INTERNATIONAL REPUBLICAN INSTITUTE

BOLSTERING THE DEMOCRATIC RESPONSE TO CHINESE AUTHORITARIAN AGGRESSION

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COMBATTING AUTHORITARIANISM:
U.S. TOOLS AND RESPONSES
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INTRODUCTION

Chairman Menendez, Ranking Member Risch, distinguished Members of the Committee, it is my pleasure to testify before you to today on countering authoritarianism, a topic at the heart of the International Republican Institute's work to advance democracy worldwide.

More than ever, foreign authoritarian actors like the Chinese Communist Party (CCP) and Putin's regime in Russia are taking an increasingly aggressive approach to exerting influence in democracies around the world. Using economic leverage, influence operations, digital disinformation, and the export of repressive technologies, China and Russia are propping up other repressive states and placing pressure on democratic actors. But these tools are often poorly understood, as are the ways by which democratic governments and civil societies can work together to fight back.

IRI's Countering Foreign Authoritarian Influence (CFAI) programming equips democracies to do just that. Through cutting-edge research, global convening, and equipping civil society, the media, government officials, political parties, and the private sector with the knowledge and tools to expose and counter foreign authoritarian influence, IRI and its partners are bolstering democracies against the corrosive effects of this rising authoritarian tide.

Today I will explore how the People's Republic of China (PRC) interferes in democratic countries, underscoring the strengths of the PRC's approach as well as weaknesses to leverage. I will highlight key sources of democratic resilience IRI has observed that offer lessons and opportunities for future efforts to counter authoritarian aggression.

WHY AND HOW THE CCP INTERFERES IN DEMOCRATIC COUNTRIES

The question of why we are seeing the PRC attempts to malignly influence democratic countries is impossible to understand without understanding the Chinese Communist Party's goals. Since the PRC's founding, all of its top leaders have spoken of the "great renewal of the Chinese race." CCP political slogans come and go, but this one remains, precisely because it encapsulates both of the CCP's strongest political rallying tools: potent ethno-nationalism, and a promise to return China to the center of world events.

Under CCP General Secretary Xi Jinping, the great renewal of the Chinese race has been given practical form in what Xi calls the "community of common destiny." As explained by former NSC Director for China Liza Tobin, the realization of the community of common destiny would entail a world where "the international community would regard Beijing's authoritarian governance model as a superior alternative to Western electoral democracy, and the world would credit the Communist Party of China for developing a new path to peace, prosperity, and modernity that other countries can follow."

To lead the world, one must engage with the world. And the CCP is engaging with the rest of the world with the same philosophies it uses to govern its own country. The community of common destiny is notable mainly for what it does not envision: robust limits on state power over citizens, vibrant press freedom, or the supervision of government officials

through competitive elections. The CCP claims to be promoting respect for every country's individual political path, but it is unabashedly seeking to create a world molded in its authoritarian image.

The CCP is also seeking leadership over other countries through many of the same tools it uses domestically. Understanding these tools is key to discerning how the US and its partners should respond.

IRI's research on PRC interference globally demonstrates unequivocally that China's economic strength is at the center of the CCP's attempts to bend other countries to its will. This should not come as a surprise, since it is of a piece with how it maintains control domestically. Many think harsh coercion is the only way the Party keeps control at home. But that is only half the story. The offer the Party makes to its elites at home is actually two-sided: openly oppose us, and yes, we will crush you. But support us, and we can help make you rich.

The CCP has now taken this approach global. Its infrastructure deals are frequently padded with extra costs, to better pad the pockets of local elites, and to the detriment of ordinary people. Apart from potentially turning other governments into client states, this willingness to dispense largesse without upfront strings attached is exacerbating pre-existing issues with corruption and governance in the process. For example, a major railroad-construction project in Kenya was won by PRC contractors in a closed tender at prices per mile far above international standards, for reasons that remain poorly explained. The railroad has failed to turn its projected profits. Indeed, it has failed to turn any profit, and the Kenyan government recently raised taxes on essential commodities like cooking gas and internet data, in part to cope with the county's unwieldy external debt burden.1

An unfinished Chinese-built highway in North Macedonia has now become one of the most expensive in the world per mile and has saddled the country with debts that may take generations to pay down.2 In 2017, the PRC offered to extend a lifeline to the floundering government of a former Malaysian prime minister by spying on Wall Street Journal reporters who were reporting on the Malaysian government's corruption. In return, the PRC demanded in writing that Malaysia sign onto enormous infrastructure deals financed at "above-market" lending rates.

