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The Belt and Road: China's "Community of Destiny" for Southeast Asia?

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Couverture : © Shutterstock. LUANG PRABANG, LAOS - JANUARY 30, 2019: A new bridge across the Mekong River in Luang Prabang, the UNESCO-listed city in northern Laos, as part of the new Trans-Asian Railway network.

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Executive Summary

This paper explores the impact of the Belt and Road Initiative (BRI; also Yidai Yilu), China's flagship program, on Southeast Asian States and ASEAN as an institution. As a frontline zone and a pivot, Southeast Asia is both a testing ground and a showcase of China's ambitions in developing a grand cooperative scheme. Creating mutually positive linkages is crucial for both partners, if not for the same reasons.

The BRI is both good and mixed news for Southeast Asia. On paper, the program provides substantial economic stimulus for regional development, penalized by the absence of infrastructure, or by dilapidated ones; it should help better connect the region's abundant natural resources, its growing markets and manufacturing hubs. Potentially, the BRI is a game-changer. Its transformative impact on economies can be paralleled with the economic stimulus created by the US and Japan in the early 1970s. What is striking is the pace of change: six years after its launching, measurable achievements can be observed. China is currently an unparalleled force for shaping Southeast Asia's future.

However, nothing comes as free, especially considering the huge investment level. Yidai Yilu provides a branding opportunity for Chinese companies to be expansive, with smiling diplomatic presentation touting inclusiveness and "win-win". But political, financial, ecological and/or security risks have not been sufficiently evaluated. It is leading to a mode of development with new rules of the game; new norms, regulations and practices that might not be compatible with previous standards or with the traditional opening of the region to global ones. Finally, China might be tempted to attach implicit strings and use the initiative as a convenient, yet vague, vehicle to expand its grip over the region, project itself as its "natural leader" and accelerate "a return to the center". As the driver of major rapprochements, it could lead to decisive shifts in the alliance system; for Southeast Asia's traditional partners, it induces ruthless, systemic competition in a context of intensifying rivalries.

Southeast Asia is central to China's ambition to be reckoned as a global power. Beijing sees it as a key link in the connectivity chain. The region intends to capitalize on this perception to build its future. The Southeast Asian states' position on the world stage and on trade routes is directly affected by the way they manage the densification of their

connections with China and the resulting Chinese power leverage on their future; the lack of a coherent alternative and/or strong engagement for an ASEAN integration scheme might increase regional vulnerability.

The perspective of Southeast Asian states is crucial for better considering the impact of the BRI at different levels (local, national and regional), the opportunities it generates, and the potential bargaining power it produces for both partners in creating a "new regional order". Their relations with China provide a good assessment of China's ability to make itself accepted as a world power and a trusted leader. In this quest, Beijing considers the BRI as its most efficient asset and tool, flexible enough to be adapted and adjusted according to its partners' demands and constraints. However, exerting unrelenting pressure and assertiveness might prove counterproductive for Beijing if the Chinese dream becomes Southeast Asia's trap.

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Introduction: China's Massive Global Initiative

The Belt and Road Initiative (BRI) is China's most ambitious global initiative and President Xi Jinping's top national strategy. Announced in 2013 by President Xi in Kazakhstan (for its continental component) and in Indonesia (for its maritime component), it was initially aimed at creating a vast network of railways, highways, ports and energy pipelines that would link China to Europe through the Eurasian continent. It is now being expanded further, to the Pacific to the East, and Africa and the Americas to the West. Since its inception, its scope has also been enlarged to industrial parks, cultural ties, education and the digital economy. The BRI is a long-term vision and endeavor promoting a China-inspired globalization scheme; it provides support for companies (mostly Chinese state-owned enterprises at the start, but increasingly private and foreign companies) searching for profit along its route.[1] Its failures and pitfalls, the slowdown due to events such as Covid-19, will not affect its general direction even if adjustments to the original program are highly probable – and already visible. To date, more than 130 countries and 29 international organizations have signed memoranda of understanding (MoUs) or expressed interest; all Southeast Asian states have done so, and actively participated in the second iteration of the BRI Forum (Beijing, April 2019).[2]

Did Southeast Asia really have the choice to decline Xi Jinping's invitation to participate in a more closely-knit "community of common destiny"?[3] On many occasions, despite the highly contentious focal point of the South China Sea, Chinese leaders have reiterated their ambition to

1. Min Ye, *The Belt Road and Beyond: State-Mobilized Globalization in China, 1998–2018*, Cambridge, Cambridge University Press, 2020.
2. Of the 36 heads of state or government who attended the 2019 BRF, nine of them came from Southeast Asia. Indonesia was represented by Vice-President Jusuf Kalla as President Jokowi was campaigning for re-election.
3. Xi Jinping, "Speech by Chinese President Xi Jinping to Indonesian Parliament," Jakarta, Indonesia, October 3, 2013.

make Southeast Asia a priority.[4] The grand scheme of deployment is taking place in a sensitive geostrategic environment, with intensifying US-China competition. Southeast Asia is a prominent asset in this competition, and the BRI is a priority vector of influence. Yet, the invitation to "a community of common destiny" has not been officially accepted by ASEAN, further demonstrating the ambivalence of its member states' position, and also – behind the façade – a more nuanced opinion of the new Chinese clout in the region.

In this "reaching out" initiative, Southeast Asia's connectivity potential is considered crucial. It serves as a key conduit in the Maritime Silk Road, which connects China's coast to South Asia, the Middle East and Europe; it is also a region of transit in the BRI's continental aspect, through Thailand and Myanmar. Furthermore, with a combined population of some 650 million people and US$2.4 trillion in GDP, Southeast Asia is an attractive export market and a critical component for supply chains where the infrastructure is efficient. China will benefit from its growth. It is also essential to enable China to secure natural resources, to appear as a "responsible great power", to expand its geostrategic clout (notably in the South China Sea), and to gain decisive advantage in a global competition. Finally, Southeast Asia is home to some 35 million ethnic Chinese, which may add some emotional resonance. China promotes the BRI and, with it, a new type of cooperation, progress that can only be beneficial to Southeast Asia's burgeoning economies "to get out of the middle-income trap, to rebuild manufacturing and upgrade to industries with higher added-value".[5] While it is a program that expects return on investment, it also aims at reinforcing the perception among large segments of societies of a benevolent China.

Southeast Asian countries welcomed favorably, even if with suspicion, China's proposals for better interregional connectivity. Beijing has skillfully built on a long history of connections, while Southeast Asian pragmatic policymakers have tried to capitalize on profitable rapprochements. Confronted with serious infrastructure deficits that now penalize its growth potential, the region is lagging behind expected levels of industrial development; the BRI might be instrumental in addressing this gap. Nevertheless, the appreciation of the risk – heavy dependence or inroads into sovereign territories – explains why the project polarizes a mix of optimism and caution. Analyzed with skepticism in a revisionist perspective, it is an overarching strategy that will tighten over Southeast Asia; with optimism, it could be perceived as major momentum to

4. On numerous occasions, Chinese policy elites have stated that the BRI would be implemented in China's neighboring regions, including Southeast Asia; cf. Ministry of Commerce of the People's Republic of China, October 18, 2016, available at: http://cafiec.mofcom.gov.cn/

5. Zheng Yongnian, "The Belt and Road Initiative Faces Major Power Competition and Regional Challenges", *Lianhezaobao,* August 14, 2016.

accelerate the region's development. The complexity of the initiative makes both approaches possible and justifiable.

As a test and a showcase for the success of the BRI, Beijing has made noticeable efforts in a focal region that is simultaneously a partner and a symbolic theatre of Western influence. The new version of the BRI, the BRI 2.0 launched during the second BRI Summit (April 2019) in Beijing, will be first tested in Southeast Asia; as globalization comes under criticism, regional cooperation will be given priority. This will be accompanied by tightened supervision of overseas investments (a debt sustainability framework), and better compliance with international infrastructure contracting standards and environmental sustainability in order to provide a more rigorous risk assessment and mitigate risks.

Adroitly navigating the BRI will not be an easy process for an investment-hungry Southeast Asia, but what happens to Southeast Asia should be observed carefully as the region is a crucial hub of globalization.

The Rapprochement Momentum and Invitation to a "Community of Shared Destiny"

If, undoubtedly, the "community of common destiny" proposed by Beijing is boosted by the mega project, it did not begin with it; indeed, Southeast Asia presents a high potential of success precisely because both partners can build on ancient, rich and familiar relations. Its early southward expansion over two millennia allowed dynastic China to engage its "near abroad" through a more or less flexible tribute system (Vietnam being considered as a Chinese province until the 10th century); some elements of political culture have been transferred and provide the basis for a "shared system of beliefs". From this period, certain perceptions persist: for China, Southeast Asia is a natural backyard for its southern provinces, where it can exercise its own conception of power, while Southeast Asia considers China simultaneously as a radiant center of civilization, a source of inspiration and a dominant political force with patronizing superiority.[6] It is also a major source of immigration as some 35 million ethnic Chinese are currently residing in Southeast Asia. History is often used as a pledge of China's credibility.[7]

Rapprochement with institutional foundations

The BRI is only the latest initiative by China to strengthen its relations with Southeast Asia; its deployment is founded on solid grounds. After the distancing of the 1960s and 1970s due to ideological conflict,[8] Beijing initiated a rapprochement driven in the 1980s by the necessity for a common diplomatic approach after the Vietnamese invasion of Cambodia.

6. M. Stuart-Fox, "Southeast Asia and China: The Role of History and Culture in Shaping Future Relations", *Contemporary Southeast Asia*, No. 1, 2004; M. Stuart-Fox, *A Short History of China and Southeast Asia,* Crow Nest, Allen & Unwin, 2003; Chang Pao Min, "China and Southeast Asia: the Problem of a Perceptional Gap", *Contemporary Southeast Asia,* No. 3, 1987, pp. 181-193.
7. M. Kaneti, "BRI and the Use(s) of History", EUROSEAS conference, Berlin, September 13, 2019.
8. The Chinese Communist Party began supporting guerrilla movements in the region after sweeping to power in 1949.

Incidentally, most Southeast Asian states decided to maintain a policy of engagement after the Tiananmen events when Western powers declared sanctions; cooperative actions came as a reward after the 1997 crisis[9] and anchored the rapprochement through a "charm offensive".[10] This Chinese push for closely-knit ties is certainly a deliberate tactical move to provide firm foundations to what is considered as a "family relations' network". The institutional basis and the meeting agenda are now so dense and intricate that there is not one issue (major or minor) concerning Southeast Asia that China misses. China holds a strong and well-informed hand in negotiating with these countries. And, for sure, Southeast Asian countries are highly familiar with Chinese diplomatic culture and practices.

