"China's International Influence on Democracy"

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I would like to thank Chairman Risch, Ranking Member Menendez, and the other esteemed members of the Committee for the opportunity and privilege of presenting testimony on the critical subject of the impact of China's international engagement on democratic institutions, principles, and ideas.

For many years now, the paramount authorities in Beijing have tightened their grip on Chinese society. At home, the Chinese Communist Party has taken steps to intensify its control of media and free expression, and has sharpened repression more generally. The authorities have enhanced their ability to do so through the application of modern technologies.

China in the post-Tiananmen era has been viewed by external observers through an economic development lens. The democracies' headlong rush into unconditional—rather than measured and principled—engagement with China has resulted in evident problems. The central assumption was that by deeply engaging the People's Republic of China (PRC) and other such regimes and welcoming their integration into the global economic system and key international political institutions, the autocracies would be encouraged to move in the direction of meaningful political reform. But this approach has not turned out as we had anticipated.

Rather than reforming, China has deepened its authoritarianism, and in an era of globalization is now turning it outward. Thus, we are at the same time facing systems integration *and* systems competition. Although China today intersects in many ways with the global system, it has not become more transparent and accountable under the CCP's rule; rather, it has developed policies and practices that can corrode and undermine democratic standards.¹

For too long, observers in free societies have viewed trends within China as divorced from developments beyond the PRC. But this narrow view is misguided and until now has contributed to a dangerous sense of complacency. In an era of globalization, Beijing has internationalized its authoritarianism in ways that affect all of us. On this important anniversary of the brutal crackdown on Tiananmen Square, we are obliged to reflect on the China that has emerged over the past three decades and on how the country's leadership is pursuing its ambitions beyond its borders.

¹Christopher Walker, "Authoritarian Regimes are Changing How the World Defines Democracy," *Washington Post*, June, 13 2014, <u>https://www.washingtonpost.com/opinions/christopher-walker-authoritarian-regimes-are-changing-how-the-world-defines-democracy/2014/06/12/d1328e3a-f0ee-11e3-bf76-447a5df6411f_story.html</u>

A critical aspect of China's development is the massive resources the authorities have invested in modern technology. Such investments over the years have been central to the repression in the Xinjiang Uyghur Autonomous Region, which is functioning now as a technology-animated police state.² As China scholar Samantha Hoffman notes, investment by the Chinese authorities in other parts of China, including in Tibet, over an extensive period of time has enabled the building of the formidable arsenal of surveillance that today is evident in the Uyghur Region.³

In an environment without meaningful checks on state power, the Chinese authorities have wide latitude for testing ever more elaborate methods of censorship and social management. As powerful technologies exert greater influence, the U.S. and other democracies are engaged in complex and difficult debates involving civil society, government, and academia over issues of privacy, surveillance, and security. Such debates, for all practical purposes, do not occur in China, opening up an enormous space for systematic abuse of the kind that has taken shape in Uyghur Region. As machine learning and other technological advances accelerate, the precision with which the Chinese government will be able to modernize censorship is bound to grow. Indeed, today the Uyghur Region itself serves as an incubator for the testing and development of cutting- edge technological tools of repression that invariably are feeding back into other parts of the PRC, but also having an impact beyond China's borders, including in Latin America and Africa.⁴

Apart from the sphere of technology, Beijing has refined and scaled up its instruments of influence and, with them, its ability to manipulate the political landscape in other countries. As the leadership in Beijing has become more repressive domestically, China has grown more ambitious internationally in ways that are anathema to democratic values and the rule of law. Such behavior is at direct odds with the notion of China as a "responsible stakeholder."

https://www.hrw.org/video-photos/interactive/2019/05/02/china-how-mass-surveillance-works-xinjiang; Gerry Shih, "'Police Cloud': Chinese Database Tracks Apps, Car Location and Even Electricity Usage in Muslim Region," *Washington Post*, May 2, 2019, <u>https://www.washingtonpost.com/world/chinese-database-is-tracking-cellphone-usage-car-location-and-even-electricity-usage-of-xinjiang-residents/2019/05/01/12eb3996-6c8a-11e9-be3a-33217240a539_story.html ; Josh Chin and Clément Bürge, "Twelve Days in Xinjiang: How China's Surveillance State Overwhelms Daily Life," *Wall Street Journal*, December 19, 2017, https://www.wsj.com/articles/twelve-days-in-xinjiang-how-chinas-surveillance-state-overwhelms-daily-life-1513700355</u>

