CHINA AND THE POWER OF A NEW ECONOMIC HEGEMONY

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Abstrak

The result of the break up of the Soviet Union empire in 1990 saw the emergence of China as the sole super power which still clings to the Communist ideology. China thus has the potential of taking over the previously held role of the Soviet Union. The re-emergence of China in the international arena after a long period of isolation may create a great impact on other super powers. China's intention and aspiration to be a new economic hegemonic power not only at regional but also at global levels makes China a country to be reckoned with. The writer will seek to discuss in this article three factors that contribute to China's economic success; firstly, the developments that have taken place in the transformation of China's economic policy from centrally controlled economy to that of the open and free economy as implemented by the Chinese leadership as part of their efforts to generate economic activities and increased competitiveness; secondly, the efforts in safeguarding China's interests in the WTO; and lastly, the role of Hong Kong's and Macau's participation in China's economic development.

Keyword: *China, power of new economy hegenomy*

A. INTRODUCTION

China's efforts to reach the stage as a world power hegemony need not be questioned anymore looking at changes for the sake of the changes that have been made by the Chinese leaders in various aspects, including the economy and the initial structuring in the safety aspect. The power of hegemony intends a nation state that has superiority in terms of economy and force which is certain to carry out the elements of domination and monopoly. It started from the initial stage of Chinese formation by Mao Tze-Tung who was a communist understanding in 1949 and his government was replaced by Deng Xiaopeng who had made the original changes and structuring on China to be more open to the outside world. In ensuring that China can be formed into a power of hegemony in the international arena, economic and safety aspects are made an important foundation. The name used by the Chinese government is 'Chung Kuo' (World Center) imagining the high desire and ideals of the Chinese government to make China the center of cultural development and the power of world hegemony. China has actually considered itself to be a world power hegemony since before the arrival of the Westerners who controlled China through warfare and contractual agreements.1 This response is based on a number of specific factors, namely that China is highly praised for its culture and is also based on achieving technological advancements owned by China during the reign of the Han Dynasty.2 Even so, the global structure as described by reviewers in China is

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characterized by 'yi chao duo qiang' which is the manifestation of a large and singular power such as the United States which is now confronted with other major powers such as China, Russia , Japan and European Unity. This situation shows that it is not impossible that China will reach the stage as a superior world hegemony power and influence to view the world condition which is now more anarchic in nature. The emergence of China as a world power hegemony is also actually driven by other factors such as the position of geography, crowded numbers and advantages in the field of technology. China began to rise by challenging other powers at in the world after the end of the Cold War. The collapse of the Soviet Union's power which was previously the sole authority of communism witnessed the emergence of China which is now taking part in carrying out the understanding of communism. China has emerged from the isolation it experienced in the period of the Cultural Revolution as an active and important 'player' in the international arena. This can be witnessed by the tails of 1971 if the People's Republic of China has gained a place in the United Nations (UN). This shows that China can act in harmony with its veto power as possessed by most large powers such as the United States.

China is one of the five permanent experts in the UN Safety Council and all actions taken by China are able to impress other countries. Significantly, China is considered as one of the ruling countries in the UN Safety Council. The status of 'Most Favored Nation' (MFN) held by China in international trade gives it an advantage in establishing trade relations with other countries. China's striving to become a superior world hegemony power is not impossible to achieve based on economic development and technological progress as a result of the basis of a more open door. This situation will continue to make China a competitor to the great powers that are available.

B. METHOD

Developments in Chinese trade and economic relations in the Asia Pacific region have played an important role in efforts to develop the economic situation in the region and so on will contribute to prosperity. China's economic development cannot be separated from the cooperation established in the Asia Pacific region especially in East Asia. The implementation of the basic open door in China since 1977 should be understood as a whole in the context of economic and social change. However, an important aspect emphasized here is the economic aspect in which this change has led to the processes of modernization and further promote economic development in China. Liberalization in foreign trade is continued together with changes in the management and organization of trade organizations in China.16 China's openness to the outside world can contribute to the service industry in China

