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Malign Interference in Southeast Asia

Understanding and Mitigating Economic
and Political Interference and Information
Operations

Edited by Veerle Nouwens and Alexander Neill



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Executive Summary

The increasing wariness of governments in Australia, the US and the UK over potential foreign state interference by countries like Russia and China in their domestic affairs has sparked a greater examination of the tactics and objectives of malign state actors. However, the debate over this challenge is unclear in other parts of the world.

This paper provides a succinct macro-survey of Southeast Asian countries' understanding of and experiences with foreign state interference, given that strategic competition is increasingly taking place in the 'grey zone' and between states, with an end to pursuing national strategic interests without resorting to war. Malign interference can be characterised as activity that takes place through covert means that obfuscate the role of the state directing the activity, not in conformity to national law, is conducted through coercive means, or seeks to create confusion amongst a population through disinformation efforts. The paper also briefly discusses the concept of 'sharp power', which best captures the unique nature of the threat of political interference – namely, co-optation of key decision-makers, influencers and thought leaders for the purpose of internalising, advocating for or advancing the interests of foreign authoritarian powers.

Across Southeast Asia, a region of strategic interest to authoritarian and democratic countries alike for its economic dynamism and strategic location, public debate and academic engagement on the question of foreign state interference is limited. This is likely due to political sensitivities over whether governments are seen to be sufficiently addressing the challenge and, where it concerns China, whether they could be seen as taking sides in the wider geopolitical tension between China and the US. Discussion around domestic actor malign interference, for example through disinformation on social media platforms, is somewhat easier, as seen in the case study chapters.

Given the sensitivity of the subject of state interference, this paper primarily relies on open source material, supplemented by interviews with key policymakers and experts in Southeast Asia under rules of non-attribution. The paper analyses the main vectors of malign foreign influence across key Southeast Asian states, as well as the region's geopolitical relevance to authoritarian foreign states potentially interested in conducting interference for political objectives. The combination of these three factors affects their vulnerability to malign foreign influence. While this paper cannot address the challenge of foreign state interference in its entirety or map each country's specific experience in depth, it seeks to offer a starting point for further research and discussions. The paper provides brief policy recommendations as a basis for this. It goes without saying that any long-term solution should be anchored in a systematic recognition of the agency of Southeast Asian states in light of their decades-long struggle for autonomy and national development. However, given the international challenge of foreign state interference, this paper highlights a few ways in which partner countries who are seeking

to mitigate their own domestic experiences of the challenge can work with Southeast Asian countries to share lessons learned and exchange issues on risk mitigation. These are:

- Continue support for local media and civil society.
- Offer alternatives where investment is needed in the region.
- Increase information exchange on malign interference.
- Help develop risk mitigation strategies in the region.

Introduction

THE INTENSIFICATION OF strategic competition among states is increasingly taking place in the 'grey zone' between acceptable state activity and interference, with the aim of pursuing national strategic interests without resorting to war. States by nature seek to influence one another to protect their interests; this is entirely legitimate when the state-led activity takes place transparently and within legal means, but it becomes malign interference when the activity takes place through covert means which obfuscate the role of the state directing the activity, is not in conformity with national law, is conducted through coercive means, or seeks to create confusion for a population through disinformation efforts.

Liberal democracies are increasingly becoming aware of this grey zone threat. The UK and allies such as the US and Australia have increasingly revealed malign interference activity within their borders and have attributed it to Iran, Russia and China, to varying extents. Authoritarian regimes engaged in strategic competition below the threshold of outright war, such as Iran, Russia and China, seek to weaken democratic systems through economic interference, information operations and political influence.¹ While investigative journalism, academic research and institutional checks and balances have exposed a range of activities in these countries and have driven further enquiry, it is not clear to what extent malign interference activity is taking place outside of Europe and specific countries, such as Australia and the US, where the issue of malign interference has been politically and publicly explored as a serious challenge to national security.

Close allies and partners such as the UK, US and Australia are seeking to engage more strategically in the Indo-Pacific and specifically Southeast Asia, as laid out in their various national strategies, policy documents and official statements. While there are many reasons for this, including economic opportunity, one common security concern is potential growing Chinese influence and interference, through both legitimate and illegitimate means, and the challenge that this presents to their interests. These countries' engagement in the region includes upholding shared principles such as economic sustainability, free trade based on equal access, and democratic principles of transparency and good governance.

This paper is not able to encompass the entirety of types of interference, nor does it purport to comprehensively cover all potential political, economic and informational interference

1. US Office of the Director of National Intelligence, 'Annual Threat Assessment of the US Intelligence Community', 9 April 2021, <<https://www.dni.gov/files/ODNI/documents/assessments/ATA-2021-Unclassified-Report.pdf>>, accessed 10 September 2022; *Reuters*, 'Australia, UK to "Fight Back" Against Hostile States in Cyber – Minister', 20 January 2022, <<https://www.reuters.com/world/asia-pacific/australia-fight-back-against-hostile-states-cyber-minister-2022-01-20/>>, accessed 10 September 2022.

activities. For the purposes of this study, the paper will examine a few case studies in Southeast Asia in terms of the following potential avenues for interference:

- Informational: including attempts to use social media or other platforms to advance pro-hostile-state messaging or narratives, as well as hostile states seeking to influence local media communities in order to advance their narratives. It includes, for example, activities of foreign diplomatic missions and their proxies, as well as overseas associations, aimed at manipulating national media outlets and social media platforms through the deliberate propagation of falsehoods.
- Political: influential communities, subversive actors. This includes efforts to become involved in local politics or influential communities, or with local communities of any ethnicity.
- Economic: purchase of or investment in sensitive critical national infrastructure (CNI), defined as infrastructure that is either critical to national GDP or is in a sensitive area such as telecommunications or national defence.

Given the focus of Western liberal states on Southeast Asia as part of their Indo-Pacific strategies, this paper seeks to understand whether malign interference activity by authoritarian states across the 10 ASEAN member states (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam) is seen as a destabilising threat to national security. It seeks to better understand the current level of debate in Southeast Asia on influence versus interference as a foreign policy tool, and will examine to what extent malign interference activity by authoritarian states is taking place in the region and what the responses have been to any existing or potential malign interference. It will focus primarily on China as the largest actor in Southeast Asia, but will also discuss Iran, Russia and North Korea as authoritarian regimes whose activities are of concern to liberal democracies like the UK, US and Australia.

The paper offers examples of activity of concern, highlights potential vulnerabilities and strengths, and aims to underscore regional responses to and perspectives on this global challenge. One main finding is that the political sensitivity around malign interference activities in this region means that the debate on this topic in Southeast Asia is less prominent publicly than, for example, it is in Australia, the US or Europe. This is a particularly sensitive topic due to the debate over national security and whether governments are responding sufficiently to threats, as well as the fact that debates around China are by their very nature difficult in the region, as countries actively seek not to take sides in what is seen as a geopolitical competition between the US and Southeast Asia's top trading partner. This limits the willingness of individuals, irrespective of sector, to discuss such topics openly, while academic debate seems likewise limited. Discussion around domestic actor malign interference, particularly with regard to disinformation, remains a serious challenge in the region, as discussed in the case study chapters.

The methodology employed in the research for this paper has chiefly consisted of desk-based open source research, as well as semi-structured interviews for the purpose of supplementing research findings and engaging with specific experts on influence and interference activities in the region. For the purposes of the regional overview chapter, 15 interviews on the three types

of potential interference activities that this paper examines were conducted with experts from and based in the region. Interviews were conducted under the Chatham House Rule, and as such any information used is non-attributable.

Chapter I presents a regional overview of all 10 focus countries. The subsequent three chapters, one on each area vulnerable to malign interference activity, were authored by experts based in Southeast Asia and selected for their expertise in the areas they explore. In Chapter II, Benjamin Ang defines what constitutes information operations and hostile actions and explores the countermeasures put in place by the governments of Malaysia and Singapore. In Chapter III, Richard Javad Heydarian assesses the potential vulnerability to ‘sharp power’ as a form of political interference in the region. In Chapter IV, Ryan Clarke explores the debate around potential economic interference in Southeast Asia by China, focusing specifically on the example of Chinese investment in high-speed rail in Malaysia, Laos and Thailand as part of the Belt and Road Initiative (BRI) in the region. Clarke examines, in particular, the potentially political nature of infrastructure investment. The paper concludes with a summary of the key findings of the regional overview and subsequent thematic chapters, and presents policy recommendations for the UK and partners inside and outside Southeast Asia seeking to support countries in the region to mitigate the challenge of malign interference activities by states. While this study ultimately focuses on China in particular, it is not able to delve into whether other countries are engaged in similar interference activities; there is therefore a need for further research in this area.

I. Regional Overview

CURRENT SCHOLARLY AND think tank literature on the question of malign interference by state actors in the 10 ASEAN member states is limited, particularly when pertaining to specific analyses of economic interference, political interference and information operations. The limited public engagement on these topics is equally reflected in the number of experts in Southeast Asia specialising in malign interference by states. In some countries, such as Laos, it would appear that there is no in-country expertise on the subject, while in others requests for expert interviews were met with a muted response.

This lack of academic engagement and public debate seems to negatively impact the baseline understanding of the subject, as seen in a confusion as to what constitutes influence and interference, and what differentiates one from the other.² Without a firm understanding of the theoretical concepts involved, explorations of the subject within a national context risk drawing incorrect conclusions. This chapter first defines the concepts of influence versus interference before exploring the extent of academic and expert debate on malign interference by states in each of the 10 focus countries in Southeast Asia.

Interference or Influence?

‘Influence’ can be understood as legitimate action that involves public, ‘above board’ activities. ‘Interference’ is illegitimate or illicit action, encompassing, for example, activities that are covert, coercive or corrupt, including cyber attacks and disinformation operations.³ These are

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2. For further information, see Ross Babbage, Thomas G Mahken and Gillian Evans, ‘Winning Without Fighting: Chinese and Russian Political Warfare Campaigns and How the West Can Prevail. Volumes I and II’, Center for Strategic and Budgetary Assessments, 2019; John Blaxland and Greg Raymond, ‘Tipping the Balance in Southeast Asia? Thailand, the United States and China’, Center for Strategic and International Studies/Strategic and Defence Studies Centre, Australian National University, 2017; Alexander Bowe, ‘China’s Overseas United Front Work: Background and Implications for the United States’, US–China Economic and Security Review Commission, 24 August 2018; Gerry Groot, ‘The Rise and Rise of the United Front Work Department Under Xi’, *Jamestown China Brief* (Vol. 18, No. 7, 2018); Peter Mattis, ‘Testimony Before the Hearing on US Responses to China’s Foreign Influence Operations’, House Committee on Foreign Affairs, Subcommittee on Asia and the Pacific, 115th Congress, 2018; Mao Zedong, *Selected Works of Mao Tse-Tung* (Beijing: Foreign Language Press, 1965) (this work demonstrates that this strategic concept goes all the way back to the founding of the People’s Republic of China); Kerry Gershanek, *Political Warfare: Strategies for Combating China’s Plan to ‘Win Without Fighting’* (Quantico, VA: Marine Corps University Press, 2020).
 3. See Alexander Neill, ‘China’s Political-Influence Operations: Implications for Regional Security’, in *Asia-Pacific Regional Security Assessment 2019: Key Developments and Trends* (London: International Institute for International Studies, 2019).

malign when they seek to harm or go against the interests of the state they are targeting. Former CIA director John Brennan, rebutting claims by former president Donald Trump that China had attempted to interfere with the 2018 US midterm elections, made such a distinction.⁴ In 2017, then-prime minister of Australia Malcolm Turnbull, in a speech introducing new legislative amendments on espionage and foreign interference, specified that activities in support of foreign governments are not illegal unless they are ‘covert, coercive or corrupt’, making the distinction between ‘legitimate influence and unacceptable interference’.⁵ However, previously legal means of exerting influence, such as political funding, are now only considered legitimate if they are transparent, as the Australian Foreign Influence Transparency Scheme Public Register and associated legislation seeks to ensure.

In literature and policy on the topic, the distinction is generally less sharp. Indeed, Adam Henschke, Matthew Sussex and Courteney O’Connor suggest that creating a distinction between foreign influence and foreign interference is ‘unhelpful outside a strict regulatory context’ because both can be used to undermine democratic processes.⁶ They note that hostile actors can exploit ‘grey spaces between legal influence and illegal interference’ and adapt in ways that provide them with plausible deniability. For instance, these authors do not categorise disinformation in election campaigns or longer-term propaganda and lobbying efforts as interference, as they are not illegal; instead, they point to activities such as corruption or tampering with election results as examples of interference. Both, however, are damaging. Making a similar point, Alex Joske highlights the risks of disaggregating activity under China’s United Front system, noting the importance of considering the impact of the consolidated effort rather than assessing activities in isolation.⁷

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4. Joe Uchill, ‘China’s “Influence” vs. “Interference” in the Midterms’, *Axios*, 11 October 2018, <<https://www.axios.com/2018/10/11/2018-midterm-elections-china-interference-john-brennan>>, accessed 10 November 2022.
 5. Malcolm Turnbull, ‘Speech Introducing the National Security Legislation Amendment (Espionage and Foreign Interference) Bill 2017’, 7 December 2017, <<https://www.malcolmturnbull.com.au/media/speech-introducing-the-national-security-legislation-amendment-espionage-an>>, accessed 10 November 2022.
 6. Adam Henschke, Matthew Sussex and Courteney O’Connor, ‘Countering Foreign Interference: Election Integrity Lessons for Liberal Democracies’, *Journal of Cyber Policy* (Vol. 5, No. 2, 2020), p. 182, <<https://www.tandfonline.com/doi/full/10.1080/23738871.2020.1797136>>, accessed 2 November 2022.
 7. Alex Joske, ‘The Party Speaks for You: Foreign Interference and the Chinese Communist Party’s United Front System’, Policy Brief No. 32/2020, Australian Strategic Policy Institute, International Cyber Policy Centre, June 2020, <<https://www.aspi.org.au/report/party-speaks-you>>, accessed 2 November 2022. The United Front system is a complex system led by the United Front Work Department of the Chinese Communist Party (CCP). One of its objectives is to advance CCP influence abroad and shape international opinion of China. While this encapsulates public diplomacy, elite capture and lobbying, research shows it also engages in censoring unfavourable views of China on, for example, university campuses. It does so through overt and opaque means

This serves to emphasise the lack of common definitions of foreign influence and foreign interference, as well as the challenge of finding a widely accepted distinction between the two terms. Kristine Berzina and Etienne Soula note that such ambiguity ‘can delay or complicate lawmakers’ initiatives and muddy civil society’s efforts to build awareness and rally opposition against incursions into democratic processes’.⁸ While acknowledging the risks of creating a definition that is too broad and may thus curb freedom of expression, too narrow so as to exclude certain activities, or too focused on tactics and consequently not flexible enough to adapt to evolving technologies, they propose that the core criteria in determining whether an activity constitutes interference should be intent and transparency.⁹ Michael N Schmitt characterises ‘intervention’ as activities that impact matters otherwise left to the sole discretion of the state, such as the ‘choice of a political, economic, social and cultural system, and the formulation of foreign policy’, and distinguishes it from influence by pointing to the involvement of coercion.¹⁰

In the Australian context, Katherine Mansted argues that given the emerging grey zone between acceptable state-based activity and interference, it may be useful ‘to move policy frameworks and public discourse beyond a binary divide between “influence” and “interference” and instead to think of foreign influence along a continuum of risk’.¹¹ The measures she proposes include updating legislation to capture influence activities that may be ‘precursors’ to foreign interference, such as data collection, surveillance and media ownership. Writing about Chinese influence and interference in the UK, Charles Parton proposes a spectrum from ‘acceptable influence activities, through unwanted but tolerable interference, to unacceptable interference against which action is required’.¹² Andrew Chubb has written extensively on China’s overseas political activities in the UK and Australia, and explores this in greater detail. Using case studies from both the UK and Australia, Chubb stresses the need to recognise the differences between

and a variety of official and unofficial channels. See Ryan Fedasiuk, ‘How China’s United Front System Works Overseas’, *The Strategist*, Australian Strategic Policy Institute, 13 April 2022.

8. Kristine Berzina and Etienne Soula, ‘Conceptualizing Foreign Interference in Europe’, Alliance for Securing Democracy, 18 March 2020, p. 2, <<https://securingdemocracy.gmfus.org/wp-content/uploads/2020/03/Conceptualizing-Foreign-Interference-in-Europe.pdf>>, accessed 2 November 2022.
9. *Ibid.*
10. Michael N Schmitt, ‘Grey Zones in the International Law of Cyberspace’, *Yale Journal of International Law* (Vol. 42, No. 2, 2017), p. 7, <https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3180687>, accessed 2 November 2022.
11. Katherine Mansted, ‘The Domestic Security Grey Zone: Navigating the Space Between Foreign Influence and Foreign Interference’, National Security College, Australian National University, Occasional Paper, February 2021, p. 1, <https://nsc.crawford.anu.edu.au/sites/default/files/uploads/nsc_crawford_anu_edu_au/2021-02/nsc_foreign_interference_op_2021.pdf>, accessed 2 November 2022.
12. Charles Parton, ‘China–UK Relations: Where to Draw the Border Between Influence and Interference?’, *RUSI Occasional Papers* (February 2019), p. 4, <https://static.rusi.org/20190220_chinese_interference_parton_web.pdf>, accessed 2 November 2022.

issues of national security, human rights and academic freedom, and offers recommendations for what targeted responses might look like.¹³

The Australian government clearly outlines the distinction between foreign influence and interference, describing the former as activities ‘conducted in an open and transparent manner’ that ‘contribute positively to public debate’ and the latter as activities that are ‘coercive, corrupting, deceptive, [and] clandestine’ and that are ‘contrary to Australia’s sovereignty, values and national interests’.¹⁴ The Canadian government appears to use the terms interchangeably.¹⁵ The US does not articulate a distinction between foreign influence and foreign interference, but clearly defines the latter in the context of elections in an executive order entitled ‘Imposing Certain Sanctions in the Event of Foreign Interference in a United States Election’, signed by then-president Donald Trump in 2018 and extended by President Joe Biden in September 2021.¹⁶ The order defines foreign interference as ‘covert, fraudulent, deceptive, or unlawful actions ... undertaken with the purpose or effect of influencing, undermining confidence in, or altering the result or reported result of, the election, or undermining public confidence in election processes or institutions’.¹⁷ However, the FBI refers to activities that seem to fall under foreign interference according to the above definition as ‘foreign influence’.¹⁸

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13. Andrew Chubb, ‘Rights Protection: How the UK Should Respond to the PRC’s Overseas Influence’, *KCL Policy Series* (No. 2, 2022), pp. 7–13, <<https://www.kcl.ac.uk/lci/assets/policypaper0222-rights-protection-how-the-uk-should-respond-to-the-prcs-overseas-influence-final.pdf>>, accessed 2 November 2022; Andrew Chubb, ‘PRC Overseas Political Activities: Risk, Reaction and the Case of Australia’, *RUSI Whitehall Paper*, 2021, p. 93, <<https://www.routledge.com/PRC-Overseas-Political-Activities-Risk-Reaction-and-the-Case-of-Australia/Chubb/p/book/9781032152073>>, accessed 8 September 2022.
 14. Australian Department of Home Affairs, ‘Countering Foreign Interference’, <<https://www.homeaffairs.gov.au/about-us/our-portfolios/national-security/countering-foreign-interference>>, accessed 1 November 2022.
 15. Canadian Security Intelligence Service, *Foreign Interference Threats to Canada’s Democratic Process* (Ottawa: Minister of Public Safety and Emergency Preparedness, 2021), <<https://www.canada.ca/en/security-intelligence-service/corporate/publications/foreign-interference-threat-to-canadas-democratic-process.html>>, accessed 15 September 2022.
 16. Executive Office of the President, ‘Imposing Certain Sanctions in the Event of Foreign Interference in a United States Election’, Executive Order No. 13848, 12 September 2018, <<https://www.federalregister.gov/documents/2018/09/14/2018-20203/imposing-certain-sanctions-in-the-event-of-foreign-interference-in-a-united-states-election>>, accessed 10 November 2022; White House, ‘Notice on the Continuation of the National Emergency with Respect to Foreign Interference in or Undermining Public Confidence in United States Elections’, 7 September 2021, <<https://www.whitehouse.gov/briefing-room/presidential-actions/2021/09/07/notice-on-the-continuation-of-the-national-emergency-with-respect-to-foreign-interference-in-or-undermining-public-confidence-in-united-states-elections/>>, accessed 8 October 2022.
 17. Executive Office of the President, ‘Imposing Certain Sanctions’, Sec. 8(f).
 18. FBI, ‘Combating Foreign Influence’, <<https://www.fbi.gov/investigate/counterintelligence/foreign-influence>>, accessed 8 October 2022.

