## **CHAPTER III**

## THE GROWING IMPORTANCE OF CHINA IN ASIA-PACIFIC AND THE SHIFTING REGIONAL ORDER AMIDST THE RISE OF CHINA

"When China awake, the world will shake" - Napoleon Bonaparte

As predicted by scholars and policy makers post-Cold War, eventually the highlight of huge economic and political development will encounter an alteration from West to East, from the fading ideological confrontation post the collapse of Soviet Union that give rise to the new conflicts based on tradition, ethnic, religious, territorial and geostrategic dilemmas around globe. While there is much debate on how the nature of the twenty-first-century international affairs will be shaped, we realized that nowadays, the attention of policy makers and most of the international community has moved toward the Asia-Pacific region. As for the military sector of China to rise up then, it is important for us to see the process of how the growing importance of China in the Asia-Pacific region is driven by the active engagement of the state of economic sectors so as to establish the position and power of China today.

Asia-Pacific is an immense region, as defined by the scope of ECO ASIA Project, the region is of vast proportions, stretching northward to Mongolia, southward to New Zealand, eastward to the island states of Oceania, and westward to Pakistan.<sup>2</sup> Approximately it covering some 2.8 billion hectares of

<sup>&</sup>lt;sup>1</sup> Jae Ho Chung, 'The Rise of China and East Asia: A New Regional Order on the Horizon?' (2016) 1 Chinese Political Science Review, p. 47.

<sup>&</sup>lt;sup>2</sup>ECO-Asia, 'A Long-Term Perspective On Environment and Development In The Asia-Pacific Region' (*ECO Asia*, 2016) <a href="https://www.env.go.jp/en/earth/ecoasia/workshop/bluebook/chapter1-1.html">https://www.env.go.jp/en/earth/ecoasia/workshop/bluebook/chapter1-1.html</a> accessed 22 December 2016.

land that encompasses an enormous variation of climate and topography, from tropical to arctic, and from the Himalayas to coral reefs,<sup>3</sup> not only the region presents the gigantic physical expense, the region is also wondrous with its ethnic and cultural diversity as well as the history of dynamic economic and political development. Consider the extensive and complex coverage Asia-Pacific regionthis paper will focus only on several of the country associated with territorial disputes in the South China Sea and East China Sea.

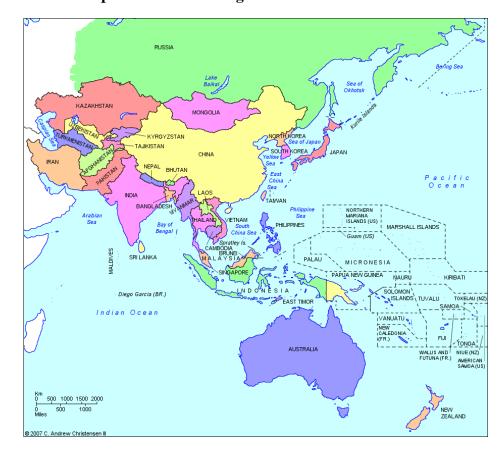


Figure 3.1 The Map of Asia-Pacific Region

Source: C. Andrew Christensen III 2007.

Hosting more than half the world's population and a growing middle class, Asia-Pacific generates half of both global economic output and global trade

 $<sup>^3</sup>$ *ibid*.

through various regional cooperation,<sup>4</sup> No region may hold more potential growth and development achievement than what was shown by the Asia-Pacific region constantly. Potential growth has soared in the region in which the region under the primary regional forums Asia-Pacific Economic Cooperation (APEC) has doubled up the region's GDP from just USD 16 trillion in 1989 to USD 20 trillion in 2015, while the average tariffs fell from 17 percent in 1989 to 5.2 percent in 2012 and the trade increased over seven times, outpacing the rest of the world with two-thirds of this trade occurring between member economies.<sup>5</sup>In addition to, the residents of Asia-Pacific witness an increase in their per capita income by 74 percent and just over two decades, the region succeed in lifting millions out of poverty and creating a growing middle class.<sup>6</sup>