Just like at home, when offering other countries gold does not work, the CCP offers the sword. Political leaders around the world who have taken steps to stand up to PRC bullying and aggression have found themselves on the receiving end of economic coercion designed to turn their business communities against them. Beijing cut off some of Australia's most important exports after Canberra passed a series of laws designed to limit foreign interference in its elections. And even as we speak, the CCP is punishing the freedom-loving people of Lithuania for standing with Taiwan by pressuring German and French multinationals to drop Lithuanian suppliers. These are but two from a long list of similar

¹ Warah, Rasna. "COVID-19 only heightened Kenya's existing economic problem." *One*, 10 February 2022, https://www.one.org/africa/blog/covid19-kenya-economy-inflation/.

² Higgins, Andrews. "A Pricey Drive Down Montenegro's Highway 'From Nowhere to Nowhere'." *The New York Times*, 14 August 2021, https://www.nytimes.com/2021/08/14/world/europe/montenegro-highway-china.html.

efforts by Beijing to use China's economic might to impose political compliance on smaller democracies.

Secondly, our research shows that the PRC tries to aggressively shape discourse about China in every country it influences. Just as inside China, this is often as much about shaping what people don't say, as much as what they do say. Examples of CCP-induced self-censorship in open societies are undoubtedly well known to this committee. In recent years we have seen cornerstones of American life like the NBA, Hollywood, and Wall Street go out of their way to placate the PRC's warped notions of political correctness.

But I must single out the example of Xinjiang for special discussion. The ongoing suffering of the Uyghur people of Xinjiang — and the feebleness of the international community's response to what independent tribunals have determined is an ongoing genocide — show that in at least one important way, China has already succeeded in building a new world, even if many people in Washington and other world capitals do not yet realize it.

Previous instances of genocide in Darfur and Myanmar saw the pillars of our collective international conscience mobilizing to demand a halt. Heads of state declared that such unconscionable crimes must cease. UN general secretaries stepped in to personally mediate between conflict-ridden parties. Celebrities like George Clooney and Angelina Jolie went out of their way to make sure the calls for an end to killing carried well beyond the halls of power, helping to mobilize publics around the world.

The silence around Xinjiang, in contrast, remains deafening. While democratic legislatures like the US Congress have sounded the alarm, precious few heads of state have directly addressed the genocide, for fear of endangering ties with China. Some people within the UN, like the Human Rights Council's special rapporteurs for freedom of religion and slavery, have done their jobs by shining a light on the horrific abuses Uyghurs have suffered. But UN General Secretary Antonio Guterres has gone out of his way to avoid the issue, while a report on Xinjiang supposedly completed by the Office of the High Commissioner on Human Rights remains unpublished for unexplained reasons.3 And apart from a declaration by director Judd Apatow that "China has bought our silence" on Xinjiang,4 A-list celebrities have had almost nothing to say about the largest mass internment of an ethnic group since the Holocaust.

China's coercive efforts to influence other countries also target the Chinese diaspora, attempting to turn them into tools for Beijing's whims. This is undoubtedly the most corrosive way the CCP interferes in other countries. Research by IRI and many others has shown that Chinese diaspora communities around the world are already seen with undeserved, racially-focused suspicion by people who – falsely – believe them to be

³ "Open Letter to UN High Commissioner for Human Rights: OHCHR Report on Grave Human Rights Violations in Xinjiang Can Wait No Longer." *Human Rights Watch*, 8 March 2022. https://www.hrw.org/news/2022/03/08/open-letter-un-high-commissioner-human-rights-ohchr-report-grave-human-rights#.

⁴ Evans, Zachary. "'China Has Bought Our Silence:' Director Judd Apatow Criticizes Film Industry for Ignoring Uyghur 'Genocide'." *National Review*, 16 September 2020. https://www.nationalreview.com/news/china-has-bought-our-silence-director-judd-apatow-criticizes-film-industry-for-ignoring-uyghur-genocide/.

unthinking vessels for Beijing's will. As a result, attacks on Chinese communities around the world are tragically commonplace.

