Introduction

Over the last decade, the People’s Republic of China (PRC)/Chinese Communist Party (CCP) party-state has adopted a more aggressive approach to using its tools of influence to protect its expanding global interests and promote an authoritarian model of governance that is more amenable to its geopolitical interests. Building on deepened economic ties, through the Belt and Road Initiative and beyond, China has expanded its influence in countries around the world, in both the political domain and in the information space.

This was particularly apparent in the PRC’s efforts to shape narratives around the emergence of the coronavirus pandemic in China and mounting concerns about China’s human rights abuses at home. In addition to continuing to leverage opaque economic deals, the PRC has demonstrated a willingness to more readily employ economic coercion and more aggressively manipulate the information space. These tactics are employed with vigor across the developing world. The PRC has expanded its influence in vulnerable countries, weakening democratic institutions while supporting illiberal actors and ideals. Indeed, China’s actions over the past several years demonstrate that Beijing views its rising influence in developing countries as central to its competition with the United States and its democratic allies. This competition is seen as nothing less than a battle for the future; the future of international institutions, global discourse (e.g., through votes at the UN General Assembly), spheres of influence, and the norms and technological standards that will determine the course of the next century.

The popularization of authoritarianism in developing countries helps the CCP realize its vision of a revised global order in which a plurality of governance models — democratic and authoritarian — exist. This scenario legitimizes the PRC’s bid to establish a CCP-led China as the central node of globalization and global governance in the decades to come, while emphasizing the challenges currently besetting the democratic world in the wake of the 2008-2009 economic crisis, rising popularism and an illiberal backlash in many democracies, as well as the Covid-19 pandemic. China’s new assertiveness, while rightly associated with President Xi Jinping’s personality and ideological inclinations, coincides with a perceived moment of weakness within liberal democracies, a vulnerability the CCP has sought to seize upon.
The People's Republic of China’s Influence in the Developing World: Strategies, Tactics, and Priorities

The CCP’s overall objective in its pursuit of influence and interference in the world is its desire to create a world safe for the Party and the PRC’s interests, one that is more amenable to alternatives to liberal democracy, and which allows China to return to its self-avowed rightful place at “the center for the world stage.” This quest for national rejuvenation has increasingly driven the Party to pressure other countries to, when convenient, abandon or ignore their democratic ideals and the rule of law. CCP General Secretary Xi Jinping has called this “sharing Chinese wisdom” with the rest of the world. The CCP seeks to elevate the PRC to the uppermost level in an imagined hierarchy of states and will use its influence to shape the external environment in its favor. Countries, governments, or individuals that refuse to bend to Beijing’s dictates now face a higher risk of being targeted by the CCP and its proxies; this includes efforts to isolate or discredit them, intimidation, and potential uses of legal action to silence them. In the aggregate, these efforts undermine the principles of liberal democracy that buttress the liberal world order.

Through this patient cultivation of influential individuals and groups around the world in the economic, political, and informational domains, the PRC hopes to engineer a cohort of heads of state, ruling parties, local politicians and influential figures in the public and private sector who will support projects like China’s Belt and Road Initiative (BRI) and follow Beijing’s lead in multilateral institutions such as the UN General Assembly.

While the PRC is active in nearly every part of the world – for example, as many as 147 countries may be part of the BRI – the PRC has deployed its influence tactics more heavily in some countries and regions. The PRC often aligns its economic interests with its political interests in areas where it seeks to increase its influence as part of its geopolitical contest with the prevailing liberal order. As such, Africa, the Pacific Islands, Latin America and the Caribbean (LAC), and China’s near abroad in Asia are key areas for the PRC, as each can weaken the regional influence of its main competitors: the U.S. and Europe. A number of countries in the Pacific Islands and LAC, moreover, have official diplomatic ties with the Republic of China (Taiwan), which the PRC regards as a breakaway province that needs to be “reunified” with the “motherland.” Beijing often targets governments in those countries, opposition parties ahead of elections, and the business sector in order to increase its leverage with them and, using economic incentives, compel them to switch diplomatic recognition from Taipei to Beijing.