The importance that Beijing gives to the ASEAN+ 3 scheme (ASEAN + China + Japan + South Korea), the signature of the 2002 declaration on a Code of conduct on disputes in the South China Sea, the 2000 proposal to work on a Free Trade Area, the 2003 signature of the ASEAN Treaty of Amity and Cooperation (the first partner to do so and the first to establish a strategic partnership with the association) and the establishment of an embassy dedicated to ASEAN in 2012 were major measures to strengthen relations in all possible fields. Other inducements were offered, such as the financing of the China-ASEAN Maritime Cooperation Fund, the Asia Regional Cooperation Fund, the China-ASEAN Investment Cooperation Fund, and the China-ASEAN Infrastructure Development Fund. China is now ASEAN's closest and most comprehensive partner, with 47 common mechanisms. All 10 member states of ASEAN were among the 57 prospective founding members of the AIIB (Asian Infrastructure Investment Bank). These platforms and conduits not only offer technical and financial assistance, they also provide numerous opportunities for meetings, discussions and information – a necessary support to fine tune proposals according to each participant's goals and interests.

Economic dynamism

This ongoing architecture of engagement has paid off. It has transformed regional perceptions of China from a poor communist economy and isolated society to a major market and booming partner with a bright future, a perception confirmed by the process of integrating China and ASEAN's economies. China's economic engagement with Southeast Asia in the past decade has been greater than with any other developing region. To

9. J. Haacke, "Seeking Influence: China's Diplomacy Toward ASEAN after the Asian Crisis", *Asian Perspective*, vol. 26, No. 4, Special Issue on China-ASEAN Relations, 2002, pp. 13-52.
10. J. Kurlantzick, *China's Charm Offensive with Southeast Asia*, Carnegie Endowment for International Peace, 2000, available at: https://carnegieendowment.org

no-one's surprise, it took advantage of the 1997 crisis. First proposed in 2000, the China/ASEAN Free Trade Area (CAFTA), signed in 2002 and established in 2010 for the most advanced economies, substantially accelerated exchanges.

Since 2010, China has been the bloc's largest trading partner, and ASEAN has been China's third since 2014 (bilateral trade reached US$520 billion in 2018, 18% of ASEAN total trade) and second since 2019 (overtaking the United States for the first time since 1997); in the first three months of 2020, it became China's largest trading partner. The trading volume is double the size of Japan-ASEAN trade. Indonesia trades with China nearly three times more than with the United States. Incidentally, in October 2018, the terms of the China-ASEAN Free Trade Agreement were upgraded[11] to boost trade and cooperation. The same trend applies to investment: in 1999, China initiated its "Going Out" policy, to simplify procedures and spur its companies to invest abroad. Southeast Asia was among the first regions to benefit from these incentives; the BRI amplifies this trend. Indeed, China's foreign direct investment (FDI) in Southeast Asia has surged in a broad range of sectors (from US$104 million in 1996 to US$1.2 billion in 2013 and US$12 billion in 2018). For Indonesia alone, Chinese FDI has surged from US$0.6 billion in 2014 (when President Jokowi took power) to US$4.7 billion, second only to Singapore.[12] All this means that the relevant actors are on site, knowing very well the strengths and weaknesses of each economy and ready to label their activities with the BRI brand. In the current context of the Sino-US trade war, China has recently tightened its investment links with ASEAN, which has, over the years, become a major destination for Chinese companies. In most cases, the relation is described as a mutually beneficial relationship.

The spillover effect

As said earlier, the rapprochement is not limited to the economy. New dimensions of trust and partnership are tested because the BRI's success depends largely on its reception in host countries. Therefore, strong attention is maintained to keep close links with local leaders – with two major consequences. First, China treats its friends well; so well that its tactic of "buying loyalties" raises concerns when the outcome might prove debatable for societies (this, obviously, was stated off-record). Second,

11. The two economic blocs ratified the Framework Agreement on Comprehensive Economic Cooperation and Certain Agreements thereunder between ASEAN and China ("ACFTA Upgrading Protocol").
12. J. Ng, "Omnibus: Need for Caution in Adopting Chinese Labor-Intensive Model", *The Jakarta Post,* March 9, 2020.

Chinese caution might encourage a political trend towards authoritarianism as Beijing has a direct interest in reducing what it considers as "the democratic risk"[13] (or trap). In this perspective, the relations between the two regions are instructive of Chinese practices and ways to diffuse its influence and soft power, including ideas and political norms. These are considered crucial to the implementation of the BRI. With countries such as Thailand, Malaysia and the Philippines, relations have recently grown much closer.

These unprecedented and fast-moving transformations have led to a new political equation in Southeast Asia with the potential to challenge the predominant liberal order in the region (control over media, neglected rule of law and/or postponement of elections, less attention and respect for human rights…); and, as in China, the fight against corruption can hide political purposes. New rules of the game advantage strong political leaders, low participation of public opinion in the political and public debate, escalating harassment or silencing of dissidents, opponents or whoever contests authoritarian rule. An arsenal of repressive laws has been implemented without any checks and balances. Examples of "authoritarian convergences" abound in Malaysia (under Najib Razak), Cambodia (cf. Hun Sen and Xi Jinping's "unbreakable friendship" – "like siblings who share a single future"[14]), Vietnam and Thailand ("as close as members of a family"). Authoritarian modernity in Singapore became a source of inspiration for China[15] while China's social credit system might have some appeal for the Singaporean leadership.

Towards a new strategic partnership?

The BRI is a multifaceted endeavor to establish a "shared community of destiny"; behind economic and political rapprochements, there are also strategic targets. Southeast Asia is a partner of choice not only for its intrinsic geopolitical value – as a gateway and an interface – but also for its symbolic value as a region linked to the US-led system of alliances and security partnerships. The Chinese leadership needs followers to prove the attractiveness of its model and its ability to inspire trust.

13. The democratic risk could be summed up by the risk of a new government contesting the choices of the previous administration.
14. Cf. Hun Sen's Facebook post after the second BRI Forum, *South China Morning Post*, May 1st 2019.
15. In 1992, Deng went so far as to describe Singapore as the model China should follow for development.

The geopolitical dimension of Xi Jinping's "China Dream" should not be underestimated.[16] It has the ambition to slowly transform the current balance of power to provide China with more geopolitical leverage. There is no alternative solution: because of its location as a hub and a crossroad through the South China Sea and the Straits of Malacca (the South China sea is the junction for two routes, one heading south and east to the Pacific, the other heading west to the Indian Ocean, the Middle East and Europe), Southeast Asian states are decisive actors in recognizing Chinese sovereignty and territorial integrity, in accepting its new projection of power[17] and in protecting trade flows that are crucial for growth.[18] China's expansive investment in ports and airfields in the region is no accident; in due time, they may provide a military advantage.

Beijing did not try to transform the system overnight, but with a series of small, concrete and functional steps intends to incrementally change the strategic mindset and introduce alternatives to the Western system of security. To be precise, Southeast Asia is the perfect arena to push back the US security alliance system.[19] A recent survey showed how Southeast Asians are increasingly skeptical of the US commitment to the region as a strategic partner and a source of security, while they are highly concerned with the rise of China's reach (both politically and economically).[20]

Indeed, China – which cannot afford a hostile neighborhood – and Southeast Asian states have enhanced their security relations: high-level exchanges, arms procurement, combined exercises, humanitarian and disaster relief operations. Despite its enforcement efforts and tough stance in the South China Sea – efforts that contest any sovereignty rights to these contested zones to Southeast Asian claimants – Beijing has accelerated the implementation of military cooperation with local states.[21]

After more than 20 years of dense, active and "privileged" rapprochement, mutual perceptions have changed as projects are implemented; the key term that usually comes into play is

16. D. Arase, "The Geopolitics of Xi Jinping's China Dream", *Trends*, 2016 n° 15, ISEAS (Singapore).
17. The South China Sea is now crucial to China's naval power (nuclear submarines and aircraft carriers) as well as to its space capabilities, as China has invested in space launch facilities on Hainan Island.
18. 21 out of 39 China's maritime trade routes and 60% of Chinese trade pass by the South China Sea; some 80% of Chinese oil imports arrive via this sea.
19. D. Shambaugh, "U.S.-China Rivalry in Southeast Asia: Power Shift or Competitive Coexistence?", *International Security,* vol. 42, No. 4, spring 2018, pp 85-127.
20. Nearly 72% expressed concern about its economic influence, while 85% were worried about its political and strategic clout, in a survey by the ISEAS-Yusof Ishak Institute, Singapore, January 2020.
21. S. Boisseau du Rocher, *Coopération militaire Chine/Asie du Sud-Est : les petits pas font-ils les retournements d'alliance ?*, consultance, mars 2017.

complementarity. The BRI is deployed in a well-prepared environment, woven together through a dense human network, which supports it in so far as it maintains the momentum of growth. As such, it produces a perception of stability; this perception, reinforced by its long timespan, is viewed simultaneously as an advantage and as a risk.

The Many BRI Projects in Southeast Asia

The BRI is Xi Jinping's grand and long-term initiative to achieve further connectivity and cooperation.[22] It is the largest infrastructure initiative ever. As announced by China's National Development and Reform Commission, 2015, the BRI promotes five major inter-connected goals: (1) policy coordination, (2) facilities connectivity, (3) unimpeded trade, (4) financial integration, and (5) people-to-people bonds.

Obviously, with infrastructure go the flows. As a convenient umbrella, this five-pronged approach has a propensity to cover every aspect of the relation – sometimes in a surprising way: the current rapprochement between Chinese banks and the Muslim financial institutions in Southeast Asia (notably in Malaysia), for instance, is labelled BRI in order "to launch Sharia funds to be marketed across Belt and Road countries, many of which are Muslim-majority nations". At the very end, the BRI will have a structural and systemic impact, but in an "innocent" way, with a very functional cover.

Most Chinese projects are now labelled BRI projects even if their negotiation and implementation began earlier: overall, the BRI has become a mix of old and new projects, all benefiting from the impulse given by the new branding. Nevertheless, considered as a mission statement, the BRI has not yet produced a public or official list of projects. This vagueness creates uncertainty. Confusion remains on what is or is not a BRI project, depending on who you talk to. To address the situation, the PRC's Ministry of Commerce (MOFCOM) issues periodic information on the BRI, but the lists remain elusive: it promised improvement at the second BRI summit (April 2019).