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with capital and promote development carried out in the service sector to the world the outside. There are several considerations that can be seen from a political standpoint regarding the establishment of the Special Economic Zone (SEZ). This SEZ's is a trade zone that was developed to maintain the economy in China. He was formed in a region that has been determined to ensure that China can compete with other countries in economic aspects. its remission is regarded as one of the main weaknesses. Interaction carried out with the outside world will be seen to give a more positive impression on China that it will become stronger and more firm as a result of real competition. For example, new industrial countries such as Japan, South Korea, Taiwan and Hong Kong and Singapore have started to develop from the economic aspect because of their interactions with the international market. If China practices the basis of isolation with the outside world, then China cannot afford to develop its country, seeing that China cannot adapt the very important aspects of science and technology to develop its country. Programs that will be implemented can provide a major commitment to economic development that emphasizes the Four Modifications (Four Modernisations) namely in the aspects of industry, agriculture, technological science and national safety. The implementation of this program is to shape China towards a country that is rich, modern and as a socialist state in power at the end of the 20th century.20 The implementation of this program is to ensure that China is in the forefront of the world towards the 21st century.21 This strategy is implemented to drive the economy in China with the introduction of the latest technology. China is a country that has an interest in countries located in the East Asian region of the tail rather than implementing a more open door to the outside world. There are about 60% -70% of Chinese exports and there are more than 50% of Chinese imports that apply in this region. Important trade partners for China such as Hong Kong, Taiwan, Japan, the United States of America and also Macau as well as foreign investors which are important to China are more than any of the overseas countries.

Based on statistics obtained in 1991, the total number of foreign investments originating from Macau and Hong Kong came first, namely 62.6%, Taiwan 11.58%, followed by Japan as much as 6.77%, American 4.5% and Singapore 1.28%. The five states stated this have indirectly contributed to 86% of investment in China. In 1992. In the early 1990s, higher levels of exports from China to Asian countries were applied. Chinese trade statistics show that between 1990 and 1996, exports to Hong Kong were 23.5%, Singapore 89.8% and Thailand had increased by 52.4%. Asia, namely Taiwan, Thailand, Hong Kong and Singapore from 1990 to 1999. The composition of exports is seen to be increasing from 1990 so that in 1999 Hong Kong was the country that had the highest number of exports compared to other trade partners, namely 26,650.1 billion US dollars in 1990 than the total exports of 62.093 billion US dollars and 36.890.6 billion US dollars in 1999 than the total exports of 194.925 billion US dollars. Even

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though it experienced a slight decline in 1998 of 3 billion US dollars compared to the previous year 's tail rather than economic crisis, the number of Hong Kong exports still gave a major impression on the flow of merchandise in China. The number of merchandise exports recorded was 26,650.1 billion US dollars in 1990, increasing to 43,782.9 US dollars in 1997. However, the number of exports decreased to 38,753.2 US dollars and 36,890.6 US dollars in 1998 and 1999. When the number of Hong Kong imports decreased than in 1990 that was as much as 14,254.4 billion US dollars compared to 1999 as much as 6,892.4 billion US dollars. Rather than the overall number of imports namely 165.768 billion US dollars as much as 6.892.4 billion US dollars is the number of imports than Hong Kong in 1999. This economic aspect in China can be based on several important parts, namely the relationship established between the country and ASEAN and also America as a great power. Relationships can have certain implications for China as well as for the countries that they deal with.

At present and in the future, China is expected to face a new situation in Southeast Asia which is stacked in 'triangular relationships' ('small', 'medium' and 'large') situations. In a 'small' relationship there is a relationship between China, Taiwan and Hong Kong. In the 'simple' relationship (medium) too, there is a relationship that is carried out between China, the 'Four Asian Dragons', such as South Korea, Singapore, Taiwan and Hong Kong and ASEAN. Meanwhile, in the 'big' relationship there is also a relationship between China, Japan and the United States. All three relations are a major strategy for China in the economic aspects of overseas Asia. Relations in economic and trade aspects in the 'small triangle' involving China, Taiwan and Hong Kong have been developed very rapidly in the previous decade and all three of these relationships have increased and are dependent on each other to achieve prosperity in economic aspects. China needs technological capital and expertise in the management aspects of Hong Kong and Taiwan, while for both countries it also requires raw materials and markets rather than China. In particular, Hong Kong and Taiwan need support from outsiders to develop new technology and technology-based industries. If the pressure applies, which is a form of international competition, Hong Kong and Taiwan have transferred the labor-based industry and the raw material base to China. With Hong Kong's original surrender to China, it has opened a path of change for the economy and trade exchange as well as a form of cooperative relations between the two. This situation will become a significant mode of development in the economic aspects of overseas Asia in the coming century.

