

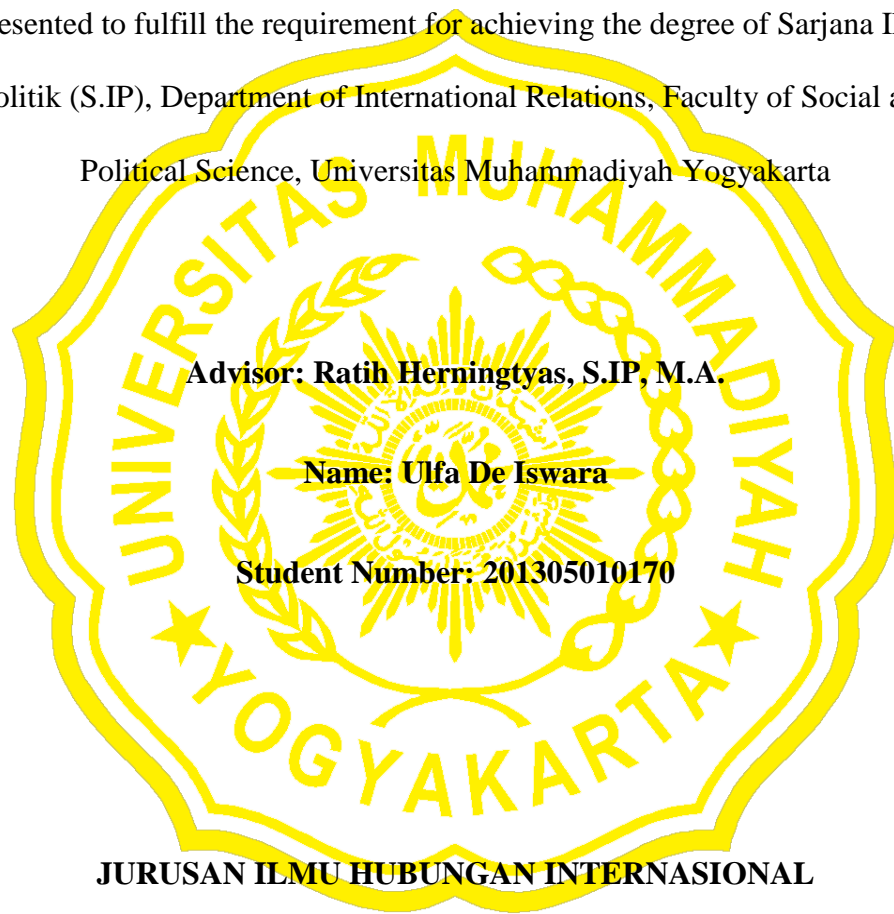
**UNDERGRADUATE THESIS**  
**THE REASON BEHIND CHINA EFFORTS ON RAILWAY PROJECTS IN**  
**SOUTHEAST ASIA**

Presented to fulfill the requirement for achieving the degree of Sarjana Ilmu  
Politik (S.IP), Department of International Relations, Faculty of Social and  
Political Science, Universitas Muhammadiyah Yogyakarta