Transport

Enhancing infrastructure connectivity is the first step of the "Community of common destiny". As mentioned, geographical connections serve flows and exchanges; they knit the region more closely together, while gaining

22. A. Ekman (ed.), *China's Belt and Road and the World: Competing Forms of Globalization*, Ifri, Center for Asian Studies, April 2019.

time, reducing costs and improving road safety. If Beijing wants to make good use of Chinese investment, an efficient infrastructure network is essential.

On paper, the BRI has the potential to benefit a region with urgent and extensive infrastructure needs. The Asian Development Bank estimated that Southeast Asian economies will need US$210 billion per year in infrastructure investment from 2016 to 2030, just to keep up momentum in economic growth.[23] Southeast Asia needs infrastructure fast, and China exploits this timely convergence of interests in proposing to deliver quickly and widely. The arguments in presenting projects can be difficult to resist, combining low prices, high efficiency, and a willingness to provide financing and additional investment when needed. No doubt, connection projects are welcome in a region that has mapped out two Master Plans on connectivity (2010/2016). According to interviews, these Master Plans provided a good basis for discussion before China and ASEAN agreed on a strategic plan for ASEAN-China Transport Cooperation (2016). Theoretically, the BRI could complement and finance parts of the Master Plans. It has the potential to bridge regional infrastructure gaps, redesign Southeast Asia's multimodal transport networks, and exploit better connectivity between maritime and continental Southeast Asia and the region with China. Convergences are exploited: for instance, the ASEAN Connectivity Plan promoted the Kunming-Singapore railway while China was trying hard to engage Laos in the building of the Kunming/Vientiane line from the early 2000s. Ultimately, all projects are included in the BRI.

The BRI is also a way of echoing the region's leaders' priorities. President Duterte of the Philippines declared, for instance, that the BRI was in line with his "Golden Age of Infrastructure" or the "Build Build Build Program", his administration's development and economic growth strategy of massive spending (allocating US$170 billion, or 7.4% of GDP, for infrastructure construction and modernization by 2022[24]). The same holds true for Indonesia, famous for its poor and inadequate infrastructure network. The Maritime Silk Road echoes national plans to develop the "blue economy"; the Indonesian Global maritime Fulcrum,[25] investment in

23. Asian Development Bank Meeting, *Asia's infrastructure needs*, 2017, available at: www.adb.org.

24. A. Jeb Rabena, "The Complex Interdependence of China's Belt and Road Initiative in the Philippines", *Policy Forum Article*, Wiley, July 3, 2018, available at: https://onlinelibrary.wiley.com.

25. In October 2018, Indonesia and China agreed the terms of cooperation under which the BRI will roll out in Indonesia. They signed an MoU on jointly promoting cooperation within Jokowi's Maritime Fulcrum. This fulcrum aims "at building 24 seaports and deep seaports that will connect the archipelago's 17,000 islands together". S. Pradhan, China's *Maritime Silk Route* and

selected ports, port-affiliated infrastructure and SEZs throughout "the Road" are intended to stimulate the local blue economy and connect with China's coastal areas.

Two of the BRI's economic corridors (out of six) – the China/Indochina peninsula Corridor (running from Southern China to Singapore) and the Bangladesh/China / Myanmar Corridor – cut across Southeast Asia. These projects, which have been discussed since the early 1900s (formerly in the context of the British and French empires), will be ultimately realized by China through an eastern route (via Vietnam), a middle route (via Laos), and a western route (through Thailand, Malaysia and Singapore). In the end, these lines would directly link Kunming to Singapore and all Southeast Asian countries – over 3,900 kilometers.

Indonesia's Global Maritime Fulcrum: Complements and Contradictions. Institute of Chinese Studies, *New Delhi Occasional Papers*, No. 12, 2016.

Source: China Railway International

NATION GRAPHICS

Some figures illustrate the magnitude of the project: over the first five years of the initiative, it has been calculated that more than US$500 billion in BRI-related capital has flowed into Cambodia, Indonesia, Malaysia, Singapore, and Vietnam alone.[26] Kunming, the capital of Yunnan, China's closest province, was identified as a major point of departure, down to Laos (city of Boten) and Thailand (through the cities of Nong Khai and Nakhon Ratchasina), and from there, potentially to Malaysia and Singapore. The Thai Chinese high-speed rail is a BRI flagship, with inter-governmental cooperation creating physical infrastructure and enhancing cross-border travel.

As of May 2020, the state of play is as follows:

- The construction of high and medium-speed railways in Laos (a 414-kilometre railway project, which will link its capital Vientiane to the China-Laos border), is nearing completion, and operation should start in 2022.
- In Thailand, the BRI high-speed train project has gone through many ups-and-downs during more than five years of negotiation. The first phase, under construction, spans 252km from Bangkok to Nakhon Ratchasima; the second, part of the BRI, will go from Nakhon Ratchasima to Nong Khai, next to Laos, and then connect with the Chinese-Lao train system (expected by the end of 2022).
- The East Coast Rail Line (ECRL) in Malaysia, to connect the east and west of the Malaysian peninsula from Kuantan to Port Klang (640km with 20 stations), suspended by the newly elected Mahathir administration in June 2018, restarted in July 2019, after building costs were trimmed by a third to lighten the government's debt burden.[27]
- In Indonesia, the much-delayed rail linking Jakarta to Bandung in Indonesia (awarded to China in 2015), criticized for its slow and sluggish progress (allegedly due to land acquisition problems and then to the spread of the coronavirus[28]) should be open by the end of 2021. Other BRI projects include the MRT East-West Line, a 100km project rail line that will connect Banten, Jakarta and West Java, and the Sulawesi Railway, which will connect South Sulawesi and North Sulawesi (1,513 km).

26. C. Freeman et M. Oba, "Bridging the Belt and Road Divide", Carnegie Endowment for International Peace, *Alliance Policy Coordination Brief*, October 2019.
27. Under the new agreement (April 2019), the distance, shortened to 640km (from 688), and 20-station ECRL will cost US$16.7 million per kilometer, compared to US$23.2 million previously.
28. In February 2020, 350 Chinese workers remained stuck in China, exposing the railway to delays.

- Cambodia is the missing link, but a planned Phnom Penh-Sihanoukville Expressway should complement the existing national road that links the Cambodian capital with its only international deep-sea port. The connection between Preah Vihear and a new port in Koh Kong province was stalled because of funding problems.
- In Vietnam, the Cat Linh-Ha Dong metro line in Hanoi has been classified as a BRI project; a new railway will also be built from Hai Phong through Hanoi to Lao Cai, on the border with China.
- In Manila (Philippines), the South Rail (a 610 km railway line linking Manila to Matnog in the south of Luzon and connecting the provinces of Sorsogon, Laguna, Batangas, Quezon, Camarines Sur and Albay along the way, as well as a number of international seaports and Special Economic Zones) is under construction, while two highways across the Visayas and Mindanao are under study.
- In Myanmar, an agreement on the Muse-Mandalay Railway Project (421km), often reported,[29] was signed during the second Belt and Road Forum.

The maritime section of the BRI project has special importance in Southeast Asia, co-riparian of the South China Sea and a maritime interface between the Indian and Pacific oceans. It is no accident that President Xi Jinping launched the concept of the 21st Century Maritime Silk Road (MSR) in October 2013 during a visit to Indonesia. Geo-economics overlaps with geopolitics at a crucial diplomatic moment (the negotiations for a Code of Conduct).

Given the priority in the maritime realm and the necessity to mitigate the Malacca Dilemma[30] for its energy needs (in 2017, China surpassed the United States as the world's largest importer of crude oil; more than 80% of China's crude oil and 30% of natural gas imports from the Middle East are shipped through the Straits of Malacca[31]), a substantial share of BRI investment has gone to building, renovating or expanding harbors and port facilities. Nevertheless, for some years, the vision remained rather blurred. In June 2017, the Chinese government's "Vision for Maritime Cooperation

29. For a complete description of the project, including the forthright lobbying approach of the Chinese side, see "Selling the Silk Road Spirit: China's Belt and Road Initiative in Myanmar", *Myanmar Policy Briefing*, 22, November 2019, Transnational Institute, pp. 21-25.
30. China's concern is that, at a time of crisis or war, the US, whose navy dominates the strait, could have a stranglehold on China's energy needs.
31. Hence, to reduce this heavy reliance, China's efforts to develop the China-Myanmar natural-gas and oil pipelines that run from Kyaukphyu port to Kunming.

Under the Belt and Road Initiative" provided guidance, albeit still rather vague.[32]

The BRI has been conceived as a cobweb: every port, linked to the hinterland through bridges, rail and road transportation routes, is a relay in the network. Positioning a "BRI industrial park" in the surroundings increases the potential for profitability. That is the case of the Malaysia-China Kuantan Industrial Park (MCKIP) for instance; in Thailand, the Eastern Economic Corridor is where BRI projects meet Thai expectations, notably in technological and financial support. The end goal is to create maritime clusters with deep connectivity and complementary sub-clusters. Indeed, the MSR introduces fierce competition among ASEAN ports when ASEAN still lacks a comprehensive maritime policy.[33]

As with the rest of the BRI, the MSR is an incremental project aiming at reinforcing maritime connectivity. One example to illustrate the point: the MSR has identified two main ports in Malaysia (Melaka Gateway and Kuantan) and the Chinese have already begun to invest and provide technical assistance in improving/modernizing/building port infrastructure; but they do not position themselves as operators. Yet, the 120km Kra canal project (Thailand), often discussed by the Chinese authorities,[34] would create an alternative shipping lane between the Andaman Sea and the Gulf of Thailand that could compete with the Malaysian ports, questioning the overall financial rationality of the network. This "best opportunity" strategy allows the possibility of offering choices depending on the viability of projects and China's acquaintance with national leaders.

Projects include ports:

- in Cambodia, Sihanoukville Port on the gulf of Thailand;
- in Indonesia, China has shown interest in the port of Tanjung Priok and is investing US$6 billion in Tanjung Sauh Port on the island of Batam; further investments in North Sumatra, North Kalimentan, Bali and North Sulawesi are currently being discussed;[35]
- in Myanmar, Kyaukphyu on the Bay of Bengal as the entry point for a

32. State Council of the People's Republic of China, "Full Text of the Vision for Maritime Cooperation Under the Belt and Road Initiative", 20 June 2017.
33. H.-D. Evers et T. Menkhoff, "China's Belt and Road Initiative and ASEAN's Maritime Clusters", *Southeast Asian Social Science Review*, Vol. 3, No. 2, 2018, pp. 8-29.
34. I. Storey, "Thailand's Perennial Kra Canal Project: Pros, Cons and Potential Game Changers", *Perspective*, ISEAS, 24 September 2019, p.5, available at: www.iseas.edu.sg.
35. The Office of the Coordinating Maritime Affairs Minister is the government body behind the April 2019 agreement on BRI projects with China, with Luhut Pandjaitan in charge of all Chinese investment in Indonesia.