SPECIAL ECONOMIC ZONES (SEZ’s)

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This Special Economic Zone is a zon or excise-free trade zone that provides special tax exemptions to offset foreign trade. This zone is the most obvious and obvious aspect of the Basic Open Door. It was formed with high expectations from the government in maintaining the Chinese economy and a place for high technology absorption, more modern and efficient management. The resulting expenditure is to be marketed to an international ranking using the latest technology. Between 1979 and 1981, there were four zones or regions of origin that had been distributed to maximize the attention of Chinese investors who lived outside of China to make investments.30 Shenzhen is the largest region in the Guandong Region, located next to Hong Kong. Zhuhai was also built next to an area that was once owned by the Portuguese, namely Macau also inside Guandong. Shantou in the northeastern part of the Guandong Region has been developed in an area that has links with Chinese communities in Southeast Asia and Xiamen in the Fujian Region to attract investors from Taiwan. This SEZ provides great excise tax concessions and excise-free import privileges to foreign investors and provides more extensive infrastructure facilities. However, SEZ's which gives freedom to companies to conduct trade has attracted many companies and organizations from outside to invest there.

Initially, the formation of SEZ's in southern China was not only to establish relations with Hong Kong and Southeast Asia but also as an experiment or study in economic aspects where SEZ's position was located far from industrial zones that were available. Regions and cities that have been opened have given a new area to facilitate the achievements of foreign investors. Even so, however, the establishment of SEZ's was at first a bit of a controversy of the tails, it was seen as more similar to capitalism, but Deng's step has succeeded in driving the economy in China. SEZ's has become a place of economic development, a great center of industry and a center for absorption and superior economic formulation in China. One of the main objectives of this specially formed zon is. The tails of the formation of SEZ's, China has many benefits such as receiving foreign investment with the latest technology. This situation has accelerated economic development in China again and can encourage exports due to high capital investment efforts rather than prevailing foreign investment.33 Benefits obtained by China in this aspect have also demonstrated its ability to move appropriately in economic operations oriented mainly in the southern export region China. For individuals and companies from China, cooperation with foreign investors will offer easy achievements to foreign exchanges, the outside world and can increase freedom in a planned economic system. 34 Thus, this foreign investment will bring a lot of foreign investment. advantages for China besides increasing competition with international and domestic markets. The most obvious characteristic and characteristic of the SEZ's foreign investment scenario is that investors have the choice of using cheap labor because of their boarding house. Investors will bring in materials

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for processing in China and will re-export the expenses generated. This situation will continue to maintain the economic process in China by creating employment opportunities and foreign exchange will also increase. The impression of the establishment of the SEZ's is the opening of several new areas such as the Hainan Islands for commercial operations by foreign firms.35 As with the features found in SEZ ”s, these cities also enjoy low excise tax rates, exceptions of private castles and levels of customs Low payments in the use of land to attract foreign investments. This foreign investment is important to maintain the country's economy.

INCLUDING CHINA INTO THE WORLD TRADE ORGANIZATION (WTO)