² Chris Buckley and Paul Mozur, "How China Uses High-Tech Surveillance to Subdue Minorities," *New York Times*, May 22, 2019, <u>https://www.nytimes.com/2019/05/22/world/asia/china-surveillance-xinjiang.html</u>; "How Mass Surveillance Works in Xinjiang, China," Human Rights Watch, May 2, 2019,

³ Samantha Hoffman, "China's Tech-Enhanced Authoritarianism," Testimony before House Permanent Select Committee on Intelligence, Hearing on "China's Digital Authoritarianism: Surveillance, Influence, and Political Control," May 19, 2019, <u>https://docs.house.gov/meetings/IG/IG00/20190516/109462/HHRG-116-</u> IG00-Wstate-HoffmanS-20190516.pdf

⁴ Authur Gwagwa and Lisa Garbe, "Exporting Repression? China's Artificial Intelligence Push into Africa," Net Politics Blog, Council on Foreign Relations, December 17, 2018, <u>https://www.cfr.org/blog/exporting-</u> <u>repression-chinas-artificial-intelligence-push-africa;</u> Simon Allison, "How China Spied on the African Union's Computers," *Mail and Guardian,* January 29, 2019, <u>https://mg.co.za/article/2018-01-29-how-china-spied-on-</u> <u>the-african-unions-computers;</u> Evan Ellis, "Chinese Surveillance Complex Advancing in Latin America," *Newsmax,* April 12, 2019, <u>https://www.newsmax.com/evanellis/china-surveillance-latin-america-</u> <u>cameras/2019/04/12/id/911484/;</u> Angus Berwick, "How ZTE Helps Venezuela Create China-style Social Control," *Reuters,* November 14, 2018, https://www.reuters.com/investigates/special-report/venezuela-zte/

A New Era of Contestation

In this new era of contestation, China has claimed a larger role on the global stage and has sought to promote its own preferred ideas, norms, and approaches to governance. Beijing's unexpected ability to carry out digital censorship, to use economic leverage to mute voices in the democracies, and more generally to influence democratic systems abroad has created a need for fresh ways of thinking about and dealing with this new situation.

As China's leadership has placed greater importance on shaping the political operating environment overseas, it has spent many of billions of dollars over the past decade to shape public opinion and perceptions around the world.

Although information is increasingly globalized and internet access is spreading, China and other authoritarian states have managed to reassert control over the realm of ideas.⁵ In China, the state keeps a firm grip on the media environment, and the authorities in Beijing use digital technologies to press their advantage at home and, increasingly, abroad.

Under the direction of the Chinese Communist Party, China has established platforms abroad for educational, cultural, and other forms of influence within open societies. Over time, it has become clearer that such initiatives tend to be "accompanied by an authoritarian determination to monopolize ideas, suppress alternative narratives, and exploit partner institutions," what is now understood as "sharp power,"⁶ an approach to international affairs that typically involves efforts at censorship and the use of manipulation to degrade the integrity of independent institutions.⁷

The authorities in Beijing have cultivated economic leverage as a tool for getting others to play by their rules. Beijing's approach seeks to reduce, neutralize, and preempt any challenges to the CCP regime's presentation of itself. Its state-funded research centers, media outlets, people-to-people exchange programs, and network of Confucius Institutes often mimic civil society initiatives that in democracies function independently of government. Meanwhile, local partners and others in democracies are often unaware of the logic that underpins China's foreign policy and how tightly the Chinese authorities control social groups, media, and political discourse at home.

Today, the corrosive effects of China's influence beyond its borders are increasingly apparent in a number of crucial domains, including publishing, culture, academia, and media—sectors that are essential for determining how citizens of democracies understand the world around them. China's influence activities aim to discourage challenges to its preferred self-

⁵ Xiao Qiang, "The Road to Digital Unfreedom: President Xi's Surveillance State," *Journal of Democracy*, no. 1 (2019): 53-67.

