

CHAPTER V

CONCLUSION

China's economic expansion, or known as the 'going-out strategy' focuses heavily on infrastructure investment and has placed its investment mainly in Southeast Asia which triggered by the amount of infrastructure investment needed by the Southeast Asia region, requiring USD60 billion annually. When entering Southeast Asia, China seems need to do more efforts. In the infrastructure sector, China is not the only investor that coming to Southeast Asia. Moreover, China's relations with Southeast Asia countries are not as close as its rival, Japan. Different with Japan which already entering Southeast Asia infrastructure sector since 1950s, China is considered new to Southeast Asia countries which make China should carefully maintain its strategy in the region.

China chooses to use investment on railway for expanding its economy in Southeast Asia. The flourishing development of railway in domestic China and overseas projects has brought much confidence for China to send its railway, especially in Southeast Asia. China's tendency to use railway that it holds the great economic promise, which it deals with broad consortium, involving many companies in various fields, able to keep its construction industries to be active and change the habit to not rely on manufacture exports. The railway can give long-term advantages for both China and recipient country which is short period of time of travel (compared with other land transportations) which can increase

the mobility of labor. Other than that, The high-demand of railway technology was evidenced by ASEAN member countries, which seven out of ten members has been showing desires to have its own high-speed rail within the country.

China's efforts to realize railway projects in Southeast Asia are coming to be successful. The projects in Indonesia, Laos, and Thailand are the evidence of China's effort to realize its mission sending railway overseas. From the projects, China has been through many negotiations and has showing effort and willingness by giving high tolerance in risk and offer to guarantee major share of the project cost. Even in Southeast Asia, China has showing its courage to enter Southeast Asia region which requires China to deal with Japan's railway technology

Besides the obstacle that may received by China in sending its railway overseas, as the rational actor China has considered that this decision will bring more advantages for domestic China. By railway project, the realization of One Belt One Road will be successful and bringing more advantages to China. The advantages can be seen from economic perspective and political perspective. From economic perspective; the One Belt One Road initiative can trigger China's economy to keep active. The railway projects conducted in Southeast Asia is involving many company in construction industries sector. Southeast Asia can become new market for the company to sell its product. The impact of railway projects has increased the activity of construction industries that influence the growth of real GDP. Another advantage from the realization of One Belt One Road is that it is create a new trade route that linking China to Southeast Asia countries. It was realized by the route from Kunming to Vientiane and Bangkok as

those are big cities that can become potential market for China. From political perspective, China wants to use the One Belt One Road as a diplomatic tool to spread influence and attract Southeast Asia countries to be in line with China's political objectives in the region, especially towards the South China Sea disputes.

The topic of the thesis is related to foreign policy making process studied using China's foreign policy. The thesis is giving an example of a country behavior as a rational actor that tends to choose the best alternative which suitable most to the country's interest and giving many advantages compared to other alternative. China as a rational actor has intelligently chooses to conduct many railway projects in Southeast Asia and considered it as the best alternative to choose.

Every country is a rational actor who seeks the best decision for himself, including China. Through the thesis, the writer attempted to analyze the reason behind China's efforts to on railway projects in Southeast Asia. The hypothesis of the writer has been proven, that China's efforts on railway projects have so many advantages whether economically or politically.

Finally, the writer hopes that this thesis will give clear understanding about state behavior that tends to seek for advantages to fulfill the interest. One belt One Road is an economic program which also have impact on politic. Because the railway projects are considered as recent issue, the political impact on other countries other than Laos is not discovered yet. In the future, with the more expansion of railway projects under One Belt One Road initiative, there will be

more political impact that of course will advantages China and will escort China to be the new rising power.