

Implications of China's Digital Silk Road for US Domination of the International System

Lili Yulyadi **Arnakim**^{*}, Moch Faisal **Karim**^{**} and
Bernadetta Nindya Kusuma **Pradipta**^{***}

*Department of International Relations, Bina Nusantara University,
Jakarta, Indonesia*

Abstract

While the United States has long dominated the international system, that dominance is being challenged currently by China's emergence as a new power. While considerable attention has been focused on China's recent launch of the One Belt One Road (or Belt and Road) policy, less discussed are the digital dimensions of that policy, despite recognition of technology's importance in the country's policies. In this paper, the authors show the contribution of the digital aspects of the Belt and Road policy to China's efforts to establish its position in the international system. Applying Power Transition Theory as pioneered by A.F.K. Organski, the authors show that while China has not fully dislodged the United States from its position in the system, its Digital Belt and Road has succeeded in eroding US' dominance.

Keywords: *Digital Belt and Road, domination, power, status quo, and hierarchy*

1. Introduction

The rise of China, generally, and its One Belt One Road (OBOR) policy, in particular, have been topics of much academic and policy attention and deliberations. Less examined is the ‘digital’ dimensions of the OBOR policy, dubbed by some as the Digital Silk Road (e.g., Cheney 2019), and its role in enhancing China’s position in the international system. This paper tackles the topic by examining the impacts of the digital aspects of China’s Belt and Road policy on US dominance.

We first compare data on China and the United States’ military, and in that context, look at of China’s use of the Beidou Navigation Satellite. We then consider China’s participation in the International Telecommunication Union (ITU), and its use of the 5G network in its trade war with the United States. Subsequently, we look at the China-US antagonism over the Hong Kong territorial dispute, and relate this to the leadership of former US president Donald Trump and his use of nationalist politics and anti-globalization for foreign policy purposes. Finally, we examine the United States’ actions against Huawei, the launch of an alternative to the US’ GPS system, and its attacks on technological infrastructure – efforts to counter what the US deems are China’s acts of espionage.

Driven by our analysis of the data, the authors in this paper seek to explain China’s *dissatisfaction* with the United States’ domination of the international system as problematic. Having established the problem, we then show China’s Digital Belt and Road program as its challenge to that dominance. *Dissatisfied* with much of the world’s dependence on the Global Positioning System (GPS) developed and owned by the US military, for example, China created the Beidou Navigation Satellite. In this way, China succeeded in affecting policy changes in other countries, decreasing US influence, and advancing its own policy objectives.

Using the *status quo* variable, China can be understood as being dissatisfied with the role and actions of the United States in international institutions as well as the patterns of trade and cooperation between itself and the United States. With the growing interest in AI and 5G networks as part of the Digital Belt and Road program, other countries also have become *dissatisfied* with the US-led and -dominated international system as the status quo. In terms of *hierarchy*, China is *dissatisfied* also with the way the US as the dominant power seeks to resolve territorial disputes on the basis of its narrow interests and ideology. China resolved the territorial dispute involving Hong Kong through a digital development project while advancing the cause of globalization through the Digital Belt and Road.

This paper seeks to complement our knowledge of the digital dimension of China's One Belt One Road in greater depth by applying a theoretical framework of International Relations, namely Power Transition pioneered by A.F.K. Organski. The framework arguably enables us to understand China's intention to challenge US dominance in technological realm. This paper then contributes to literature on power transition by expanding such framework into the issue of US hegemony on digital technology. This paper is structured according to the following: following a literature review, the framework is then explained by reference to the Power Transition Theory applied by the authors. Next, data and case studies are presented along with the research and analytical methods. The conclusion follows along with suggestions for future research.

2. Literature Review

According to Li Xing (ed.) (2018), it is inevitable that China's rise and its One Belt One Road policy will disrupt the global order, relations

between countries, and the power structures that make up the status quo (Li, 2018; Karim and Chairil, 2016; Sinaga, 2020). In this way, the United States and China represent the forces for conservatism and revisionism, respectively, of existing international rules, norms, values and systems. The concept ‘revisionist’ is a concept derived from power transition theory, which assumes rising powers to be revisionists (Organski and Kugler 1980). Thus, the recently established Asian Infrastructure Investment Bank (AIIB) and the New Development Bank are the revisionist challenges to the Bretton Woods System dominated by the United States. Li (2016), therefore, sees the One Belt One Road as part of China's efforts to become the global provider of public goods as part of a post-US world economic order. But with disruption and change, China’s rise also poses the prospects of uncertainty, disturbance, and world disorder. It does not necessarily follow that in the aftermath of change, the United States will not emerge renewed dominant once again, raising the specter of unknown and unintended effects to various parts of the world.

However, China’s rise does not only affect the great power politics, but it also has a pragmatic effect on the rest of the world. As argued by Monika Krukowska (2016), the broad scope of the OBOR has the effect of serving to widen China's influence on the world order beyond the more limited effects wielded by Europe and the United States. China’s involvement in development projects in other countries, for example, are peaceful and benefit many parties, and they also increase the number of governments willing to cooperate with China. Through this cooperation, the development projects foster countries’ dependence on China. As a result, many in developing countries see the rise of China to be beneficial to them.