Basically, developments occurred almost throughout Asia-Pacific and from time to time, states in the region emerged as a new force that dominates the regional order. There are numerous interpretations regarding the distribution of power in Asia-Pacific. Post-war period, the region-wide cooperation has been promoted by two overlapping groups, the core states of the United States and Japan and the group comprising business, people, and academics – while the first regional cooperation proposal initiated in the 1960s advanced as a Pacific Free Trade Area concept. By mid-1980s Japan emerged as a new force in Asia-Pacific regional affairs with a remarkable growth in economic, education, government

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<sup>&</sup>lt;sup>4</sup> Rose Gottemoeller, 'The Role of the United States In Asia-Pacific Security' (*U.S. Department of State*, 2015), available at <a href="http://www.state.gov/t/us/2015/239922.htm">http://www.state.gov/t/us/2015/239922.htm</a> accessed 15 November 2016.

<sup>&</sup>lt;sup>5</sup> APEC, 'Asia-Pacific Economic Cooperation' (*APEC*, 2016), available at <a href="http://www.apec.org/About-Us/About-APEC/Achievements%20and%20Benefits.aspx">http://www.apec.org/About-Us/About-APEC/Achievements%20and%20Benefits.aspx</a> accessed 7 November 2016.

 <sup>&</sup>lt;sup>6</sup> *ibid*.
<sup>7</sup> Mark T Berger, 'APEC and Its Enemies: The Failure of the New Regionalism In The Asia-Pacific' (1999) 20 Third World Quarterly, cited in Dennis Rumley, 'Geopolitical Change And The Asia-Pacific: The Future Of New Regionalism' (1999) 4 Geopolitics, p. 13.

system and the social welfare. Japan has also managed to dominate East Asia through the advancement of investment, aid, and trade, at least exceeds the United States whose also have a role and considerable influence in the Asia-Pacific region after the end of the Second World War. Apart from Japan, one country who also contributes to power distribution and the obscurity picture of the region's future is China. China with such rapid economic development followed by military build-up, in the future will be constantly in control of regional affairs, put the role and influence of foreign parties such as the United States comes second in the distribution of power within the Asia-Pacific.

Indeed, the foundation of the contemporary regional order has undergone a massive shift. While there is a change between actors in the region, there is also change in power distribution marked by growing geopolitical and economic complexity. The next sub-chapters present an overview of the regional order prior to and post the rise of China in relation to the waning influence and role of the United States in the Asia-Pacific in the context of alliance-based cooperation and security cooperation.

## 3.1. Alliances and Partnership: The United States Commitment in Asia-Pacific

Almost until the late of the twentieth century, the regional order is characterized by the dominance of the United States in the form of alliances and partnerships on a large scale. The role of the United States in the region has existed long before the World War II. After the end of Cold War, along with the United States victory in the war and the collapsed of the Soviet Union, the United States becomes the center of world's hegemony. Not only the victory of United

States has affected the global order in term of economic, political and social culture, the regional affairs have also been affected by it and one of the most is the Asia-Pacific. One rationale behind this occurrence is that Asia-Pacific as a region consists of most developing countries, which has a great potential in the geopolitics and geo-economy advantages, while the United States is seeking for a more advantaging form of cooperation and political relations.

The region generates 30 percent of global exports and its two-way trade with the United States exceeds \$1 trillion annually. It holds two-thirds of global foreign exchange reserves.<sup>8</sup>

There is indeed, an increasing importance of Asia-Pacific in the global politics as well as for the United States. In order to maintain its position as the world hegemony, the United States must be able to conquer the region under its influence and control, which then in the phenomenon of contemporary Asia-Pacific regional affairs was reflected in the emergence of alliance-based cooperation between the United States and the countries of Asia-Pacific in significant quantities with varying focus. In the sense of that, United States become the major trading partner, great investor, major supplier of technology and capitals well as capital lender for Asia-Pacific's countries.

