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THE RISE OF CHINA'S POWER – SECURITY AND GEOPOLITICAL IMPLICATIONS FOR EAST AND SOUTHEAST ASIA

Abstract:

In this paper the author tries to explain how the states in the East and Southeast Asia pursue their security strategies in the uncertain geopolitical environment. For the last 40 years China's GDP has risen in the pace of an average 9,5% per year. This development enabled Beijing to increase its expenditures on the military budget and hegemonical aspirations not only in the region but also in the wider perspective. The enormous economic and military growth let China use more ambitious, assertive or even aggressive policies against its neighbors using intimidation, coercive methods and/or predatory economy practices, especially in the South and East China Sea, imposing so-called 9-dash-line which interferes into Exclusive Economic Zones (EEZ) of the claimant states. In the light of the ambiguous United States policy under the current administration towards its allies and the other East and Southeast Asia States, these vulnerable countries seek to minimize the threats and uncertainties

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of new geopolitics by pursuing optimal security strategies. The author presents that the most attractive strategy, which is within bandwagoning – balancing spectrum, is hedging, which allows the states to improve their competitiveness while at the same time avoiding direct confrontation with main contenders.

Key words: China, EEZ, geopolitics, hedging, East Southeast Asia.

Introduction

As a result of China's enormous economic and military growth many states in the East and South East Asia seek to optimize their security and economy policy in the unstable environment. Pursuing optimal policy helps vulnerable states to achieve their goals which are at the same time protecting the sovereignty and benefiting from the trade exchange with the formidable neighbor in the wake of the great power geopolitical competition between China and the United States. The basic forms of behavior of the secondary power states in such circumstances, the ideal-type extremes, are "ally with" or "ally against" the other state. The former is known as bandwagoning and describes the state which forms official or unofficial alliance with the stronger side of the emerging conflict, the latter is balancing which is placed on the opposite end of the spectrum and characterize the state which accumulates its military power and/or forms a coalition aiming to balance and contain the threat (Jackson 2014). The third stance,

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which seems optimal for the states of the region - Vietnam, the Philippines and Japan - is hedging, a strategy which enables the states to be flexible in their strategic choices in the environment of changing geopolitics and maintain ambiguity in their relations with the contending powerful players.

Vietnam and the Philippines in pursuing their security policies remain equivocal which helps them to avoid being part of the conflict and at the same time maximize their competitiveness in order to reduce the gap with the system leader (Geeraerts & Salman, 2015). Japan, being not powerful enough to balance against China, remains too strong to bandwagon” – therefore, against Beijing Tokyo is also pursuing hedging strategy which is mixed of both “containment and engagement“(Vidal & Pelegrin, 2017, p. 193).

Literature, definitions and methods

The rise of China’s power and the shift of the geopolitical center to East Asia is widely described in literature (Hayton, 2014; Kaplan, 2014; Fels, 2017, Guardian, 2017). The biggest concern is to determine to what degree the emergence of the new hegemon can alter the current security architecture of East and South East Asia and what impact this new situation can have on the region. Some scholars claim that“ China needs a peaceful international environment to develop, so she will not seek hegemony in the world” (Zhou, 2012, p. 2) and “cooperative behavior boosts China’s international influence

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and is rooted in the leaders' interest in achieving a peaceful international environment to sustain economic growth and prevent social unrest" (Shirk, 2008, p. 11). On some conditions China can rise peacefully and regional players can cooperate in areas where there is convergence of interests, such as environmental issues, non-traditional security areas like humanitarian help and disaster assistance or trade exchange between the countries and interpersonal contacts can mitigate the proneness to escalate the tensions (Bijian, 2005; Babones, 2017). On the other hand, with the dynamic growth of China's economy comes in pair more self-confident, assertive or even aggressive Beijing's behavior enhanced by growing nationalism which are the main factors that can diminish the results of the efforts for the peaceful cooperation among the neighbors (Roy, 1994; Mearsheimer, 2006; Kaplan, 2014).