⁶ Christopher Walker and Jessica Ludwig. "The Meaning of Sharp Power: How Authoritarian States Project Influence." *Foreign Affairs*, November 16, 2017. <u>https://www.foreignaffairs.com/articles/china/2017-11-</u> 16/meaning-sharp-power

⁷ International Forum for Democratic Studies, "Sharp Power: Rising Authoritarian Influence" (Washington, D.C.: National Endowment for Democracy, 2017), 13, <u>www.ned.org/wp-</u> <u>content/uploads/2017/12/Introduction-Sharp-Power-Rising-Authoritarian-Influence.pdf</u>.

presentation, as well as to its standing or its policies. Limiting or muting public discussion of issues deemed unwelcome by the Chinese party-state is a critical characteristic of sharp power.⁸

Media

Having learned to manage political ideas within their own countries, authoritarian regimes are now bending globalization to their own ends by manipulating discourse abroad, especially in the wide-open information space afforded to them by the democracies. Massive investments in overseas media infrastructure play a central role. China has scaled up a multifaceted effort to shape the realm of ideas.

State dominance over political expression and communication is integral to authoritarian governance. Such control enables the promotion of favored narratives across media platforms, as well as through the words of state officials and surrogates. In an era of global information saturation and fragmentation, the authorities in Beijing understand the "discourse power" that can be exercised through focused and amply funded information initiatives. As the PRC's media platforms expand and its largest internet firms go global, Beijing's ability to curate information in a systematic and selective manner will only grow stronger, especially in places where local media organizations are vulnerable.

One such place is Africa.⁹ There, China has made major investments in media infrastructure, and Chinese censorship tactics are being deployed in matters that Beijing deems sensitive. Throughout sub-Saharan Africa, Chinese state-media outlets have bureaus with two sets of editors: There are African editors on the local payroll, but a group of Chinese editors in Beijing vets their decisions, at least regarding stories that the PRC feels strongly about. The Chinese government gives African journalists "training" and brings them to visit China. Real journalism education, however, is not the goal. Instead, the focus is on taking in Chinese achievements (cultural sites, big infrastructure projects) and on learning how to report from the Chinese government's perspective.¹⁰

This is part of a global pattern that is also visible in Latin America. China's president Xi Jinping has said that he wants to bring ten thousand Latin American politicians, academics, journalists, officials, and former diplomats to China by 2020.¹¹

⁸ Christopher Walker, Shanthi Kalathil, and Jessica Ludwig, "Forget Hearts and Minds." *Foreign Policy*, September 14, 2018, *https://foreignpolicy.com/2018/09/14/forget-hearts-and-minds-sharp-power/*

⁹ See, for example: Andrea Vega Yudico, "China's Multi-Billion Dollar Telecommunications Investment in Africa Poses Threat to Independent Media," Center for International Media Assistance, October 24, 2017, <u>https://www.cima.ned.org/blog/chinas-multi-billion-dollar-telecommunications-investment-africaposes-threat-independent-media/</u> and Nick Bailey, "East African States Adopt China's Playbook on Internet Censorship," Freedom House, October 24, 2017, <u>https://freedomhouse.org/blog/east-african-</u> states-adopt-china-s-playbook-internet-censorship.

¹⁰ Emeka Umejei, "Will China's Media Influence African Democracies?" Power 3.0, 2 April 2018, *www.power3point0.org/2018/04/02/will-chinas-media-influence-african-democracies.*

¹¹ Juan Pablo Cardenal, "China's Elitist Collaborators," Project Syndicate, 17 April 2018, www.projectsyndicate.org/commentary/china-latin-america-engagement-soft-power-by-juan-pablo-cardenal-2018-04.

One example relevant to the United States was reported in November 2015, when it came to light that China Radio International (CRI), Beijing's state-run radio network, was operating as a hidden hand behind a global web of stations on which the Chinese government controls much of the content. According to a Reuters investigation, 33 stations in 14 countries "primarily broadcast content created or supplied by CRI or by media companies it controls in the United States, Australia, and Europe." As part of this elaborate Chinese-government effort to exploit the open media space, more than a dozen stations across the United States operate as part of the CCP's "borrowed boat" approach, in which existing media outlets in foreign countries are used to project China's messages.¹²

Through its formidable global media apparatus more generally, China is spreading messages abroad, using a variety of tools, about alternatives to democracy as models of governance, how the media can be controlled, and value-neutral internationalist positions in debates on issues such as internet governance.