One could argue, the presence of United States in Asia-Pacific is one of the political manoeuvres. Asia-Pacific is a region with enormous economic development- the region is also known to embrace the market-oriented economic system and advanced technology which is capable of supporting the United States involvement globally. Asia-Pacific is estimated to generate production about 1/4 of the global exports, and to dominate 2/3 of the world's foreign-exchange reserves the total of \$6 trillion, therefore, it has been immensely predicted - even

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<sup>&</sup>lt;sup>8</sup> Ralph A. Cossa and others, 'The United States and The Asia-Pacific Region: Security Strategy for The Obama Administration' (Centre for A New American Security 2009), p. 3.

in the future the world fall in such financial crisis, the average economic growth in Asia in the last decade could reach two digits. As expected, the United States potency and the region massive development formed a good interdependency that will make some benefit for the parties involved in the cooperation. In a region experiencing development, a security agreement is very vital for the Asia-Pacific to avoid unnecessary fluctuation that may emerge between countries that also undergoing similar building process. While maintaining security in Asia-Pacific is part of the United States' strategy to promote the stability and balance of power, as well as to prevent the region being dominated by any hegemony. The strategy objectives also include the freedom of navigation and protection of sea lanes, trade and investment interests, support of treaty allies and friends, promotion of democracy, rule of law, human rights, and religious freedom.

Asia-Pacific has for decades attracted international attention on the explosion of humanitarian issues and human rights violations, yet this is not the reason why this region was stricken by the turmoil on stability. Apart from any humanitarian issues, the competition and growing rivalry among states, followed by the history of internal conflict is the factor of the overheating political situation in the region. The excessive military build-up, maritime disputes, economic rivalry, environmental problems and inequality within the region is part of the attempts to precede others and in fact, it all poses threat to the dynamism and economic vitality of the region. <sup>12</sup>Under the circumstances, the United States has

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<sup>&</sup>lt;sup>9</sup> Willy F. Sumakul, 'China Dan Amerika Serikat Di Asia Pasifik: Not A Zero Sum Game? (Bagian 2)' (2012) 5 Quarterdeck, pp. 10-13.

<sup>&</sup>lt;sup>10</sup> Bruce Vaughn and Wayne M. Morrison, 'China-Southeast Asia Relations: Trends, Issues, and Implications for The United States' (CRS 2006)

<sup>&</sup>lt;a href="http://fpc.state.gov/documents/organization/65772.pdf">http://fpc.state.gov/documents/organization/65772.pdf</a> accessed 15 November 2016, p. 4.

<sup>11</sup> ibid.

<sup>&</sup>lt;sup>12</sup> Gottemoeller, 'The Role of the United States in Asia-Pacific Security' (footnote: 71).

become an integral part of the region. The country has been the superlative in Pacific region since World War II and as a state of world hegemony at the time, and has the commitment to regional peace and security. For example, since the fall of Singapore and Japan after the World War II Australia has been a loyal partner to the United States and has long been dependent on the states' military primacy in the Western Pacific to guarantee its security, <sup>13</sup>the presence of United States' bases in Australia is now considered as part of the United States 'pivot' in Asia, which earlier was interrupted by pivots back to Europe and the Persian Gulf.<sup>14</sup> The American thinkers also notice the importance of the United States naval in counterbalancing the ongoing disputes of the South China Sea and East China Sea. 15 The manifestation of United States intention to fulfil and support the sustained progress of its long commitment to the region lies at the heart of the United states' policy, by calling up the whole elements of diplomatic, military, economic cooperation, including the national values, in a way that it will be the great strategies to maintain the United States' position to shape and deter. One may argue, such commitment facilitates the states to embed their political strategy in the region, as well as having a great influence in it, hence, if conflict erupted, the United States will ultimately have the position and power to involve in the conflict.

Therefore, the positive commitment of the United States in Asia-Pacific is mostly manifested in the form of bilateral alliances in certain sectors. Considering the potential and position of Japan in the regional order, the United States-Japan

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<sup>&</sup>lt;sup>13</sup> Michael G. Roskin, 'Balancing Rivalry and Perspectives in The Asia Pacific | East Asia Forum' (*East Asia Forum*, 2015), available at <a href="http://www.eastasiaforum.org/2015/02/21/balancing-rivalry-and-perspectives-in-the-asia-pacific/">http://www.eastasiaforum.org/2015/02/21/balancing-rivalry-and-perspectives-in-the-asia-pacific/</a> accessed 1 December 2016.