Indeed, that the rise of China to some extent has challenged the traditional global governance supported by the Western powers. These

can be seen in China's growing ambition to create its global economic order that put China at the centre of the decision-making process. Yan (2014) has shown that in addition to international cooperation and development, China also wields a big influence through the new financial policy instruments it has created, such as the Asian Infrastructure Investment Bank (AIIB) and the New Development Bank. This will certainly reduce the dominance of the US in the IMF, WTO, and World Bank. For now, China's renminbi, for example, cannot threaten the US dollar's dominance as a global reserve currency. Yet, it has hindered the effectiveness of United States' financial sanctions on countries such as North Korea to the extent that the latter transact in renminbi (Bradsher, 2015). Therefore, China's One Belt One Road has immense potential to change the current status quo, seeing the extent that its influence has already been felt throughout the global order, especially in those developing countries that depend on it for investments and loans, especially of the low-interest variety. One of the conclusions reached by Krukowska (2016) is that if the United States can't 'beat' China and thereby maintain its dominance, another possibility is if the US 'joins' the One Belt One Road initiative.

The implication of such situation is that the international system may not be as stable as many scholars of International Relations would predict. Napang *et al.* (2019) argue that with the emergence of China and its One Belt One Road policy, the United States is no longer the one single power of a unipolar world. China's efforts at becoming the new hegemon are apparent in the efforts it has made unilaterally, such as the AIIB and the New Development Bank. At the same time, China also is an active participant in multilateral processes in Asia. With OBOR and its financial institutions, China has succeeded in positioning itself in the region as a major source of economic opportunity.

While such reading of the rise of China might be convincing, one must note that China's rise is not as straightforward as we would like to imagine. Despite being seen as the contender to the US, China is seen as promoting liberalism through its free trade policy. Previously espousing a socialist outlook, China has since taken a capitalist turn and exerted its influence through its leadership of the ASEAN China Free Trade Agreement (ACFTA). Mention has already been made of China's provision of assistance to countries that support OBOR in the form of low interest loans. Napang *et al.* (2019) also cite China's role in resolving territorial disputes, such as in the South China Sea. Through the OBOR's 21st Century Maritime Silk Road, an agreement on the South China Sea is expected which will be fully binding. Seen through the lens of liberal theory, OBOR is good policy for trade, political stability, and security. While still far from the position of world hegemon that it covets, China has become quite successful at the regional level, and looks inevitably to become a threat to the US position internationally. Hence China's rise might not necessarily a challenge toward a liberal world order given its ability to accept many of values proposed by the liberal order.

Although China may not challenge the liberal order, it certainly tries to challenge the US leadership within the liberal order. In fact, the US has been particularly seeing the rise of China with wary. Indriani Kartini (2015) discusses the United States' views of the New Silk Road policy and its financial institutions such as the AIIB as potential threats to the international order that it has controlled so far. The AIIB is seen as undermining existing financial institutions such as the World Bank and the Asian Development Bank by lowering international governance standards. The impact of this new institution could weaken the dollar-based international system by strengthening the renminbi currency as a

global trading asset. The AIIB could also lead to the build-up of a 'counter' to the current international financial system, perhaps even to the demise of the international order created and dominated by the United States (Guidetti, 2015). Because of these perceived threats, the United States fears China's rise and has lobbied several countries, such as Australia and South Korea, against joining the One Belt One Road and its financial institutions. Although One Belt One Road makes China appear as a threat to America, some analysts suggest China's rise poses an opportunity for the United States to cooperate and, thereby, shape that rise and its trajectory. Otherwise, China would be free to create its own power centers through its powerful manufacturing capacity, domestic market, and foreign exchange reserves.

The rise of China is rather a threat in the US hegemony in the economic realm than in a security realm. Min-hyung Kim (2018) shows that the Belt and Road policy, the AIIB, and Made in China 2025 as the three things that pose as major threats to the economic hegemony of the United States. The Chinese state might present One Belt One Road as a boost to the economic prosperity of countries along the New Silk Road, strengthening of the various exchanges and mutual benefits between countries, and foster world peace and development (The State Council of the People's Republic of China, 2015). But the United States view the Belt and Road as the Chinese version of the Marshall Plan, one that would increase Chinese investments around the world towards the end of global domination. Through the Belt and Road, China builds ports and other transportation infrastructure that can be used for both trade and military purposes. So far, China has managed to gain the support of 70 countries that are responsible for 70% of the world's population, 55% of the world's gross national product, and 75% of global energy reserves (*ibid.*). In this way, China could easily displace America's position as hegemon and those of its allies. In sum, the literature just discussed

present One Belt One Road as a potential disruptor to the current US-dominated international system and one that could spawn new international systems.

3. Conceptual Framework

Given the above discussion, the rise of China has to some extent brought a process of power transition that might disrupt the global economic order. In the case of China's challenges toward the US dominance in technology through China's digital belt and road initiative, this article mobilizes the power transition theory incepted by Organski. Arguably such theory is better in providing analytical tool to understand our case relative to other framework aimed to understand such great power rivalry such as balance of power theory.

