

Rethinking Explanations of Security Policies: The Case of China

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SIGNATURES

ABSTRACT

What factors determine a country's security policies? The realist camp proposes the Hegemonic Stability Theory, the Power Transition Theory, and the Rogue State Doctrine to claim rival states as determinants of security policies. Liberal internationalism, meanwhile, postulates partnership and cooperation as determinants of security policies. Moving beyond this general insight, I posit a more comprehensive framework, which correlates better with the modern notion of security. My framework recognizes both the self-reliance and strategic cooperation facets of security, while acknowledging the current global trend for economic advancements through international trading systems. Hence, my framework combines a country's economic preponderance with strategic partnerships to serve as determinants of security policies. Examining the cases of China-Indonesia and China-Iran relations, I conduct process tracing and path dependency methodologies within longitudinal analyses of both cases, before applying the convergence theory to test my hypothesis. I analyze how China's economic preponderance incentivizes the formation of strategic partnerships, before eventually determining security policies. Using the two cases, my framework also incorporates partnerships with different typologies of nation's power status. Given that China is not the only country currently enjoying exponential economic growths, this thesis has broader implications for both China's rise and other economically preponderant countries post-globalization.

Keywords: Security Policies, China's Rise, Economic Preponderance, Strategic Partnerships, Post-Globalization

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CHAPTER ONE INTRODUCTION

What factors determine a country's security policies? Countries formulate security policies based on what they perceive as threats, and as those threats change over time, the underlying tenets and strategies for national security also continue to change.¹ At the same time, the repercussions and impacts of those security policies are highly pertinent towards the lives of the global citizens. Thus, it comes as no surprise that understanding the determinant factors of security policies and the effects they may entail holds great significance, both in the theoretical and practical sense.

Since 1955, a decade after World War II ended, "internationalism" has dominated American security and foreign policies in order to address the future threat of another global-scale conflict.² The concept then evolved during the Cold War era, as new threats of ideological conflicts between capitalism and communism emerged.³ This yields new policies of "containment"⁴ and "deterrence"⁵ that led to the formations of the North Atlantic Treaty Organizations (NATO) and the Warsaw

¹ David A. Baldwin, ed., *Neorealism and Neoidealism: The Contemporary Debate* (New York: Columbia

² Baldwin, ed.; Joseph S. Nye Jr., *The Paradox of American Power* (New York: Oxford University Press, 2002). Internationalism is defined as involvement in events and issues beyond one's borders to safeguard national interests and security.

³ *Ibid.*

⁴ John Lewis Gaddis, *Strategies of Containment* (New York: Oxford University Press, 1993). It is a policy of constant vigilance and the creation of alliances to contain Soviet aggressions.

⁵ Patrick M. Morgan, *Deterrence: A Conceptual Analysis* (Beverly Hills: Sage, 1977). The policy threatens the adversary with destruction should it engage in nuclear aggressions.

Pact as military alliances, as well as the development of nuclear strategies. The post-9/11 world has also witnessed major changes in national security policies in order to facilitate the war on a new threat, terrorism⁶ During the “War on Terror,” over 6800 United States (US) service members and over 6900 contractors have died in the wars in Iraq and Afghanistan at the beginning of 2015, while approximately 43,000 uniformed Afghans, Iraqis, and other allies have died as of May 2014.⁷ Meanwhile, approximately 210,000 Afghan, Iraqi, and Pakistani civilians have died violent deaths as direct casualties of the wars.⁸ Within the economic sector, the US federal government has spent 4.4 trillion dollars on the wars in Afghanistan, Iraq, and Pakistan, with an estimated interest payments of over \$7 trillion by 2053.⁹ The November 2015 coordinated terrorist attacks on Paris further emphasizes the critical nexus between a country’s security policies and the lives of everyday citizens.¹⁰

⁶ Susan E. Rice, “U.S. National Security Policy Post-9/11: Perils and Prospects,” *The Fletcher Forum of World Affairs*, 28(1), 2004: 133-144.

⁷ “Costs of War,” Watson Institute of International and Public Affairs, Web. February 2015. <http://watson.brown.edu/costsofwar/costs/human/military/killed> (accessed November 10, 2015).

⁸ “Costs of War,” Watson Institute of International and Public Affairs, Web. February 2015. <http://watson.brown.edu/costsofwar/costs/human/civilians> (accessed November 10, 2015).

⁹ “Costs of War,” Watson Institute of International and Public Affairs, Web. February 2015. <http://watson.brown.edu/costsofwar/costs/economic> (accessed November 10, 2015).

¹⁰ Steve Almasy, Pierre Meilhan, and Jim Bittermann, “Paris massacre: At least 128 killed in gunfire and blasts, French officials say,” (CNN:2015), <http://www.cnn.com/2015/11/13/world/paris-shooting/> (accessed November 14, 2015).

Research Problem

Within the bigger context, this thesis addresses the question of what factors determine a country's security policies. Within the contemporary world, it is then important to adjudicate whether a new strain of security policies is developing before we attempt to analyze the determinants of security policies. Within the past decade, scholars have debated and discussed national security issues as mainly revolving around the war on terror in the Middle East.¹¹ In examining the US's major military engagements in the region, scholars classify the "evil"¹² face 9/11 attack as a part of the "transnational"¹³ threats of "terrorism ... and weapons of mass destruction."¹⁴ These perceived external threats then serve as the major determinants of security policies. Although this terror-based-threat determinant still remains relevant within the contemporary conception of national security, its relevance is disproportionate from one region to another. The terror-based-threat determinant is far more prevalent when examining the US and its allies' security policies, as supposed to, for example, China's.¹⁵ This leads me to step out of the US-

¹¹ Susan E. Rice, "U.S. National Security Policy Post-9/11: Perils and Prospects," Foreign Policy Association. Web. 2014. <http://foreignpolicyblogs.com/2014/05/06/the-making-of-american-foreign-policy-in-the-post-911-world/> (accessed November 9, 2015); Colleen Walsh, "The law before and after 9/11," Harvard Gazette. Web. 2011. <http://news.harvard.edu/gazette/story/2011/09/the-law-before-and-after-911/> (accessed November 7, 2015); and Alex Miles, *US Foreign Policy and the Rogue State Doctrine* (New York: Routledge, 2013).

¹² Maxime H.A. Larive, "The making of American foreign policy in the post-9/11 world,"

¹³ Susan E. Rice, 136.

¹⁴ *Ibid*, 136.

¹⁵ I conducted an in-person interview with Prof. Nicholas Miller on September 16, 2015 at his office in Brown University's Watson Institute. I recorded his responses by typing them verbatim as he provided his answers to my questions. In answering my questions, Miller comments on how the focus on terrorism is mainly relevant for the US and its allies. I agree with his argument of

focused scholarship on security, and to explore the existence of other determinants of security policies.

I argue that a new trend *is* emerging globally within the field of security, along with its own unique determinant factors. Instead of portraying security policies as only responding to an external threat, the new trend focuses more on security policies as being primarily driven by and manifesting a country's capabilities. To specify this new trend, I examine the China-led Shanghai Cooperation Organization (SCO). The SCO is a Eurasian organization, founded in 2001, that has made it a "primary objective" to "[promote] cooperation on security-related issues."¹⁶ The organization has been broadening its scope by implementing "increased military and counterterrorism cooperation and intelligence sharing" in tandem with "regional economic initiatives ... like the China-led Silk Road Economic Belt."¹⁷ The SCO exemplifies a security strategy that deploys not only an organization's military arm, but also its economic arm within a forum of mutual cooperation. I then draw correlations between this example and the surrounding trend of miraculous economic rises that the East Asian Newly Industrialized Countries (NICs)¹⁸ display, especially within the late 2000s.¹⁹ In identifying those

disproportionate relevance, although I also acknowledge a growing focus on terrorism in other regions, such as East Asia, Central Asia, Southeast Asia, and Africa, mainly due to the growth of the Islamic State (ISIS).

¹⁶ Eleanor Albert, "The Shanghai Cooperation Organization," Council of Foreign Relations. Web. October 14, 2015. <http://www.cfr.org/china/shanghai-cooperation-organization/p10883>.

¹⁷ *Ibid.*

¹⁸ Kwong-Leung Tang, "East Asian Newly Industrializing Countries: Economic Growth and Quality of Life," *Social Indicators Research*, 43(1/2), Feb. 1998: 66-96. This category includes Hong Kong, South Korea, Singapore, Taiwan, China, India, Malaysia, the Philippines, and Thailand.

correlations, I argue that the SCO's member countries, especially China's, upward economic trajectories facilitate the organization's new security strategy. Hence, I posit a new trend for the security field, in which economic preponderance, as well as strategic partnerships, are crucial determinants of a new strain of security policies. Consequently, the security policies become manifestations of a country's economic capabilities and partnerships. Based on that observation, I design my thesis to address the more specific research questions of: to what extent, if so, how, do economic preponderance and strategic partnerships determine a country's security policies?

Thesis Statement

I hypothesize that a country's economic preponderance and strategic partnerships significantly shift its security policies from a subservient and benign stance toward a more aggressive stance. Such aggressive stance aims to establish regional hegemony and dominance of authority within "regional management."²⁰ "Regional management" entails the authority to manage "regional conflicts" through "military deployments and alliances," to lead diplomatic "process of negotiation," and to organize the provisions of "public goods, such as macroeconomic stability" to the region.²¹ This means that the country is willing to assume higher risks of

¹⁹ *Ibid*, 67.

²⁰ Evelyn Goh proposes the notion of dominance within regional management as being a targeted objective for a potential regional hegemon. "Authority and Public Goods: Managing Regional Conflicts." In *The Struggle for Order: Hegemony, Hierarchy, and Transition in Post-Cold War East Asia*. 2013: 76-91.

²¹ Goh, 80.

confrontations when deciding upon security policies, given that any resultant conflicts would remain within the regional level as supposed to a global one.²² This thesis will be tested within two case studies of China's bilateral relationships.²³

The purpose of this thesis is to create a new framework that considers the extent to which economic preponderance and strategic partnerships determine security policies. The framework combines economic preponderance and strategic partnerships with variables from current literature in order to encourage new thinking on modern security policies.

Definitions

Before proceeding, I must first provide definitions for terms and conceptions that are critical to understanding this thesis.

Security Policies

I adopt David Baldwin's widely accepted and overarching depiction of modern security policies. According to Baldwin, the main aspects that underlie the conception of security are: 1) operationalization, 2) definitional connections, and 3)

²² I conducted an in-person interview with Richard Boucher, former US Assistant Secretary of State for Central and South Asian Affairs and former Deputy-Secretary General of the Organization for Economic Cooperation and Development (OECD), on November 13, 2015 in his office at Brown University's Watson Institute. I recorded his responses by typing them verbatim as he provided his answers to my questions. In answering my questions, he argued that other than the US, no other country is currently ready for and willing to engage in global armed conflicts. He argues that global conflicts ultimately mean nuclear conflicts, and this deters any regional conflicts from escalating to a global level. I find myself in concord with his opinion.

²³ I justify the case studies' selections within the **Research Design** section of this chapter.

factual and empirical connections.²⁴ By operationalization, Baldwin observes policies in terms of its implementation, feasibility, and impacts towards the country's survivability and objectives' completions.²⁵ By definitional connections, Baldwin stresses the "multidimensionality"²⁶ of security policies, as the conception should easily refer to many different kinds of security, "e.g., economic security, environmental security, military security, social security, physical security, identity security, emotional security, and so on."²⁷ In order to better contextualize this thesis, my study focuses on the economic, diplomatic, and military and nuclear security²⁸ aspects. By factual and empirical connections, Baldwin posits that security policies policies, based on varying empirical situations, must address "facts that the values to be secured are variable, the degree of security sought is variable, the potential threats to security are multiple, the means by which security may be pursued are many, the costs of security are inescapable, and the time period matters."²⁹ In conclusion, I define security policies as implementable policies with variable objectives, which relate to the survivability of a country in terms of economic, diplomatic, and military and nuclear initiatives.

²⁴ David A. Baldwin, "The Concept of Security," *Review of International Studies*, 23(5-26), 1997: 22-26.

²⁵ *Ibid.* Baldwin also asks that a country's "core values" and "vital interests," in other words its objectives, be left for more open interpretations.

²⁶ *Ibid.* 23.

²⁷*Ibid.* 25.

²⁸ For references to the importance of nuclear strategy and weaponry within modern security policies, see Patrick M. Morgan, *Deterrence: A Conceptual Analysis*; Vipin Narang, *Nuclear Strategy in Modern Era: Regional Powers and International Conflict* (New Jersey: Princeton University Press, 2014).

²⁹ Baldwin, "The Concept of Security," 25.

Economic Preponderance

I define economic preponderance in relevance to the currently ongoing phenomenon of globalization. Anthony McGrew defines globalization as “the multiplicity of linkages and interconnections that transcend the nation states.”³⁰ Meanwhile, Philip Cerny claims the international political economy structure as being one of the most defining and prominent traits of globalization.³¹ Hence, in order to produce a more holistic definition that covers the multiple facets of globalization, I combine both McGrew and Cerny’s depictions. This results in the hybrid definition: a political, economic, and social phenomenon of multiple interconnections between nation states based on international political economy structures. In relevance to this notion of globalization, I define economic preponderance as the projection of national economic powers that enhances interconnectivity with other countries, and the ability to exert political economic influence across nation states. Observable traits of an economically preponderant country include high trade volume, high stock of Foreign Direct Investment (FDI) abroad, high Net International Investment Position (NIIP)³², and attachments/memberships/leadership to international financial institutions (i.e., International Monetary Fund (IMF), World Bank, Asian Infrastructure and

³⁰ Anthony McGrew, “A Global Society” in Stuart Hall, David Held, and Anthony McGrew, *Modernity and Its Futures* (Cambridge: Polity Press, 1990: 470).

³¹ Philip G. Cerny, “Paradoxes of the Competition State: The Dynamics of Political Globalization,” *Government and Opposition* 32 (2, spring 1997): especially 270–1.

³² *List of World’s Largest Creditor and Debtor Nation*, Financial Sense. Web. 2011. <http://www.financialsense.com/contributors/leslie-cuadra/2011/08/31/list-of-worlds-largest-creditor-and-debtor-nations>. The higher is a country’s ranking, the more it lends to other countries.

Investment Bank (AIIB), Trans Pacific Partnership (TPP), and Free Trade Area of Asia Pacific (FTAAP).

Strategic Partnerships

This study borrows Grevi's definition for "strategic partnership," defined as a mutually cooperative relationship that both parties "regard as essential to achieve their basic goals."³³ Strategic partnerships are "important bilateral means to pursue core goals" that could lead to "win-win" situations for both participating parties.³⁴ Thus, within the thesis, strategic partnerships are those that enable effective implementations of a participant country's desired security policies. For example, *Country A* that is constantly under threat of invasion by a neighboring country can establish a strategic partnership with *Country B* by signing a defensive alliance treaty. The defensive alliance qualifies as a strategic partnership, for it grants *Country A's* desire for security policies that deter invasions. *Country A* can also establish a strategic partnership by signing trade agreements with *Country C* that provide them with arms supplies and advanced military technology. The trade partnership qualifies as a strategic partnership, for it grants *Country A's* desire for security policies that reinforce its defense and offense capabilities in times of war. In another example, *Country A* that seeks to destabilize a region can establish a strategic partnership by engaging in illicit transfer of nuclear technologies with *Country B* through private entities. This illicit relationship qualifies as a strategic

³³ Giovanni Grevi, "Making EU Strategic Partnerships Effective," FRIDE, December 2010, 3. http://fride.org/download/WP105_Making_EU_Strategic_ENG_dic10.pdf.

³⁴ *Ibid*, 3.

partnership, for it grants *Country A's* desire for security policies that destabilize a region through nuclear proliferation.

Significance

There are theoretical and practical reasons for conducting this study.

Conceptual Significance

Within the existing scholarship, two major bodies of literature emerge in relevance to this study, with each claiming a determinant factor of security policies: 1) rival states, and 2) partnerships and cooperation. In addition, within the few times that scholars do attribute economic factor as a determinant to contemporary security policies, the narrative focuses mostly on how one country's economic deficiency, as supposed to its economic preponderance, determines its security policies. Hence, I include economic deficiency as a third explanation for security policies within the existing scholarship.

Rival States as Determinants of Security Policies

The first body of literature claims rival states as the explanatory variable based on a realist perspective. Within the realist camp, security is rationalized only against the backdrop of threats, with fear of said threats serving as the main motivating factor behind the quest for security policies.³⁵ Realist studies of security

³⁵ Steve Smith, Ameila Hadfield, Tim Dunne, *Foreign Policy: Theories, Actors, Cases* (Oxford: Oxford University Press 2012), 90.

claim that external threats and rival states are the key determinants in shaping national security policies. The various studies within this body of literature posit three different approaches in defining who rival states are: 1) hegemonic states, 2) secondary states, and 3) rogue states.³⁶ Realism focuses on external threats and rival states due to the way it views international relations as a problematic of power balance.³⁷ Realists understand nation states only as competitors who are vying against each other. The literature depicts the relationship between a country and any of the three aforementioned categories as power struggles, hence significantly reducing the possibility of long-lasting cooperation between nation states.³⁸ Consequently, the fear of being overtaken by rival states within the power struggle dictates security policies.

While this body of literature captures the sense of urgency that drives security policies,³⁹ its biggest vice lies in its oversimplification of the complicated

³⁶ Raymond L. Garthoff, *The Great Transition American-Soviet Relations and the End of the Cold War*. (Washington, D.C.: Brookings Institution, 1994); Kristen P. Williams, *Beyond Great Powers and Hegemons Why Secondary States Support, Follow or Challenge* (Stanford, California: Stanford University Press, 2012); Alex Miles, *US Foreign Policy and the Rogue State Doctrine*.

³⁷ J. Gustavsson & J. Tallberg, *Internationella relationer*, Studentlitteratur 2008, 36.

³⁸ There are some realists who consider themselves as “optimists.” They suggest states form alliances to balance against threats, which is also a form of cooperation. However, these “optimists” make up a small portion of the realist perspective. I instead discuss their views within Chapter Two’s review of the second body of literature on *Partnerships and Cooperation as Determinants of Security Policies*. For references, see Charles L. Glaser, “Realists as Optimists: Cooperation as Self-Help,” *International Security*, Vol. 19, No. 3 (Winter, 1994-1995): 50-90; and Evan B. Montgomery, “Breaking out of the Security Dilemma: Realism, Reassurance, and the Problem of Uncertainty,” *International Security*, Vol. 31, No. 2 (Fall 2006): 151-185.

³⁹ Steve Smith, Ameila Hadfield, Tim Dunne, *Foreign Policy: Theories, Actors, Cases*.

dynamics between nation states.⁴⁰ In terms of economic factors, this body of literature sees them as more of an end, rather than the means. Economic gain is only one of the objectives that security policies and military movements attempt to achieve. In other words, realist narrative disproportionately focuses on how effective security policies create economic preponderance, as supposed to the other way around. Furthermore, the realists still project the notion of power as the main goal of competing nations, with economic gain serving as only one of the symbols of said power. This relegates economic factors to an additional incentive within the power struggle rather than a prominent determinant of security policies.

Partnerships and Cooperation as Determinants of Security Policies

The second body of literature claims partnerships and cooperation as the explanatory variable that mainly stems from a liberal perspective.⁴¹ In the spirit of a shared international regime, international cooperation, norms, and codes are the multilateral figures of governance.⁴² These aspects of the liberal vision, in turn, establish the parameters surrounding national security policies.⁴³ Consequently, the liberal perspective claims partnerships and cooperation as the key determinants of

⁴⁰ Jazmin J. Stenberg, "Realism and new threats: An analysis of Israel's security policies," Linneuniversitetet, 3-6.

⁴¹ I also discuss the perspectives of realist "optimists" when elaborating on this body of literature within Chapter Two's literature review.

⁴² John G. Ikenberry, "The Future of the World Order: Internationalism After America," *Foreign Affairs* May/June 2011 Issue, Retrieved from <https://www.foreignaffairs.com/articles/2011-05-01/future-liberal-world-order>.

⁴³ *Ibid*, 71-87.

security policies. Partnerships and cooperation based on a joint system of international norms contextualize, restrict, and undergird individual nations' security policies. Additionally, the literatures argue that a cooperative international community facilitates a culture of security cooperation. Such cooperation can take the forms of intelligence sharing and joint military operations and, in turn, determines the formulation of individual country's security policies.⁴⁴ This scholarship also espouses the "natural allies" doctrine, in which certain countries can and should cooperate with each other due to a variety of "natural" factors, such as geographical proximity, similar economic interests and structures, intersecting defense and strategic priorities.⁴⁵

The main weakness of this scholarship, however, is its overestimation at times of the cooperativeness of the global community. In terms of economic factors, the literature simply assumes that because a state gains initial wealth through participation in the global economic system, it must continue to play within the set rules of the existing international system in order to preserve economic preponderance.⁴⁶ Less studied is how that economic preponderance could lead to the *breaking away* from the status quo of international cooperation, hence

⁴⁴ Terrence K. Kelly, *Security Cooperation Organizations in the Country Team: Options for Success*. Santa Monica, California: RAND Arroyo Center, 2010.

⁴⁵ H. P. Klepak, *Natural Allies?: Canadian and Mexican Perspectives on International Security*. Ottawa: Carleton University Press & Canadian Foundation for the Americas, 1996.

⁴⁶ Edward S. Steinfeld, *Playing Our Game: Why China's Economic Rise Doesn't Threaten the West* (Oxford: Oxford University Press, 2010).

encouraging more aggressive policies.⁴⁷ As a result, this scholarship views economic preponderance more as inhibiting, as supposed to causing, the development of aggressive security policies.⁴⁸ This leads to the final body of literature.

Economic Factor, an Explanation

A small body of literature⁴⁹ does claim economic factor as a determinant of security policy, but does so by claiming economic deficiency, as supposed to economic preponderance. Scholars argue that today's nation states should have had more than enough world history lessons to learn from past hegemony's mistakes in trying to utilize economic preponderance as a determinant of security policies.⁵⁰ Based on this scholarship, others can then assume that the argument of economic preponderance as inhibiting aggressive security policies is implicit within the scholars' historical evidences of economic preponderance leading to failed aggressive security policies.

⁴⁷ Some realists research this scenario. However, this group of scholars make up for a very small portion of the conventional scholarship. For references, see John J. Mearsheimer, "Clash of the Titans." Foreign Policy Clash of the Titans Comments. October 22, 2009. (accessed October 10, 2015). Retrieved from <http://foreignpolicy.com/2009/10/22/clash-of-the-titans/>; Hugh White, *The China Choice*, (Black Inc., August 7, 2012); Lyle J. Goldstein, *Meeting China Halfway: How to Defuse the Emerging US-China Rivalry*, (Washington D.C.: Georgetown University Press, 2015). Mearsheimer finds that economic preponderance leads to aggressive security policies, granted that the policies will be ineffective. Hugh White and Lyle Goldstein find that economic preponderance leads to aggressive security policies, and that the policies will be effective in boosting national posture and power.

⁴⁸ Zbigniew Brzezinski, "Clash of the Titans." Foreign Policy Clash of the Titans Comments. October 22, 2009. Accessed October 10, 2015. Retrieved from <http://foreignpolicy.com/2009/10/22/clash-of-the-titans/>.

⁴⁹ This body of literature contains various scholars from both the realist and liberal perspectives. In Chapter Two, I elaborate on how these various scholars of differing perspectives offer economic factor as an explanation.

⁵⁰ *Brzezinski* utilizes the case of Germany before and during World War I to show how utilizing economic preponderance to determine aggressive security policies inevitably leads to failures.

Hence, economic factor must take the form of desperate economic deficiency in order to be capable of shaping today's national security policy. Within the contemporary world, the most prominent example of this scholarship's claim is North Korea, whose poverty plays a huge role in creating extremist and aggressive security policies. In turn, those security policies influence the security balance in East Asia.⁵¹ Economic deficiency, however, does not necessarily always lead to aggressive security policies. Some scholars argue that it results in passive security policies instead.⁵²

I argue that this body of literature focuses too heavily on economic deficiency as being the key determinant of security policies. In contrast, economic preponderance receives too little attention. Claiming that an argument about this variable is implicit within another tangential argument displays a lack of rigorous research design.

Knowledge Gap and a New Framework

I argue that security policies must be examined as both a country's internal process for self-protection and a country's posture and interactions towards others.

