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China a ‘Strong Internet Power’ (网络强国) and Its Evolving Relationship with ASEAN

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Abstract

The Communist Party's leadership aspirations of becoming 'strong Internet power' (wanglou qiang gou 网络强国) has driven an organisational restructuring within the party and government and a raft of legislation since Xi Jinping became president and Party secretary in 2012. This has also manifested itself in China's foreign policy and economic diplomacy in an effort to create an enabling international environment through its OBOR initiative and Internet Plus plan, especially in its engagement with ASEAN.

China's diplomatic engagement with ASEAN on cyber issues has deepened through the set-up of bilateral institutions designed to foster cooperation and investment on digital connectivity, internet governance and e-commerce. Chinese Internet Companies too have deepened their presence in the region through investments and partnerships with Southeast Asian companies in e-commerce, digital finance, gaming, cloud computing, etc.

This presents a number of economic opportunities for the region to make a leapfrog in digital connectivity and technology but also poses political and strategic challenges to ASEAN that need to be acknowledged and addressed sooner rather than later.

Introduction

The Internet is central to the Communist Party of China's (CCP) economic and governance ambitions. China is now home to more than 731 million internet users (CNNIC, 2017), already the largest Internet population in the world, and with more than 400 million people still to follow. Its technology giants are now global leaders in e-commerce, internet finance, communication, artificial intelligence, etc., and now make up four out of the top 10 Internet Companies in the world (Statista, 2017). The aspiration of building a „strong internet power“ (wanglou qiang gou 网络强国) has assumed central importance within CCP leadership thinking. The Internet is considered to be both a critical component to national security and the restructuring of the Chinese economy to a services-based, consumer-driven economy (National Informatization Development Strategic Outline, 2016).

This is evident in the organisational re-structuring that took place following the 18th Party Congress in 2012. President Xi Jinping chairs the presidential level Central Leading Group on Cybersecurity and Information, the de-facto policy nodal policy decision making body which he created for the various associated governance bodies including the Cyberspace Association of China (CAC) and the CyberSecurity Association of China (CSAC).

It is difficult to determine the origin of the phrase „strong internet power“ in party lingo, but it can be traced to an address President Xi gave to the conference of the Central Leading Group for Cyberspace Affairs in 2014 (People’s Daily Online, 2015 cited in Bundurski, 2015) and was most recently formally listed as a strategic objective in the State Council’s National Cyber Security Strategy in December 2016. A „strong internet power“ according to party lingo is understood to consist of two linked components: cyber security (互联网安全 hulian wang anquan), which is informisation (信息化 xinxihua), which is understood as the „introduction of ICTs in all aspects of social and economic life, in order to enhance efficiency and the delivery of public services, support urbanization and economic growth, but also to be able to better monitor social thinking trends“ (Cremiers 2014). In the past two years the CCP has passed into law a host of legislation in an effort to more effectively government and manage the internet in China, these include the National Cybersecurity Law in December 2016, the National Security Law and Counter-Terrorism Law.

China’s foreign policy, informed by the aspiration of creating an international environment that enables the development of China’s Internet capabilities, has been underpinned by two pillars: „internet sovereignty“, which is defined to mean that within Chinese territory the Internet is under the jurisdiction of Chinese sovereignty(2010 State Council Office White Paper „China and the Internet“¹), and a „multilateral“ model to global internet governance, in which all stakeholders take part in global governance but States retain primacy within the scope of the United Nations Charter. An approach that is in overt opposition to the US-led „multi-stakeholder“ model.

Underpinning China’s approach is the belief that the status quo—both in terms of governance and technology— asymmetrically favours developed countries, and that the „the governance of global cyberspace has a clear character of asymmetric interdependence... By means of technological, institutional, strategic and policy advantages, developed nations hold clear status and enjoy [a position of] lower sensitivity and relative strength“(Shen Yi, Legal Daily, 2015 cited in Bandurski, 2015). These positions have been emphasised on numerous occasions including by President Xi in his address „promoting the transformation of the global system of internet governance“ at the 2015 Wuzhen World Internet Conference, and in numerous speeches by former CAC head Lu Wei, as well as leading thinkers in academia and media.

Reforms to global Internet governance structures require international consensus involving a range of State and non-state actors and since 2014 in particular China visibly stepped up its diplomatic activity on this front. In 2014 China set up its own forum, the Wuzhen World Internet Conference², to add critical mass and build support for its agenda, namely the principle of Internet Sovereignty and multilateral approach. China has also asserted its influence in bilateral dealings with other major powers such as the U.S. and Russia and also in the ongoing global deliberations to reform global internet governance at the International Corporation for Assigned Names and Numbers(ICANN),

¹ „China and the Internet“ published in 2010 is the first policy paper on the internet by the Chinese government.