<sup>&</sup>lt;sup>14</sup> *ibid*.

 $<sup>^{15}</sup>$  ibid.

relationship could be one of the vital forms of alliances in the region, favourable to the United States in retaining its position as the only balance of power and security guarantor in the Asia-Pacific's regional affairs. The United States-Japan relationship is also a cornerstone for the United States' security interest, manifested in the Security Treaty between both states in 1951, which in 2015 was strengthened in the form of the revised United States-Japan Defence Guidelines that provide for new and expanded forms of security-oriented cooperation. Other forms of cooperation with Japan also penetrated sectors of the economy, science, and technology. Through the auspices of the United States-Japan Science and Technology Agreement, both countries have been engaged in such collaboration for over 25 years, focusing on the research area including new energy technologies, critical materials, and supercomputing. In economic sector, the United States and Japan corporate in number if international economic agenda, one of them manifested in the Trans-Pacific Partnership (TPP);

In October 2015, the United States, Japan, and 11 other Asia-Pacific countries concluded the Trans-Pacific Partnership (TPP). The results of parallel discussions between the United States and Japan focused on trade in automobiles and auto parts, insurance, market access for agricultural goods, and other issues were integrated into the TPP agreement.<sup>18</sup>

The TPP was joined gradually by 12 of the Pacific rim's countries, such as Japan, Malaysia, Vietnam, Singapore, Brunei, Australia, New Zealand, Canada, Mexico, Chile, Peru, lead by the United States and not including China.<sup>19</sup> It is a comprehensive cooperation and a high-standard regional trade agreement that allow the participating members states to improve and promote economic growth;

<sup>&</sup>lt;sup>16</sup> Bureau of East Asian and Pacific Affairs, 'U.S. Relations with Japan' (*U.S. Department of State*, 2016), available at <a href="http://www.state.gov/r/pa/ei/bgn/4142.htm">http://www.state.gov/r/pa/ei/bgn/4142.htm</a> accessed 1 December 2016.

<sup>&</sup>lt;sup>17</sup> *ibid*.

<sup>18</sup> ibid.

<sup>&</sup>lt;sup>19</sup> Shintaro Hamanaka, 'Trans-Pacific Partnership Versus Comprehensive Economic Partnership: Control of Membership and Agenda Setting' [2014] Asian Development Bank

support the creation and retention of jobs; enhance innovation, productivity, and competitiveness; raise living standard; reduce poverty in the state; enhanced labour and environmental protection; and establish a more competent and disciplined cooperation in a world that is occupied by the World Trade Organization (WTO).<sup>20</sup> Eminently, this partnership is a strategy of the United States to assert its position in the Asia-Pacific and later on the future rules of global economy. Without the inclusion of China in the agreement; the United States has every opportunity to dominate the political and economic affairs under the framework TPP. The TPP aims to knit the United States and Asia closer together and reduce their dependence on Chinese trade. Besides, this initiative is also implicitly seen as the counterweight to China's effort, not only to establish a new Western-free regional economic system, but other areas including to expand its influence in the disputed South China Sea and East China Sea.

Nonetheless, it is too quick to conclude that Chinese power both at regional and global levels is drowned. China, in fact, stands out as the major lenders in the region. According to the policy group from the Inter-American Dialogue (2015);

"The China Development Bank and the Export-Import Bank of China now provide more loans to the region than the World Bank and the Asia Development Bank combined."<sup>21</sup>

According to Eswar S. Prasad (2015), the former head of the China division at the International Monetary Fund, the TPP may not, at once, ascertain the setting of regional Asia-Pacific. He argues that it does at least temporarily halt the