Growing uncertainty about the forms and directions of China's rise combined with the vague policy of US administration under the President Donald Trump - US as an "epicenter of unpredictability" (The Diplomat, 2018a) - toward the region requires the optimal security strategy the East and South East Asia countries must adapt. In the latest studies hedging, "that includes engagement with China, soft balancing with the United States and enmeshing other regional actors in the related affairs" (Hlavacek, 2006, p.53) seems to be the optimal strategy for the analyzed secondary states in the region, namely the Philippines, Vietnam and Japan. Hedging is defined by scholars of the

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international relations as a third alternative, policy, or behavior of the secondary states, embedded within bandwagoning – balancing spectrum (Roy, 2005;Goh, 2005; Kuik, 2008;Jackson, 2014, Koga, 2018). Hedging is also often understood as a “strategic choice that the state makes by not taking sides, either temporarily or permanently. Scholars thus use the term as the third choice in addition to balancing and bandwagoning, contributing to honing the “balance of power” theory by adding a nuanced explanation of state behavior” (Koga, 2018, p. 668)

To position and therefore understand hedging more precisely it is necessary to describe its ideal-types extremes – i.e. balancing and bandwagoning. There are two kinds of balancing: internal and external. Internal balancing is a country’s activities toward increasing its own defense strength by expanding its latent power, growing its defense budget and developing clever strategies(Waltz, 1979), whereas external balancing is a country’s activities to create coalition or alliance to increase its security (Salman & Geeraerts, 2015). Bandwagoning is understood as “joining the side that appears likely to win”, "joining the stronger coalition" and - according to balance-of-threat theory - “alignment with the source of danger”; the bandwagoneer first – “may hope to avoid an attack on himself by diverting it elsewhere, second - a state may align with the dominant side in war in order to share the spoils of victory” (Schweller, 1994, p. 81).

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Some scholars articulate that in the in the international relations balancing predominates among the actors and in the most circumstances balancing is definitely more popular than bandwagoning (Walt, 1987). Kaufman (1992) argues that bandwagoning is preferable option among the states and balancing is rather an exception to a rule. Waltz (1979, p. 125) claims that “whether political actors balance each other or climb on the bandwagon depends on the system's structure”.

Both balancing and bandwagoning, apart from the benefits they provide, may bring also negative consequences. External balancing can bring the risks characteristic for alliance security dilemma: “entrapment and abandonment” (Snyder, 1984, p. 466). Bandwagoning carries the risks of subordinating to the leading power and limiting autonomy due to the stronger states’ prevalence (Schweller, 1994). Against this backdrop, the “hedging” is basically the compound of “balancing” and “bandwagoning,” and this combination reduces, if not eliminates, the risks of picking one of the described above extreme strategies and, in the same logic, the prospective gains. Goh (2005, p. XIII) in that context adds that hedging is “set of strategies aimed at avoiding (or planning for contingencies in) a situation in which states cannot decide upon more straightforward alternatives such as balancing, bandwagoning, or neutrality”.

In the international relation (IR) methodology of the security research can be organized, gathered into two groups, attitudes:

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positivistic and post-positivistic. Into this first group scholars include realism, liberalism, behaviorism, to the second – postmodernism, constructivism and critical theory (Zięba, 2015). For the researches in the environment of the emerging great power competition the realism seems to be the most adequate to apply to the current conditions when Beijing and Washington contend for the hegemony (Mearsheimer 2001). However, in the world of interdependence, where non-state actors play significant international role and domestic politics strongly influence the states decisions, the sheer realism needs to be enriched with the view of other attitudes. The neoclassical realism may help to widen the researchers toolbox. Kaczmarek (2015, p. 13) describes, that “on the one hand, the neoclassical realism admits that the primacy in explaining the dynamics between the main actors belongs to the superpowers and the international system. On the other hand, a number of variables determine the way in which the state interprets and reacts to changes in the system on the international level and, consequently, affect its policy. The state may misinterpret changes taking place in the system, which it leads to erroneous policies that are not in accordance with the realism”. In the discussion on the methodology Czaputowicz (2014) cites, that most realists applies a historical approach and often conducts philosophical consideration, neo-realists on the other hand prefer to test competing hypotheses using quantitative and qualitative methods. In the third attitude – the neoclassical realists prefer quality methods, such as case

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study and process tracing. This third method seems to be the most adequate when analyzing the relations between the Philippines, Vietnam and Japan with the other actors in this paper, however quantitative methods also my help researchers.