² The Wuzhen World Internet Conference is an annual event organised by the Cyberspace Administration of China(CAC) and the Zhejiang Government to discuss Internet and policy issues.

UN's World Summit on Information and Security+10 review, and International Telecommunication Union (ITU). As global internet governance deliberations continue to evolve domestically and internationally over the coming years, China's task is to build a global coalition of countries that subscribe to its policies and ensure that new laws and norms are in line with its own interests, an attempt to „gain de jure international support for China's de facto Internet censorship policies“ (Franz Stephan-Grandy, 2014).

This has also been integrated into two of China's flagship initiatives, the One Belt-One Road (OBOR) initiative and Internet-Plus strategy³, orchestrated in close coordination with private Internet companies such as Baidu, Alibaba, Tencent, among others. Under the auspices of the Internet-plus plan, as well as OBOR, Chinese enterprises are being encouraged and urged to work together and go abroad. The Internet Plus plan calls for Chinese companies to „aggressively establish an international presence, expand foreign users, and push out products suited for different market cultures“ (“State Council Guiding Opinions concerning Vigorously Moving Forward the “Internet Plus” Plan, 2015). Former CAC chief Lu Wei further articulated, „China will further strengthen its network cooperation with countries along “One Belt, One Road”... will deepen pragmatic collaboration with developing countries, forcefully move forward the construction of Internet infrastructure, eliminate “information barriers”, and reduce the digital divide“ (Lu Wei, Seeking Truth, cited in Chinese Copyright and Media, 2016).

Although China's leading internet players are private companies they share a strong relationship to the Chinese State. Literature by Rebecca Mackinnon illustrates that Chinese technology companies are inextricably associated with government practices of internet sovereignty via a process termed „networked authoritarianism“ (MacKinnon, 2010 cited in Logan 2014). This term highlights the fact that Chinese information-shaping strategies are complex and reactive, and MacKinnon's work emphasises the fact that Chinese networked authoritarianism cannot work „without the active cooperation of private companies“ via a system of strict, stringently enforced, and wide-ranging intermediary liability (Logan, 2014).

How then has China's aspirations of becoming a „strong Internet power“ and the various laws, policies and plans that it has put in place to support this influenced its engagement with the ASEAN region?

This is the central question that this paper will seek to provide answers to. The next section of the paper will be divided into three parts. Part I will assess the ASEAN region and how it fits in China's Internet power strategy. Part II will outline the diplomatic engagement between China and ASEAN on issues related to internet infrastructure connectivity, digital economy, internet governance. It will also examine China's Internet companies' presence and activity in the region, empowered by OBOR initiative and

³ The Internet Plus concept was first presented by Premier Li Keqiang in March this year when delivering the government work report.

The action plan will integrate mobile Internet, cloud computing, big data and the Internet of Things with modern manufacturing, to encourage the healthy development of e-commerce, industrial networks, and Internet banking, and to help Internet companies increase their international presence.

Internet Plus plan. This paper will then posit some of the potential political and economic affects of this engagement on the region in terms of opportunity to make use of Chinese capital, technology and expertise to make leap frog advances digital connectivity and digital economy but also potential effects to the region’s own legal, cultural and political development of the internet with respect to privacy, censorship, internet governance, etc.

PART I— THE ASEAN PIECE IN THE CHINESE PUZZLE

Southeast Asia is still in the early stages of digital development possessing the promise of large future dividends. Yet with a digital economy that generated \$150 billion in revenue in 2015 it is also a market ripe to be tapped today(Choi,et all, Atkearney 2015). The region has about 254 million active internet users(Kemp, 2016), most of whom are getting online via their smartphone(Internet Society, 2015), and the average internet penetration across the region is only about 40% (below the global average of 44%) (ICT key data, ITU 2015).