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<sup>&</sup>lt;sup>20</sup> Office of the United States Trade Representatives, 'Summary of the Trans-Pacific Partnership Agreement' (2015). Available at<a href="http://ustr.gov/about-us/policy-offices/press-office/press-release/2015/october/summary-trans-pacific-partnership">http://ustr.gov/about-us/policy-offices/press-office/press-release/2015/october/summary-trans-pacific-partnership</a>>accessed 10 November 2016

<sup>&</sup>lt;sup>21</sup> Jane Perlez, 'U.S. Allies See Trans-Pacific Partnership As A Check On China' (The New York Times Company, 2015), available at <<u>http://www.nytimes.com/2015/10/07/world/asia/trans-pacific-partnership-china-australia.html?\_r=0</u>> accessed 15 November 2016.

seemingly inexorable waning of United States influence and the corresponding rise of China in the Asian region.<sup>22</sup>However, the Asian policymakers perceives that the United States as the leader of this potential regional cooperation has failed in fulfilling the initial purpose of TPP —to ensure the more open market and expanded trade to Asia-Pacific, while another failure is that the trade initiative cover provisions that will be crucial for the next wave of integration, but are too difficult for the developing countries to satisfy.<sup>2324</sup>

Apart from Japan, the United States also deliberate the form of bilateral agreement with Korea, South Pacific and special relationship with Southeast Asian countries in several particular issues such as nuclear commitment, stability and good governance, combating insurgencies, maritime security, drug and human trafficking; to maintain a long-lasting positive relations and partnership with potential alliances in the region.<sup>25</sup>Therefore, in the process of corroborating the form of alliance-based cooperation in Asia-Pacific, inevitably, the emergence of new power within the region has challenged the long-standing engagement of the United States. Since the initiation of economic reform in 1978, China has experienced a miraculous development in both economy and social development, wherein the economy and diplomatic influence, fuelled by this growth, has also grown accordingly.<sup>26</sup> Some commentary recognizes that China increasingly shows

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<sup>&</sup>lt;sup>22</sup> ibid.

<sup>&</sup>lt;sup>23</sup> Ian F. Fergusson, Mark A. McMinimy and Brock R. Williams, 'The Trans-Pacific Partnership (TPP): In Brief' (Congressional Research Service 2016), p. 3.

<sup>&</sup>lt;sup>24</sup> Zhao Hong, 'China's Evolving Views On The TPP and The RCEP' (Institute of Southeast Asian Studies 2014) available

at<a href="https://www.iseas.edu.sg/images/pdf/ISEAS\_Perspective\_2014\_28.pdf">https://www.iseas.edu.sg/images/pdf/ISEAS\_Perspective\_2014\_28.pdf</a> accessed 3 December 2016, p. 6.

<sup>&</sup>lt;sup>25</sup> *ibid.*, p. 5.

<sup>&</sup>lt;sup>26</sup> The Centre for Defense and Strategic Studies, 'The United States' Asia-Pacific Policy and The Rise of the Dragon' (Commonwealth of Australia 2015), p. 3, available at

an assertive behaviour in response to United States' rebalances. China's ability to influence politics in the region suggested that China's response may indicate a considered shift in foreign policy, signalling that China is no longer content with the idea of United States rebalance, domination and vigorous deployment of norms and rules in Asia-Pacific.<sup>27</sup> Nevertheless, this is not going to be an easy task for China. Since the beginning, the United States engagement in the region was approved as a positive engagement with a commitment to counterbalancing the growing forces within Asia-Pacific. For China to displace the United States would be very unlikely straightaway. Here we argue, only the status quo between the United States and China, the dominance of the United States can be narrowed.