Chinese oil and gas pipeline which gives it an alternative route for energy imports from the Middle East that avoids the Malacca Straits;

- in Brunei, Muara;
- in Malaysia, Melaka Gateway, including Kuala Linggi and Carey Island, on the Straits of Malacca, Bachok and Kuantan[36] on the east coast;
- in Thailand, ports serving the EEC (Eastern Economic Corridor), namely Laem Chabang Port in Chonburi and Map Ta Phut Port in Rayong;
- in the Philippines, Davao City is another focus for expanding trade with the South Pacific.

These ports might also serve China's modernized People's Liberation Army Navy (PLAN) as vessels might be granted access for refueling and resupplying.

Power

With abundant resources (water, oil, gas, green energy…) and huge demands in investment (the International Energy Agency estimates that the region's energy demand will grow by 66% by 2040 and installed capacity will double from 240 to 565 gigawatts), the Southeast Asian energy sector is a major sector of interest for China, where it has played an influential role since the early 2000s.

Nowadays, energy infrastructure investments are the backbone of the BRI initiative: about 2/3 of Chinese spending on completed BRI projects went into the energy sector. [37] The sensitive questions for Southeast Asia are China's dominant position and the potential environmental damage.

China is acting with a clear vision to create a regional grid composed of renewable energy (solar and wind energy), fossil fuel, coal, hydropower (mostly in Laos, Cambodia, Philippines[38] and Myanmar[39]) and nuclear power projects. In the context of the BRI, the Geidco (Global Energy Interconnection Development and Cooperation Organization) and China's state grid corporation are proposing a layout for a coordinated system not only with Southeast Asia but also with Northeast, South and Central Asia.

36. For an in-depth analysis of the Kuantan project, see Tham Siew Yean, "The Belt and Road Initiative in Malaysia: Case of the Kuantan Port", ISEAS (Singapore), *Perspective*, No. 3, 2019, 15 January 2019.
37. T. Eder and J. Mardell, *Powering the Belt and Road*, Merics, 27 June 2019, available at: www.merics.org.
38. Through the Kaliwa Dam or Chico River Pump projects.
39. With the memorable decision taken in 2011 by the Myanmar government to suspend the Myitsone power plant.

In this coming grid, Southeast Asia boasts the highest number of projects (mostly involving coal). Indonesia is the primary customer (36% of projects).

Under the BRI label, Chinese companies are involved in two large power-generation buildups, a fossil-fuel-powered one in Indonesia and a hydropower plant in Laos and Cambodia. Dams have been completed in north Sumatra, in Kalimantan (Kayan River hydropower plant), in Cambodia (Lower Se San II Dam in Stung Treng Province) and in Laos, considered as the "battery of Southeast Asia", 40 dams have been built and 50 additional ones are due for completion by 2020. China is involved in 50% of these hydropower projects and has poured some US$11 billion into dam-building. These projects are conducted by Chinese state-owned enterprises criticized for their lack of attention to social responsibility and environment[40] by civil society groups.

After the conclusion of the 2nd Belt and Road Forum (April 2019), two major trends should be mentioned.

- The enlargement of the projects to include new partners such as Japan or multilateral institutions in order to raise financial sustainability and/or declare zero tolerance for corruption. It is a way to give substance (and credit) to President Xi's Clean Silk Road initiative;
- The demand to include environmental, social and governance (ESG) is growing. The inclusion of renewable (clean) and sustainable (transparent) projects to mitigate environmental anxieties and ensure consistently better governance standards is now considered.

Special Economic Corridors

China's BRI development strategy aims to build connectivity and co-operation across six main economic corridors (six zones of development), two of which are in Southeast Asia.

The China-Indochina Peninsula Economic Corridor (CICPEC) covers the Greater Mekong Sub-region organized along three routes: the Eastern via Vietnam (estimated completion for the international rail line running from Nanning to Hanoi is by 2030), the Central via Laos (2022) and the Western via Myanmar (2020).

40. Considering the environment, the most damaging projects concern the BRI investments in fossil fuels (Philippines and Indonesia), in dams (Laos, Myanmar, Cambodia) and the extensive extraction of natural resources. Habitat loss, increasing pollution and destruction of bio-diversity are the most criticized effects of the BRI. See The ASEAN Post team. "China's BRI Negatively Impacting the Environment", *The ASEAN Post*, December 24, 2019.

The Bangladesh-China-India-Myanmar Economic Corridor, initially discussed in the late 1990s and known as the "Kunming Initiative", was reshaped in 2017 due to border issues between Myanmar and Bangladesh and tensions between India and China. The new 1,700km Y-shaped China-Myanmar Economic Corridor, whose MoU was signed in 2018 and confirmed during Xi's visit in January 2020,[41] goes from Yunnan to Mandalay and then extends east to Yangon and west to the port of Kyaukphyu in southern Rakhine State. A related agreement to develop a deep-sea port at Kyaukphyu, together with a special economic zone (SEZ), was signed in November 2018. The extension of the fields covered by the MoU demonstrates China's ambitions: it covers 15 areas from infrastructure and agriculture to finance and human resources development.[42] Within the framework of the corridor, the Chinese government proposed up to 40 projects; nine have been agreed with the Myanmar side, but only three have been confirmed publicly: the Kyaukphyu SEZ, the development of three border economic zones in Kachin and Shan states, and the Muse-Mandalay Railway.[43]

Special Economic Zones also proliferate as a by-product of BRI: the Sihanoukville Special Economic Zone (SSEZ) in Cambodia, the "two corridors, one belt" signed in 2017 with Vietnam, and a "Regional Comprehensive Economic Development Corridor" with Indonesia signed in April 2019 during the second BRI Forum (the Indonesian government designated four corridors in North Sumatra, North Kalimantan, Bali and North Sulawesi) belong to this category.

Digital economy

Last but not least, China has also launched a digital Silk Road (DSR) –a growing part of the BRI, with strong implications for economic growth, political control, national security and social cohesion. The DSR aims to bridge the digital divide and to reinforce digital connectivity by linking up internet infrastructure and cloud computing while developing common technology standards. In this shift, China is adopting a very proactive strategy to secure positions with its tech giants such as Huawei, ZTE, Alibaba, Lazada and Tencent. Beyond Chinese companies' commercial dynamism, the Chinese state has initiated an "internet-plus" strategy with

41. President Xi is the first Chinese leader to visit Myanmar in 20 years, a much-needed visit to mitigate Myanmar's resistance to some BRI projects.
42. N. Lwin, "Government signs MoU with Beijing to build China- Myanmar Economic Corridor", *The Irrawaddy*, September 13, 2018.
43. "Selling the Silk Road Spirit: China's Belt and Road Initiative in Myanmar", *op. cit*, p.13.

ASEAN through the China-ASEAN Information Harbor[44]; more than in any other sector, the DSR combines a staunch political vision, efficient business strategies, attractive branding and economic players' activism. The stakes are high: to build digital connectivity means not only to take a strong position in emerging technologies and markets but also to set the standards of the new technological order; it will give China unprecedented leverage. In this as in other sectors, it is difficult to make a distinction between what is labelled a BRI project and what is not.

Southeast Asia is a place of choice[45] as a digital technology boom is taking place: a growing market without common standards or governance. The ASEAN internet economy was valued at US$100 billion in 2019 and is expected to triple by 2025.[46] Both sides have designated 2020 as the year for China-ASEAN digital economy cooperation. Vibrant economies, some of the world's most digitized societies (Southeast Asia currently has 360 million internet users, an increase of 100 million from four years ago), and projects such as "smart cities" that make extensive use of artificial intelligence (AI), offer huge business opportunities for Information and Communication Technologies (ICT). As the sector is expected to grow in the coming years, the DSR label will help Chinese companies to gain a strong position in the promising ASEAN market[47] with three major components: e-commerce, telecommunications and smart cities.[48] After the COVID-19 crisis, the "Health Silk Road" will make further use of digital connectivity.

In March 2015, the "Information Silk Road" was the label dedicated to strengthening internet infrastructure, using space technology,[49] developing common technical standards, and improving the efficiency of policing systems among the Belt and Road countries. Under the DSR label for instance, Chinese investment is co-supporting (along with Japanese investment) Thailand's Eastern Economic Corridor of Innovation (EECI), the Digital Park Thailand, and the Smart Park, establishing manufacturing facilities, research centers and operational hubs. China's SenseTime

44. The China-ASEAN Information Harbor was established in 2016 to deepen interoperability and strengthen information cooperation as the basic content to form a China ASEAN information hub.
45. A. Shazeda, "ASEAN: A Testing Ground for the Digital Silk Road", *China-US Focus*, March 28, 2018, available at: www.chinausfocus.com.
46. J. Thomas, "Southeast Asia's Internet Economy Booming", *The ASEAN Post*, March 19, 2020.
47. ASEAN is the fourth largest-growing internet region in the world. Its e-commerce market is growing at 32% annually and is expected to be worth more than US$88 billion by 2025 if some US$40 to 50 billion in investments are made.
48. Alipay is one of the most used e-payment services in the whole region. Huawei and ZTE are the most engaged in terms of ICT infrastructure. And Kuala-Lumpur has been the first city outside China to adopt Alibaba Cloud's smart-city system in its traffic grids.
49. The various applications of space technology are crucial to many Southeast Asian countries in in the areas of disaster management, agriculture, migrations or tourism.

company has taken a share in Malaysia's first AI park. The DSR is also a way of supporting cooperation in space programs.

As mentioned, this digital push into Southeast Asia provides an opportunity to spread China's own cyber-governance system that will mechanically challenge Western systems, with the way data are stored, processed and transferred inspired by strict Chinese governance. To accept or resist China's vision for a tightly controlled internet is still an open question in Southeast Asia as some regimes – Thailand, Vietnam or Cambodia, for instance – have clearly shifted to a more centralized system of data, at odds with concepts of the rights to privacy. Increasingly, repressive cyberlaws facilitate control over internet content, demonstrating not only China's ability to shape the digital order in the region but also its capacity to support the authoritarian turn in Southeast Asia. In Vietnam for instance, the recent cyber-laws are drawn from Chinese practices,[50] while Thailand is deleting or blocking access to data, monitoring information and communication systems, and increasing controls, regulations and surveillance of its citizens.