Key Findings

This regional overview focuses specifically on instances of interference by authoritarian state actors. Interviewees and other sources did not always clearly differentiate between influence and interference, and over the course of this review, conflation between the two terms in Southeast Asia was prevalent. Overwhelmingly, China arose most frequently when discussing sources of potential state-led or state-directed interference. Mention of Russia was only made on three occasions, and in two of these instances (from Myanmar and Vietnam) the relationship should be interpreted as benign. Iran is also viewed as a benign actor in at least two countries. As seen in the following country-specific overviews, there is clearly a distinct paucity of research and publications about malign interference activities by states across Southeast Asia, and the only significant work on this subject, with the exception of Singapore, has been undertaken extra-regionally.

In Brunei, there are no publicly avowed examples of disinformation campaigns and no discourse about interference among public intellectuals. There are, however, concerns harboured within the Bruneian establishment over hidden debt, compromise of public health data, and elite capture. Proprietary interviews with regional security specialists reveal growing concerns that China is increasingly aggressively pursuing its elite capture strategy in order to secure exclusive rights to Brunei's enormous onshore and offshore oil and natural gas reserves. One prominent method consists of offering free shares and other economic interests in Chinese companies that would be involved. These incentives span the entire spectrum of a project, from shares in the drilling equipment company to shares in the company that is involved in retail distribution in China. As these are Chinese corporate entities, their shareholding structures and other relevant data are deemed to be state secrets under China's relevant law,¹⁹ thereby shielding any Bruneian officials from scrutiny.²⁰

Cambodia and Laos, as states close to China and in line with the authoritarian nature of their regimes, are so penetrated by Chinese geopolitical interests that there is no obvious domestic discourse on malign interference activity by the authoritarian states under examination in this paper. Approaches made to public intellectuals were met with a limited response. There are, however, a handful of dissidents and opponents to the regime who have written on the subject of foreign political interference.

19. Steptoe and Johnson LLP, 'An Overview of the Data Protection and Security Regimes of the People's Republic of China', May 2017, <<https://www.steptoel.com/a/web/6266/China-Data-Protection-Regime-Overview-05112017-Final.pdf>>, accessed 7 December 2022.

20. Author interviews with regional security experts. Existing literature worth exploring includes that on oil and gas, sovereign wealth funds, and Brunei's establishment of a National Cybersecurity Centre and an e-government strategy on cyber threats. For further reading, see Michael Hart, 'Brunei Abandons South China Sea Claim for Chinese Finance', *Geopolitical Monitor*, 4 April 2018, <<https://www.geopoliticalmonitor.com/brunei-abandons-south-china-sea-claim-for-chinese-finance/>>, accessed 10 November 2022.

In Cambodia, China has increasingly sought to position itself as a ‘no questions asked’ provider of dual-use infrastructure investment, especially in port/maritime facilities such as the recent Ream Naval Base.²¹ Sources in the financial services industry note that China appears to view Cambodia in a similar light as Laos and therefore as readily available for elite capture. China is also actively incentivising key government officials to execute Mekong-origin water-sharing agreements that are not in Cambodia’s long-term interests by (similar to the methods used in Brunei) offering shares and other considerations in Chinese companies that are involved in Mekong water management projects.²²

In Laos, Chinese law enforcement has significantly increased its presence, extending extra-territorial control, particularly in casino zones on the border with China.²³ Similar to Cambodia, financial industry sources note that China has been able to negotiate Mekong-origin water-sharing terms that disproportionately favour China by actively exerting influence on parties representing the Laotian side.²⁴ In particular, the construction of new dams in Laos with heavy investment by China has prompted concern over Laos’ debt burden.²⁵

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21. Shaun Turton and Bopha Phorn, ‘Cambodia Breaks Ground on China-Funded Ream Naval Base’, *Nikkei Asia*, 8 June 2022, <<https://asia.nikkei.com/Spotlight/Hun-Sen-s-Cambodia/Cambodia-breaks-ground-on-China-funded-Ream-Naval-Base-expansion>>, accessed 10 November 2022.
 22. Author interviews with regional security experts. Existing literature worth exploring includes that on Chinese foreign policy in Cambodia, the political economy of Chinese investment in the country, the role of Confucius Institutes, and China’s hegemony of the Mekong River and its downstream impacts. See Sovinda Po and Kearnin Sims, ‘The Myth of Non-Interference: Chinese Foreign Policy in Cambodia’, *Asian Studies Review* (Vol. 46, No. 1, 2022); Vannarith Chheang, ‘The Political Economy of Chinese Investment in Cambodia’, *Trends in Southeast Asia* (No. 16, 2017); Hsin-Huang Michael Hsiao and Alan Hao Yang, ‘Differentiating the Politics of Dependency: Confucius Institutes in Cambodia and Myanmar’, *Issues and Studies* (Vol. 50, No. 4, December 2014); Sovinda Po and Kimkong Heng, ‘Assessing the Impacts of Chinese Investments in Cambodia: The Case of Preah Sihanoukville Province’, Pacific Forum, Issues and Insights Working Paper (Vol. 19, No. 4, May 2019), <https://www.researchgate.net/profile/Sovinda-Po/publication/333310139_Assessing_the_Impacts_of_Chinese_Investments_in_Cambodia_The_Case_of_Preah_Sihanoukville_Province_ISSUES_INSIGHTS_A_Working_Paper_on_China-Cambodia_Relations_Pacific_Forum/links/5ce62717299bf14d95b1e184/Assessing-the-Impacts-of-Chinese-Investments-in-Cambodia-The-Case-of-Preah-Sihanoukville-Province-ISSUES-INSIGHTS-A-Working-Paper-on-China-Cambodia-Relations-Pacific-Forum.pdf>, accessed 10 November 2022.
 23. John Bradford, ‘China’s Security Force Posture in Thailand, Laos, and Cambodia’, United States Institute of Peace, Special Report, 15 December 2021, <<https://www.usip.org/publications/2021/12/chinas-security-force-posture-thailand-laos-and-cambodia>>, accessed 10 November 2022.
 24. Author interview with expert from the finance industry.
 25. Marwaan Macan-Markar, ‘Laos’ Debt Woes Worsen as Bills for China-Funded Dams Loom’, *Nikkei Asia*, 1 June 2020, <<https://asia.nikkei.com/Spotlight/Coronavirus/Laos-debt-woes-worsen-as-bills-for-China-funded-dams-loom>>, accessed 10 November 2022. Existing literature pertaining to China’s role in Laos includes research on the Mekong River, Laos’ commitment to

In Indonesia, there appears to be awareness of, and research on, Chinese and Russian cyber operations aimed at interfering in the 2019 Indonesian election.²⁶ The Chinese digital footprint is so large and pervasive in Indonesia that Jakarta's exposure to interference in the digital domain is significant.²⁷

Interviews with experts and some reporting on the subject reveal an attempt by Chinese state-backed cyber units or Chinese companies to control and/or manipulate telecommunications providers, as well as allegedly censoring material critical of China in acquired Indonesian news aggregator app Baca Berita.²⁸ Analysis of the methods and technologies used by these Chinese cyber operators suggests some links to China's People's Liberation Army Strategic Support Force.²⁹

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- BRI megaprojects and the extent of Chinese foreign direct investment into the country, as well as Sino-Laos exchanges across the border, and Laos's quest for autonomy. See Samuel C Y Ku, 'Laos in 2014: Deepening Chinese Influence', *Asian Survey* (Vol. 55, No. 1, January/February 2015), pp. 214–19; Alvin Cheng-Hin Lim, 'Laos and the Silk Road Economic Belt – Analysis', *Eurasia Review*, 30 July 2015, <https://data.opendevlopmentmekong.net/dataset/fb7c600a-1fd2-4f59-bc24-ff60ec3df575/resource/4bae5b08-a1e3-46d4-89b0-e58d5aaa26e0/download/lim_-_china___laos.pdf>, accessed 10 November 2022; Jingjing Fang, 'Chapter 32: Is Laos' Heavy Economic Dependence on China Real?', in Liang Ying (ed.), *China–ASEAN Relations: Cooperation and Development: Volume 2* (Singapore: China Social Sciences Press/World Scientific, 2019), pp. 597–603; Sittichai Thammasane and Duangnet Sarasombat, 'Economic Interests of Chinese Business in Laos: New Trends in 2000–2020', ACE 2019+: Actual Economy: Local Solutions for Global Challenges, 20th International Conference, 18 November 2019, pp. 166–70, <<https://conferaces.com/index.php/journal/article/view/49>>, accessed 10 November 2022.
26. *Straits Times*, 'Indonesia Says Election Under Attack from Chinese, Russian Hackers', 13 March 2019, <<https://www.straitstimes.com/asia/se-asia/indonesia-says-election-under-attack-from-chinese-russian-hackers>>, accessed 10 November 2022; Sarah O'Connor et al., *Cyber-Enabled Foreign Interference in Elections and Referendums*, Australian Strategic Policy Institute, International Cyber Policy Centre Policy Brief, Report No. 41 (Canberra: Australian Strategic Policy Institute, 2020).
27. Alexander Neill, 'Indonesia', in Meia Nouwens (ed.), 'China's Digital Silk Road: Integration into National IT Infrastructure and Wider Implications for Western Defence Industries', International Institute for Strategic Studies, February 2021, <<https://www.iiss.org/blogs/research-paper/2021/02/china-digital-silk-road-implications-for-defence-industry>>, accessed 10 November 2022.
28. *Ibid.*; author interview with security specialist; Muhammad Zulfikar Rakhmat, '3 Ways China is Growing its Media Influence in Indonesia', *The Conversation*, 12 January 2022, <<https://theconversation.com/3-ways-china-is-growing-its-media-influence-in-indonesia-174339>>, accessed 10 November 2022.
29. Paul Charon and Jean-Baptiste Jeangène Vilmer, 'Chinese Influence Operations: A Machiavellian Moment', IRSEM, October 2021, <<https://www.irsem.fr/report.html>>, accessed 10 November 2022; Gatra Priyandita, Dirk Van Der Kley and Benjamin Herscovitch, 'Localization and China's Tech Success in Indonesia', Carnegie Endowment for International Peace, 11 July 2022,

Equally, in the Philippines, there is a well-documented debate about China's investment in the country's CNI, including the power grid and the telecommunications sector. In 2019, media reports cited concerns over the installation of China Telecom infrastructure on Philippines military bases through a deal struck with Filipino-Chinese tycoon Denis Uy.³⁰ In the run-up to presidential elections in 2022 there appeared to be lively but sensitive debate about the potential for Chinese interference, but no specific allegations have been made since the elections were held.

Interviews with financial industry executives have noted a strategy of 'elite capture by proxy' in the Philippines, whereby Chinese state interests were being furthered without attracting attention.³¹ Other notable research on the Philippines includes work on Chinese disinformation on social media and China's CNI investment there.³²

There is an awareness of China's ability to interfere in Malaysia, but there are few well-documented cases of outright interference.³³ There may be concerns over disinformation

<<https://carnegieendowment.org/2022/07/11/localization-and-china-s-tech-success-in-indonesia-pub-87477>>, accessed 10 November 2022. Further readings on Indonesia include research on China's investment in Indonesia's Jakarta–Bandung High-Speed Railway through the BRI. See Frans-Paul van der Putten and Mirela Petkova, 'The Geopolitical Relevance of the BRI: The Jakarta–Bandung High-Speed Railway in Indonesia', in Florian Schneider (ed.), *Global Perspectives on China's Belt and Road Initiative: Asserting Agency through Regional Connectivity* (Amsterdam: Amsterdam University Press, 2021).

30. *Reuters*, 'Philippines to Allow China-Based Telco to Build Towers on Military Bases', 11 September 2019.
31. Author interview with financial industry executive.
32. J C Gotinga, 'Part 1: Military Report Confirms Spying Risks in Deal with China-Backed Telco', *Rappler*, 20 December 2019, <<https://r3.rappler.com/newsbreak/in-depth/247306-military-report-confirms-spying-risks-deal-china-backed-telco-part-1>>, accessed 10 November 2022; Raphael S Cohen et al., *Combatting Foreign Disinformation on Social Media: Study Overview and Conclusions* (Santa Monica, CA: RAND Corporation, 2021); Scott W Harold, Nathan Beauchamp-Mustafaga and Jeffrey W Hornung, *Chinese Disinformation Efforts on Social Media* (Santa Monica, CA: RAND Corporation, 2021); *Reuters*, 'Philippines Steps Up Security to Shield Power Grid from Foreign Control', 3 February 2020; Jonathan Corpus Ong and Jason Vincent A Cabañes, 'Architects of Networked Disinformation: Behind the Scenes of Troll Accounts and Fake News Production in the Philippines', University of Massachusetts Amherst Communication Department Faculty Publication Series, 2018; Emy Ruth de Quiros Gianan, 'Disinformation Trends in Southeast Asia: Comparative Case Studies on Indonesia, Myanmar, and the Philippines', *JATI-Journal of Southeast Asian Studies* (Vol. 25, No. 1, June 2020).
33. Muhammad Faizal Bin Abdul Rahman et al., 'Cases of Foreign Interference in Asia', RSIS Policy Report, 26 March 2020, <<https://www.rsis.edu.sg/rsis-publication/cens/cases-of-foreign-interference-in-asia/#.Y4dBEMvP02x>>, accessed 3 February 2022.

campaigns concerning vaccine diplomacy and human rights violations against the Uyghur population in China. Elite capture appears to be a favoured approach by Beijing in the country.³⁴

Given the security situation in Myanmar, no public intellectuals in the country are currently contactable. One interview with a Myanmar expert in the region suggests that interference and disinformation operations are active on two fronts: China's ability to penetrate Myanmar's digital ecosystem and to leverage its support of ethnic armed groups; and Russia's efforts to assist the Burmese government in psychological operations and disinformation campaigns. Further literature includes discussion of the Chinese presence in Myanmar and China's proposed railways through Southeast Asia.³⁵

Singapore is a regional centre of expertise on the methodologies of hostile state actors, interference and disinformation operations, especially following the country's recently introduced Foreign Interference (Countermeasures) Act (FICA). There is little discourse on the specifics of how Singapore's Chinese-speaking community may have been penetrated by China.³⁶

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34. Further existing literature covers Malaysia's cyber security threat landscape, disinformation and misinformation, Malaysia's own cybersecurity capabilities as an area for foreign policy and defence engagement, the country's views on ASEAN's non-interference principle, and the interrelationship between kleptocracy, strategic corruption and defence policymaking in Malaysia. See Bakri Mat et al., 'Cyber Security Threats to Malaysia: A Small State Security Discourse', in Mohammad Zaki Ahmad et al. (eds), 'Sustaining Global Strategic Partnership in the Age of Uncertainties', Proceedings of the 8th International Conference on International Studies, December 2020, <https://www.researchgate.net/publication/349881373_Cyber_Security_Threats_to_Malaysia_A_Small_State_Security_Discourse>, accessed 10 November 2022; Moonyati Mohd Yatid, 'Truth Tampering Through Social Media: Malaysia's Approach in Fighting Disinformation and Misinformation', *Indonesian Journal of Southeast Asian Studies* (Vol. 2, No. 2, January 2019); Farlina Said, 'Combining Defence Diplomacy and Foreign Policy to Project Malaysia as a Middle Power: A Case for Cybersecurity Development', Institute of Strategic and International Studies Malaysia, 16 April 2019, <<https://www.isis.org.my/2019/04/16/combining-defence-diplomacy-and-foreign-policy-to-project-malaysia-as-a-middle-power-a-case-for-cybersecurity-development/>>, accessed 10 November 2022; Muhammad Fuad Othman and Zaheruddin Othman, 'The Principle of Non-Interference in ASEAN: Can Malaysia Spearhead the Effort Towards a More Interventionist ASEAN?', Universiti Utara Malaysia, Seminar on National Resilience, 25 May 2011, <<https://repo.uum.edu.my/id/eprint/3167/>>, accessed 10 November 2022; Abdul Muein Abadi, 'Kleptocracy, Strategic Corruption, and Defence Policymaking: The Impact of Najib Razak's 1MDB Scandal on Malaysia's Defence Relationship with China (2015–2017)', *Contemporary Politics* (Vol. 27, No. 5, 2021).
35. Donald K Emmerson, 'Southeast Asia: China's Long Shadow', Stanford Freeman Spogli Institute for International Studies, Commentary, 3 June 2021, <<https://fsi.stanford.edu/news/southeast-asia-china%E2%80%99s-long-shadow>>, accessed 10 November 2022.
36. Existing research covers Singapore's draft anti-foreign interference law, analysis on how regulators and company stakeholders should respond to external political interference from a foreign government, and information operations. See Justin Ong, 'S'pore's Draft Anti-Foreign

Given the large embedded and wealthy ethnic Chinese population in Thailand, Chinese cultural and economic penetration of the country is overt. The Thai establishment may, however, be concerned over encroachment on Thai sovereignty through large Chinese-funded infrastructure projects. Regional security experts also note that there is growing concern over the fact that China is increasingly attempting to acquire controlling equity stakes in leading Thai media outlets.³⁷

Vietnam takes a robust approach to online disinformation campaigns by China and has a long history of tackling Chinese attempts at interference. There is a concern about hidden debt and closely guarded relationships within the business elites of both countries. As the Vietnamese information environment is not presently conducive to Thai-style information operations, a more coercive, direct influence approach has been observed by one industry executive interviewed.³⁸

Interference Law “Worded Very Broadly”, Says Facebook’, *Straits Times*, 5 October 2021, <<https://www.straitstimes.com/singapore/politics/singapores-draft-anti-foreign-interference-law-worded-very-broadly-says-facebook>>, accessed 10 November 2022; Grace Ho, ‘Proposed Law on Foreign Interference is Aimed at Hostile Actors: Singapore Envoy Tells UN Review’, *Straits Times*, 3 October 2021, <<https://www.straitstimes.com/singapore/politics/proposed-law-on-foreign-interference-is-aimed-at-hostile-actors-singapore-envoy>>, accessed 10 November 2022; Christopher Chen and Lauren Yu-Hsin Lin, ‘Foreign Political Interference in the Governance of Listed Companies: A Market and Behavioral Analysis’, *Duke Journal of Comparative and International Law* (Vol. 31, No. 2, 2021); Majeed Khader, Loo Seng Neo and Whistine Xiau Ting Chai (eds), *Introduction to Cyber Forensic Psychology: Understanding the Mind of the Cyber Deviant Perpetrators* (Singapore: World Scientific, 2021); Daniel Ventre, ‘An Interview with Pro. Alan Chong (RSIS – S. Rajaratnam School of International Studies – Singapore)’, *La Chaire de Cyberdéfense et Cybersécurité*, Article No. 3.2, May 2013, <https://www.chaire-cyber.fr/IMG/pdf/article_3_2_-_chaire_cyberdefense.pdf>, accessed 10 November 2022; Shashi Jayakumar, ‘Elections Integrity in Fake News Era: Who Protects, and How?’, *RSIS Commentaries*, No. 200, 2018, <<https://dr.ntu.edu.sg/bitstream/10356/87470/1/CO18200.pdf>>, accessed 10 November 2022; Rachel Lim, ‘Disinformation as a Global Problem – Regional Perspectives’, *NATO STRATCOM Centre of Excellence*, January 2020, <<https://stratcomcoe.org/publications/disinformation-as-a-global-problem-regional-perspectives/61>>, accessed 10 November 2022.