Although maintenance of the status quo between China and the United States is a positive relatively low-risk outcome for Australia and the broader region, there is a significant section of the international academic community that assesses this to be unlikely in the longer term. China emergence as a global power...competing claims in the South China Sea (and the East China Sea) and the importance of growing economic influence in the region are all seen as issues that will drive China to contest the United States primacy in the Indo-Pacific region.<sup>28</sup>

Here, in the more and more active region, the competitive environment for states in both economic and political sector was intensified time after time, while the forms of leadership and power in every different cooperation, depend highly on who has the interest will and capabilities with regard to the appropriate levels of power, to take action. Under the sole domination of the United States in driving the direction of politics in the Asia-Pacific region, at least a few level of competitive nature can be minimized, since the United States in this regard is

<a href="http://www.defence.gov.au/adc/publications/indopac/r23177605-1.pdf">http://www.defence.gov.au/adc/publications/indopac/r23177605-1.pdf</a> accessed 5 December

<sup>&</sup>lt;sup>27</sup> Justyna Szczudlik-Tata, 'China's Response to the United States' Asia-Pacific Strategy', Policy Paper No. 41, *Polish Institute of International Affairs* [website], 2012, pp. 4-5, cited in The Centre for Defense and Strategic Studies, p. 3

<sup>&</sup>lt;sup>28</sup> *ibid.*, p. 4.

trying to create the state of interdependence, which encourages mutual cooperation between the Asia-Pacific's countries. From that point, the greater probability of regional instability can be avoided, like how in the future the regional concerns could be addressed effective and outstandingly, while still enabling them to promote and protect their particular national interests.

## 3.2. China's Offensive Military Development and The Changing Regional Order

For decades, the United States hegemony has played a significant role in the regional affairs of Asia-Pacific, vice-versa, the region has also been a great influence on the making of the United States foreign policy. However, in the early twentieth century, we begin to see the waning influence of the United States as the most influential in the region, along with the rise of new forces in the region. The Asian century, a notion that depicts the massive growth momentum by Asian countries and the possibility of a balance of power —Japan, China, and India are the actors behind this phenomenon. From Japan and India strategic partnership, the United States pivot to Asia, to the more assertive China's military conduct in regional maritime, one could argue a major global and regional geopolitical shift are taking place in the contemporary world.

One of the most stands out one could observe the phenomenon in Asia-Pacific is China's rise into a world's second largest economy and a military-industrial powerhouse. From an economic standpoint, the establishment of TPP competitor illustrated how big the regional order leads toward an alteration. The establishment of the Regional Comprehensive Economic Partnership (RCEP) as Asia's own mega-regional trade deal— one that exclude the United States and rules

and standards are slightly different from the TPP, is an alternative free trade agreement in the region, evidence of Chinese persistence in the region. First mooted at 2011 ASEAN leader summit in Bali and further launched in 2012, this FTA's initiative consist of ten member states of the Association of Southeast Asian Nation (ASEAN) added by six states with which ASEAN has existing FTAs, includes the New Zealand, China, India, Japan, Australia, and South Korea. The RCEP's vision is to be the modern, high quality, comprehensive and mutually beneficial economic partnership - while the key purposes is to reconcile two long-standing proposals, the East Asian Free Trade Agreement and the Comprehensive Economic Partnership, into a large region-wide trade agreement that also helps to regionalise the sophisticated global production network to boost Asia's factory. <sup>2930</sup>

Notably, after being excluded from the ambitious TPP, its involvement in the RCEP is the key element and one strategy to anticipate the movement of the TPP and the United States as a force in the partnership.

Sino-American competitions are being increasingly structured between the US-led Trans-Pacific Partnership (TPP) and China-centred FTA networks (i.e., RCEP) and Free Trade Area of the Asia-Pacific (FTA-AP). These competing for regional economic networks are partly exclusive in that the former leaves China out and the latter presuppose the absence of the US. While the possibility of fusion of some sort between the two cannot be totally precluded, as it stands now, the securitization of economic cooperation appears more likely.<sup>31</sup>

Along with the TPP, the RCEP is most likely being a possible pathway to a free trade of the Asia-Pacific. Both the trade agreement are potentially mutually-

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<sup>&</sup>lt;sup>29</sup> Ganesha Wignarajan, 'Why The RCEP Matters For Asia And The World | East Asia Forum' (*East Asia Forum*, 2013) <a href="http://www.eastasiaforum.org/2013/05/15/why-the-rcep-matters-for-asia-and-the-world/">http://www.eastasiaforum.org/2013/05/15/why-the-rcep-matters-for-asia-and-the-world/</a> accessed 1 December 2016.

