Silk Cage Series - IV

Corridors of Influence? The China–Indochina Peninsula Economic Corridor and Beijing's Expanding Power Architecture

Webinar Report

April 22, 2026

Institute for Security & Development Policy

Stockholm Center for South Asian and Indo-Pacific Affairs (SCSA-IPA)

About ISDP

The Institute for Security and Development Policy is a Stockholm-based independent and non-profit research and policy institute. The Institute is dedicated to expanding understanding of international affairs, particularly the interrelationship between the issue areas of conflict, security and development. The Institute's primary areas of geographic focus are Asia and Europe's neighborhood.

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LIST OF SPEAKERS

Dr. Bill Hayton is an Associate Fellow, Asia-Pacific Programme, Chatham House, UK. He is a former BBC journalist, the author of four books on Asia, and the editor of the academic journal Asian Affairs. He was the BBC's reporter in Vietnam in 2006-7 and was seconded to the public broadcaster in Myanmar in 2013-14. Bill is the author of Vietnam: Rising Dragon (Yale 2010, second edition 2020) and A Brief History of Vietnam (Tuttle, 2022). He has written two other books: The South China Sea: the struggle for power in Asia (Yale, 2014) and The Invention of China (Yale, 2020), and numerous articles on Asian issues. In 2019, he received his PhD from the University of Cambridge for work on the history and development of the South China Sea disputes. Bill worked for the BBC for 22 years until January 2021, and he is a fellow of the Royal Geographical Society.

Dr. Katarzyna Anna Nawrot is a Polish economist and international relations scholar at the Department of Regional and Global Studies, Faculty of Political Sciences and International Studies, University of Warsaw. She is Deputy Chair of the Committee for Future Studies at the Polish Academy of Sciences and serves as Plenipotentiary of the Vice-Rector for Research for cooperation with the Coalition for Advancing Research Assessment (CoARA). She holds a PhD in Economics from Poznan University of Economics and Business and a DSc in Social Sciences. Her research focuses on development economics, international economics, and Asia-Pacific regional cooperation and integration, including Southeast Asia and China. She has held fellowships at Harvard Kennedy School, the Graduate Institute of International and Development Studies in Geneva, and Central South University in China.

Ms. Angeline Tan is an analyst in the Foreign Policy and Security Studies team at ISIS Malaysia. Her primary research looks into Chinese foreign policy, including the Belt and Road Initiative and the South China Sea. She is also interested in Japan's strategic approaches to Southeast Asia and the impact of the US-China tech rivalry on the region. In particular, she has been researching the chip war and its implications in the Indo-Pacific.

Captain Kentaro Furuya (JCG) is a Professor at the Japan Coast Guard Academy, Adjunct Professor at the National Graduate Institute for Policy Studies (GRIPS), Keio University, and the World Maritime University (Malmö, Sweden). Since joining the JCG in 1988, he has held diverse leadership roles in operational and strategic areas, including maritime search and rescue, counter-terrorism, and law enforcement. His research focuses on the Law of the Sea, maritime security, and Coast Guard policy formulation, with publications in leading journals including International Law Studies and Naval War College Review. He teaches legal and maritime security issues to domestic and international students.

Dr. Rajeev Ranjan Chaturvedy is an Associate Professor in the School of Historical Studies/International Studies at Nalanda University. He is the founding Coordinator of the Centre for Bay of Bengal Studies and the head of the School of International Relations and Peace Studies (SIPS) at Nalanda University. His research and teaching interests include India's Foreign Policy, the Bay of Bengal Region, India's Maritime and Economic History, Regional Security and Developments, China-Southern Asia Strategic Access, and Modern World History.