Confucius Institutes

Chinese authorities portray the Confucius Institutes as being similar to the British Council or the Goethe-Institut, both of which receive government funding to give language and culture classes. Yet unlike those freestanding organizations, the Confucius Institutes are embedded within educational institutions, most of which are committed to the type of free intellectual inquiry that is impossible at Confucius Institutes themselves.

Many casual observers of the Confucius Institutes might not realize that the Confucius Institutes' constitution, found on the website of Hanban (the Chinese arm of the government that directs them), implies that Chinese law applies within the premises of the Institutes.¹³ Moreover, the Confucius Institutes employ staffers who at times have sought to block host universities from holding discussions on sensitive topics such as Taiwan or Tibet.¹⁴

Little about these institutes is transparent; it is hard to say, for instance, what amount of Chinese government money goes to individual host universities. It is also unclear what level of control universities have over curricula within the Institutes because the agreements between these parties often remain confidential.¹⁵

www.nas.org/images/documents/confucius_institutes/NAS_confuciusInstitutes.pdf. ¹⁴ Ibid.

¹² Koh Gui Qing and John Shiffman, "Beijing's Covert Radio Network Airs China-Friendly News Across Washington, and the World," *Reuters*, November 2, 2015.

¹³ Rachelle Peterson, "Outsourced to China: Confucius Institutes and Soft Power in American Higher Education," National Association of Scholars, June 2017,

¹⁵ Bethany Allen-Ebrahimian, "House Proposal Targets Confucius Institutes as Foreign Agents," *Foreign Policy*, March 14, 2018, <u>http://foreignpolicy.com/2018/03/14/house-proposal-targets-confucius-institutes-as-foreign-agents-china-communist-party-censorship-academic-freedom</u>.

Incubating and Sharing Technology Toward Repressive Ends

Beijing's considerable influence is increasingly evident in the digital space. China and other autocratic regimes have applied the online tools and techniques that they have refined for domestic use internationally as well. As noted at the outset of this statement, many of the techniques that are applied abroad are first incubated at the domestic level by the Chinese authorities. Through the online censorship system known as the Great Firewall, Chinese authorities have long been able to manage and restrict what China's people—the world's largest number of internet users inside a single set of national borders—can access when they go online. Now the government is increasingly applying machine learning to combine censorship and surveillance into comprehensive social management, a development that will increasingly impact global freedom of expression.¹⁶

Beijing's paramount aim, it seems, is to exert control over key information spheres and the tools for manipulating thoughts, images, and ideas. Its management model is centralized and unitary.¹⁷ As the authorities in Beijing deepen their artificial intelligence (AI) capacities, including through massive data collection, they are likely to apply these technologies to devise ever more precise methods of social management, including predicting individual behavior and potential collective action.

A recent case in Ecuador suggests some of the potential risks. Ecuador's negotiation under President Rafael Correa of a Chinese-financed loan to acquire surveillance equipment and technology to power its ECU-911 monitoring system took place in the absence of meaningful public debate, and civil society is only now in a position where it can begin to grapple with the potential ramifications of such an extensive system that has already been put into place. There is evidence to suggest that the ECU-911 system is being used to monitor civil society activists and critics of the government, much as these systems are used in China.¹⁸

In China, the companies responsible for developing these technologies are not only partnering with the state security apparatus, but are intertwining themselves within key institutions in democratic societies, giving them an increasing stake in the platforms and algorithms that determine speech on a worldwide basis. China's ambition to become a global powerhouse in big data, AI, and other emerging technologies has significant ramifications for democratic governance globally, yet much of civil society involved in the governance of emerging technologies has yet to engage on this issue in a meaningful way.¹⁹ Democracies have yet to develop a comprehensive response to China's plan to build digital infrastructure across key parts of the globe, creating a "Digital Silk Road," and allowing China immense power over the future of the digital world.

¹⁶ Paul Mozur, "China Presses Its Internet Censorship Efforts Across the Globe," *New York Times*, March 2 2018.

¹⁷ Qiang, "The Road to Digital Unfreedom: President Xi's Surveillance State."