Hence, the realist and liberal approaches are both flawed, as they do not provide a

⁵¹ Christopher Hughes, "Super-Sizing" The DPRK Threat: Japan's Evolving Military Posture and North Korea. *Asian Survey*, 49(2), 291-311. Retrieved from <http://www.jstor.org/stable/10.1525/as.2009.49.2.291>. In Chapter Two, I also elaborate on this point by discussing literature on "diversionary war." For references, see Kilic Bugra Kanat, "Leadership Style and Diversionary Theory Of Foreign Policy: The Use Of Diversionary Strategies By Middle Eastern Leaders During And In The Immediate Aftermath Of The Gulf War;" Amy Oakes, *Diversionary War: Domestic Unrest and International Conflict*, 2012; and Victoria Claire Williams, *Internal Woes, External Foes? Exploring the theory of diversionary war*, 2000.

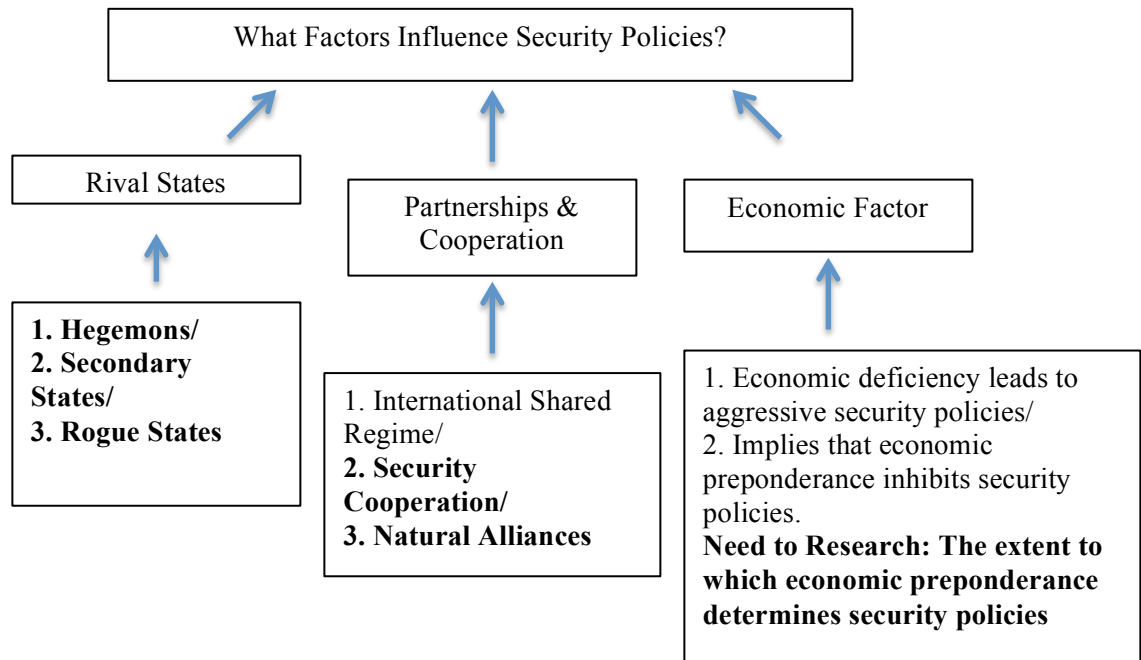
⁵² Frans A. M. Alting Von Geusau, Jacques Pelkmans, *National Economic Security: Perceptions, Threats and Policies*, (Tilburg: John F. Kennedy Institute 1982), 52.

holistic account that accurately captures security policies. They either focus too much on individual nation's interests or oversimplify the notion of cooperation between states. In particular, there is a lack of scholarly consideration for economic factor, which I claim is fundamental to safeguarding national interests and to serving as a nexus for relations with other countries. A third small body of literature offers economic factor as an explanation. This scholarship claims that economic deficiency determines security policies. Concurrently, it suggests through implicitness in a tangential argument, with little researched justifications, that economic preponderance inhibits aggressive security policies. Thus, a knowledge gap opens up, as the scholarly debate lacks research within the possible causal linkage between economic preponderance and security policies.

This thesis targets the knowledge gap and tests the possibilities in relation to the linkage between economic preponderance and security policies. The thesis might reaffirm the current scholarship's claim that economic preponderance inhibits aggressive security policies, or it might assert that economic preponderance causes more aggressive security policies. It might also find that a combination of factors and variables is important in determining security policies. In order to conduct this test, I adapt, realign, and add to the elements of the current debate, depicted in **Figure 1.1**, by constructing a new critical framework. I call it the Economic Preponderance + Strategic Partnerships (EPSP) Framework, as depicted in **Figure 1.2**. From the first body of literature, the EPSP framework derives the different categories of external states, while reframing hegemonic states as an

established power.⁵³ From the second body of literature, the EPSP framework derives the conceptions of multinational organization/shared regime, security cooperation, and natural alliances, in order to combine them as a hybrid product within the notion of strategic partnerships. From the last body of literature, the EPSP framework derives the economic preponderance factor in order to fill in the knowledge gap and conduct the aforementioned test.

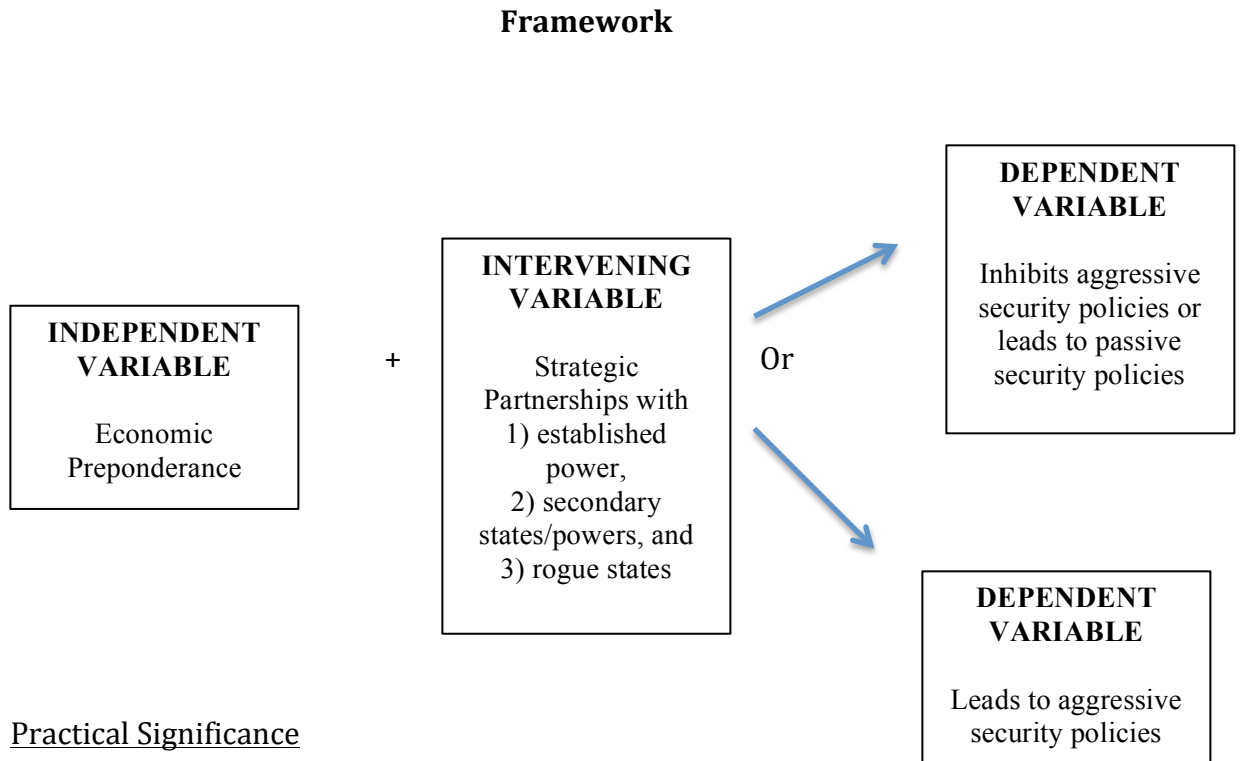
Figure 1.1 The Current Scholarly Debate



Note: Variables in bold are variables that the new critical framework derives out of the current bodies of literature.

⁵³ The definitions of hegemons, secondary states, and rogue states are included within Chapter Two's literature review.

Figure 1.2. The Economic Preponderance + Strategic Partnerships (EPSP)



Security policies affect the everyman. It is no hyperbole to claim that millions of lives are indeed the stakes of formulating security policies. **Figure 1.3** captures how widespread and overarching the impacts of a country's security policies are. In 2013, China reported a "generous increase of 12.2%" for its military spending, allowing it to rapidly reform and modernize the People's Liberation Army (PLA).⁵⁴ Following the reported spending, China has managed to shift the power perception in the Pacific. This is exemplified by China's increasing assertiveness in making

⁵⁴ Phile Stewart, "Chinese Military Spending Exceeds \$145 Billion, Drones Advanced: U.S." *Reuters*. Thomson Reuters, 06 June 2014. Web. 30 Nov. 2014. <http://www.reuters.com/article/2014/06/06/us-usa-china-military-idUSKBN0EG2XK20140606>.

territorial claims when dealing with the South China Sea dispute.⁵⁵ **Figure 1.3** also displays the horrific impacts that terror attacks yield, thus drawing direct correlations between a country's security policy and the safety of citizens within its own city walls.

Figure 1.3 China's military parade (October 2015) and news report on the terror attack in Paris (November 2015).⁵⁶



One country's security policies are also highly influential towards the security policies of other countries. Thus, they impact the public safety of not just one country's own citizens, but also those of other countries. This is due to the fact that security policies involve multilateral and back-and-forth interactions, as countries adjust their security policies in response to changes others make. When one country changes its security policies, it alerts other countries by creating and

⁵⁵ Matthew M. Burke, "Growing Chinese Military Budget May Shift Power Perceptions in Pacific." *Stars and Stripes*. N.p., n.d. Web. 30 Nov. 2014. <<http://www.stripes.com/news/growing-chinese-military-budget-may-shift-power-perceptions-in-pacific-1.278675>>.

⁵⁶ The China's military parade photograph is taken from China Divide. Web. <http://chinadivide.com/wp-content/uploads/2010/04/chinese-military-hardware-on-display-parade.jpg>. The Paris attack news report photograph is taken from CNN. Web. <https://i.ytimg.com/vi/P1xtIyuYTQg/maxresdefault.jpg>.

portraying a changing perception of threat. Consequently, countries must realign their own policies in order to cope with the new perceived threat to their national security. After all, if a man walks into a meeting carrying a gun, his action would alert the other participants of a possible threat that was previously unnoticed, and would force them to take safety and security measures of their own. It does not matter whether the threat actually exists or not, for the man's decision to carry a gun is enough to project a sense of dire urgency and to convince others to also take security measures.

Due to this reciprocity, an individual country's security policies can even affect the regional balance of power to a large extent.⁵⁷ Changing perceptions of threat can influence the security relations and cooperation between countries. In turn, the changing dynamics of those relations can impact the balance of power between different actors in the region. For example, as North Korea conducts nuclear tests, military provocations, territorial incursions, and abductions of Japanese citizens, Japan faces not only "growing existential military threats," but also "an alliance political-military threat to the solidarity of the US-Japan pact."⁵⁸ North Korea's security policies undermine the very foundation of Japan's post-war security policy, which is alliance with the US. This results in diminishing American influence towards Japan, as Japan fears "abandonment" by the Americans and decides to re-gear the Japanese Self-Defense Forces (JSDF).⁵⁹ As American influence

⁵⁷ *Ibid.*

⁵⁸ Christopher Hughes, 191-192.

⁵⁹ *Ibid.*, 191, 193-195.

decreases, a vacuum appears within the power structure, hence creating an opportunity for another actor, such as China, to occupy the space.⁶⁰ Other countries must then realign their policies and relationships with the new rising power, thus transforming the regional dynamics as a whole. The changing balance of power significantly affects the processes of negotiations, provisions of public goods, and conflict managements within the region.⁶¹ These shifts then create direct impacts at both the macro and micro level, affecting both policymakers and daily citizens. Therefore, it is observable how a single country's security policies can create a chain reaction that shifts the holistic regional balance of power.

Thus, it is imperative that policymakers comprehend to the fullest extent possible the whys and wherefores behind the concept of security policies. After all, security policies are more than just preempting or reacting to threats. My study contributes by identifying a possible new determinant in a new strain of security policies. By identifying said determinant that initiates the causation process, policymakers can better understand the motivation, mechanism, and purposes of those security policies. As a result, they can better formulate effective response and/or supporting policies. Additionally, this new strain of security policies encourage new thinking on the subject of security by taking a step back from post-

⁶⁰ I conducted an in-person interview with Richard Boucher, former US Assistant Secretary of State for Central and South Asian Affairs on November 13, 2015 in his office at Brown University's Watson Institute. I recorded his responses by typing them verbatim as he provided his answers to my questions. In answering my questions, Boucher agrees with me that China now serves as a better mediator than the US on the negotiating table between Japan, South Korea, and North Korea. This not only improves China's rapport with all three countries, but also grants them the opportunity to guide the negotiation process according to its own will and interests.

⁶¹ Goh, 76-80.

9/11 security concepts. It allows for a better understanding of security policies as they apply, not just to the US and its allies, but also to other actors across different regions. My study advises policymakers to take note of other pivotal phenomena around the globe that can very well determine the new and modern concept of security. As a result, the policies they design are updated and well-informed.

Furthermore, security policies entail tremendous economic costs.⁶² Military spending, which does not constitute the total cost for all security policies, could by itself reach up to 11.8% of a country's GDP in 2014.⁶³ Meanwhile, the US, who has the world's largest military spending, allocated 4.6% of its GDP on military spending in 2011, only slightly lower than the 5.2% it spent within the same year on education. Considering these economic consequences, my study offers an interesting and different insight by examining how economic factors play into the *causation* and *formation* of security policies. My study aids policymakers in not just identifying a possible new strain of security issues and policies, but also in crystallizing the links between the country's economy and security.

Lastly, the findings and end results of my study bear great practical significance. Should my study confirm the initial hypothesis,⁶⁴ and present empirical

⁶² "List of Countries by Military Expenditures." *Wikipedia*. Wikimedia Foundation, 29 Nov. 2014. Web. 30 Nov. 2014. http://en.wikipedia.org/wiki/List_of_countries_by_military_expenditures; Stewart, "Chinese Military Spending Exceeds \$145 Billion, Drones Advanced;" "Costs of War," Watson Institute of International and Public Affairs.

⁶³ Military Expenditure (% of GDP) Chart, see the case of Oman for 11.8%. Saudi Arabia is listed at 10.8%. South Sudan is listed at 8.3%. Stockholm International Peace Research Institute (SIPRI), Retrieved from the World Bank <http://data.worldbank.org/indicator/MS.MIL.XPND.GD.ZS>.

⁶⁴ My hypothesis argues that economic preponderance and strategic partnerships are determinants to aggressive security policies.

evidences of successful aggressive security policies, then countries possessing economic preponderance and strategic partnerships would find encouragement to be aggressive. Potential aggressor states face the possibilities of further rise in power and prominence; this in turn affects the dynamics of international relations and balance of power everywhere. A confirmation of my hypothesis emboldens countries that possess both key determinants to actively, and aggressively, deal long-lasting impacts and create legacies. Given these immense potential gains, policymakers must bolster the standards and goals of their countries' economic capabilities, and re-evaluate the criteria for any multilateral partnerships. As a result, both the domestic and international arenas undergo significant transformations.

Research Design

The case study method serves this thesis well, as it allows for the creation and testing of new theoretical framework, while explaining cases of “intrinsic” importance.⁶⁵ My research compares the cases of China-Indonesia relations and China-Iran relations by applying the framework, which I develop in order to examine the causal linkage between economic preponderance and national security policies. The method also allows me to explain how independent variables correlate with the dependent variable.⁶⁶ This is mainly due to the fact that case studies

⁶⁵ Stephen Van Evera, *Guide to Methods for Students of Political Science* (Ithaca: Cornell University Press, 1997: 55).

⁶⁶ Van Evera, 55-56.

conduct much more “detailed investigation”⁶⁷ and produce more detailed information than what is available through statistical analyses. In comparison to other research methods, case studies allow for a greater emphasis on a specific context. The method creates “structured, focused comparisons”⁶⁸ within a smaller empirical environment. Hence, I can examine small details and unquantifiable variables that large-n sets or other methods cannot capture. By combining both firsthand observation and quantitative analysis within the specific context, this method serves as a bridge between abstract ideas and empirical practices. Consequently, it produces a “more than rich”⁶⁹ and holistic account that examines complex interactions and trace causal linkages over time⁷⁰ between multiple variables of importance. The case study approach is also flexible, allowing for more explorations⁷¹ across different possibilities and variables. In addition, said flexibility befits a research project such as mine, for it allows me to begin with a broader research question before narrowing my focus while examining the individual cases.

⁶⁷ Charles Lipson, “Using Case Studies Effectively: How to Write a B.A. Thesis,” (Chicago: University of Chicago Press, 2005), 99.

⁶⁸ Alexander George, “Case Studies and Theory Development: The Method of Structured, Focused Comparisons,” in *Diplomacy: New Approaches in History, Theory, and Policy*, e.d. Paul G. Lauren (New York: Free Press, 1979), 43-68.

⁶⁹ Lipson, 100.

⁷⁰ *Ibid.*

⁷¹ *Ibid.*

Case Selection

China is the case selection due to its fulfilling of the criteria for an economically preponderant country. Since 1990, China has experienced an economic rise of exceptional rate.⁷² I show this exceptional rate of growth through the metrics I provide within the **Definitions** section. In terms of trade volume, China's exports and imports have increased more than sixfold between 1992 and 2007, as shown by **Figure 1.4**. Furthermore, the chart shows a constantly higher export in comparison to import since 2003, which indicates a healthy trade surplus. Additionally, China has managed to overtake the US as the world's largest trading nation by only 2013; its annual trade in goods passed the \$4tn mark for the first time.⁷³ In terms of the number of stocks for FDI abroad, China has also managed to break the top 20 global ranking in 2013, sitting at the 14th spot with 541, 000, 000, 000 stocks.⁷⁴ China also occupies the top spot within the global NIIP ranking, making it the world's largest creditor nation. Lastly, China has attained memberships of various international economic organizations, including the World Bank, before spearheading the formations of and leading newly established

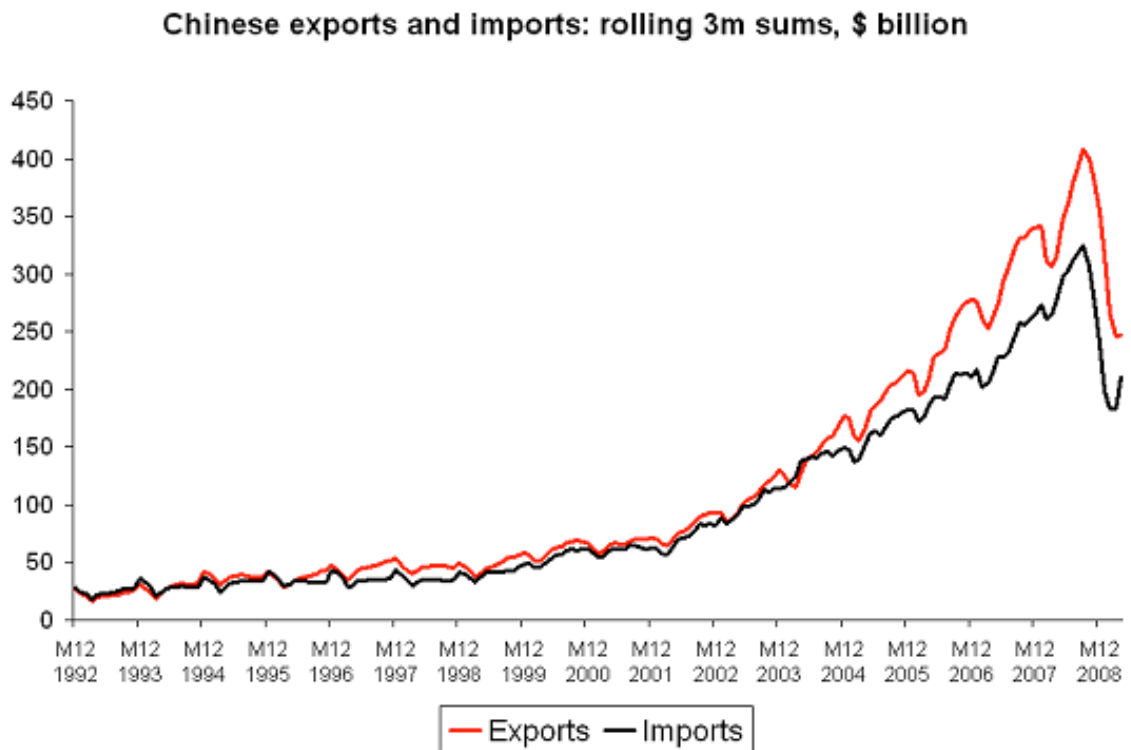
⁷² Arvind Subramanian, *Eclipse Living in the Shadow of China's Economic Dominance* (Washington, DC: Peterson Institute for International Economics, 2011).

⁷³ Angela, Monaghan, "China Surpasses US as World's Largest Trading Nation," *The Guardian*, January 10, 2014. Web. (accessed May 16, 2015).
<http://www.theguardian.com/business/2014/jan/10/china-surpasses-us-world-largest-trading-nation>.

⁷⁴ *The CIA World Factbook 2014*, (New York: Skyhorse Publishing, 2013). List of Countries by FDI Abroad Table.

economic cooperatives, such as the SCO, FTAAP, and AIIB.⁷⁵ The FTAAP and AIIB, in particular, present a direct challenge and an alternative to the US-led Trans-Pacific Partnership (TPP) and the Asian Development Bank (ADB).⁷⁶

Figure 1.4.



Source: Council on Foreign Relations. Web.
<http://blogs.cfr.org/setser/files/2009/05/china-trade-april-09-1.png>.

China offers an excellent opportunity to examine the extent to which economic preponderance determines a country's security policies.

⁷⁵ Mireya Solis, "China Flexes its Muscles at APEC with the Revival of FTAAP," East Asia Forum, November 23, 2014. Web. <http://www.eastasiaforum.org/2014/11/23/china-flexes-its-muscles-at-apec-with-the-revival-of-ftaap/>.

⁷⁶ *Ibid.*

I then branch out the case study into two empirical chapters that comparatively study China-Indonesia relations and China-Iran relations. Both cases produce diverse cross-national variations, which I then use as a tool to infer the factors that determine a country's security policy. The two cases, however, coalesce within one similarity, which is the establishment of bilateral partnership with the economically preponderant China. Thus, the comparative case study method allows me to examine how the independent variable, China's economic preponderance, and intervening variable, the establishment of strategic partnerships, affect the dependent variable, China's security policies. I analyze the cases in order to determine how the same independent variable in combination with the same intervening variable across the two cases could yield common results within the dependent variables, despite other traits representing very diverse cross-national variations among the cases.

Firstly, I must find cases that display significant variations. This is so that I can conduct a variation of the least-similar cases design based on John Stuart Mill's method of similarity.⁷⁷ In the least-similar cases design, the selected cases are dissimilar in all but one independent variable, but share the same dependent variable.⁷⁸ In my study, the cases are dissimilar in all but one independent variable and one intervening variable. Through this design, I can provide evidence that the

⁷⁷ John Stuart Mill, *A System of Logic*, Cosimo Classics, (1843: 454).

⁷⁸ Andrew Bennett and Corin Elman, "Case Study Methods in the International Relations Subfield," *Comparative Political Studies*, 2007, 175.

common variables help account for the common dependent variable.⁷⁹ Thus, this design is most suitable for the purpose of explaining the extent to which, and if so, how, China's economic preponderance and strategic partnerships determine its security policies. Secondly, my EPSP framework includes the factor of strategic partnerships with 1) a secondary state/ power, 2) a rogue state, and 3) an established power. Hence, my two case selections must encompass those three categories. Thirdly, it is necessary to select cases of countries that display transforming relationships with China over time within the timeframe that this study sets. This is so that I can trace and examine how the changes occur over time, and what cause the changes. Indonesia and Iran fulfill all three criteria.