First, power transition theory enables us to understand how China's challenges stems from China's internal development that push it to be hegemon. Balance of power instead focuses on the external aspect of great power rivalry and mainly see internal development merely as changes in aggregate power of the state.

Second, the conceptual framework allows us to view technological realm as hierarchical in which the US is now *de facto* leader of such realm. As suggested by Levy (2015), unlike balance of power theory, power transition assumes that the international system is hierarchical with a dominant power at the top of the system. This dominant force has the capability to create and maintain an international order. If there is an uneven growth in the international order, then new powers will emerge and, if not satisfied with the prospects of achieving parity, will trigger war. Hence, power transition reject assertion made by balance of power theory in which equilibrium of power where there is parity of power among states would provide peaceful outcomes while preponderance of

power is more likely to lead to war. Instead, according to power transition,

Third, power transition theory also enables us to understand great power rivalry by looking at not only the notion of power but also the perception of dissatisfaction. Balance of power is particularly very static in explaining great power rivalry emphasizing on military power and on the role of alignment politics. On the contrary, power transition is more dynamics emphasizing on the role of internal development and to what extent the other great powers, and many middle and smaller states satisfied or dissatisfied with the current status quo in particular realms of global order.

Despite its analytical power in understanding the great power rivalry, most studies mobilising power transition to understand the rise of China are particularly interested in analysing such transition within the issue of security such as strategic issues (Tammen and Kugler, 2006), territorial conflict (Nakano, 2016), and cyber war (Akdag, 2019). Only a handful of studies applying power transition theory to economic issues such as trade war (Kim, 2019). This article aims to fill such a gap by applying power transition theory in the case of China's.

In general, power transition theory proposes several variables or basic concepts to understand great power rivalry. These are *power*; *status quo*; *hierarchy*; *satisfaction* and *dissatisfaction*. *Power* is the ability of a country to advance policy objectives by changing the policies of other countries. The indicators that measure the power of a country are the level of economy and political performance. The *status quo* is the current state of affairs related to political and social issues. Indicators of the *status quo* are the *satisfaction* and *dissatisfaction* of countries with the *status quo* itself. The status quo refers to the rules, norms, accepted procedures that govern international relations created primarily by the dominant states.

Hierarchy is a description of the power structure at both the regional and global levels. The stable distribution of *hierarchies* is through coalitions of countries *satisfied* with the *status quo*. Hierarchy exists when there is one actor or the dominant state that accumulate and exercise authority over another actor, the subordinate state. However, as suggested by Lake, hierarchy is not a total condition; there is a degree of variety within the hierarchy of international system. In other words, the subordinate state may recognize the legitimacy of the dominant state's commands regulating actions 1–5, but not that of commands it may issue on other possible actions. Tammen and Kugler (2006) further show that in a system with hierarchy was dominated by preponderant state, the system would impose high costs for conflict and reduces costs for integration. Coalition of countries form alliances to manage competition over scarce resources peacefully. Within each alliance, there are dominant forces that have the support of the coalition. A dominant power receives support because it is able to formulate rules that guarantee international security and trade (Tammen, 2008).

In the view of power transition theory, there are two aspects of power that are important in understanding how rising power challenges the dominant state namely 'parity' and 'overtaking' are pivotal concepts in the theory's explanation of major wars. Power parity may translate into an opportunity for a dissatisfied states to alter the rules of the systems resulting in the initiation of conflict or challenges towards the status quo (Lemke and Werner, 1996). Once two states have attained roughly an equal power (parity) in which one is satisfied and the other is dissatisfied, this is what the theory refers to overtaking. Overtaking may create dangerous zone of power transition where the system is unstable (Rapkin and Thompson, 2003).

While power and status quo are pivotal concepts in understanding how the transition would be undergone, it was the degree of satisfaction or dissatisfaction towards the status quo that determines whether there would be a conflict in a transition. In the case of US-China rivalry in the economic realm, China's satisfaction or dissatisfaction toward the US would primarily come down into several key variables namely institutional similarity, economic interdependence, and the American strategy (Levy, 2015). As suggested by Levy (2015), the more China has a greater economic interdependence with the US, the bigger the degree of satisfaction of China towards the system and the status quo and the more the US able to contains China's dissatisfaction. We further add that economic interdependence is not enough to provide a greater satisfaction for China not to challenge the system. The degree of US constraints over China's ambition to take a leadership role may also create China's dissatisfaction towards the system.

As discussed above, one should note that Organski's power transition rests upon two fundamental prepositions. First, country's power lies in the rates of its internal development. This development has created an opportunity for states to challenges the status quo. Second, international system is primarily shaped by the dominant nation, the hegemon. The condition in which the dissatisfied state who accumulate enough power from their internal development overtakes the dominant power is what we call as power transitions (Kim and Gates, 2015). The insights regarding power transition provided by the theory enables us to understand the case of China's challenges over US domination in the technological realm through its Digital Silk Road initiative.