Not only does control over vast amounts of data (either public or private) raise questions about the final (political and security) goals of such a shift, but increasing dependence on one exclusive satellite navigation system, BeiDou, creates *de facto* a sphere of influence with potential national security ramifications. For certain partners such as Cambodia, the temptation to leapfrog into new technologies is stronger than security considerations.

Logically, with the DSR and its strike force, China is positioning itself at the forefront of 5G. Xi himself put the expansion of the Chinese 5 G network on top of his priorities. Leading the charge in Southeast Asia under the DSR label is Huawei. Huawei has signed agreements with Myanmar, Thailand, the Philippines (Global Telecom), Cambodia (Smart Axiata) to deploy 5G broadband services within five years. Huawei Marine has completed over a dozen undersea cable projects in Southeast Asia, and close to 20 more are under construction, mainly in Indonesia and in the Philippines. But there are also some setbacks: Malaysia recently revoked 5 G spectrum allocations to five companies, including two linked to the Chinese tech giant (June 2020). Communications minister Saifuddin Abdullah mentioned technical issues, provisions of the law and the absence of a transparent process. Southeast Asia is reluctant to accept digital bipolarity.

50. J. Sherman, "Vietnam's Internet Control: Following in China's Footsteps?", *The Diplomat,* December 11, 2019.

Some other Chinese companies (ZTE, Alibaba, and Tencent, for instance) are already major investors in Southeast Asia's startup and e-commerce businesses. Alibaba operates the Singapore-based e-commerce firm Lazada Group, which counts the highest number of monthly active users in Thailand, Malaysia, Philippines, and Vietnam. Alibaba Cloud opened a second data center in Indonesia and a digital Free Trade Zone in Malaysia. Jack Ma once mentioned that he saw Alibaba's international business expansion as being in direct support of the BRI – suggesting there is indeed convergent involvement with Beijing's grand plans.[51] In touting an "e-Belt and Road", Alibaba acts as a trend-setter and shapes the future of the e-commerce industry in Southeast Asia; in this perspective, it has made a much-noted entrance in the e-payment market in Cambodia, the Philippines, Laos, Indonesia and Myanmar. Tencent has invested in the booming ride-hailing industry (like Gojek in Indonesia) and has succeeded in dethroning Uber. In the longer term, however, there is a distinct risk that Chinese companies might hinder or limit local players' ability to capture domestic market opportunities. And with control over digital data, Chinese companies might gain an edge over local producers in sensitive markets.

Since mid-2018, "smart cities" are on the agenda and no doubt the program will make good use of the DSR. Alibaba and Huawei, for instance, have already partnered with some local governments, as in Malaysia; Alipay is already in operation in Singapore and Thailand, and Alibaba Clouds allow a smart logistics solution. In Indonesia, Meikarta City, a mega-satellite city, brings together Chinese developers and well-connected Indonesian conglomerates. Singapore, the most advanced in the smart-city implementation scheme, has created the Singapore-led ASEAN Smart City Network (ASCN)[52], a project of interest to China, already working on 500 smart-city projects along the BRI. As the driver of the ASCN, the city-state is working with China to promote all kinds of connectivity in smart cities' programs.

51. M. Facundo Vila Seoane, "Alibaba's Discourse for the Digital Silk Road: the Electronic World Trade Platform and 'Inclusive Globalization", *Chinese Journal of Communication*, May 6, 2019, available at: www.tandfonline.com.
52. A platform to share best practices, link member cities and secure funding.

The Multifaceted Impact of the BRI on Southeast Asia and ASEAN

As mentioned earlier, the BRI might be a game-changer in Southeast Asian development. If implemented as announced, it will have major consequences on the region's modernization as it revamps Southeast Asia. The BRI will further link up China and Southeast Asia, creating more integrative flows than ASEAN has ever done.

The BRI is a gigantic ongoing and incremental project; because it has spillover effects, its impact is difficult to precisely assess and measure. On the ground, its effects are scalable and overlap with each other. For the sake of simplification nevertheless, its multifaceted impact will be presented field by field.

Tracking the BRI impact on the economy

Six years after its launch, the many – sometimes competing or disorganized – initiatives under the BRI brand and the volume of capital rushing to Southeast Asia add up to a real stimulus, and are presented as an additional tool to support recipient countries' modernization, even if a holistic assessment is premature.

Basically, and trivially, improved infrastructure pays off. The inefficiencies caused by the lack of proper infrastructure could be corrected, with immediate effects on competitiveness. Cambodia, for instance, cannot consider economic transition without infrastructure development and regional connectivity, in which its ASEAN partners do much better; it is estimated that Cambodia needs as much as US$700 million per year to develop this infrastructure.[53] The BRI contribution is all the more appreciated for being without conditionality. This explains why the temporary decrease of BRI investments in the second half of 2018 was a matter of concern. In the first half of 2019, China's investment and construction contracts nearly doubled to US$11 billion (from US$5.6

53. Cf. the contribution by Vannarith Chheang and Heng Pheakdey, Cambodian Perspective on the Belt and Road Initiative, NIDS ASEAN Workshop 2019, "China's BRI and ASEAN", NIDS Joint Research Series No. 17, pp.5-24.

billion in the second half of 2018). In April 2019, Fitch Solutions estimated that US$255 billion of BRI projects were in the feasibility stage across the six largest ASEAN economies (which is nevertheless less than the US$367 billion announced by Japan).[54] The recession due to the coronavirus might affect the flow and the momentum, demonstrating over-reliance on China.

In 2019, a study concluded that, the more Southeast Asian economies are exposed to the opportunities of the BRI, the faster their growth rates increase.[55] Large economies such as Indonesia and the Philippines[56] but also smaller ones (Laos, Cambodia or Myanmar) validate this observation. According to the report mentioned above, as of 2019, Malaysia, Singapore, Indonesia and Laos are the top beneficiaries of Chinese BRI activity in Asia. Indonesia and the Philippines would see the greatest boost to long-term GDP growth, followed closely by Laos and Myanmar, according to the report. Yet, diffusion of technology or better management practices are still considered too slow, with little impact on the employment rate.

Other research from the World Bank suggests that the impact of infrastructure improvements on trade flows in BRI-participating countries could be sizable (an increase of trade flows of up to 4.1%).[57] This would bolster China's position as ASEAN's biggest trade partner.

Furthermore, and connected to infrastructural improvement, the BRI and its "people to people" component also encourages tourism (through sister-cities forging links or the increase in tourist exchanges). On this side, the figures speak for themselves: China is already Thailand, Singapore and Malaysia's first source of tourism, the Philippines' second, and Laos's third. Overall, ASEAN has become the biggest destination for Chinese tourists, with the number of personal exchanges hitting 60 million in 2019, and nearly 4,000 flights traveling both ways every week. The blow from travel restrictions due to coronavirus (from January 2020 onwards) demonstrated the degree of dependence.

People-to-people bonds mean a rise in student exchanges around education and/or research programs, "the Silk Road Education projects" (a special BRI program dedicated to scientific and technological exchanges). ASEAN students receive the largest share of Chinese government

54. D. Sim, "Vietnam, Singapore, Indonesia Are Asia's Top Spots for China's Belt and Road Plan: Executives", *South China Morning Post*, April 15, 2019, available at: www.scmp.com.
55. The Belt and Road Initiative—Six Years On, Moody's Analytics, June 2019.
56. Both countries, starting from a low base, benefit from the progress. The Philippines' lowest rank among the ASEAN-5 countries in overall infrastructure since 2010 (World Economic Forum Competitiveness Ranking) is a clear indicator that successive governments did not pay enough attention to infrastructure.
57. S. Baniya, N. Rocha and M. Ruta, "Trade Effects of the New Silk Road", World Bank Group, January 2019.

scholarships. Laos (Suzhou University Laos), Malaysia (Xiamen University Malaysia), Thailand (Yunnan University of Finance and Economics), Singapore (Zhejiang University of Finance and Economics) host Chinese university campuses. In 2019, more Indonesian students are studying in China than in the US.

Yet, many projects present short-term gains and long-term costs, and *vice-versa*. If, for instance, improving infrastructure in Laos is necessary and promising, it also increases trade deficits to dangerous levels (the highest for Laos was recorded in 2019 as projects rely heavily on imported goods from China) and exposes to environmental damage and social imbalances. If, thanks to the communication connectivity proposed by the BRI under Chinese telecom equipment giant Huawei, Myanmar has been able to leapfrog earlier stages of mobile networks (in 2012, less than 1% of the Myanmar population had broadband access) to high-speed mobile telecommunications (a current deal is under negotiation between the country's ministry of transport and communications and Huawei for the launching of 5G services), some voice concern over the country's heavy reliance on one supplier, hiding the "invisible" danger of data security. Vietnam has been cautious in signing deals considering both the potential dependence on China, the loans' price (too high for Hanoi), and the conditions imposed with the preferential loans, including the use of Chinese companies, technologies and/or equipment.

Furthermore, the BRI promises do not automatically translate into concrete achievements. The Philippine government, for instance, expects that infrastructure investment would drive GDP growth to between 7% and 8% from 2018 to 2022 (from 6.2% in the past six years) and bring down the unemployment rate to 3%–5% (from 5.5% in 2016) and poverty rates to 14.6%. It welcomed the program rather positively, and the topic was on the agenda during President Duterte's first visit to Beijing (October 2016). But concrete accommodation was hard on both sides and not much progress was achieved. President Xi's visit to Manila (November 2018) was necessary to rejuvenate the discussion, and an MoU on BRI cooperation was signed. Five areas of cooperation have been defined by the two sides: policy coordination, infrastructure development and connectivity, trade and investment (since 2017, China has been number one trade partner to the Philippines and investments have more than tripled), financial integration (in 2018, the renminbi was added as a reserve currency by the Philippine central bank, which also allowed "renminbi-dominated bonds"), and people-to-people exchanges (the Chinese are now the number two

source of tourism after South Korea). Yet, the devil is in the details and, in early 2020, committed investments are low.[58]

Singapore is one of the Southeast Asian economies that may benefit most from the BRI. After some hesitation – mostly due to China's harder stance in the South China Sea but also the BRI's lack of clarity[59] – the Singapore leadership decided to join the BRI; for the authorities, the main concern was being confronted with fierce competition from its neighbors because of support for China's BRI.[60] In August 2017, the Singapore Business Federation established "BRI connect", a platform that positions Singapore as an infrastructure and financial hub. The basic idea is to use the city-state infrastructure frameworks, efficiency and reputation in third-party markets under the BRI[61]. "Brand Singapore Inc" is famous for its reliable, rule-based and transparent practices. Both Singapore and China will benefit from increasing the openness of the BRI projects to international players.

