

## **CHAPTER I INTRODUCTION**

### **A. Background**

It is unquestionable that China is one of the biggest nations in the world. Big in term of geographical size, population, economic, military power influence. China is on its way to become a new emerging power that challenging the U.S. for its throne as world superpower. China's journey to become world superpower started from its emergence as dominant regional power in Asia in the twenty-first century. Its origin can be traced in 1978 when the Chinese Communist Party under Deng Xiaoping came to power and vowed to transform China (Mark, 2012). Now china's ambition to become world superpower is getting closer to reality under Xi Jinping administration with his ambitious foreign policy, the belt and road initiative.

China and United States rivalry in term of economic has been long occurred, however, United States has begun their influence campaign earlier in the post-world war II era. United states started spreading their influence through the Marshall plan, a foreign aid to help European countries to rebuild their war devastated economy. The Marshall plan is proven to block communism in the region and made European countries depended on United States. Another strategy of United states is creating trade alliance, Transpacific Partnership. It is trade agreement that reduce trade barriers such as tax between U.S and its trading partners which covers the Pacific Rim countries such as Australia, Canada, Japan, Singapore, Peru etc. as their members (McBride, 2019).

In the multipolar world, United states do start their global influence campaign earlier, and Russia as another great power neither show sign nor attempt of domination recently, but China is rising. They do not want to be left behind. China come with particularly same idea with United States to spread their global influence. The idea is by making a foreign policy that involve lots of countries and make them depended to the

initiator. Therefore, China created the Belt and Road Initiative that allow China to form trade alliance it just like transpacific partnership. Hypothetically, China is about to become Eurasia power.

China is rising as a superpower country that challenging United States. But as seen from international world perspective toward China and United States global influence race, United states is still considered to be the leading economic power rather than China. A survey found that both countries is heavily influencing domestic economic condition in most countries in the world. Comparing the perception over the influence, in Asia-Pacific, United States influence is generally perceived as positive, while outside the region China influence is perceived favorably. For instance, in Middle East and North African countries, China play a good role in their economic condition rather than United States and the same view applied in Latin America countries as well. Generally, many countries perceive both influences give positive effect to their economic condition (Silver, Devlin, & Huang, 2019).

So, what is this Belt and road initiative? The Belt and road Initiative are built based on the ancient silk road. Back in the history, the Silk Road was the well-known and the longest trading road in the history. It was established between around 2nd century BC and the 2nd century AD by Han Dynasty. The aim of the establishment of this road was to connect Asia to Europe and Africa on the continental and maritime route. The ancient silk road was not a road with certain start and end point, but it was a system of road where there were a lot of important crossroad/junction and centers. The term "Silk Road" was created by, Ferdinand von Richthofen, a German geographer in 1877, it was associated with a precious commodity at that time, silk. The ancient silk road was never permanent within its history. The route was always changed due to Natural disasters, changes in political-military-imperial relations. As result, the exact length of the ancient Silk Road is remaining unknown (Sági & Engelerth, 2018).

Basically, The Belt and Road initiative is the development of the ancient silk road. It is an ambitious multi-billion-dollar project to Enhanced economic relations between China and the rest of Asia, as well as Africa and Europe, are to be attained, with considerable investments into physical infrastructure (i.e. roads, airports, maritime and energy infrastructure). As a result, China's economy is expected to accelerate. Furthermore, China's changing geostrategic ambitions are reflected by the initiative, which predicts rebalancing the global power in economic terms. The purpose of Belt and Road initiative is to recreate the avenues of prosperity that were once known as the Silk Road - avenues of the exchange of ideas, cultures, commodities, best practices, curios, finished goods, and people (Chohan, 2017).

*Belt and Road Initiative Geostrategy Map*



*Source: Asiagreen.com*

Polarity in international relations is the way world power distributed in the international system. This defines the complexity of the international environment at any given time. In general, there are three types of polarity systems: unipolarity, bipolarity and multipolarity with three or more power centers. The polarity system is dynamic, it always changed overtime. The cold war era is known to be time of bipolar system where there are only two Nation held the world power, United States, and Soviet Union. (Jiang, 2013) However, as time goes by Soviet Union is fall and China is rising, the system is now has changed. Today we live in a multipolar world, where world

power is not held by only one or two nations, but the problem is, United States is still holding too many powers. (Saphiro, 2018) Now here is a trivial question, with current circumstance, will China's Belt and Road Initiative become a game-changer?

It is, indeed, a game-changer foreign policy, Belt and Road Initiative opening wide chance for China to dominate Eurasia region. Through the initiative, China is building massive amount of transportation infrastructure through the region which most of it has already operational. As the initiative projects spread across the Eurasia continent from Europe to Southeast Asia, crossing almost every country in the region, China is expanding its trading network covering the whole region. With the trading network under China control and covering almost the whole region with China mainland as its center, this is a sign that China is dominating the Eurasia region.