It has been widely known that the US has become the leader in technology since the inception of global liberal order in the end of the World War II. Based on global technology innovation survey conducted

by KPMG in 2018, more than a third of technology industry leaders globally have put the US as the world's leading technology and innovation hub. Hence, we can interpret that the US is the dominant state within the technological realms. China's rise allows China to catch up with the United States in technology. For the past decade, China's has focused its economic development to transforming the Chinese economy into a major innovation leader. No wonder, the rise of China's technology is an implication of state-led technological development. China's Digital Silk Road is one of the recent policies taken to minimize China's lag in the digital technology controlled by the United States. As we will further discuss in the following section, the realm of technology can be an arena for China's ambition to overtaking the US and change the status quo.

4. Data, Methods, and Case Study

The data collection techniques used in the research for this paper are archival, document, and Internet-based research. Archival and document-based research is a type of data collection that examines various kinds of documents deemed useful for analysis of materials, while Internet-based research is a technique of collecting data via the Internet. Archival and document-based research took place in the library of Universitas Bina Nusantara. From the Internet, the writers sourced materials from online journal databases as well as online news articles.

Analysis of the data obtained took the form of descriptive and qualitative methods. The descriptive method attempts to answer the questions of 'who', 'what', 'where', 'how', 'when' and 'how'; qualitative analysis seeks to answer questions requiring more subjective judgement on matters that are not quantifiable and sometimes non-tangible. The authors hypothesize that if the Digital Belt and Road

succeeds in overcoming the challenges internal and external to it, then China has the potential to replace the dominance of the United States. This hypothesis is based on a number of considerations, factors, and case studies.

4.1. Power: Balanced Military Capabilities

Recent data on China's military capacity, for example, presents the following snapshot. China's People's Liberation Army (PLA) consisted of a ground force of a total of 1,020,000 personnel consisting of 13 army groups; 78 combined weapons brigades; 15 aviation / air attack brigades; 15 artillery brigades; 6 air brigades; 6 marine brigades; 5,800 tanks; and 8,000 artillery pieces. Its naval force has 1 aircraft carrier; 33 destroyers; 54 frigates; 42 corvettes; 37 amphibious transport landing / dock vessels; 22 medium-sized landing ships; 50 diesel attack submarines; 6 nuclear attack submarines; 4 ballistic missile submarines; 86 coastal patrol boats; and 248 coast guard ships. Meanwhile, the PLA naval force has 1,500 fighters; 450 bombers; 450 transport planes; and 150 special mission aircrafts (Office of the Secretary of Defense, 2019).

Around that same period, the United States had 1,026,500 army military personnel with 31 combat brigade teams; 11 combat aviation brigades; 17,394 artillery pieces; 1,609 main tanks supported by 6,547 infantry fighting vehicles; 3,892 armored fighting vehicles; 3,000 armored personnel carriers; and 150,000 light wheeled vehicles. The United States' naval force has 11 aircraft carriers; 67 destroyers; 12 corvettes; 32 amphibious transport landing / dock vessels; 49 diesel attack submarines; 4 nuclear attack submarines; and 14 ballistic missile submarines. The US Air Force has 483 fighters; 139 bombers; 197 heavy transport aircraft; 87 light transport aircraft; and 278 special mission aircraft (The Heritage Foundation, 2020).

4.2. Power Imbalance: US' GPS vs China's Beidou

China's development of the Beidou Navigation Satellite was triggered by dissatisfaction with the universal dependence of militaries on the United States' Global Positioning System (GPS). Because of China's own reliance on GPS, the United States military had the potential to access and intervene in any of the locations that China armed forces were present. In addition, the US could potentially, and easily, exercise its monopoly over the system and sell its chips and navigation systems at high prices. For such reasons, China's Digital Belt and Road program developed the Beidou Navigation Satellite. Since then, the development of the system, the Chinese military has been able to set targets without the interference of the United States. When launching missiles and bombs towards targets, China need not need worry about being stopped by American, or any other military, since it operates using its own navigation system. Second, it has given China's military independent command and control over information about the location of its own troops, and the ability to precisely target and provide navigation for its military forces and attacks. Furthermore, the Beidou Navigation Satellite can also regulate movement tactics, guide precision weaponry, and communication (Goswami, 1st July 2020).

4.3. Status quo: The International Telecommunications Union

The authors of this paper also consider developments related to technology governance and China's participation in the International Telecommunication Union (ITU) as significant. It was the United States that initiated a non-profit organization called the Internet Corporation for Assigned Names and Numbers (ICANN). However, due to concerns about the excessive centrality of ICANN functions in the United States,

the ITU – whose members were national telecommunication institutions – was eventually chosen to serve as the main international platform for the setting and governance of technology standards and to draft proposals for new standards. ITU currently functions under the auspices of the United Nations and is based in Geneva, Switzerland (Dekker, Okano-Heijmans and Zhang, 2020).