Discussion on the strategies of the Philippines, Vietnam and Japan in changing geopolitics

As mentioned in the chapters above, in the wake of the great power geopolitical rivalry between China and the United States, the Philippines, Vietnam and Japan position themselves within balancing-bandwagoning spectrum, to pick a strategy that optimize their chances to reduce the negative consequences of that competition. To better understand the motivations standing behind each government decision to choose this preferable strategy, it is necessary to understand the particular characteristics of each state and thus focus more detailed on the factors that influence the states leaders when deciding about directions of the security policy.

When describing the behavior of Southeast Asia countries Goh writes (2005), that he optimal strategy for these states is hedging and consists of three main elements. First is indirect or soft balancing, in which secondary power try to encourage one of the main contender in the geopolitical rivalry – in this case the United States - to serve as balance to the growing influence of the threat - Communists China. Second, hedging focuses on complex engagement of Beijing at the

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various levels and platforms of activities (economy, diplomacy etc.) with aim to persuade Chinese leaders to act in accordance with the international rules, norms and standards. In this aspect, engagement activities may be seen as a way to reduce the tendency of the Chinese government to act aggressively and to mitigate potentially aggressive Chinese domination. The last main element of the hedging strategy pursued by the Philippines, Vietnam is an overall aim to enmesh the maximum number of the actors in order to involve and convince them that stable regional order serves also as a benefit to them.

After analyzing these three main hedging elements the conclusion is that the Philippines, Vietnam are generally hedging against three the most dangerous threats which resulted from the changing geopolitics: the domination or hegemony of China; American *désintéressement* or stepping out from the Western Pacific and an unstable regional architecture of security. Japan, possessing much more economical power than both the Philippines and Vietnam combined and being an treaty ally of the United States (like the Philippines) sees the danger for its security as a result of the geopolitical changes and US potential withdrawal from its obligation in the region. Therefore Tokyo hedges vis-à-vis the Washington's commitment reduction to East Asia and strengthens its military potential easing the restrictions from its Constitution's Article 9 through reinterpreting it (Forbes, 2014; Koga, 2017).

To maximize their security the Philippines and Vietnam are active members in Association of South-East Asian Nations (ASEAN), trying to engage, or enmesh, China in as many bilateral multilateral relationships as possible, regarding ASEAN as a crucial platform for such cooperation (Matsuura & Tomikawa, 2018). In addition, all secondary power states in the region, like the Philippines, Vietnam and Japan must act in the specific security environment where the United States has been seen as a provider of the security and other public goods like, for example, freedom of navigation on the adjacent seas. However, taking under consideration policy conducted by the US administration under Donald Trump (withdrawal from the Trans Pacific Partnership (TPP), 'America First' policy) the level of reliance in the US is diminished. In this context Kendal Stiles (2018) adds one more important element to the discussion concerning security issues characteristic for the Philippines, Vietnam and Japan, which is trust. In his observations he places hedging as a midpoint between trust and distrust and underlines that when making a decision "a key element is almost certainly a fear that your partners will betray you" (Stiles, 2018, p. 12). To hedge, or secure against, the betrayal of the strongest opponent of China – the US, Vietnam, the Philippines and Japan also increase their efforts to tighten relationships with players from beyond the region – India, Russia, Australia, New Zealand, EU and others.

The Philippines

The Philippines security strategy mirrors its fear of the changing geopolitics, namely the unfavorable rise of China and doubts concerning American willingness to help Manila in the case of war with Beijing. It also originates from the economical situation of the country where China is a main trade partner of the Philippines. The growing economic dependence to the powerful neighbor combined with sovereignty threats presented by Beijing put Manila in a position where it should hedge against existing risks by strengthening its military potential avoiding at the same time any confrontation with Beijing (Reuters, 2017; The National Interest 2018).