37. Author interview with regional security specialist. Other relevant research concerns China’s use of state and social media to encourage a boycott on tourism in Thailand, Thai participation in online activism as part of the ‘#MilkTeaAlliance’, information operations on Twitter, and the lack of sufficient cybersecurity legislation in Southeast Asia. For more information, see Lim, ‘Disinformation as a Global Problem – Regional Perspectives’; Adam K Dedman, ‘Digitally Dismantling Asian Authoritarianism’, *Contention – The Multidisciplinary Journal of Social Protest* (Vol. 9, No. 1, 2021); Elise Thomas, Tracy Beattie and Albert Zhang, ‘#WhatsHappeningInThailand: the Power Dynamics of Thailand’s Digital Activism’, *Australian Strategic Policy Institute* 2020; William Hicks, ‘Asia Lagging on Cyberthreat Front’, *Bangkok Post*, 15 May 2019, <<https://www.bangkokpost.com/business/1677940/asia-lagging-on-cyberthreat-front>>, accessed 10 November 2022.
38. Author interview with financial industry expert. Further reading on Vietnam includes work on China’s pressure on companies seeking opportunities for offshore energy development in

II. Malign Actor Interference in Southeast Asia: Information Operations and What Constitutes ‘Hostile Action’

Benjamin Ang

THERE IS A spectrum of information operations in Southeast Asia. At one end there are open and legitimate operations, which are generally acceptable to states, while at the other are hostile, deceptive and illegitimate operations by malign actors, which are generally considered as foreign interference that is not acceptable to the target states. For the purposes of this chapter, ‘malign actors’ refers to entities that carry out the latter operations, and ‘target states’ refers to states where such actions are taking place.

These malign actors include both foreign and domestic entities, with different objectives in the target state:

- Businesses, which may be seeking to discourage government regulation or attempting to circumvent existing laws.
- NGOs, which may be seeking to change the policies of the target state for ideological or political reasons.
- Religious groups, which may be seeking to change the society in the target state or to radicalise believers.

Vietnamese waters and China’s role in ASEAN with regard to the South China Sea disputes. See Dien Nguyen An Luong, ‘Comparing Vietnamese Responses to Chinese and American Public Diplomacy Efforts on Social Media’, *ISEAS Perspectives* (2021/109), <<https://www.iseas.edu.sg/articles-commentaries/iseas-perspective/2021-109-comparing-vietnamese-responses-to-chinese-and-american-public-diplomacy-efforts-on-social-media-by-dien-nguyen-an-luong/>>, accessed 10 November 2022; Dien Nguyen An Luong, ‘Who is Winning the US–China Battle for the Hearts and Minds of Vietnam’s Cybersphere?’, *South China Morning Post*, 24 August 2021, <<https://www.scmp.com/week-asia/opinion/article/3146115/who-winning-us-china-battle-hearts-and-minds-vietnams-cybersphere>>, accessed 10 November 2022; Oxford Analytica, ‘China Gains Upper Hand in Sea Dispute with Vietnam’, *Expert Briefings* (2018), <<https://doi.org/10.1108/OXAN-DB233273>>, accessed 10 November 2022; Carlyle A Thayer, ‘The South China Sea in Multilateral Forums: Five Case Studies’, in Leszek Buszynski and Do Thanh Hi (eds), *Maritime Issues and Regional Order in the Indo Pacific*, Palgrave Macmillan Palgrave Studies in Maritime Politics and Security (Cham: Palgrave Macmillan, 2021).

- Loosely organised groups sharing the same ideology, which may be seeking to change society or ways of thinking in the target state.
- States, which may be seeking to disrupt the foreign policy of the target state or to destabilise the target state for strategic reasons.
- Domestic malign actors pose a challenge, especially in Southeast Asia, because it can be unclear where to draw the line between hostile action and legitimate political action, especially when viewed from a Western perspective of free speech and human rights.

Definition: Information Operations and ‘Hostile Action’

To first examine foreign information operations, this research refers to the framework proposed in the 2022 S Rajaratnam School of International Studies (RSIS) policy report, ‘Cases of Foreign Interference in Asia’.³⁹ This framework is shown in Figure 1. In the figure, the actions encircled in green are generally acceptable to states, while those encircled in red are generally not acceptable to Southeast Asian states.

In the RSIS framework, ‘influence’ is the ability to shape the preferences of others using ‘information’ and/or ‘interference’. ‘Soft power’ is a well-accepted form of influence through appeal and attraction, which includes non-coercive means like culture, political values, foreign policies,⁴⁰ public diplomacy, strategic communications, foreign aid, civic action, economic reconstruction and development, film, TV, books, and other media, economic ties, trade, business, and open ties with educational institutions and think tanks.

Information is another form of influence. Most Southeast Asian states accept information that spreads through open means, including media syndication (for example, foreign TV shows such as *Game of Thrones* are popular in Southeast Asia), media ownership (for example, foreign-owned TV channels such as CNN, Fox News, CCTV and CGTN are widely watched in Southeast Asia), open advertisement campaigns (for example, advertisements for foreign businesses like McDonalds are common in local Southeast Asian newspapers), op-eds where authorship is transparent (such as commentaries written by foreigners and published in local newspapers), and public statements (for example, by foreign diplomats or business leaders).

with ‘hostile intent’ to disrupt their politics and policies deliberately, covertly and deceptively. For example, Singapore has described such actions as a ‘live and serious threat for Singapore’ and refers to them as ‘hostile information campaigns’ (HICs).⁴¹ This term is also used by some

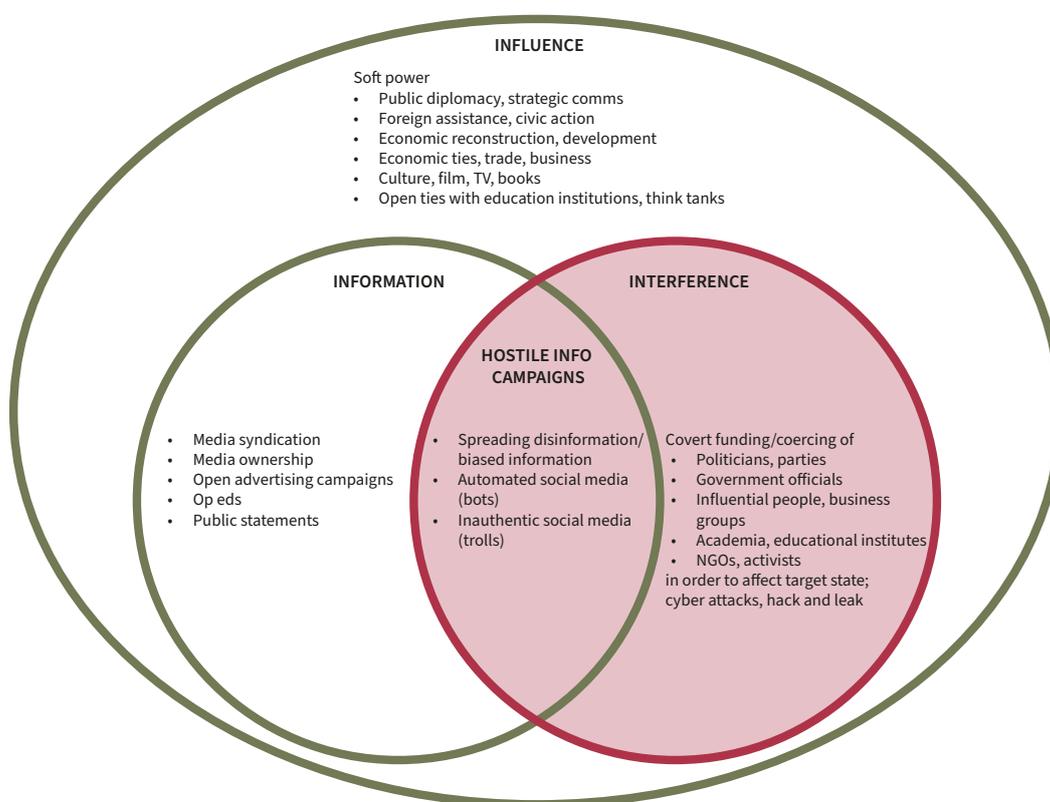
39. Rahman et al., ‘Cases of Foreign Interference in Asia’.

40. Joseph S Nye Jr, ‘Soft Power’, *Foreign Policy* (No. 80, Autumn 1990), pp. 153–71.

41. Royston Sim, ‘Select Committee on Fake News: 22 Recommendations Unveiled to Combat Online Falsehoods’, *Straits Times*, 20 September 2018, <<https://www.straitstimes.com/singapore/select-committee-on-fake-news-22-recommendations-unveiled-to-combat-online-falsehoods>>, accessed 4 May 2022.

European scholars to describe Russian activities in hybrid warfare.⁴² There is no official or statutory definition in Singapore, but HICs usually describes covert or coordinated attempts by malign actors to penetrate different segments and levels of society to create and spread information that will manipulate public sentiment and harm national interests.⁴³ This chapter uses the term ‘HICs’ to refer to information operations that are hostile actions.

Figure 1: RSIS Framework for Influence, Information and Interference



Source: Muhammad Faizal Bin Abdul Rahman et al., ‘Cases of Foreign Interference in Asia’, RSIS Policy Report, 26 March 2020, p. 8, <<https://www.rsis.edu.sg/rsis-publication/cens/cases-of-foreign-interference-in-asia/#.YfuBT5pBzIU>>, accessed 3 February 2022.

In contrast, Southeast Asian states will not tolerate ‘information operations’ that are undertaken Interference, as defined in the RSIS framework, is the other unacceptable means of influence exerted by malign actors, where the malign actor acts (with or without information operations) with hostile intent to disrupt the politics and policies of the target state deliberately, covertly and deceptively. These actions include covert funding (bribes) or coercion (blackmail) of

42. Holger Mölder et al. (eds), *The Russian Federation in Global Knowledge Warfare: Influence Operations in Europe and Its Neighbourhood* (Cham: Springer, 2021).

43. Damien D Cheong, Stephanie Neubronner and Kumar Ramakrishna, ‘Foreign Interference in Domestic Politics: A National Security Perspective’, RSIS Policy Report, 9 April 2020.

politicians and political parties, government officials, influential people and business groups, NGOs and activists, academics, and educational institutions. Accusations of foreign interference in elections have been made in Malaysia and the Philippines, but lie beyond the scope of this chapter.⁴⁴

These definitions, particularly the element of covert action to disrupt states, can be applied to several recent reports on China's growing influence in Southeast Asian media, highlighting that China's Xinhua News Agency has established content exchange deals with many Southeast Asian news services and that Chinese chambers of commerce have sponsored trips for journalists.⁴⁵ These actions would not fall within the RSIS definition of HICs because they are public, not covert, and they seek to create a positive view of China, not to harm the target states. Southeast Asian states do not appear to be raising alarms over these actions and note that Western news agencies and businesses also do the same. However, if any malign actor were to carry out similar actions covertly, the response might be different.

Measuring the Volume of Hostile Information Campaigns

HICs can obscure themselves by employing different media and channels to address different segments of society. Sometimes the target state may detect unusual activity during times of tension between states, which the target state then attributes to HICs.

For example, when Singapore and Malaysia were disputing maritime and airspace issues in 2018, Singapore noticed a 'curious spike' in online comments critical of Singapore on social media, using anonymous accounts, and instances where 'avatar accounts' (that is, accounts whose profile photos do not show the user's face) accounted for about 40% of comments on the social media pages of alternative media.⁴⁶ While Singapore described this as an HIC, it did

44. Erin Cook, 'The "Foreign Interference" Blame Game in Malaysia's Upcoming Election', *The Diplomat*, 23 March 2018; Alan Robles and Raissa Robles, 'The Manchurian Candidate: Why China's Interest in the Philippine Election is Under Scrutiny as Duterte Prepares to Leave Office', *South China Morning Post*, 20 November 2021, <<https://www.scmp.com/week-asia/politics/article/3156732/manchurian-candidate-concerns-rise-over-puppet-politicians>>, accessed 4 May 2022.

45. Sarah Cook, 'Beijing's Global Megaphone', Freedom House, Special Report, 2020, <<https://freedomhouse.org/report/special-report/2020/beijings-global-megaphone>>, accessed 3 February 2022; Teeranai Charuvastra, 'China, as Told by China: Beijing's Influences Reach Thai Media and Beyond', Heinrich Böll Foundation, Southeast Asia Regional Office, 28 December 2019, <<https://th.boell.org/en/2019/12/28/china-told-china-beijings-influences-reach-thai-media-and-beyond>>, accessed 3 February 2022; Sarah Cook, 'China's Global Media Footprint: Democratic Responses to Expanding Authoritarian Influence', National Endowment for Democracy, February 2021, <<https://www.ned.org/wp-content/uploads/2021/02/Chinas-Global-Media-Footprint-Democratic-Responses-to-Expanding-Authoritarian-Influence-Cook-Feb-2021.pdf>>, accessed 3 February 2022.

46. Adrian Lim, 'Parliament: "Curious" Spike in Online Comments Critical of S'pore During Dispute with Malaysia, Says Edwin Tong', *Straits Times*, 12 February 2019, <<https://www.straitstimes.com>>

not attribute the action to any state. However, the minister for home affairs noted in Parliament in 2019 that when states are in conflict, one can use an HIC to destabilise the other.⁴⁷ For the purposes of this chapter, these actions appear to constitute an HIC because they are covert and coordinated actions (anonymous accounts) aimed at manipulating sentiment against the interests of the target state (turning Singaporean public sentiment against the country's position on maritime and airspace rights).

Singapore considers HICs such a 'live and serious threat' that it convened a Select Committee on Deliberate Online Falsehoods in 2018, with public oral representations from 65 individuals and organisations. This event culminated in a 176-page report which found that Singapore 'has been and will continue to be a target of hostile information campaigns' which attack the country's national security, racial harmony, democratic processes, social cohesion and trust in public institutions.⁴⁸ Singapore has since passed legislation against deliberate online falsehoods (Protection from Online Falsehoods and Manipulation Act) and foreign interference (FICA).

Cases of Hostile Information Campaigns

While various Southeast Asian states have detected, or at least strongly suspected, cases of HICs, there is no published research measuring the impact of these campaigns. There are no published datasets that contain data which is observable, replicable and verifiable. These criteria would be necessary for measuring impact, for example using a model like the Breakout Scale from Brookings, which measures impact based on whether information remains on one platform or travels across multiple platforms, and whether it remains in one community or is spread through many communities.⁴⁹ However, this requires data-gathering and analytics capabilities that are either lacking in Southeast Asian states or are only available to state intelligence services and are kept classified.

This is a global issue, as empirical research on the impacts of such operations, such as altering beliefs, changing voting behaviour or inspiring political violence, is still limited and is focused on Western countries and their platforms.⁵⁰ However, since some of the known studies show that

com/politics/parliament-curious-spike-in-online-comments-critical-of-spore-during-dispute-with-malaysia>, accessed 10 November 2022.

47. K Shanmugam, speech given at Committee of Supply Debate 2019 on Safeguarding Singapore Against Emerging Threats, 1 March 2019, <<https://www.mha.gov.sg/mediaroom/parliamentary/committee-of-supply-debate-2019-on-safeguarding-singapore-against-emerging-threats---speech-by-mr-k-shanmugam-minister-for-home-affairs-and-minister-for-law/>>, accessed 10 November 2022.
48. Sim, 'Select Committee on Fake News'.
49. Ben Nimmo, 'The Breakout Scale: Measuring the Impact of Influence Operations', Brookings, September 2020, <<https://www.brookings.edu/research/the-breakout-scale-measuring-the-impact-of-influence-operations/>>, accessed 15 July 2022.
50. Jon Bateman et al., 'Measuring the Effects of Influence Operations: Key Findings and Gaps from Empirical Research', Carnegie Endowment for International Peace, 28 June 2021, <<https://>

targeted information operations can lead to increased political violence in settings of conflict or civil unrest, the threat posed by such operations cannot be dismissed.⁵¹

Further research is needed, especially in Southeast Asian states, to measure the impact of these operations. This will require funding, access to data, cross-disciplinary cooperation and, above all, the political will to drive these factors.

Singapore

Leading up to the introduction of legislation against HICs, Singapore has highlighted several instances of information operations conducted by foreign malign actors. Some of these are decades old, and they do not involve China, Russia, Iran or North Korea, but, importantly, they do illustrate that Singapore does not welcome foreign interference from either east or west.

In 1964, a Singaporean businessman received a substantial loan from high-ranking officials of a communist intelligence service based in Hong Kong to establish the *Eastern Sun*, an English-language daily newspaper in Singapore, giving these officials access to the press in Singapore.⁵² The businessman confessed and the paper closed with the resignation of the editorial staff.⁵³ This fits the definition of an HIC because it was a covert action (the loan was private) to manipulate sentiment against the target state's interests (Singapore was fighting communism at the time).

In 1971, Singapore revoked the licence of the *Singapore Herald* for spreading misinformation to work up feelings against Singapore's compulsory military service policy, and expelled three foreign journalists working for the newspaper.⁵⁴ One of the paper's primary investors was Donald Stephens, then Malaysian high commissioner to Australia. This also fits the definition of an HIC because it was a coordinated action to manipulate sentiment against the target state's interests (Singapore was building its defence force at the time).

A Hoover Institution report, *China's Influence and American Interests: Promoting Constructive Vigilance*, has observed that in 2016, when Singapore became ASEAN country coordinator, Chinese diplomats called on Singapore to manage ASEAN's discussion on South China Sea issues, while messages began to appear on social media that appeared to 'instil a fatalistic acceptance of the inevitability and desirability of a Chinese identity for multiracial Singapore and to get Singaporeans – and not just Chinese Singaporeans – to pressure the government

carnegieendowment.org/2021/06/28/measuring-effects-of-influence-operations-key-findings-and-gaps-from-empirical-research-pub-84824>, accessed 15 July 2022.

51. *Ibid.*

52. National Archives of Singapore, 'Singapore Government Statement', 15 May 1971, <http://www.nas.gov.sg/archivesonline/data/pdfdoc/SGPress_3_15.5.71.pdf>, accessed 10 November 2022.

53. Henedick Chng, '3 Local Newspapers Spread Misinformation Under "Black Operations" and Were Taken to Task in 1971', *Mothership*, 11 January 2018, <<https://mothership.sg/2018/01/1971-fake-news-black-operations/>>, accessed 10 November 2022.

54. *Ibid.*; *New York Times*, 'Singapore Expelling 3 Foreign Newsmen', 18 May 1971.

to align Singapore's national interests with China's interests'.⁵⁵ These messages have not been attributed to any actor, but the report notes that they 'resemble arguments made in the Chinese media, in particular the *Global Times*'.

Already mentioned is the more recent 2018 spike in social media comments critical of Singapore at a time when neighbouring Malaysia and Singapore were in the midst of maritime and airspace disputes. The comments covered not only maritime and airspace, but also traffic jams at land checkpoints.⁵⁶

Malaysia

Malaysia has also alleged HICs without using the same terminology, but the circumstances are murky. This section draws on the work of Gulizar Hacıyakupoglu to analyse the allegations.⁵⁷ In 2018, the government urged foreign press to stop circulating 'fake news' that might damage then-prime minister Najib Razak's campaign for the 14th general election.⁵⁸ The news reports alleged that millions of US dollars misappropriated from deposits in 1 Malaysia Development Berhad (1MDB), a government-owned investment fund, had gone into Najib's personal account.⁵⁹ However, a subsequent post-election criminal investigation of Najib has shown that the reports may have been accurate, and not an HIC. In any event, this does not exactly fit the definition of an HIC because the news stories were public and not covert or coordinated.

Throughout the 2018 election campaign, leading politicians accused rival party members of inviting foreign interference or receiving foreign funding or support. Without substantiation or evidence, these appear to have been attempts at discrediting rivals and deflecting from real issues, rather than actual instances of foreign interference or HICs.⁶⁰

This is not to say that there is no real threat of foreign HICs in Malaysia. The Atlantic Council's Digital Forensic Research Lab (DFRLab) found that in the same election, Twitter bots (automated inauthentic accounts used to artificially inflate numbers of engagements online and manipulate public opinion) with Cyrillic names were responsible for two hashtag campaigns, #SayNOtoPH and #KalahkanPakatan (Defeat Pakatan). DFRLab suggested that the bots were generated by Russian-speaking 'bot herders' on behalf of the then-ruling National Front (Barisan Nasional) party or its

55. Larry Diamond and Orville Schell (eds), *China's Influence and American Interests: Promoting Constructive Vigilance* (Stanford, CA: Hoover Institution, 2019), pp. 197–98.