All this rapidly paid off, as China wishes to make the best of the city-state's efficiency.[62] In 2018, Singapore was the largest foreign investment destination for China in the BRI, capturing close to 23% of the total investment outflow from China to Belt and Road countries,[63] including new markets for the city-state such as in Africa or Central Asia. At the second BRI Forum, Singapore and China decided to deepen their cooperation in third-party markets in sectors such as infrastructure (selection and consultancy for new projects), financing[64] and professional services. Singaporean companies such as Surbana Jurong are involved in master-planning and urban development studies in Myanmar (Kyaukphyu) and Laos (Boten).[65] The 500 projects for smart cities are another area where China and Singapore plan to collaborate, from infrastructure to digital banking. Singapore can carve a niche for its competences, namely

58. The Kalinga pump irrigation project (US$40 million), the Kaliwa dam (400m), Estrella bridge and Intramuros bridge, the Panay-Guimaras-Negros bridge, the Luzon South RR (Manila to Bicol) and Sangley Airport.

59. A. Staples and P. Qiu, "Up and Running? Opportunity and Risk Along China's Belt and Road Initiative", *Economist Corporate Network Report*, Singapore Business Federation, Singapore: Economist Intelligence Unit, 2017.

60. K. Shanmugam, "How S'pore Can Gain from One Belt, One Road Initiative", *Straits Times*, August 30, 2017.

61. BRI Connect: Singapore has a role to play in the BRI, available at: www.sbf.org.sg.

62. Notably its reputation as a transparent business environment, as a reliable financial offshore center (including for the Renminbi) and as a stable partner.

63. Choo Yun Ting, "Development of Smart Cities among Opportunities in Belt and Road Initiative: Survey", *Straits Times* (Singapore), July 30, 2019.

64. 60% of BRI infrastructure projects in Southeast Asia are financed or advised through Singapore-based financial institutions; B. Joyce and Lee Zhen Ni, *Positioning Singapore as Asia's infrastructure hub*, ISCA, August 2018, available at: https://isca.org.sg.

65. Setting the Record Straight; Singapore's role in the BRI, SIIA, April 27, 2019.

financial connectivity, third-party collaboration and mediation/arbitration.[66] On legal issues, the Singaporean International Mediation Centre and China Council for the promotion of international trade have established an international panel of mediators to handle disputes that might arise – a sensible way to link Singapore's future with the BRI.

BRI's impact on the ASEAN integration/disintegration process

ASEAN, a regional institution composed of 10 Southeast Asian countries, represents the world's sixth-largest economy, with a total GDP of some US$2.6 trillion and an annual growth rate around 4.8% (2019). If regional dynamism had a positive impact in this, ASEAN, as an inter-governmental and cooperative grouping, has rather weak integrative mechanisms, with weak capacity and no capability for a decisive impulse towards integration.[67]

The road towards an ASEAN Community remains bumpy at best. In November 2015, the ASEAN Economic Community (AEC) Blueprint 2025 was issued with the goals of developing a single market to increase the attractiveness of the region,[68] accelerate the integration process, and reinforce ASEAN. This is indeed a good opportunity for the BRI, as for other foreign investors and partners.

ASEAN slowness in implementing the Community might be good news for China as Beijing can capitalize on the rapprochements produced by the BRI to implicitly propose alternative and/or complementary schemes to strengthen cooperation. This is the case in the fields of environment and connectivity, among others. Even if Chinese authorities have not yet addressed the potential issue of institutional overlapping (and presumably competitive overlapping), the evolution of the BRI will have a major impact on the Association.[69]

66. Through its "Infrastructure Dispute Management Protocol" launched in 2018.
67. J.R. Chaponnière and M. Lautier, "By Chance or by Virtue? The Regional Economic Integration Process in Southeast Asia" *in* B. Jetin and M. Mikic, *ASEAN Economic Community*, Palgrave Macmillan, 2016, pp.33-57.
68. By opening sectors to competition and dismantling trade barriers, the AEC could potentially lift ASEAN's economic output by 7% by 2025 and generate around 14 million new jobs to further drive economic growth (ASEAN Secretariat estimates).
69. C. Chen, "ASEAN Financial Integration and the Belt and Road Initiative Legal Challenges and Opportunities for China in Southeast Asia" *in* Yun Zhao (ed.), International Governance and the Rule of Law in China under the Belt and Road Initiative, Cambridge: Cambridge University Press, 2018, pp.163-196.

Theoretically, the BRI is coming at the right moment, as it might provide crucial impetus to support the ASEAN Community Vision 2025 and its Master Plan on Connectivity. Yet, some doubt persists about its impact on integration schemes, for two main reasons.

First, ASEAN has no official position on the program and has published no paper on how it will deal with it; and no common position means no coordinated front. Bilateral negotiations – during meetings and site visits – clash with ASEAN consensual decision-making processes and preserve China's bargaining power.[70] Mechanically, implementation on a bilateral basis might turn against member states not only because it would widen the asymmetry of resources but also because it would set aside ASEAN and its traditional practices when not congruent with Chinese interests. By isolating a single member and cutting a special deal, China has the capacity to block ASEAN and paralyze the Association. For sure, Beijing has supported the creation of new events under the BRI (China-ASEAN e-Commerce Forum, China-ASEAN Artificial Intelligence Summit, and China-ASEAN Information Harbor Partners…) but those proliferating events are more endorsement than negotiations fora, challenging the ASEAN capacity to speak with one voice. China's BRI program exposes ASEAN's internal divisions and erodes unity; indeed, reaching a collective position on any contentious issue concerning China might be the greatest challenge for an Association criticized for its absence of far-sighted vision.[71]

Second, ASEAN member states, because of their diversity and different levels of development, do not share the same strategy towards the BRI. As the strongest partner, China might take advantage of these gaps to set the terms and standards. On the safeguard of data privacy for instance (a determining issue for the DSR and the future of ASEAN economies), Malaysia, Singapore, Vietnam and Thailand have enforced a Personal Data Protection Act, while other member states do not have (yet) specific laws. The ASEAN E-Commerce Agreement (November 2018) might not be sufficient to protect because (i) it remains at the level of cooperation and not enforcement, and (ii) member states are not on a similar line. What is true for data privacy is also true for telecommunication infrastructure, online payment systems and distribution networks. The BRI gives Chinese actors strong support to "go global", shape Southeast Asia's economic options and frame policies, including ASEAN policies. Given the outsized

70. Xue Gong, "The Belt and Road Initiative and China's influence in Southeast Asia", *Pacific Review*, 2019, Vol. 32, No. 4, p.644.
71. This point has been developed by M. Beeson, "Southeast Asia and the BRI" *in* M. Clarke, M. Sussex and N. Bisley, *The Belt and Road Initiative and the Future of Regional Order in the Indo-Pacific*, Lanham: Lexington Books, 2020, p.193.

importance of digital trade in Southeast Asia and the absence of a truly regional position, ASEAN and ASEAN member states will remain secondary actors and rely on others' standards. "The shared future" once put forward by the Chinese leader under the BRI is framed by China and a "top-down" approach. ASEAN has no choice but to embrace it if it wants to survive. China is strong thanks to the weaknesses of its partners.

For sure, Beijing is reassuring ASEAN about its so-called "centrality": the Association is central in the regional architecture, at the core of Asian institutional networks, and still in the driver's seat. But ASEAN, as former Secretary General Surin Pitsuwan once declared, still has to provide a "centrality of substance" – easier said than done, as no one member really wishes ASEAN to do so. And, despite its declarations – always positive and reassuring – a strong and substantial ASEAN might not be China's goal. According to interviews, "China feels really at ease with a powerless ASEAN: the façade without much substance fits its interest". Ultimately, it rather puts ASEAN cohesion to the test in selectively picking off members (notably the weakest of the grouping more vulnerable to China's leverage) to attract them into its "Community of destiny" where ASEAN has a place, but a relative one.

Because there is no other choice but to follow the Chinese lead, ASEAN has decided to adopt a positive tone, at least in public discourse (cf. the 6th East Asia Summit Foreign Ministers' meeting in 2016 when ASEAN ministers welcomed the program and encouraged synergies). But a positive tone towards the BRI does not mean an effective ASEAN response, nor a coherent regional scheme. There are already plenty (nearly 50) ASEAN-China committees, but the implementation of an ASEAN coordination mechanism for the BRI would send a good signal.

An unexpected side-benefit of the BRI, however, is to reactivate the interest of other partners in ASEAN. Competing alternative infrastructure projects have been proposed: from Japan to the United States, India, Australia and the EU, major partners want to demonstrate that BRI is not the only game in town. Some other initiatives, from a Free and Open Indo-Pacific concept to the EU-Japan Partnership on Sustainable Connectivity and Quality (September 2019) to the Asia-Africa Growth Corridor Concept (an India-Japan Initiative, November 2016), have proliferated. They all highlight and sell the merits of ASEAN as a "true and central partner". Are these initiatives more than reactions to China's growing clout? Whatever their future and BRI's future, these proposals reconcile ASEAN with its true vocation: one of interface, navigating turbulent waters but taking advantage of every opportunity for its own development.

Incidental political effects of the BRI

Since its launch, the BRI has been scrutinized; as well as the economic repercussions on development and economic governance, its political impact is closely observed. Has the economic rapprochement produced incidental political effects?

As a matter of fact, after the 1997 financial crisis in Southeast Asia, the political transition process has coincided with the rise of China and its "charm offensive" with the region.[72] In addition to a rapid resumption of growth through the Chinese powerhouse (a recovery that suspended the implementation of political reforms), the 09/11/2001 events had a double impact: they weakened the newly instituted democratic structures and mechanisms, and reinstated strong leadership.[73] Political turbulence followed, along with the degradation of rights.[74] This authoritarian revival in the region was concomitant with Xi's arrival to power, the launching of the BRI and the enhancement of political contacts. However, is there a causal link between the negotiation and implementation of BRI projects, and the propensity for illiberal democracy in Southeast Asia?[75]

To establish such a link between the two parameters would certainly be a step too far as there are plenty of reasons to explain Southeast Asian "local styles" and histories of authoritarianism. But some observations and arguments might coherently challenge the assertion that "China doesn't interfere in internal affairs" and that the BRI is only about infrastructure. Obviously, the "Chinese dream" is not to be surrounded by democracies and the BRI has a corrosive effect on democratic institutions here and there.