China's growing assertiveness in the South China Sea is a main problematic issue in the bilateral relation between these countries (also in the Sino-Vietnamese relations) and is a source of the potential conflict which may emerge from the current tensions. Beijing claims about 80-90 per cents of the waters and so called 'nine dash line' overlaps with exclusive economic zones of all claimant states – the Philippines, Vietnam, Brunei, Malaysia and the Republic of China-Taiwan (Thuy, 2018). In 2016 the Permanent Court of Arbitration in Hague ruled in favor of the Philippines against China in the case submitted by the previous president Benigno Aquino III. The tribunal stated that China has no historical rights based on the 'nine dash line' map. This verdict was rejected by the Peoples Republic of China and the Republic of China. The incumbent president of the Philippines,

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Rodrigo Duterte, has - so far - not used this verdict as a argument in the disputes with Beijing. Instead, he counts on the increased China's engagement in the projects Manila has difficulties in financing and for increased direct investments. Apart of the verdict, the second important asset of Manila that plays in its favor against the rise of China is the fact, that the Philippines are longstanding treaty ally of the United States. In the Mutual Defense Treaty Between the United States and the Republic of the Philippines (1951) both sides agreed in the paragraph III and IV that "an armed attack in the Pacific Area on either of the Parties would be dangerous to its own peace and safety and declares that it would act to meet the common dangers in accordance with its constitutional processes (...) and an armed attack on either of the Parties is deemed to include an armed attack on the metropolitan territory of either of the Parties, or on the island territories under its jurisdiction in the Pacific or on its armed forces, public vessels or aircraft in the Pacific". However, two major questions arise from this agreement that are very important to understand the applicability of this treaty to disputed territory in the South China Sea. First problem for Manila is the ambiguous definition of "an armed attack". What is the understanding of thresholds of aggression (from China) which exceeding would result in the armed reaction from the US? And the second problem is the vague description of "in the Pacific Area". Should the Pacific be interpreted as only the water to the east from the Philippines or does it include also the South China Sea or

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West Philippines Sea (Just security, 2019)? This second issue was clarified by the US Secretary of State, Michael Pompeo when he explained that “as an island nation, the Philippines depends on free and unobstructed access to the seas. China’s island-building and military activities in the South China Sea threaten your sovereignty, security, and therefore economic livelihood, as well as that of the United States. As the South China Sea is part of the Pacific, any armed attack on Philippine forces, aircraft, or public vessels in the South China Sea will trigger mutual defense obligations under Article 4 of our Mutual Defense Treaty” (U.S. Department of State, 2019).

Against this backdrop, the security strategy policy (on the balancing-bandwagoning spectrum, closer to bandwagon with China) currently realized by President Duterte may be seen as an aberration from the desirable hedging and may be backtracked to the one pursued by his predecessors, especially when the Philippines’ military forces opt for maintaining proper relationship with the US (The New York Times Magazine, 2019). Thus, on the one hand Manila needs Beijing’s financial support but on the other the growing threat of the dependence on the powerful neighbor needs to be contained.

Vietnam

Vietnam, similarly to the Philippines, is highly economically dependent on China. China is the biggest trading partner for Vietnam and its key investor, and - on the other hand - among ASEAN states,

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Vietnam is the largest goods exchange partner for China (World Bank, 2019; Inquirer, 2019). Additionally, the growing hegemony of Beijing threatens the sovereignty of Vietnamese waters (the East Sea) – Beijing claims overlap with EEZ of its neighbor on Paracel and Spratly Islands what brings serious negative consequences for the Hanoi economical projects. These issues show the hedging choice to be optimal for Vietnam which from the economical point of view needs proper relations with China, but in the same time it must counterweight Beijing rising assertiveness by internal and external balancing. In case of the Philippines, Hague Tribunal ruled in favor of Manila, in case of Vietnam scholars tend to agree with the Vietnamese position and, as the US Navy Major Raul Pedrozo cites (2014, p.130), “based on the arguments and evidence submitted by the claimants and general principles of international law related to the acquisition of territory, it would appear that Vietnam clearly has a superior claim to the South China Sea islands”. Also Samuels, claims (1982) that Beijing has more rights to the Paracels, however its claim to the Spratly’s are seriously disputed. Greg Austin (1998, p. 5) partially agrees with this opinion, claiming that China had better claims to Paracels,” but the legal complexity of the disputed Spratly claims meant that, China claims to the entire Spratly group are at least equal to any other”.