Last November, for example, following dissatisfaction with the Solomon Islands' switch of recognition from Taiwan to the PRC, rioters burned down large parts of the Chinatown in the capital city of Honiara, leaving several dead and hundreds homeless. 5 Needless to say, the ordinary Chinese people deprived of life and property had very little to do with the grey men in Beijing who engineered the switch in recognition. Despite this and many other such events, Beijing is unapologetic in its efforts to claim the diaspora for its own. It has shown no regard – or even awareness — for how it is stoking preexisting racism and placing Chinese communities the world over at risk.

THE CCP'S STRENGTHS

We have to take seriously these and other forms of the CCP's interference in democracies, because they are abetted by genuine domestic strengths. China ruled by the CCP is not the USSR of yesteryear. Its challenge to the international order is arguably more potent, and we must understand its strengths, so that we understand that attempts to push back on PRC interference will be neither quick nor easy.

First and most importantly, the Party remains a capable manager of its own enormous economy. This is despite growing economic headwinds and pressure from US sanctions. It employs some of the world's best-trained economic technocrats, and takes some, if not all, of their advice.6 This means that over the short to medium term, China is likely to remain a market Western businesses want to be in, and Western countries want to trade with.

Second, the Party's command over the economy gives it enormous ability to shape the incentives of foreign interlocutors. China is the world's biggest trading nation and has the world's largest retail market. The Party guards access to this market zealously. The Party arguably has more economic resources at its direct command than the US government. At the end of 2020, for example, the 92 state-owned enterprises directly managed by the PRC central government had assets worth \$14.8 trillion, or about 64% of US GDP.7

Another unfortunate but potent factor to consider is that the CCP is unrepentantly corrupt, and corruption remains, in many cases, an extremely effective way of making inroads with political elites around the world.8 As I illustrated before, much of China's corrosive effect on

⁵Zhuang, Yan. "3 Bodies Found Amid Violence in Solomon Island." *The New York Times*, 26 November 2021. https://www.nytimes.com/2021/11/27/world/asia/solomon-islands-protests-bodies.html.

⁶ Li, Cheng. "China's Economic Decisionmakers." *Brookings*, March – April 2008. https://www.brookings.edu/wp-content/uploads/2016/06/03_china_li.pdf.

⁷ "Comprehensive Report of the State Council on the Management of State-Owned Assets in 2020." *The National People's Congress of the People's Republic of China,* 21 October 2021. http://www.npc.gov.cn/npc/c30834/202110/c63f586559e84bc0ae85fa752d358f0c.shtml.

⁸ Jirous, Filip. "China in the Balkans: Neutral Business Partner or a Foreign Power?" *European Western Balkans*, 28 June 2019. https://europeanwesternbalkans.com/2019/06/28/china-in-the-balkans-neutral-business-partner-or-a-foreign-power/; Martin, Wes. "Corruption is China's Friend in its Quest to Dominate Africa." *The National Interest*, 13 September 2018. https://nationalinterest.org/feature/corruption-chinas-friend-its-quest-dominate-africa-

other countries stems from the fact that its companies don't have to worry about being accountable to the Foreign Corrupt Practices Act while trying to win foreign project tenders.

And finally, I must mention that despite China's growing global footprint, we have found in our IRI research and trainings around the world that levels of knowledge about China remain relatively low. Many people - including political and business elites who engage with China -- still don't know what they're dealing with, and do not grasp the danger.

THE CCP'S WEAKNESSES

While the Party's rule of China gives it certain advantages in projecting authoritarianism abroad, there are also significant weaknesses that should give us real optimism about democracies' resilience in the face of CCP interference.

First, it is not clear that the Party under Xi Jinping has the diplomatic agility to carry its techno-authoritarian control beyond China's borders. Since Xi took command in 2012, his hard turn into retrograde, inward-looking politics has been reflected in a willingness to alienate other countries for domestic political benefit. Xi's harsh, coercive brand of "wolf-warrior" diplomacy has repeatedly proven itself to be a strategic own-goal. Under Xi, China's external overreach has almost single-handedly summoned into being geopolitical balancing coalitions that a cannier strategist would have avoided.