Table 1: Digital ASEAN

Country	Internet Penetration*	Average Internet Speed (Mbps)**	IDU Index***
Singapore	82%	76.8	#19
Malaysia	67.5%	5.9	#64
Brunei	68%	9.59	#71
Thailand	34%	19.87	#74
Phillipines	36.9%	3.42	#98
Vietnam	48.3%	16.6	#102
Indonesia	17.4%	4.77	#108
Cambodia	9%	5.58	#121
Laos	14.2%	4.38	#138
Myanmar	2.1%	5.78	#142
ASEAN Average	40%	15.2	
Global Average	44%		

*Source: 2000-15 Key ICT Data, International Telecommunications Union; **Netindex 2014, cited in Internet Society, 2016; ***Source: UN ITU

An examination of the region using key ICT indicators such as Internet penetration, average Internet speeds, and the ITU's 2015 ICT Development Index (IDU) reveals two clear trends (See Figure A). ASEAN still lags behind on important indicators like internet penetration and internet speeds. Singapore and Thailand aside, the region lags behind the global average Internet speeds (UNESCAP, 2016). Moreover, within ASEAN there is very clear digital divide. On top of the list, Singapore is relatively a digital oasis. The other nine countries can be split into three distinct clusters—Malaysia, Brunei and Thailand; Philippines, Vietnam and Indonesia in the middle; and at the bottom Cambodia, Laos, and Myanmar.

Southeast Asia's best years of digital growth are clearly still ahead. Estimates suggest that 194 million new internet users in the region are expected to come online by 2020 by which the number of middle class consumers in the region will reach 400 million. Expectation is also that the region's economy will be harmonised via the ASEAN Economic Community (Choi, et al, Atkearney 2015; Singapore Go Global, 2015),

To reach these targets large amounts of investments needs to be made into key digital connectivity infrastructure such as international bandwidth, local bandwidth and mobile connectivity. An investment of US\$ 1.1 trillion in telecommunications infrastructure is needed between 2010 and 2020 in the Asia-Pacific and US \$46 billion of investment into broadband connectivity (Asian Development Bank, 2015; Atkearney, 2016). At the moment Internet bandwidth supply through submarine and landline cables is a critical deficiency, particularly within the three countries on the bottom tier. Cambodia has no submarine cable landing station, Lao is dependent upon low-capacity landlines and Myanmar has a connection to just one ageing and low-capacity cable (Internet Society, 2016). ASEAN's Master Connectivity Plan 2015, created in 2011, includes infrastructure connectivity as one of its „six strategic thrusts“. But capacity can be created only if investment is forthcoming (Internet Society 2015).

China, with its technical expertise and capital, is fast emerging as a major partner in bridging the digital divide.

PART II. ASEAN-CHINA: POLITICS, DEVELOPMENT AND THE DIGITAL ECONOMY

ASEAN as an entity has been China's third largest trading partner since 2011 and China has been ASEAN's largest trading partner since 2009. In 2015 total trade between China and ASEAN stood at 472.1 billion (MOFCOM, 2016) and ASEAN received US\$ 8.9 billion in foreign direct investment (FDI) inflows from China, accounting for 7.1 per cent of total inflows to ASEAN (asean.org, 2015).

China-ASEAN ICT cooperation can be traced as far back as 2001 when ministers from both sides held a China-ASEAN Seminar on Information and Communication

Technology to discuss ICT cooperation. In 2014 the first China-ASEAN Cyberspace Forum was held in Nanning Guangxi, a landmark summit in the context of China-ASEAN ICT cooperation which led the creation of the China-ASEAN information Harbour held in September 2015. The Information Harbour is jointly organised by CAC and the local Guangxi government and is to be based in Nanning, Guangxi. From this point on China-ASEAN cyber engagement will be carried out through the framework of five platforms: infrastructure construction, information sharing, technological cooperation, economic and trade services, and cultural exchanges(State Council of China, 2015). One of the flagship projects is to build a China-ASEAN Information Port, envisaged as an international communications network system designed to service ASEAN and south-western China. The current plan is to initiate related infrastructure projects between 2015-17 following which the overall framework for the port will be designed(HKTDC Research, July 2016).

Details and specifics from these meetings in the public domain are few and far between, with just a handful of reports revealing some outcomes and plans, all of which are from the 2015 inaugural summit with no developments announced in 2016.

Xinhua reported that a total 34 projects for a total value of \$3.3 billion which will be eligible to funding from the Asian Infrastructure Investment Bank (AIIB) and the Silk Road Fund (Xiang bo, 2015). At the 2015 Harbour the completion of the China-Myanmar optical cable transmission system built by China Unicom was announced(although this project began well before) as was an agreement to build a cross-border e-commerce platform to boost linkages between small and medium sized businesses in the region(BRICS post, 2014). In his speech at the launch of the Harbour then CAC head Lu We stated that through this initiative China will attempt to „promote internet penetration“ and „bridge the digital gap“ in the region, while also pooling resources on internet communication platforms and entertainment (Xiang bo, 2015).