To start off, both cases show varieties in terms of history, political, economic, and social structures, cultural background, and geographical location. The geographical differences and distances between the two countries especially intrigue me. This is due to my EPSP framework's inclusion of the concept of "natural alliance" within the intervening variable of strategic partnerships. One of the prominent "natural" factors that produce "natural alliances" is geographical proximity.⁸⁰ Thus, it is noteworthy to examine the degree in which geographical proximity determines the strategic value of a multinational partnership.

Indonesia with its limited sphere of influence within the Southeast Asia region and the ASEAN community fits the standards for a secondary regional

⁷⁹ *Ibid.*

⁸⁰ Klepak, 30-52.

power,⁸¹ thus making it a noteworthy case to examine from the perspective of strategic partnerships. Furthermore, with Indonesia shifting from paranoia of communism to recently designating China as its second top export destination,⁸² a changing dynamics of relationship is available for examination. On this note, we can also expect significant correlations between the Indonesian case and our previously discussed focus on economic and diplomatic security aspects⁸³. Having lived in Indonesia for 13 years, and worked for the higher echelon of the Indonesian government within the Jakarta gubernatorial office, Indonesia also presents a rich range and quantity of data.

Iran, meanwhile, also fits the characteristics of an established power due to its highly magnified and long-established regional sphere of influence within the Middle East.⁸⁴ While some scholars argue that regional powers are categorized as secondary states⁸⁵, I argue that Iran is *the* most prominent regional power in the highly critical region of the Middle East.⁸⁶ That being said, given its magnitude of

⁸¹ See Seng Tan, "Indonesia among the powers: Should ASEAN still matter?" National Security College Issue Brief. No 14. May 2014. Web. <http://nsc.anu.edu.au/documents/Indonesia-Article14.pdf> (accessed November 9, 2015).

⁸² See OEC, Indonesia, <http://atlas.media.mit.edu/en/profile/country/idn/>.

⁸³ See the **Definitions** section for Security Policies.

⁸⁴ "Insights into the Future of Iran as Regional Power," Ottawa. World Watch: Expert Notes Series Publication. June 2009. Web. <https://www.csis-scrs.gc.ca/pblctns/wrldwtch/2009/20090605-eng.pdf> (accessed November 5, 2015).

⁸⁵ See Chapter Two's discussion of the definition for "secondary states."

⁸⁶ I conducted an in-person interview with Paul Heer, a former US National Intelligence Officer (NIO), on April 13, 2016 in his office at Massachusetts Institute of Technology (MIT). I recorded his responses by typing them verbatim as he provided his answers to my questions. In answering my question during the interview, Heer expressed his agreement with me that Iran is *the* most critical regional power in the Middle East, a historically contested and prominent region. Thus, Iran deserves a status of larger credence and stature than just a secondary state.

authority and power in the area, as well as its long-established geopolitical values, Iran fits better under the category of an established power, which treads in between the current scholarship's categories of hegemonic and secondary states/powers. At the same time, some also consider Iran as a rogue state due to its state sponsorship of terrorist groups, such as Hezbollah and Hamas, quest for nuclear proliferation, and development of the largest ballistic missile force in the Middle East.⁸⁷ With some claiming China and Iran as "ancient partners,"⁸⁸ it is interesting to examine how the dynamics of said partnership change over time. Furthermore, Iran's nuclear programs will inject a significant degree of relevance towards our aforementioned focus on the military and nuclear aspect of security policies.⁸⁹

Timeframe

My study sets the timeframe at 1978-2015. The starting point of the year 1990 is selected because it was the year Deng Xiaoping became the supreme leader of China. In shifting China's foreign policies' tone post-Mao era, Deng was instrumental in setting out his "24-Character Strategy" for China, which was most famously known for its "hide your capabilities" dictum.⁹⁰ In 1978, China was more

⁸⁷ "Rogue Nations," Solutions 2014. Web. <http://solutions.heritage.org/rogue-nations/> (accessed November 7, 2015).

⁸⁸ John W. Garver, *China and Iran: Ancient Partners in Post-Imperial World*, (Seattle: University of Washington Press, 2006).

⁸⁹ See the **Definitions** section for [Security Policies](#)

⁹⁰ "Will China Ever Be No. 1?" YaleGlobal Online. February 20, 2013. Accessed October 25, 2015. <http://yaleglobal.yale.edu/content/will-china-ever-be-no-1>.

passive and dormant in its foreign and security policies. By 2014, China was actively engaging the Asian region through both economic and security means (as exemplified by the military spending exceeding \$145 billion and the South China Sea dispute).⁹¹ At the same time, the time range also covers the beginning of China's rapid economic rise until the present day,⁹² thus making it the perfect timeframe to observe whether economic preponderance influences the shift in security policies. It is also important for the timeframe to provide coverage of the contemporary post-2010s era; this is mainly due to the lack of information and empirical data available on China before the 21st century, given the country's detachment from the open international community at that time. As previously discussed, this timeframe also witnesses changing dynamics within the relationships between China and the two selected countries.

Method

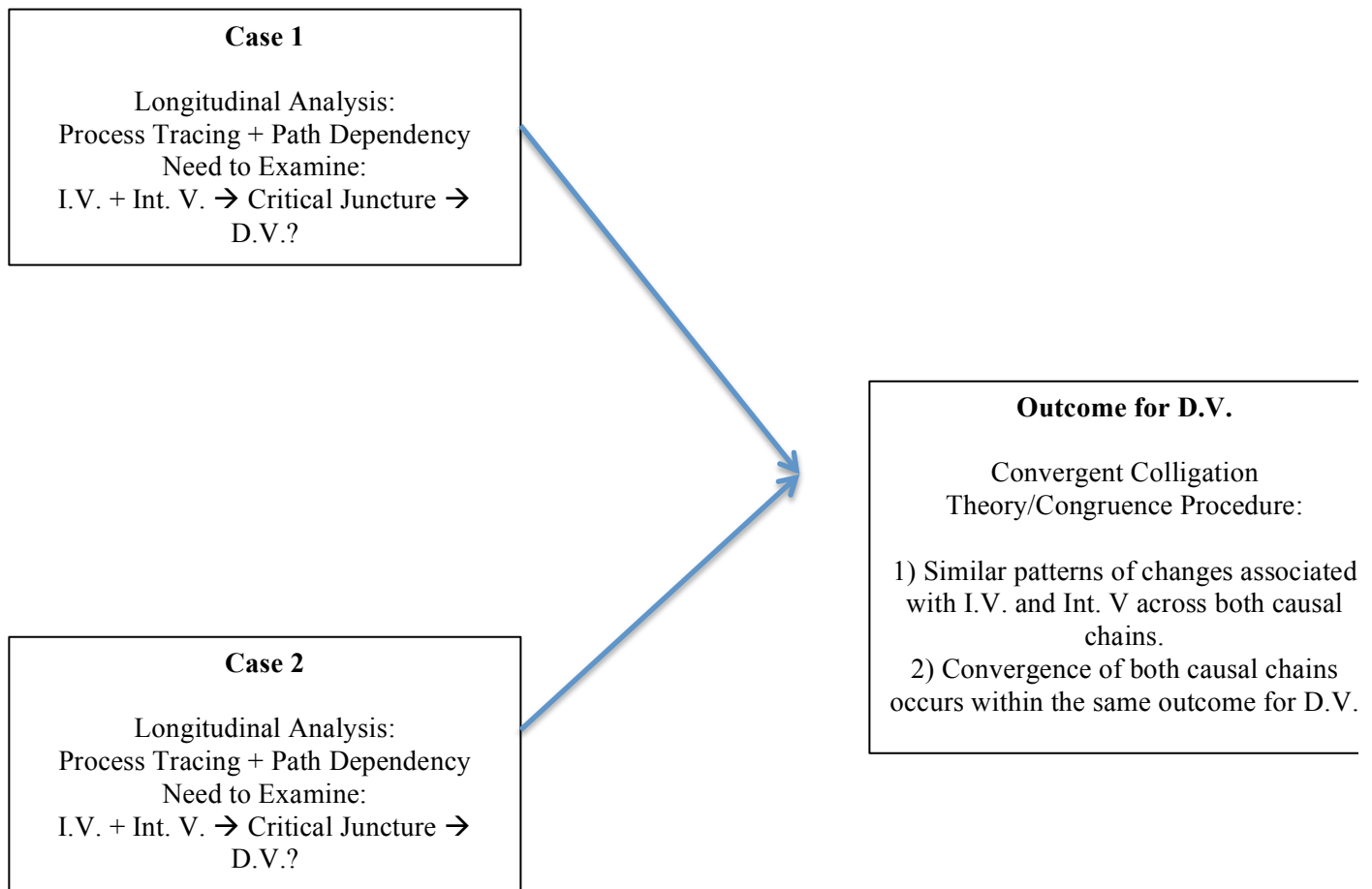
This study utilizes the process tracing and path dependency research methods, as well as the convergent colligation theory to depict the outcome of the study. By operating these methods in tandem with each other, I am able to critically examine the relationship between the independent and dependent variables. To recap, the independent variable of this study is China's economic preponderance, with an intervening variable of strategic partnerships. Meanwhile, the study

⁹¹ Stewart, "Chinese Military Spending Exceeds \$145 Billion, Drones Advanced"

⁹² TIMELINE: China Milestones since 1978, Reuters. 2008. Web. <http://www.reuters.com/article/2008/12/08/us-china-reforms-chronology-sb-idUKTRE4B711V20081208> (accessed November 12, 2015).

designates China's security policies and the policies' level of aggressiveness as the dependent variables. The following **Figure 1.5** depicts the schematic of my research method.

Figure 1.5. Research Method Map



To start off, I conduct a longitudinal analysis for each case in order to establish the type of changes and importance that the independent variable and intervening variable yield over time. The longitudinal analysis is a mixed methods

study, as it utilizes both quantitative and qualitative analysis for a more holistic and richer account. Firstly, I conduct these longitudinal analyses using the process tracing method, as it allows me to “examine the process whereby initial case conditions are translated into case outcomes.”⁹³ Through process tracing, I identify a complex sequence of events in order to depict how the independent and intervening variables trigger a complex causal chain within each cases. This eventually leads me to the individual outcome of each case.

Secondly, I buttress the longitudinal analysis for each case by operating a path dependency method in tandem with the process tracing. In conducting path dependency method, I examine the “sequence of intervening steps that respond to reactions and counter-reactions.”⁹⁴ This allows me to examine “patterns change” within each case, which in turn sets the opportunity to identify “critical junctures.”⁹⁵ Critical junctures are points in time in which some antecedent conditions allow for contingent choices to set a specific trajectory of institutional development and consolidation that are difficult to reverse.⁹⁶ In other words, those critical junctures create legacies.⁹⁷ Through this path dependency method, I examine whether or not economic preponderance (I.V.) and strategic partnerships (Int. V.) cause the critical junctures and create legacies. Afterwards, I trace the causal linkage between the

⁹³ Van Evera, 54.

⁹⁴ Collier and Collier, “Shaping the Political Arena: Critical Junctures, the Labor Movement, and Regime Dynamics in Latin America,” 29-30.

⁹⁵ *Ibid.*

⁹⁶ *Ibid.*

⁹⁷ *Ibid.*

legacies and the changes on China's security policies (D.V.). By employing both process tracing and path dependency methods, I am not only able to analyze and comprehend the causal linkages between the different variables, but also determine the extent to which the variables affect the outcome through the identification of critical junctures and long-lasting legacies.

Thirdly, I compare across cases in order to see if there is a similarity of patterns in regards to changes associated with economic preponderance and strategic partnerships. In other words, I examine whether or not the interactions and causal linkages between the independent and intervening variables follow the same patterns across both cases. The final piece of the research method utilizes the convergent colligation theory. This method "depicts the outcome ... as flowing from the convergence of several ... causal chains," making it the perfect tool to examine cross-national case studies.⁹⁸ It allows me to show how the two causal chains from the two cases converge on the same outcome for the dependent variable of security policies. This research method also corresponds with the congruence procedure, which "uses comparative observations across cases to test theories."⁹⁹ These research methods enable me to test three possible hypotheses:

1) **My Hypothesis:** Economic preponderance plus strategic partnerships

(with a secondary power, or a rogue state, or an established power), lead

⁹⁸ Clayton Roberts, *The Logic of Historical Explanation* (University Park, Pennsylvania: Pennsylvania State University Press, 1996), Chapter 6. Retrieved from Andrew Bennett and Alexander L. George, *Process Tracing in Case Study Research* (McArthur Foundation Workshop on Case Study Methods, October 17-19, 1997). Web. <http://users.polisci.wisc.edu/kritzer/teaching/ps816/ProcessTracing.htm>.

⁹⁹ Van Evera, 56.

to aggressive security policies in the economically preponderant country.

The result is uniform across all types of strategic partnerships.

- 2) **Alternative Hypothesis A:** Economic preponderance plus strategic partnerships (with a secondary power, or a rogue state, or an established power), either inhibit aggressive security policies or result in passive security policies in the economically preponderant country. The result is uniform across all types of strategic partnerships.
- 3) **Alternative Hypothesis B:** Economic preponderance plus strategic partnerships (with a secondary power, or a rogue state, or an established power) produce varying results for the security policies in the economically preponderant country. The results vary across the different types of strategic partnerships. This could mean several things: 1) the impacts that economic preponderance deals on security policies vary based on the type of strategic partnerships, hence making strategic partnership the independent variable and economic preponderance the intervening variable, 2) a second intervening variable is necessary within the framework to better explain how economic preponderance determines security policies, or 3) economic preponderance and strategic partnerships are not prominent variables in determining a country's security policies, as other stronger variables, that are not discussed, yield the differing results.

Collection of Evidence

The following **Table 1.1.** describes the process for collecting evidences that are necessary for this study. The table includes a list of evidences that I need to measure the patterns change that economic preponderance (I.V.) and strategic partnerships (Int. V.) cause over time. The list includes the different types of economic interventions that China conduct, the value of China's direct investments and direct monetary aids abroad, the establishment of economic partnerships involving China and the case study countries, and the trend for China's participation and role within various international organizations. The table also includes the list of evidences that I need to measure the patterns change on China's security policies (D.V.). This list includes the trend for China's military spending, the shifts in Chinese stance on territorial disputes, the progression of China's position on Taiwan's sovereignty, and the establishment of security partnerships involving China and the case study countries over time. In analyzing the sources of evidence, such as key governmental documents and newspapers, I also conduct discourse analysis.

Table 1.1. Collection of Evidence

What do I need to know?	Why do I need to know this?	What kind of data will answer the questions?	Where can I find the data?	Whom do I contact for access?	Timelines for acquisition
What kind of economic interventions have China made within the selected case study countries?	In order to adjudicate the different levels of intensity of China's economic influence across the two countries	Government archived trading logs between the countries	Published archives; interviews with government officials	Government officials (i.e. my contacts within the Indonesian government); library archives of a university in China	November: Compilation 1; December: Compilation 2
The value of direct investment/direct monetary aids given over the years by China to the selected case study countries	In order to validate whether China is purposefully increasing economic outreaches	Government publications; newspaper outlets	Government websites and other news outlets	Can be obtained mostly through overt sources (Chinese Central Television (CCTV) news programs)	November: Final compilation
Agreements of long-term partnerships (economic and security/military) between China and the selected case study countries	In order to adjudicate the impacts of the economic aid and to measure changes on China's security policies.	Government sites; newspaper outlets; meeting minutes	Government websites, news outlets, government officials	Overt sources (both by the government and private medias), contacts within the government	November: Compilation 1; January: Compilation 2
China's military spending	In order to adjudicate the scale in which China is planning to advance militarily and to measure changes on China's security policies	Proportion of tax/government budgets allocated to the military and military industrial complex	Government publications, news reports, interview with Toshi Yoshihara, a China expert, interview with Chinese scholar Frank Ching, who has prior connections to the CCP.	Overt sources (both by the government and private medias), acquaintances within the faculties of some Chinese universities	December: Compilation 1; February: Compilation 2
Chinese stance on territorial dispute, especially the South China Sea dispute.	In order to get a sense of the kind of attitude that China's security policy is moving towards and to measure changes in China's security policies.	Aerial & satellite images of artificial island constructions in South China Sea; leadership statements on Taiwan issue	Government publications, news outlets, reports by international organizations	Overt sources (both by the government and private medias), interview with former Ambassador Richard Boucher, interview with Paul Heer, former US National Intelligence Officer (NIO) for Asian affairs.	December: Compilation 1; February: Compilation 2

General Limitations

Because the study involves aspects that are contemporary, there might not be as much readily available and recorded empirical data. Therefore, at some points, the study might appear speculative. I resolve this issue by engaging in counterfactual analysis where the data is incomplete or inconsistent. Furthermore, when engaging Chinese sources, there is bound to be some language barriers as I am not completely fluent in the language. At the same time, my Mandarin capability level is still quite advanced, and I could also ask for help from friends who are native Mandarin speakers in translating Chinese materials.

In addition, when dealing with Chinese sources, it could be hard to filter out the bravados and misleading statements, especially when we consider the more authoritarian nature of the governmental regime there. Chinese sources might also not be as willing to inform me in great details due to the nature of censorship and high level of government's sensitivity towards certain subjects. However, the fact that my citizenship is currently still Indonesian (a country that is currently in good terms with China), as well as the fact that I am ethnically Chinese, might also benefit me in gaining the trust of Chinese sources.

Also, while having studied abroad in Hong Kong has allowed me invaluable insights into the Chinese context and setting, I admit that Hong Kong also has its own biases and reservations against Mainland China. That being said, what I learned from the educational institution could be distracted by biases. I must pay extra attention to ensure that the theoretical contents I learned within the university are examined alongside my empirical observation of Mainland China. I also balance the

perspectives by using the Western viewpoint, as learned at Brown, on the same issues.

Chapter Summary

Chapter Two analyzes current debates on what factors determine a country's security policies. Chapter Three first provides the historical context of security policies between China and Indonesia then examines how their relations within the established timeframe crystallize any causal linkage between China's economic preponderance and difference in China's security policies. This chapter focuses more on security policies in terms of economic and diplomatic security, with a particular interest on the ASEAN and East Asia regions. Chapter Four first provides the historical context of security policies between China and Iran then examines whether their relations demonstrate causal linkage between China's economic preponderance and difference in security policies. The chapter focuses in particular on the military and nuclear aspects of security policies, with special interests on the subject of nuclear proliferation. Finally, Chapter Five concludes by drawing on the larger implications of my findings on the field of security policies.

CHAPTER TWO WHAT DETERMINES SECURITY POLICIES?

Several bodies of literature emerge in relevance to this study, as each of them proposes a determinant factor to security policies. There are three bodies of literature within the current scholarship's debate on the issue. In debating security policies, they each propose the following explanatory variables respectively as determinants of security policies: 1) rival states, 2) partnerships and cooperation, and 3) economic factors. The first two bodies enjoy a large following, with the former aligning more with the realist school of thought, and the latter with the liberal school of thought. These two bodies of literature constitute the major contributions within the existing debate. A third small body of literature offers economic factors as an explanation to security policies. These three variables are not the only existing ones within the sphere of conventional wisdom. Scholars, mainly constructivists, have also discussed other factors, such as domestic and social factors, and ideologies.¹ For the purposes of this study, however, I do not treat this scholarship as a separate body of literature, instead weaving its viewpoints within the other bodies. After all, the constructivist perspective aims to "build a bridge" between realists and liberals, meaning that many aspects of its viewpoints are derivatives of the realist and liberal perspectives.² Acknowledging that I am not

¹ See Larissa Forster, *Influence without Boots on the Ground: Seaborne Crisis Response* (Official U.S. Government ed. Newport, Rhode Island: Naval War College Press, 2013); Gustavsson & Tallberg, 93; Alexander Wendt, "Anarchy is What States Make of It," *International Organization* 46, 1992, 391-425.

² Wendt, 394.

the first to grapple with the topic, I discuss each approach in relevance to both its strengths and weaknesses in addressing the research question of what determines a country's security policies. I do this in order to identify where the knowledge gap lies within the issue of what determines security policies. Deriving insights from the existing scholars allows me then to present a synthesis of what a critical conceptual framework within this study should encompass.

Explanations of Security Policies

I start by first explaining my decision to not allocate a separate body of literature for the constructivist explanatory variables of domestic and social factors and ideologies. These variables, to put simply, are what Alexander Wendt refers to as “identity- and interest-formation.”³ They include the domestic political climate and interests within a country, as well as social elements, such as traditions, religions, gender, and morals.⁴ They also include ideologies, some of which are extremist in nature, such as visions of racism, xenophobia⁵, and terrorism.⁶ In other words, these variables are “the raw material out of which members of the state system are constituted ... before [they] enter ... international society.”⁷ The “domestic society” creates these fundamental elements of national identity.⁸

³ *Ibid*, 393.

⁴ Gustavson & Tallberg, 93.

⁵ *Ibid*.

⁶ Peter Hough, *Understanding Global Security*, (Routledge, 2008), 66.

⁷ Wendt, 402.

Wendt, however, admits that in the end, these constitutive elements of the state and its identity serve the purpose of allowing the states “to survive.”⁹ What the states must survive are threats based on the “intersubjective meaning that those states have for them.”¹⁰ This means that the constructivists claim threat as a fluid conception that can change over time based on how the states perceive it. In example, for the U.S., a nuclear Britain is much less dangerous than a nuclear North Korea. Meanwhile, since the Cold War has ended, both the U.S. and Russia have had to reconstruct their perceptions of threat based on a new geopolitical context of international shared regime. Hence, the constructivist perspective explains the roots of the threats that determine security policies, rather than proposing distinct determinant variables of their own. The three selected bodies of literature, on the other hand, concretize the determinants of security policies. For this reason, I decide to weave the constructivist perspective into the discussions of the other three bodies of literature.

Rival States as Determinants of Security Policies

The explanatory value of rival states as determinants of security policies claims that external threat is the most critical factor in approaching security. This opinion comes from the realist camp of the current scholarship. The scholarship places a great emphasis on security as being a problematic of power balance and

⁸ *Ibid.*

⁹ *Ibid.*

¹⁰ *Ibid.* 397.

power struggle.¹¹ Within the core of that power struggle is the “key-expression” of “national interest,” and said national interest is highly defining of the country’s security policies.¹² Thus, by transitive property, the realists argue that the external threats rival states pose within the power struggle determine the country’s security policies. The realists further justify this claim on the premise that “failing to deter or losing a war would undermine the satisfaction of low politics aspirations,”¹³ hence linking security policies with domestic stability and the fulfillment of individual interests. As a result, this approach argues that it is imperative for policymakers to design security policies on the base of competing against rival states. In example, the UK in the late 1940s society tolerated, if not endorsed, the food rationing program and atomic developments for the sake of addressing the external threats from foreign invasions by rivaling states.¹⁴

In claiming rival states as determinants of security policies, the conventional wisdom proposes three different categories of rival states. They are 1) hegemonic states, 2) secondary states, and 3) rogue states. I elaborate further on how each category determines security policies.

The Hegemonic Stability Theory: Hegemonic States as Determinants of Security Policies

¹¹ Gustavsonn & Tallberg, 36.

¹² Hough, 3

¹³ *Ibid.*

¹⁴ *Ibid.*

Realists define hegemonic state as one with a “dominant or preponderant position,”¹⁵ especially militarily, “over others in the international system.”¹⁶ To be more specific, a hegemonic state is a state that is “powerful enough to maintain the essential rules governing interstate relations and willing to do so.”¹⁷ The literatures that claim hegemonic states as determinants of security policies mostly associate with the “Hegemonic Stability Theory.”¹⁸ The theory argues that the stability of the world order relies on a hegemonic power acting as its dominant leader.¹⁹ Hence, scholars who espouse this theory also argue that “hegemonic wars” are inevitable.²⁰ This is due to nations constantly vying to attain the status of a hegemon power, along with all the benefits it entails. As a result, Gilpin argues that “the great turning points in world history have been provided by these hegemonic struggles among political rivals; these periodic conflicts have reordered the international system and propelled history in new and uncharted directions.”²¹

¹⁵ Mark Beeson, “Oxford Bibliographies: Hegemony,” (Oxford: Oxford University Press, February 26, 2013). Web. <http://www.oxfordbibliographies.com/view/document/obo-9780199756223/obo-9780199756223-0101.xml>

¹⁶ *Ibid.*

¹⁷ Robert Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy*. Princeton: 1984: 34-35. <http://www.jstor.org/stable/j.ctt7sq9s>.