56. Lim, 'Parliament'.

57. Gulizar Hacıyakupoglu, 'The "Fake News" Label and Politicisation of Malaysia's Elections', *Defence Strategic Communications* (Vol. 5, No. 1, Autumn 2018), pp. 87–127.

58. *Ibid.*, p. 92.

59. *The Guardian*, 'Malaysian Taskforce Investigates Allegations \$700m Paid to PM Najib', 6 July 2015; *Straits Times*, '1MDB: Malaysia's Extraordinary Financial Scandal', 3 July 2018, <<https://www.straitstimes.com/asia/se-asia/1mdb-malaysias-extraordinary-financial-scandal>>, accessed 10 November 2022.

60. Hacıyakupoglu, 'The "Fake News" Label and Politicisation of Malaysia's Elections'.

supporters,⁶¹ so it remains in question whether the malign actors ultimately responsible for the campaign were foreign or domestic. In any event, this action could fit the definition of an HIC because it was a covert action (by artificial accounts) to manipulate public sentiment, arguably against the interests of the target state (to keep an allegedly corrupt government in power).

The Philippines

In 2020, Facebook announced that it had removed two networks for violating its policy against ‘foreign or government interference’ that consists of ‘coordinated inauthentic behaviour’ (multiple fake accounts sharing similar information to manipulate public opinion). One of these networks originated from individuals in Fujian, China, and the other from the Philippines.

The first network, with 155 accounts, 11 pages, nine groups and six Instagram accounts, originated in China and focused on the Philippines and Southeast Asia. It supported Chinese naval activity in the South China Sea, then-president Rodrigo Duterte, and the potential run of Duterte’s daughter for the 2022 presidential election, and criticised *Rappler*, a media outlet that is a vocal opponent of the president.⁶² Graphika Labs analysed the dataset and noted that its other content reflected Chinese messaging on issues such as the Hong Kong protests, Taiwan’s independence and the Covid-19 pandemic.⁶³

This campaign is interesting because it only spent \$60 on advertising, it could not be conclusively attributed to a state actor and, importantly, it supported the ruling government and criticised its opponents. The target state would not be inclined to label this as an HIC because the action, although covert and coordinated (inauthentic accounts), was arguably not against the interests of the target state (nor the ruling government).

The second network of coordinated inauthentic behaviour originated in the Philippines and focused on domestic political issues for domestic audiences.⁶⁴

Indonesia and Myanmar

The Malaysian and Philippines examples illustrate an inconvenient reality of information operations in Southeast Asia: domestic malign actors account for most of the reported cases, and in some cases governments are accused of being the sources of domestic disinformation.

61. Donara Barojan, ‘#BotSpot: Bots Target Malaysian Elections’, DFRLab, 20 April 2018, <<https://medium.com/dfrlab/botspot-bots-target-malaysian-elections-785a3c25645b>>, accessed 7 December 2022.

62. Nathan Gleicher, ‘Removing Coordinated Inauthentic Behavior’, Meta, 22 September 2020, <<https://about.fb.com/news/2020/09/removing-coordinated-inauthentic-behavior-china-philippines/>>, accessed 10 November 2022.

63. Ben Nimmo, C Shawn Eib and Léa Ronzaud, ‘Operation Naval Gazing’, Graphika Labs, 22 September 2020, <<https://graphika.com/reports/operation-naval-gazing/>>, accessed 10 November 2022.

64. Gleicher, ‘Removing Coordinated Inauthentic Behavior’.

Allegations of foreign interference or foreign information operations are used as election tactics to discredit rivals, or to suppress criticism of government policies and politicians, or to dismiss opposing views of any sort.

In Indonesia, observers have reported on ‘cyber troops’ (groups tasked with manipulating public opinion online on behalf of political parties or the government) that overlap with ideologically motivated groups and social media influencers supporting the same causes.⁶⁵ The cyber troops’ activities include micro-targeting messages and ‘trolling’ (harassing) opponents and journalists.⁶⁶ Both major opposing parties in the recent elections are reported to have employed ‘buzzers’ and ‘micro-celebrities’ to run multiple fake accounts to share political narratives for their respective parties.⁶⁷ One information campaign in 2016 targeted the then governor of Jakarta, Basuki Tjahaja Purnama (known as Ahok), and resulted in hundreds of thousands protesting on the streets of Jakarta.⁶⁸

In the 2020 Myanmar elections, politicians and the military are alleged to have spread rumours, misinformation and disinformation through social media, print media and word of mouth to target political opponents and minority groups. The extremist Ma Ba Tha movement is alleged to have used disinformation campaigns targeting the then-ruling National League for Democracy party, then-state counsellor of Myanmar Aung San Suu Kyi, and Rohingya/Muslims.⁶⁹

This came after the tragic inter-ethnic conflict in Myanmar in 2017, where the UN recognised that elements of the Myanmar army had committed genocide and ethnic cleansing against the Muslim Rohingya minority, fuelled in large part by hate speech and disinformation that had been spreading from at least 2014 to 2017 on Facebook, often through accounts and pages controlled by the Myanmar army.⁷⁰

65. Samantha Bradshaw and Philip N Howard, ‘The Global Disinformation Order: 2019 Global Inventory of Organised Social Media Manipulation’, Computational Propaganda Research Project, Oxford Internet Institute, 2019, p. 9, <<https://demtech.oii.ox.ac.uk/research/posts/the-global-disinformation-order-2019-global-inventory-of-organised-social-media-manipulation/>>, accessed 10 November 2022.

66. *Ibid.*, p. 1.

67. Fanny Potkin and Agustinus Beo Da Costa, ‘In Indonesia, Facebook and Twitter are “Buzzer” Battlegrounds as Elections Loom’, *Reuters*, 13 March 2019.

68. Jennifer Yang Hui and Jordan Newton, ‘Toxic #Cybercampaigns: The Muslim Cyber Army Versus Militant Pluralism’, Global Network on Extremism and Technology, 2 October 2020, <<https://gnet-research.org/2020/10/02/toxic-cybercampaigns-the-muslim-cyber-army-versus-militant-pluralism/>>, accessed 10 November 2022.

69. Hunter Marston, ‘The Myanmar 2020 Elections: The Role of Fake News and Disinformation’, in Muhammad Faizal Bin Abdul Rahman (ed.), ‘RSIS Webinar Series on “DRUMS: Distortions, Rumours, Untruths, Misinformation and Smears”’, RSIS Event Report, December 2020, pp. 19–22.

70. Alan Davis, ‘Hate Speech in Myanmar: The Perfect Storm’, in Shashi Jayakumar, Benjamin Ang and Nur Diyanah Anwar (eds), *Disinformation and Fake News* (Singapore: Palgrave Macmillan, 2021), pp. 103–14.

The Indonesia and Myanmar cases could be described as HICs because they were covert actions (fake accounts) or coordinated actions (pages controlled by the Myanmar army) aimed at manipulating sentiment against the interests of the target state (inciting unrest or violence against certain groups), even though the malign actor may have been the ruling government.

Ideological Groups

Southeast Asian states also face information operations from malign actors who are loosely organised but share a common ideology or belief that can be dangerous when it morphs into extremism. This includes Hindu extremists, Muslim extremists and Buddhist extremists, who spread hate speech through social media, leading to lynching and other forms of violence.⁷¹ It also includes ‘anti-vaxxers’ spreading Covid-19 misinformation during the pandemic, which is seriously undermining public health efforts in Southeast Asian states.⁷² The prominent anti-vaxxer groups in Southeast Asia appear to be domestic and not controlled by foreign malign actors, although they draw much of their material from foreign sources.⁷³ Are these groups malign actors, victims of deception, ‘useful idiots’ or some combination thereof? Did they seek out the foreign information, or was it pushed to them? If a foreign state is responsible for creating or promoting Covid-19 misinformation in the first place (as Russia and China have both been accused of⁷⁴), does this make the foreign state ultimately responsible as the malign actor, even if the affected state was not a direct target? All these questions merit investigation and further research.

Government Countermeasures and Reactions

The countermeasures that governments in Southeast Asia have taken against information operations include:

- Promoting public education, digital literacy and critical thinking: Singapore has launched initiatives for students, young adults and senior citizens, such as the Better Internet

71. Jeremy Liebowitz et al., ‘The Digitalization of Hate Speech in South and Southeast Asia: Conflict-Mitigation Approaches’, *Georgetown Journal of International Affairs*, 5 May 2021, <<https://gjia.georgetown.edu/2021/05/05/the-digitalization-of-hate-speech-in-south-and-southeast-asia-conflict-mitigation-approaches/>>, accessed 4 February 2022.

72. *South China Morning Post*, ‘How Vaccine Disinformation, Hesitancy is Undermining Southeast Asia’s Virus Response’, 1 July 2021, <<https://www.scmp.com/news/asia/southeast-asia/article/3139405/how-vaccine-disinformation-hesitancy-undermining-southeast>>, accessed 4 February 2022.

73. Ng Jun Sen, ‘Anti-Vaccination Videos by Healing the Divide Group Removed by YouTube: MOH’, *Today*, 7 November 2021, <<https://www.todayonline.com/singapore/anti-vaccination-videos-healing-divide-group-removed-youtube>>, accessed 10 November 2022.

74. Christian Johnson and William Marcellino, ‘Reining in Covid-19 Disinformation from China, Russia, and Elsewhere’, *RAND Blog*, 19 November 2021, <<https://www.rand.org/blog/2021/11/reining-in-covid-19-disinformation-from-china-russia.html>>, accessed 4 February 2022.

Campaign (which aims to help students become responsible and ethical users of the internet) and the National Library Board's SURE (Source, Understand, Research, Evaluate) programme (which trains individuals to identify fake news).⁷⁵

- Passing legislation against spreading misinformation or disinformation: Singapore has passed the Protection from Online Falsehoods and Manipulation Act 2019 (POFMA), and Malaysia passed the Anti-Fake News Act, though the latter was subsequently repealed.⁷⁶
- Working with social media platforms: YouTube has taken down videos containing false claims about vaccination by an anti-vaccination group based in Singapore called Healing the Divide. This action was praised by Singapore's Ministry of Health.⁷⁷
- Providing clear communications, especially to counter falsehoods: Singapore health authorities use a multi-channel communication strategy to share Covid-19 information and policies, including press conferences by the Multi-Ministry Taskforce, print media, TV, and dedicated Telegram channels and WhatsApp groups.⁷⁸
- Fact-checking: The Singaporean and Malaysian governments do this with their Factually and Sebenarnya websites, respectively.⁷⁹ The weakness of this approach is that people who believe in conspiracy theories are unlikely to believe government fact checks, and people generally may not trust fact checks that appear to be partisan.⁸⁰

Focus on Legislation as a Countermeasure

Under POFMA, the government can issue 'correction directions' that require social media platforms to display correction notices to their users in Singapore, next to the information or post that is labelled as an online falsehood. Since the start of the global pandemic, Singapore has issued several correction directions under POFMA against Facebook, Twitter and media company SPH magazines over false claims about Covid-19.⁸¹ These corrections were generally welcomed by the public.

75. Muhammad Faizal Bin Abdul Rahman et al., 'Countermeasures Against Foreign Interference', RSIS Policy Report, April 2020, p. 16.

76. On POFMA, see *ibid.*, pp. 21–22.

77. Singapore Ministry of Health, 'Removal of Content from YouTube Channel for Violating Community Guidelines', <https://www.moh.gov.sg/news-highlights/details/removal-of-content-from-youtube-channel-for-violating-community-guidelines_7Nov2021>, accessed 4 February 2022.

78. Dymphles Leong, "'Infodemic': More Than a Public Health Crisis", RSIS Commentary No. 123, 17 June 2020, <<https://www.rsis.edu.sg/rsis-publication/cens/global-health-security-covid-19-and-its-impacts-infodemic-more-than-a-public-health-crisis>>, accessed 4 February 2022.

79. See Singapore Government, 'Factually', <<https://www.gov.sg/factually>>, accessed 10 November 2022; Sebenarnya, <<https://sebenarnya.my>>, accessed 10 November 2022.

80. Shawn Goh and Carol Soon, 'Governing the Information Ecosystem: Southeast Asia's Fight Against Political Deceit', *Public Integrity* (Vol. 21, No. 5, 2019), pp. 523–36.

81. *Yahoo! News*, 'COVID: POFMA Orders Issued Over False "Singapore Variant" Claims', 20 May 2021.

However, during the 2020 general election, the authorities issued correction directions about certain comments made by opposition politicians, some of which were critical of the government. This raised fears that POFMA was being used to silence criticism of the government.⁸² One scholar suggests that POFMA could diminish public trust in this way, citing the ruling government's diminished performance in the 2020 general election as an indication of a fall in public trust.⁸³

Singapore also passed FICA in 2021, to prevent foreign entities from using HICs and local proxies (called 'politically significant persons' in the Act) to interfere in Singapore's politics, including acts of foreign interference 'by covert means using electronic communications'. The minister for law clarified in Parliament that FICA did not apply to Singaporeans acting of their own accord, foreigners who made open, attributable comments, or foreign political observers and commentators.⁸⁴ Rather, it would cover instances where a foreign state (or its proxies) covertly offers a local politician or journalist incentives to influence what they say in public.

It has been suggested that some other Southeast Asian governments are less likely to use legislation against disinformation campaigns since Malaysia repealed its Anti-Fake News Act in 2018 and the Philippines did not pass its proposed law against fake news.⁸⁵

However, laws against disinformation or fake news are clearly being used by other Southeast Asian governments, such as Vietnam's Cyber Security Law (which covers false information on social media) and Indonesia's Information and Electronic Transactions Act. Prosecutions have been made in Thailand and Indonesia for allegedly spreading false information about Covid-19, and even in Malaysia, a journalist has been arrested for her social media posts on the subject. The speed of these actions and gaps in government accountability have raised fears from local critics and Western observers that Southeast Asian governments might use the pandemic as an excuse to suppress unfavourable content.⁸⁶

82. John Geddie, 'Singapore's Fake News Law Trips Up Opposition as Election Looms', *Reuters*, 6 July 2020.

83. Tan Zhi Han, 'Protection from Online Falsehoods and Manipulation Act (POFMA): Regulating Fake News to Maintain Public Trust in Singapore', Konrad Adenauer Foundation, <https://www.kas.de/documents/288143/11133938/Panorama_Trust_TanZhiHan.pdf/898f786c-229e-b2c6-a4d3-1b1e22128035?t=1608692256696>, accessed 10 November 2022.

84. Vanessa Lim and Ang Hwee Min, 'Not True that FICA Seeks to Curtail "Normal Interactions" with Foreigners: Shanmugam', *Channel News Asia*, 4 October 2021, <<https://www.channelnewsasia.com/singapore/foreign-interference-law-fica-does-not-curtail-normal-interactions-foreigners-shanmugam-parliament-2220516>>, accessed 3 February 2022.

85. Goh and Soon, 'Governing the Information Ecosystem'.

86. *VOA News*, 'Coronavirus Puts Southeast Asian Anti-Fake News Laws to Test', 13 February 2020, <https://www.voanews.com/a/science-health_coronavirus-outbreak_coronavirus-puts-southeast-asian-anti-fake-news-laws-test/6184212.html>, accessed 5 May 2022.

Government as the Threat Actor

Governments in Southeast Asia have a special dilemma in responding to information operations, because they are often accused of being perpetrators in the first place, as discussed above. Existing legislation is seen as already infringing on freedom of expression, and government actions are seen as another way to suppress dissent.⁸⁷

In this environment, the burden has fallen on non-governmental fact-checking efforts instead, such as the Thai News Agency's Sure and Share Center and Indonesia's Fakta atau Hoax (Fact or Hoax) and Mafindo projects.⁸⁸ In Myanmar, civil society organisations such as Panzagar, Myanmar ICT for Development Organisation, the Myanmar Tech Accountability Network and Phandeeayr work to mitigate social media risks, running anti-hate speech campaigns and fact-checking propaganda emails.⁸⁹ In the Philippines, the *Rappler* media organisation reports on the spread of government propaganda on social media, as well as misogyny, human rights violations, and corruption in government. In response, the government has accused *Rappler* and its editor, Nobel Prize laureate Maria Ressa, of spreading disinformation and has levied criminal charges, including a conviction for cyber libel.⁹⁰

Conclusion

From this brief survey of information operations in Southeast Asia, it can be seen that hostile actions can be carried out by domestic entities, including political parties and even the ruling government, with no discernible support from overseas. While the impact on the public is no less negative – polarisation, mutual distrust, spread of dangerous false information – the domestic source makes countermeasures difficult, especially where the government is suspected of using such measures to stifle legitimate free speech, or where trust in government is already low.

A comprehensive set of countermeasures must then come from a whole-of-society effort, since Southeast Asian governments cannot provide them alone. Journalists, fact-checkers, NGOs, educators, governments, social media platforms, influential persons and ordinary citizens all have different parts to play. At the same time, however, these entities may be contesting each other for the information space or may have opposing ideas of what information is acceptable or not. It remains to be seen whether they will be able to put aside their differences and cooperate enough to counter the hostile information operations coming from malign actors.

87. Goh and Soon, 'Governing the Information Ecosystem'.

88. Thai News Agency, 'Sure and Share', <<https://tna.mcot.net/category/sureandshare>>, accessed 10 November 2022; Bikara Fakta, 'Fact Check', <<https://cekfakta.tempo.co>>, accessed 10 November 2022; Mafindo, 'About Us', <<https://www.mafindo.or.id>>, accessed 10 November 2022.

89. Marston, 'The Myanmar 2020 Elections'.

90. *BBC News*, 'Maria Ressa: The Celebrated Philippine News Boss Enraging Duterte', 8 October 2021.

III. Asia's Soft Underbelly: Co-optation, Corrosive Interference and Chaotic Governance in Southeast Asia

Richard Javad Heydarian

WHEN CANBERRA ANNOUNCED the scrapping of its conventional submarine deal with France upon the announcement of the AUKUS (Australia–UK–US) security partnership, there was predictable outrage in Paris and, by extension, across the EU. However, arguably the most bizarre response to the AUKUS deal came from the least expected quarters. In theory, Southeast Asian countries should have welcomed the enhancement of a US-led 'integrated deterrence' strategy against China. ASEAN has proven largely ineffectual in constraining Chinese coercion in the South China Sea, for example, where Beijing has rapidly expanded its military and paramilitary footprint. Southeast Asian states would be beneficiaries of a more proactive Australian defence role across the Indo-Pacific, and any Australian nuclear-powered submarine would almost certainly be deployed to the South China Sea under the auspices of AUKUS in the coming decades. Yet, shortly after the AUKUS announcement, key ASEAN members turned into vocal naysayers, largely echoing Beijing's narrative.

The region's largest country, Indonesia, quickly stated that it was 'deeply concerned over the continuing arms race and power projection in the region' without mentioning China's rapidly expanding naval presence in the area, well into Indonesia's waters in the North Natuna Sea.⁹¹ Malaysia, recently at the receiving end of Chinese harassment within its exclusive economic zones in the southern portions of the South China Sea, turned the whole affair into a test of loyalty to Beijing. Kuala Lumpur accused the AUKUS alliance of stoking tensions by 'openly regard[ing] China as a possible enemy'.⁹² Malaysia's defence minister, Hishammuddin Hussein, during a parliamentary inquiry, announced a surprise short working trip to Beijing in order to understand Beijing's views on AUKUS.⁹³ Vietnam and Singapore made largely oblique statements, falling

91. Kate Lamb and Agustinus Beo Da Costa, 'Indonesia Warns Against Arms Race After Australian Nuclear Sub Pact', *Reuters*, 17 September 2021.

92. Emma Connors, "'You Have Escalated the Threat": Mahathir Blasts Australia on Subs', *Financial Review*, 21 September 2021, <<https://www.afr.com/world/asia/mahathir-aukus-makes-armed-conflict-with-china-more-likely-20210921-p58ti7>>, accessed 10 November 2022.