While connectivity deals to create an information harbour caught the headlines an equally essential component was aligning ASEAN to China“s strategic and political objectives.

At the Harbour, Zhuang Rongwen, CAC Vice-Minister, made eight proposals for the China-ASEAN cyber relationship, including: „According respect to Internet-related sovereignty of other countries“, and „the establishment of a multilateral, democratic, transparent Internet regulatory system“ (Wang, Fang, 2015). Lu Wei too, in his address at the inauguration of the forum, brought up adherence to internet sovereignty(Fang Wang, ECNS).

China and Laos signed a bilateral Memorandum of Understanding(MOU) on Cyberspace Cooperation and Development at the Harbour and reports suggested that talks for such an MOU with Indonesia is at an advanced stage although there has been no subsequent announcements or progress reports(Xinhua, 2015). For China, getting the support of the 10 ASEAN countries, many of whom are democracies, is important both to gain numbers and legitimacy to its efforts to create a coalition in favour of a multilateral internet

governance system. All 10 countries are members of the G-77 group of developing countries, a bloc which China works closely with at UN deliberations on internet governance.

Internet Companies in Southeast Asia

Baidu, Alibaba and Tencent, also referred to in China as „BAT,' are all present in the region through the sale of their products and services as well as investments in local companies. The Internet-Plus plan added support and overall direction to China’s internet companies’ ventures abroad but their international expansion preceded this. BAT, and now followed by other large and fast growing companies such as Cheetah Mobile and JD, are all looking to establish a foothold and grow, especially in markets whose conditions are similar to China’s as detailed in part I.

The table below details all the major Chinese Internet companies that have a presence in Southeast Asia through the sale of their products or investments. There is no comprehensive database that contains all the information. Instead the information was gathered from a combination of company press releases and media reports and verified where possible with the American Enterprise Institute and Heritage Foundation China Investment Tracker, and Crunchbase⁴.

Table 2: Major Chinese Private Internet Companies in ASEAN*

Company	Industry	Product	Investments***	Countries
Baidu	Search, mobile, artificial intelligence	hao123.com , Baidu PC faster, Mobomarket	none	Indonesia, Vietnam, Thailand, Malaysia
Alibaba Group**	E-commerce, e-finance, cloud computing	Aliexpress, Aliyun, UC Browser, Ant Financial	\$1 billion for 51% in Lazada group; \$206 million in Singpost (equity undisclosed); 20% stake of Ascend Money (undisclosed)	Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam
Tencent Holdings Ltd	Gaming, communication, e-finance	Wechat, Tencent Thailand, QQ Watch	\$11 million investment in Okbee; \$81.7 million for Sanook; major investor in Garena; \$27 million in 49% of	Malaysia, Singapore, Phillipines, Myanmar, Indonesia, Thailand

⁴ Crunchbase is a database for discovering industry trends, investments, and news about hundreds of thousands of companies globally <https://about.crunchbase.com/>

Table 2: Major Chinese Private Internet Companies in ASEAN*

Company	Industry	Product	Investments***	Countries
			Level UP	
Cheetah Mobile	Mobile applications	Clean Master, Battery Doctor, Photogrid	Undisclosed	Indonesia(HQ), Malaysia, Singapore, Phillipines, Myanmar, Indonesia, Thailand
Qunar	Travel		Undisclosed investment in Grab (e-hailing)	Malaysia, Singapore, Phillipines, Indonesia, Thailand
Jingdong	E-commerce	jd.com	None	Indonesia
	*Company either physically present or via service/product sold ** Alibaba Group also includes its affiliate Ant Financial Group			

Mini Case Studies

On examining the investment trails, setting up of operations and selling of products, Singapore, Thailand and Indonesia emerge as hubs.

Singapore

Singapore, the economic and trading hub of Southeast Asia, with over 82% of its population online and one of the largest income levels in the region, is the natural entry point for Chinese companies. This is especially true for e-commerce giant Alibaba Group.

Alibaba Group is responsible for the two largest investments by a Chinese Internet company in Southeast Asia. In April 2016 it grabbed the headlines with the announcements of a US\$ 1 billion investment in Lazada, Southeast Asia's largest e-commerce player (Alibaba Group Press Statement, April 2016). This followed up a \$206 million investment in 2015 for a 14.3% stake in SingPost, an eCommerce logistics company with operations across the region, and the subsequent joint-venture set-up of subsidiary Quantum Solutions International (QSI) which specialises in end-to-end eCommerce solutions that includes warehousing, fulfilment, and last mile delivery (Singpost Press Release, Oct 27 2016). While these two deals captured media and investor attention in the region, Alibaba Group affiliate Ant Financial also reportedly

invested \$22 million for an undisclosed share in M-daq, a Singapore based startup that owns a forex product „Aladdin“ designed for e-commerce (Terence Lee, July 2016).