In the Pacific Islands in particular, the PRC has used financial inducements as well as retaliation to compel de-recognition of Taipei with hopes of gaining full sway over this extremely important part of the Pacific where contests between the U.S., Australia, France, and Japan on one side, and the PRC on the other, continue to increase. The CCP regards this area as key to its effort to expel the U.S. from what it regards as its backyard. The PRC’s relationship with Solomon Islands over the last five years, for example, is emblematic of a growing shift toward the PRC and away from democratic partners, even when it comes to controversial security decisions or economic deals that do not directly benefit local communities. The 2022 security pact between the PRC and the Solomon Islands demonstrates how the CCP is using the growing relationship between the two countries to increase its foothold in the Pacific region.
In Africa, the PRC uses its long history of engagement as an exhibit of its ability to provide an alternative to the Western-led development model and order. Touting its extraordinary economic rise, the CCP seeks to convince other countries in the developing world that its model – antidemocratic, mercantilist and less encumbered by “Western” ideals of transparency and accountability – can achieve rapid economic rise by mimicking the PRC model. This is often reinforced by a narrative which argues that overemphasis on human rights and democracy are impediments to developmental rights – in other words, the PRC has sought to rewrite, or reinterpret, what human rights mean and has enjoyed much success within the Global South. On the continent, the PRC has developed deep economic and political ties with authoritarian countries such as Ethiopia and Zimbabwe, and has also sought influence with regional powerhouses Kenya, Nigeria, and South Africa with differing degrees of success.

The LAC region is also of great importance to the PRC, given its proximity to its main challenger, the U.S. High levels of influence over countries such as Panama have a direct impact on U.S. security and, over time, could force it to focus more on its immediate security environment than on other parts of the world, such as the Indo-Pacific. As detailed later in this testimony, Brazil is one of the PRC’s most important economic allies and the two countries have created a uniquely interdependent relationship that looks set to endure regardless of who is in power in Brazil.

South, Southeast, and Central Asia are also regions of interest (and concern) to the CCP due to their proximity to the PRC and potential for instability. Consequently, the PRC uses its economic leverage there to ensure compliant regimes and, if possible, to undermine their relationships with security challengers such as the U.S. or other allies.

Countries with medium-to-high levels of corruption are more susceptible to PRC influence using BRI or other forms of economic inducements. Where this correlates with poor governance, the PRC has successfully increased its influence, and with that, the associated malign effects have undermined the targeted state’s democratic practices.

**Economic Influence**

Economic ties are the entry point for broader PRC political influence and interference. Senior officials in Beijing recognize that economic influence, through trade, infrastructure investment, lending, and elite capture, underlies and translates into influence in many other spheres. Building other countries’ economic interconnectedness with China has, therefore, been a foundational component of the PRC’s efforts to cultivate influence – some of it legitimate, in other instances corrosive -- in other societies. Beijing wants robust trade relationships with other countries because it knows this can create powerful pro-PRC constituencies in those countries. In countries around the world, big businesses and businesspeople exert important influence on politics and foreign policy. The PRC also exploits the economic dependence created through trade for political ends, often using a mix of incentivization (“carrots”) and retaliation (“sticks”) to condition foreign governments. It has used such measures to punish governments that defy it on territorial disputes (e.g., the Philippines), that ignore PRC threats and chose to engage with Taiwan (e.g., Lithuania, Czech Republic), that adopt measures to counter foreign influence (e.g., Australia), or are engaged in disputes with the PRC (e.g., Canada, Taiwan). Beijing has used sectorial trade sanctions against those countries to hurt local economies, often after carefully studying which sectors of the
economy are most vulnerable to sanctions and therefore likeliest to pressure the government to overturn its policies and appease Beijing. At the local level in targeted countries, the PRC has also used trade and tourism to reward municipalities that agree to cooperate with the PRC while bypassing those that refused to do so, including, in some cases, the central government. This practice creates or exacerbates internal divisions, resulting in less unity in efforts to counter PRC influence.

Trade in goods and services remains the most important and enduring conduit for PRC influence over other countries’ politics. This mode of influence did not emerge by accident; rather, it is the result of a decision by CCP elites to firmly embed the PRC in economic globalization, drawing strength from the same source that has served the United States and other democracies so well. PRC investment and trade are critical for many developing economies, but Chinese entities’ business and negotiating practices frequently produce negative consequences for recipient countries’ finances and democracy. The terms of PRC investment deals often reduce broader benefits for local economies, as Chinese lenders often require that projects be awarded to Chinese enterprises with a preference to conceal contractual terms. China is also instrumentalizing the opacity and corruption that define many asymmetric deals between willing governments with lax transparency standards and Chinese banks and state-owned enterprises (SOEs), exacerbating debt burdens and creating dependencies.9