<sup>&</sup>lt;sup>30</sup> Ministry of Trade and Industry Singapore, 'Factsheet: What You Need to Know About Regional Comprehensive Economic Partnership (RCEP)' (*Ministry of Trade and Industry Singapore*, 2016), available at <a href="https://www.mti.gov.sg/MTIInsights/SiteAssets/Pages/FACTSHEET-WHAT-YOU-NEED-TO-KNOW-ABOUT/Factsheet%20on%20RCEP%20(June%202014).pdf">https://www.mti.gov.sg/MTIInsights/SiteAssets/Pages/FACTSHEET-WHAT-YOU-NEED-TO-KNOW-ABOUT/Factsheet%20on%20RCEP%20(June%202014).pdf</a> accessed 1 December 2016.

<sup>&</sup>lt;sup>31</sup> Chung, 'The Rise of China and East Asia,' p. 53 (footnote 68).

reinforcing parallel tracks for regional integration, it will involve complex negotiations as it includes multiple parties and sector in the process.<sup>32</sup> The RCEP in fact, within the process, could account for nearly 27 percent of global GDP.<sup>33</sup>Apart from the big picture of Asia-Pacific, the establishment of the RCEP is aims to enhance integrity in trade and partnership, production network in East Asia, hence the idea to build the RCEP is also a major step to support and rebuild the region economic sector amidst the fall down.

For China, the motives are both economic and strategic. To engage and heavily contribute in the RCEP, not only the nation aims to promote a more integrated East Asian market to rebalance its economic and trade structures, China also purposes for a greater cooperation with ASEAN countries.<sup>34</sup> Through the cooperation, China expected to gain trust from the neighbours' countries in both trade and investment. China has also the opportunities to change the Asia-Pacific framework that dominated by the United States and create deeper regional integration, as the RCEP would serve as a medium and new stage for Asia Pacific where it is possible for the region to play its own role and make cooperation East Asian in the new level.<sup>35</sup>

Furthermore, the intensifying competition also visible from the military sector, ever since the economic miracle encouraged the modernization of the PLA, indeed, China's defense sector is one to consider its movement in the regional and global stage. The conventional form of China's armed forces makes up as the largest in the world with the corresponding size in air and leading missile power.

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<sup>&</sup>lt;sup>32</sup> Ministry of Trade and Industry Singapore, loc. cit.

<sup>&</sup>lt;sup>33</sup> Andy Morimoto, 'Should America Fear China's Alternative to the TPP?' (*The Diplomat*, 2016) available at <a href="http://thediplomat.com/2016/03/should-america-fear-chinas-alternative-to-the-tpp/">http://thediplomat.com/2016/03/should-america-fear-chinas-alternative-to-the-tpp/</a> accessed 5 December 2016.

<sup>&</sup>lt;sup>34</sup> Hong, 'China's Evolving Views On The TPP,' p. 6 (footnote 81).

<sup>35</sup> ibid.

In 2015, the long-term and comprehensive modernization of the armed forces entered a new phase. China unveiled a strategy organizational restructure to overhaul the entire military structure aims to strengthen the Chinese Communist Party (CCP) control over the military, to improve the PLA's ability in many aspects includes the ability to conduct high-intensity regional conflicts at greater distances from China mainland.36This agenda aims not only to improve the internal state of the PLA but also a preparation for China to expand engagement with foreign militaries to enhance its presence and influence abroad, bolster China's international and regional persona, and assuage other countries' concern about its military commotion.<sup>37</sup> This regard, the PLA recorded, during 2015 has conducted at least nine bilateral and multilateral exercises with foreign militaries, such as Malaysia, Singapore, Thailand, Russia, Pakistan, India and Mongolia – which most of them focused on contemporary issue of border security, counterterrorism, peacekeeping operations, included also conventional air, maritime and ground warfare training.<sup>38</sup>With an increase in complexity and the scope of China's military partnership, it provides an idea that China is poised to overtake the United States as the spearhead of cooperation in the region Asia-Pacific, from that points also can be an effective defense for China against any possibility of upcoming effort to invade and seize China' territory or further enable China to conduct offensive diplomatic activity against Asian countries.