First, China has huge interest in the success of the projects, and not only for financial reasons. China's prestige is at stake. One criterion of success is obviously the political support of authorities, as implementation is related to domestic politics. Political and diplomatic proximity with local leadership is therefore considered as instrumental, and a condition for success. Some diplomats (off record) even suggested the terms "diplomatic harassment". No coincidence, therefore, in President Xi meeting President Jokowi eight times (the Indonesian president has not visited Washington since President Trump assumed power); between 2013 and 2018, President

72. A. Acharya, "China's Charm Offensive in Southeast Asia" in Amitav Acharya *Asia Rising*, World Scientifics, 2003.
73. D. Emmerson (ed.), *Hard Choices: Security, Democracy and Regionalism in Southeast Asia*, Stanford: Stanford University Shorenstein APARC, 2008.
74. Huong Le Thu, *The Daunting State of Southeast Asian Democracy*, Australian Strategic Policy Institute, May 8, 2018, available at: www.aspistrategist.org.au
75. P. Kenny, *Populism in Southeast Asia*, Cambridge: Cambridge University Press, 2018.

Xi and Malaysian Prime Minister Najib Razak met at least once a year on a bilateral basis; the same for President Duterte since he was elected (2016). However, Chinese transactional influence – with significant variation in its methods of influence – goes beyond official representatives. The BRI provides China with multiple vectors of influence on the ground, involving all sectors, often including the leaders of Chinese communities (referred to as *bamboo networks*). The diaspora was asked to play an active role in the BRI implementation and share the "Chinese dream".[76]

One of the implicit goals of the "common destiny" narrative is to reduce noticeable differences in political perceptions and to introduce a new political "normality", distant from the democratic one. Seminars on political governance abound in the Silk Road School established at Renmin University (Suzhou) in 2018; educational platforms and training programs provide intellectual guidance.[77] But one focus of attention remains the elites, as different fieldworks have concluded that their involvement is crucial for successful implementation of the projects.[78] Indeed, the effects of the BRI are conditional on cohesive engagement of the ruling elites.[79] They are the target of influence operations to sway decision-makers and public opinion leaders; such operations might encourage latent authoritarian tendencies and elite capture behavior in the region. Incidentally, medium and small local businesses are suffering from unfair competition by Chinese firms, supported by state-led industrial policies and access to credit from the Chinese states.[80] Consequently, civil societies are worried about the impact of the BRI on their daily lives and their future, as various surveys show,[81] especially in countries where ethnic

76. Takashi Suzuki, "China's United Front Work in the Xi Jinping Area; Institutional Developments and Activities", *Journal of Contemporary East Asia Studies*, Vol. 8, No. 1, 2019, part 4.4; see also Wu Xiao An, "China's Evolving Policy Towards the Chinese Diaspora in Southeast Asia", ISEAS, *Trends in Southeast Asia*, 2019, No. 14, January 2020.

77. The Baise Cadre Academy in Guangxi province, bordering Vietnam, established in 2016, provides training to government officials from both China and Southeast Asia, including the study of the leadership mechanism of local CCP committees, interpreting the 19th Party Congress report, and the operation of the CCP disciplinary inspection system. Cf. He Huifeng, "In a Remote Corner of China, Beijing is Trying to Export Its Model by Training Foreign Officials the Chinese Way", *South China Morning Post*, July 14, 2018.

78. In his study, the author demonstrates the intra-elite competition potential of BRI projects, cf W. Schaffar, "The Iron Silk Road and the Iron Fist: Making Sense of the Military Coup d'état in Thailand", *Austrian Journal of South-East Asian Studies*, 2018, vol. 11, No. 1, pp.35-52.

79. If there is unanimity among elites about embracing the potential offered by the BRI, authoritarian tendencies will be stronger. However, divided elites will dampen such tendencies, concluded a student paper after fieldwork in Malaysia and Indonesia; cf S. Rancourt Duchesne, *International Factors and rising Authoritarianism in Southeast Asia: China's BRI and the role of elite coherence in Malaysia and Indonesia*, University of Ottawa, July 2018.

80. Ample evidence is provided in *Mitigating Governance Risks from Investments in Southeast Asia*, Center for International Private Enterprise, January 2020.

81. Cf. "The State of Southeast Asia", 2020, ISEAS, Singapore.

Chinese minorities are already perceived as a complicating factor. Some incidents reflect tensions between Chinese companies and local communities, in Laos, Cambodia, Vietnam, Myanmar or Indonesia. These communities are considered as the "missing voices" or victims of the BRI.[82]

Secondly, Beijing considers that a democratic calendar (i.e. elections) should not disturb or postpone project implementation. Stability is the key term – not only because the preservation of political control and power is a priority for Xi and the Chinese Communist Party, but because huge financial sums are at stake. Government alternation is perceived as a risk that induces disorder and threatens growth. The experience of Malaysia, with many criticisms of the ongoing projects during and after its May 2018 general election (BRI projects in the Federation were described as a "corruption bonanza"[83]), rang the alarm bells in demonstrating how the BRI has become an argument in elections. Similarly, in Indonesia in 2018, the BRI was a topic of debate between incumbent President Jokowi and his rival, Prabowo Subianto, who warned that pro-China policies were saddling the country with bad debt and who pledged to re-evaluate Chinese investment "for the sake of the national interest". An often-cited argument by the opposition is that the financing of BRI infrastructure projects create channels for huge graft, or money laundering (cf. the gambling industry in the Philippines). Close scrutiny of Chinese methods, either in Malaysia or elsewhere in the region (Cambodia is another oft-cited case), shows how China takes advantage of structural deficiencies and loopholes such as political corruption,[84] weak electoral procedures, inefficient justice systems or lack of transparency.

In the short term, Beijing does not seek systematic emulation of the Chinese model but rather to exploit local weaknesses for its own profit. For sure, the scrapping by Cambodian or Thai leaders of opposition parties before electoral tests will seem familiar – and convenient – to a one-party state. Sophal Ear, associate professor of diplomacy and world affairs at Occidental College in Los Angeles, called the BRI a "marriage made in

82. J. Rosenzweig, "The Missing Voices at China's Belt and Road Summit", *The Diplomat*, April 25, 2019.
83. Even though less than 15% of the work was completed, the projects' contractors were paid the sum of 8.3 billion Malaysian ringgit (around US$2 billions), approximately 88% of the total value of both ventures, to allegedly pay off time-sensitive 1MDB debts. Cf. Hong Liu ad Guanie Lim, "The Political Economy of a Rising China in Southeast Asia: Malaysia's Response to the Belt and Road Initiative", *Journal of Contemporary China*, Vol. 28, No.116, 2019, pp.224-225.
84. Without adequate oversight, officials may fill their pockets. In Myanmar, the cost of a port for which Beijing was originally planning to charge US$7.3 billion was slashed to US$1.3 billion after US officials sent technical experts to help review the deal. J. Hillman "Five Myths about the Belt and Road Initiative", *The Washington Post*, May 31, 2019, available at: www.washingtonpost.com.

heaven for autocrats".[85] The BRI provides non-conditional resources for leaders who draw their legitimacy from delivering growth. In Myanmar, most projects are implemented between Chinese companies, business elites and the Tatmadaw (the Burmese military), often without much participation of and benefit for local citizens, notably if they belong to ethnic minority communities. In order to better control the process and respect the will of the people, the Aung San Suu Kyi administration insisted that identified projects be selected through a public tender process.

Thirdly, in seeking to capture the imagination of partner countries, the BRI is an appealing endeavor with the potential to shift political balances. Implicitly, what China proposes to its Southeast Asian partners is to join a winning system and build a future of promises. It is therefore in the field of ideas and values that China now wants to make its mark: by proposing an "efficient and attractive alternative", it offers the opportunity to challenge the notion that development and modernization must necessarily lead to political liberalization.[86] It is time for Southeast Asia, temporarily a "Western-style" institutionalized region, to assume its political culture, and to redefine and reshape a political agenda accordingly. Some experts even consider that the adjustment would be easier this way than in the other (democratic) direction, as Southeast Asian states' political culture is closer to China than to the West.[87] Certainly, some features of economic governance and of political rhetoric on stability in Southeast Asia have more in common with Chinese practice; China talking of "family relations" is no coincidence.

Indeed, the BRI might be used as an instrument to bring closer together elites from both sides in an exercise of discussion and conviction. China does not operate in the field of coercion. It is adherence that creates sustainability. Chinese authorities and experts explicitly nourish the doubts of the elites disrupted by Western hyper-democracy.[88] As mentioned earlier, the Chinese proceed step by step, over the long term, multiplying ways and moments to defend their model, with the BRI both as a by-product and the spearhead. They are currently helped by the persisting economic weakness of the European Union, the slowdown in the US and

85. S. Turton, "China's Belt and Road Ports Raise Red Flags over Military Plans: Cambodia Shows How Beijing's 'String of Pearls' Threatens US Ties", *Nikkei Asian Review*, July 23, 2019, available at: https://asia.nikkei.com.

86. M. Thompson, *Authoritarian Modernism in East Asia*, New York: Palgrave Pivot, 2019.

87. Thomas Pepinsky echoes this theme, saying that the "real story of the state of democracy in Southeast Asia is the strength of durable authoritarianism", "Democracy Isn't Receding in Southeast Asia, Authoritarianism is Enduring", *East Asia Forum*, November 4, 2017, available at: www.eastasiaforum.org.

88. S. Boisseau du Rocher and E. Dubois de Prisque, *South-East Asia and authoritarian temptation. The Impact of the Chinese Model*, Institute Thomas More, Note 24, June 2017, p.2.

the geopolitical, migratory, and civilizational challenges they both face. The deficiencies of Western systems are duly exploited, while the Chinese ability to enforce a global vision such as the BRI is promoted.

The security impact

Southeast Asia is a focal point for Chinese activities, and military activities are no exception to this rule. Located at a geostrategic crossroads, Southeast Asian states cannot turn a blind eye to this aspect of China's grand strategy, as they cannot ignore the consequences of this closely knit community of "common destiny" for China's military posture and calculation, or for their own sovereignty. Actually, the BRI puts in question China's ultimate motives as "it pushes the boundaries of China's national interests";[89] it also blurs the lines between goals as it is difficult to distinguish what is commercial and what is strategic. Open questions for military elites in Southeast Asia are: in which conditions and how may the PLA consider using the infrastructure proposed to its neighbors within the BRI program?