### **B. Research Question**

Based on the facts that already elaborated in the background above, the research question can be formulated as below:

*Why and how China use the Belt and Road Initiative as geostrategy to dominate international trade in Eurasia?*

### **C. Theoretical Framework**

In order to examine Belt and Road Initiative as China's geostrategy to dominate international trading in Eurasia, the author will use the heartland theory by Halford Mackinder. In addition, the author will use the concept of economic geography as explained by social science scholars such as Nursid Sumaatmadja, and Joan G Miller. These theories are considered the most relevant theories to analyze Belt and Road Initiative as China geostrategy to dominate international trading in Eurasia.

Theory is a series of parts or variables, definitions and propositions that are interconnected that present a systematic view of the phenomenon by determining the relationship between variables, with the intention of explaining a phenomenon. Labovitz and Hagedorn define theory as the idea of "theoretical thought" thought which

they define as "determining" how and why relationship variables and statements can be interconnected (Creswell, 1993). In this research, the author is trying to examine the strategy of china to dominate international trading in Eurasia through Belt and Road Initiative and debt trap diplomacy as supporting plan by using the theory of economic geography.

### **1. Heartland Theory**

Heartland theory is a geopolitical theory which examines and analyzes the political and economic success of world's region by geography. This theory was put forward by the father of geopolitics, Sir Halford John Mackinder, a geopolitical scholar from British in the 20th century. According to Halford Mackinder, in his paper to the Royal Geographical Association entitled "The Geographical Pivot of History" in 1904, the core of global influence lies in what is known as the Heartland, a region of the world situated in Eurasia due to its massive size, rich of resources, and high population. (Sawe, 2017)

In this theory, Halford Mackinder stated "Who rules Eastern Europe commands the Heartland. Who rules the Heartland commands the World Island. Who rules the World Island commands the World". (Debora, 2017) In short, this theory stated that anyone who can dominate the "heartland" (Eurasia) had the potential to dominate the world. Even though some historians conjectured that this theory was used by Adolf Hitler as a basis thought for Nazi expansion in Europe during world war II which basically a military expansion. However, the theory is still relevant to answer Chinese policies and the geopolitical benefits of the country. Using qualitative research, classical geopolitical theory is used to study BRI China policy on the development of land trade corridor routes that cross the Eurasian region and maritime trade routes that cross global strategic waters.

In the “The Geographical Pivot of History” Halford Mackinder stated that world’s terrestrial surface was segmented into three basic geographical regions which are the outlying islands, the offshore islands, and the World-island. The outlying islands were made up of the Americas as well as Australia. The offshore island was made of the British Isles and islands of Japan. The World-Island was made up of Europe, Asia, and Africa. World-Island was the largest of the three regions, accounting for two-thirds of the earth’s terrestrial surface and home to about 87.5% of the world’s population. World-Island was also the richest of the three world regions in resources. (Sawe, 2017)

In this case, China is trying to dominate the “Heartland” (Eurasia) economically by using the Belt and Road Initiative. Belt and Road Initiative is trying to connect the three continent, Asia, Europe, and Africa which in the Heartland theory is referred as the World Island, and whoever dominate the world island have the potential to dominate the world. This is what china trying to do. By taking control of Eurasia in the first place, China may eventually dominate world economy and step over U.S.

## **2. The Concept of Economic Geography**

Nursid (1988:54) explains that economic geography is a branch of human geography whose field of study is the spatial structure of economic activity, the focus of study is the spatial aspects of the structure of the human economy which include agriculture, industry, trade, transportation, communication and so forth. Meanwhile, according to Miller (1984) economic geography is a branch of human geography where the field of study is the spatial structure of economic activity. In essence, economic geography is mainly examining about economy activity that is related to the scope of geography. At the heart of the framework is the idea that where economic activity takes place and why it takes place there. In correlating to international relation,

state states choose where they open economic relation and why they do it there (Box, 2000).

Economic geography may help us to understand how state and non-state actor in international relations choose where they conduct or open economic relation and activity. Whether their choices are the good one or not, it is all based on several considerations like how strategic is the place or region where they conduct economic activity, is the place/state they want is worthy to invest on, and what is the implication if they had economic ties in that place (Box, 2000).

In economic geography, there are endogenous and exogenous forces/factor that affects states in choosing place for their economic activity. First, Endogenous forces are the forces that one state cannot possess and have no control of it, and this mostly affect state from making decision of where they need to conduct economic activity. Those forces are natural features of geography such as mountain, river, climate, water source, soil quality etc. Historical features such location of capital city. Institutional features such as membership of an international organization, regulatory framework, and legal system. All those endogenous factors may affect the economic activities such the application of trade barrier and the mobility of good and services. Second, exogenous forces are the opposition of endogenous factors. They are the forces that state may possess and have control of it. Those forces are including tax of a location, agglomeration, and dispersion forces. Agglomeration forces attract activity to a concentrated location and dispersion forces repel activities from particular location. Agglomeration forces are such low transport cost, cheap and massive amount of labor, etc. while dispersion forces are such higher cost of living, higher cost for factor of production, pollution, etc. (Box, 2000).