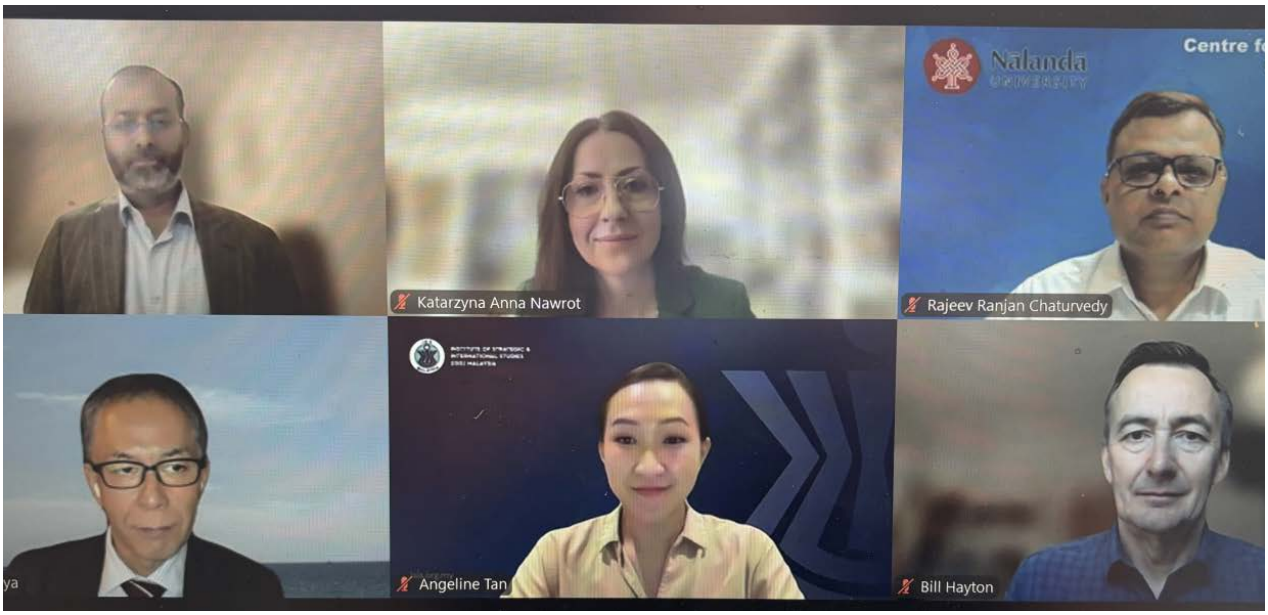
Moderator

Dr. Jagannath Panda is the Head of the Stockholm Center for South Asian and Indo-Pacific Affairs (SCSA-IPA) at the Institute for Security and Development Policy (ISDP), Sweden. Dr. Panda is also a Professor at the Department of Regional and Global Studies at the University of Warsaw; and a Senior Fellow at The Hague Center for Strategic Studies in the Netherlands. As a senior expert on China, East Asia, and Indo-Pacific affairs, Prof. Panda has testified to the US-China Economic and Security Review Commission at the US Congress on 'China and South Asia'. He is the Series Editor for *Routledge Studies on Think Asia*.

DISCUSSION

This webinar, the fourth in the Silk Cage Series, moves beyond South Asia to examine how China's continental corridors interface with maritime strategy, influence operations, and broader geopolitical contestation. It situates the China–Indochina Peninsula Economic Corridor (CICPEC) within a wider strategic arc linking the South China Sea to the Bay of Bengal and further into the Indian Ocean Region (IOR). As part of the Stockholm Center for South Asian and Indo-Pacific Affairs (SCSA-IPA) project, "The Silk Noose: China's Power Architecture in South Asia and the Indian Ocean Region," the discussion explores how China is constructing not only economic corridors, but an interlinked power architecture stretching from continental Southeast Asia into the Indian Ocean. Within this framework, South Asia represents a central theater of this evolving system, while CICPEC illustrates how adjacent regions reinforce, extend, and sustain it.The entire webinar is available on YouTube.

CICPEC is often presented as a model of economic integration, linking China with Vietnam, Laos, Cambodia, Thailand, Malaysia, and Singapore through railways, highways, pipelines, and digital infrastructure. However, this infrastructure is not politically neutral. As part of China's expanding power architecture, these corridors increasingly function as platforms through which Beijing shapes regulatory environments, embeds technological standards, deepens security cooperation,



and advances narratives of non-interference and "shared development."

This becomes particularly significant when viewed through a South Asia–IOR lens. China's strategy does not operate in isolated regional theatres; rather, it integrates continental corridors with maritime nodes, including ports, logistics hubs, and digital infrastructures that connect Southeast Asia's eastern seaboard to the South China Sea and extend westward toward the Bay of Bengal. In this sense, CICPEC forms part of a broader continuum linking land-based and maritime connectivity.

Influence operations along CICPEC manifest differently across political contexts. In Laos and Cambodia, economic dependence intersects with elite networks and governance structures. In Vietnam and Thailand, balancing strategies and domestic political calculations complicate Chinese leverage. Across the corridor, digital infrastructure, energy investments, railway financing, and special economic zones generate new patterns of structural influence that go beyond traditional diplomacy. At the same time, Southeast Asian states are not passive recipients of this process. ASEAN frameworks, national development strategies, and engagement with alternative partners including Japan, India, the EU, and the USA introduce elements of contestation into the corridor space.

The webinar addressed the following questions:

- Is the China–Indochina Peninsula Economic Corridor primarily developmental, or is it a strategic instrument within China's broader power architecture?
- How do influence operations vary across political systems in Vietnam, Laos, Cambodia, and Thailand?
- In what ways does CICPEC connect the South China Sea theatre with the Bay of Bengal and the Indian Ocean Region?
- Does corridor participation enhance state agency or embed new forms of structural dependence?
- How effective are alternative connectivity initiatives in providing counterweights to Chinese influence?
- What does CICPEC reveal about the future trajectory of China's continental–maritime integration strategy?

Dr. Jagannath Panda opened the session by outlining the aim of examining China's influence operations through land–sea connectivity networks in Southern China. Dr. Panda described these networks as strong linkages with mainland Southeast Asia, extending to maritime Southeast Asia, and indirectly reaching the wider Indian Ocean theater. Therefore, in this context, the role of the South China Sea cannot be ignored.