Trade and investment are, however, only one of many conduits for the PRC to deploy its growing economic clout in the pursuit of political influence. Almost as important are infrastructure financing and lending to countries across the developing world. Though figures vary given the loose definition of BRI projects, the Green Finance and Development Center at Fudan University has noted that since 2013, through the BRI, the PRC has lent or financed an estimated $962 billion in projects around the world.10 Research by the International Republican Institute (IRI) and others has shown that this lending, owing to a perception that it is offered, at least at first glance, with no strings attached, is often seized upon by political elites in other countries to reward important political constituencies. The corruption and political cronyism associated with these projects can serve as an important means of binding those elites more tightly to the PRC.11 Despite a significant slowdown in BRI-related lending as Beijing has pulled back from lending to support foreign infrastructure investment due to economic factors, adjustments to regulations for overseas investments, and foreign scrutiny,12 developing countries continue to suffer the effects of signing up to poor terms for Chinese infrastructure deals.

This focus on infrastructure investment, though evolving, is one of the areas where CCP malign influence differs between developing and advanced economies and democracies. Logically, the CCP party-state apparatus uses infrastructure investment in developing economies as one of its main points of entry,13 something that, with few exceptions, does not apply to its efforts to influence developed economies. Whether through BRI or other lending instruments, the CCP offers ostensibly better terms and fewer requirements in terms of transparency, accountability, respect for human rights and environment protection than similar bodies such as the IMF or the World Bank. This has proven appealing to a number of countries in the developing world.14

Another key area of PRC economic engagement that differs between developing and advanced economies is in the deployment or exploitation of corruption and elite capture. While advanced
economies are certainly not immune to such practices, in its economic engagement with countries in the developing world, the CCP relies heavily on elite capture and cooptation of officials, persons of influence, politicians (active or retired), and the leverage resulting from corruption or dependence on the PRC market to exert its influence. To facilitate a favorable environment for Chinese enterprises and encourage pro-China foreign policy decisions, the Chinese government has lavished foreign leaders and their coterie with personal “donations” and market access for their privately owned companies. Elite capture has been used to great effect to help Chinese companies like Huawei enter new markets, benefiting few with financial kickbacks while potentially exposing key infrastructure and private data to a company that is ultimately accountable to the CCP’s National Intelligence Law. The CCP also exploits existing domestic corruption in the countries where large infrastructure projects are being considered, which can result in enrichment for politicians and businesspeople involved and thus create leverage over them. Such relationships also give the politicians and businesspeople involved an incentive to protect that relationship, which often will give them an advantage over their competitors, whether they be politicians or other businesses. This type of relationship, which exists in both the developed and developing world, also creates proxies that, without necessarily needing to be prompted by the CCP, will help it achieve its objectives because their interests now align with China’s, rather than the public interest.

Political Influence

In addition to utilizing economic influence to achieve political ends, the PRC also cultivates ties with political parties and policymakers at the national and subnational level across the political spectrum to influence political and economic outcomes favorable to China. The PRC wants politicians to have significant incentives to go along with Beijing, regardless of who wins each election. It deploys political influence principally through party-to-party ties and United Front Work.

Over the last several years, China has devoted greater energy to promoting authoritarian solutions to the mounting challenges facing developing democracies, building on decades of support to political parties around the world. The International Liaison Department (ILD) of the CCP has taken the lead in these efforts, organizing workshops and party-to-party trainings to impart its expertise on issues ranging from poverty alleviation to economic recovery strategies amid the global downturn. Whereas once these party-to-party exchanges sought to build the legitimacy of the CCP, they are now focused on advertising the value of the PRC’s system of governance more generally. The CCP has increasingly integrated elements of its own authoritarian model into such trainings, including topics such as party management, party loyalty, and communication.

With a few exceptions, predominately in advanced democracies such as Taiwan, Australia, and Canada, China has rarely sought to utilize such party ties to shape the outcome of elections. Instead, it tries to empower, and occasionally fund via proxies, candidates and parties that favor “cooperation” and trade with the PRC, and who will not try to push the envelope on Beijing’s “core” issues like human rights, Taiwan, Tibet, or Xinjiang. PRC interference in other countries’ politics tends to occur behind the scenes and is often shrouded in ambiguity and plausible deniability. The PRC’s strategy relies on long-term cultivation – and sometimes co-optation and capture – of officials (e.g., through the promise of lucrative positions on the board of Chinese firms
after retirement, or access to the Chinese market for retired officials) and the patient engineering of the targeted environment that can be as useful between elections as during them. This occurs both in the developed and developing world.