¹⁸ Paul Mozur, Jonah Kessel, and Melissa Chan, "Made in China, Exported to the World: The Surveillance State," *New York Times*, April 24, 2019, <u>https://www.nytimes.com/2019/04/24/technology/ecuador-surveillance-cameras-police-government.html</u>

¹⁹ Lindsay Gorman and Matt Schrader, "U.S. Firms are Helping Build China's Orwellian State," *Foreign Policy*, March 19, 2019, <u>https://foreignpolicy.com/2019/03/19/962492-orwell-china-socialcredit-surveillance/</u>.

The Corrosive Effects of Authoritarian Capital

Many emerging and vulnerable democracies face challenges in governing foreign direct investment, including weak accountability in public spending, opaque corporate governance, poor procurement oversight, and lax anti-corruption enforcement. These challenges are easily exploited by authoritarian regimes intent on using state-connected financial resources for reasons other than development or mutual economic benefit, leading to potentially disastrous outcomes for open and democratic governance. When investment and foreign assistance is part of a meaningful public discussion involving civil society in developing economies, the effect can be to strengthen such essential features of democratic governance as citizen voice and participation, and transparency and accountability. If the authoritarian-linked firms and institutions driving the capital flows ignore or even undermine liberal-democratic values and concerns, however, the durability of democratic governance can suffer, corruption can flourish, and authoritarianis m can find fertile ground.

In regions such as the Western Balkans where the interests of local political elites, who retain power by catering to key patronage networks, overlap with China's high tolerance for corruption, Beijing's way of doing business exacerbates existing problems surrounding transparency and accountability.²⁰ The situation in Central Europe and the Balkans, where young, aspiring or vulnerable democracies predominate, is also relevant. In countries throughout those regions there are indications that China has sought to utilize various forms of capital inflows, including equity, debt, and aid, to achieve geostrategic aims and divert the region from a trajectory of integration into the community of democratic states. Regional initiatives, such as China's "16+1" initiative (now "17+1" since the recent addition of Greece to this grouping) to strengthen bilateral ties with primarily former Eastern Bloc countries, offer Beijing an easy alternative to dealing with the EU as a whole.²¹

In countries where projects under BRI auspices have turned sour, its combining of infrastructure financing with geopolitical aims has raised doubt and opposition. In December 2017, for instance, the government of Sri Lanka admitted its inability to repay the US\$8 billion that it had borrowed from Chinese firms to build a deepwater port at Hambantota, handing the project to Beijing on a 99-year lease in an instance of what critics have called "debt-trap diplomacy." In other cases, Chinese financing for infrastructure projects under the BRI have seen countries take on unsustainable debt levels for projects of questionable economic viability. For example, in Montenegro a project financed by China's Export-Import Bank to link the coastal port of Bar by road to Serbia has been dubbed "the highway to nowhere" after the government could not afford to take out further loans to complete the overruns of the project.²²

²⁰ Kurt Bassuener, "Pushing on an Open Door: Foreign Authoritarian Influence in the Western Balkans," National Endowment for Democracy, May 2019, <u>www.ned.org/wp-content/uploads/2019/05/Pushing-on-an-</u> Open-Door-Foreign-Authoritarian-Influence-in-the-Western-Balkans-Kurt-Bassuener-May-2019.pdf.

²¹ Martin Hala, "The 16+1 Initiative: China's Divisive Equation for Central and Eastern Europe," Power 3.0, June 5, 2018.

²² Noah Barkin and Aleksandr Vasovic, "Chinese 'highway to nowhere' haunts Montengro," Reuters, July 16, 2018. <u>www.reuters.com/article/us-china-silkroad-europe-montenegro-insi/chinese-highway-to-nowhere-haunts-montenegro-idUSKBN1K60QX</u>.

Opacity and Secrecy as Norms

Such deals with China tend to be characterized by an essential lack of transparency. This opacity allows China to work with partners who have few other options because of their poor credit ratings and reputation for corruption, and also, by agreeing to inflate project cost, Beijing is able to funnel a portion of its investment to influential elites in partner governments.²³ Patterns across regions and sectors have taken shape that illustrate the extent of the problem. Several other recent cases have come to light, for instance, which demonstrate how Beijing's preference for working directly and exclusively with executive branch elites in its engagement with foreign governments and how this can have had a corrosive effect on the integrity of institutions and governance more broadly.