93. Hadi Azmi, 'Aukus Fallout: Malaysia Plans China Consultations as Anxiety Simmers over Defence Pact', *South China Morning Post*, 22 September 2021, <<https://www.scmp.com/week-asia/economics/article/3149713/malaysia-plans-china-consultations-anxiety-simmers-over-aukus>>, accessed 10 November 2022.

short of an open endorsement.⁹⁴ Responses from US treaty allies in the region were far from reassuring; having tilted closer to China in recent years, Thailand, for example, proved unreliable, and in the Philippines, there were contradicting messages from then-president Rodrigo Duterte and his foreign secretary, Teodoro Locsin.⁹⁵

Acrimony over AUKUS has revealed three important characteristics of Southeast Asian states. First, the episode laid bare long-simmering geopolitical fault lines in Southeast Asia amid continuing Sino-American rivalry. Regional states have very divergent threat perceptions, including what represents a ‘hostile’ foreign state actor. Most Southeast Asian countries, with the possible exceptions of Vietnam and the Philippines, do not openly describe China’s expanding military capabilities as a national security threat. Neither is Russia seen as a national security threat – in fact, Russia has become the largest arms supplier to the region amid burgeoning strategic and defence ties with not only traditional partners such as Vietnam and Myanmar, but also Indonesia, Malaysia and potentially even the Philippines. In response to Russia’s invasion of Ukraine, Singapore was the only regional state to impose sanctions on Moscow; the key regional states of Vietnam and the Philippines even expressed their commitment to maintaining robust defence ties with Moscow amid a new barrage of Western sanctions on Russia.⁹⁶

Despite frequent warnings by regional commentators, hardly a single Southeast Asian country has officially identified Russia or China as a potential source of foreign interference, including during regular elections across the region.⁹⁷ In fact, democratic countries such as the Philippines have witnessed a rapid increase in the number of local journalists, especially those from state-affiliated media and non-mainstream outlets, as well as influencers, especially those accused of buttressing pro-government ‘troll farms’, receiving ‘training’ during official visits to Beijing or Moscow. In 2017, party-to-party cooperation also took place between the then-ruling party in the Philippines (Partido Demokratiko Pilipino – Lakas ng Bayan (PDP-Laban)) and its counterparts

94. Singapore Ministry of Foreign Affairs, ‘Minister for Foreign Affairs Dr Vivian Balakrishnan’s Written Reply to Parliamentary Question’, 5 October 2021, <<https://www.mfa.gov.sg/Newsroom/Press-Statements-Transcripts-and-Photos/2021/10/20211005-written-reply-to-AUKUS-PQ>>, accessed 10 November 2022; Tu Anh, ‘Vietnam Spells Out Stance on AUKUS’, *Hanoi Times*, 23 September 2021, <<https://hanoitimes.vn/vietnam-spells-out-stance-on-aucus-318802.html>>, accessed 10 November 2022.

95. See Richard Javad Heydarian, ‘Strategic Gamble: How AUKUS Divided US Allies’, *China–US Focus*, 26 October 2021, <<https://www.chinausfocus.com/peace-security/strategic-gamble-how-aucus-divided-us-allies/>>, accessed 10 November 2022.

96. For more analysis, see Richard Javad Heydarian, ‘Fallout: Ukraine Crisis Upends Russia’s Role in the South China Sea’, Asia Maritime Transparency Initiative, 25 March 2022, <<https://amti.csis.org/fallout-ukraine-crisis-upends-russias-role-in-the-south-china-sea/>>, accessed 10 November 2022.

97. Natashya Gutierrez, ‘Bots, Assange, An Alliance: Has Russian Propaganda Infiltrated the Philippines?’, *Rappler*, 26 February 2018, <<https://www.rappler.com/newsbreak/in-depth/196576-russia-propaganda-influence-interference-philippines/>>, accessed 10 November 2022.

in Russia and China.⁹⁸ The party has also signed a cooperation agreement with North Korea's Workers' Party of Korea.⁹⁹ Southeast Asian countries, notwithstanding their compliance with relevant UN-backed sanctions against Pyongyang, have continued engagement with North Korea despite the assassination of Kim Jong-nam in Malaysia in February 2017.¹⁰⁰

In Southeast Asian countries where religious extremism is a major concern, security experts and military officials appear to be preoccupied with the influence of US partners such as Saudi Arabia. Notwithstanding outbursts of sectarianism in neighbouring (Sunni-majority) Malaysia and Indonesia, especially against Muslim minority groups, both Southeast Asian countries have maintained largely constructive relations with Shia-majority Iran throughout the years.¹⁰¹

AUKUS has revealed the reluctance of regional states to directly criticise China. No ASEAN member has dared to criticise Beijing for its recent alleged hypersonic missile tests, expanding stockpile of nuclear warheads, and growing fleet of nuclear submarines. Furthermore, AUKUS has exposed deficiencies in coherent strategic thinking, institutional strength and political conviction among key Southeast Asian states. In the Philippines, the Duterte administration

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98. Hader Glang, 'Philippines and Russia Sign Deal to Better Relations: Duterte, Putin Ruling Parties Ink Memorandum', *Anadolu Agency*, 19 October 2017, <<https://www.aa.com.tr/en/asia-pacific/philippines-and-russia-sign-deal-to-better-relations/941675>>, accessed 10 November 2022; Dona Z Pazzibugan, 'PDP-Laban Out to Learn Ideology from Communist Party of China', *Inquirer.net*, 19 July 2017, <<https://globalnation.inquirer.net/158865/pdp-laban-learn-ideology-communist-party-china>>, accessed 10 November 2022; Raymond Carl Dela Cruz and Dennis Carcamo, 'PH Journos Take Part in China's Seminar for Media Practitioners', *Gov.ph*, 18 May 2019, <<https://www.pna.gov.ph/articles/1070144>>, accessed 10 November 2022; *Rappler*, 'Russian Disinformation System Influences PH Social Media', 22 January 2019, <<https://www.rappler.com/newsbreak/investigative/221470-russian-disinformation-system-influences-philippine-social-media/>>, accessed 10 November 2022; *BBC News*, 'Trolls and Triumph: A Digital Battle in the Philippines', 7 December 2016.
99. D J Yap, 'PDP-Laban to Send 4-Member Delegation to North Korea', *Inquirer.net*, 15 July 2018, <<https://globalnation.inquirer.net/168430/pdp-laban-delegation-to-north-korea>>, accessed 10 November 2022; Camille Elemia, 'After China, PDP-Laban Signs Deal with Putin's United Russia Party', *Rappler*, 18 October 2017, <<https://www.rappler.com/nation/185675-koko-pimentel-pdp-laban-united-russia-party/>>, accessed 10 November 2022; Camille Elemia, 'Duterte's PDP-Laban Inks Deal with North Korea's Party', *Rappler*, 8 August 2018, <<https://www.rappler.com/nation/209075-pdp-laban-signs-deal-with-north-korea-party/>>, accessed 10 November 2022.
100. Partly based on conversations with key officials during a 2018 visit to North Korea as part of an ASEAN delegation.
101. Mohd Fauzi Abu-Hussin and Asmady Idris, 'Malaysia Navigates the Sectarian Dimension of the Saudi-Iran Rivalry', *Middle East Institute, Commentary*, 8 August 2017, <<https://www.mei.edu/publications/malaysia-navigates-sectarian-dimension-saudi-iran-rivalry>>, accessed 8 December 2022; Robert Bates, 'Revitalized Interactions Between the Gulf and Indonesia', *Middle East Institute, Commentary*, 10 February 2022, <<https://www.mei.edu/publications/revitalized-interactions-between-gulf-and-indonesia>> accessed 8 December 2022.

struggled to form a single position, as multiple top officials adopted radically divergent positions on AUKUS. It is precisely the brittleness of governance structures across the region, with the notable exceptions of Singapore and Vietnam, that has made Southeast Asia particularly vulnerable to foreign corrosive influence and political co-optation. Winston Churchill once described Italy as the ‘soft underbelly’ of the axis powers.¹⁰² The same can be said about key US partners across Southeast Asia, which have openly courted warmer relations with authoritarian powers, namely China and Russia.

Varieties of Vulnerabilities

In terms of vulnerabilities to malign interference from external actors, Southeast Asia falls across a relatively wide spectrum. After all, regional states have differential agency in terms of insulating their core political institutions from predatory interference. Southeast Asia is a region of immense geopolitical potential and economic dynamism; it is also arguably the world’s most diverse region in terms of levels of economic development and types of government and political regimes, as well as population size and territorial expanse.¹⁰³ The core Southeast Asian states – the ‘ASEAN-6’ countries – have consistently enjoyed relatively high rankings in various international competitiveness indices. In the World Economic Forum’s *Global Competitiveness Report 2014–2015*, for instance, Singapore ranked second in the world, with Malaysia (20th), Thailand (31st), Indonesia (34th), the Philippines (52nd) and Vietnam (68th) performing relatively well among 144 countries.¹⁰⁴ The ASEAN-6 were also among the more competitive nations in the *Global Innovation Index 2020*, where Singapore ranked eighth among 131 countries, followed by Malaysia (33rd), Vietnam (42nd), Thailand (44th) and the Philippines (50th).¹⁰⁵

This economic dynamism, however, obfuscates institutional vulnerabilities across much of the region. A cursory look at key indicators of governance reveals unaccountable governance, corruption, weak institutional checks and balances, and democratic deficit. Southeast Asian states universally rank poorly in various indices such as the Press Freedom Index, Freedom House’s Freedom in the World reports, the Democracy Index and, with the notable exception

102. For the full and correct quotation and its context, see ‘Misquotation: “The Soft Underbelly of Europe”’, *Oxford Dictionary of Quotations*, <<https://oupacademic.tumblr.com/post/80920023780/misquotation-soft-underbelly-europe>>, accessed 10 November 2022.

103. Justin Wood, ‘Riding the ASEAN Elephant: How Business is Responding to an Unusual Animal’, Economist Corporate Network Report, February 2013, <http://ftp01.economist.com/hk/ECN_papers/ridingASEAN.pdf>, accessed 10 November 2022.

104. Klaus Schwab (ed.), *The Global Competitiveness Report 2014–2015* (Geneva: World Economic Forum, 2014), p. 13. For more recent rankings, see Klaus Schwab (ed.), *The Global Competitiveness Report 2019* (Geneva: World Economic Forum, 2019).

105. Soumitra Dutta, Bruno Lanvin and Sacha Wunsch-Vincent, *Global Innovation Index 2020: Who Will Finance Innovation?* (Geneva: Cornell, INSEAD and World Intellectual Property Organisation, 2020), <https://www.wipo.int/edocs/pubdocs/en/wipo_pub_gii_2020.pdf>, accessed 10 November 2022.

of Singapore, Transparency International's Corruption Perceptions Index.¹⁰⁶ Not one ASEAN country is considered to be a 'fully deepened' democracy by experts, with Indonesia, which enjoys the region's freest political regime, classified as a 'flawed democracy' in the Democracy Index and as 'partly free' by Freedom House.¹⁰⁷

Arguably, only Indonesia, Malaysia and the Philippines can be classified as 'minimalist-procedural' democracies, given their record of relatively competitive elections in recent years.¹⁰⁸ But even when a more relativistic 'varieties of democracy' approach is adopted, all three countries rank poorly in terms of press freedom, corruption and robustness of institutional checks and balances.¹⁰⁹ In both the Philippines and Indonesia, meanwhile, patterns of authoritarian populism and patronage politics have persisted in recent years, further eroding the institutional foundations of ASEAN's fledgling democracies.¹¹⁰

Conceptually and politically, the line between (legitimate) influence and malign interference is often unclear and hard to pin down. In practice, vectors of influence comprise grey-zone tactics providing plausible deniability to malign actors as well as their overseas clients. Thus, this chapter focuses in particular on what political scientist Christopher Walker has described as 'sharp power': a unique attribute of authoritarian superpowers, which seek to project their influence internationally, with the objectives of limiting free expression, spreading confusion and distorting the political environment within democracies.¹¹¹ Beyond targeting fledgling and established democracies, authoritarian superpowers can deploy a variety of means – from bribery to intimidation and disinformation – to co-opt and corrode vectors of power and

106. See Reporters Without Borders, '2021 Global Index', <<https://rsf.org/en/ranking/2021>>, accessed 10 November 2022; Freedom House, 'Countries and Territories', <<https://freedomhouse.org/countries/freedom-world/scores>>, accessed 10 November 2022; Economist Intelligence Unit, 'Democracy Index 2020: In Sickness and in Health?', 3 February 2021, <<https://www.eiu.com/n/campaigns/democracy-index-2020/>>, accessed 10 November 2022; Transparency International, 'Corruption Perceptions Index 2020', <<https://www.transparency.org/en/cpi/2020>>, accessed 10 November 2022, respectively.

107. For an in-depth analysis of 'democratic consolidation' and 'democratic deepening', see Larry Diamond, *Developing Democracy: Toward Consolidation* (Baltimore, MD: Johns Hopkins University Press, 1999).

108. See Joseph Schumpeter, *Capitalism, Socialism, and Democracy* (New York, NY: Harper Perennial, 1962); Adam Przeworski et al., *Democracy and Development: Political Institutions and Political Well-Being in the World, 1950–1990* (New York, NY: Cambridge University Press, 2000), pp. 1–36.

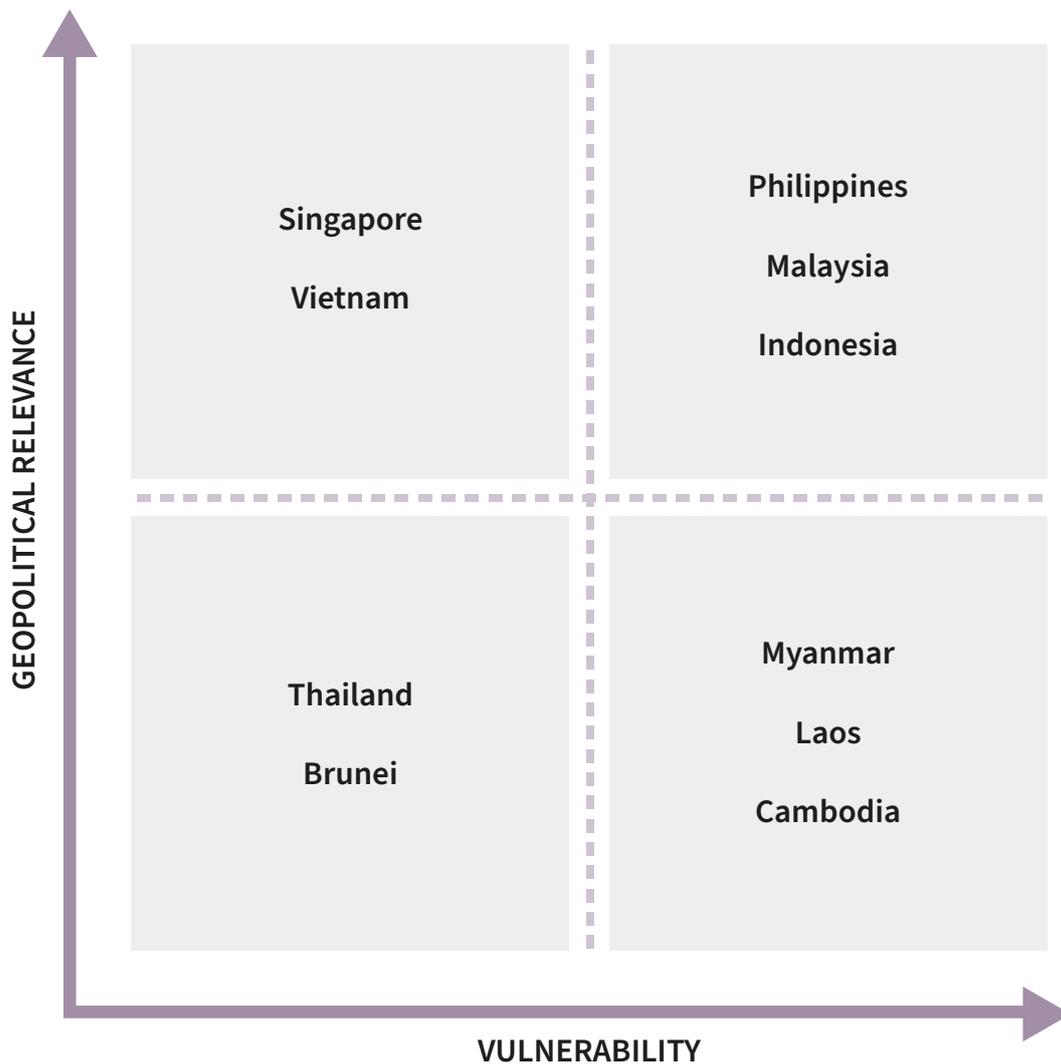
109. For an alternative methodological approach to measuring and qualifying 'democracy', see Varieties of Democracy, <<https://www.v-dem.net>>, accessed 10 November 2022.

110. See Richard Javad Heydarian, *The Rise of Duterte: A Populist Revolt Against Elite Democracy* (Singapore: Palgrave Macmillan, 2018); Richard Javad Heydarian, 'Penal Populism in Emerging Markets', in Gerald L Neuman (ed.), *Human Rights in a Time of Populism: Challenges and Responses* (Cambridge: Cambridge University Press, 2020), pp. 130–63.

111. Christopher Walker, 'What is "Sharp Power"?', *Journal of Democracy* (Vol. 29, No. 3, 2018), pp. 9–23.

decision-making in target countries, including spheres of mainstream as well as social media, civil society, and the broader business community, in addition to state institutions, political figures and political parties.

Figure 2: Vulnerability to Sharp Power in ASEAN Countries



Source:

As Joseph Nye argues, 'Beijing and Moscow have spent tens of billions of dollars to shape public perceptions and behaviour around the world' through the systematic deployment of 'tools new and old that exploit the asymmetry of openness between their own restrictive systems and democratic societies'.¹¹² In particular, sharp power can come in the form of 'the deceptive use

112. Joseph S Nye Jr, 'How Sharp Power Threatens Soft Power', *Foreign Affairs*, 24 January 2018.

of information for hostile purposes’, harking back to the Cold War era of ‘manipulation of ideas, political perceptions, and electoral processes’.¹¹³

To assess vulnerability to sharp power as a form of foreign interference by overseas actors, Southeast Asian countries can be divided along two axes: vulnerability based on the level of strategic autonomy and institutional checks and balances (against corruption and co-optation); and geopolitical relevance (to foreign actors). Thus, Southeast Asian nations can be roughly classified into four types: low-to-medium geopolitical relevance with high vulnerability (Laos, Myanmar and Cambodia); high geopolitical relevance with low vulnerability (Vietnam and Singapore); medium geopolitical relevance and medium vulnerability (Thailand and Brunei); and high geopolitical relevance and medium-to-high vulnerability (Indonesia, Malaysia and the Philippines) (see Figure 2).¹¹⁴

ASEAN Vulnerability to Sharp Power and Foreign State Actors

When it comes to vulnerability to malign foreign interference, some countries are more equal than others. Regionally, Singapore has proactively pushed back against suspected interference operations by China. One big area of concern for Singapore, which has developed robust defence cooperation with the US and other major Western powers in recent years, is the potential emergence of a pro-Beijing ‘fifth column’ in the Chinese-majority city state.¹¹⁵ China set off alarm bells when its Overseas Chinese Affairs Office was incorporated into the United Front Work Department, thus raising concerns over more active efforts by Beijing to co-opt communities of Chinese descent overseas.¹¹⁶ As veteran Singaporean diplomat Bilahari Kausikan openly warned at a public conference in 2018, ‘[the] very point of [the ongoing] United Front work is to blur the distinction between the domestic and international and promote the [Chinese Communist Party (CCP)]’s interests wherever it may be, domestic or international’.¹¹⁷

113. *Ibid.*

114. It goes without saying that geopolitical relevance is highly issue-specific and is assessed in relative terms here. In this paper the backdrop of Sino-American competition largely sheds light on the geopolitical relevance of specific ASEAN countries, although Southeast Asia, as a whole, represents a vital geopolitical theatre in its own right.

115. See Richard Javad Heydarian, ‘How “Poisonous Shrimp” Singapore Became the US’ Undeclared Ally in Asia’, *South China Morning Post*, 6 December 2021, <<https://www.scmp.com/comment/opinion/article/3158328/how-poisonous-shrimp-singapore-became-us-undeclared-ally-asia>>, accessed 10 November 2022.