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<sup>&</sup>lt;sup>36</sup>Department of Defense of the United States of America, 'Annual Report to Congress: Military And Security Developments Involving The People's Republic Of China' (Department of Defense of the United States of America 2016) available at

https://www.defense.gov/Portals/1/Documents/pubs/2016%20China%20Military%20Power%20Report.pdf, p. i

<sup>&</sup>lt;sup>37</sup>*ibid.*, pp. 11-12.

<sup>&</sup>lt;sup>38</sup>*ibid.*, pp. 11-12.

Moreover, China assertive military build up is leaven on the increased intensity of the regional military activity in outline. According to IHS Jane's, as China's defense's budget is increasing following the grand plan of the recent PLA reform,

the defense spending in the Asia-Pacific region will climb 23 percent to \$533 billion annually by 2020. That will put it on par with North America, which is expected to account for a third of global defense spending by then, from almost half now.<sup>39</sup>

As it suggested, the event could have occurred as part of the momentum in the Asian Century, or as a form of security dilemma that emerged following the Chinese rising power. Moreover, the fact that China is still stumbled over some disputes with its neighbouring countries over territorial and border claims in the South China Sea and the East China Sea, further clarify the direction of military conduct that carried by China. It does not necessarily turn China with all the negative imputation. However, in 2015 China accelerated land reclamation and infrastructure construction at it outpost in the Spratly Island completed with the establishment of harbours, communications and surveillance systems, logistic facilities and three airfields —although not necessarily provide China the territorial and maritime rights within the South China Sea, the reclaimed features could provide China an additional military capability to enhance its presence in the South China Sea. <sup>40</sup>Thus proving that China does have the desire to use such military capability for political purposes in Asia-Pacific, over time, the world increasingly recognizes that the nature of China's development aims more than

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<sup>&</sup>lt;sup>39</sup>More Tweed, 'How Asia's Military Spending Growth Is Outpacing The World' (*Bloomberg.com*, 2016) <a href="https://www.bloomberg.com/news/articles/2016-05-31/asia-military-spending-rises-in-china-s-shadow-spurring-deals">https://www.bloomberg.com/news/articles/2016-05-31/asia-military-spending-rises-in-china-s-shadow-spurring-deals</a> accessed 20 December 2016.

<sup>&</sup>lt;sup>40</sup>Department of Defense of the United States of America, 'Annual Report to Congress,' p. 7.

defensive conduct. One that could serve as an example is how Chinese missile forces have changed strikingly in character.

from a nuclear deterrent force based primarily on intermediate and medium-range missile to a force of intercontinental and medium-range nuclear forces combined with a power conventional missile arm capable of conducting precision attacks at medium range.<sup>41</sup>

Furthermore, in 2015 the PLA Rocket Forces (PLARF) modernize classes and a new variant of offensive missiles, various satellite and counter-space capabilities that allow the PLARF to deter any regional opposition at intercontinental ranges and predictably holding at risk opposition forces within 1.500 km of China. China later continued to develop long-range bombers, which according to China analyst as capable of performing strategic deterrence. From this point, clearly, China might as well n the future to build a nuclear bomber capability for its growing military sophisticating accomplishment even to the point of building a "triad" of nuclear delivery systems capable of reaching land, sea and air, a consideration which can improve survivability and strategic deterrence.

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<sup>&</sup>lt;sup>41</sup>Anthony H. Cordesman, 'The PLA Rocket Forces: Evolving beyond the Second Artillery Corps (SAC) and Nuclear Dimension,' *Working Draft* (Centre for Strategic and International Studies 2016), p. 3.

<sup>&</sup>lt;sup>42</sup> Anthony H. Cordesman, Joseph Kendall and Steven Colley, 'China's Nuclear Forces and Weapons of Mass Destruction' *Working Draft* (Centre for Strategic and International Studies 2016).



Figure 3.2 The PLARF Missile Range

Source: Department of Defense, United States of America – Annual Report to Congress 2016.