http://www.the-american-interest.com/2014/05/23/is-thailands-coup-an-opening-for-china/>.

111 Prashanth Parameswaran, 'US, Thailand Launch 2016 Cobra Gold Military Exercises Amid Democracy Concerns', 15 February, 2016, <http://thediplomat.com/2016/02/us-thailand-launch-2016-cobra-gold-military-exercises-amid-democracy-concerns/>

112 <https://www.voanews.com/a/thailand-prime-minister-common-ground-trump/4060472.html>.

113 Busbarat, 'Thai-US Relations in the Post-Cold War Era', p. 260.

pushed hard towards a close engagement with China in efforts to fend off American pressure with regard to its domestic political problems. Thus, domestic politics should certainly not be ignored in an analysis of secondary states' foreign policy making. Although explanations based on domestic politics tend to be of an idiosyncratic nature, we nevertheless need to pay more attention to the intertwined nature of domestic political contestation and foreign policymaking.¹¹⁴

After being chosen, however, these foreign policies had different consequences for the countries' respective national interests. Indeed, during times of intense competition among great powers, such as the early Cold War period, Thailand's active engagement with the United States served its national interests well, evident in the handsome material benefits it received in return. Furthermore, after the intense competition between the United States and China subsided, Thailand's engagement with both China and the United States helped its domestic anti-communist counter-insurgency. In contrast, Burma's neutralist foreign policy aroused the United States' mistrust, as witnessed by its cautious and reluctant approach towards providing aid for the Yangon government. Worse still, Burma's isolationism since the early 1960s had also made it a pawn in the PRC's export of revolution abroad by virtue of its overt support for CPB insurgencies. Since the end of the Cold War, therefore, the pursuance of an open engagement with both China and the United States has proven the best option for such countries' maintenance of their national autonomy, as the case studies of Myanmar and Thailand show.

This article makes the following contributions. Theoretically, it provides a general guideline for scholars and policymakers analyses and assessments of secondary states' foreign policy choice outcomes under different circumstances of great power competition. The article also augments the general literature on the alignment behaviour of secondary states, especially the recent burgeoning scholarship on the East Asian context of hedging. Given the ongoing and potential intensification of competition between the United States and China for primacy in the Asia Pacific region, scholars have given further attention to how secondary states in the region would react to different scenarios of changes in bilateral relations between the two great powers.¹¹⁵ The detailed comparative case studies of Myanmar and Thailand's foreign relations since the end of WWII thus communicate with this set of literature on the merits of hedging under changing contexts. However, as this article has emphasised, acknowledgement of the crucial importance of domestic politics in secondary states is essential to understanding why these countries make and change their alignment policies. The dramatic shift in

114 Murphy, 'Great Power Rivalries, Domestic Politics and Southeast Asian Foreign Policy', p. 165.

115 For example, see Evelyn Goh, ed., *Rising China's Influence in Developing Asia* (New York: Oxford University Press, 2016); Evelyn Goh, *The Struggle for Order: Hegemony, Hierarchy, and Transition in Post-Cold War East Asia* (Oxford: Oxford University Press, 2015); Bruce Gilley and Andrew O'Neil, eds., *Middle Powers and the Rise of China* (Washington, D.C.: Georgetown University Press, 2014).

the Philippines' foreign policy stance towards China after the election of Rodrigo Duterte as the country's new president in 2016 is a case in point.¹¹⁶ This article's findings shed light on how we should appraise the contemporary regional alignment situation in Southeast Asia. In the current environment of Sino-US competition in Southeast Asia, as long as the competition remains moderate, it seems that a hedging strategy would produce the best national interest outcome.

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116 <https://www.theguardian.com/world/2016/oct/20/china-philippines-resume-dialogue-south-china-sea-dispute>.