The three investment seen together, Lazada (e-commerce), SingPost (logistics), and M-daq (Payments), gives Alibaba full control over what founder Jack Ma considers the „Iron Triangle“ of e-commerce on which Alibaba has based its success on.

Singapore is also the location of the international headquarters of Alibaba’s Aliyun (cloud service) from where it intends to service clients across Southeast Asia, Middle East and Europe (Yu, 2016). This ties in with the Singapore government’s own ambitions to be a smart city and in the past year Alibaba announced collaborations on smart computing with the National University of Singapore through \$500,000 worth of aliyun credits towards use of its cloud platforms by university students, academics and staff. (Alibaba Group Press release, 2017).

While Alibaba were the bigger movers Baidu and Tencent made the earliest moves. In as early as 2012, Baidu partnered with Singapore’s I²R in 2012 to set up a research lab aimed at developing language processing technologies, in order to better serve consumers in the region. Tencent invested a reported \$172 million to become the major stakeholder in Garena, a Singapore based gaming company.

Thailand and Indonesia

Figure A revealed the three tiers within the region. Thailand featured in the bottom of the first band and Indonesia in the bottom of the second. These two countries fit the profile of markets that Chinese companies are actively seeking to succeed in—small to fast growing digital economy built on a mobile-first internet users.

According to the Indonesian Information and Communications Technology Ministry the Indonesian e-commerce market was valued at US\$ 18 billion in 2015, and is expected to grow to US\$ 130 billion in 2020, with an annual growth of 50 per cent (Gervasi, 2016).

Alibaba owned UC browser is the most popular browser in Indonesia and is headquartered in Jakarta with a market share ranging between 41% and 50% according to various media reports (BGR, 2015). JD.com recently opened an office here to support the company’s launch of an Indonesian based version of its e-commerce website. Cheetah Mobile set up an office in Jakarta and partnered up with 20 local partners to bring its popular utility applications to the country (Cheetah Mobile Press Release).

In Thailand, the ecosystem is more developed than Indonesia, and that is evident in gaming giant Tencent’s presence. In 2012 Tencent made a US \$10.52 million acquisition of Sanook, a Thai gaming company and according to recent reports Sanook has now been renamed „Tencent (Thailand)“ (Technode, 2016). In 2016 Tencent also invested US\$ 19 million for an undisclosed stake in Okbee a content Thai publishing platform.

Recently Alibaba also announced that it is to invest a 20% stake in Thailand's Ascent Money, a micro-finance and personal loans provider, with offices across southeast Asia (Bangkok Post, 2016).

In both Indonesia and Thailand, Alibaba has taken up a role as capacity builder. The Indonesian government also announced a partnership between the Indonesian Ministry of Trade and Alibaba to support SMEs. In December 2016 Alibaba and the government of Thailand announced an MOU to "offer e-commerce training to 30,000 Thai SMEs and help build Thailand's own national E-Commerce platform... collaborate on the creation of a nationwide People and Talent Development Program, which aims to train around 10,000 individuals so they can be proficient in digital technology... establish Thailand as a hub of digital technology and regional data centres in Southeast Asia" (Business wire, December 2016).

The nature and the scale of the investments in the region reveals the serious intent China's companies are serious about expanding and succeeding in Southeast Asia. Through partnerships and acquisitions Chinese companies are bringing their capital, technology, infrastructure, and know-how, offering the potential to grow and develop the digital environment in the region. The popularity of its services, for example UC browser, made for low-bandwidth environments, shows that China's companies are better placed to succeed than their American competitors who usually have to specially create services for the region, Facebook's efforts at creating a Facebook Lite is a prime example.

Implications for ASEAN

Global internet companies, by virtue of the blurry borders in cyberspace, give rise to several issues and questions with regard to censorship, privacy, data protection, etc. These issues are more relevant than ever with China's companies who despite being private entities share a unique relationship with the government. Therefore Chinese internet companies' forays into foreign markets, including Southeast Asia, has to also be seen in this context.