116. Alex Joske, ‘Reorganizing the United Front Work Department: New Structures for a New Era of Diaspora and Religious Affairs Work’, *Jamestown China Brief* (Vol. 19, No. 9, 2019), <<https://jamestown.org/program/reorganizing-the-united-front-work-department-new-structures-for-a-new-era-of-diaspora-and-religious-affairs-work/>>, accessed 10 November 2022.

117. *Straits Times*, ‘An Expose of How States Manipulate Other Countries’ Citizens’, 1 July 2018, <<https://www.straitstimes.com/asia/east-asia/an-expose-of-how-states-manipulate-other-countries-citizens>>, accessed 6 December 2022.

Officially, China maintains a policy of non-interference in the internal affairs of its neighbouring countries. However, President Xi Jinping effectively contradicted that position when he began blurring the distinction between *huaren* (ethnic Chinese of all nationalities) and *huaqiao* (overseas Chinese citizens) by declaring that the rejuvenation of the Chinese nation requires the joint efforts of the Chinese sons and daughters at home and abroad.¹¹⁸ In effect, Xi has embraced 60 million *huaqiao*, many of whom are spread across the Southeast Asian countries of Singapore, Malaysia, Indonesia and the Philippines, as demographic extensions of a greater China.

According to a study by the Australian Strategic Policy Institute, Singaporean universities have had the highest level of research and academic collaboration with Chinese counterparts affiliated with the People's Liberation Army (PLA) compared to any other country in the region.¹¹⁹ Meanwhile, a study by the Jamestown Foundation has found that China has used seemingly innocuous front organisations, including business groups, for disinformation campaigns, including the narrative of a 'greater China', which is extremely sensitive in a city state where three-quarters of the population is of Chinese ancestry.¹²⁰

Singapore has responded to sharp power and foreign interference threats in a variety of ways. Intent on reiterating its 'Chinese' identity distinct from that of China, the country went as far as to build the \$110-million Singapore Chinese Cultural Centre, which serves as a clear rejection of Xi's vision.¹²¹ It has also crafted strict regulations for social media platforms. In a national statement at the adoption of its third Universal Periodic Review in 2021, Singapore's permanent representative to the UN Office in Geneva described such measures as a matter of national security: 'Our concern lies with the use of coordinated, deceptive methods by hostile foreign actors to manipulate our political discourse and disrupt our society.'¹²²

Vietnam has staked its legitimacy on resisting Chinese influence in addition to providing stability and economic growth, and has had a proactive approach to mitigating interference by hostile foreign actors. Vietnam has consciously tried to minimise its institutional linkages and webs of interdependence with China, including in the realm of higher education. Vietnam's national security doctrine and its trade-industrial policy are primarily shaped by an abiding commitment

118. *Xinhua*, 'Full Text: Speech by Xi Jinping at a Ceremony Marking the Centenary of the CPC', 1 July 2021, <http://www.xinhuanet.com/english/special/2021-07/01/c_1310038244.htm>, accessed 10 November 2022.

119. Alex Joske, 'Picking Flowers, Making Honey', Australian Strategic Policy Institute, 30 October 2018, p. 9.

120. John Geddie and Aradhana Aravindan, 'Singapore Spy Case Reawakens Fears China Recruiting on Island State', *Reuters*, 28 July 2020.

121. Amy Qin, 'Worries Grow in Singapore over China's Calls to Help "Motherland"', *New York Times*, 5 August 2018.

122. Grace Ho, 'Proposed Law on Foreign Interference is Aimed at Hostile Actors: Singapore Envoy Tells UN Review', *Straits Times*, 3 October 2021, <<https://www.straitstimes.com/singapore/politics/proposed-law-on-foreign-interference-is-aimed-at-hostile-actors-singapore-envoy>>, accessed 10 November 2022.

to reducing dependence on and vulnerability to China.¹²³ The same cannot be said about three other, highly geopolitically relevant Southeast Asian countries.

The Philippines, Indonesia and Malaysia may find the stricter measures adopted by Singapore and Vietnam problematic for their own political systems. Even the historically authoritarian Malaysia, which adopted a more liberal direction following the game-changing 2018 elections, had to amend its notorious Internal Security Act in 2012. Former Malaysian prime minister Muhyiddin Yassin also promised to amend the successor Prevention of Crime Act 1959 and the Security Offences (Special Measures) Act 2012 to further reduce abuses by security officials.¹²⁴

Although far from champions of democracy and press freedom, contemporary governments in the Philippines, Indonesia and Malaysia are bound to face both institutional and public resistance should they adopt strict regulation of the media landscape as do Singapore or Vietnam. All three countries also lack the nimble state security apparatus and surveillance regimes that undergird public governance in proactive Southeast Asian states such as Singapore and Vietnam.

Overall, the Philippines, Indonesia and Malaysia are vulnerable to manipulation and corrosive influence from hostile foreign actors on multiple levels. Specifically, sharp power operations in these key Southeast Asian countries function along three vectors: social media, influencers and disinformation; corrosive capital; and leadership targeting.

Social Media, Influencers and Disinformation

In all three countries, but especially in the Philippines, social media platforms have increasingly transmogrified into vast pools of disinformation. As Ressa warned years ago, Facebook, in particular, has rapidly turned into the unwitting enabler of authoritarian populists, far-right revisionists and conspiracy theorists, with devastating impacts on public discourse and democratic politics.¹²⁵ Over the past five years, certain 'bloggers' and social media influencers, some with millions of followers, have emerged as the primary arbiters of political discourse in places such as the Philippines. Indeed, the Philippines has become a global 'troll farm' hub,

123. Based on confidential exchanges with senior Vietnamese officials in Hanoi during research trips between 2016 and 2020. See also Richard Javad Heydarian, 'China–US Rivalry: How Vietnam's Deft Balancing Act Keeps it from Having to Pick Sides', *South China Morning Post*, 18 December 2021, <<https://www.scmp.com/comment/opinion/article/3159928/china-us-rivalry-how-vietnams-deft-balancing-act-keeps-it-having>>, accessed 10 November 2022 and Bich T Tran, 'Vietnam Continues Efforts to Reduce Trade Dependence on China', *ISEAS Perspectives* (No. 114, 2021), <<https://www.iseas.edu.sg/articles-commentaries/iseas-perspective/2021-114-vietnam-continues-efforts-to-reduce-trade-dependence-on-china-by-bich-t-tran/>>, accessed 8 December 2022.

124. Human Rights Watch, 'Malaysia: End Detention Without Trial', 2 January 2019, <<https://www.hrw.org/news/2019/01/02/malaysia-end-detention-without-trial>>, accessed 10 November 2022.

125. Richard Javad Heydarian, 'Why Duterte Must Own Up to the Philippines' COVID-19 Disaster', *Nikkei Asian Review*, 14 August 2020.

as elements within the country's massive business process outsourcing industry as well as advertising agencies join the lucrative trade in political disinformation.¹²⁶

When it comes to political co-optation and influence operations, two particularly troubling patterns have emerged. First, major influencers have become a conduit for state-backed propaganda, both domestic and foreign. During the Covid-19 pandemic, for instance, multiple high-profile influencers and bloggers began spreading and reinforcing the Chinese embassy's talking points in the Philippines. A similar pattern has emerged with respect to other contentious issues, including China's claims in the South China Sea and the insurrection in Hong Kong. At times, it has become difficult to distinguish between the key arguments of political bloggers, who have a very limited grasp of international law, and the narratives of senior diplomats and officials from overseas.

Second, social media platforms, especially Facebook, publicly flagged up to 150 China-based accounts in 2020, which were allegedly engaged in 'coordinated inauthentic behaviour', including hosting fake accounts that pushed for the victory of a specific China-leaning ticket in the 2022 presidential elections in the Philippines.¹²⁷

Corrosive Capital

The second vector of sharp power is corrosive capital, which has a significant impact on already fragile government institutions in host countries. Unlike legitimate business, corrosive capital serves the specific geopolitical ends of hostile foreign actors. One potential conduit for foreign interference activities, therefore, is through ostensibly 'private' investments, especially in sectors that are highly prone to illicit activities.

Under the Philippines' Beijing-friendly former president Rodrigo Duterte, for instance, there was a boom in online Chinese-run casinos, officially known as Philippine Offshore Gaming Operators (POGOs). Despite Duterte's supposed opposition to the gambling industry, the Philippines' licensing fees topped \$150 million in 2019, with total revenues reaching \$4 billion. The industry, however, is plagued by reports of institutionalised bribery, widespread tax evasion, human

126. Samantha Bradshaw and Philip N Howard, 'Troops, Trolls and Troublemakers: A Global Inventory of Organized Social Media Manipulation', Working Paper No. 2017.12, Computational Propaganda Research Project, Oxford Internet Institute, 2017, <<http://comprop.oii.ox.ac.uk/wp-content/uploads/sites/89/2017/07/Troops-Trolls-and-Troublemakers.pdf>>, accessed 10 November 2022; Genalyn Kabling, "'Duterte Against Facebook 'Censorship' but Won't Ban FB in PH" – Roque', *Manila Bulletin*, 29 September 2020, <<https://mb.com.ph/2020/09/29/duterte-against-facebook-censorship-but-wont-ban-fb-in-ph-roque/>>, accessed 10 November 2022.

127. Barbara Ortutay and Eric Tucker, 'Facebook: Fake Pages from China Tried to Disrupt US Politics', *AP News*, 23 September 2020, <<https://apnews.com/article/philippines-asia-east-asia-china-joe-biden-b681b6acbc9cc7b477513cdd6bd763e6>>, accessed 10 November 2022.

and drug trafficking, money laundering and even kidnapping in recent years.¹²⁸ On multiple occasions, Duterte has rejected calls by Chinese authorities to ban the POGOs due to their association with the criminal underworld and their negative effect on anti-gambling regulations in mainland China. Since the Philippine authorities themselves admit that POGOs are notorious perpetrators of tax evasion, critics claim that top government officials are likely the personal beneficiaries of illicit transactions with the Chinese operators.¹²⁹ The problem is even more severe in places such as Cambodia, northern regions of Laos, and Myanmar's porous borders with China, where mainlander criminal gangs effectively run whole towns, if not sub-regions.¹³⁰

In the Philippines, concern over online casinos also has direct and serious national security implications. For instance, Senator Panfilo Lacson, a former general and head of the Philippine Senate Committee on National Defense and Security, has warned that, drawing on military intelligence sources, up to 3,000 members of the PLA could be embedded among Chinese POGOs as part of a large-scale 'immersion mission'.¹³¹ During a shootout incident between two Chinese citizens suspected of involvement in POGOs, a PLA military ID was reportedly discovered by Philippine authorities.¹³² Senator Richard Gordon, meanwhile, has warned of 'infiltration' by Chinese security agencies, claiming that POGOs have been involved in suspicious transactions valuing up to \$150 million, part of which may have been used to fund 'fifth column' operations in the country.¹³³

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128. Alan Robles, 'A Chinese Crime Wave Hits Duterte's Philippines as Pogogs Grow Unchecked', *South China Morning Post*, 27 December 2019, <<https://www.scmp.com/week-asia/economics/article/3043542/chinese-crime-wave-hits-dutertes-philippines-pogogs-grow>>, accessed 10 November 2022.
129. Darryl John Esguerra, 'Duterte Won't Ban Pogogs: Many Will Lose Their Jobs', *Inquirer.net*, 4 September 2019, <<https://business.inquirer.net/278242/duterte-wont-ban-pogogs-many-will-lose-their-jobs>>, accessed 10 November 2022; Robles, 'A Chinese Crime Wave'; Christia Marie Ramos, 'Majority of Licensed Pogogs Failed to Pay P50B in Taxes in 2019 — BIR Official', *Inquirer.net*, 11 February 2020, <<https://newsinfo.inquirer.net/1227277/majority-of-licensed-pogogs-failed-to-pay-p50b-in-taxes-in-2019-bir-official>>, accessed 10 November 2022.
130. Hannah Ellis-Petersen, "'No Cambodia Left": How Chinese Money is Changing Sihanoukville', *The Guardian*, 31 July 2018.
131. *Straits Times*, 'PLA in Manila and Their "Immersion Mission": Inquirer', 10 March 2020, <<https://www.straitstimes.com/asia/pla-in-manila-and-their-immersion-mission-inquirer>>, accessed 10 November 2022.
132. Cataline Ricci S Madarang, 'Chinese Embassy Questions Lacson's Latest Intel on Chinese Soldiers' Immersion Mission in the Philippines', *Interaksyon*, 6 March 2020, <<https://interaksyon.philstar.com/politics-issues/2020/03/06/163699/chinese-embassy-questions-lacson-latest-intel-on-chinese-soldiers-immersion-mission-in-the-philippines/>>, accessed 10 November 2022.
133. Leila B Salaverria and Nikka G Valenzuela, "'PLA" IDs Add to Chinese Slay Mystery', *Inquirer.net*, 1 March 2020, <<https://newsinfo.inquirer.net/1235169/pla-ids-add-to-chinese-slay-mystery>>, accessed 10 November 2022.

Even former national security adviser Hermogenes Esperon and former defence secretary Delfin Lorenzana have warned of potential interference activities among Chinese POGO workers clustered around sensitive locations such as military installations, including Camp Aguinaldo, which hosts Department of National Defense offices and the Philippine Army; the Philippine National Police headquarters at Camp Crame; and the Philippine Air Force and Navy headquarters. As Lorenzana put it, 'When you already see many people [at the POGOs], who are always there ... it's very easy for all these [Chinese] people to perhaps shift their activities to spying', since '[the POGOs] are near [military facilities]'.¹³⁴ The seamless expansion of POGOs, and their clustering around key military bases in Metro Manila, has raised concerns over either lack of proper oversight or, worse, co-optation of key agencies in charge of ensuring that the Chinese online casinos do not pose a national security threat.

Leadership Targeting

The third, and potentially most problematic, vector of sharp power is interference operations targeting top decision-makers, either directly or via their proxies. Traditionally, co-optation can take place through large-scale bribery, especially during elections, or *kompromat* (extortion through compromising material). Less well-resourced hostile foreign actors may adopt more surgical measures which directly target key decision-makers, but for wealthier hostile foreign actors, co-optation can take place through seemingly legitimate and mutually beneficial agreements.

When it comes to China's BRI, much has been written about the potential for 'debt trap' – drowning host countries in unsustainable debt amid corrupt infrastructure deals. But the potentially corrosive impact of big-ticket infrastructure projects is far more subtle and multifarious, especially in larger and more advanced Southeast Asian economies. In places such as Laos or Cambodia, for instance, China has managed to achieve decisive influence by becoming the dominant source of investments and aid by far, thus consolidating Beijing's ability to shape the strategic policies of these smaller Southeast Asian states.

In the Philippines and Indonesia, the picture is far more complicated. On the one hand, there is the risk of 'pledge trap' – luring elected leaders in key Southeast Asian countries through pledges of (rather than realised) large-scale investments, which tend to generate positive headlines at home. In the Philippines, Duterte adopted a largely obsequious position on the South China Sea disputes in exchange for (still unrealised) Chinese investment pledges. Until recently, in Indonesia, President Joko Widodo adopted strategic patience regarding maritime disputes with China and, crucially, tried to water down good governance regulations and de-fang anti-corruption agencies to expedite infrastructure development.¹³⁵ Even more dramatic is the

134. Quoted in Richard Javad Heydarian, 'Philippine Spy Scare Turns on Chinese-Run Casinos', *Asia Times*, 28 August 2019, <<https://asiatimes.com/2019/08/philippine-spy-scare-turns-on-chinese-run-casinos/>>, accessed 10 November 2022.

135. Jeremy Mulholland and Arbi Sanit, 'The Weakening of Indonesia's Corruption Eradication Commission', *East Asia Forum*, 28 January 2020, <<https://www.eastasiaforum.org/2020/01/28/>>

case of Malaysia, where former prime minister Najib Razak largely relied on large-scale Chinese capital and investments to boost the country's finances and his flailing political career amid the massive 1MDB corruption scandal.¹³⁶

Hostile foreign powers can also influence host countries by cultivating strong relations with key interlocutors or officials in charge of important state agencies. Over the past few years, China has backed large economic projects in Indonesia. Some experts have noted the potential role played by key officials in facilitating these projects and greater bilateral economic ties, although others point towards greater agency and directives of government in attracting, in the case of Indonesia, foreign direct investment from a range of countries, including China.¹³⁷ Similar questions have been raised with regard to the sudden mushrooming of Chinese private and public investment initiatives across strategic locations such as Subic, Clark, Sangley and Palawan in the Philippines – areas that are close to key naval and air-force facilities that face the contested South China Sea.¹³⁸

Alarm bells were also raised when a former top Filipino general, who would later move to Duterte's cabinet, allowed a China Telecom-backed and equipped company, Dito Telecommunity, which is owned by Uy, to install communications infrastructure within Philippine bases.¹³⁹ The

the-weakening-of-indonesias-corruption-eradication-commission/>, accessed 10 November 2022; *The Economist*, 'Indonesia's President Promised Reform: Yet It is He Who has Changed', 19 August 2021.

136. Tom Wright and Bradley Hope, 'WSJ Investigation: China Offered to Bail Out Troubled Malaysian Fund in Return for Deals', *Wall Street Journal*, 7 January 2019.
137. On Luhut Binsar Pandjaitan, see Muhammad Zulfikar Rakhmat, 'Luhut Binsar Pandjaitan: The Prominent Enabler Behind China-Indonesia Relations', *Global Policy*, 24 July 2020, <<https://www.globalpolicyjournal.com/blog/24/07/2020/luhut-binsar-pandjaitan-prominent-enabler-behind-china-indonesia-relations>>, accessed 10 November 2022; Tham Siew Yean and Siwage Dharma Negara, 'Chinese Investments in Industrial Parks: Indonesia and Malaysia Compared', ISEAS Economics Working Paper (No. 08, 2020), p. 3, <https://www.iseas.edu.sg/wp-content/uploads/2020/09/ISEAS_EWP_2020-08_Tham_Negara.pdf> accessed 8 December 2022; Muhammad Zulfikar Rakhmat, 'Jakarta-Bandung High-Speed Railway: Looking at the Roles of Luhut, Rini Soemarno and Ridwan Kamil in Security China-Indonesia Relationship', *The Conversation*, 26 August 2022, <<https://theconversation.com/jakarta-bandung-high-speed-railway-looking-at-the-roles-of-luhut-rini-soemarno-and-ridwan-kamil-in-securing-china-indonesia-relationship-181716>>, accessed 8 December 2022.
138. Vince Nonato, 'Chinese Firm Involved in Sangley Point International Airport Project Cited For Corruption, Aside from SCS Island-Building', *One News*, 1 September 2020, <<https://www.onenews.ph/articles/chinese-firm-involved-in-sangley-point-international-airport-project-cited-for-corruption-aside-from-scs-island-building>>, accessed 10 November 2022.
139. On Dito Telecommunity, see Ralf Rivas, 'LOOK: Mislattel Now Called Dito Telecommunity', *Rappler*, 8 July 2019, <<https://www.rappler.com/business/mislattel-now-officially-called-dito-telecommunity>>, accessed 10 November 2022; Elyssa Lopez, 'Philippines Gives China-Backed Telecom Firm Green Light to Build Cell Towers on Military Bases', *South China Morning Post*,

US had earlier warned that such activities could jeopardise bilateral intelligence and defence cooperation. Ultimately, however, one of the biggest concerns in fragile democracies such as the Philippines and Indonesia is the emergence of ‘Manchurian candidates’ during vital elections, including for the presidency, thanks to the high cost of election campaigns, minimal supervision over election financing, and limited ability to monitor and deter disinformation efforts by hostile foreign powers.

Conclusion

Overall, Southeast Asian countries fall along a wide spectrum of vulnerabilities, depending on their institutional coherence, geopolitical relevance and political regimes. While all have equally been targets of malign foreign interference, some have exercised more agency and institutional resilience than others. Regional states tend to also have diverse, and at times divergent, threat perceptions regarding authoritarian superpowers. What is clear is that hostile foreign actors can and have deployed a variety of tools to exploit a wide range of vulnerabilities across key Southeast Asian countries.