The China–Indochina Peninsula Economic Corridor (CICPEC) is often presented as a model of economic integration, linking China with Vietnam,

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Laos, Cambodia, Thailand, Malaysia, and Singapore through a range of infrastructural and digital projects. At the same time, these initiatives are widely seen as serving China's broader strategic objectives. In this context, Dr. Panda outlined the main discussion question of this webinar: to what extent these projects are economic in nature and to what extent these projects assist China in executing its strategic influence in the region.

The first expert, **Dr. Bill Hayton** outlined four main points. First, from a broader perspective, the purpose of the China–Indochina Peninsula Economic Corridor (CICPEC) is to strengthen the Chinese party-state. This encompasses economic and geostrategic dimensions, as well as the creation of a buffer zone of friendly regimes around China. While China officially denies engaging in influence politics, it is evident that its efforts are aimed at fostering friendly relations with neighboring countries in order to "protect" the ruling party from perceived unfriendly regimes, such as the United States.

Second, Hayton highlighted the distinction between CICPEC as an institution and China's broader engagement with Southeast Asia. Due to the geographical proximity between East Asia and Southeast Asia, there has long been a degree of connection between the two regions. For instance, in 1992, the Asian Development Bank (ADB) launched the Greater Mekong Initiative, involving Cambodia, Laos, Myanmar, Vietnam, Thailand, and the Chinese provinces of Guangxi and Yunnan. In 2004, Vietnam proposed the "Two Belts, One Circle" relationship with southern Chinese provinces during the demarcation of the Vietnam–China border. CICPEC itself was proposed in 2010, prior to the launch of the Belt and Road Initiative in 2013. It may be understood as an effort by Beijing to boost the economic development

of Guangxi, which at the time was the fourth poorest region in China. However, a sign of CICPEC's limited success is that Guangxi remains among the poorest regions, with its GDP per capita declining in relative terms.

Third, in the context of China–Southeast Asia engagement, an important initiative is the Lancang–Mekong Cooperation Forum, established in 2016. This framework includes the same six countries as the ADB Mekong Initiative but is driven by China. It is primarily diplomatic rather than economic in nature and involves selected ASEAN countries, suggesting an "order-building" exercise by China. At the same time, ASEAN has been promoting the concept of a comprehensive economic partnership, which includes a broader set of actors beyond its member states. It is projected that by 2035, around 90% of goods traded under this framework will be tariff-free, providing strong incentives for the business sector. Meanwhile, the ADB's Mekong Initiative continues to enhance supply chain connectivity between Southern China, Northern Vietnam, and the greater Mekong subregion.

These developments have significant economic implications for both bilateral and multilateral trade relations. For example, China–Vietnam bilateral trade grew by 25% in 2025, with a substantial trade imbalance in China's favor. Vietnam exported approximately $70 billion to China, while China exported around $180 billion to Vietnam, resulting in a trade surplus of over $100 billion for China.

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Fourth, Hayton addressed how Southeast Asian countries respond to China's growing power. Their responses can be understood through three factors: need, greed, and fear. While these countries seek economic growth and opportunities, none of them wish to be dominated by China. As a result, they attempt to balance their relationships with China carefully.

Dr. Katarzyna Anna Nawrot, the second expert, outlined three main points.

First, she approached Southeast Asia from a regional perspective, considering ASEAN as a whole. Geographically, Southeast Asia is strategically positioned at the intersection of the Asia-Pacific region, linking the Indian Ocean and the Pacific Ocean. However, ASEAN's importance goes beyond its geographic location and extends to its economic potential. Over the past few decades, the region has undergone a significant transformation, moving from predominantly low- and lower-middle-income economies toward increasingly industrially advanced countries.

Second, within these industrialization processes, the role of China cannot be overlooked. This role operates at both the functional and institutional levels, which complement each other. China's connectivity corridors facilitate functional cooperation on the ground, particularly through infrastructure and development projects, while also reinforcing broader institutional connectivity between participating countries and regional frameworks.

Third, when focusing on the countries located at the core of these corridors—especially those in Indochina—it becomes evident that many of them remain among the least developed. This creates a degree of vulnerability to Chinese influence, particularly in decision-making processes

"Countries located at the core of these corridors—especially those in Indochina—remain among the least developed. This creates a degree of vulnerability to Chinese influence, particularly in decision-making processes within international organizations. However, engagement with China also represents an important opportunity for developmental advancement and a necessary avenue for economic cooperation."

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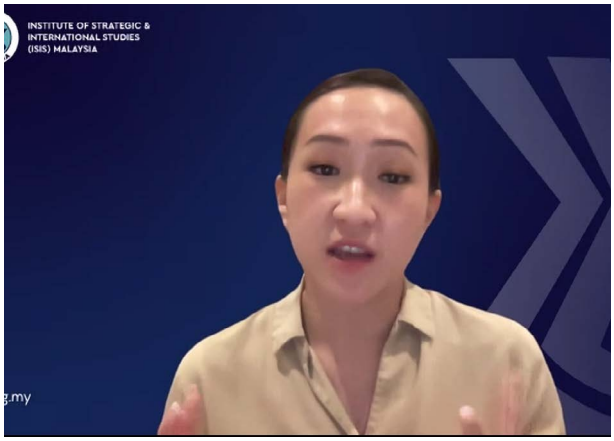
within international organizations. From China's perspective, this reflects clear strategic interests. However, from the perspective of these countries, engagement with China also represents an important opportunity for developmental advancement and a necessary avenue for economic cooperation.