**Advisor: Ratih Herningtyas, S.IP, M.A.**

**Name: Ulfa De Iswara**

**Student Number: 201305010170**



**JURUSAN ILMU HUBUNGAN INTERNASIONAL**

**FAKULTAS ILMU SOSIAL DAN POLITIK**

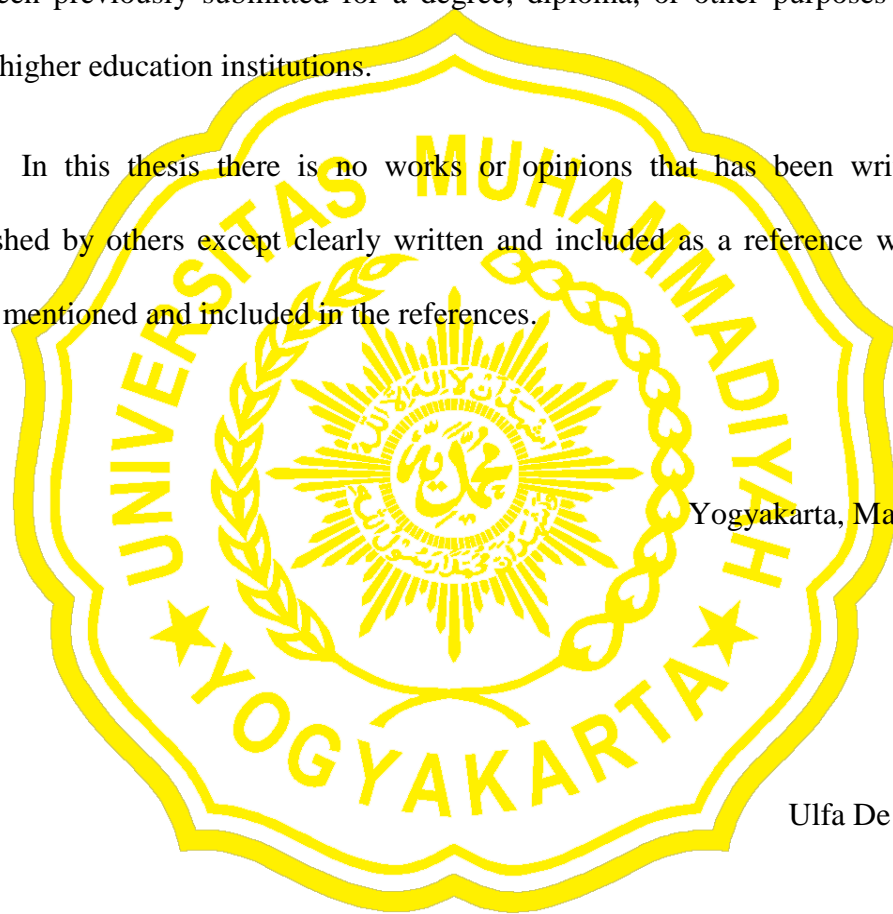
**UNIVERSITAS MUHAMMADIYAH YOGYAKARTA**

**2017**

## STATEMENT OF ORIGINALITY

This is to certify that the work contained in this undergraduate thesis has not been previously submitted for a degree, diploma, or other purposes at any other higher education institutions.

In this thesis there is no works or opinions that has been written or published by others except clearly written and included as a reference with the name mentioned and included in the references.



Yogyakarta, May 2017

Ulfa De Iswara

## ENDORSEMENT PAGE

This Undergraduate Thesis Entitled:

### **THE REASON BEHIND CHINA EFFORTS ON RAILWAY PROJECTS IN SOUTHEAST ASIA**

**ULFA DE ISWARA**

**201305010170**

This undergraduate thesis has been examined and endorsed by the board of examiners from the Department of International Relations, Faculty of Social and Political Science, Universitas Muhammadiyah Yogyakarta on:

Date : Wednesday, May 3, 2017

Time : 08.00 A.M.

Place : Ruang Kaprodi HI

Acknowledged by:

Advisor/Chief Examiner

**Ratih Herningtyas, S.IP, M.A.**

**NIK. 163 070**

Examiner I

Examiner II

**Dr. Nur Azizah, M.Si**

**NIK. 163 004**

**Grace Lestariana W, S.IP, M.Si**

**NIK. 163 028**

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Skripsi ini untuk

Mamaku, Ibu Endang Susilowati,  
Papaku, Bapak Sodik Budi Setiawan (alm),  
dan Adikku, Almira Iswara De Art

## PREFACE

This undergraduate thesis entitled “**The Reason behind China Efforts on Railway Projects in Southeast Asia**” is made as a completion to obtain bachelor degree in the Department of International Program of International Relations, Faculty of Social and Political Sciences, Universitas Muhammadiyah Yogyakarta. This undergraduate thesis will not complete without the contribution of several people. Thus, I would like to thank:

1. Ratih Herningtyas, S.IP, M.A., as my undergraduate thesis supervisor;
2. Pratama Ahdi, S.S, as the language supervisor for this undergraduate thesis;
3. Dr. Nur Azizah, M.Si. and Grace Lestariana W, S.IP, M.Si., as my undergraduate thesis examiners.

Hopefully, with their valuable inputs, constructive suggestions, time, also their contributions academically and practically, this undergraduate thesis is able to develop the academic references for the study of International Relations, especially in Universitas Muhammadiyah Yogyakarta.