The BRI is obviously not a military program but it has implicit security goals and ramifications, at least to secure China's powerhouse. According to B. Maçaes, China sees the project "in imperial terms, as a way to influence geopolitics".[90] Its objective is to build authority, power and influence without force, to reshape order,[91] regionally and globally, and reduce the US alliance system. There is indeed intense speculation on its potential to forge a Sino-centric Tianxia order "in the single logic of competition with the liberal world order";[92] as M. Beeson speculates, the BRI "offers an important alternative example to the standard Westphalian template".[93] More prosaically, China provides a readymade justification for security: it needs to protect its overseas interests, be they investments, assets or citizens. The global range of the BRI deployment provides China with new incentives for security projection. Logically, due to its location, Southeast Asia is perceived as a maritime and mainland access of first importance for the PLA.

89. N. Rolland, *Securing the Belt and Road: Prospects for Chinese Military Engagement Along the Silk Roads*, NBR special Report, September 2019, p.2.
90. B. Maçaes, *Belt and Road: A Chinese World Order*, London: Hurst, 2019.
91. J-M. Blanchard, "China's Maritime Silk Road Initiative (MSRI) and Southeast Asia: A Chinese 'pond' not 'lake' in the Works", *Journal of Contemporary China*, Vol. 27, No. 111, 2018, 329-343.
92. C. Flint and C. Zhu, "The Geopolitics of Connectivity, Cooperation, and Hegemonic Competition: The Belt and Road Initiative", Geoforum, December 2018.
93. Mark Beeson, "Southeast Asia and the BRI: integrative of divisive?" *in* M. Clarke, M. Sussex & N. Bisley, *The Belt and Road Initiative and the future of regional order in the Indo-Pacific,* Lanham: Lexington Books, 2020, p.183.

Nevertheless, if the BRI has no military goal as such, the infrastructure involved has two major consequences:

The BRI, as an efficient vehicle and an expression of Chinese statecraft, could be used as a tool to project military power. No-one can bypass this question: will Beijing use the infrastructure (railways, ports, airports, fiber-optic or satellite networks) it built under the BRI program to support the PLA's military projection?[94] Let's put it another way: As the main driver and implementing agent, China has full knowledge of all that has been established under the program. With the BRI, the DSR, the MSR, the Spatial Information Corridor, etc., access will be easier to C4ISR.[95] While these programs are partly financed through loans by the host countries, to what extent could they resist the dual use of this infrastructure in a context of strong asymmetry of capabilities? Since China may gain a decisive strategic advantage, it is crucial that this question be on the agenda of the military planners and strategic thinkers of all Southeast Asian countries.

The BRI is sometimes implemented in conflictual areas where negotiation processes require time and patience to deal with ethnic or religious cleavages. China might be tempted to use its resources and influence to affect the evolution of local conflicts and peace processes[96], with the risk of complicating the terms of the disputes among affected communities and exacerbating nationalism. The best examples of these complex interactions between domestic conflicts, peace processes and BRI projects might be found in Myanmar, where three infrastructure projects pass through Kachin and Shan states in northern Myanmar, while extensive economic interests are deployed in the SEZs and industrial zones located in conflict-affected areas (notably the Rakhine State).[97]

As it is, the main concern for Beijing is to reduce the trust deficit of the Southeast Asian military communities that are the targets of intense military diplomacy. As it has done in other sectors, China has slowly but steadily stepped up its military cooperation with Southeast Asia:[98] high-level exchanges, combined exercises, military education, arms sales, humanitarian and relief operations. Many innovative frameworks are intended to deepen mutual knowledge, trust and common strategic

94. For a view on Chinese expansion in the Indian Ocean thanks to the BRI, see B. Lintner, *The Costliest Pearl: China's Struggle for India's Ocean*, London: Hurst, 2019.
95. Command, control, communications, computer, intelligence, surveillance and reconnaissance.
96. The case of Myanmar is the most significant and telling, cf China's role in Myanmar's internal conflicts, USIP, September 2018, available at: www.usip.org.
97. See "Selling the Silk Road Spirit: China's Belt and Road Initiative in Myanmar", *op. cit.*
98. S. Boisseau du Rocher, "Coopération militaire Chine/Asie du Sud-Est : les petits pas font-ils les retournements d'alliance?", consultance, mars 2017.

questioning in order to reassure and set common standards of intervention.[99] Beijing hopes that greater rapprochement will serve its interests by contributing to a better perception of China and growing acceptance of its "natural" influence in what Beijing considers its backyard. The implicit assumption for China is that "shared destiny", proactive economic engagement and common benefits will dissolve territorial claims or soften China's image. This assumption has not yet been confirmed. Launching the Maritime Road during pre-existing maritime disputes in the South China Sea, undertaking extensive land reclamation activities and further expanding its military presence in the South China Sea (in July 2019, an anti-ship ballistic missile was launched from one of those militarized artificial islands) or using upgraded ports to enhance Chinese naval prowess in this highly contested zone[100] were not the best ways to enforce trust. Indeed, distrust was the main feature qualifying the relation for a series of officers interviewed during fall 2019, a perception at odds with the "cooperative spirit" embodied in the BRI.

The countries of Southeast Asia are therefore facing a confusing contradiction. While the BRI's message on win-win cooperation and "China's peaceful rise" is laudable and beneficial to them, Chinese assertiveness contradicts it on the ground and works against it in not resolving the South China Sea issues and the conclusion of a Code of Conduct. In defending what it considers as its core interests without any compromise on what others consider as their core interests, what kind of regional order does China seek to establish?

More and more closely intertwined with Chinese dynamics thanks to the BRI, the countries of Southeast Asia are also more dependent and vulnerable. In the military sphere, the asymmetry is higher than in any other sphere. What could be an effective answer to China's potential use of economic leverage for security purposes?

Two main questions are now on the strategic agenda:

With the BRI in mind, and the consequent knowledge – some say control - China will have over a large part of the infrastructure (notably

99. The Mekong River patrols created and conducted by the People's Army Police with the local law-enforcement agencies of Thailand, Myanmar and Cambodia since 2011 are frequently cited (creation of a quadrilateral cooperation mechanism allowing for the forward deployment of Chinese armed power).

100. Chinese investments in ports and airfields that can have a dual use can potentially allow China to project military power and secure the vital sea lanes of Southeast Asia (such as Kyaukphyu deep port in Myanmar or Ream in Cambodia). In early 2019, commercial satellite imagery showed the construction of a runway in Cambodia's remote Koh Kong province, long enough to support military aircraft.

software infrastructure), what are the strategic implications of the connectivity network in the Chinese defense posture?

Consequent question: How will the BRI consolidate Chinese military positions in Southeast Asia? Put another way: to what extent does the infrastructure built through the BRI have a dual use, and how far can it be used against the states that host it?

The explicit articulation of civil and military activities demonstrates the kind of dilemma that ASEAN and Southeast Asian countries are now facing. No clear answer has been provided.

Conclusion: The BRI as a Game-Changer – Southeast Asia's Future

The BRI is a long game in a large contest that looks to entrench Chinese long-term interests and consolidate its foothold. To a certain extent, these interests match the interests of its partners and produce beneficial interactions. Where they do not, the Chinese interpretation of interests may prevail.

As a transactional and learning process under Chinese leadership, BRI implementation is subject to pragmatic adjustment. The end of the game for Southeast Asian countries is to increase the benefits and reduce the detrimental effects. Up to now, their experience shows that it is not impossible even if not easy; adjustment negotiations are always under way, constraining Beijing to better consider its neighbors' positions and demands. Nevertheless, as the BRI is aiming at framing a new order, the dynamics behind it will ensure that its rationale is ongoing even if its implementation is troubled or postponed by crises such as Covid-19, or by domestic political change in China.

Six years after the launch of the BRI, it is still premature and tricky to capture and assess its results, whether benefits or pitfalls. One visible conclusion concerns the multiple and stronger rapprochements between the two sides, as they discuss the details; the BRI produces incessant negotiations between officials and bureaucrats but also between Chinese and Southeast Asian companies. Are these rapprochements detrimental to others? Not yet, as recent renegotiations have demonstrated[101]; but one should not exclude the possibility of stronger pressure from China, through either arguments or emoluments. The BRI has the potential – like it or not – to surreptitiously put an end to the traditional pendulum foreign policy in the region between East and West. China is a force difficult to resist, notably when forces are fragmented.

101. The recurrent delay in the building of the Jakarta / Bandung railway's building, a BRI landmark project, has prompted the Jokowi Administration to introduce Japan in an Indonesia-China consortium to expedite and expand this national project up to Surabaya (June 2020).

In many respects, with the BRI as with other tools, China profits efficiently from its partners' weaknesses. This is true for Southeast Asian states, which should strengthen their domestic regulations so as not to be dictated to or trapped by their own shortcomings; lack of policy planning or good corporate governance, weak regulatory institutions and corruption practices are features that serve the interests of those with set goals. It is true also for ASEAN, which cannot develop any initiative of its own if China does not agree with it. It is true also for other traditional partners which are not active and visible enough in the area. Southeast Asia is desperately looking for alternatives in developmental programs to mitigate the BRI impact and to avoid being trapped in binary choices.

What are China's ambitions with and for Southeast Asia? This question has led to an ongoing debate over the last 30 years, but the BRI has put it into another, wider and systemic perspective; its mega size gives Beijing increasing strength and leverage over the region's future. The BRI widens the asymmetry that characterizes the relations. Beijing is clear, ambitious and provocative: it seeks to set up a "Community of shared destiny" but the persisting tensions in the South China Sea, in the midst of the COVID-19 crisis, just demonstrated the priority objective for Beijing and its uncompromising tone. The crucial questions for Southeast Asian decision-makers are to evaluate what kind of role and influence they can have within such a community, and what exactly they are prepared to accept.

The BRI program has reached a new magnitude in Southeast Asia. The risks, distortions and corrosive effects have been better evaluated, as have the existing and potential opportunities. In mitigating the risks and engaging their Chinese partners to adjust, Southeast Asian countries have, in their own way, tried to induce a change of behavior leading to "better", perennial and streamlined deals. Nevertheless, while Southeast Asian economies are suffering from the slowest growth rates in decades, their negotiating edge might decrease.

Finally, there is one crucial aspect that China has not yet succeeded in transforming: can it build trust and create a benevolent system?

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