Ms. Angeline Tan, the third expert, outlined three main points regarding the appeal and limits of cooperation with China.

First, she presented a more personal perspective on how Southeast Asia views the Belt and Road Initiative (BRI) and CICPEC. The concept of CICPEC is particularly significant for Southeast Asia, as it can help address a long-standing regional challenge in bridging economic disparities among ASEAN member states. This issue has been especially pronounced since ASEAN's expansion in the 1990s, particularly in mainland Southeast Asian countries such as Laos, Cambodia, and Myanmar. In this sense, CICPEC offers a potential solution to these developmental gaps and supports the realization of Southeast Asia's broader economic potential. It also aligns with ASEAN's agenda, as it promotes inclusivity and regional development.



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Second, she emphasized that the idea of interconnectivity in the region is not new. Discussions on intra-regional transport links, such as the Pan-Asian Railway, predate the proposal of CICPEC by several decades. Although such discussions have been ongoing for more than 30 years, tangible progress has only recently been

made. For example, the ASEAN Express cargo network, which connects Malaysia, Thailand, Laos, Southern China, and Chongqing, became operational only in recent years. This suggests that while some elements of the BRI are beginning to take shape, it remains too early to determine whether these developments will translate into sustained economic growth.

Third, while the BRI clearly holds appeal in Southeast Asia, China's financial influence is not without limits. Cases such as Malaysia's renegotiation of the East Coast Rail Link (ECRL) and the Thai–China Railway project illustrate that Southeast Asian countries retain agency in their engagements with China. Moreover, these countries are not unaware of broader geopolitical concerns, including tensions in the South China Sea. As a result, ASEAN members remain cautious about the broader implications of cooperation with China.

Despite the many economic benefits of engagement with China, such cooperation is not always cohesive or politically aligned. There is limited consensus within ASEAN on key political issues, both external and internal, such as the response to Myanmar following the 2021 coup. At present, economic cooperation remains the primary driver of ASEAN–China relations. However, ASEAN member states continue to act as sovereign and individual actors, leading to both competition and selective complementarity among them.

In this context, if CICPEC is ultimately about enhancing regional linkages and depends on ASEAN–China cooperation, a key question remains: how genuinely are these countries willing to open and deepen these linkages?

Captain Kentaro Furuya outlined six main points mainly from a maritime perspective.

First, he provided insights into how the China–Indochina Peninsula Economic Corridor (CICPEC) appears from a maritime perspective. In the 2015 Beijing Vision paper and roadmap for the Belt and Road Initiative (BRI), CICPEC is defined as a pillar of economic cooperation linking major cities through high-speed rail, fiber optics, and energy pipelines. However, beneath this vision of connectivity, what was once presented as a new "Silk Road" for shared prosperity has increasingly evolved into mechanisms of structural dependence. These projects embed national economic infrastructure and data standards into a Beijing-centric system, thereby narrowing participating countries' diplomatic autonomy.

Second, he argued that China has attempted to extend this "Silk Cage" model into the maritime domain, particularly in the South China Sea. This is reflected in persistent narratives of "joint development" and "maritime infrastructure aid." Unlike continental

projects, these maritime initiatives directly affect coastal states, for whom participation may entail compromising sovereign rights under international law.

Third, he explained why this transition - from lines of connectivity to zones of control - has faced significant resistance, and why CICPEC remains vital for Beijing. CICPEC is not merely an infrastructure project but a geopolitical apparatus aimed at reshaping the regional power architecture. Its strategic objectives can be summarized in three key elements.

The first element is overcoming the "Malacca dilemma." China's energy supply remains vulnerable as long as it depends on the Strait of Malacca, an area influenced by the United States and its allies. By securing port access in Myanmar, China seeks an alternative route to the Indian Ocean that bypasses this chokepoint.

The second element is the projection of modern power from the continental base by establishing dominance over mainland Southeast Asia. Through this, China builds a logistical and intelligence "backyard" to support its military and legal presence in the South China Sea.

The third element is the expansion of strategic influence through development cooperation. By providing large-scale financing and technical standards, Beijing promotes China-led norms, signaling a shift away from existing global rules toward a more China-centered order.

Coming back to the main points, he addressed why "joint development" can become a "cage" rather than a mutually beneficial business arrangement. One factor is the risk of technological and financial entrapment, particularly in data infrastructure. Once a country adopts Chinese technical standards or systems, reversing course becomes politically and economically difficult due to high switching costs. This can lead to dependence even in interpreting and managing its own maritime domain.

Another factor is the erosion of international norms, particularly in resource management. Phrases such as "setting disputes aside" may undermine established legal frameworks. When countries enter opaque bilateral agreements that sideline rights granted under international law, returning to those frameworks becomes increasingly difficult. By the time risks are fully recognized, a country's legal position may already be weakened.