4.4. Trade: Huawei

Also salient to the arguments of this paper is the trade dispute between China and the United States. Observations about the rising volume of imports from China to the United States turned to concern in the latter when such imports began surpassing exports from the United States to China, leading to the current large trade deficit. To overcome this, the US government resorted to applying tariffs on imported products from China. *Dissatisfied* with its trade relations with the US and seeking to develop its trade relations outside the US, China began, through Huawei, to supply telecommunications networks in emerging markets. In particular, it used a Huawei component that is China's mainstay, the 5G network, boasting of 5G network's promise to provide much faster speeds and networks for commercial applications across a variety of industries.

In digital commerce (e-commerce), China has continued to develop China-made mobile payment applications such as Alipay, Baidu Wallet, and WeChat Pay. In this way, it has succeeded in raising the quantity and variety of financial data streams entering China. From this data, China is able to analyze the capacities and needs of other countries and create products that are superior, including to the United States.

4.5. Hierarchy: Hong Kong

Referencing the *hierarchy* aspect of power transition theory, the Digital Belt can be seen as having been also instrumental for China's efforts in dealing with the US and the question of Hong Kong. While China's position has been to assert its rights and prerogative over Hong Kong as part of its political integrity, Hong Kong has sought to assert its special/separate autonomy from China. The United States has tended to weigh in on the issue towards Hong Kong's favor. As part of its efforts to deal with the issue, China positioned its Digital Belt and Road as the overarching structure for a joint project between the cities of Hong Kong and Shenzhen to establish a technology park dedicated to Artificial Intelligence (AI) research development. Involving universities and authorities on both sides of the border, the project also involved the building of an international center for higher education and technology. In 2017, Shenzhen and Hong Kong – which had long been in dispute over 87-hectare area of land called the Lok Ma Chau Loop – officially agreed to jointly establish the technology park in the area. The jointly-developed technology park is in addition to a science park already established in Shenzhen that includes research facilities involving Chinese technology giants Huawei and Tencent as well as cultural and educational centers. With the realization of the Hong Kong-Shenzhen Innovation and Technology Park, the AI research developed advances, among other aspects, China's military and economic interests.

4.6. Hierarchy: China Globalism vs US Parochialism

The United States' rejection of globalism during the leadership of Donald Trump as president also provides an interesting case study in question of hierarchical variables. President Trump had repeatedly

asserted 'patriotism' as a major factor for his protectionism and anti-globalization, citing, among other grievances, American job losses, the declining performance of American companies, and abuse of American intellectual property. China, on the other hand, has obviously benefited from, and taken advantage of, globalization – the increased interdependence and interactions, from the level of individuals up to that of nations, of trade, travel, culture, information, and other exchanges (Giddens, 1990). The Digital Belt and Road itself contributes to greater globalization through the use and promotion of digital technology and the One Belt One Road's overall promotion of international cooperation. In this way, countries have become dependent on Chinese technological infrastructure such as its 5G networks and fiber optics, accelerate access to its homegrown commercial applications (e.g., Alibaba) in addition to its smart cross-border logistics system. In shipping, Alibaba's logistics affiliate, Cainiao, uses AI and Geographical Information Systems (GIS) to determine the fastest and most cost-effective shipping routes across a variety of complex road networks, including rural and densely populated urban areas, even to predict what size boxes should be used to efficiently package orders of various sizes and weights.

5. Discussion

The comparison of China and the United States' militaries show an overall balance. However, from the response of the United States to the Beidou Navigation Satellite and the Digital Belt and Road's effects on the United States' position, it becomes clear from a *power* vantage that the US is concerned about China's increased surveillance capabilities through Beidou and the effects on US dominance overall in the international system. Claiming that its GPS services had been disrupted by an anti-satellite missile attack from China, the United States took

steps to protect its GPS by establishing a Space Command to negate the Chinese threat and ensuring GPS security from interference. It also launched the Satelles' Satellite Time and Location (STL) as an alternative and backup to its GPS (Satelles, 2019).

Despite the US response to the Beidou Navigation Satellite and its concerns about Chinese surveillance capabilities, countries neighboring China such as Pakistan, Thailand, Laos and Brunei have chosen to stick to their decision to adopt China's satellite into their own military systems. In fact, Pakistan's air forces' JF-17 fighter jets are already supported by the Beidou navigation and positioning system. In their public pronouncements, the governments defended their adoption of the Beidou Navigation Satellite by attributing to China its prioritization of 'equality', 'cooperation' and the mutual benefits obtainable for all parties. The Beidou Navigation Satellite also presents the attractive option of ascribing to a system other than the US' GPS, in addition to being a more affordable alternative due to the Beidou navigation chip. It is possible that in the future, other countries will start switching from GPS to Beidou for their military.

From a *status quo* perspective, the United States sees China's chairmanship of the International Telecommunications Union (ITU) and China's active participation in the UN organization as a threat to US interests. The US's representative to the ITU, US Commissioner of the Federal Communications Commission, Michael O'Rielly, said his country rejects China Mobile's offer to provide international telecommunications services in the US on the grounds that it threatened US national security (Bloomberg, 11th December 20202020). O'Rielly also said the US was worried about ITU being led by a Chinese national, expressing displeasure with what the US saw was the ITU's undermining of US interests and provision to some ITU members the opportunity to make use of the UN organization for 'selfish' purposes.