When Panama and El Salvador switched diplomatic recognition from Taiwan to the People's Republic of China, key government, private sector, and civil society actors were kept in the dark until after official announcements were made. In the case of El Salvador, its congress has launched an effort to review and halt the advancement of an accompanying agreement to establish a special economic zone that would comprise 14 percent of the country's territory in strategic areas along the coast and give preferential benefits to Chinese firms.²⁴ Only a few weeks ago, more than a dozen other agreements that the El Salvadorian president had reached with China were made public for the first time, spanning from promoting the Belt and Road Initiative, to scientific and technological cooperation, and educational exchange, among others. In all of these cases, civil society and policymakers have been forced to play catch up in order to understand the implications of how such agreements may impact their countries and to retrofit monitoring and accountability mechanisms.

In Argentina, a deal reached with the Cristina Kirchner administration saw the People's Liberation Army given a fifty-year lease to build and operate a space observation station with dual-use capabilities in Patagonia. After recent reporting revealed the agreement provided the Argentine government with no mechanisms for oversight or access to the station,²⁵ Argentina's national congress launched an investigation and is seeking to revisit the agreement.²⁶ In Africa, agreements on major deals also fit the pattern.²⁷

The pattern of China's engagement that has taken shape globally has not eluded the U.S. In recent years, reports of influence that were once episodic have become more frequent as journalists and other observers have begun to look more closely; the patterns of opacity and manipulation that have characterized China's engagements in other parts of the world have come to light here. *China's Influence and American Interests*, a report produced by the Hoover Institution and the Asia Society and released in November 2018 found that "in certain key

²³ Jonathan Hillman, "Corruption Flows Along China's Belt and Road," Center for Strategic and International Studies, January 18, 2019, <u>https://www.csis.org/analysis/corruption-flows-along-chinas-belt-and-road</u>.

 ²⁴ Benjamin Russell, "What a Controversial Deal in El Salvador Says About China's Bigger Plans," Americas Quarterly, April 23, 2019, <u>https://www.americasquarterly.org/content/controversy-el-salvador-china</u>.
²⁵Cassandra Garrison, "China's Military-Run Space Station in Argentina is a 'Black Box," Reuters, January

²⁵Cassandra Garrison, "China's Military-Run Space Station in Argentina is a 'Black Box,'" *Reuters*, January 31, 2019, <u>https://www.reuters.com/article/us-space-argentina-china-insight/chinas-military-run-space-station-in-argentina-is-a-black-box-idUSKCN1PP012</u>.

 ²⁶ Cassandra Garrison, "Argentine Lawmakers Seek Greater Oversight of Chinese Space Facility in Patagonia," *Reuters*, March 29, 2019, <u>https://www.reuters.com/article/us-argentina-china-space/argentine-lawmakers-seek-greater-oversight-of-chinese-space-facility-in-patagonia-idUSKCN1RA24I</u>.
²⁷ "Report: Kenya Risks Losing Port of Mombasa to China," *The Maritime Executive*, December 20, 2018,

²⁷ "Report: Kenya Risks Losing Port of Mombasa to China," *The Maritime Executive*, December 20, 2018, <u>https://www.maritime-executive.com/article/kenya-risks-losing-port-of-mombasa-to-china</u>.

ways China is exploiting America's openness in order to advance its aims on a competitive playing field that is hardly level. For at the same time that China's authoritarian system takes advantage of the openness of American society to seek influence, it impedes legitimate efforts by American counterpart institutions to engage Chinese society on a reciprocal basis."

This report further observed that "China's influence activities have moved beyond their traditional United Front focus on diaspora communities to target a far broader range of sectors in Western societies, ranging from think tanks, universities, and media to state, local, and national government institutions. China seeks to promote views sympathetic to the Chinese government, policies, society, and culture; suppress alternative views; and co-opt key American players to support China's foreign policy goals and economic interests."²⁸

Acknowledging, and Competing in, the Emerging Contest over Values

Given China's rapid emergence on the world stage and its more visible authoritarian internationalism, it seems we are approaching an inflection point. If anything, the challenge presented by China and other ambitious, internationalist autocratic regimes has grown in the most recent period. At the same time, the democracies are only slowly waking up to the fact that they have entered into an era of serious and strategic contestation based on governance models.