Fifth, he emphasized that Southeast Asian nations are not passive actors. Despite structural constraints, they continue to exercise agency. For example, the Philippines signed an agreement with China on oil and gas cooperation in 2018, but domestic legal requirements, particularly constitutional provisions mandating state control over natural resources, ultimately constrained the deal when it appeared to conflict with national law.

Similarly, in 2024, a joint statement during the Indonesian president's visit to

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Beijing referred to "overlapping claims," which triggered strong domestic backlash. Indonesian authorities promptly clarified that no such overlap existed, reaffirming their legal position. These examples illustrate that even within economic cooperation, legal principles remain a critical boundary that governments and societies are unwilling to compromise.

Sixth, he explained why this "Silk Cage" dynamic is more limited at sea than on land. The key factor is United Nations Convention on the Law of the Sea (UNCLOS). In land-based regions, geography often creates asymmetries that favor China. In contrast, maritime spaces are governed by UNCLOS, which establishes clear legal boundaries and equal rights among states. This framework allows countries to resist bilateral pressures and maintain autonomy, often by engaging alternative partners such as the United States, Japan, India, and the European Union.

For maritime nations, the sea is not only a resource but also a legal domain. UNCLOS serves as a crucial safeguard against domination by great powers. Therefore, connectivity should not become a "cage," but rather remain an open network that preserves national agency and allows countries to choose their partnerships freely in accordance with international law, ensuring that the oceans remain open and free.

The next speaker, **Dr. Rajeev Ranjan Chaturvedy**, the final expert, focused on the conceptual framework for understanding China's influence corridors. What we are witnessing, he argued, is not merely economic growth, but a broader strategic reconfiguration of influence.

This process integrates infrastructure, finance, and diplomacy into a comprehensive architecture of power. Through the development of transport networks and energy corridors, Beijing is reshaping both regional and transregional connectivity. In this context, the CICPEC is situated within the broader framework of BRI. At the same time, this raises important questions about agency, dependency, and the evolving balance of power in Asia and the wider Indo-Pacific.

China's investment model is often characterized by fewer conditionalities beyond adherence to the One China Policy, which makes it attractive to many developing countries. However, the opacity surrounding the scale, composition, and financing structures of these investments complicates a clear assessment. The distinction between pledged, planned, and actual investments is often blurred, making it difficult to evaluate both the opportunities and the risks embedded in such engagements. This creates a complex strategic calculus for countries in Southeast Asia and the Indo-Pacific: how to maximize the economic benefits of enhanced connectivity and capital flows while managing concerns related to sovereignty, sustainability, and strategic autonomy.

Chaturvedy further conceptualized the BRI not merely as infrastructure development or financial expansion, but as a "politics of routes." In this view, the BRI represents a strategic initiative that transforms geography into structured influence. The key question is not only what China builds, but who controls the routes that enable movement. These routes are not neutral, they determine who moves, what moves, and under what conditions. In doing so, they regulate access to markets, resources, and even ideas, making them instruments of power that shape strategic hierarchies, territorial reach, and economic potential. Contemporary geopolitical tensions, such as those in the Strait of Hormuz, further illustrate the importance of control over critical routes.

When maritime initiatives such as the Maritime Silk Road (MSR) - a key component of the BRI - are situated within this framework, they appear not as isolated policies but as part of a systemic effort to reorganize space itself. The MSR can be understood as a form of geostrategic "stitching" that connects continental and maritime Asia into an integrated network, thereby enhancing China's positional advantage.

This approach reflects a broader grand strategy–an overarching vision that links long-term objectives with the means to achieve them. China's grand strategy

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is often associated with the idea of the "Chinese Dream," within which the BRI, MSR, and other connectivity initiatives play a central role. These projects are designed to expand China's economic reach, secure its external environment, and facilitate its transition from a rule-taker to a rule-maker in the international system.

At its core, this strategy operates through securing access to markets, raw materials, investment opportunities, and, crucially, information and influence networks. In this sense, routes become mechanisms through which access is both produced and controlled. The "politics of routes" lies in its capacity to structure dependency: by building and managing these routes, a state embeds itself within the economic and strategic lifelines of other regions. This dynamic is reinforced by the dual-use nature of infrastructure, which simultaneously supports commercial activity and security functions.

Thus, the BRI can be seen as an effort to position China at the center of these interconnected networks, where influence flows along corridors and connectivity itself becomes a source of power. At the same time, these projects are deeply narrative-driven. Rising powers construct narratives to shape perceptions, legitimize actions, and define the terms of global discourse. The BRI is framed as a revival of the ancient Silk Routes, invoking themes of connectivity, cooperation, and shared development. However, beneath

this rhetoric lies a strategic logic of power projection and positional advantage.

Finally, Chaturvedy highlighted a deeper conceptual tension in how China imagines space. On the one hand, there is the traditional notion of the state as a bounded territorial entity. On the other, there is the idea of a civilizational state that extends beyond borders through networks, culture, and connectivity. The BRI operates largely within this second framework, prioritizing routes over borders and flows over fixed territories. In this sense, BRI projects are not only about infrastructure—they represent an attempt to reconfigure how power itself is organized. By controlling routes, China seeks to structure access, generate strategic outcomes, and ultimately reshape the foundations of power in the international system.