O’Rielly cited the ITU chairman’s policies in support of Chinese projects, such as the Belt and Road Initiative (*ibid.*).

The US pressured allies such as Britain, Australia, New Zealand and Japan against buying Huawei products. Due to the pressure, Japan said it would stop buying Huawei and ZTE network equipment for its government offices and military forces. Likewise, Australia and New Zealand also prohibited Huawei’s participation in building the countries’ 5G networks. Yet, the British government – despite being an ally of the US, having the strongest surveillance regime in the world, and being one of the Five Eyes global spy alliance that includes the US, Canada, Australia and New Zealand– recently gave Huawei approval to install 5G infrastructure in Great Britain. A total of 45 countries have entrusted Huawei to install 5G networks in their countries; only 4 countries have banned the use of Huawei.

Applying the *hierarchy* principle, the United States in November 2019 threatened to revoke its special treatment of Hong Kong on the grounds that Hong Kong is not autonomous enough from China. While this was a clear attack on China, the fact remains that US revocation of the special status it accords to Hong Kong is easier said than done. Firstly, this is because Hong Kong has strong trade and financial ties with the United States: nearly 1,300 US-owned companies operate in Hong Kong, approximately 300 of them serving as the base for their Asian regional operations. Secondly, for all the US administration’s rhetoric about its ‘patriotism’ and anti-globalization, actually carrying out such policies risked alienating its allies and threatening their cooperation with the US. The US did, in fact, lose allies precisely because of its inward-looking patriotism and protectionism. Finally, many countries, especially developing countries that are heavily dependent on the United States, have begun to support China as the new dominant country in the hierarchy of the international system.

To reiterate, use of the *power* factor leads us to understand how China advanced its policy objectives through the Digital Belt and Road and succeeded in influencing countries to embrace its technological infrastructure despite pressures by the US to dissuade them and other counters from doing so (Lele and Roy, 2019). The *status quo* principle helps us to understand how, with the Digital Belt and Road initiative and through its participation in the ITU, China's dissatisfaction with the US conduct in the international system and patterns of trade, leading it to work towards a set of new international standards involving the use of Artificial Intelligent and 5G networks. The US, invoking concerns about Chinese espionage, has tried to stem the spread of Chinese technology infrastructure such as Huawei, among its allies. But here as well, the US seems to have failed: only three countries agreed to do as the US requested. Even Britain, a US ally, allowed Huawei to operate within its country.

The *hierarchy* perspective allows us to see China's *dissatisfaction* with US actions in territorial disputes, succeeded in peacefully resolving a territorial dispute through the Digital Belt and Road policy, as seen in the example of the Hong Kong-Shenzhen technology park. The US's threat to revoke Hong Kong's special rights failed to pull Hong Kong further out of its special autonomy and closer to its own sphere of influence. But this gambit failed due to the risks it posed to the presence and interests of its companies. China's Digital Belt and Road and its embrace of globalization has only won support and worked to its advantage at a time when the US was losing allies with its stance of anti-globalization, 'patriotism', and protectionism.

6. Conclusion

Through the Digital Belt and Road, China has succeeded in advancing its policy objectives by changing the policies of other countries, while the United States has decreased its influence on other countries by seeking to advance its own narrow policy goals. China has been able to attain greater capacity to analyze the capacities and needs of other countries and create superior products that are more desirable to other countries than products offered by the US. Neither are they *satisfied* with the US in the dominant leadership position of the international system as *status quo*. Lastly, the Digital Belt and Road has served to promote China's interests at the same time that it has promoted globalization through the technology infrastructure it develops – both (globalization and technology infrastructure) seen as key to better standards of living. China has also built good relations with small- and middle-powers and included them as participants in its large projects. Seeing this, many countries have begun to draw closer to China and pulled away from the US. The Digital Belt and Road program has, in other words, reduced the dominance of the United States in the international system and increased China's potential to become a new dominant power.

From the above, we can conclude that the Digital Belt and Road program has been quite successful in resolving some of the *dissatisfaction* that countries have with the international system led by the United States. Although it has not fully replaced the dominant position of the United States in the international system, that dominance has decreased with the Digital Belt and Road. A major factor is digital technology's importance in world today. The US should correct those views and policies if it seeks to thwart China's rise without causing a war over technology with China.

Among the constraints faced by the authors for this research, conducted in early 2020, was the worldwide Covid-19 virus pandemic.

In addition, data related to economic, military, and trade data have been in flux, if not difficult to obtain. The authors have not, therefore, discussed the prospects of One Belt One Road and Digital Belt and Road programs after the Covid-19 virus. It is likely that China's condition will weaken, this will, of course, impact on the project.

This study would be of interest for those following the rise of China and its development of digital technology. It shows that China, a developing country, can become a world power and potentially even affect the US's position of dominance in the international system. It offers the lesson that every country is capable of progressing if it is open to change and utilizing technology to impact the future.