¹⁸ Political scientists such as Charles P. Kindleberger, Stephen Krasner, Robert Gilpin, and Robert Keohane introduced this theory in the second half of the 20th century to explain the post-WWII world order.

¹⁹ Richard Rosecrance. *The Rise of the Trading State: Commerce and Conquest in the Modern World*. New York, 1986:55.

²⁰ Robert Gilpin defines hegemonic war as 1) a system-wide conflict that involves every great power and most minor powers, 2) a systemic crisis that is characterized by the employment of unlimited means, and 3) a world war. For references, see Robert Gilpin, *War and Change in World Politics* (Cambridge: Cambridge University press, 1981).

²¹ *Ibid*, 203.

Consequently, the global and individual countries' concepts of security become interrelated to the power struggles of hegemonic powers. Individual countries must formulate their security policies in order to anticipate for the aggressive movements of hegemonic powers. In particular, the status quo hegemonic power must always confront the dilemma of possible decline in stature, especially in the face of new rising powers.²²As a result, Gilpin claims that fear of other rising hegemonic states dictates a hegemonic power's security policies. They believe that "the first and most attractive option is to eliminate the source of the problem. By launching a preventive war the declining power destroys or weakens the rising challenge while the military advantage is still with the declining power."²³ In turn, other states must utilize their respective security policies to counteract the hegemonic state's tendency for preemptive strikes.

The practiced security policies during the Cold War era also highly influence literatures that claim hegemonic states as determinants of security policies. In examining George Kennan's²⁴ policy of containment during the Cold War, John Lewis Gaddis claims that Kennan's vital interests are the "five centers of industrial and military power in the world which are important to us from the standpoint of national security. These were the United States, Great Britain, Germany and Central

²² Franz Kohout, "Hegemonic Stability Theory," *International Political Science Review*, Volume 24, Number 1, January 2003: 55-56.

²³ Gilpin, 156.

²⁴ John Lewis Gaddis, *Strategies of Containment: A Critical Appraisal of Postwar American National Security Policy*, (New York: Oxford University Press, 1982). George Kennan was former US Ambassador to the Soviet Union; he was also known as the father of containment policy.

Europe, the Soviet Union, and Japan.”²⁵ In other words, the policy of containment manifests a national security policy that treats hegemonic states as the main sources of threat. Therefore, these hegemonic states serve as key determinants of national security policies. Raymond Garthoff further adds into the scholarship by claiming that “détente was dropped by the [US] to stir up a more militant anti-Soviet atmosphere to gain public and congressional support for a major military buildup and assertion of global American hegemony.”²⁶ As reflected by Garthoff’s viewpoint, this scholarship posits that the dynamics between competing hegemonic powers define the global security atmosphere.

The Power Transition Theory: Secondary States as Determinants of Security Policies

A secondary state’s definition encompasses those of both a “regional power”²⁷ and a “middle power.”²⁸ The definition of a regional power includes the satisfaction of the following four criteria: “1) formulation of the claim to leadership, 2) possession of the necessary power resources, 3) employment of foreign policy instruments, and 4) acceptance of the leadership role by [other] states.”²⁹

Meanwhile, Giovanni Botero defines a middle power as a state who “has sufficient

²⁵ Gaddis, 30.

²⁶ Garthoff, 760.

²⁷ See Daniel Flesmes, “Conceptualizing Regional Power in International Relations: Lessons from the South African Case,” (Hamburg: German Institute of Global and Area Studies, June 2007).

²⁸ Definition comes from a 16th century Italian political thinker Giovanni Botero.

²⁹ Flesmes, 11.

strength and authority to stand on its own without need of help from others.”³⁰ A secondary state, thus, holds considerable power and authority within a geographic region, and despite acknowledging the greater status of more powerful hegemon, possess within themselves the capabilities for further rise in stature.

The literatures that claim secondary states as determinants of security policies mostly associate with the “Power Transition Theory.”³¹ The Power Transition Theory has relevance with the Hegemonic Stability Theory, as both concur that the dynamics between hegemonic states and rising secondary states shape the global security atmosphere. Unlike the Hegemonic Stability Theory, however, the Power Transition Theory claims that it is the rising secondary states who initiate any wars and conflicts.³² The secondary states possess the potentials to be great powers themselves, and within their rises eventually “attack the declining hegemon because it is dissatisfied with the current world order.”³³ As a result, hegemonic states must reorient their security policies in order to anticipate for the external threats that rising secondary states pose. On the other hand, secondary states design their security policies in order to accommodate for its potentials to rise in stature. Other weaker and smaller states then determine their security policies based on whether they perceive secondary states as potential new allies or

³⁰ Botero.

³¹ A. F. K. Organski introduces this theory to predict periods of heightened conflicts within the international system by differentiating between global hegemon and potential challengers. For references, see A. F. K. Organski, *World Politics*, (Alfred A. Knopf, January 1968).

³² Dale C. Copeland, *The Origins of Major War*, (Ithaca: Cornell UP, 2000), Print.

³³ Lars Lofgren’s analysis of Organski’s *World Politics*. Web. Retrieved from <http://handofreason.com/2010/featured/power-transition-theory>

adversaries. Kristen P. Williams further underlines the role of secondary states in determining security policies, as their security policies possess a variety of options.³⁴ Having multiple options, they determine the security policies of others, forcing them to reorient in response to changes that secondary states make. Secondary states have the options to “balance against the powerful state, ‘bandwagon’ with it, or pursue ... ‘soft balancing.’”³⁵ Their status as secondary states, along with the potentials it entails, determines not only their own security policies, but also those of other countries of all power statuses.

The Rogue Doctrine: Rogue States as Determinants of Security Policies

A rogue state is defined as a state that commits any of the following transgressions: “pursue weapons of mass destructions, support terrorism, [and] severely abuse its own citizens.”³⁶ Anthony Lake applied the label of “rogue states” on five regimes: Cuba, North Korea, Iran, Iraq, and Libya.³⁷ He further argues that “their behavior is often aggressive and defiant.”³⁸ The ties between them growing as

³⁴ Kristen P. Williams, *Beyond Great Powers and Hegemons: Why Secondary States Support, Follow, or Challenge*, (Stanford: Stanford University Press, 2012).

³⁵ *Ibid.* Abstract. Web. Retrieved from <https://www.foreignaffairs.com/reviews/capsule-review/beyond-great-powers-and-hegemons-why-secondary-states-support-follow-or>

³⁶ “Post-Cold War Policy – Isolating and Punishing ‘Rogue’ States,” Encyclopedia of the New American Nation (*American Foreign Relations*). The definition provided here also includes “stridently [criticizing] the United States” as another form of transgression. This is due to the Rogue Doctrine stemming mainly from the practices of US security policies. In order to diversify the literature review, however, I choose to omit this last form of transgression from the definition of a “rogue state.”

³⁷ Anthony Lake, “Confronting Backlash States,” (*Foreign Affairs*, March/April 1994 Issue). Web. <https://www.foreignaffairs.com/articles/iran/1994-03-01/confronting-backlash-states>

³⁸ Lake.

they seek to thwart or quarantine themselves from a global trend to which they seem incapable of adapting”³⁹ Moreover, due to the fact that they are “ruled by cliques that control power through coercion ... and promote radical ideologies,” they pose imminent threats to the global security, as exemplified by their development of “weapons of mass destruction and missile delivery systems.”⁴⁰ Lake claims that other countries, especially leading superpowers such as the United States, must reformulate their security policies to “neutralize, contain and, through selective pressure, perhaps eventually transform” the miscreants under the norms of international law and order.⁴¹ As a result, the existence of rogue states, along with their aggressive security stances, pose external threats that determine other countries’ security policies.

Other scholars, such as Alex Miles and Christopher Hughes, also advocate for the rogue doctrine and elaborate on rogue states’ role in determining a country’s security policies. Miles evaluates how the rogue states doctrine entered the American political arena during the Clinton administration, which in turn designates rogue states as the fundamental challenge to US national security.⁴² Meanwhile, Hughes argues that North Korea’s transgressions “loomed increasingly large in the determination of Japan’s defense posture over the past decade and a half”⁴³ All in all,

³⁹ *Ibid.*

⁴⁰ *Ibid.*

⁴¹ *Ibid.*

⁴² Miles.

⁴³ Hughes, 1.

the scholarship claims that the volatile nature of rogue states pose tremendous threats, forcing states to develop security policies that are ready to combat sudden and unconventional attacks.

Weaknesses of the Literatures

By depicting security as a problematic of power balance and power struggle, the literatures overemphasize the utility maximizing nature of states. Both the Hegemonic Stability Theory and the Power Transition Theory assume that states always behave like individual utility maximizers. Concurrently, they assume that utility maximization for power is the main driving force that explains all aspects of international relations – security, coercion, cooperation, military build-up, economic development, etc. As a result, the literatures put too much emphasis on power serving as the ultimate end goal for all states. I argue that, more often than not, utility maximization remains an ideal textbook concept in political economy that finds it hard to accomplish implementation. Furthermore, the literature oversimplifies the intricacies of relationships between states. Realists depict power struggles among states as similar to a soccer league table, in which there can only be one first place champion.⁴⁴ By doing so, realists overestimate rivalries between states, while underestimating their willingness to form mutual and long-term cooperation. Consequently, realists confine their view of security policies as merely tools for aggressive power-grabbing.

⁴⁴ Mearsheimer.

In addition, realists tend to portray the notion of power as being synonymous mainly to superior military capabilities. While advanced military adds a lot into a nation's pursuit of security and progress, realists often relegate the importance of other types of capabilities, such as economic capability. Economic factors within the realist point of view serve more as an additional incentive that effective and aggressive security policies can attain. In other words, economic factors serve as a goal, rather than a driving force. Due to this line of reasoning, realists often ignore the possibilities of advanced economic, as supposed to military, capabilities igniting and motorizing the execution of aggressive security policies.

Partnerships and Cooperation as Determinants of Security Policies

The explanatory value of partnerships as determinants of security policies relies on the claim that cooperation dictates an increasingly liberal world order. Within the liberal camp, the current scholarship claims that as the "wealth and power"⁴⁵ are moving from the North and the West to the East and the South, the "old order dominated by the United States and Europe is giving way to one increasingly shared with non-Western rising states."⁴⁶ In addition, liberals argue that the East and South's anticolonial and anti-imperial pasts encourage a modern world in which international norms thrive as tools for global governance. Said international norms include open markets, international institutions, cooperative security, democratic

⁴⁵ Ikenberry, "The Future of the World Order."

⁴⁶ *Ibid.*

community, progressive change, collective problem solving, and the rule of law.⁴⁷

Due to this global trend for collaboration, scholars consider partnerships and cooperation as holding amplified influence towards the formation of national security policies.

According to this scholarship, the establishment of international norms and laws reformat the understanding of security itself. In turn, the changing perception affects a variety of fields such as the use of force, law of the sea, human rights, international environmental law and international humanitarian law.⁴⁸ The literatures buttress the role of cooperation as determinants of security policies by claiming the far- and wide-reaching impacts that international norms deal on the conception of security. In example, international organizations such as the United Nations modify and reform the use of force through charters based on practice and consensus.⁴⁹ Meanwhile, more stringent international laws attempt to better regulate states' use of private military and security companies.⁵⁰ Scholars also claim that international judiciaries and legal codes shift the contemporary era toward

⁴⁷ John G. Ikenberry, "Liberal Internationalism 3.0: America and the Dilemmas of Liberal World Order." *Perspectives on Politics* 7, no. 1 (2009): Abstract <http://www.jstor.org/stable/40407217> (accessed October 10, 2015).

⁴⁸ Jonas Ebbesson, Marie Jacobsson, Mark Adam Clamberg, David Langlet, & Pal Wrangé, *International Law and Changing Perceptions of Security: Liber Amicorum Said Mahmoudi*, (Leiden, Boston: Brill Nijhoff, 2014).

⁴⁹ *Ibid*, 1-13.

⁵⁰ *Ibid*, 14-38.

nonviolent geopolitics.⁵¹ In result, the spirit of international partnerships and cooperation dictate and undergird the manifestations of countries' security policies.

In claiming partnerships and cooperation as determinants of security policies, the literatures examine 1) attachment to the existing international order, and 2) military partnerships and natural allies. I elaborate further on how these two facets determine security policies.

Attachment to the Existing International Order as Determinants of Security Policies

Some believe that the Western-led international order provides numerous benefits and “public goods” of security and prosperity for participating states.⁵² As a result, continuous attachment to the existing international order provides an added guarantee for a country's security. By obeying the international laws and adopting the cooperative spirit of various international organizations, countries do not have to worry about negative repercussions and punishments by the system's leading hegemon.⁵³ Instead, the system provides them with a constancy of security, while protecting them against those who transgress their safety and the international norms.⁵⁴ As a matter of fact, some optimist realists concur with the liberals that cooperation is mostly desirable. Glaser advocates for his view of contingent realism,

⁵¹ *Ibid*, 93-105.

⁵² Goh, 76-80.

⁵³ Aaron L. Friedberg, *A Contest for Supremacy*, (New York: W. W. Norton & Company Inc., 2011), 283.

⁵⁴ *Ibid*.

in which he argues that under most conditions, “arms control would remain preferable to arms race.”⁵⁵

In contrary, going against the established system yields exclusions from the provision of necessary public goods. In example, a country that opposes the current international regime can expect to have less access of many of the US-commanded” global commons, in particular, of the world’s oceans.”⁵⁶ Moreover, any “military aggrandizement” by states refusing to cooperate with the international system “will continue to be offset relatively easily” by the system’s leading hegemon, the US, military strength.⁵⁷ As a result, failures to abide the established world order and deviating to non-peaceful stances mean foolishly going against the logic of strategy.⁵⁸ Hence, attachment to the existing international order determines security policies by encouraging countries to join the global cooperative security culture. Additionally, said attachment shifts countries’ security policies toward passive and peaceful attitudes, requesting them to rely instead on the collective group’s security management.

Military Partnerships and “Natural Allies” as Determinants of Security Policies

This scholarship also claims that military partnerships and “natural allies” serve as determinants of security policies. Scholars argue that security cooperation

⁵⁵ Glaser, 83.

⁵⁶ *Ibid*, 279.

⁵⁷ Edward N. Luttwak, *The Rise of China vs. the Logic of Strategy*, (Massachusetts: Belknap Press of Harvard University Press, 2012), 264.

⁵⁸ *Ibid*.

and military partnerships “play an important role by shaping the security environment and laying the groundwork for future stability operations with allies and partners.”⁵⁹ In other words, by increasing the number of military partnerships and security cooperation with others, a country enforces more effective security policies for a lower cost and “a relatively small investment.”⁶⁰ Furthermore, certain types of military partnerships produce more impacts toward a country’s security policies. By having “enduring ties” with a global hegemon, such as the US, and regional great powers, such as Japan and Great Britain, a country can expect a higher level of security added into its “source of national strength.”⁶¹ This is mainly due to the partners and allies’ possessions of strong national capabilities and command of the global commons.⁶²

Another approach within this body of literature also engages and defines partnership and cooperation through the concept of “natural allies.”⁶³ This scholarship propagates the idea that some countries can and should naturally cooperate with each other due to a variety of “natural” factors. Klepak utilizes the cases of Mexico and Canada in arguing that “belonging to the same geographic and economic space, being neighbors of the only global superpower, and growing identification in areas of international policy are all factors that have strengthened

⁵⁹ Kelly, xi.

⁶⁰ *Ibid.*

⁶¹ Friedberg, 284.

⁶² *Ibid.*, 279.

⁶³ Klepak, Introduction.

communication and bilateral links in all spheres,” including security.⁶⁴ Klepak argues that these “natural” commonalities in traits and goals allow for major differences between countries to serve instead as complements that fulfill and complete each other. As a result, by having “natural allies,” countries can pursue “national interests or ... power ... without endangering regional and even wider peace.”⁶⁵ This is mainly due to natural allies having the high tendency and capability to “deal jointly with common concerns and eschew unilateral actions.”⁶⁶

Hence, military partnerships and “natural allies” lead to one of two possible effects toward security policies. Firstly, a country might shift toward more aggressive security policies, knowing that it has the support of its allies and partners when engaging in combat. Secondly, a country might shift toward more passive security policies, knowing that its allies and partners have already provided extra security in deterring potential adversaries. It is worth to note, however, that the “natural allies” doctrine leans toward the second possibility of more peaceful security policies.

Weaknesses of the Literatures

This body of literature, mainly deriving from the liberal perspective, overestimates the cooperative nature of states and the international system. This overestimation takes two forms. Firstly, the literature overestimates in its claim that

⁶⁴ Klepak, Prologue.

⁶⁵ Klepak, 159.

⁶⁶*Ibid.*

countries acknowledge receiving more benefits and security as an integrated part of the existing world system.⁶⁷ This creates the assumption that states are voluntarily joining the current international regime, and underestimates the possibility of state choosing to opt out of the system. Critiques have pointed out how often times, the hegemony leading an international system “coerce other states into a ... world state.”⁶⁸ In example, instead of providing mutual security benefits, a military partnership might institutionalize coercion of a stronger military toward a weaker state.

Secondly, the literature overestimates by assuming that the international regime effectively provides mutual benefits for all members⁶⁹ This creates the assumption that participant states’ can just rely on continuous attachment to the status quo structures for security. To start with, leading hegemony, who the scholarship argues as key in managing the provision of public goods, are often exempting themselves from international norms. In example, scholars credibly argue that a “major flaw of the [International Criminal Court] definitely stems from the lack of participation by three permanent members of the UN Security Council,” referring to the US, Russia, and China.⁷⁰ Additionally, leading hegemony create biased allocations of public goods, often distributing them only to partners of larger

⁶⁷ Ikenberry, "Liberal Internationalism 3.0"

⁶⁸ Heather M. Roff, *Global Justice, Kant and the Responsibility to Protect: A Provisional Duty*, (Routledge, November 12, 2014), 92.

⁶⁹ *Ibid.*

⁷⁰ Daniel Donovan, "International Criminal Court: Successes and Failures," *International Policy Digest*, March 23, 2012. Web. <http://www.internationalpolicydigest.org/2012/03/23/international-criminal-court-successes-and-failures-of-the-past-and-goals-for-the-future/>

strategic importance. Consequently, being participant to the current international regime does not always provide a state with stalwart warranty for constant security and well-being.

Economic Factor, an Explanation

A small body of literature claims economic factor as determinant of security policies. In doing so, however, they claim economic deficiency, as supposed to economic preponderance, as the type of economic factor that is capable of determining modern security policies. I elaborate on the literatures' reasoning in making this selection.

Why not Economic Preponderance?

Firstly, scholars such as Brzezinski argue that history has taught modern powers enough to realize that developing economic preponderance to determine aggressive security policies eventually lead to failures. An example of such mistake is Germany's erred decision in employing its newfound economic preponderance to fund militarism and global-scale military campaigns prior to World War I (WWI).⁷¹ As history dictates, Germany's decision eventually resulted in the country losing the war and suffering dire economic consequences, war casualties, and political chaos. Scholars within this body of literature argue that a blaring caveat to not repeat history has disqualified economic preponderance from determining today's security policies.

⁷¹ Brzezinski.

Secondly, in deriving from the liberal and optimist realist viewpoint that continuous attachment to the international order is necessary for a country's well-being, some scholars consider said attachment to also be crucial specifically for countries' economic growth. There are two different approaches that scholars take in explaining the link between attachment to the international order and a country's economic growth. Within the first approach, some scholars argue that economic preponderance would result in a forced integration of the country into the current international system.⁷² Pointing out to the fact that said economic preponderance owes its initial growth to the liberal world order's open market and free trade features,⁷³ scholars postulate that continuous attachment to the system is required to maintain the economic stature.⁷⁴

Within the second approach, some scholars propose the idea that integration into the existing world order is a voluntary desire that states clearly communicate.⁷⁵ In other words, there is an innate desire within new economic powers to gain a place at the current global table.⁷⁶ The rise to economic preponderance serves as a vehicle to integrate one's country into the international system, and away from a

⁷² *Ibid.*

⁷³ I conducted an in-person interview with Steinfeld on October 22, 2015 in his office at Brown University's Watson Institute. I recorded his responses by typing them verbatim as he provided his answers to my questions. In answering my question, Steinfeld confirms his argumentation within his book *Playing Our Game* that newly rising economies owe their initial growth to the liberal system of free trades and globalization.

⁷⁴ Steinfeld and Luttwak.

⁷⁵ David Kang, *China Rising: Peace, Power, and Order in East Asia*, (New York: Columbia University Press, 2007).

⁷⁶ Henry M. Paulson, *Dealing with China: An Insider Unmasks the New Economic Superpower*, (New York: Grand Central Publishing, 2015).

supposedly “backward” past. A country voluntarily and purposefully links its national identity to the existing global order. It defines its economic and security aspirations under the terms of the established “game,” as set by the existing international regime.⁷⁷ These scholarships relegate economic preponderance as liabilities when determining security policies, as it complicates the dilemma of abiding or going against the current system. As such, they suggest treating economic preponderance as separate from the determination of security policies.

Economic Deficiency Causes Aggressive Security Policies

In claiming economic deficiency as a determinant of security policies, some argue that it does so by yielding aggressive national security policies. As a matter of fact, in the aftermath of WWI, Germany’s economic deficiency served as a key determinant of Nazi Germany’s security policies and military expansions. Some argue that the burdens of “reparation payments” and “hyperinflation” provided an ideal setting for “extremist” ideologies and national policies, including security policies.⁷⁸ In example, Germany’s economic deficiency motivated the Nazi regime to espouse aggressive security policies and military campaigns in “determination to *lebensraum*,” or living space, and to seek more lands and resources.⁷⁹ Said economic

⁷⁷ Steinfeld, *Playing Our Game*.

⁷⁸ “The Nazi Regime,” Holocaust: A Call to Conscience. Web. (accessed Dec 10, 2015). <http://www.projetaladin.org/holocaust/en/history-of-the-holocaust-shoah/the-nazi-regime.html>.

⁷⁹ Norman, Rich. *Hitler’s War Aims: Ideology, the Nazi State, and the Course of Expansion* (New York, London: W. W. Norton & Company 1973), 110.

deficiency eventually led up to World War II, and also influenced many other countries' security policies.

The "diversionary theory of war" also elucidates the linkage between economic deficiency and aggressive security policies. The theory "argues leaders of countries that have domestic political problems are more likely to attack other countries in order to divert people's attention."⁸⁰ In other words, aggressive security policies become a tool to solve the unrests and regime's instability that economic deficiency yields within the domestic sector. Amy Oakes also claims that there is an increased probability of interstate wars involving countries suffering from economic downturn.⁸¹ North Korea serves as a prominent example of the diversionary theory of war. Hong-Cheol Kim argues that "it is plausible that North Korea is also likely to adopt foreign adventurism, such as military attack against South Korea and its allies, when it suffers from economic recession. For instance ... North Korea's failed currency reform is one of the main factors that led to the ROKS Cheonan incident."⁸² Hence, a direct causal linkage can be established between a country's economic

⁸⁰ Bruce Bueno de Mesquita, J. D. Morrow, R. M. Siverson, and A. Smith, "An Institutional Explanation of the Democratic Peace," *American Political Science Review* 93-4 (1999), pp. 791- 807; Patrick James and John O'Neal, "The Influence of Domestic and International Politics on the President's Use of Force," *Journal of Conflict Resolution* 35-2 (1991), pp. 307- 333; Sara McLaughlin Mitchell and Will H. Moore, "Presidential Use of Force During the Cold War: Aggregation, Truncation, and Temporal Dynamics," *American Journal of Political Science* 46-2 (2002), pp. 438-452; Sara McLaughlin Mitchell and Brandon C. Prins, "Beyond Territorial Contiguity: Issues at Stake in Democratic Militarized Interstate Disputes," *International Studies Quarterly* 43 (1999), pp. 169-183; T. Clifton Morgan and Kenneth N. Bickers, "Domestic Discontent and the External Use of Force," *Journal of Conflict Resolution* 36-1 (1992), pp. 25-52.

⁸¹ Oakes, Figure 3.3, page numbers not available in accessed electronic copy.

⁸² Hong-Cheol Kim, "How to Deter North Korea's Military Provocations," (Seoul: The Korean Journal of International Studies & Republic of Korea Ministry of Defense), 67. The ROKS Cheonan incident refers to the alleged sinking of a Republic of Korea Navy's ship by North Korea near BaengYeong Island. The incident killed 46 South Korean seamen.

deficiency and its aggressive security policies, in which the former determines and causes the latter.