China remains scattered in the context of the global economy today with its brilliant economic achievements. Countries that practice this communist understanding have reached a stage of good economic achievement namely 12% in 1992, 13.5% in 1993, 11.8% in 1994, 10.2% in 1995 and around 11-12% in 1998 and 7-8% in 1998 in 1999.40 Although experiencing a slight decline in 1999 the impression of the economic crisis engulfing Asian countries, but China can overcome this problem brilliantly and perpetuate its economic achievements. This encouraging economic growth in China has increased China's influence in the global and global ranks. After trying for 15 years to be accepted as an expert in free trade, namely the World Trade Organization (WTO), it turns out that the efforts carried out by China are not in vain. This acceptance will bring many changes in the economic situation in China. The entry of China into the WTO will bring more opportunities and challenges especially to Chinese-owned companies and also to foreign companies that carry out trade in China. French President Jacques Chirac argues that China's entry into WTO free trade will reaffirm the universal traits available at the institution, in which a joint venture will eventually accompany the world trade system.41 In fact, he feels happy with the entry of China with characterizing that his possessions were seen as "great glory to China" and also "good news to France". This is because it can provide many advantages for both countries to carry out trade. In addition, China has outlined several commitments in an effort to loosen foreign trade and foreign investment if the commitments are successful, it will strengthen the economy in China again to foreign firms. Even though China will be heading towards privatization, but economic aspects in China are still being guarded by 'State Owned Enterprises' (SOE), most of which are inefficient and profitable. The original structuring of the SOE sector included several attempts to privatize several companies as a priority for the kingdom.

The entry of China into the WTO which is also the body that sets world regulations will have broad implications for all parties in China because it will open

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the Chinese economy to imports while increasing the country's exports. If examined more closely from the economic aspect, the expertise as a member of the WTO will justify China to apply for various regulations to deal with any dispute on the bilateral rank and to be involved in making decisions other than just relying on the United States. China believes that the expertise as a member of the WTO will also help China to release the power and restrictions imposed by the West and can also reduce the influence of the 'China Threat Theory. WTO is an international organization formed based on regulations. Therefore, China will be strict in complying with all the regulations contained in the WTO and ensuring the ratification of its domestic laws. Changes that need to be made are the foundations and regulations available in China will become clearer, provide fair benefits and environment for foreign traders, trading allies and investors. Through the WTO, Chinese products will get equal rights to enter the market and there will be no unfair concept. However, China will face fiercer competition than other countries and a collapse in the financial system which is still not so strong compared to foreign banks and companies. Significant Chinese expertise as one of the countries that have become a leader in the WTO will also provide a broad market to Hong Kong and Macau. This situation will be able to help foreign companies to invest in these two places while increasing the economic stage in the region. Hong Kong is a two-stop platform for foreign investors to build their bases to enter the market in China and at the same time. In addition, the WTO also makes the economy in China more efficient because of its integration with the global world. Technology in China will improve in line with the entry of foreign operating firms. Even so, the most severe challenge for China is that the free market concept that first emerged in China will make China's imports grow. China will start importing various types of goods to maintain its economy in the early years of the entry of the goods.

For America and the European Union as well, China's expertise as a member of the WTO can open the Chinese market and bind China under global regulations. Realist theorists in international relations argue that a wealthy and powerful China will emerge as a new hegemonic power and become a global competitor to a major ruling country, namely the United States.45 China has overcome all obstacles and as a member of the WTO, it has signaled China's integration into global economic orders. After gaining self-confidence with the implementation of new foundations that improve its economy, China has become an important country in the global world today by accepting all the rules set by the WTO. China's inclusion in the WTO makes it an increasingly respected country and is seen as a 'double-edged sword' for China.46 In addition, it makes China more secure in achieving international markets and can expose the economy in China to greater competition . There are many impressions that China will face if the WTO is primarily concerned with the financial sector and heavy industry. In the financial aspect, for example, banks in China will operate based

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on trade affairs directly through the currency of the renminbi. In the aspect of security trading, foreign capital introduced to the stock and bill markets in China will be justified in holding back all its benefits and interests. Indirectly, this situation will make the competition phase increase in the financial services industry.47 Commercial banks owned by China, insurance companies and security companies need to change their strategy according to the laws and practices in the international market. Chinese companies will face and compete with banks that have a strong position and are supported by foreign investors who have advantages in the source of capital, labor, technology and experience.