Yogyakarta, May 2017

Ulfa De Iswara

## ABSTRACT

Following the vast development of high-speed railway in domestic, China decided to spread its high-speed railway investment, begin its industrial transition as the creator and the technology innovator. China started to approach Southeast Asia countries which is seen to have the potential market which need to develop. This condition also supported by the high demand of Southeast Asia countries that need high-speed rail technology and the existence of Japan's Shinkansen technology in the region. For the result of China's efforts, China was successfully built Indonesia's Jakarta-Bandung high-speed rail project, China-Laos railway projects, and China-Thailand railway projects. The realization of the projects then become a big question, that China which is likely focus on trading and is only a newcomer for railway technology turn to make efforts on the railway project to defeat the experienced Japanese railway technology and Japan strong ties with Southeast Asia countries.

The objective of the thesis is to analyze the reason behind the alteration of China's political behavior which changed from trading to investment. The qualitative methods was applied, that the writer using media and library research such as official webpage, government webpage, newspaper, journal and prior research related to China, Southeast Asia, ASEAN and railway.

The research found that China has considered that the decision of sending railway will bring more advantages for domestic China that it helps the realization of One Belt One Road that have the advantages whether economically or politically.

*Keywords: Railway projects, One Belt One Road, rational actor, Southeast Asia*

## TABLE OF CONTENTS

STATEMENT OF ORIGINALITY .....	iii
ENDORSEMENT PAGE .....	iv
PREFACE .....	vi
ABSTRACT .....	vii
TABLE OF CONTENTS .....	viii
LIST OF TABLES, PICTURES, AND FIGURES .....	x
CHAPTER I: INTRODUCTION .....	1
A. Background .....	1
B. Research Question.....	5
C. Theoretical Framework .....	5
1. Rational Actor Model.....	5
D. Hypothesis.....	9
E. Purposes of Writing .....	9
F. Method of Research .....	10
G. Scope of research .....	10
H. Structure of Thesis .....	10
CHAPTER II: CHINA’S ECONOMIC DEVELOPMENT AND CHINA’S EXPANSION IN SOUTHEAST ASIA .....	12
A. China's Economic Development .....	12
1. The Era of Mao Zedong (1949-1978) .....	14
2. The era of Deng Xiaoping (1978-1996).....	21

3. China Economic Development in Modern Era .....	26
B. Factors that Stimulates China’s Fast Growing Economy in Modern Era ..	29
1. Opening Ways toward Modernity .....	29
2. Bilateral and Regional Free Trade Agreement .....	30
3. Investment on Infrastructure .....	31
C. China’s Economic Expansion in Southeast Asia .....	32
CHAPTER III: CHINA’S RAILWAY DEVELOPMENT AND CHINA’S RAILWAY PROJECTS IN SOUTHEAST ASIA .....	36
A. China’s Railway Development .....	36
1. History of China’s Railway .....	37
2. Entering the Era of High-speed Rail .....	40
3. China’s Railway Projects Overseas .....	42
B. China’s Railway Projects in Southeast Asia .....	44
1. Indonesia .....	46
2. Laos .....	48
3. Thailand .....	49
CHAPTER IV: ONE BELT ONE ROAD AS THE REASON BEHIND CHINA EFFORTS ON RAILWAY PROJECTS IN SOUTHEAST ASIA .....	52
A. The Concept of ‘One Belt One Road’ .....	52
B. Advantages from Economic Perspective and Political Perspective .....	55
1. Economic Perspective .....	56
2. Political Perspective .....	65
CHAPTER V: CONCLUSION .....	69
REFERENCES .....	73



## LIST OF TABLES, PICTURES, AND FIGURES

Table 1. Chinese Real GDP Growth from 1979 to 2014.....	28
Figure 1. Project Profile of Jakarta to Bandung High-speed Rail.....	48
Figure 2. Project Profile of Vientiane to Luang Namtha Railway.....	49
Figure 3. Project Profile of Bangkok to Nong Khai Railway .....	50
Picture 1. The Map of the One Belt One Road Initiative.....	54
Picture 2. The Map of China’s Railway Projects from Kunming to Bangkok.....	61