As long as China’s rise continues and the South China Sea issue stays unsolved Vietnam can be intimidated by Beijing and tensions on the adjacent waters will have the largest significance of the strategic

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security choices made by Hanoi. The best examples of the challenges Vietnam must face are coercions made by Beijing on Hanoi when the latter tried to explore its natural reserves in the sea bed within its EEZ - a multimillion oil and gas infrastructure project led by Spanish Repsol, was withdrawn as a result of Chinese pressure (The Diplomat, 2018b). Also the installation of the oil rig by China on the contested waters in 2014 was a source of serious backlash between two states (Asia Maritime Transparency Initiative, 2017). As the security of Vietnam is concerned, Hanoi still remembers the 1979 Chinese invasion which aimed to “teach Vietnam a lesson” (Zhang 2005, 851). Furthermore, it cannot be excluded, that the Chinese military forces will want to try its new offensive air and maritime potential – and Vietnam might be the optimal adversary, as country without American security guarantees (The Diplomat, 2019b) . Therefore, in spite of the fact that both countries are ruled by the communist parties and have also records on cooperation (Vietnam War) the level of mistrust is still significant. In this context, in the changing geopolitical environment, Vietnam, seeks closer cooperation not only with the United States, which position is declining, but develops comprehensive strategic partnership with the US geopolitical rival - Russia (Nhan Dan 2019). This behavior, proves that Vietnamese leaders are open for all possibilities and cannot become hostage of only on the one side of balancing – bandwagoning spectrum.

The South China Sea problem seems at the moment to be the biggest threat for the Vietnam and the largest hurdle in bilateral relation with Beijing. Until both issues – dependent economy and sovereignty challenges - are nor solved, Hanoi has to be flexible in searching for optimal strategy and therefore hedging seems to be the most reasonable choice.

Japan

Japan, is the second strongest economy in the region, with the nominal GDP reaching 40 per cent of China's, with this gap widening (International Monetary Fund, 2019). Its military expenditures (47 bln USD) are also significant in comparison to the Philippines (4,7 bln USD) and Vietnam (5,5 bln USD) but pale in the comparison with the China's military budget (250 bln USD), let alone the US Pentagon's military spending (650 bln USD) (Stockholm International Peace Research Institute, 2018). Japan also functions as crucial pillar in the Asia security architecture. After the end of the Second World War Tokyo became a treaty ally of the United States (Ministry of Foreign Affairs of Japan, 1960) and is now one of the spikes in so called 'hub and spike architecture'(the San Francisco System) where the US, as a hub, established bilateral security alliances with some Asian countries, except Japan, also – Australia, South Korea, the Philippines, Thailand (and – to some extend – Taiwan), which help to stabilize the region and also work as a hedge against an undesirable multilateral order

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emerging in the region (Koga, 2011; Park, 2011). However, being a long-standing American treaty ally (like the Philippines) does not exempt the Tokyo government from the obligation to maximize Japan's security with additional activities, like internal balancing and cooperation with other regional players, especially in the context of the geopolitical shifts of power and ambiguous President Trump's foreign policy, predominantly affected by the US domestic issues ("America First" policy, withdrawal from the TPP, tariffs imposed not only on China but also, among others - on Japan).

Tokyo has many critical concerns in its security environment. North Korea's ballistic missile launches coupled with permanent nuclear threat posed by the Kim regime, unsolved disputes over Northern Territories (Kurils) with Russia are the legacies of the order emerged after the World War II. Aging population with declining birth rate and severe fiscal situation pose a socio-economical risk. Also on the rise is the danger of "hybrid warfare" (which whites out the demarcation between the military and non-military actions) and the possibility of "gray-zone" situations, "representing neither pure peacetime nor contingencies over territory, sovereignty and maritime economic interests" (Mifune 2016 p.149). Takahashi, (2018, p. 139) writes, that "the dichotomy between peacetime and wartime is no longer relevant; serious security challenges occur in a kind of "gray-zone" between wartime and peacetime".