All Internet companies operating within Chinese jurisdiction are held liable for everything appearing on their search engines, blogging platforms, and social networking services through a mechanism known as intermediary liability (Mackinnon, 2010). In her seminal work on the Chinese Internet, Internet Freedom activist Rebecca Mackinnon claimed that internet companies' inextricable association with the state's practices of internet sovereignty to be a process known as „networked authoritarianism“ (Mackinnon, 2012).

Ranking Digital Rights has a corporate accountability index 2015 which ranked 16 of the world's most powerful Internet and telecommunications companies on their disclosed commitments, policies, and practices that affect users' freedom of expression and

privacy. Tencent is the only Chinese company on the 2015 ranking and received an overall score of 16% tying for third lowest in the Index overall and just 19% on Freedom of Information, 17% on Privacy, second lowest among Internet companies examined (Ranking Digital Rights Index 2015).

Disclosure from Internet companies about information sharing with governments or censorship policies is not forthcoming anywhere in the world, especially China. But there are some studies done by researchers that have helped shed some light.

A research project conducted by Sarah Logan investigated how the relationship between the Chinese State and its internet companies affected those companies' international expansion by looking at Baidu's expansion into Vietnam in 2011 and subsequent closure in 2014 as a case study (Logan, 2015). Logan's findings revealed that Baidu's troubles largely boiled down to suspicions and concerns that China was effectively exerting its "internet sovereignty" over Vietnamese users— through routing information via Chinese servers, or restricting online conversation to fit in line with China's geopolitical goals. It is interesting to note that two of the accusations—subverting local laws through choice of domain and downloading malicious software—were proved to be false by the author. But even so, the eventual outcome reflected the fact that Vietnamese users saw the Chinese State and its companies as one. In an unrelated incident Baidu was also accused of facilitating cyberattacks due to reports in 2015 that attributed Baidu's servers as the origin for Chinese cyber attacks on the U.S. (Rushe, 2015)

Baidu was not the only company to suffer from accusations of doing the state's bidding. Tencent was accused of blocking WeChat users outside China from using the terms „China Southern Weekend“ and „Falun Gong“ which were banned from use in China in 2013. A recent study done by Citizen Lab titled „One App Two Systems“ revealed that Wechat censorship in the form of keyword filtering on WeChat is only enabled for users with accounts registered to mainland China phone numbers and websites that are blocked for China accounts were fully accessible for International accounts (Lotus Ruan, Jeffrey Knockel, et al, November 2016). However, the study also found that the Keyword censorship is no longer transparent. In the past, users received notification when their message was blocked; now censorship of chat messages happens without any user notice.

CONCLUSION

As China's strategic goal of becoming an Internet power strategy takes shape it is increasingly clear that China has integrated this goal into its foreign policy and economic diplomacy with the ASEAN region. Through OBOR and Internet Plus, by design, China's engagement with ASEAN on cyber issues is comprehensive, including building digital connectivity, e-commerce, cybersecurity, entertainment, etc. China's internet companies very early on identified and moved to tap the potential of the region, the CCP has since caught up and is creating a platform to encourage them to deepen this engagement.

This is clearly an opportunity for ASEAN. China can provide much needed investment in ICT infrastructure and offer a range of leapfrog internet services and know-how that can be a major economic boost to the region. However, there are significant risks that need to be acknowledged as China's investment in the region is also tied to political and strategic goals.

The more overt risk is China tying political and strategic allegiances to its investments in an attempt to coerce the region to sign on to its political agenda, which includes promoting the concepts of multilateral model of internet governance and internet sovereignty. The 10 ASEAN countries are important numerically in building an international coalition of countries that support China's policies. Consisting of majority democracies ASEAN is also a legitimiser of its policies which are painted by the United States and its allies as authoritarian.

The more implicit risk is that while users in the region may benefit from the services provided by Chinese companies, users' rights on privacy, data security, among others, remains unprotected. It is now widely understood that for all internet based services user data is both key for business models and also for governments to surveil populations, censor information and manage discourse.

The ASEAN region lacks a comprehensive data protection regime that protects users' privacy and control over their data. The challenge is for the ASEAN countries, collectively or individually, to secure their interests on data privacy, security, freedom of speech, etc—just as China does with foreign companies. As lessons in other developing countries such as India show, these issues only become more prominent as a larger population and larger parts of the economy become reliant on the internet. But by signing on to China's larger political agenda now, ASEAN risks tying itself irreversibly to changes that will be made to the internet now that will affect future generations. By claiming internet sovereignty, the very principle prescribed by China, ASEAN countries can create the space they require to legislate and protect their interests.

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