United Front work is increasingly a key element of the CCP’s expanded political influence campaigns, particularly in countries with sizable diaspora populations. The breadth and degree of coordination between the central government and United Front organizations abroad permits the CCP to reduce the space for independent and pluralistic voices in Chinese diaspora communities and to insert itself to speak on behalf of those communities. Though it receives guidance from the upper echelons of the CCP, the global United Front apparatus is a constellation of organizations and individuals which serve as “fronts” for political influence. From think tanks to religious organizations to civic groups to chambers of commerce and media outlets, these bodies, many of which are not officially part of the United Front Work Department (UFWD), seek influence with government and academic institutions in support of the CCP’s narrative and interests. There is little difference between how United Front entities operate in the developed and the developing world; in both, “front” organizations are opportunistic and exploit the environment in which they are located.

*Discourse Power and Influence in the Information Space*

The PRC is increasingly complementing its economic leverage with efforts to shape the information space to protect its strategic interests in individual countries and advance its preferred narratives globally. PRC tactics in the information space include efforts to shape the media environment, digital influence operations, and investments in telecommunications infrastructure. The CCP has expanded its tactics to shape the media environment. It relies on content-sharing arrangements that allow for official propaganda to be printed in local media as authoritative news on China, all-expenses-paid training tours for journalists, investment in local radio and television stations to cultivate a global media network of pro-China voices, and use of political and economic proxies to disseminate PRC narratives in local media outlets. These tactics are more pronounced in developing democracies and economies, where the PRC takes advantage of media organizations who are all too willing to accept PRC investment or to ensure continued access to advertising revenue. Media conglomerates owned by entrepreneurs whose economic success is highly reliant on access to the PRC market have also become conduits for CCP disinformation and censorship.

The CCP has capitalized on control over the Chinese-language news space in developing countries and the growing reach of PRC state media with nearly exclusive control of news on China routed to prominent newspapers, government agencies, and community networks. This is most pronounced in developing economies, where Chinese-government-linked enterprises have established dominant control over telecommunications infrastructure such as certain broadcast networks, effectively becoming information gatekeepers by providing preferential broadcasting access to state media and friendly news sources while obstructing Western portals and critical voices.

These efforts are compounded as Chinese government representatives in countries take more proactive, “wolf warrior” postures in their local engagement, taking to social media and, in some
cases, threatening local media in retaliation against negative coverage of China. China’s expanding digital influence operations, including on global social media, are a growing factor in enabling the CCP to shape perceptions of China and its policies in individual countries. The CCP has expanded its drive to shape the narrative on sensitive topics for China, utilizing propaganda and disinformation to manipulate information regarding its handling of COVID-19, repression in Hong Kong, claims over Taiwan and the South China Sea, and detention of more than one million Uyghurs and other Muslims in Xinjiang. On platforms like Facebook and Twitter, the PRC has used bots, zombie accounts, sock puppets, and human accounts to amplify pro-CCP rhetoric, attack supposedly “anti-China” politicians and parties, and distort the online information environment. It, or its proxies, have also created content farms which, while ostensibly legitimate news organizations, are in actuality involved in the generation and spread of disinformation.

The PRC has also sought to influence global digital norms. As detailed in a report from IRI and the Alliance for Security Democracy, China uses the governance layer of its “digital stack” to export its “repression and influence abroad by shaping global technology governance to be more hospitable to its authoritarian digital model.” Authoritarian leaders from Nigeria to Myanmar have been willing partners in these efforts, seeking inspiration from China’s model of digital repression and censorship. PRC promotion of technology provided by its state-owned and affiliated entities, and associated support through training for public security personnel on surveillance, has furthered these efforts. Beyond its efforts at the national level, the PRC has also sought to “reshape internet governance to encourage other countries to heed their example concerning cyberspace and internet sovereignty,” through bodies such as the United Nations’ International Telecommunication Union (ITU). Collectively, these efforts have served to facilitate the dissemination of pro-China narratives and policies on a global scale.