While defining its threats, Tokyo admits that the most significant issue that Japan must cope with is the challenge of rising China. In its National Defense Program Guidelines (Japan Ministry of Defense, p.5) Ministry of Defense clearly states, that “China engages in unilateral, coercive attempts to alter the status quo based on its own assertions that are incompatible with existing international order. In the East China Sea and other waters, China is expanding and intensifying its military activities at sea and in the air. Around the Senkaku Islands, an inherent part of Japanese territory, Chinese government vessels continually violate Japanese territorial waters despite Japan’s strong protests while Chinese naval ships continuously operate in waters around the Islands (...) Such Chinese military and other developments, coupled with the lack of transparency surrounding its defense policy and military power, represent a serious security concern for the region including Japan and for the international community”. To hedge its security strategy in the wake of geopolitical competition between China and the US, Japan does not solely base on the Japan-American alliance but focus also on three other significant pillars, which are: first - strengthening its own military capabilities; second - cooperation with main international actors from and outside the region and third – enhancing economic relations with China. This first element is realized through reinterpretation of Japan constitution to allow collective self-defence—the clause of military aid to a country which is an close ally that is under attack. Tokyo is

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strengthening its own architecture for national defense at the same time emphasizing its adherence to the basic precept of maintaining the exclusively defense-oriented policy and not becoming a military power that poses threat to other countries, ensured civilian control of the military, and observed the Three Non-Nuclear Principles (Japan Ministry of Defense, 2018). The second pillar is embodied by Japan policy toward other actors in the region. Tokyo is strengthening its partnership with ASEAN by closing economic ties (ASEAN-Japan 10-Year Strategic Economic Cooperation Roadmap, 2012-2022) and working together to address emerging challenges and promote peace and stability (ASEAN, 2018). Japan is building up cooperation also with India and Australia – other two significant players in the Indo-Pacific region – on the military, economic and diplomatic realms (The National Interest, 2019; The Japan Times). Third pillar base on proper and intensive economic relations with Tokyo's main adversary, Beijing. As The Diplomat cites (2019a): "China was Japan's second largest export partner, after the United States, from 2011 up until the end of the 2017 fiscal year in March 2018. According to the Japanese Ministry of Finance in April 2018, Japan's exports to China soared to \$141 billion in FY2017, a 18.3 percent increase over FY2016. Meanwhile, exports to the United States continued to grow, but at a slower pace of 7.5 percent over the previous fiscal year, coming to just over \$140 billion". In addition, Japan, despite geopolitical concerns, joined China's New Silk Road – Belt and Road Initiative in hope for economic

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gains and benefits (South China Morning Post, 2017). Furthermore, in May 2018 Tokyo and Beijing signed the “Memorandum on Business Cooperation in Third Countries” in which both sides agree that promotion of business activities between Chinese and Japanese companies and development of their business activities in third countries is valuable for bolstering bilateral economic cooperation and would also bring gains for third countries (Japan Ministry of Economy, Trade and Industry, 2018). Such situation clearly shows that through interdependence Tokyo seeks to increase the costs that Beijing could have to bear in case of confrontation with its significant partner.

Conclusion.

In the wake of return of great power politics and geopolitical competition between rising China and relatively weaker United States security architecture in the East and South East Asia changes with a very high speed. In such developing situation Vietnam, the Philippines and Japan try to maximize their security through pursuing optimal strategy that facilitates this goal. Taking under consideration growing economic interdependence between analyzed countries and China together with the security threats that must be addressed the optimal strategy which seems to give the best equipped toolbox is hedging. This strategy allows to reduce the danger of ascending China by conducting multidirectional security policies through the network of relations with the main actors from and outside the region coupled

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with internal balancing. The ambiguity of hedging allows these states to maintain proper or even very good economic relationships with Beijing thanks to avoiding cold war behavior and at the same time pursuing optimal security policy basing not only United States but also all other available directions.

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