Notes

- * Dr Lili Yulyadi Arnakim (corresponding author) is a Senior Lecturer at the Department of International Relations, Bina Nusantara University (BINUS University), Jakarta, Indonesia. He was a Visiting Professor at the Asia-Europe Institute (AEI), University of Malaya, 2016-2019. His current research projects are on China's state capitalism and economic development in Southeast Asia (2021), gender representation and development in Southeast Asia (2020), regional developmentalism in Southeast Asia (2019), funded by BINUS University, and as a team member of H2020 global governance research funded by the European Commission. His latest works have been published in *Intellectual Discourse*, *AEI Insights: An International Journal of Asia-Europe Relations*, *Transylvanian Review*, *Revista De Cercetare Si Interventie Sociala*, *Sejarah*, and *Jati (Journal of Southeast Asian Studies)*. Lili Yulyadi Arnakim holds a Ph.D from the University of Malaya. <Email: lili.yulyadi@binus.edu>

- ** Dr Moch Faisal Karim is an Assistant Professor at the Department of International Relations, Bina Nusantara University (BINUS University), Jakarta, Indonesia. His research has been published in *Foreign Policy Analysis*, *Third World Quarterly*, *Australian Journal of International Affairs*, *The Pacific Review*, *Asian Journal of Social Science*, *South East Asia Research*, *European Journal of East Asian Studies*, *Journal of International Migration and Integration*, and *Journal of ASEAN Studies*. Faisal holds a PhD from the University of Warwick, United Kingdom. <Email: faisal.karim@binus.ac.id>
- *** Bernadetta Nindya Kusuma Pradipta is a Research Associate at the Centre for Business and Diplomatic Studies (CBDS), Bina Nusantara University (BINUS University), Jakarta, Indonesia. Her research focus is in the area of Chinese politics and Chinese foreign policy. <Email: bernadetta.pradipta@binus.ac.id>

References

- Akdag, Yavuz (2019). The Likelihood of Cyberwar between the United States and China: A Neorealism and Power Transition Theory perspective. *Journal of Chinese Political Science*, Vol. 24, No. 2, pp. 225-247. <<https://doi.org/10.1007/s11366-018-9565-4>>
- Bloomberg (11th December 2020). FCC Moves against China Telecom and Huawei, citing security. <<https://www.bloomberg.com/news/articles/2020-12-10/fcc-considers-barring-china-telecom-from-u-s-over-security>>
- Chan, J.H. (30th April 2019). China's Digital Silk Road: A game changer for Asian Economies. *The Diplomat*. <<https://thediplomat.com/2019/04/china-s-digital-silk-road-a-game-changer-for-asian-economies/>> (assessed on 13th April 2020).
- Cheney, C. (7th July 2019). China's Digital Silk Road could decide the US-China competition. *The Diplomat*. <<https://thediplomat.com/2019/07/china>>

s-digital-silk-road-could-decide-the-us-china-competition/> (assessed on 13th April 2020).

Dekker, Brigitte, Maaïke Okano-Heijmans and Eric Siyi Zhang (2020). *Unpacking China's Digital Silk Road*. The Hague: Clingendael Institute (Netherlands Institute of International Relations).

Eder, Thomas S., Rebecca Arcesati and Jacob Mardell (2020). Networking the Belt and Road – The future is digital. *Global China Inc. Tracker*. Berlin: Mercator Institute for China Studies (MERICS). <<https://www.merics.org/en/bri-tracker/networking-the-belt-and-road>> (assessed on 13th May 2020).

Finnegan, M. (2009). *Benchmarking America's military alliances: NATO, Japan, and the Republic of Korea*. San Francisco, The Asia Foundation. <<https://www.asiafoundation.org/resources/pdfs/FinneganBenchmarkingFeb09.pdf>> (assessed on 18th May 2020).

Giddens, Anthony (1990). *The consequences of modernity*. Stanford, CA: Stanford University Press.

Goswami, N. (1st July 2020). The economic and military impact of China's BeiDou navigation system. *The Diplomat*. <<https://thediplomat.com/2020/07/the-economic-and-military-impact-of-chinas-beidou-navigation-system/>> (assessed on 31st August 2020).

International Monetary Fund (2019). World Economic Outlook Database. <<http://statisticstimes.com/economy/countries-by-projected-gdp.php>> (assessed on 18th May 2020).

Karim, M. F. and T. Chairil (2016). Waiting for hard balancing? Explaining Southeast Asia's balancing behaviour towards China. *European Journal of East Asian Studies*, Vol. 15, No. 1), pp. 34-61. <<https://doi.org/10.1163/15700615-01501002>>

Kartini, Indriani (2015). Kebijakan Jalur Sutra Baru Cina dan implikasinya bagi Amerika Serikat. *Jurnal Kajian Wilayah*, Vol. 6, No. 2, pp. 131-147. <<http://jkw.psdri.lipi.go.id/index.php/jkw/article/view/334>> (assessed on

17th March 2020).