The conflict over values that has taken shape globally is one between autocratic regimes, on the one hand, whose animating governance principles favor state control, management of political expression, and privileging "rule by law" over rule of law, versus democratic systems, on the other, whose principles are based on open societies, free and independent expression, and rule of law. In an era of globalization, the struggle over these fundamental values is being waged in every region and across diverse polities. How this battle plays out will define the character of the world we live in.

To date, much of the response to the China challenge from the democracies has focused on the trade and military dimensions, both of which properly deserve attention. But we must deal with the fact that much of Beijing's activity in recent years may be related to but is distinct from these domains. In order to compete, the U.S. and other democracies will need to address this gap in the sphere of values. And at a fundamental level, any response to this global challenge also needs to consider the essential importance of democracic development in China itself.

Developing a Comprehensive Response to the China Challenge

Given its corrosive impact on critical democratic institutions, China's authoritarian internationalism poses both a rule-of-law and a national security challenge. The following are key steps, drawn from the International Forum for Democratic Studies' sharp power report, which can be taken to address the Beijing's influence efforts:

²⁸ China's Influence and American Interests: Promoting Constructive Vigilance, ed. Larry Diamond and Orville Schell, the Hoover Institution, November 29, 2018, <u>https://www.hoover.org/research/chinas-influence-american-interests-promoting-constructive-vigilance</u>.

Address the large knowledge and capacity gap on China. Information concerning the Chinese political system and its foreign policy strategies is limited in many of the societies where China is deeply engaged. This asymmetry places societies at a distinct strategic disadvantage. There often are few journalists, editors, and policy professionals who possess a deep understanding of China—the Chinese Communist Party, especially—and can share their knowledge with the rest of their societies in a systematic way. Given China's growing footprint in these settings, there is a pressing need to build capacity to disseminate independent information about China and its regime. Civil society organizations should develop strategies for communicating expert knowledge about China to broader audiences.

Deepen understanding of authoritarian influence. China's sharp power relies in part on disguising state-directed projects as commercial media or grassroots associations, or using local actors as conduits for foreign propaganda or tools of foreign manipulation. To respond to these efforts at misdirection, observers need the capacity to put them under the spotlight and analyze them in an independent and comprehensive manner.

Move beyond transparency. Enhancing transparency as a way of safeguarding democratic societies against undesirable Chinese party-state influence is a necessary but insufficient step. Once the nature and techniques of authoritarian influence efforts are exposed, countries should build up internal defenses. Authoritarian initiatives are directed at cultivating relationships with the political elites, thought leaders, and other information gatekeepers of open societies. Such efforts are part of Beijing's larger aim to get inside such systems in order to incentivize cooperation and neutralize criticism of the authoritarian regime. Support for strong, independent civil society is essential to ensuring that the citizens of democracies are adequately informed to evaluate critically the benefits and risks of closer engagement with Beijing and its surrogates.

Prioritize democratic solidarity. Beijing and its surrogates are exerting pressure on independent institutions within free societies to an extent that would not be imaginable during the Cold War. The leadership of institutions essential to the functioning of the public sphere within democratic societies—publishers, university administrators, media and technology executives, and others—in the past did not need to take into account to such a degree the prospect of manipulation or censorship by external authoritarian powers. Today, however, the exertion of sharp power makes it necessary for them to renew and deepen their commitment to democratic standards and free political expression. To address this challenge, common standards must be developed, with the aim of reducing these institutions' exposure to divide and conquer dynamics in order to safeguard their integrity over the long term.

Accelerate learning through cooperation with democratic partners. A number of countries, Australia especially, have already had extensive engagement with China and can serve as an important point of reference for countries whose institutions are at an earlier stage of their interaction with Beijing.²⁹ Given the complex and multifaceted character of Beijing's influence activities, such learning between and among democracies is critical for developing responses that are not only effective but consistent with democratic standards.

²⁹See, for example, John Fitzgerald, "China in Xi's "New Era": Overstepping Down Under," *Journal of Democracy*, no. 2 (2018) and John Garnaut, "How China Interferes in Australia," *Foreign Affairs*, 9 March 2018, <u>www.foreignaffairs.com/articles/china/2018-03-09/how-china-interferes-australia</u>.