Economic Deficiency Causes Passive Security Policies

Others argue that economic deficiency determines passive security policies instead. They argue that “nations less well endowed” economically “by nature” find more necessity for attempts at “minimizing (passive use of elements of national [security] power).⁸³ The argument is that unlike superpowers who possess many options and capabilities, an economically deficient country’s best bet at “minimizing vulnerability to external pressures” is to engage in passive security policies.⁸⁴ At the very least, scholars claim that passive security policies reduce the risk of unnecessary armed engagements that aggressive security policies can easily blunder into.

Additionally, these scholars also draw linkages between a country’s economic deficiency and its inability to fund the military forces, technology, and auxiliary facilities necessary for aggressive security policies.⁸⁵ Due to the lack of resources necessary to adopt the more costly aggressive security policies, economically deficient countries have no other choice than to adopt a passive security policies. In the case of Costa Rica, the state even disbands its army in order to “[re-allocate] funds previously spent on these services on social equality, human

⁸³ Von Geusau & Pelkmans, 52.

⁸⁴ *Ibid.*

⁸⁵ *Ibid.*

rights' protection, and economic growth."⁸⁶ Hence, a direct causal linkage can also appear between economic deficiency and passive security policies.

Weaknesses of the Literatures

Despite the literatures' coverage of economic deficiency as a determinant of security policies, I argue that they give too little attention to economic preponderance. Given that the literature can posit a variety of results from economic deficiency, I contend that it should have also explored how economic preponderance could also yield differing security policies. After all, economic deficiency and economic preponderance are two sides of the same coin. The way the current scholarships approach the issue deprives the economic preponderance side from much deserved attention and consideration.

Furthermore, the literatures yield a lot of flimsy assumptions on the relationship between economic preponderance and security policies based on implicitness within tangential arguments. Firstly, the literatures imply that economic preponderance is no longer applicable as a determinant of modern security policies due to historical evidence of it creating errant security policies. In critiquing this line of reasoning, I argue that claiming countries today would not repeat past mistakes is highly naïve and is easily falsifiable. Secondly, the literatures imply that economic preponderance is a liability in determining security policies, as it further complicates an already intricate dilemma of integrating into or opting out

⁸⁶ "Passive Costa Rican Security Policies and Their Effects on International Affairs," *Council on Hemispheric Affairs*, August 7, 2013. Web. <http://www.coha.org/passive-costa-rican-security-policies-and-their-effects-on-international-affairs/>

of the current international order. I argue that this dilemma should instead beg for more research on the causal linkage between economic preponderance and security policies. Additionally, I critique this line of reasoning for prematurely assuming that continuation of economic growth and integration into the existing world order are the ultimate end goals. It ignores the possibilities of states pursuing other gains and a new alternative international system. It also underestimates the capabilities of economically preponderant countries to thrive outside of the current system, and perhaps even establish their own system in which they lead rather than follow. These assumptions based on implicitness do not justify the lack of research on how economic preponderance could determine security policies.

Conclusion

In addressing the weaknesses of each conventional body of literature, I propose the EPSP framework, which addresses the holistic notion of security. The EPSP framework aims to acknowledge the self-reliance and self-capability aspects of security, as a mechanism of offense and defense against external threats. The framework also acknowledges the mutual cooperation, the mutual defense and offense, and the strategic collaboration aspects of security. Finally, in examining the global trend of economic growth through interconnected economic systems, the mechanism aims to explore the less-discussed factor of economic preponderance. From the first body of literature, the EPSP framework derives the different categories of external states, while reframing hegemonic states as an established power. From the second body of literature, the EPSP framework derives the

conceptions of multinational organization/shared regime, security cooperation, and natural alliances, in order to combine them as a hybrid product within the notion of strategic partnerships. From the last body of literature, the EPSP framework derives the economic preponderance factor in order to fill in the knowledge gap within the current scholarship.

CHAPTER THREE

CHINA – INDONESIA, THE ANTI-ACCESS AND ISLAND-HOPPING STRATEGY

A Brief History – An Ambivalent Relationship

The relationship between China and Indonesia has dated back many centuries, as the two civilizations have engaged in various forums of interactions: commercial trades, exchange of religions, and political and military interventions. That being said, the China-Indonesia relationship exhibits a very unique kind of bilateral relations, as the two countries manage to maintain contact despite an extended period of both positive and negative interactions. During the Dutch colonial rule of Indonesia, however, the relationship between China and Indonesia became reduced to that of commercial nature. Instead, the two civilizations' relationship continues on a different path, one that is more intimate and personal. The China-Indonesia hub became more reliant on the increased number of immigrant Chinese community in Indonesia. Early in the twentieth century, the Dutch authorities accepted an estimate of one million Chinese.¹ Additionally, the Dutch treated the Chinese immigrants as a form of buffer between them and the Indonesian natives, and possible nationalists.² This resulted in an awkward tension between the Indonesian natives and the Chinese immigrants, as the differences between the two cohabitants became the highlights of their rapport. The exposure of discrepancies between the native Indonesians and the Chinese immigrants

¹ C. P. Fitzgerald, *China and Southeast Asia since 1945*, 33

² *Ibid.* 34

became even more exacerbated during the Japanese occupation of Indonesia. This is mainly due to the fact that some elements of the Chinese immigrant community were more willing to cooperate with the Japanese, rather than the Dutch.³ The Indonesian nationalists saw this further legitimation for alienating the Chinese. In turn, said tension influences the early Indonesian perceptions of China as a country once Indonesia gained its independence and China declared itself the People's Republic of China (PRC) in 1945 and 1949 respectively. There was indeed a sense of ambivalence on whether the two countries could continue to engage in peaceful relations, or any relations at all.

Yet, somehow, the relationship continues despite several more tumultuous periods between the two countries, as Indonesia became the first country in Southeast Asia to establish official diplomatic relations with the PRC.⁴ Among the issues that appeared within the two countries' bilateral relations, the Chinese nationalist doctrine of *just sanguinis* ('once a Chinese always a Chinese'), in particular, created issues of citizenship illegitimacies for Chinese immigrants in Indonesia that threatened to negatively impact China-Indonesia bilateral relations; certainly, such matters relevant to national allegiances were very sensitive topic for a country that has recently gained its hard-fought independence. Yet, on said citizenship issue, both China and Indonesia managed to reach an accord through the means of negotiations. The negotiation intends to produce a compromise that would

³ *Ibid.* 34.

⁴ Rizal Sukma, "Indonesia-China Relations: The Politics of Re-engagement," *Asian Survey* 49, no. 4 (2009): 591-608, doi:10.1525/as.2009.49.4.591, 591.

better not just relations between the native Indonesians and the Chinese immigrants, but also the official bilateral relations between the two countries on the international level. Chinese Prime Minister Zhou Enlai finalized the bilateral talk during the Bandung Conference held in Djakarta, with the agreement being signed on 22 April 1955.⁵ Indonesia thus became the only country that could resolve this particular issue with China, prevalent throughout Southeast Asia, through negotiations.

Another significant hurdle within the Sino-Indonesian relationship came during the rise of *Partai Komunis Indonesia* (Indonesian Communist Party/PKI). As some prominent members of the Indonesian government, Muslim communities, and armed forces feared that President Soekarno was leaning too much toward the communist left, perceptions of a communist China also shift toward the negative. These elements of the governance body and the society were concerned by the fact that Soekarno was seriously considering PKI's controversial suggestions for reforms within the country, such as the establishment of *Angkatan Kelima* (The Fifth Army), a separate branch of the *Angkatan Bersenjata Republik Indonesia* (Indonesian Republic Armed Forces/ABRI) that would come under the PKI's authority. Such trepidation toward the communist elements within the country eventually led to the infamous *Gerakan 30 September Partai Komunis Indonesia* (The 30 September Movement of Indonesian Communist Party/G30SPKI) in 1965, a coup attempt in

⁵*Ibid.* 40.

which seven high-ranking military officers were murdered.⁶ The coup was then blamed on PKI, leading to a mass purge of the party members, with prominent members of the government and the public accusing China of supporting said coup.⁷ The G30SPKI event played a prominent role in bringing the demise of Soekarno's regime and the rise of Soeharto in 1967. As a result, on October 30, 1967, Indonesia suspended its relations with China, before normalizing and resuming it in 1990.

It is also significant to note that in May 1998, during the Asian Financial Crisis, Indonesia was rampant with riots, especially within its capital city of Jakarta. During said riot, the Chinese minority became the main target of violence, as they were deemed to be accumulating wealth for themselves in the face of growing poverty among the native population. Acting as a scapegoat, the Chinese population became the subject of murders, lootings, and rapes, with at least 168 cases of rapes reported.⁸ The Chinese government internationally denounced said brutalities, and bilateral relations between the two countries soured, as China demanded international actions and reprimands against Indonesia. At the beginning of the 21st century, however, the two countries improved its cooperation, mainly through exponential increases in commercial trading; the improvement in bilateral relations was also accompanied by more harmonious coexistence between the Indonesian

⁶ Julius Pour, *Gerakan 30 September: Pelaku, Pahlawan & Petualang (The September 30th Movement: Actors, Heroes, Adventurers)* (Jakarta: Penerbit Buku Kompas, 2010).

⁷ Taomo Zhou, "Ambivalent Alliance: Chinese Policy towards Indonesia, 1960-1965," *Cold War International History Project*, 2013, no. 67, https://www.wilsoncenter.org/sites/default/files/CWIHP_Working_Paper_67_Chinese_Policy_towards_Indonesia_1960-1965.pdf.

⁸ Nurfika Osman and Ulma Haryanto, "Still No Answers, or Peace, for Many Rape Victims," *The Jakarta Globe*, May 14, 2010, <http://jakartaglobe.beritasatu.com/archive/still-no-answers-or-peace-for-many-rape-victims/> (accessed November 11, 2015).

natives and the Chinese minorities and reformed treatments by the government toward the minority group.⁹

China's Economic Preponderance: Applications in Indonesia

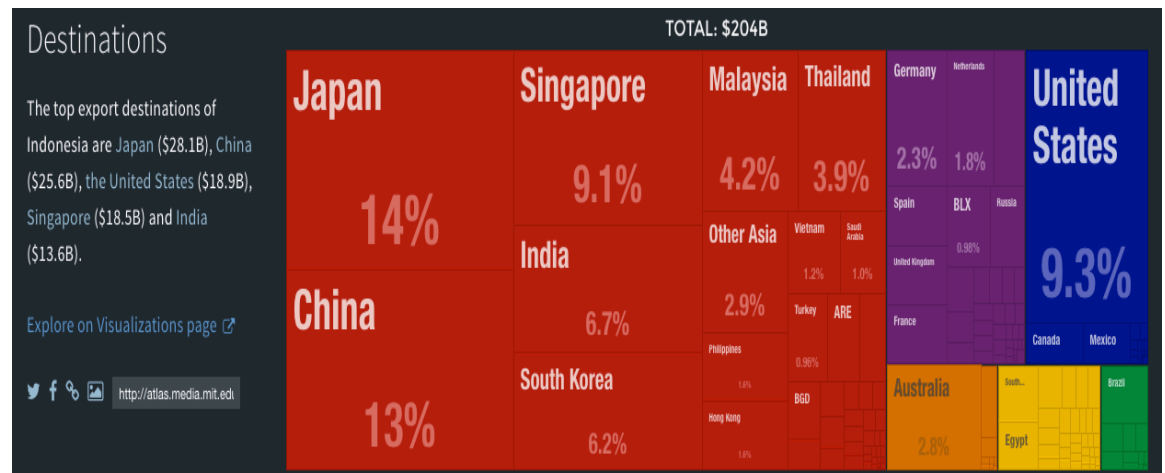
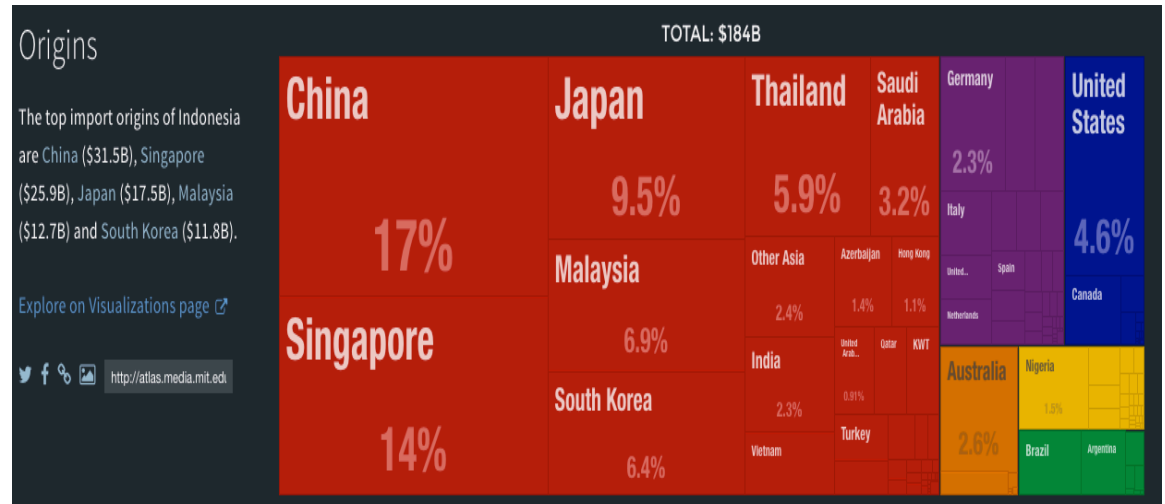
Given their historical background, it would not be surprising that China and Indonesia could find themselves antagonizing each other, or at the very least behaving in an extremely indifferent manner toward one another. Yet, this certainly has not been the case for two of the most populated countries in the world, as Sino-Indonesian relationship persists, if not blossoms into new heights as of late. In the year of 2013, China has managed to elevate itself into second position, closely behind Japan, in terms of top export destination for Indonesia; Indonesia's export to China was valued at \$25.6B in 2013, closely trailing Japan's \$28.1B¹⁰ Meanwhile, it occupied the first place in terms of top import origins for Indonesia, with a valuation of \$31.5B, which are some ways apart from second-place Singapore (\$25.9B).

Figure 3.1 depicts a more detailed breakdown of Indonesia's top export destinations and import origins, further crystallizing how dominant is China in exerting its economic influence and preponderance on Indonesia.

⁹ Fitzgerald, 53.

¹⁰ Alexander Simoes, "Indonesia," *The Observatory of Economic Complexity*, <http://atlas.media.mit.edu/en/profile/country/idn/> (accessed December 14, 2015)

Figure 3.1 Indonesia's Top Export Destinations and Import Origins



Source: OEC. Web. <http://atlas.media.mit.edu/en/profile/country/idn/>

Indonesia's economic reliance on China also manifests itself within the fact that Indonesia's trade deficit with China has been surging in recent years, as it grows exponentially from \$4.7B in 2010 to \$13.02B in 2014.¹¹ In an interview with the Jakarta Post Trade Minister Thomas Lembong mentioned that in an effort to

¹¹ Khoirul Amin, "Indonesia Eyeing More Investment from China." *The Jakarta Post*, November 20, 2015. <http://www.thejakartapost.com/news/2015/11/20/indonesia-eyeing-more-investment-china.html> (accessed January 16, 2016).

address said trade deficit, Indonesia aims to establish an even closer economic relationship and partnership with China, as it eyes to attract more direct investment from China.¹² That being said, it is clear that China and Indonesia are planning to engage in a continuous economic relationship; as a matter of fact, the potential for exponential and significant increases in economic cooperation between the two countries are very evident. Furthermore, judging from Indonesia's balance of trade, it becomes apparent that China is the more domineering party within the bilateral relations.

Hence, China's economic preponderance has indeed played a prominent role in driving the bilateral relations between Indonesia and China. I concur with Fitzgerald's argument that "trade, the increasing volume and power of Chinese industry and commerce will be a more important factor" in comparison to historical background conflicts and ethnic tensions.¹³ As a matter of fact, I argue that economic preponderance has indeed become the most critical crux of Sino-Indonesian relationship, serving as the most influential factor in the formulation of bilateral policies and relations between the two countries. In particular, I highlight two main events within Sino-Indonesian relationship in which China's economic preponderance deals significant impacts in shifting the nature of the two countries' bilateral relationship: 1) the resumption of trade and the normalization of diplomatic relations between China and Indonesia in 1985 and 1990 respectively, and 2) the inauguration of Joko Widodo, popularly known as Jokowi, into the office

¹² Ibid.

¹³ Fitzgerald, 53.

of Indonesian presidency and the appointment of Basuki T. Purnama, popularly known as Ahok, as Governor of DKI Jakarta.

Normalizing Trade and Diplomacy

Following the G30SPKI coup, the Sino-Indonesian relationship hit rock bottom, as Indonesia formally decided to sever ties with the PRC. It becomes common knowledge among the Indonesian people that the G30SPKI incident utilized the PKI, and also China, as scapegoats, eventually paving the way for Soeharto to topple Soekarno and to take charge as the country's new military dictator. Hence, Soeharto's rise to power, to a quite significant degree, became solidified when he brazenly opposed communism in Indonesia, and denounced China in the process. By doing so, he hoped to instill a sense of stability within the domestic realm, as he marked his stern and iron-fisted regime with the severing of ties with the communist PRC. Given this significant role that denouncing communism played in consolidating his New Order's power, Soeharto's decision to resume trade and later normalize diplomatic ties with China became a highly interesting topic of discourse. The dictator must have needed vital and urgent reasons to justify the reversion of his previous foreign policy.

That reason came within the form of a potentially stagnating economy due to low oil prices. Indonesia's main economic difficulties within the beginning of the 1980s stemmed from "a sharp decrease in oil and gas prices."¹⁴ The year of 1985, in

¹⁴ Rizal Sukma, *Indonesia and China: The Politics of a Troubled Relationship* (London: Routledge, 1999), 205.

particular, saw a significant effort by the New Order government for “macroeconomic management of the economy in order to moderate the impact of lower oil prices;” one of the main conclusions that the government arrived to was the crucial and urgent need to diversify Indonesia’s economy.¹⁵ This conclusion finds support in the fact that Soeharto issued Presidential Instructions in 1985 to sweep away the notoriously corrupt and inefficient Indonesian Customs Services, as well as other administrative reforms that aimed to cut harbor costs in half in order to attract foreign trades.¹⁶ In identifying a potentially major trading partner, Soeharto came to the conclusion that China would serve his purposes best, especially during times in which he was implementing major infrastructural and economic reforms in the country, while facing oppositions from the Islamic communities. In other words, securing China’s trading partnership would allow him to consolidate his power better within that time period, while also utilizing a robust economic growth to ward off oppositions by the more imminent threat of internal unrest led by the Islamic communities.¹⁷ Meanwhile, it is worth noting that China on the other hand was reaching the peak of its economic growth during the decade within the year of 1985, as its actual growth rate was significantly higher than the potential one.¹⁸

¹⁵ Donald E. Weatherbee, “Indonesia in 1985: Chills and Thaws,” *Asian Survey* 26, no. 2 (1999): 141-49, http://scholarcommons.sc.edu/cgi/viewcontent.cgi?article=1054&context=poli_facpub, 144.

¹⁶ *Ibid.* 145.

¹⁷ Sukma, 205.

¹⁸ Vincent Fernando, “If It’s 1985 All Over Again, Then China’s Growth is About to Crash,” *Business Insider*, August 17, 2010, <http://www.businessinsider.com/if-its-1985-all-over-again-china-is-in-deep-trouble-2010-8> (accessed February 3, 2016).

Hence, it becomes apparent that China's economic preponderance serves as a critical factor in convincing Soeharto's Indonesia to reverse its previous foreign policies and resume trade, before eventually normalizing diplomatic relations altogether. China's forte in its economic growth was directly involved in shaping both Indonesia's foreign and domestic policies, as it also plays a prominent role in determining the direction that Indonesia's macroeconomic policies would take within the decade. Soeharto's decisions to resume trade and relations with China, therefore, created a critical juncture in which trading relationship with China becomes a priority for the Indonesian government's agenda, ushering the path for China to become a trading partner unlike ever before for Indonesia.

The Rise of Jokowi and Ahok

Despite the recent nature of these political phenomena, the rise of President Jokowi and Governor Ahok, a Chinese Indonesian, into power within Indonesia and its capital city, Jakarta, deserves serious consideration as a critical juncture that would leave a long-lasting legacy. Said legacy is especially pertinent to the cooperation and partnership between China and Indonesia. Dubbed as "A New Hope" by the Time Magazine in 2015, Jokowi has taken the international world by storm as he opens up a new Indonesian chapter of populist democracy, government transparency and anti-corruption, economic and social reforms, and non-attachment to the New Order that Soeharto established.¹⁹ A businessman-turned-

¹⁹ Paul Wolfowitz, "Joko Widodo," *Time*, April 16, 2015, <http://time.com/3823070/joko-widodo-2015-time-100/>.

politician, Jokowi has set economic and infrastructural reforms at the heart of his new regime; as a result, both his domestic and foreign policies are largely aimed at securing resources and support for his multiple public projects. Having served as a special advisor staff member within the gubernatorial office during his reign as the Governor of Jakarta in 2013, I was aware of the budding harmonious relationship between Jokowi, Ahok (who was then his Lieutenant Governor), and Chinese businessmen and politicians. The gubernatorial office hosted multiple meetings on possible economic collaborations and cooperation with both Chinese private sectors and also Chinese municipal governments. A discussion with my supervisor within the advisory team, Michael V. Sianipar, confirmed that both Ahok and Jokowi were stepping up efforts to improve and increase the frequency of economic and diplomatic ties with foreign parties, especially China.²⁰ These efforts were non-existent within the previous gubernatorial reigns in Jakarta.

Once occupying the office of presidency, Jokowi continues to propose collaborative projects with the Chinese government and investors. Most prominently, the Chinese have managed to win the bidding war against Japan to build Indonesia's first high-speed railway. Indonesia decided to choose China over Japan for a very lucrative high-speed rail contract that is estimated to cost from \$5-6B; in an obvious attempt to win Indonesia's partnership, China has even gone as far

²⁰ I conducted an in-person interview with Michael V. Sianipar, a special advisory staff member to Governor Basuki T. Purnama of DKI Jakarta, Indonesia, in June 2013 within the Jakarta gubernatorial office. I recorded his responses by typing them verbatim as he provided answers to my questions.

as not requiring any funding guarantee from Jakarta.²¹ The fact that China is more than willing to make a significant and risky investment in Indonesia during the presidential era of an untested and amateur politician conveys the message that Beijing is eager to start a new legacy of relations with the Southeast Asian giant. There is indeed a shift within the bilateral relations of the two countries, and China's investment signals a changing trend within the nature and objectives of Sino-Indonesian relationship. Given that China's investment seems to be mathematically, economically, and statistically tilted in favor of the Indonesian party, the assumption must arise that said investment serves not just as a tool for economic partnership. Instead, it serves as an even more powerful tool that overarches the holistic field of diplomacy. After all, if the investment does not yield returns within the economic sense, it could still find equally favorable and desirable returns within other aspects of the diplomatic relations between the two countries.

Moreover, the fact that a Chinese Indonesian is serving as the governor of Jakarta for the first time in the nation's history serves as further encouragement for the Chinese to increase the proximity between China and Indonesia. In conducting interviews with a diverse pool of Indonesian citizens living in Jakarta, I asked the question of "What kind of influence would Ahok have on relations between Jakarta and China?" Through the results of the interviews, I discovered that 95% of the interviewees believed that Ahok's position in the provincial government of Jakarta would attract more interests from Chinese investors, and that increased cooperation

²¹ Shannon Tiezzi, "It's Official: China, Not Japan, Is Building Indonesia's First High-Speed Railway," *The Diplomat*, October 1, 2015, <http://thediplomat.com/2015/10/its-official-china-not-japan-is-building-indonesias-first-high-speed-railway/> (accessed November 5, 2015).

with China would be beneficial for Jakarta.²² The other 5% provided “no opinion/comment” as a response. Indeed, the Chinese CCTV 4 Television Station even proceeded to conduct an exclusive interview with Ahok in 2015, and then aired the session in national Chinese television channel.²³ The interview highlighted Ahok’s achievements while serving his tenure as a government official in Indonesia, while also emphasizing the fact that he belongs to the Chinese ethnic group in Indonesia. Thus, it is certainly plausible to argue that the governor’s affiliation to the Chinese ethnic group has assisted greatly in breaking barriers between Beijing and Jakarta, while also nurturing an increased frequency for partnerships between the Jakarta provincial government and various Chinese municipal governments and private entities.