- Kida, K. and S. Hashimoto (19th August 2019). China's version of GPS now has more satellites than US original. *Nikkei Asian Review*. <<https://asia.nikkei.com/Business/China-tech/China-s-version-of-GPS-now-has-more-satellites-than-US-original>> (assessed on 18th April 2020).
- Kim, Min-hyung (2019). A real driver of US–China trade conflict: The Sino–US competition for global hegemony and its implications for the future. *International Trade, Politics and Development*, Vol. 3, No. 1, pp. 30-40. <<https://www.emerald.com/insight/content/doi/10.1108/ITPD-02-2019-003/full/html>> (assessed on 17th March 2020).
- Kim, Woosang and Scott Gates (2015). Power transition theory and the rise of China. *International Area Studies Review*, Vol. 18, No. 3, pp. 219-226. <<https://doi.org/10.1177/2233865915598545>>
- Krukowska, Monika (2016). China's 'one belt one road' strategy and its implications for global world order. *International Business and Global Economy*, Vol. 35, No. 1, pp. 157-168. <https://www.researchgate.net/publication/339782881_China's_one_belt_one_road_strategy_and_its_implications_for_the_global_world_order> (assessed on 17th March 2020).
- Lele, A. and K. Roy (2019). *Analysing China's Digital and Space Belt and Road Initiative*. New Delhi: Institute for Defence Studies and Analyses.
- Levy, Jack S. (2015). Power transition theory and the rise of China (pp. 11-33). In: Robert S. Ross and Zhu Feng (eds.), *China's ascent: Power, security, and the future of international politics*. Ithaca, NY: Cornell University Press. <<https://www.degruyter.com/document/doi/10.7591/9780801456992-004/html>>
- Li Xing (ed.) (2018). *Mapping China's 'One Belt One Road' Initiative*. Cham, Switzerland: Palgrave Macmillan / London, Berlin and New York: Springer Nature.
- Ministry of Natural Resources, PRC (2019). *China Mineral Resources 2019*. Beijing: Geological Publishing House. <<http://www.chinaminingtj.org/>>

[images/document/2019/CM_Resources_2019_en.pdf](#)> (assessed on 18th May 2020).

- Nakano, Ryoko (2016). The Sino–Japanese territorial dispute and threat perception in power transition. *The Pacific Review*, Vol. 29, No. 2, pp. 165-186. <<https://doi.org/10.1080/09512748.2015.1013493>>
- Napang, M., S. Nurhasanah and S. Rohman (2019). One Belt One Road (OBOR) and the increase of China’s global influence. *International Journal of Social Science*, Vol. 5, No. 2, pp. 53-69. <https://www.researchgate.net/publication/334681066_One_Belt_One_Road_OBOR_and_the_Increase_of_China%27s_Global_Influence> (assessed on 17th March 2020).
- Office of the Secretary of Defense (United States) (2019). *Annual report to Congress: Military and security developments involving the People’s Republic of China 2019*. <https://media.defense.gov/2019/May/02/2002127082/-1/-1/1/2019_CHINA_MILITARY_POWER_REPORT.pdf>, assessed on 18th May 2020.
- Organski, A.F.K. and Jacek Kugler (1980). *The war ledger*. Chicago and London: The University of Chicago Press.
- Rapkin, David and William Thompson (2003). Power transition, challenge and the (re)emergence of China. *International Interactions*, Vol. 29, No. 4, pp. 315-142. <<https://doi.org/10.1080/714950652>>
- Satelles (3rd September 2019). Protecting U.S. space assets critical: Space command established in response to Russian and Chinese threats. <<https://www.satellesinc.com/protecting-u-s-space-assets-critical-space-command-established-in-response-to-russian-and-chinese-threats/>> (assessed on 31st August 2020).
- Sinaga, Lidya Christin (2020). Xi Jinping, “China Dream”, and Chinese military diplomacy to ASEAN. *Journal of ASEAN Studies*, Vol. 8, No. 2, pp. 173-190. <<https://doi.org/10.21512/jas.v8i2.6483>>
- Tammen, Ronald L. and J. Kugler (2006). Power transition and China-US conflicts. *The Chinese Journal of International Politics*, Vol. 1, No. 1, pp.

35-55. <<https://doi.org/10.1093/cjip/po1003>>

Tammen, Ronald L. (2008). The Organski legacy: A fifty-year research program. *Empirical and Theoretical Research in International Relations*, Vol. 34, No. 4, pp. 314-332.

Tammen, Ronald L., Jacek Kugler and Douglas Lemke (December 2011). Power transition theory. *TransResearch Consortium Work Paper #1*. <<https://static1.squarespace.com/static/576ef1a0be65941edd80fef7/t/578d56e22e69cfbb1192c4cf/1468880611440/Power+Transition+Theory.pdf>> (assessed 17th March 2020).

The Heritage Foundation (Washington, DC) (2019). *2020 Index of U.S. Military Strength with essays on great power competition*. (Edited by Dakota L. Wood.) <https://www.heritage.org/sites/default/files/2019-11/2020_Index_of_US_Military_Strength_WEB.pdf> (assessed on 18th May 2020).

The State Council of the People's Republic of China (2015). Various reports on Belt and road Initiative. <<http://english.www.gov.cn>>

Yan, Xuetong (2014). From keeping a low profile to striving for achievement. *The Chinese Journal of International Politics*, Vol. 7, No. 2, pp. 153-184. <<https://doi.org/10.1093/cjip/pou027>>