ROUND 2

In the second round of discussion, **Dr. Jagannath Panda** addressed China's perception of this corridor as a strategic gateway for integration with the Southeast Asian economy, framing the connectivity project as a mechanism for regional control. He prompted participants to analyze the emerging economic leverage, political influence, and strategic dependencies tied to the corridor, specifically inviting them to examine the roles of ports, logistics hubs, and digital connectivity.

Furthermore, Dr. Panda questioned whether these developments offer genuine advantages to Southeast Asian communities or if they contribute to the growing concern of nations becoming "debt countries" under China's economic supremacy.

Ms. Angeline Tan opened the floor by addressing the perception of the BRI as a tool for a Chinese-led order, which contrasts Southeast Asian narratives focus more on development and economic gain. Regarding influence and leverage, she argued that while the BRI expands China's footprint, its actual leverage is best measured by how individual nations respond based on their economic capacities. For instance, more economically advanced countries like Malaysia and Thailand were able to successfully renegotiate major projects like the ECRL and the Thai-China railway, demonstrating Beijing's willingness to compromise to maintain its image and eagerness to deliver 'win-win cooperation'. Conversely, countries with limited options and a high need for foreign aid, such as Laos and Cambodia, often accept Chinese assistance more readily. Ms. Tan emphasized that this is not inherently negative, citing the Laos-China railway's success in boosting trade and tourism. She further noted that China's competitive

edge over actors like the US, EU, or Japan lies in its speed, ease of completion, and lower bureaucratic hurdles. Concluding her remarks, she observed that while the BRI faces challenges with suspended projects, China is shifting toward more targeted "small and beautiful" initiatives focusing on health, the environment, and digital issues indicating that while China's regional footprint is expanding, its strategy is fundamentally evolving.

Dr. Jagannath Panda thanked Ms. Angeline Tan for her insights before inviting **Dr. Bill Hayton** to address the evolution of economic leverage, political influence, and strategic dependencies in Southeast Asia over the past two decades. Dr. Hayton was asked to distinguish whether the countries linked to CICPEC respond uniformly or if their approaches vary, while also evaluating whether Chinese strategies toward these nations are consistent or tailored.

In his opening remarks, Dr. Hayton emphasized the seriousness with which Beijing approaches the region, citing the core slogan of Chinese foreign policy which frames the periphery as the vital foundation for national security, development, and the construction of a "community with a shared future for mankind."

Building on the importance China places on its neighbors, Dr. Hayton noted that high-level visits by Xi Jinping to Vietnam, Malaysia, and Cambodia illustrate Beijing's strategic focus on its periphery. Furthermore, he highlighted the diverse political landscapes China navigates, ranging from Leninist states like Vietnam and Laos to military and authoritarian regimes in Myanmar and Cambodia, alongside the democracies of Thailand and Malaysia.

Dr. Hayton explained that because many of these states are governed by small elites, China utilizes party-to-party ties and state-to-state dialogues to add depth to its influence. Using the "3+3 meeting" between China and Vietnam as an example, he identified two primary takeaways: first, a shared interest in maintaining public order and population management at the party level; and second, a more complex state-level relationship necessitated by South China Sea tensions. Ultimately, both nations emphasize managing public opinion and coordinating positions to prevent maritime conflicts from escalating.

There is a strong emphasis in both states to try and manage the public opinion if things go wrong and coordinate positions to avoid conflict breaking out in the South China Sea.

Dr. Hayton argues that when tensions arise between China and its neighbors, the primary goal is to manage those difficulties so development can continue. Additionally, he believes that China's long-term strategy is to subtly encourage states to conform to its interests, allowing partner countries to internalize Beijing's

"red lines" and eventually choose not to cross them. To illustrate this, he points to Taiwan. On one hand Southeast Asian nations officially follow the "One China" policy, not recognizing Taiwan as a state. On the other hand, they try to navigate Beijing's objections to maintain vital technological and investment ties with Taiwanese authorities and companies. While China prefers a "one-way street" on such strategic matters, Dr. Hayton questioned if infrastructure and trade are the primary tools for achieving this leverage. Addressing the debt issue, Hayton sees huge projects like the Laos railway being a significant problem for the future. This is the reason for Vietnam's circumspect approach, inviting other countries to invest in their infrastructure.

Dr. Hayton concluded that while China views its economic power as its greatest asset for gaining influence. However this investment can be a double-edged sword leaving Chinese companies vulnerable to domestic political shifts in host states. He maintained that while China may not view trade as an outright weapon, it remains a central, long-term tool of diplomacy designed to ensure regional conformity to its interests.

Dr. Katarzyna Anna Nawrot framed her perspective through a European lens, emphasizing the pragmatism of both the Indochinese states and China. She highlighted a "complementarity" between functional cooperation and institutional frameworks, such as free trade areas, noting that while no single approach dominates the region, trade regionalism has yielded positive impacts.