A Strategic Partnership Aspect

It is, however, not just China’s economic preponderance that allows for long-lasting and potentially effective bilateral relations between China and Indonesia. As Indonesia resumed trade and bilateral relations, the country’s leadership did not see China as merely an economic behemoth that the country could trade with. Instead, China was able to assist Indonesia in achieving other political goals, which made a

²² I conducted the interviews in-person in between June and August 2013. I recorded the responses by typing them verbatim as the interviewees provided their answers in Bahasa Indonesia. I then translated the responses from Bahasa Indonesia into English. The pool consisted of 55 interviewees coming from a wide range of socioeconomic, religious, and ethnic backgrounds, and age group. Among the interviewees, 25 were affiliated with the provincial government of Jakarta, while 10 were affiliated with private corporations that undertook government projects. The rest of the interviewees include university students, taxi drivers, street food hawkers, religious leaders, etc.

²³CCTV 4, “Ahok,” YouTube video, 15:09, September 8, 2015, <https://www.youtube.com/watch?v=IWjuNcFG2dE>.

mutually cooperative relationship with China a strategic partnership. From the Indonesian point of view, cooperation with China would propel Indonesia's stature within the international stage, especially among other developing countries. This political objective became especially crucial during the 1980s, as Indonesia aimed to enhance its global stature by asserting its position as a leading member of the Non-Aligned Movement (NAM). As Sukma argues, "If Indonesia wanted to become the chair of NAM, continued 'frozen' diplomatic relations with China would not help its enterprise."²⁴ Engaging in amicable relationship with China became even more critical to Indonesia's enterprises within NAM due to the fact that China proclaims itself as a member of the Third World Countries, and seek to improve relations with the Southeast Asia region. Continuous refusal to acknowledge China would result in a hypocritical move for Indonesia in relevance to NAM.

Additionally, a Sino-Indonesian relationship becomes highly strategic within the examined timeline due to the power of cultural diplomacy²⁵ that the Jokowi-Ahok era ushers into the bilateral relations. Given the prominent role that Chinese ethnic group plays within the history of Sino-Indonesian relationship, Ahok's appointment as one of the highest-ranking government officials in Indonesia injects a significant degree of cultural values into the bilateral relations. Such cultural

²⁴ Sukma, 207.

²⁵ Joseph Nye discusses how public diplomacy finds enhancement through soft power that emerges out of various critical sources, including cultural values, understanding, and interconnectivity. For references, see Joseph S. Nye, *Soft Power and American Foreign Policy*, Political Science Quarterly, Academy of Political Science, 2004. Richard Arndt echoes the same positive sentiment toward cultural diplomacy, arguing that it is a cost effective way to improve relations between countries. For references, see Richard T. Arndt, *The First Resort of Kings: American Cultural Diplomacy in the Twentieth Century*, Washington D.C., Potomac Books, 2005.

values serve as crucial bridges in providing the intimate connections necessary for a strategic partnership to blossom. In other words, this notion of cultural diplomacy, previously lacking within a relationship strained by ethnic conflicts and tensions, now serves as a powerful means of soft power. The magnification of soft power within the relationship between China and Indonesia means that the potential for closer and more institutionalized partnerships between the two countries also grow. Concurrently, the ground of possible common interests in which the two countries could cooperate also expands. In example, in winning the bidding war against Japan for the high-speed-railway project, China was able to garner support from members of the prominent Chinese Indonesian business community in Jakarta²⁶ Hence, for both Jokowi and Ahok, establishing closer relationship and partnership with China means solidifying domestic relationships between the government and the economically powerful and influential Chinese minorities. The influence of these Chinese Indonesian business communities are inarguably critical; in example, the Perhimpunan Masyarakat dan Pengusaha Indonesia Tionghua (Community of Chinese Indonesian Public and Entrepreneurs) made a contribution of seven billions rupiahs (approximately \$530,000) in 2015 to Jokowi and Ahok's campaign to resolve the flooding situation in Jakarta, a long-standing issue within

²⁶ I conducted in-person interviews with five directors of Chinese Indonesian descent who work for private corporations that are in charge of executing some of the Jakarta provincial government's public projects. I conducted the interviews in July 2014. I recorded the responses by typing them verbatim as the interviewees provided their answers in Bahasa Indonesia. I then translated the responses from Bahasa Indonesia into English. All of the responses expressed support for the federal government to select China over Japan in managing the railway project.

the capital city.²⁷ The campaign later proved to be highly successful and received positive reviews from the Jakarta public, hence bolstering both Jokowi and Ahok's popularities. Soft power influence, as manifested by an affinity between the Chinese Indonesian group and China, allows China to gain more weight in affecting both Indonesian domestic and foreign policies. At the same time, the current Indonesian government is able to utilize close relationship with China to muster the support of an economically powerful group in order to solidify the new regime and its reforms, both current and prospective ones.

Moreover, from the Chinese perspective, China also gained a valuable and strategic partner in Indonesia. Indonesia was considered as one of the rising tigers of Asia, boasting an immensely bountiful natural endowments and a large population for human resources. Indonesia, however, did not only serve as a long-term trading partner with immense economic potentials; the country would also serve as a potentially invaluable political ally for China within the international stage. With a history of leadership in the Southeast Asian region (i.e., ASEAN, NAM), Indonesia carries a lot of weight in any diplomatic forums with the rest of the Southeast Asian countries.

²⁷ Fikri Faqih, "Jelang Imlek, Ahok Dapat 'Angpao' dari Pengusaha China Kelas Kakap," *Merdeka*, February 18, 2015, <http://www.merdeka.com/jakarta/jelang-imlek-ahok-dapat-angpao-dari-pengusaha-china-kelas-kakap.html>.

Tracing the Impacts of China's Economic Preponderance and Sino-Indonesian Strategic Partnership on China's Security Policies

Given the information and knowledge attained so far, I examine to what extent and how a mixture of China's economic preponderance and a Sino-Indonesian strategic partnership determines China's security policies. In particular, this chapter assigns particular foci on the economic and diplomatic aspects of security.

Economic Security

As previously established, China has exponentially grown within the past decade into a prominent economic and trading partner for Indonesia. China's growing economic preponderance, both globally and regionally, has encouraged Indonesia to look toward Beijing for economic engagements. Concurrently, Indonesia also serves as a crucial economic partner for China, as the trading relations and cooperative economic initiatives between the two countries buttress China's economic security. Hence, due to the mutual benefits that the two parties can derive from the bilateral relations, a strategic partnership comes to formation. This injection of economic security, stemming from Sino-Indonesian relations, is primarily due to the fact that Indonesia's top exports to China are commodities that are crucial within the energy and industrial sectors. **Figure 3.2** enlists items, such as oil, wood, chemical goods, as well as a variety of other natural resources within the top ten Indonesian exports to China.

Figure 3.2 Top 10 Indonesian Exports to China

Indonesia's exports to China amounted to \$17.6 billion or 10% of its overall exports.

1. Oil: \$5.9 billion
2. Animal/vegetable fats and oils: \$2.7 billion
3. Other chemical goods: \$1.4 billion
4. Woodpulp: \$1.1 billion
5. Wood: \$878 million
6. Rubber: \$803.1 million
7. Organic chemicals: \$773.2 million
8. Ores, slag, ash: \$609.1 million
9. Electronic equipment: \$358.8 million
10. Copper: \$356.2 million

Source: *World's Richest Countries. Web.*
http://www.worldsrichestcountries.com/top_indonesia_exports.html

The securing of Indonesia as a source for these commodities becomes crucial for China's security policies. As a matter of fact, the success in acquiring these resources from somewhere closer to home dictates the direction and the pace in which China reforms its armed forces. As China plans to proceed with a 300,000 reduction of Chinese troops in an effort to transform the PLA into a modernized fighting force, similar to that of the U.S. Army,²⁸ commodities that are relevant to the energy and industrial sectors are gaining prominence within China's security stratagem. Having an assurance for its capability to acquire the resources necessary

²⁸ Lauren Dickey, "Revealed: This is How China Plans to Modernize Its Military," *The National Interest*, September 3, 2015, <http://www.nationalinterest.org/blog/the-buzz/revealed-how-china-plans-modernize-its-military-13770>.

for fueling and operating a modernized army is highly critical in China's decision to initiate and proceed with the modernization route.

Having the resource base close to home, additionally, provides more security elements for China. Given the American presence in the Asian theatre, along with its superior and overarching maritime prowess, it is significant for China to find its resources somewhere closer to its own borders. This is due to the fact that China must reduce the risk of the U.S. naval forces disrupting its sea-route supply line,²⁹ given the American comparative advantage within that sector. As a result, by obtaining a supplier for, in example, oil within the Asian continent itself serves as a great reinforcement for China's economic security. Furthermore, by engaging in economic partnership with Indonesia, China is able to diversify its supplier for energy-related resources. Such diversification is prominent, especially given the fact that China's other oil suppliers in the continent comes from the more destabilized part of the region, Central Asia.³⁰ Indonesia, especially with its recent government reformations, provides a more warranted stability for Chinese economic security in terms of providing a constant supply of critical resources.

Lastly, in terms of economic security, China's economic preponderance plus strategic partnership with Indonesia provide another effective dimension to China's "anti-access and area denial" strategy, especially in regards to China's security

²⁹ In answering my questions within the in-person interview, Richard Boucher argues that the U.S. prowess within the sea poses a serious threat to China in terms of controlling the sea-route supply chain.

³⁰ Aditya Malhotra, "Chinese Inroads into Central Asia: Focus on Oil and Gas," *Journal of Energy Security*, 2012, no. 7, http://www.ensec.org/index.php?option=com_content&view=article&id=387:chinese-inroads-into-central-asia-focus-on-oil-and-gas&catid=130:issue-content&Itemid=405.

competition with the U.S.³¹ James Holmes describes the strategy as having the objective of “not necessarily [defeating] the U.S. Navy but to impress upon U.S. leaders that they will pay a heavy cost even just for getting into the theater.”³² While the “anti-access and area denial” strategy is mainly a military scheme, I argue that its conception and essence also applies within the economic security sector.³³ China is able to establish a more intricate and expansive economic networking in Asia by asserting and advertising its economic preponderance; this, in turn, produces strategic partnerships with prominent suppliers in the Asian region. In other words, China forces the U.S. to acknowledge the fact that it is investing a significant amount of resources, both financial and military, within a region that is becoming more economically tied with, if not dependent on, China. Hence, following the same conception of “anti-access and area denial,” China is making it comparatively more costly for the Americans to meddle within the Asian region. China’s economic web, especially as strengthened by the inclusion of strong rising economies like

³¹ I conducted a phone interview with Toshi Yoshihara, China military and maritime expert and a professor of strategy at the U.S. Naval War College, on April 12, 2016. I recorded his responses by typing them verbatim as he provided me with the answers to my questions. In answering my questions, Prof. Yoshihara discussed the strategy of “anti-access and aerial denial” that China exercises in Asia in order to compete with the U.S. presence there. Yoshihara’s colleague at the Naval War College and co-author of *Red Star Over the Pacific*, James Holmes, also proposed the same strategic theory for China’s engagement with the U.S. forces in Asia. Holmes also coined that term within his interview with Peter Navarro, as published and transcribed by Real Clear Defense. For references, see Peter Navarro, “Crouching Tiger: James Holmes on China,” Real Clear Defense. Web. February 20, 2016.

http://www.realcleardefense.com/articles/2016/02/18/the_animal_house_effect_and_other_observations_on_china_109043.html.

³² Peter Navarro’s interview with James Holmes. Transcribed within Peter Navarro, “Crouching Tiger: James Holmes on China,” Real Clear Defense.

³³ In answering my questions during the in-person interview, Prof. Yoshihara agrees with my opinion that “anti-access should be discussed in the broadest term possible ... not just in terms of military access, but also economic access.”

Indonesia, poses a threat of economic “anti-access and area denial” for the U.S. Any economic opportunity that China acquires within the region reduces an opportunity for the U.S. As a result, there is less to gain for the U.S. within the region, despite increasing costs to maintain American presence within the Asia. Thus, an economically driven strategic partnership with a prominent secondary power within the region, such as Indonesia, really adds a significant layer of protection for China’s economic security. This establishes a causal linkage between China’s economic preponderance and strategic partnerships with its national security policies.

Diplomatic Security

In terms of diplomatic security, China’s economic preponderance plus strategic partnership with Indonesia allows it to exercise what I call an “island-hopping” strategy. Similar to the way that the Americans bypassed less important Japanese island defenses across the Pacific during the Second World War, and only focused on ones of prominent tactical values, China also does not need to establish cordial partnerships with every single country in the region. Instead, it could just focus on establishing a strong partnership and cooperation with tactically valuable countries. I argue that Indonesia fits the bill as a significant secondary power that China needs to have within its inner circle.

As previously discussed, Indonesia has a significant history of leadership within the regional forum of Southeast Asia, and also Asia as a whole. As both the

largest economy³⁴ and the largest military power³⁵ in Southeast Asia, Indonesia is a natural leader for the region; any concerted effort by the region aimed at challenging or gaining concessions from larger powers would hinge prominently on Indonesia's involvement and leadership. As a result, establishing a cordial and mutually beneficial partnership with Indonesia allows China to gain a powerful access to express and secure its interests within the Southeast Asia region. It is arguable to claim that by just securing a strategic partnership with Indonesia, China has in a sense found the key to unlock Southeast Asia.

In examining the South China Sea territorial dispute, for example, I argue that China has managed to gain a significant advantage within the dispute by courting Indonesia. As one of the Southeast Asian countries that possess interests within the South China Sea, due to the overlap between China's nine-dash line map and Jakarta's exclusive economic zone, Indonesia possesses the potential to further complicate and resist China's claim within the region.³⁶ Additionally, China's interests in the territory also conflict with four other ASEAN countries – Brunei, Malaysia, the Philippines, and Vietnam – and, therefore, threaten to undermine the stability “in a region where Indonesia is seen as a leader.”³⁷ Thus, China identifies

³⁴ Justine Brown, “Southeast Asia: Region on the Rise,” *Inbound Logistics*, January 2013, <http://www.inboundlogistics.com/cms/article/southeast-asia-region-on-the-rise/>.

³⁵ Global Firepower, “Asia-Pacific Countries Ranked by Military Power (2016),” <http://www.globalfirepower.com/countries-listing-asia-pacific.asp> (accessed Feb. 15, 2016).

³⁶ Prashanth Parameswaran, “No, Indonesia's South China Sea Approach Has Not Changed,” *The Diplomat*, March 26, 2015, <http://thediplomat.com/2015/03/no-indonesias-south-china-sea-approach-has-not-changed/>.

³⁷ *Ibid.*

that it is imperative for Beijing to pacify Jakarta, and to engage instead in cordial and symbiotic relationship with the Southeast Asian giant. By utilizing its economic preponderance to convince Indonesia of a much larger comparative advantage in establishing a strategic partnership with Beijing, China is able to detract Indonesia's attention away from pursuing claims against China in the South China Sea. As a result, China has eliminated one potentially troublesome opposition to its interests within the region. Indeed, Indonesia publicly declares its unwillingness to pursue any claims within the South China Sea around the same time that Jakarta and Beijing were advancing talks over China's investment in Jakarta's railway project.³⁸

Additionally, President Jokowi also released the following statement during his official visit to Japan in March 2015, "I need to declare that Indonesia is not siding with any party involved in the dispute."³⁹ While the statement seems to indicate neutrality, Indonesia's decision of non-involvement actually conveys a sense of abandonment toward its fellow Southeast Asian neighbors within a struggle in which Indonesia could have lent considerable assistances. Hence, by courting Indonesia and establishing strategic partnership with the country, China is able to further expose and exacerbate the rift between member nations of the ASEAN communities. While the other claimants would certainly not stop pursuing their claims simply due to Indonesia's non-involvement, harmonious Sino-Indonesian relationship and Jakarta's non-involvement do deprive the other claimants of the

³⁸ Novy Lumanauw, "Jokowi Clarifies: Indonesia Still Neutral in S. China Sea Dispute," *Jakarta Globe*, March 24, 2015, <http://jakartaglobe.beritasatu.com/news/jokowi-clarifies-indonesia-still-neutral-s-china-sea-dispute/>.

³⁹ *Ibid.*

ASEAN forum as a readily available international diplomatic tool for opposing China. Additionally, China's engagement with Indonesia further amplifies the existing differences, and even rivalries, between the other claimants themselves by showing how individual national interests matter more than regional cooperation. As a result, China impresses upon the other claimants that any concerted effort would be futile, resulting in individual oppositions by each claimant against China within the territorial dispute. Against these individual, unorganized, and sporadic oppositions, China's prowess and stature face little trouble and resistance. A combination of China's economic preponderance and a strategic partnership with the right power within the region has allowed China to weaken a whole region and many other countries' claims against China. Hence, Indonesia has allowed China to exercise and implement an effective "island-hopping" strategy against the Southeast Asian community.

Conclusion

This chapter explores both the independent variable of economic preponderance and the intervening variable of strategic partnerships as applied within the China-Indonesia case study. After establishing the existence and nature of the two variables within the case, I conduct a longitudinal analysis for the variables while identifying any critical junctures. Through process tracing and path dependency methodologies, I then establish a causal linkage between the independent variable, intervening variable, and the dependent variable by ascertaining from different angles how economic preponderance plus strategic

partnership determine security policies. I conclude that the degree of influence from a mixture of the two variables toward security policies is significant. Both the independent variable of economic preponderance and the intervening variable of strategic partnerships directly relate to critical shifts, decisions, and executions of national security policymaking.

In discussing the economic security facet of national security policies, the China-Indonesia case study has displayed that China's implementation of its economic preponderance plus its strategic partnership with Indonesia have resulted in the securing of a crucial supplier. China's energy and industrial needs become satisfied by the Sino-Indonesian relationship, which in turn allows China to proceed with its modernization of the PLA. Responsible of assuring China's capability to fuel this modernization, the Sino-Indonesian relationship plays a pivotal role in encouraging China to improve and advance its warfighting capabilities. A modernized PLA certainly poses more challenge against China's military rivals within the Asian theatre, especially the U.S. By moving toward leveling the playing field between the Chinese armed forces and their American counterparts, China is gearing itself toward more assertive and aggressive security policies. By reducing the technological gap between the PLA and the U.S. armed forces, China would create for itself more maneuvering space to act more aggressively within the region, making it more costly and asymmetric for the U.S. to engage China militarily within China's home turf. Additionally, Beijing's engagement of Jakarta through economic preponderance and strategic partnership also adds a different dimension of protection within the "anti-access and area denial" strategy. The combination of the

two variables result in an expansion of the strategy by yielding an economic anti-access against China's main security competitor in Asia, the U.S. By portraying to U.S. leaders that the Asian region is becoming more and more inclined toward economic cooperation with, and perhaps reliance on, China, the Chinese are able to convey a perception of increased costs for less returns in regards to continuous American presence in Asia. By discouraging continuous and intensive American involvement in the region, China further expands on its maneuvering space within the security realm. In other words, China is capable of acting more aggressively due to the fact that there is less check and balance on its actions from the U.S.

Meanwhile, in terms of diplomatic security, China's economic preponderance plus its strategic partnership with Indonesia has enabled China to exercise the "island-hopping" strategy. Through this scheme, China is capable of security diplomatic support from a prominent player within the region, without having to appease and pacify every other actor. Having Indonesia, a natural leader within the Southeast Asian community, as a strategic partner allows China to gain diplomatic security against other rivals and competitors within the region. In turn, China finds encouragement in acting more assertively and aggressively, especially within the case of South China Sea territorial dispute. China gains security, and could implement aggressive security policies in enforcing its territorial claims, knowing that a major actor in the region would not interfere, and that the lack of a leadership figure deprives other rival claimants of a united front of opposition.

Empirical evidences have indeed shown that China is behaving more aggressively as of late within the Asian theatre. Shortly after President Jokowi's

declaration of non-involvement within the South China Sea dispute, China accelerated its runway construction in disputed islands, as depicted by **Figure 3.3** below.⁴⁰

Figure 3.3 China Steps Up Runway Construction in Disputed Islands



Source: CSIS. Published by AlJazeera. Web.
<http://www.aljazeera.com/news/2015/04/china-steps-runway-construction-disputed-islands-150417124758578.html>.

The acceleration of constructions on the disputed island clearly reflects China's persistence on its territorial claims and willingness to proactively engage within the disputed territories. The nature of the construction, which serves the purpose of building military accommodations and facilities, further indicate China's increased aggressiveness in terms of its security policies within the region.

Hence, the China-Indonesia case study, as viewed under the EPSP framework, results in the following conclusion: China's economic preponderance plus its

⁴⁰ "China Steps Up Runway Construction in Disputed Islands," *Aljazeera*, April 17, 2015, <http://www.aljazeera.com/news/2015/04/china-steps-runway-construction-disputed-islands-150417124758578.html>.

strategic partnership with Indonesia lead to aggressive Chinese security policies.

This finding confirms my proposed hypothesis. **Table 3.1** further summarizes the results of analyzing the China-Indonesia case study using the EPSP framework in order to better explain security policies.

Table 3.1 China-Indonesia under the EPSP Framework

Economic Preponderance (I.V.)	Strategic Partnerships (Int. V.)	Security Policies (D.V.)
<ul style="list-style-type: none"> - Growing economic preponderance and stature convinces Indonesia to normalize and intensify trade under Soeharto's regime. - China becomes the second top export destination for Indonesian commodities. - China becomes the top import origin for Indonesia. 	<p>From China's Perspective:</p> <ul style="list-style-type: none"> - Indonesia serves as a leader within the Southeast Asian community. - Indonesia is both the biggest economy and military force in Southeast Asia. - Indonesia has a history of influential Chinese minority groups, which provides intimacy for the bilateral relations 	<p>Economic Security:</p> <ul style="list-style-type: none"> - Supplier of critical resources for China's energy and industrial needs. - Supplier that is closer to China's own borders warrants against potential disruptions of the supply chain by rival states - Allows China to possess the resources needed for military modernization. - Adds a dimension of protection within the "anti-access and area denial" strategy. - Overall: Increased maneuvering room for China to act aggressively due to increased and modernized military capabilities, as well as increased cost and less return for continued U.S. military presence in Asia.
	<p>From Indonesia's Perspective:</p> <ul style="list-style-type: none"> - China serves as perhaps the most important economic partner. - Cooperation with China invites positive sentiments and support from the influential and wealthy Chinese minority groups and business communities. - China is willing to assist the new government regime by investing in their infrastructural reform projects. - Partnership with China improves Indonesia's global standing and stature, and solidifies the new regime's credence. 	<p>Diplomatic Security:</p> <ul style="list-style-type: none"> - Allows China to exercise the "island-hopping" strategy by using Indonesia's stature as a partner to undermine the Southeast Asian community. - Discourages rival nations in Southeast Asia from uniting within a concerted regional effort/forum. - Guarantees diplomatic security with Indonesia, a major player within Southeast Asia, a region in which China currently has a lot of interests. - Overall: Sino-Indonesian relations encourage China to act more aggressively, especially within the South China Sea dispute against Southeast Asian countries. Accelerated constructions on disputed islands confirm China's increased aggressiveness within the region.
<ul style="list-style-type: none"> - China has exponentially increased its investments in Indonesia, as Indonesia seeks to invite more Chinese investors. - China is investing heavily in Indonesian public projects, such as the high-speed-railway project. 		

CHAPTER FOUR CHINA-IRAN, THE NUCLEAR DIMENSION

A Brief History – A Mischievous Relationship

Relations between China and Iran are, in fact, based upon recognition of the “age-old contacts between these two great Asian peoples.”¹ The fact that the two countries come from a line of ancient and proud civilizations has indeed shaped their individual identities within the modern era, as well as their interactions with one another.² Additionally, both China and Iran have shared a similar history of resisting the attempts of the West to extend its sphere of influence, both through direct invasions and through political puppeteering, over their countries. Both Beijing and Tehran have spent a good amount of their histories defending their legitimacy in the face of a Western-led international system’s conceptions of limited sovereignty and human rights universality.³

Following China’s revolution in 1912, which resulted in the establishment of a republican government, and Iran’s revolution in 1921, which resulted in the reign of Reza Khan, also known as Reza Pahlavi, the bilateral relations between the two countries were at a point of little significance.⁴ Yet, Reza Pahlavi did eventually restore Iran’s broken links with the post-revolutionary Nationalist China for the

¹ A. H. H. Abidi, *China, Iran, and the Persian Gulf*. (New Jersey: Humanities Press, Inc., 1982, 3).