We should also be optimistic because of our own relative strengths. Like Isaiah Berlin's proverbial hedgehog, the Party understands one big thing very well: that money matters, and that controlling and using money is crucial to winning consent for China's rise. But for that one strength, it is weak in many places where the US and our democratic partners excel.

Firstly and most importantly, the Party has difficulty winning other countries' trust and building genuine partnerships, to say nothing of deep alliances. Secondly, despite ongoing efforts to attract global talent, Chinese society is fundamentally unequipped to effectively integrate people of different races and nationalities in the way the US can. Per capita, China has fewer residents born in other countries than any nation in the world, making it the opposite of a global cosmopolitan center to which the world's best and brightest flock. Finally, in our work we have found that, the more other democracies come to understand the true nature of the Chinese Communist Party, the less they like it. Stifling, self-centered, surveillance authoritarianism is, it turns out, not very attractive to anyone.

SOURCES OF DEMOCRATIC RESILENCE

The lack of appeal of the CCP's political model is just one of the reasons for hope. Another is the fundamental resilience of democracies around the world. Despite advances made by the PRC and other authoritarian actors in recent years, our work has thrown light on deep

^{31242; &}quot;United Nations with Chinese Characteristics: Elite Capture and Discourse Management on a Global Scale." Sinopsis, 20 July 2019, https://sinopsis.cz/en/united-nations-with-chinese-characteristics-elite-capture-and-discourse-management-on-a-global-scale/

reserves of this resilience, even in nations most deeply impacted by CCP political interference.

We have found that civil society and democratic activism remain the most effective tools democracies have to identify and push back against PRC influence. IRI partners around the world, from Panama to Kenya, have led groundbreaking campaigns to expose the corrosive impact of PRC influence on local democratic institutions. The opacity of Chinese development bank loan contracts has been met, in many places, with society-wide mobilization demanding government transparency and accountability. In many instances, the illiberal nature of PRC engagement with countries in the 'global South' has given rise to a new generation of bottom-up movements seeking to realize the inclusive, equitable, and transparent governance their elites have promised.

A free and competitive media landscape is also a crucial way democracies can inoculate themselves against malign PRC influence on their information space. Independent media and investigative journalists are some of the best checks against state-curated propaganda. We have seen, in countries like Kenya, Malaysia, and Ecuador, that journalists can prompt demands for reform in their nations' relationship with China through investigations that bring opaque deals to light and unearth the negative impact of Chinese investment on local communities.

Lastly, I would like to discuss the central role that political parties can play in combatting PRC political interference. Despite the CCP's aggressive attempts to co-opt other political parties through its International Liaison Department, democratic political parties in many corners of the world are proving their resilience. Political parties in countries such as Australia and Lithuania have formed bipartisan and multi-partisan coalitions in the face of PRC economic coercion. Lithuania's ruling party coalition has pushed to take a more critical stance against the authoritarian actions of the PRC, leading to significant policy shifts that favor democratic outcomes. To scale and spur this type of action with parties around the globe, it will be imperative to share both Australia's and Lithuania's story with broader audiences, as we do at IRI in our global political-party programming to counter Chinese malign influence.

CHINA AND RUSSIA IN THE CONTEXT OF UKRAINE

One final subject deserves attention given the events of recent days: the growing authoritarian nexus between China and Russia. Alongside China, other authoritarian actors, including Russia, are trying to further their political interests by weakening democratic institutions. Of particular concern is strengthening cooperation between Russia and China, which are both pursing strategies to create a world safe for their authoritarian aggression – whether against Ukraine or Taiwan.

Historically, collaboration between Beijing and Moscow was inhibited by their competing goals: the PRC aims to bolster its international reputation, while Russia seeks to undermine trust in Western institutions. However, where their mutual interests converge, we now see increasing alignment, particularly in their information operations. Russia and China have coordinated their propaganda narratives on the development of COVID-19 vaccines, US and European sanctions regimes, and allegations of Western interference in opposition movements, including pro-democracy protests in Hong Kong and Russia.