Dr. Nawrot observed that while bilateral cooperation often exerts a stronger influence, the least developed nations, specifically Laos, Cambodia, and Myanmar, rely heavily on multipolar cooperation, underscoring the vital role of ASEAN. This is evidenced by recent developments like the ASEAN-China Free Trade Area 2.0. She concurred with Ms. Tan regarding the fact there was no clear cohesion between individual nations, yet maintained that ASEAN allows these states to speak with a unified voice on numerous aspects building consensus and compromise, while non-interfering in the internal affairs of member states— referred to as the ASEAN Way..

Dr. Nawrot noted a recent expansion of institutional cooperation in sectors such as tourism, entrepreneurship, and global value chains. While she acknowledged China's role in steering regional partners toward its interests and the "One China" policy, she argued that this influence is tempered by the distinct Southeast Asian strategy of "soft-balancing." She observed that while ASEAN nations currently prioritize Chinese investment, they are simultaneously diversifying their strategic partnerships with actors like India, Japan, and South Korea. Consequently, Dr. Nawrot anticipates a future defined by

adaptive balancing policies from ASEAN countries as they navigate the broader geopolitical competition within East Asia.

Continuing the discussion on the China-Indochina Peninsula Economic Corridor (CICPEC), Dr. Jagannath Panda turned to **Captain Kentaro Furuya** for his perspective on the maritime dimensions of China's economic leverage and political influence. Captain Furuya argued that China has fundamentally altered its diplomatic strategy in response to regional challenges, such as the legal pushback from the Philippines. He observed that Beijing has shifted from diplomatic negotiations with ASEAN to a more aggressive physical presence in the South China Sea, utilizing its fleet to assert dominance.

According to Captain Furuya, these actions represent an "intentional and strategic persistent coercion" designed to prevent states from exercising their legal rights under international sea conventions. He suggested that China's objective is to render international law irrelevant, effectively replacing established global norms with a system of permanent coercion. Captain Furuya concluded by asserting that China has pivoted toward a strategy of "physical silencing," aimed at entirely bypassing established legal frameworks. He emphasized the necessity for regional actors to confront the reality of this strategic transformation and its implications for the rule of law.

Dr. Rajeev Ranjan Chaturvedy identified three mechanisms through which China stabilizes its regional influence: economic dependence, strategic access, and dual-use systems. Large-scale financing from institutions like the AIIB and Silk Road Fund creates structural dependence, particularly in Cambodia, where China holds 41 percent of bilateral debt and 45.6 percent of FDI. Conversely, Vietnam, despite requiring up to US$6 billion in infrastructure funding and receiving significant Chinese investment in 2023, maintains a selective approach by diversifying partnerships with Japan, India, and the U.S. to avoid asymmetrical dependency.

Dr. Chaturvedy further explained that CICPEC provides China with strategic access, linking continental Southeast Asia to the South China Sea, the Bay of Bengal, and the Indian Ocean. This "spatial architecture" of ports and logistics hubs allows Beijing to shape global flows of goods and information. Finally, he highlighted the dual-use nature of these projects, where digital and energy networks serve strategic rather than purely commercial ends, a "politics of routes" evident when projects persist despite low economic viability. He concluded that the region is not a monolithic sphere of control but a "negotiated strategic terrain" where states like Thailand and Vietnam actively recalibrate and resist Chinese influence within a gradually expanding political framework.

Q & A

As the last step of this webinar on CICPEC and China's influence in Southeast Asia, Dr. Panda looked at the questions asked in the Q&A and focused on three core inquiries: the embedding of Chinese industrial and digital norms in Southeast Asia, the potential evolution of CICPEC into a security corridor under the Global Security Initiative (including naval basing rights), and the extent to which these routes are driven by China's need to bypass the Strait of Malacca versus a genuine desire for regional integration.

Dr. Rajeev Ranjan Chaturvedy addressed these by highlighting China's systematic attempt to establish a Sino-centric order through digital and technological penetration. He argued that by controlling data and servers, China is gradually capturing the ability to set its own regulatory standards. Regarding the "politics of routes," he noted that while evidence of a Chinese naval presence exists, these dynamics are negotiated rather than imposed. He concluded that there is a very thin line between infrastructure used for economic growth which supports regime security for host countries and infrastructure repurposed for China's strategic security, emphasizing that these factors are all interconnected rather than isolated issues.

Captain Kentaro Furuya contributed to the discussion by arguing that accepting CICPEC is equivalent to adopting a Chinese "operating system" for the region. He illustrated this with the example of data infrastructure, noting that if regional countries adopt the Beidou (BDS) system China's equivalent to the US GPS ntheir entire foundational maritime activity becomes dependent on it. This creates significant ramifications, as nations would be unable to navigate seas or operate fishing boats without it, leaving them vulnerable should China disable the system for security reasons.

Regarding alternatives to the Strait of Malacca, Captain Furuya suggested it might be more practical for China to reroute shipping through Indonesia. Finally, he observed that while a successfully built port, such as in Sri Lanka, would grant China immense influence, China has not yet been successful in port construction. Instead, China currently relies on its naval power to persuade other nations to open their existing ports for Chinese logistics and visits.