Thus, any nuanced policy response, either by targeted nations or in tandem with like-minded allies and external powers, should balance comprehensiveness in addressing a full range of vulnerabilities with targeted measures. Targeted responses include timely interventions and policy countermeasures against the most nefarious vectors of malign interference by hostile foreign actors. This is an indispensable step towards enhancing the overall resilience of pivotal Southeast Asian countries, especially amid the intensified assertiveness of authoritarian powers in the Indo-Pacific.¹⁴⁰ Ultimately, any long-term solution should be anchored in a systematic recognition of the agency of Southeast Asian states given their decades-long struggle for autonomy and national development.¹⁴¹

Moving forward, the threat of hostile interference should be addressed on four important fronts. The first is to spotlight the issue through raising public awareness, mobilising civil society groups and enhancing multilateral information sharing on malign foreign influence. In extreme cases, independent international inquiry, if not sanctions, against compromised political figures can also be considered. Second, states should pursue capacity-building efforts through

14 September 2020, <<https://www.scmp.com/week-asia/economics/article/3101316/philippines-gives-china-backed-telecom-firm-green-light-build>> accessed 8 December 2022; *Reuters*, ‘Philippines to Allow China-Backed Telco to Build Towers on Military Bases’, 11 September 2019.

140. See Tina G Santos, ‘Ex-DFA Chief Urges Voters: Don’t Let “Manchurian Candidates” Win Again’, *Inquirer.net*, 19 November 2021, <<https://newsinfo.inquirer.net/1517126/ex-dfa-chief-urges-voters-dont-let-manchurian-candidates-win-again>>, accessed 10 November 2022; Robles and Robles, ‘The Manchurian Candidate’.

141. See Donald Weatherbee, *International Relations in Southeast Asia: The Struggle for Autonomy*, 2nd Edition (Lanham, MD: Rowman & Littlefield, 2010); David Shambaugh, ‘US–China Rivalry in Southeast Asia: Power Shift or Competitive Coexistence?’, *International Security* (Vol. 42, No. 4, 2018).

providing technical assistance to and enhancing the mandate of key government agencies tasked with countering interference operations. Third, regulation plays an important role in countering political interference and should focus on tightening legislation against and lawful surveillance of foreign-backed disinformation campaigns. Finally, alternative approaches could include the establishment of bilateral, minilateral and multilateral cooperative mechanisms by like-minded international partners to reduce Southeast Asian countries' dependence on critical infrastructure investment from malign foreign actors.¹⁴²

142. See Richard Javad Heydarian, 'A Philippine Alternative to China's Takeover of Subic Shipyard', *Nikkei Asian Review*, 20 February 2019, <<https://asia.nikkei.com/Opinion/A-Philippine-alternative-to-China-s-takeover-of-Subic-shipyard>>, accessed 10 November 2022.

IV. Malign Economic Activity: Chinese High-Speed Rail Projects in Laos, Thailand and Malaysia

Ryan Clarke

MALIGN ECONOMIC ACTIVITY is distinct from traditional forms of commerce, investment and capital market activity in that commercial considerations, such as project viability or investment return schedules, represent only secondary considerations. Malign economic activity often still seeks profit, but simultaneously can meet broader strategic goals or geopolitical intent to the detriment of the targeted country or organisation.

China is a significant economic actor in Southeast Asia through its BRI, with the high-speed rail projects in Laos, Thailand and Malaysia highly visible examples. While not problematic in and of themselves, these three case studies provide rich examples of how such economic investments can carry unanticipated consequences to varying extents, such as elite capture, debt structures and the opportunity to exert influence over key national transportation infrastructure or leverage it for other strategic and political ends, as well as engage in corrupt activities that weaken good governance. In very extreme cases foreign states could acquire infrastructure assets, although this has proven so far to rarely occur.

The nature of Chinese infrastructure investment is complicated by the complexity of the Chinese system, in which BRI investments can be directed from the central government by provincial governments, state-owned banks, state-owned enterprises (SOEs) or even private companies. The almost ubiquitous presence of the CCP across industries and sectors in China, as well as questions of the Chinese government's ultimate ambition for regional influence and power, means that commercial projects may carry strategic opportunities for the Chinese government or may indirectly be guided by it. Chinese SOEs are subject to the vagaries of global market competition but can ultimately serve as tools of the CCP with regard to geo-economic gambits such as the BRI or where the party deems that its geopolitical core interests are being challenged. The management of Chinese SOEs since 2012 has seen a transformation towards a 'modern state-owned enterprise system with Chinese characteristics', in which Party leadership is institutionalised through Party groups and Party committees who to varying extents can appoint senior management and participate in setting the company's strategic direction. This morphing

of the Party with the business also counts to a certain extent for joint ventures, particularly if it employs three or more Party members.¹⁴³

BRI Infrastructure: Projects with Strategic Intent?

A substantial number of BRI projects are concentrated around China's Asian periphery, especially in Southeast Asia. As a 2021 AidData study of over 13,000 BRI projects shows, some include loan structures that exceed a country's financial ability for repayment, leading to unforeseen debt or the prospect of commercial non-viability.¹⁴⁴ A March 2018 Centre for Global Development policy paper asserted that eight BRI signatory countries were at high risk of debt distress due to BRI loans and were facing debt-to-GDP ratios beyond 50%, with 40% of external debt owed to China.¹⁴⁵ This is not necessarily due to Chinese government-instructed deception or 'obfuscation traps'. Nevertheless, what appears to be a strategy of co-optation of elites through opaque means is problematic in that it carries the potential to create a politically favourable environment in which potential Chinese government interests can be more easily pursued. A further consideration to bear in mind when considering Chinese infrastructure investment is that in smaller, less developed countries, Chinese investments and aid can surpass those of other actors, affording it a more visible presence and greater political influence.

The BRI is unique in its size (roughly \$47 billion allocated, based on the most recent available data of 2020), its geographic scope (covering 138 countries) and its strategic ambition.¹⁴⁶ A 2020 Council on Foreign Relations report quoted investment bank Morgan Stanley's prediction that

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143. Kasper Ingeman Beck and Kjeld Erik Brødsgaard, 'Corporate Governance with Chinese Characteristics: Party Organization in State-Owned Enterprises', *China Quarterly* (No. 250, 2022), pp. 486–508; Jake Laband, 'Fact Sheet: Communist Party Groups in Foreign Companies in China', *China Business Review*, 31 May 2018, <<https://www.chinabusinessreview.com/fact-sheet-communist-party-groups-in-foreign-companies-in-china/>> accessed 8 December 2022.
144. For additional information, see Ammar A Malik et al., 'Banking on the Belt and Road: Insights from a New Global Dataset of 13,427 Chinese Development Projects', AidData, College of William and Mary, September 2021, <https://docs.aiddata.org/ad4/pdfs/Banking_on_the_Belt_and_Road__Insights_from_a_new_global_dataset_of_13427_Chinese_development_projects.pdf>, accessed 10 November 2022; Ammar A Malik and Bradley Parks, 'Hidden Debt Exposure to China: What Is It, Where Is It, and Should We Be Concerned?', AidData, College of William and Mary, November 2021, <https://docs.aiddata.org/ad4/pdfs/hidden_debt_exposure_to_china__what_is_it_where_is_it_and_should_we_be_concerned.pdf>, accessed 10 November 2022; Axel Dreher et al., *Banking on Beijing: The Aims and Impacts of China's Overseas Development Program* (Cambridge: Cambridge University Press, 2022).
145. See Dylan Gerstel, 'It's a (Debt) Trap! Managing China–IMF Cooperation Across the Belt and Road', *New Perspectives in Foreign Policy* (No. 16, 2018), p. 12.
146. Gerald Yee, 'Eight Years On – An Overview of the Belt and Road Initiative', *Law Gazette*, November 2021, <<https://lawgazette.com.sg/news/updates/eight-years-on-belt-road-legal-insurance/>>, accessed 10 November 2022; Michele Ruta, *Belt and Road Economics: Opportunities and Risks of Transport Corridors* (Washington, DC: World Bank, 2019).

China's overall BRI spending could reach \$1.2–\$1.3 trillion by 2027.¹⁴⁷ While the exact figures remain contested, the BRI likely exceeds any competing efforts by other non-democratic states such as North Korea, Iran, Saudi Arabia or Russia, either in the Asia-Pacific or globally, in terms of human and material resources, capital, and market access.

Connectivity Versus Indebtedness: The New Laos–China High-Speed Railway and Hambantota Port

In early December 2021, Laos launched a 414-km electrified high-speed railway running between the capital Vientiane and the town of Boten on the Laos–China border. Travelling to the Chinese border now takes less than four hours, compared to 15 hours by car, and costs \$33 for a second-class seat.¹⁴⁸ The line heads 600 km north to the capital of China's Yunnan province, Kunming, linking the landlocked mountainous country of Laos to China's key southwestern BRI hub. This \$6-billion project (equivalent to one-third of Laos' GDP) is backed by China as part of its BRI and is described as a lynchpin of deepening ties between the two countries.¹⁴⁹

This project was marketed as a transformative opportunity for Laos to gain access to the Chinese market for agricultural and other exports while also developing a domestic tourism sector to accommodate Chinese travellers.¹⁵⁰ Key details of the deal have not been made public, and no substantial degree of transparency is likely to be witnessed in the future.¹⁵¹ There have also been no open source discussions within Laos, in English or Laotian, regarding the overall cost-benefit ratio of this project.

However, the China–Laos high-speed rail project is not a Chinese equity investment, grant or any other structure that would generate high-value jobs or the positive diffusion of benefits that

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147. Andrew Chatzky and James McBride, 'China's Massive Belt and Road Initiative', Council on Foreign Relations, 28 January 2020.
148. Luo Wangshu, 'China-Laos Railway Demonstrates Strong Passenger, Freight Growth', *China Daily*, 5 May 2022, <<https://global.chinadaily.com.cn/a/202205/05/WS62730c39a310fd2b29e5a96d.html>>, accessed 10 November 2022.
149. Phoonsab Thevongsa, Ella Cao and John Geddie, 'China and Laos Open \$6 Billion High-Speed Rail Link', *Reuters*, 3 December 2021.
150. *Xinhua*, 'Explainer: China–Laos Railway, a Flagship Project Under BRI', 3 December 2021, <http://www.news.cn/english/2021-12/03/c_1310349912.htm>, accessed 10 November 2022; *The Economist*, 'The Economics of a New China–Laos Train Line', 11 December 2021; Daniele Carminati, 'Will China's Railway in Laos Help Bolster its "Soft Power"?', *The Diplomat*, 11 January 2022; Allison Carr, 'High-Speed Rail in Laos', Stimson Center, 6 May 2021, <<https://www.stimson.org/2021/high-speed-rail-in-laos/>>, accessed 10 November 2022.
151. For a more in-depth discussion on the nature of Chinese debt structures, see Anna Gelpern et al., 'How China Lends: A Rare Look into 100 Debt Contracts with Foreign Governments', AidData, College of William and Mary, March 2021, <https://docs.aiddata.org/ad4/pdfs/How_China_Lends__A_Rare_Look_into_100_Debt_Contracts_with_Foreign_Governments.pdf>, accessed 10 November 2022.

are traditionally associated with CNI projects. This project's loan structure suggests that it is deliberately designed to extract maximum financial benefit from Laos while also simultaneously undermining Vientiane's already fragile sovereignty.¹⁵² While there are some differences, the China–Laos railway includes key elements from China's now-infamous Hambantota Port project in Sri Lanka, which ultimately saw China take control after the Sri Lankan government defaulted on high-interest loans.¹⁵³ Various studies and commentaries have debated the Sri Lankan case. Some have shown that the Sri Lankan government bears a great degree of responsibility for the loans it agreed with China and that domestic agency should be given greater consideration in the assessment of whether China is at fault for the state of Sri Lanka's economic collapse.¹⁵⁴ Ultimately, both sides likely played a part – indeed, interviews with experts in the financial sector have highlighted some problematic aspects of China's engagement on negotiating these deals.

One interviewee indicated that the Chinese SOEs and funders may view the Hambantota Port as a successful deal, of which elements could be replicated in other key countries, such as in Southeast Asia.¹⁵⁵ Chinese lending banks have demonstrated a high level of investment in

152. Sebastian Strangio, 'Laos–China Railway Inaugurated Amid Mounting Debt Concerns', *The Diplomat*, 3 December 2021.

153. Jonathan E Hillman, 'Game of Loans: How China Bought Hambantota', CSIS Briefs, 2 April 2018, <<https://www.csis.org/analysis/game-loans-how-china-bought-hambantota>>, accessed 8 December 2022.

154. Lee Jones and Shahar Hameiri, 'Debunking the Myth of "Debt-Trap Diplomacy": How Recipient Countries Shape China's Belt and Road Initiative', Chatham House Research Paper, August 2020, <<https://www.chathamhouse.org/sites/default/files/2020-08-19-debunking-myth-debt-trap-diplomacy-jones-hameiri.pdf>>, accessed 10 November 2022; Eric Olander, 'Deborah Brautigam: No Evidence of Chinese Debt Traps in Africa', China Global South Project, 30 July 2019, <<https://chinaglobalsouth.com/podcasts/podcast-china-debt-trap-africa-deborah-brautigam/>>, accessed 10 November 2022; Asanga Abeyagoonasekera, 'Sri Lankan Crisis Between Debt-Trap and Strategic-Trap: The Chinese Stake', Institute for Security and Development Policy, 26 April 2022, <<https://isdip.eu/sri-lankan-crisis-between-debt-trap-and-strategic-trap-the-chinese-stake/>>, accessed 10 November 2022.

155. Author interview with financial industry executive 1, a regionally based investment banker who specialises in debt capital markets. For additional details on the Hambantota Port project, see Maria Abi-Habib, 'How China Got Sri Lanka to Cough Up a Port', *New York Times*, 25 June 2018; Shiyana Gunasekara, 'Sri Lanka Suffers from China's Indian Ocean Strategy', *Asia Pacific Bulletin* No. 372, East-West Center, 21 February 2017, <<https://www.eastwestcenter.org/publications/sri-lanka-suffers-china%E2%80%99s-indian-ocean-strategy>>, accessed 10 November 2022; John Hurley, Scott Morris and Gailyn Portelance, 'Examining the Debt Implications of the Belt and Road Initiative from a Policy Perspective', CGD Policy Paper No. 121, Center for Global Development, March 2018, <<https://www.cgdev.org/publication/examining-debt-implications-belt-and-road-initiative-a-policy-perspective>>, accessed 10 November 2022; Sam Parker and Gabrielle Chefitz, 'Debtbook Diplomacy: China's Strategic Leveraging of Its Newfound Economic Influence and the Consequences for US Foreign Policy', Belfer Center for Science and International Affairs, Harvard Kennedy School, May 2018, <<https://www.belfercenter.org/sites/default/files/files/publication/>

developing least-developed countries that have found it challenging to access funding from other sources such as other governments and international capital markets, and have high structural unemployment rates. For countries like Sri Lanka and Laos, China thus offers a source of funding for infrastructure when financing cannot be accessed elsewhere.¹⁵⁶

According to one report, the average loan from an official Chinese creditor carries an interest rate of over 4% with an average repayment period of less than 10 years, while the average of an OECD creditor carries an interest rate of on average 1% and an average repayment period of 28 years.¹⁵⁷ According to one interviewee in the financial sector, the high interest rates are positioned as the 'price' for the Chinese developer deploying its end-to-end capabilities to the country in question,¹⁵⁸ while other experts note that China is successful in demanding higher interest rates due to its willingness to take on risks that other lenders will not.

Beyond high interest loans, there are also concerns around corruption and bribery in BRI projects, owing not least to a lack of transparency in the infrastructure project agreements.¹⁵⁹ Two financial industry executives interviewed made reference to seemingly corrupt business practices involving obfuscated financial incentivisation in some BRI projects, while a third financial industry executive noted preferential treatment in the formation of holding companies and other corporate vehicles. However, publicly available information remains scarce and requires further investigation. If true,

Debtbook%20Diplomacy%20PDF.pdf>, accessed 10 November 2022; Anjelina Patrick, 'China–Sri Lanka Strategic Hambantota Port Deal', National Maritime Foundation, 13 April 2017, <<http://www.maritimeindia.org/View%20Profile/636276610966827339.pdf>>, accessed 10 November 2022.

156. Hillman, 'Game of Loans'.

157. Amanda Lee, 'Explainer: Belt and Road Initiative Debt: How Big is It and What's Next?', *South China Morning Post*, 19 July 2020, <<https://www.scmp.com/economy/china-economy/article/3093218/belt-and-road-initiative-debt-how-big-it-and-whats-next>>, accessed 10 November 2022; Rob Garver, 'China's Belt and Road Initiative is About Profit, Not Development, Study Finds', *VOA*, 1 October 2021, <<https://www.voanews.com/a/china-s-belt-and-road-initiative-is-about-profit-not-development-study-finds/6252992.html>>, accessed 8 December 2022; Gelpert et al., 'How China Lends'; author interview with financial industry executive 1.

158. Author interview with financial industry executive 2, a regionally based private equity professional who specialises in CNI; Jonathan E Hillman, 'China's Belt and Road Initiative: Five Years Later', CSIS report and statement before the US-China Economic and Security Review Commission, 25 January 2018, <<https://www.csis.org/analysis/chinas-belt-and-road-initiative-five-years-later-0>> accessed 19 December 2022.

159. Yew Chiew Ping, 'Commentary: Shady Practices and Soiled Hands - Can Corruption Along the Belt and Road be Stemmed?', *Channel News Asia*, 13 April 2019, <<https://www.channelnewsasia.com/commentary/commentary-shady-practices-and-soiled-hands-can-corruption-along-belt-and-road-be-stemmed-886026>>, accessed 8 December 2022.

such practices would be deeply problematic and further add to the concerns over the lack of transparency of BRI projects and impact on good governance.¹⁶⁰

There are concerns that these problematic practices have been replicated in other BRI projects since, including for example in the case of Laos. According to a financial industry executive based in the region, specific state-owned banking executives were brought back in to structure and execute the railway deal.¹⁶¹ These bank personnel were advised to replicate their previously successful deal elements while also ‘learning from previous mistakes’. The concern is therefore that, given the opacity of these deals, China may have the option to exert sovereign control over the Laos–China railway and any other land- or rail-related facilities included in the final agreement.¹⁶²

Thailand: Failure to Replicate and Strategic Pushback

Thailand was offered similar high interest rates as Laos had in 2016 for the extension of its high-speed railway from Laos to Bangkok.¹⁶³ The Chinese terms of high interest rates, development rights along and on either side of the railway, as well as the right to work for Chinese engineers in Thailand were rejected by the State Railway of Thailand and Ministry of Finance and caused widespread offence across Thai leadership and corporate circles as they were interpreted as China viewing Thailand and Laos as undifferentiated and subservient countries to China, with then Thai Transport Minister Arkhom Termpittayapaisth remarking in 2016 that ‘Thailand is not the same as Laos’.¹⁶⁴ While the Thai government still maintains an interest in developing high-speed rail within Thailand and regionally, one interviewee suggested that the Thai government has begun to multi-source for potential alternative partners to avoid being too dependent on China.¹⁶⁵

160. Author interview with financial industry executive 2; author interview with financial industry executive 1; Author interview with financial industry executive 3, a regionally based private wealth manager who specialises in corporate structuring for estate planning. See also Will Doig, ‘The Belt and Road Initiative is a Corruption Bonanza’, *Foreign Policy*, 15 January 2019, <<https://foreignpolicy.com/2019/01/15/the-belt-and-road-initiative-is-a-corruption-bonanza/>>, accessed 10 November 2022; Ping, ‘Commentary’.

161. Author interview with financial industry executive 1.

162. Author interview with financial industry executive 2.

163. Patpicha Tanakasempipat and Panu Wongcha-um, ‘Thailand Says “Making Progress” with High-Speed Thai-Chinese Railway’, *Reuters*, 24 April 2019.

164. Author interview with investigative journalist 1, a regionally based investigator with decades of experience specifically tracking CCP activities in Southeast Asia. See also Benjamin Zawacki, ‘Of Questionable Connectivity: China’s BRI and Thai Civil Society’, Council on Foreign Relations, 7 June 2021, <<https://www.cfr.org/blog/questionable-connectivity-chinas-bri-and-thai-civil-society/>>, accessed 10 November 2022; Tang Siew Mun, ‘China’s Belt and Road Initiative Hits a Roadblock in Thailand’, *ISEAS Commentary*, 5 May 2016, <<https://www.iseas.edu.sg/media/commentaries/chinas-belt-and-road-initiative-hits-a-roadblock-in-thailand/>>, accessed 8 December 2022.