In correlating to economic geography theory, Belt and Road Initiative is a huge investment program in building

infrastructure that is distributed to all over Eurasia. China is spreading its influence in international trade by distributing their investment to all around Eurasia. Where do China put their investment and building infrastructure is matter, there are many factors and interest that influence China decision in putting their investment on a country, whether it's endogenous or exogenous factors. Whether its economics, geographic or political factors.

### **3. Balance of Power Theory**

There is no exact definition of balance of power as different writer define different meaning of the term. However, the term can be explained in various context. Balance of Power is a theoretical study in International Relations that can be interpreted as an effort to balance the power of a country to prevent the country from becoming the most powerful (dominant) for another country. This theory assumes that "when a dominant nation increases its power more aggressively, other small nation feels threatened and begin to form an alliance or cooperate with large countries to maintain the security of their country from the dominant state".

L. Claude in her journal stated that "*when any state or bloc becomes, or threatens to become, inordinately powerful, other states should recognize this as a threat to their security and respond by taking equivalent measures, individually and jointly, to enhance their power*" (Claude, 1996).

From this statement, it can be said that the Balance of Power is an attempt by a country to balance the power of another country that threatens its security. Threats can come from a country or a block of power consisting of a combination of states. When there are countries that have built power either individually or by building blocks or alliances, this will pose a security threat to other countries. This threatened country will then build strength to maintain the security of its country later. To balance the forces that



make them feel threatened, the threatened state will then build its own strength or join a bloc in order to eliminate the threat or secure itself.

T. V. Paul, in his article Introduction: The Enduring Axioms of Balance of Power Theory and Their Contemporary Relevance says that:

*“The ultimate purpose of any balancing strategy is to reduce or match the capabilities of a powerful state or a threatening actor, the various means that states adopt, besides increasing their military strength or forming alliances”* (T.V, Writz, & Fortmann, 2004).

This theory is intended so that the state cannot impose its will and interfere with the interests of other countries. This balance of power is aimed at creating order in the international structure. In Balance of Power, the state can do the balance of power by increasing the power of its own country and the second is by working together to increase power with other countries (alliances).

Before the balance of power occurs, the state usually experiences a security dilemma or feels threatened its security which results in the state focusing on increasing its military strength so that other countries do not have a gap to disrupt the country. For example, in the cold war, the United States and the Soviet Union balanced their military and nuclear power so that they would think twice about attacking each other because the impact would be very detrimental to their own country. Therefore, the importance of Balance of Power is for the creation of order which is the result of security dilemmas.

#### **D. Hypothesis**

China uses the Belt and Road Initiative as geostrategy to dominate international trading in Eurasia because:

1. China is trying to counterbalance US hegemony in term economic by dominating trade in Eurasia in the first place.

And the way China to dominate Eurasia is:

2. By Utilizing Belt and Road Initiative, through the initiative, China will have control over important trade routes in Eurasia, which eventually will make them dominate international trade in the region.

### **E. Research Methods**

The research methods that will be used in this research is descriptive explanative methodology. The technique is done by doing library research. First, the data of analysis will be gathered through books, journals, articles, news etc. (Secondary data). Second, the collected data will be used to analyze and elaborate the issue. The issue will be analyzed through descriptive explanation in the view Heartland and Balance of power theory, also economic geography concept as the theoretical framework.

### **F. Scope of Research**

The scope of research is limited to Xi Jinping administration since 2013 until now. This research will focus on the Xi Jinping policy by initiating the Belt and Road Initiative in 2013 as the expansion of ancient Silk Road.

### **G. Outline**

This research will have four chapters that will be arranged as follow:

- Chapter I: This chapter contains Background, Research Question, Theoretical Framework, Hypothesis, Research Methodology, and Scope of Reseach that guides the writer to the next chapter.

- Chapter II: In this chapter, author will give a definitive approach to China's Belt and Road Initiative, a comprehensive explanation of the BRI as China geostrategy. Heartland theory and economic geography approach will be comprehensively explained in the discussion.
- Chapter III: This chapter will elaborate the analysis on China-US race for global influence as the background on why China created the initiative at the first place, and the analysis of BRI as China's instrument to counterbalance US global influence.
- Chapter IV: This chapter will elaborate the importance of Eurasia as global political & economic capital in the BRI, and the analysis of the BRI major projects in Eurasia will be included into the discussion.
- Chapter V: This is a conclusion chapter; this chapter will conclude all the material that were written in the previous chapters.