² John W. Garver, *China and Iran: Ancient Partners in a Post-Imperial World*. (Seattle: University of Washington Press, 2007, 13–17); Willem van Kamenade, *Cooperation and Confrontation: Iran’s Relations with China and the West*, (The Hague: Clingendael, 2009, 5).

³ Xingli Yang [杨兴礼], “Sixty Years of Iran Studies in China [中国的伊朗研究六十年],” *West Asia and Africa [西亚非洲]*, No. 4, 2010, 63–67.

⁴ Abidi, 29; Scott Harold & Alireza Nader, “China and Iran: Economic, Political, and Military Relations,” *RAND Center for Middle East Public Policy*, 2012: 3.

following two reasons: 1) “it was a part of his general policy of entering into political, economic and cultural relations with the independent states of Asia in order to acquire legitimacy in the comity of nations,” and 2) “it was considered necessary to protect the interests of the Iranian merchants settled in some Chinese cities.”⁵ On the other hand, however, relations between Iran and the communist PRC met more initial hindrances and impediments. During the Shah regime, Iran was facing huge pressure by the West, which restricts its movements and abilities to interact with the communist PRC.⁶ In addition, Iran regarded China as being geographically far, thus yielding “few compulsions for positive thinking about” establishing proper relations with the PRC.⁷ On top of it, Iran regarded China’s ideology as dangerous, which resulted in “a great damper for an understanding of the People’s China.”⁸ Following Iran’s Islamic Revolution in 1979, the Islamic Republic was still suspicious of China, categorizing them together with other outside powers that “sought to exploit Iran.”⁹ However, Beijing was relentless in its pursuit to establish a close and cooperative rapport with Tehran, as indicated by China’s prompt recognition of the new regime, only three days after its founding.¹⁰ As China ramps up its skillful diplomatic efforts toward Tehran, it finally found a crucial tool

⁵ Abidi, 29-30.

⁶ *Ibid.* 31.

⁷ *Ibid.* 32.

⁸ *Ibid.*

⁹ Harold & Nader, 3.

¹⁰ *Ibid.*

within arms sale during the Iran-Iraq War, “earning Tehran’s gratitude for years to come.”¹¹

It is at this point that both China and Iran realized that bilateral relations between the two countries would prove to be highly tactical. Given that Iran’s radical revolutionary isolated it from the rest of the world, including the U.S. and the USSR, as well as much of the Arab world, China served as a crucial partner in Tehran’s dire times of need for a friend.¹² As a result, even after the two countries began to shift their foreign and domestic policies away from “dogmatic revolutionary goals toward economic reconstruction and military modernization,” the two countries had managed to establish a symbiotic relationship that would be long-lasting despite the tonal shifts in policymaking toward pragmatism. As a matter of fact, the relationship blossomed even more during this shift, as both China and Iran found in each other a highly strategic partner with whom they “came to cooperate more deeply on arms and energy issues.”¹³

As a result, despite a brief dip in cordiality between China and Iran in 1997 when China ceased open cooperation in nuclear and missile programs¹⁴, the two countries had managed to find within each other a partner that is as mischievous, as daring, and as tactically valuable. Both of them realized the common struggle of resisting the West and its international system, while also acknowledging the strategic values that they each bring to the table within the bilateral relations.

¹¹ *Ibid.*

¹² *Ibid.*

¹³ *Ibid.* 4.

¹⁴ Garver.

Consequently, crucial developments within the 1990s and the early 2000s allowed the relationship between China and Iran to accelerate its technological and economic cooperation.¹⁵ Due to this acceleration period, the two countries managed to advance their rapports significantly into the current state of mutual cooperation and strategic partnership.

China's Economic Preponderance: Applications in Iran

It is definitely fascinating to examine how China-Iran relationship has managed to evolve within the last few decades. In particular, it is highly interesting that Iran, with its initial suspicions of China, lack of sympathy toward China's ideologies, and geographic distance from China, managed to reassess China's critical importance within the beginning of 1980s. No doubt, it is indeed China's economic preponderance that convinces Tehran to accept the fact that it needs to secure China as a strategic partner. Given a playing field in which Iran is very much isolated from many other global economic powerhouses, such as the U.S. and U.K., China is able to inject its economic preponderance in a domineering manner within a China-Iran bilateral relationship. In other words, China now serves as the biggest and most constant economic partners out of the limited options that Iran has had since the 1980s. Given this parameter, Beijing has been able to take advantage of Iran's isolated nature in order to further amplify its economic preponderance toward Iran, which in turn produces a larger degree of influence over Tehran. This is exemplified

¹⁵ Harold & Nader, 4-5; John S. Park & Cameron Glenn, "Iran and China," *United States Institute of Peace: The Iran Primer*. Web. Accessed March 20, 2016. <http://iranprimer.usip.org/resource/iran-and-china>.

by China's prominent role in getting Iran to come to an agreement within the Iran Nuclear Deal. Paul Heer, former US National Intelligence Officer (NIO) for Asian affairs, expressed to me his belief that Iran's willingness to cooperate within the deal is highly influenced by Beijing's involvement.¹⁶

Consequently, the China-Iran relationship managed to blossom into its current standing, which includes the following key facts: 1) by 2015, Iran has served as a supplier for 11 percent of China's oil imports, while China served as the largest buyer of Iranian oil,¹⁷ 2) trade between Iran and China had exponentially grown from \$4B in 2003 to over \$20B in 2009; by 2013, it more than doubled to \$53B,¹⁸ 3) There are more than 100 Chinese state-owned enterprises operating in Iran,¹⁹ 4) Iran seeks to further improve cooperation and partnership with China by applying for full membership in the SCO in 2008,²⁰ and 5) China serves as the largest arms and military technologies supplier to Iran; in September 1996, China and Iran signed an agreement whereby China "would provide combat aircraft, warships, a variety of armored vehicles, missile and electronic equipment, and military training to Iran."²¹ **Figure 4.1** further displays how China's economic preponderance is very

¹⁶ In-Person interview with Paul Heer, Massachusetts Institute of Technology, Boston, April 13, 2016.

¹⁷ Park & Glenn.

¹⁸ *Ibid.*

¹⁹ *Ibid.*

²⁰ *Ibid.*

²¹ Bates Gill, *Silkworms and Summitry*, "Chinese Arms Exports to Iran and U.S.-China Relations," *The Asia and Pacific Rim Institute of the American Jewish Committee*, New York, 1997:25.

apparent and implemented over Iran, given that it serves as the Iran's top export destination and third from the top biggest import origin as of 2014.

Figure 4.1 Iran's Top Export Destination and Top Import Origin

MERCHANDISE TRADE	Value	Annual percentage change		
	2014	2010-2014	2013	2014
Merchandise exports, f.o.b. (million US\$)	88 800	-3	-21	8
Merchandise imports, c.i.f. (million US\$)	51 000	-6	-14	4
	<u>2014 a</u>			<u>2014 a</u>
Share in world total exports	0.47	Share in world total imports		0.27
Breakdown in economy's total exports		Breakdown in economy's total imports		
By main commodity group (ITS)		By main commodity group (ITS)		
Agricultural products	6.7	Agricultural products		27.2
Fuels and mining products	62.3	Fuels and mining products		3.1
Manufactures	20.1	Manufactures		69.6
By main destination		By main origin		
1. China	4.0	1. United Arab Emirates		26.6
2. Iraq	3.5	2. European Union (28)		18.8
3. United Arab Emirates	3.3	3. China		10.3
4. India	2.0	4. Korea, Republic of		6.6
5. Afghanistan	1.4	5. Turkey		4.5
Unspecified destinations	7.2	Unspecified origins		16.1

Source: World Trade Organization. Web.

<http://stat.wto.org/CountryProfile/WSDBCountryPFView.aspx?Country=IR&Language=E>.

In examining how China projects its economic preponderance within the China-Iran relationship, I identify three significant events as critical junctures that shape the nature and direction of the bilateral relations: 1) the Iran-Iraq War in 1980, 2) China's rise in global standing within the late 1990s and early 2000s, and 3) the appearance of illicit nuclear proliferation between China and Iran through their trading network, especially as conducted by Li Fangwei, also known as Karl Lee.

The Iran-Iraq War, 1980-1988

It was no coincidence that the 1980s witnessed a significant growth for Iran in terms of economic and technological cooperation.²² This is largely due to the fact that this time period allowed China's economic preponderance to, for the first time ever, find large-scale implementation in regards to relations with Iran. Deng Xiaoping's major economic transformation that propelled China toward exponential economic growth in 1979²³ met, in a very timely manner, an invaluable opportunity for an international demonstration of power in 1980. Said opportunity took the form of the Iran-Iraq War. In desperate need of arms supplies, Iran had no other choice but to accept China's assistances. This pivotal moment became the first major turning point of China-Iran relationship, as the following years saw increased and intensified cooperation between the two nations. In 1985, for example, China and Iran set up the Joint Committee on Cooperation of Economy, Trade, Science and Technology to collaborate on energy, machinery, transportation, building material, mining, chemicals and nonferrous metal.²⁴

Not only did the Iran-Iraq War present an opportunity for the broadening and deepening of Sino-Iranian relationship, the war also dictated the nature of economic partnership between the two countries, especially in terms of the traded commodities. It set a tradition, while leaving behind a legacy of intensive trading within the military industry, arms technologies, and energy sectors between China

²² Park & Glenn.

²³ *Ibid.*

²⁴ *Ibid.*

and Iran. In the aftermath of the war, China proceeded to intensify the military cooperation between Beijing and Tehran by offering the transfer of ballistic missile technology and assistances with Iran's chemical weapon (NBC) programs.²⁵ As a result, there is a direct causal linkage from China's economic preponderance and partnership with Iran to security issues. The Iran-Iraq War, therefore, plays a pivotal role in establishing a long-lasting legacy that entails a direct connection between economic and strategic partnerships and security policies.

China's Global Rise, Late 1990s and Early 2000s

China's global rise within this time period is mainly predicated upon its miraculous economic growth into one of the world's largest economic powerhouses. In particular, China's growth under the management of Jiang Zemin had paved the way for China's accession to WTO in late 2001.²⁶ Not only does this milestone signify the international world's acknowledgment of China's growing economic prominence and preponderance, it also allows China to utilize said preponderance more freely in regards to Iran. Since China had managed to gain entrance into the WTO, the U.S. could no longer utilize continuous exclusion from the WTO as a source of leveraging over China regarding Iran.²⁷ In result, China is more capable of utilizing the full capacity of its robust economic preponderance in order to establish a strategic partnership with Iran.

²⁵ Daniel Byman & Roger Cliff, *China's Arms Sales: Motivations and Implications*. RAND Project Air Force, 1999: Chapter 3, pp. 8.

²⁶ Harold & Nader, 4.

²⁷ *Ibid.*

In addition, China's exponential economic growth has become undeniable within this time period, thus forcing the international community, including the U.S. and other powerhouses, to cease using coercion tactics against China. As a result, China was able to sever bondages that the U.S. and the international community previously imposed upon it, which results in an expanded maneuvering space to behave against the will of the international system. That is why, under the leaderships of Hu Jintao and Wen Jiabao, China was able to muster the confidence to de-emphasize "the relatively warmer relations with the United States and the West" in order to intensify collaborations with under-pressure Iran.²⁸ As a result, the Sino-Iranian relationship truly matured within the early 2000s, as China's economic preponderance provided Iran with the necessary assistances in the face of reduced trade and investment by other parties, such as the U.S., Russia, Japan, South Korea, India, and Europe.²⁹

Additionally, the impacts of China's full implementation of its economic preponderance within the China-Iran relations found even larger magnifications due to the fact that no other country was competing with it. Iran's isolation by the rest of the world aids China to expand its wings even more, hence projecting its economic preponderance beyond the usual level under the normal circumstances of open competitions. In other words, China was able to monopolize its partnership with Iran, which in turn augments the strategic value of the bilateral relations. The developments within the late 1990s and early 2000s in regards to China's global

²⁸ *Ibid.* 5.

²⁹ *Ibid.*

rise, thus, serve as a critical juncture that significantly amplifies China's sphere of influence and impacts within the Sino-Iranian relations.

Illicit Nuclear Proliferation through Trade Networking, the "Karl Lee Network"

Karl Lee became a phenomenon after it was discovered that he was selling advanced missile and nuclear technology and materials to Iran by utilizing the growing trading network between China and Iran.³⁰ Nick Gillard, an analyst with Project Alpha at King's College London, argues "Karl Lee's importance as a supplier to Iran's missile program can't be overstated," thus highlighting the man's notoriety.³¹ Lee's illicit network opens up a new realm within the economic partnership between China and Iran, as his activities, in a sense, weaponize the economic relations. According to a classified 2008 State Department cable that WikiLeaks obtained, Lee was "a former government official who has been using his government connections to conduct business and possibly protect himself from Beijing's enforcement actions."³²

This certainly raises security issues in regards to the establishment of China-Iran economic partnership. The possibility of Lee being connected to the Chinese government, as well as the difficulty to ascertain and to prove such accountability link back to the Chinese government, result in the argumentation that there is a direct causal linkage between China's economic partnership with Iran and China's

³⁰ Jeff Stein, "How China Helped Iran Go Nuclear," Newsweek. Web. Accessed September 20, 2015. <http://www.newsweek.com/2015/07/31/iran-nuclear-deal-china-karl-lee-353591.html>.

³¹ *Ibid.*

³² *Ibid.*

security policies. The discovery of Lee's network serves as a critical juncture, in which the perception of China's economic preponderance and strategic partnership with Iran must now include a security dimension. After all, Lee has proven that the Chinese government could harness the economically driven strategic partnership with Iran for security purposes. Therefore, China's economic partnership with Iran potentially serves a dual purpose of both trading and facilitating for aggressive and dynamic, yet cloaked, military and security policies.

A Strategic Partnership

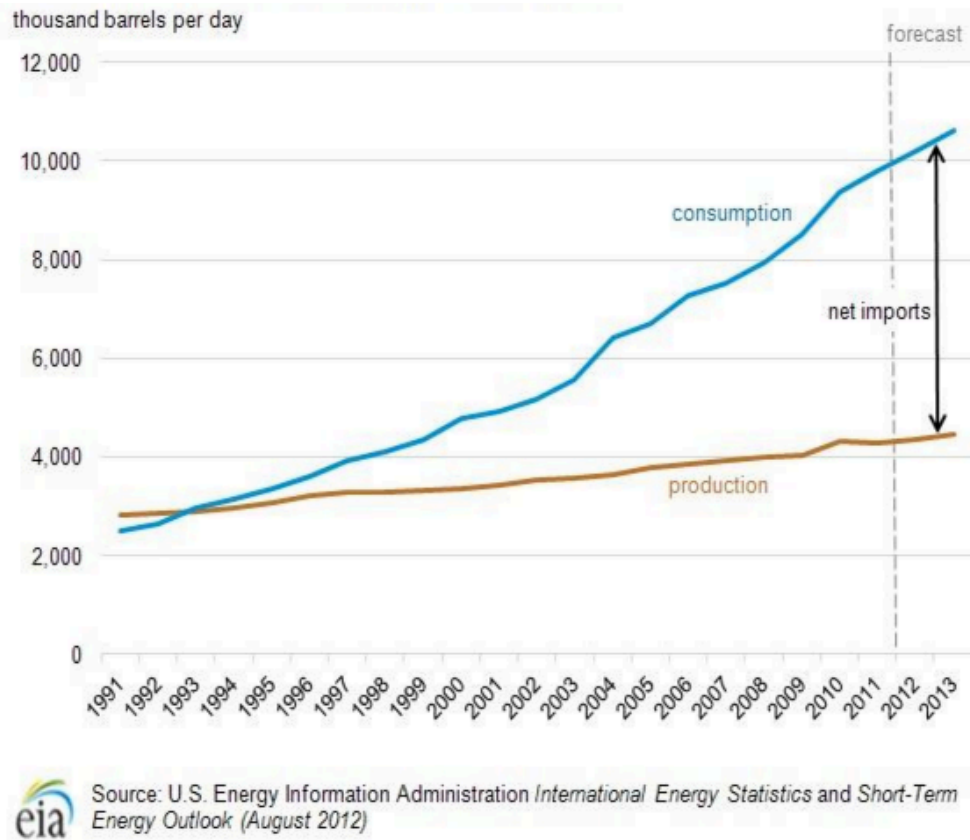
China's economic preponderance is certainly not the only factor that assures the continuation and intensification of the Sino-Iranian relationship. In the first place, China's decision to utilize its economic preponderance to interact with Iran and Iran's decision to accept said preponderance were due to both parties acknowledging the critical strategic values of the partnership. I examine and categorize the different facets of the strategic values of the partnership into: 1) economic and energy cooperation, and 2) defense cooperation.

Economic and Energy Cooperation

Similar to the Indonesian case, China finds immense strategic values within Iran, as it is capable of supplying China with the energy-related commodities that it requires for its industries and modernization. **Figure 4.2** depicts how China is becoming increasingly dependent upon other nations in order to attain its oil supply. In addition, China's assertion of its position as the successful leading buyer

of oil from Iran also serves as both a political and economic statement against the U.S., a rival great power that has spent a huge amount of efforts, money, and manpower in order to secure oil and energy-related commodities from the Middle East region. China is able to imply a sense of superiority over the U.S., as it is able to secure its resources from Iran more easily and with relatively lower cost, while the U.S. continues to utilize more coercive actions against Iran and engages in costly campaigns within the region. As the most prominent established regional power, whose importance is acknowledged by the international community and powerhouses, such as the U.S., Iran's status and international implications further lend credence into its strategic value within a partnership. In securing the partnership of this established power within a highly contested region, China has managed to elevate its own power standing within the global community.

Figure 4.2 China's Oil Production and Consumption, 1990-2013



As a result, the oil trade between China and Iran become a mutually beneficial cooperation between the two countries. While China gains a significant amount of oil that it needs as a net oil importer nation, Iran manages to secure a constant buyer for its number one commodity. In fact, for Iran, the most invaluable aspect of an economic partnership with China is the fact that China has historically proven itself a reliable partner, regardless of the fluctuations within the international climate and potential sanctions by the rest of the international community. In example, Chinese Vice Premier Li Keqiang reassured Iranian Oil Minister Massoud Mirkazemi in August 2010 that Beijing would continue to maintain cooperation with Tehran on “existing large-scale projects n the energy

sector, even after the United States directly called on Beijing to observe sanctions.”³³ Additionally, China becomes an even more desirable strategic partner for Iran due to China’s ability and record of providing technological knowledge for Iran to develop its energy resources and infrastructures, such as bridges, dams, railroads, and tunnels.³⁴ Moreover, China has also been selling refined gasoline to Iran, “which lacks the refineries to meet its domestic needs.”³⁵ Hence, China and Iran are able to satisfy each other’s needs, while maximizing their own comparative advantages, within the energy and economic sectors.

Defense Cooperation

Within the defense cooperation aspect, China has significantly aided Iran’s efforts to modernize their military hardware and doctrine through the transfer of technologies and arms sales. In regards to China’s arms sales to Iran, Beijing has not hesitated in providing a full coverage plan, as it supplies Iran with both small arms and tactical ballistic and anti-ship cruise missiles.³⁶ Furthermore, China has also greatly assisted in the development of Iran’s nuclear program, perhaps singlehandedly allowing Iran to go nuclear.³⁷

Concurrently, China’s nuclear technologies and knowledge transfer to Iran also adds another more covert pathway to aggressive security policies. Through

³³ Park & Glenn.

³⁴ Harold & Nader.

³⁵ Park & Glenn.

³⁶ Harold & Nader, 7.

³⁷ Byman & Cliff, Chapter 3.

both open knowledge transfer pathway and the illicit pathway, as exemplified by “Karl Lee’s Network,” China is capable of empowering its close partners with nuclear technologies, and possibly weaponry. This provides China with another means to counterbalance against the U.S. much larger nuclear forces. While empowering Iran with nuclear technology and weaponry does not result in equal missile-to-missile match-up with the U.S. arsenal, it does allow China to create a security concern for the U.S. within the Middle East region. As a result, the U.S. must allocate more attention and security and military resources toward Iran, instead of toward China’s more prioritized interests. Moreover, China’s acquisition of crucial oil and other energy-related commodity resources yields larger capabilities for China to modernize its armed forces. As a result, Iran plays a pivotal role in ensuring the basic provisions for China’s plans to reform the PLA into a modern warfighting force.

Tracing the Impacts of China’s Economic Preponderance and Sino-Iranian Strategic Partnership on China’s Security Policies

Given the information and knowledge attained so far, I examine to what extent and how a mixture of China’s economic preponderance and a Sino-Iranian strategic partnership determines China’s security policies. In particular, this chapter assigns a particular focus on the military and nuclear aspects of security.

Military and Nuclear Security

To begin the discourse, I explain the three main types of nuclear posture, as proposed by Vipin Narang's "Posture Optimization Theory," and identify which nuclear posture China has adopted since its acquisition of a nuclear arsenal.³⁸

Three Types of Nuclear Postures – China's Selection

The first posture, deemed to be the least costly out of the three, is the "catalytic posture," which hinges mainly on threats to "weaponize ... small arsenal in order to encourage a third-party patron to operate on [one's] behalf, therefore exploiting an otherwise non-credible nuclear arsenal."³⁹ The second posture is one of "asymmetric escalation," which could be deemed as the most extreme of all three postures, for its implementation relies on the commitment to engage in "nuclear retaliation at any level of aggression (political subversion, economic destabilization, physical invasion, etc.)."⁴⁰ The last posture is that of "assured retaliation," which serves an intermediary posture in which "a country establishes a line of aggression that must not be crossed lest the aggressor be prepared for a nuclear response."⁴¹ China's 'No First Use' Doctrine, along with its specialization of second-strike capability build-up, fit within the framework of the last posture of assured retaliation. This is evidenced by the fact that China's "nuclear

³⁸ Vipin Narang. *Nuclear Strategy in the Modern Era: Regional Powers and International Conflict*. Princeton University Press. (Princeton, 2014: 13).

³⁹ Zachary Kitt, "Nuclear Strategy in the Modern Era: Regional Powers and International Conflict." *Perspectives* 22, no. 2 (2014): 140.
<http://search.proquest.com.revproxy.brown.edu/docview/1667662313?pq-origsite=summon#>.

⁴⁰ *Ibid.*

⁴¹ *Ibid.*

modernization drive indeed appears primarily designed to make China's arsenal more survivable against a first strike;" in other words, China places its nuclear policy locus in second-strike capabilities, which is the main prerequisite to the assured retaliation posture.⁴²

China-Iran, Impacts on China's Nuclear Posture

As previously discussed, China's economic preponderance plus strategic partnership with Iran opens up a new pathway in which China could go on the offensive within the nuclear sector. By supplying nuclear technology and knowledge for Iran, and utilizing the China's extensive trade networking and intensive economic presence in Iran to facilitate for said transfers, China creates a significant security issues for its security and military rivals, namely the U.S. Thus, through a mixture of China's economic preponderance and strategic partnership with Iran, China has managed to co-opt Iran's nuclear posture into its very own nuclear and security policies. In particular, China has managed to play influential roles in causing Iran to adopt a nuclear posture that results in security concerns for the U.S. I once again highlight the specific case of the "Karl Lee Network;" China has played a critical part in prompting said network of nuclear technology distribution, which managed to distribute critical information on nuclear weaponries into Iran. The Sino-Iranian partnership plays well with the fact that China has loose and vague guidelines on nuclear security issues, as reflected by the fact that "many Chinese experts continue to doubt ... credible threat[s] to Chinese nuclear materials and

⁴² Thomas J. Christensen, "The Meaning of the Nuclear Evolution: China's Strategic Modernization and US-China Security Relations," *Journal of Strategic Studies* 35, no.4 (2012): 447-487.

facilities,” China continues to view nuclear terrorism as “not an urgent concern.”⁴³ This perception contributes to the country’s overall lack of a “strong security culture,” while ‘facilitating’ various private entities, with little accountability linkage to the Chinese government, in globally spreading sensitive nuclear materials and information (Hui 2015). Said concern becomes even more distressing in the recent decade, given China’s movement toward economic devolution, and the increasing presence of both state-owned and private Chinese enterprises in Iran. This trend would certainly yield even more private entities of questionable motives and purposes. Within the “Karl Lee Network,” this kind of dubious network, including a plethora of private corporations owned by Lee, assisted greatly in encouraging more reckless and aggressive nuclear behaviors on Iran’s part.⁴⁴ Meanwhile, the network’s reach within the Middle East had not only assisted Americans’ adversaries in taking more aggressive postures, but also caused the U.S. ally, Israel, to entrench itself more deeply within the catalytic posture.⁴⁵ As a result, the US sees a rise in Israeli demand for protection and active involvement within the region. Thus, it becomes apparent that Chinese nuclear involvements contribute directly to overstressing the US, forcing them to spread thinner all over the globe as new potential threats rise sporadically. Consequently, the US is rendered more incapable of giving full attention and resources to fully confront China’s overall rise, increasingly aggressive security maneuvers, and military build-ups and modernization.