SIGNIFICANTLY INCLUDE HONG KONG AND MACAU INTO CHINA

China has tried to ensure a strong bond between its countries and other overseas countries to gain an advantage in a strong economic environment. China, like its trading partner in the Asia Pacific Economic Cooperation (APEC), acknowledges that there are many advantages that will be achieved if the form of a more open regionalism concept (strengthening regionalism), strengthens cooperation, elimination of trade barriers, no discrimination and ease in trade in the region (overseas) intra-trade) as well as technology and investment manifestation.50 China relies heavily on major powers from the technological, market and trade aspects to see that Hong Kong's surrender to China is an advantage. Hong Kong was handed back to China through the Sino-British Agreement reached in 1984. This situation was a preliminary step for China to re-conquer its territory controlled by Western powers during the colonial period in its efforts to form 'Greater China'.51 This also signifies a new era of the rise of Chinese power in the international arena. Hong Kong was occupied by the United Kingdom in 1841 and in 1997, it was handed back to China by carrying out the administration of a special administrative region namely the Special Administrative Region (SAR). In the sealed agreement between Hong Kong and the United Kingdom, China will adapt the government of 'one country, two systems' ie the socialist economic system in China will not be practiced in Hong Kong and it will enjoy full autonomy in all aspects except in international relations and also in the aspect of defense for the next fifty years

C. CONCLUSION

The inclusion of China in the WTO shows that the power of the East Asian country is already willing to compete together with other developed countries. Openness in economic aspects also shows that China needs to be willing to take any

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risk and make adjustments in their economy. Changes to a market-oriented economy have forced China to make changes in its social institutions even after becoming a member of the WTO. Although faced with tension and inner turmoil various aspects include globalization, markets, standards and so on, but the leadership in China has been trying to achieve a balance in the changes made and obtain stability through development. Beginning in the 1990s, trade and investment relations have improved which has benefited China greatly. In fact, China 's expertise as a country that has a stake in the WTO will also increase its efforts in the global ranking by making the Chinese economy increasingly more efficient through its integration with the global economy and aligning regulations and regulations on international rankings. This situation can further strengthen the state of the Chinese economy. He actually provides an opportunity for China to advance its technology to accelerate the structuring of the local industry while making China more willing to face competition with foreign countries. Expertise as one of the countries that have ruled over the WTO no longer raises doubts about China's commitment in aspects of economic liberalization and also globalization among its leaders. In fact, China has also taken steps to promote stability and openness in economic aspects in Asia. China is an important expert on the East Asian region in terms of politics, safety and economics. Changes in the foundation and opening of the country to the outside world have promoted trade relations with other countries. Chinese merchant partners such as Hong Kong, Macau, Japan, the United States, Taiwan and South Korea are also important investors in China.

The glory of China carries out its economic aspects by impressing not only on its benefits but also on other countries. ASEAN, for example, will accept the benefits of Chinese entry into the WTO because of higher market opportunities. In fact, this increasing trade relationship will also make Asian shores increasingly respected in an effort to improve their economy. For large powers as well as the United States and Japan, China is seen as a competitor that needs to be 'bound' through closer trade relations to ensure that China does not emerge as their main observer. The ability of China to become a major competitor to these countries is something that is not impossible to see China as capable of achieve it through changes made in the economic aspects and also modification made in the aspects of trade. China in ninth place in 1994 which had GDP (in billion US dollars) was expected to become a country that had the highest GDP in 2020 by making the United States in the second place followed by Japan and India. In the future, the economic development of China is seen to give a positive impression to overseas Asian. He will create greater opportunities for China itself and its neighbors. With growing power and influence, neighboring China such as Russia, Mongolia, Burma, Cambodia, Laos, Vietnam, Malaysia, Singapore and Thailand will be more inclined to concentrate on China. The surrender of Hong Kong

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can increase China's economic power and gain prestige as an authority to govern Hong Kong. Now, big powers can no longer look down on China's capabilities in the international arena. Now with the combined economies of China, Japan, Korea and other Southeast Asian countries, the East Asian overseas economy will be the main driving force for the global economy. The economic mix of these East Asian countries is expected to exceed the achievement of European Union in 2010 and is seen as bringing together the US economy in 2015. Even though the Asian overseas countries are not as rich as those in the G-7, they continue to play a role important to the global economy. Therefore, the key to East Asia's overseas economic triumph lies in the stability and growth of China's economic tray in the future. Matlamat is able to be achieved because China has three important factors to maintain its economy, namely the development of infrastructure on a large scale, an effective standardization process and the rapid growth of the automotive sector in the country. This development will be able to provide benefits to neighboring countries in terms of markets and so on. Therefore, other countries, especially in Asia, need to make modifications to deal with this rising dragon.

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