Dr. Katarzyna Anna Nawrot interpreted the China-Indochina Peninsula corridor as a dual-purpose instrument that merges China's strategic goal of route diversification with geoeconomic

integration. She argued that while mitigating the "Malacca Dilemma" wa sa key goal, any actual impact remains a partial and long-term prospect. To her, the more immediate and substantial impact of the corridor is its ability to facilitate regional trade, restructure East Asian production networks, and foster institutional cooperation.

On the issue of security, Dr. Nawrot presented a complex view where infrastructure development is intertwined with supply chain resilience and expanded strategic reach. She framed this connectivity as a comprehensive security approach that serves simultaneously as a developmental tool and a mechanism for advancing China's national goals. Finally, regarding the adoption of Chinese regulatory frameworks, she suggested it is a "natural evolution" that certain industrial and digital norms will be adopted through continued cooperation on BRI projects.

To wrap up the webinar, **Dr. Bill Hayton** shared his concluding reflections on the technical and strategic dimensions of Chinese influence. Regarding standards and norms, he noted that Chinese companies naturally push their own technology, but reception varies by country; while Malaysia, Thailand, and Indonesia have been more open to Huawei's 5G technology, Vietnam and Myanmar remain suspicious and have sought alternatives. He observed a similar trend in rail, where China promotes "standard gauge" tracks. While this differs from existing regional infrastructure, Dr. Hayton noted that adopting Chinese standards can sometimes be advantageous, as seen in the potential modernization of Vietnam's Hanoi-to-China line, which still relies on French colonial-era structure.

Addressing the subject of security, Dr. Hayton argued that the level of "integrated security" within CICPEC varies significantly by state, ranging from successful projects like Cambodia's port developments to confrontational relationships such as that with Vietnam in the South China Sea. Finally, on the "Malacca Dilemma," he pointed out that while Malaysia, Thailand, and Myanmar offer potential Indian Ocean access, the sheer volume and lower cost of maritime shipping from Shanghai far outweigh the capacity of rail alternatives. Consequently, he noted that China is increasingly looking toward the Arctic route via Russia as a more viable long-term strategy for bypassing the Strait of Malacca.

Dr. Jagannath Panda concluded the webinar by expressing his gratitude to all participants. He reminded the audience that this webinar series would continue on May 7 with a discussion focused on the Strait of Hormuz. The upcoming session will explore how the strait serves not only as a vital energy corridor but also as a strategic tool for connectivity and control by various nations, including China through its corridors.

KEY TAKEAWAYS

- The China–Indochina Peninsula Economic Corridor (CICPEC) serves a broader strategic purpose beyond economic development: it aims to strengthen the Chinese party-state by fostering friendly relations with neighboring countries and creating a buffer against perceived unfriendly powers such as the United States.

- CICPEC should be seen both as a specific initiative and part of China's wider engagement with Southeast Asia, including earlier regional development efforts. Its original developmental impact, particularly in regions like Guangxi, remains mixed.

- China's regional engagement increasingly operates through institutional frameworks such as the Lancang–Mekong Cooperation Forum, reflecting a shift toward China-led "order-building" alongside existing regional initiatives by ASEAN.

- Economic integration has deepened, but often with persistent trade imbalances in China's favor, raising concerns about asymmetric dependence.

- Southeast Asian responses to China are shaped by "need, greed, and fear": countries seek growth opportunities but aim to avoid domination, leading to balancing strategies.

- While ASEAN is economically dynamic, significant development gaps remain, especially in mainland Southeast Asia, where many corridor countries are still relatively less developed and more vulnerable to external influence.

- China's connectivity model operates at both functional (infrastructure) and institutional levels, linking physical projects with broader regional frameworks and influence.

- CICPEC aligns with ASEAN's development goals by addressing regional inequality, but its outcomes remain uncertain and uneven across countries.

- Despite strong economic appeal, China's influence has limits, as shown by infrastructure renegotiations and continued geopolitical sensitivities in the South China Sea.

- ASEAN states remain sovereign actors, resulting in both cooperation and competition within their relations with China.

- Beneath connectivity narratives lie risks of structural dependence, as infrastructure, finance, and technical standards can embed long-term reliance on China-centered systems.

• The "Silk Cage" concept extends into maritime spaces through initiatives like "joint development," which may challenge sovereignty and international legal norms.

• CICPEC also reflects a geopolitical strategy involving overcoming the Strait of Malacca dependency, expanding regional influence, and consolidating power through development cooperation.

• Technological lock-in and norm erosion can increase dependency, especially when countries adopt systems that are costly to reverse or bypass established international law.

• However, Southeast Asian states are not passive; they continue to assert agency and resist arrangements that conflict with domestic legal or political frameworks.

• Maritime spaces are more constrained by international law, particularly the United Nations Convention on the Law of the Sea (UNCLOS), which helps preserve state autonomy compared to land-based corridors.

• Overall, China's connectivity strategy reflects a broader "politics of routes," where control over infrastructure networks translates into control over access, flows, and influence.

• The Belt and Road Initiative (BRI) and Maritime Silk Road represent an effort to reposition China at the center of regional and global connectivity networks.

• At a deeper level, this reflects a shift in how power is organized—from fixed territorial control to network-based influence through flows of infrastructure, finance, and information.

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