⁴³ Hui Zhang, "How to Strengthen Nuclear Security in China." *Arms Control Association*. 45. (2015). http://www.armscontrol.org/ACT/2015_03/Features/How-to-Strengthen-Nuclear-Security-in-China.

⁴⁴ Stein.

⁴⁵ Kitt.

Additionally, China's securing of oil and energy-related commodities through an economically driven strategic partnership with Iran allows for China's modernization of the PLA. As part of the modernization, China substitutes raw manpower with advanced technologies that are capable of acting as auxiliary components of China's nuclear and missile systems.⁴⁶ Thus, the Sino-Iranian relations allows for China to accompany its second-strike nuclear capabilities with the development of "new conventional military capabilities designed to assert or protect the PRC's interests ... in ways that greatly increase the chance of conventional engagement with US forces, something China was previously largely incapable of doing in an effective manner."⁴⁷ Most importantly, however, is the fact that these new conventional military developments are more than capable of being integrated into China's nuclear capabilities. Brad Roberts points out that the "close integration of China's nuclear and non-nuclear strike systems and theater and intercontinental capabilities" is very much a viable possibility.⁴⁸ It is possible, and reasonable, for China to claim that its conventional military tools are directly interlinked as auxiliary support to its nuclear capabilities. In other words, it is very possible for China to perceive any conventional encroachment against its conventional military instruments as being a detrimental attack against its nuclear capabilities, thus activating the assured retaliation policy of nuclear responses without having to experience a first-strike nuclear invasion. The risk of escalation from conventional level to military level has been far exacerbated. Due to this situation, adversaries, including the U.S. military, must face the loss of leverage. Not only that they are now facing a more adept and

⁴⁶ Stewart.

⁴⁷ Christensen, 452.

⁴⁸ *Ibid.* 453.

improved conventional military, with whom any confrontation would prove to be much more costly, but such conventional military has the potential to escalate into a magnitude of nuclear warfare. Simply put, China's second-strike capability can actually now serve as a first-strike capability, hence deterring both nuclear and conventional threats, while concurrently allowing China to act more aggressively without seeming aggressive.⁴⁹

Conclusion

I explore within this chapter both the independent variable of economic preponderance and the intervening variable of strategic partnerships as applied within the China-Iran case study. After establishing the existence and nature of the two variables within the case, I conduct a longitudinal analysis for the variables while identifying three critical junctures. Additionally, by utilizing process tracing and path dependency methodologies, I establish a causal linkage between the independent variable, intervening variable, and the dependent variable. In doing so, I ascertain from different angles how economic preponderance plus strategic partnership determine security policies. I conclude that the degree of influence from a mixture of the two variables toward security policies is significant. Combined, both the independent variable of economic preponderance and the intervening variable of strategic partnerships directly relate to critical shifts, decisions, and executions of national security policymaking.

⁴⁹ I conducted separate in-person interviews with Professor Frank Ching, a professor of Chinese foreign policies at the Chinese University of Hong Kong with prior experiences with the Chinese government, and Professor Derek Yuen, a professor of Strategy at the Chinese University of Hong Kong, in April 2015 at the Chinese University of Hong Kong. I recorded their responses by typing them verbatim as they provided answers to my questions. In answering my questions, both Professor Ching and Professor Yuen confirmed the possibility that China's second-strike capability could very well turn into a first-strike capability due to loose and vague guidelines.

In terms of military and nuclear security, China's economic preponderance plus strategic partnership with Iran allows for China to co-opt Iran's nuclear posture into its own nuclear strategy and security policies. The act of supplying a rogue state with nuclear knowledge and technologies is in itself already a form of aggressive security policies. Thus, as China's economic preponderance grows and its strategic partnership with Iran intensifies within the last few decades since the 1980s, it is apparent that China acts even less "like a responsible stakeholder due to its energy needs;"⁵⁰ it behaves more aggressively instead in terms of nuclear security. Additionally, by supplying a rogue state partner with knowledge of nuclear weaponry, China is contributing to the destabilization of another region through the use of nuclear proliferation, hence creating security issues for other adversaries, mainly the U.S. This means that China's actions also divert attention away from China's prioritized interests and maneuvers elsewhere, directing adversaries instead to the weaponizing of the rogue state partner. As a result, this gives China more maneuvering space to conduct more aggressive security policies under less scrutiny, due to the overspread attention of its adversaries.

Lastly, China's economic preponderance plus strategic partnership with Iran result in the securing of crucial oil and energy-related resources to fuel the modernization of the PLA. On one hand, a modernized PLA encourages aggressive security behaviors on China's part, as it levels the playing field more with regards to competing rival military forces. As a result, with military technologies that are more on par with rival forces, China is able to better magnify the home turf advantage it

⁵⁰ Park & Glenn.

has, creating an asymmetric field against the U.S. military presence in Asia. On the other hand, a modernized armed forces and warfighting technology also allow China to integrate conventional forces more in tandem with nuclear forces. Consequently, this close integration of modern conventional forces and nuclear forces allows China to potentially transform its second-strike nuclear capability into first-strike capability. As long as China could justify conventional assaults against its modern conventional forces as impeding China's nuclear capabilities, China possesses more maneuvering space to act aggressively and threaten retaliation within the nuclear sense. In other words, through its economic preponderance plus strategic partnership with Iran, China is capable of customizing its assured retaliation posture into a more proactive and potentially aggressive posture.

Hence, the China-Iran case study, as viewed under the EPSP framework, results in the following conclusion: China's economic preponderance plus its strategic partnership with Iran lead to aggressive Chinese security policies. This finding confirms my proposed hypothesis. **Table 4.1** further summarizes the results of analyzing the China-Indonesia case study using the EPSP framework in order to better explain security policies.

Table 4.1 China-Iran under the EPSP Framework

Economic Preponderance (I.V.)	Strategic Partnerships (Int. V.)	Security Policies (D.V.)
<ul style="list-style-type: none"> - Growing economic preponderance and stature convinces Iran to intensify trade and bilateral relations with China following the Iran-Iraq War. In doing so, China becomes the most prominent arms and nuclear technology supplier to Iran. - China becomes the first top export destination for Iranian commodities. - China becomes the third from the top import origin for Iran. - China has exponentially increased its investments in Indonesia, as hundreds of state-owned and private Chinese enterprises operate in Iran. - Iran seeks to cooperate more with China within an international economic cooperation forum by applying for full membership with the SCO. 	<p>From China's Perspective:</p> <ul style="list-style-type: none"> - Iran serves as the most prominent established regional power in the Middle East. - Iran provides China with the invaluable oil and energy-related commodities that China is highly dependent upon for industrial sector and modernization purposes. - Iran allows China to utilize nuclear knowledge and technology transfer as a way to covertly divert adversaries' attention away from China's interests and movements by creating nuclear security issues in the Middle East. <p>From Iran's Perspective:</p> <ul style="list-style-type: none"> - China serves as perhaps the most important economic partner due to its constant partnership even during times of isolation for Iran. - China's stature within the international community adds a layer of protection and support against Western oppositions. - China has aided Iran immensely in developing its infrastructure and energy sector 	<p>Military and Nuclear Security:</p> <ul style="list-style-type: none"> - China's long-established arms trade with Iran results in periodically intensifying trade of weapons and nuclear technologies with a rogue state. In playing a direct role within the nuclear proliferation process, China is acting aggressively in terms of security policies. - China co-opts Iran's nuclear posture as part of its own nuclear strategy and security policies, allowing it to divert adversaries' attention away from its own movements by empowering Iran to behave aggressive also through nuclear proliferation. - China secures the necessary resources, in terms of oil and energy-related commodities, to modernize the PLA. Such modernization levels the playing field more against other rival military forces, hence encouraging China to behave more aggressively. - The modernization of the conventional forces also allows for closer integration between conventional forces and nuclear forces. This could potentially allow China to adopt a more proactive and aggressive assured retaliation nuclear posture. Simply put, its second-strike capability could transform into a first-strike capability.

CHAPTER FIVE CONCLUSIONS, LARGER IMPLICATIONS

Explaining security policies in terms of just perceived security threats from rival states overlooks the notion of security as a forum to manifest a country's preponderance within other sectors, such as the economy. On the other hand, explaining security policies in terms of just a culture of partnership and cooperation within an increasingly interconnected world order undermines the self-interest, self-reliance, and self-capability aspects of security. Through this thesis project, I propose a new critical framework, the EPSP framework, which addresses the narrow scope under which current scholarship attempts to explain security policies. My framework differs in that it takes into account both the country's inherent capabilities, especially in terms of economic preponderance, and the culture of partnership and cooperation through the establishment of strategic partnerships. As a result, it provides coverage of both the self-reliance and the collaborative interconnection facets of security.

Additionally, explaining security only in terms of military capabilities will result in stagnant missile-to-missile and bullet-to-bullet comparisons, which ignores the holistic and multifaceted nature of security strategies. This stagnation and lack of dynamic is especially true due to the lack of movement within the global military ranking for the past few decades. Hence, it is important to examine a different factor that also influences military capabilities, while also affecting the holistic picture of security policies. As a result, I decide to highlight economic factor, specifically economic preponderance, as a major variable in determining security policies. This

decision also correlates with the global trend of intensified economic networking that the current globalization process accommodates, which allows for a modernized and contemporary understanding of security policies.

This thesis addresses and answers the following questions: What factors determine a country's security policies? More specifically, to what extent, if so, how, do economic preponderance and strategic partnerships determine a country's security policies? In order to answer these questions, I examine how economic preponderance is capable of serving as an impetus to the creation of a strategic partnership. I then examine how that strategic partnership then serves as an intervening incubator and magnifier for a country's economic preponderance, so that it becomes influential enough to determine the country's security policies. Using the methodologies of process tracing and path dependency, which involves the identification of critical junctures within the longitudinal analyses, I then establish a causal linkage between economic preponderance, strategic partnership, and security policies.

Findings

The thesis has conducted two case studies in order to test the validity of the EPSP framework and to examine the mechanism behind a causal linkage between economic preponderance, strategic partnership, and security policies. Within Chapter Three's China-Indonesia case study, I examine the shifting attitude and intensity of cooperation within the Sino-Indonesian bilateral relations in order to adjudicate the role and degree of influence that China's economic preponderance

plays in securing a strategic partnership with Indonesia. Afterward, I examine the strategic values of the partnership between the two countries, and then proceeded to analyze how both the economic preponderance and strategic partnerships work in conjunction with each other to deal impacts on the economic security and diplomatic security aspects of China's security policies. Chapter Three produces the following key findings:

- It confirms my hypothesis, which argues that economic preponderance plus strategic partnerships with a secondary power leads to aggressive security policies in the economically preponderant country.
 - o China's economic preponderance incentivizes Indonesia to shift its attitude from somewhat hostile and exclusionary toward China to normalization, and eventually friendly and cooperative. This is evidenced by the normalization of trade and diplomatic relations between the two countries under Soeharto's regime, as well as the intensification of trade and investment relations between Beijing and Jakarta under the current Jokowi's regime.
 - o Serving as the top import origin and second from top export destination for Indonesia has allowed China to intertwine itself tightly with Indonesian economy. China acts as the more domineering party within the relations, which is exemplified by its willingness to make risky investments in Indonesia's public infrastructure projects. This move convey's China's intention to exert its dominance and expand its

influence over Indonesia, both in terms of domestic and foreign politics.

- China's economic preponderance allows for the initiation of relations between the two countries, in which both parties then discover invaluable strategic values within each other. Within Indonesia, China gains a regional leader, as well as the largest economic and military power, in Southeast Asia. It also finds more sentimental strategic values in the fact that Indonesia possesses an influential Chinese minority group that looks favorably toward China's recent involvements. Within China, Indonesia gains perhaps *the* most crucial economic partner, who is willing to assist with Jakarta's recent reformative projects and helps solidify the legitimacy of the new regime. Partnership with China also helps propel Indonesia's international stature and credence.
- In conjunction, China's economic preponderance and strategic partnership with Indonesia then produces the following results in terms of economic and diplomatic security:
 - Allows China to secure a geographically close and critical supplier of energy-related commodities that are necessary for China's industrial sector and modernization process.
 - Adds an economic layer of security to the "anti-access and area denial" strategy against the U.S., which makes it more costly for

the U.S. to maintain presence and intervention in Asia, while bolstering China's home turf comparative advantage.

- Allows China to practice the "island-hopping" strategy in terms of diplomatic security, since partnership with Indonesia further exploits the differences among Southeast Asian countries that have rivaling territorial claims against China in the South China Sea. By securing Indonesia, a leader figure in ASEAN, China does not need to appease every single party, and instead manages to deny rival claimants the possibility of a concerted effort against China through a regional forum, such as ASEAN.
- Overall, China gains more maneuvering space to act aggressively due to its ability to secure the necessary resources for its modernization of the PLA, its success in reducing U.S. maritime superiority that had previously kept China's maritime power on check, its added layer of economic anti-access that discourages U.S. coercion with higher cost of intervention, and its denial of a united front by rival claimants in Southeast Asia by winning over a prominent leader in the region. China also provides empirical evidence of its increased aggressiveness through its decision to accelerate military facilities constructions on disputed islands, as well as major reformations to modernize the PLA's warfighting capabilities.

Within Chapter Four's China-Iran case, I examine the shifting attitude and intensity of cooperation within the Sino-Iranian bilateral relations in order to adjudicate the role and degree of influence that China's economic preponderance plays in securing a strategic partnership with Iran. Afterward, I examine the strategic values of the partnership between the two countries, and then proceeded to analyze how both the economic preponderance and strategic partnerships work in conjunction with each other to deal impacts on the military and nuclear security aspect of China's security policies. Chapter Four produces the following key findings:

- It confirms my hypothesis, which argues that economic preponderance plus strategic partnerships with an established power and a rogue state leads to aggressive security policies in the economically preponderant country.
 - o China's economic preponderance dispels early suspicions by Iran, and incentivizes Iran to engage in a long-term relationship that intensifies over time. The Iran-Iraq War proved to be a crucial pivotal point and a critical juncture that first resulted in Iran's attitude change toward China. It also sets a legacy of arms trades between the two countries.
 - o China's economic preponderance, which prompts an exponential rise in global standing during the critical juncture of late 1990s and early 2000s, allows it to act more freely in assisting and interacting with often isolated and sanctioned Iran. China's economic preponderance creates an opportunity for China to deal with Iran exclusively, without having to worry too much about negative coercions by the U.S.

- As China's economic preponderance ushers in the strategic partnership, both China and Iran discover the immense strategic values within each other. Within Iran, China obtains perhaps *the* most prominent regional power, which constantly supplies China with the highly coveted oil and energy commodities that are necessary for industrial and modernization needs. Additionally, China also finds within Iran a forum to project its military and nuclear capabilities, as through a more cloaked means, so as not to invite negative repercussions from the international community. This is exemplified by the critical juncture of "Karl Lee's Network," in which China can now utilize trading networks with Iran for aggressive security and military maneuvers. Moreover, through Iran, China successfully, and quite easily, manages to make a firm mark in the Middle East region; a region in which China's main competitor, the U.S., has invested far more heavily for less effective results.
- Within China, Iran finds a steady and reliable partner of prominent stature and capabilities. Often faced with isolations, exclusions from the international community, and sanctions, Iran finds a powerful friend that is able to satisfy both its exporting and importing needs. Moreover, China has assisted Iran greatly in developing its energy sector as well as allowing Iran, perhaps single-handedly, to go nuclear.

- In conjunction, China's economic preponderance and strategic partnership with Iran then produces the following results in terms of military and nuclear security:
 - Allows China to secure a constant supply of invaluable oil and energy-related commodities that are necessary for military modernization.
 - Allows China to project nuclear capabilities elsewhere without actually committing to nuclear warfare. In providing nuclear knowledge and technology transfer, China empowers Iran to act as a rogue state, which draws the attention of the international community and the U.S. away from China's other prioritized interests and maneuvers.
 - Allows China to co-opt Iran's nuclear posture as a part of its own nuclear strategy and security policies. In doing so, China also manages to force alterations on the security postures of other rival countries, such as the U.S. and its allies (i.e., Israel).
 - Transforms China's nuclear posture of assured retaliation into a more proactive and aggressive version. Gives China the potential to turn its second-strike capability into a first-strike capability, thus enhancing its assertiveness, without having to switch to the blatantly aggressive catalytic posture.
 - Overall: China gains more maneuvering space to act aggressively in terms of security policies due to the steady

supply of resources that are relevant for its military build-ups, the co-optation of Iran's nuclear posture, thus overspreading the U.S. attention and military resources, and the integration of modern conventional forces with nuclear forces that allow for China's assured retaliation posture to be more proactive and aggressive in a sly manner.

The final piece of the puzzle would be to apply the convergence theory across both cases in order to examine similar patterns of changes associated with both the independent variable and intervening variable across both causal chains. Indeed, in applying this final methodology, my study finds that both causal chains generate similar patterns of changes throughout the causal linkages. The identified critical junctures also direct both cases toward the same outcome for the dependent variable, which is a more assertive and aggressive security policy for China, the economically preponderant country.

Larger Implications for China and Beyond

The study displays how China utilizes its economic preponderance to not simply obtain financial gains and profits, but also to advance other achievements within the political and military sectors. By translating its economic capacities into capabilities and prowess within other departments, China is becoming a more holistic superpower. That being said, China's involvements and impacts within the international community are on a positive trajectory in terms of significance and magnitude. As China finds a way to continue supporting its economic growth, it also discovers more space to translate the economic gains into critical political and military tools. Given China's success in

surpassing the U.S. as the biggest trading nation,¹ China surely has a lot to look forward to in terms of translating the gains of such broad and deep economic networks into superior warfighting capabilities, assertive security policies, and higher position of bargaining. Concurrently, it also means that China does not necessarily need to possess the largest and most powerful military capabilities in order to act assertively and aggressively. As a matter of fact, one of the most defining traits of China's nuclear capabilities is its small size. This is especially true when put in relative comparison to the arsenals of the U.S. and its European allies. Yet, this thesis has shown how China could still project proactively and aggressively its nuclear capabilities, and deal damages against its rivals by overspreading them and forcing them to commit numerous resources all over the world. China, as a matter of fact, deals significant damages through an effective and ingenious use of aggressive security policies, with economic preponderance as its basis. In fact, the utilization of economic preponderance as a basis correlates more with the tenets of the current international system. This assists in cloaking the military maneuvers that such economic preponderance and its extensive trading networks could facilitate for, therefore inviting less negative repercussions from the international community. Thus, it is interesting to observe what kind of new security policies China would implement within the next few decades, as its economic preponderance grows along with the modernization of its armed forces.

It is, therefore, interesting to look back at how China got here in the first place. It was indeed the U.S., China's main competitor on the global stage, that encouraged China

¹ "China Eclipses U.S. as Biggest Trading Nation," Bloomberg News, February 20, 2013. Web. Retrieved from <http://www.bloomberg.com/news/articles/2013-02-09/china-passes-u-s-to-become-the-world-s-biggest-trading-nation>.

to abide by the norms of the international system and participate in the global open market of free trades; in other words, we did ask China to play our game.² It was never expected, however, that China would play the game so well, that it is now on the verge of beating us within our own game. This, therefore, challenges the liberal internationalism viewpoint that a liberal world order, with its culture of interconnectivity, cooperation, and international institutions, prevents the eruption of large-scale conflicts between hegemonic powers.³ At the same time, the question still looms on whether or not China would initiate the next cycle of hegemonic wars and international system reshuffling, as proposed by the “Hegemonic Stability Theory.”⁴ Whether China would choose to keep the current international system and install itself as *the* superpower, or to establish its very own replacement world order would be the question to explore and examine within the coming decades.

Further Researches

I must also note that my findings raise several other points in regards to other potentially crucial factors within the EPSP framework. Within the China-Indonesia case, the relationship under examination is one with a secondary state that belongs to the same geographical region as the economically preponderant country. Within such case, the EPSP framework might show a trend toward aggressive security policies as a result for the dependent variable due to the fact that: 1) the partnership was between geographically close countries, hence making the bilateral relations more natural and more effective in

² Steinfeld.

³ Ikenberry, “Liberal Internationalism 3.0.”

⁴ Kindleberger, Krasner, Gilpin, Keohane.

its consequences, and/or 2) the secondary power status of the partner nation means that it does not have the ability to resist the economically preponderant country, and thus chooses to cooperate as much as it could instead.

Within the China-Iran case, the relationship under examination is one with an established power that is also a rogue state, which belongs to a different geographical region as the economically preponderant country. Within such case, the EPSP framework might show a trend toward aggressive security policies as a result for the dependent variable due to the fact that 1) the established power's geographical distance limits the possibility of confrontations over mutually contested interests (i.e., territorial disputes), hence strategic partnership becomes more viable, and/or 2) combining power with an established power results in a significantly larger aggregate capabilities.

Should the cases examine a relationship with a secondary power that is geographically farther, or an established power within the same geographic location instead, the results could have been different. The secondary power, hindered by geographic distance, might not have as much effect in determining the economically preponderant country's security policies. Meanwhile, an established power within the same continent as the economically preponderant country might be too powerful and compete over the same interests with the economically preponderant country to yield the necessary strategic partnership. As a result, further researches should explore different combinations of different state power typologies and geographic proximities in order to test out other possible outcomes under the EPSP framework.

Additionally, due to time constraint, I was not able to examine relations with an established power and a rogue state within separate case studies. Even though the China-

Iran case provides an excellent observation and produces interesting findings for a country that qualifies for both power typologies, further researches can certainly elaborate more on the topic by conducting separate case studies. I initially planned to include a separate case study of China-Great Britain in order to occupy the power typology of an established power. Given the two countries' turbulent history and colonial past, it is interesting to observe Great Britain's warm reception of Xi Jinping in 2015⁵ and recent participation within the China-led AIIB.⁶ Considering these recent developments, and the fact that both China and the UK are permanent members of the United Nations (UN) Security Council, further researches using this case study would be very enlightening on the topic. We can expect the case to correlate significantly with the economic, diplomatic, and military and nuclear aspects of security.

Conclusion

This thesis rethinks the explanations of security policies by proposing economic preponderance, in conjunction with strategic partnerships, as crucial factors that determine security policies. Contrary to conventional wisdom, this thesis acknowledges both the self-reliance and strategic cooperation aspects of security. In a world where security is constantly a relevant aspect of national

⁵ Katie Hunt, "China and UK: Signs of a new 'special' relationship?" CNN. October 19, 2015. Web. <http://www.cnn.com/2015/10/19/world/uk-china-xi-jinping/> (accessed October 20, 2015).

⁶ Jamil Anderlini, "UK move to join China-led bank a surprise even to Beijing" *Financial Times*. March 26, 2015. Web. <http://www.ft.com/cms/s/0/d33fed8a-d3a1-11e4-a9d3-00144feab7de.html#axzz3rfMBymlS> (accessed April 2015).

policymaking, this thesis sheds some light on a less explored combination of factors that better explain the modern notion of security.

In a world where economic trading and interconnectivity between markets are blossoming, this thesis provides another insight into what impacts these economic changes are dealing to the world. By relating this economic trend to security policies, this thesis explores the causal linkages that help explain the way economic variables and security variables influence each other. With the passing of time, and as more countries grow to reach economic preponderance within the current market system, my research provides a guideline as to how these countries would choose to behave. Furthermore, the thesis provides an explanation, not just for security policies, but also as to how economic preponderance and multilateral relationships and strategic partnerships could interact in conjunction to serve the nation's interests within the country's holistic grand strategy.

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