165. Author interview with financial industry executive 4, a regionally based investment banker who specialises in mergers and acquisitions. See also RWR Advisory Group, ‘Strategic Analysis: Chinese

According to one regionally based investigative journalist, Thailand's search for balance could have further downstream impacts on Chinese investment projects, such as the Chinese-proposed arms manufacturing facility in Udon Thani, of which there have been few updates since its announcement in 2017, and a naval shipyard in Sattahip, both of which would be co-located with facilities that are used by US forces.¹⁶⁶

However, while Thailand is seeking to strike a balance, and choosing sides between the two major powers is not an appealing policy option, as is the case for other Southeast Asian states, Thailand has its own complicated history with the US following the 2014 coup and concerns over democratic backsliding.

The China–Laos high-speed rail project has also further accelerated awareness and concerns regarding a range of activities by the CCP's United Front in Thailand. The CCP's United Front Work Department (UFWD), an organ directly subordinate to the CCP Central Committee, focuses its work on targeting governments, including in Southeast Asia, to exert political and economic influence and sometimes malign interference. In particular, there is now an enhanced focus on and investigation into United Front-funded Confucius Institutes in Thailand, specifically regarding why there are more of these institutes in Thailand than in the rest of Southeast Asia combined.¹⁶⁷

Sources have noted that Thailand's US treaty ally status is what is likely driving the CCP's strong focus and multifaceted approach in both the economic and information domains. Indeed, this could be seen as a part of a wider attempt to weaken the US hub-and-spoke alliance system in Asia, which Beijing views with suspicion as part of a US attempt to exert 'all-round containment' of China, as foreign minister Wang Yi has termed it, notwithstanding Thailand's own objectives in its relationship with China and the US.¹⁶⁸ Thailand could therefore present an opportunity for undue influence and interference through, for example, elite capture within a key American

Business Activity in Thailand', 29 June 2016, <<https://www.rwradvisory.com/strategic-analysis-chinese-business-activity-in-thailand-abstract/>>, accessed 10 November 2022.

166. Author interview with investigative journalist 2, a regionally based investigator with decades of experience covering the defence industry in Asia. See also Panu Wongcha-um, 'Thailand Plans Joint Arms Factory with China', *Reuters*, 16 November 2017; Ian Storey, 'Thailand's Military Relations with China: Moving from Strength to Strength', Institute of Southeast Asian Studies, ISEAS Perspective No. 43, 27 May 2019.
167. Author interview with psychological operations expert 1, a regionally based counter-intelligence specialist with decades of field experience across government and private sector settings in the Asia-Pacific. See also Y Zhou, 'Confucius Institute in the Sino-Thai Relations: A Display of China's Soft Power', *Asian Journal of Social Science* (Vol. 49, No. 4, December 2021), pp. 234–43.
168. Chinese State Councillor and Wang Yi, 'The Right Way for China and the United States to Get Along in the New Era', speech at the Asia Society, 23 September 2022, <https://www.fmprc.gov.cn/mfa_eng/wjb_663304/wjbz_663308/2461_663310/202209/t20220923_10770469.html>, accessed 8 December 2022.

ally in Asia by using high-speed rail under the BRI front.¹⁶⁹ However, the problematic nature of China's dealings in both Laos and Sri Lanka, combined with Beijing's offensive offer to Thailand, appears to have undermined these efforts, at least temporarily.

Malaysia's East Coast Rail Link Project: BRI-Driven Strategic Envelopment

Chinese funds were a core component of the 1MDB scandal, as has been demonstrated over the course of the multiple investigations and successful prosecutions of a range of individuals who were involved.¹⁷⁰ Former Malaysian prime minister Najib Razak and a select group of individuals around him had effectively bankrupted the publicly financed 1MDB national development fund through a range of corrupt activities, most of which occurred outside Malaysia. As the scale and scope of these activities expanded to a level where they could no longer be hidden, particularly when in 2015 1MDB missed a loan repayment of around US \$550 million, the government of Malaysia was pressured to set up a special taskforce to investigate why and the United States Department of Justice files a civil suit in 2016.¹⁷¹ Some sources note that Najib received an offer from China to recapitalise the drained 1MDB account to cover up his previous activities.¹⁷²

In exchange for this, Najib allegedly granted Chinese SOEs privileged rights and access to a range of existing Malaysian port, energy and other infrastructure assets.¹⁷³ Leading real-estate industry analysts noted that Chinese property developers were also given prime real estate at highly discounted rates in the southernmost Malaysian state of Johor, directly across from Singapore.

169. Author interview with psychological operations expert 2, a regionally based information operations specialist with decades of analytical experience across government, private sector and media settings in the Asia-Pacific. See also Ruji Auethavornpipat, 'Revealing China's Hegemonic Project in Thailand: How the Confucius Institute Furthers the Chinese State's International Ambitions', Master's thesis, University of Victoria, 2013, <https://dspace.library.uvic.ca/bitstream/handle/1828/4706/Auethavornpipat_Ruji_MA_2013.pdf;sequence=6>, accessed 10 November 2022.

170. Bradley Hope and Tom Wright, *Billion Dollar Whale: The Man Who Fooled Wall Street, Hollywood, and the World* (New York, NY: Hachette Books, 2018).

171. *Aljazeera*, 'Timeline: How Malaysia's 1MDB Financial Scandal Unfolded', 28 July 2020, <<https://www.aljazeera.com/news/2020/7/28/timeline-how-malaysias-1mdb-financial-scandal-unfolded>>, accessed 8 December 2022.

172. Author interview with financial industry executive 5, a regionally based family office fund manager who represents multiple high-net-worth individuals and families in Southeast Asia; see also Tom Wright and Bradley Hope, 'WSJ Investigation: China Offered to Bail Out Troubled Malaysian Fund in Return for Deals', *Wall Street Journal*, 7 January 2019; *Straits Times*, 'Malaysia Examining Whether China Offered to Bail out 1MDB', 8 January 2019, <<https://www.straitstimes.com/asia/se-asia/china-offered-to-bail-out-malaysias-1mdb-fund-says-a-report>>, accessed 8 December 2022.

173. Author interview with financial industry executive 5; Hope and Wright, *Billion Dollar Whale*.

Given Malaysia's parliamentary form of government and reasonably open press, information regarding these events became widespread and prompted outrage across the country.¹⁷⁴

When confronted with these developments, Najib claimed he was misled by financial advisers. While some analysts have attributed this to his lack of perceptiveness, others question whether he felt bolstered by the alleged Chinese backing. It is noteworthy that one of the key conspirators in the 1MDB corruption scandal, Malaysian citizen Jho Low, continues to reside in China despite being wanted by the Malaysian government for questioning while also being subject to an Interpol Red Notice.¹⁷⁵

What Najib had not counted on was former Malaysian prime minister Mahathir Mohamad coming out of a long retirement to run for the post again.¹⁷⁶ According to one executive interviewed, this development also represented an intelligence failure on the Chinese investors' side, as Mahathir was assessed to be a senior adviser and retired statesman but not someone who would actively seek office again.¹⁷⁷ Sources note that Mahathir's re-election in 2018 caused distress among Malaysian and Chinese investors involved in the infrastructure deals and 1MDB.¹⁷⁸

Conclusion

Chinese BRI-driven activity in Laos, Thailand and Malaysia indicates that Chinese actors, ranging from state-owned companies to state-owned banks, and by association the Chinese government, have leveraged BRI high-speed rail projects for economic gain through a range of corrupt and predatory activities. To a certain extent, strategic leverage appears to have been sought through elite capture in particular.

174. Author interview with real-estate industry executive 1, an industry specialist with extensive project development and project financing experience across Southeast Asia. See also Pooja Thakur Mahrotri and En Han Choong, '\$100 Billion Chinese-Made City Near Singapore "Scares the Hell Out of Everybody"', *Bloomberg*, 21 November 2016; Sagatom Saha, 'Chinese Companies are Worse at Business than You Think', *Foreign Policy*, 21 November 2019; RWR Advisory Group, 'Strategic Analysis: Chinese Business Activity in Malaysia', 29 June 2016, <<https://www.rwradvisory.com/strategic-analysis-chinese-business-activity-in-malaysia-abstract/>>, accessed 10 November 2022.

175. Farik Zolkepli, 'IGP Says Interpol Red Notice on Jho Low, Nicky Liow Out, But for Enforcement Agencies' Attention Only', *The Star*, 13 December 2021, <<https://www.thestar.com.my/news/nation/2021/12/13/igp-says-interpol-red-notice-on-jho-low-nicky-liow-out-but-for-enforcement-agencies-attention-only>>, accessed 10 November 2022.

176. Author interview with real-estate industry executive 2, an industry specialist with extensive market research and risk modelling experience across Southeast Asia.

177. *Ibid.*

178. Author interview with independent regional security specialist 1, a regionally based strategic analyst with extensive experience across government and private sector settings in Southeast Asia. See also Cheang Ming and Huileng Tan, 'The Shocking Malaysian Election Result Could Hit Chinese Investments', *CNBC*, 10 May 2018.

The Chinese government and affiliated SOEs are likely to pursue further BRI engagements in Malaysia, Thailand, Laos and other key Southeast Asian countries through continued pursuit of BRI projects and positive incentives, with potential negative consequences for good governance at the national level if transparency and scrutiny are lacking. However, there is also the potential for resistance, especially in countries that have electoral politics and somewhat free media and information environments. Malaysia presents a clear case in point.

Further investigation should be conducted on whether cyber operations have increased in existing target countries that have proven resistant, such as Malaysia and Thailand. This would help shine a light on whether a range of both incentives and coercive measures are used in target countries, and could indicate a more concerted state-led effort on the part of the Chinese state, and lend greater credit to the idea that some BRI projects are not simply commercial engagements.

V. Key Findings and Policy Recommendations

THIS PAPER HAS examined the debate on influence versus malign interference in Southeast Asia and has outlined some case study examples of interference in the region that highlight the modus operandi of authoritarian regimes, particularly China, in the economic, political and information domains. It has also explored the question of whether governments in the region have implemented or strengthened risk mitigation strategies as a result of interference within their borders. This chapter highlights four broad trends that can be seen throughout the case studies and the regional overview, and offers concluding policy recommendations for the UK and its partners with regard to strengthening national resilience in Southeast Asia.

1. Interpretations of Malign States and Hostile Activity Differ

As seen throughout the various case studies, countries in Southeast Asia differ in their interpretation of what constitutes a hostile action. There is overarching agreement that interference is different from influence, which is defined as soft power. More menacing is covert interference in a state's sovereignty and decision-making, although the extent to which actions are viewed as interference versus influence is not aligned across the region. The case studies have shown that deep links between political elites, ethnic demographics and vulnerabilities in institutional resilience through, for example, corruption, complicate how states respond to foreign actors.

So too are there differences on the question of which states are considered to be engaging in 'malign' behaviour. The geographic and demographic particularities and close bilateral partnerships of specific Southeast Asian states shape the prism through which foreign countries are viewed. This is not unsurprising or unreasonable – for European countries and close liberal democratic partners more generally, the staunch differences in foreign and domestic policy of countries like Russia, Saudi Arabia, Iran, North Korea and China pose direct and indirect challenges to European perspectives of the rules-based international order and the principles upon which it is built. The geographical proximity of Russia and Iran, for example, poses a direct danger to European security in the continent's own territory or its periphery. This distinction is not as stark in Southeast Asia. Moreover, the concept of a state with 'malign intent' is viewed somewhat differently, with examples focusing more on challenging behaviour than intent, due to political sensitivity around risking being seen as choosing sides in what is ultimately considered a geopolitical competition between the US and China.

The geopolitical pressures that Southeast Asian states face are not identical and thus shape each country's view of which states are viewed as malign actors in the region. While there are some concerns around Saudi Arabia and Iran, these are limited to relevant states such as Indonesia

and Malaysia. As Richard Javad Heydarian notes, Russia's status as the largest source of defence sales for certain countries may play a role in how this actor is viewed in Southeast Asia. While Chinese examples of interference exist across the region, the geopolitical and economic realities that Southeast Asian states must contend with hamper public discussion of the challenges that Beijing presents.

2. The Current Level of Analysis of Malign Interference is Low Across the Region

As the regional overview and case studies show, Southeast Asian open source information on interference in the economic, political and information domains is limited where foreign state activity is concerned. Often, these themes are addressed by investigative journalists, but few public studies by experts in the region itself have examined them in detail. This is despite the much stronger focus on overt interference in the region, such as in the maritime domain, around the South China Sea issue. However, even the South China Sea disputes and regional security developments, such as the announcement of AUKUS, have elicited ambivalent responses that seek to avoid directly criticising Beijing.

The literature review and associated interviews as summarised in the regional overview showed four particular trends across the region: elite capture and hidden debt in Southeast Asia; online interference in election campaigns; investment in digital CNI; and Covid-19 vaccine diplomacy in selected states. However, issues of potential covert interference, such as through economic investment, elite capture or information operations, appear too sensitive to discuss publicly. This could be because of the difficulty in confirming state attribution of interference, or because of the political sensitivities of the offending and target states in question. Indeed, interviewees for this paper who have offered details on potential interference by foreign states have only spoken on the condition of anonymity.

There are, however, some specific hubs of analysis in the region, which include the RSIS Centre of Excellence for National Security in Singapore, and in the private sector, Mandiant and Recorded Future, which have established regional centres of expertise.

3. Chinese Interference is Seen Across the Region in the Three Themes

While this paper has sought to explore case studies of foreign interference in Southeast Asia by four distinct authoritarian regimes, the case studies have overwhelmingly featured China. This could be for a variety of reasons. One is the comparatively weaker and smaller presence of Iran, Russia and North Korea in seeking influence through interference in domestic affairs in Southeast Asia, and their priority of focusing on other regions and national security interests. It could also be, as noted earlier, that actors like Russia are not necessarily seen as nefarious actors in the region. China's extensive engagement in Southeast Asia and desire for influence in its surrounding environment is well appreciated by countries in the region, and prominent case studies thus tend to more naturally revolve around China. Indeed, interference connected to Chinese state-linked actors was seen across the three themes under examination in this paper (information operations, political interference and economic interference).

This is particularly prominent in discussions around Chinese economic investment and elite capture, which appear to go hand in hand in the case study chapters. These investments are being made along the BRI, but also in states where China may be seeking to achieve additional objectives, such as diminishing the influence of the US in treaty allies Thailand and the Philippines.

There is also some evidence of Chinese and Russian cyber operations targeting Indonesia's presidential elections in 2019.¹⁷⁹ Indeed, China's investment in CNI such as telecommunications in the region has created a particular vulnerability, with several countries in the region facing cyber attacks and media interference.

4. Greater Countermeasures to Mitigate Risks are Required

The UK, Europe, the US and other like-minded partners have strengthened their risk mitigation regimes to protect critical industries, heighten investment screening regimes, and prevent foreign interference in politics and the media.

This has not occurred to a similar extent in Southeast Asia, despite obvious strategic interests in the region from actors like China and activity taking place in the economic, political and information domains. There are notable exceptions, however – as seen in the chapter case studies, some countries in the region have responded with some mitigation efforts. These include Singapore, which introduced FICA in 2021, and Malaysia, through its focus on cyber security and various national security laws.

Recommendations

As they look for opportunities for deeper engagement in and with countries in the Indo-Pacific, the UK and partners could increase engagement in the region in several ways. This paper offers the following four recommendations.

Recommendation 1: Continue Support for Local Media and Civil Society

One immediate area for engagement that has emerged from this paper, although not entirely new, is the importance of supporting local media and civil society, and the fundamental role that investigative journalism and local engagement have played in exposing elite capture and corruption, as well as covert interference in the economic and information domains.

Given the worrying trend of democratic backsliding in Southeast Asian countries like the Philippines, the limits placed on the press in other Southeast Asian countries, and China's offer of media training to journalists in the region, this should be a continued policy priority for the UK and partners. It should include media training to aspiring journalists in the region, but as has been pointed out, any such assistance must be made transparently and should be understood to be highly sensitive in certain countries in Southeast Asia.

179. Author interview with real-estate industry executive 2.

Recommendation 2: Offer Alternatives Where Investment is Needed in the Region

Another area in which the UK and other partners have already highlighted the need for increased engagement is infrastructure initiatives. While this is not purported to be in response to China specifically, the language around principles of sustainable infrastructure based on high environmental standards, fair financial arrangements and transparency in project contracting underscores the concerns around Chinese investments.

However, infrastructure investment can be a slow and complex process. Given the heightened interest in Southeast Asia, the UK and like-minded liberal democratic partners would do well to engage in joint needs assessments in consultation with governments in the region, particularly around the area of CNI. Further investment and engagement through groupings like the Partnership for Global Infrastructure and Investment, the G20 (through standard-setting), the Blue Dot Network and the EU Global Gateway should be pursued. The unwitting exposure of Western financial institutions to liabilities associated with the BRI in Southeast Asia should also be examined.

Recommendation 3: Increase Information Exchange on Malign Interference

The UK and partners inside and outside Southeast Asia should consider exchanging information with one another on malign interference to help build a better threat picture of specific vulnerabilities and trends in targeting. As this information is likely highly sensitive and to various extents classified, the UK, for example, might consider, in trusted government-to-government settings, sharing information on observable trends, rather than specific detailed accounts or attribution to specific actors. This would help reinforce the global response to the challenge of malign interference and help shed light on whether observable trends are replicated in different geographical locations and specific contexts. Given that governments are understandably reactive and malign actors are more easily able to change tactics, this would also help governments shorten response times and address vulnerabilities in a timelier manner.

Recommendation 4: Help Develop Risk Mitigation Strategies in the Region

The UK, Europe and other partners have strengthened existing legislative regimes and crafted new ones to counter malign interference within their borders. These may not be best practice, but they represent examples that could be tailored to meet the specificities of Southeast Asian countries when it comes to legislation on cyber security, disinformation, investment screening and foreign interference.

Specific areas that are underdeveloped in Southeast Asia include cyber security and investment screening. On the latter, Southeast Asian countries have been liberalising foreign direct investment regimes since the 1990s as part of their development models. However, given increasing awareness of risk, investment screening mechanisms that protect national security (for example, on CNI, data and resources) may be required. Other reports have recommended that these be along the lines of OECD standards, even if not identical to the Committee on

Foreign Investment in the United States regime or other regimes of developed countries.¹⁸⁰ Foreign interference laws are another area that could be strengthened, with Singapore having strengthened its legislation in 2021.

The UK and partners in the transatlantic community, as well as the Indo-Pacific, should consider sharing experiences and legislative countermeasures in Track 1 and Track 2 settings.¹⁸¹ However, the unique and distinct environments of all 10 ASEAN member states should be taken into consideration here, with an understanding that there will not be a 'one-size-fits-all' approach to countermeasures. Furthermore, as has been discussed in this paper, there is the added complexity of criticisms in Southeast Asian countries that legislation which is meant to protect national security has also been used for domestic political ends by ruling governments. Given the UK's new Dialogue Partnership with ASEAN announced in early August 2021, and the launch of the ASEAN–UK Digital Innovation Partnership the following month, there may be an opportunity for the UK and other ASEAN partners to launch a programme of engagement focusing on best practice in mitigating malign activity and specifically hostile information campaigns in the digital space across Southeast Asia.

The UK in particular could also sponsor fellowships for higher-level and executive-level training on hybrid warfare and hybrid threats or courses at institutions like the Oxford Changing Character of War Centre, the European Centre for Excellence for Countering Hybrid Threats, think tanks, or private sector institutions working on cyber security, whether in Europe or the Indo-Pacific. Ultimately, none of these recommendations can be employed individually; rather, they should form the arms of a multifaceted strategy of regional engagement.

180. Aaron Baum, 'Investment Screening for Developing Asia', *Yale Journal of International Affairs* (Vol. 15, No. 1, Spring 2020), pp. 57–78.

181. Track 1 refers to official government interactions and Track 2 to non-government interactions.

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