The ongoing war in Ukraine highlights the extent to which China will align itself with Russian interests – Beijing refused to call Russia's attack on Ukraine an invasion and opposes the economic measures that have been taken against Russia. Foreign Minister Wang Yi has emphasized that China-Russia relations remain "ironclad," and China is actively amplifying Russian disinformation claiming the US is developing biological weapons in Ukraine. Although their methods differ, both Putin and Xi have clearly stated their ambition to dismantle the free and open international order led by the United States and replace it with one centered on authoritarianism and spheres of influence.

POLICY RECOMMENDATIONS

The United States has many strengths in this competition. Aside from comprehensively bolstering our own competitiveness, there is much we can do to support democracies standing against PRC interference globally. Some specific ways we could do so:

- Support collective economic defense: NATO is currently proving its worth as a bulwark against Russian aggression. But there is no institution to provide collective economic security to countries being coerced by the PRC simply for standing up for democratic values. Bills such as the Countering China Economic Coercion Act are a good start, but the US and our partners need to do more. We should immediately begin undertaking serious efforts to construct a credible deterrent to PRC economic aggression.
- Provide technical support to countries negotiating BRI deals: Some countries have signed bad deals with China because they lacked technical expertise to negotiate good ones. The US and our allies can fill this gap, and we should find ways to do so -- if only because infrastructure shortfalls around the world provide leaders with compelling rationales to continue to turn to the PRC for lending. If they do so, their publics and political opposition should know that technical support is available to make sure the deals are good ones, so that they can demand to know why leaders failed to take advantage of such a facility.
- Support independent journalism globally: Chinese propaganda outlets like CGTN have seen success in places like Africa because they have the money to offer higher salaries to credible journalists and recognized early on the importance of cultivating local talent to advance pro-PRC narratives, effectively removing independent voices from the conversation on China. The CCP has gone as far as outright attempts to buy public broadcasters in many African countries, in addition to its efforts to coopt local media and spread pro-PRC disinformation and propaganda. The US and our allies have prioritized support for independent journalism for many years, but our efforts do not currently match the scale of the challenge. The US must invest additional resources in democracy, rights, and governance programming to support independent media to investigate and expose authoritarian aggression; counter

⁹ Kim, Patricia M. "China's Choices and the Fate of the Post-Post-Cold War Era." Brookings, The Brookings Institution, 8 Mar. 2022, https://www.brookings.edu/blog/order-from-chaos/2022/03/08/chinas-choices-and-the-fate-of-the-post-post-cold-war-era/.

- state-sponsored propaganda and disinformation; bolster the integrity of the information space; and build media literacy to mitigate the impact of disinformation on popular perceptions of actors like the PRC and the Kremlin.
- Support democracy and responsive governance: Supporting democracy around the world creates a comparative foreign policy advantage for the United States. US support for democratic principles through institutions like IRI, the National Democratic Institute, and the National Endowment for Democracy has had measurable impact on democratic development and resilience around the world. In an era of ideologically driven great-power competition, supporting the aspiration to freedom abroad is not only the right thing to it produces tangible national security benefits for the United States, including preventing friendly countries from succumbing to state capture by foreign authoritarian adversaries. Polling by the Bush Institute, the Penn-Biden Center, and the Reagan Institute shows that Americans support such values-based leadership and believe the United States should stand with democracies against authoritarian assault. Building on the Democracy Summit and working with the Department of States and United States Agency for International Development, the U.S. can and must allocate the resources to steel the foundations of global democracy against authoritarian powers' insidious attacks.

CONCLUSION

Chairman Menendez, Ranking Member Risch, distinguished Members of the Committee: thank you for the opportunity to offer testimony today. Over the past few years, through the work of IRI, the National Endowment for Democracy, and others, we have developed the networks, tools, and resources to bolster democratic resilience to authoritarian overtures. As the convergent disinformation campaign waged by Russia and China over Russia's invasion of Ukraine reverberates from Italy to Indonesia, we are reminded that democracy requires active defense in the face of unprecedented challenges. Democratic accountability, transparency, innovation, and resilience remain the most effective antidotes to authoritarian aggression. And when democracies stand together in a show of democratic unity, backed by the tools of political and economic statecraft, authoritarians take note. So do our partners. It is – and it will remain – essential that we continue to invest in democracy assistance to help champions of government of the people, by the people, and for the people the world over to build institutions strong enough to stand against a rising tide of authoritarian subversion. Thank you and I look forward to your questions.