The State of Democratic Resilience

Despite increased PRC influence across the political, economic, and information domains there are nevertheless continued, and growing, signs of democratic resilience. This is due in part to increased understanding of the challenge the PRC poses to democracy globally and increased efforts to bolster democratic unity and resilience in response. Many countries across the developing world are nevertheless ill-equipped to inoculate their countries from the impact of PRC influence. This is in large part due to the state of their democratic institutions. The roots of resilience to the malign aspects of PRC’s influence on democracy are remarkably consistent across the range of countries studied by IRI. They are a vibrant free media, robust political opposition, an informed public, a modern and independent legal system, and inclusive political processes. It is not a coincidence that the elements of democracy that check authoritarian behavior by rulers at home are a bulwark against the worst parts of foreign authoritarian influence. Given the state of democracy in many countries in the developing world, the degree of resilience varies widely across contexts.

The first impediment is a lack of awareness within government and the public. Poor capacity at the state level and in civil society are hurdles to better understanding the potential pitfalls of engagement with the PRC, and to implementing appropriate responses to mitigate and counter the nefarious areas of CCP influence. Governments that already have a poor track record of adherence to democratic principles, or those where CCP co-optation is already prevalent, will act to prevent
awareness of and countermeasures about the extent of capture by the PRC because the status quo works to their advantage. Though much progress has been made in generating a greater understanding of the unique threat the PRC poses in any given country, thanks in part to a burgeoning community of media, civil society activists, and researchers dedicated to exposing such influence, in many countries in the developing world, there is still a lack of understanding and concern about PRC influence. For example, an IRI nationally representative survey and interviews with experts in Argentina, the Dominican Republic, Panama, and El Salvador on public opinion and perception of CCP influence throughout the region found that citizens in the four surveyed countries are largely unaware of CCP investment and influence.  

In backsliding countries, the journalists and academics who could play an important role in identifying and tracking malign authoritarian influence, as well as the CSOs that could pressure a government to adopt remedial measures to address this challenge, are in weak positions and highly vulnerable to retaliatory action (threats, layoffs, censorship) by the state, co-opted entities, or the PRC itself. This can often result in self-censorship and risk avoidance, as the repercussions of being targeted by the state, proxies, or CCP-linked entities can have a life-transforming impact on a critic’s or reporter’s life and livelihood and that of his/her family. Countries lacking a tradition of civil society and strong independent media as a line of defense against state/external abuse, or those where civil society and media are under increasing pressure from authoritarian governments, are at a disadvantage when it comes to their ability to push back against external authoritarian influence, especially when that influence is facilitated by proxies whose ability to continue to profit materially or politically is contingent on their relationship with the PRC.

Regions with uneven levels of development, or those with poor security environments where the central government is unable to impose law and order, are more exposed to potential CCP influence. Time and again, the CCP has used its growing influence at the local level, on the “peripheries,” to increase pressure on and to “surround” a recalcitrant central government. Using financial inducements, it may also seek to demonstrate the benefits of good relations with the PRC to convince voters, or amenable figures at the center, to shift from a China-skeptic policy to one that is more open to engagement. This divide-and-conquer approach to influence is a strategy that the CCP has refined over the years.

Many countries in the developing world do not have the law enforcement, intelligence capacity, or legal framework needed to appropriately counter malignant exogenous influence in a manner that does not undermine what often are already weak democratic environments. High levels of corruption are further impediments. Even in countries where there is awareness and understanding of the nature of the challenge, elite capture and corruption in government – often tied to the PRC – limits opportunities for action from political opposition, media, or civil society to counter PRC interference.

There is nevertheless growing awareness of the impact of PRC influence on democracy and a growing network of civil society activists, media, researchers, and policymakers committed to working within and across borders to counter it. From Ghana to Quito, this network is exposing PRC influence through innovative means and devising locally responsive advocacy and policy solutions that have the potential to generate lasting change to hold domestic and authoritarian actors accountable.
Case Study: Brazil

Brazil, with its superlative dimensions – the largest population, territory, and economy in Latin America and an agricultural powerhouse responsible for 10 percent of the world’s food production – is of high strategic importance to the PRC and its most important economic and political partner in South America. Brazil is the PRC’s principal supplier of agricultural commodities, and as such is fundamental to China’s food security. A strategic bilateral partner since 1993, Brazil is also a key partner for China in the BRICS (Brazil, Russia, India, China, and South Africa), a forum for addressing political, security, economic, and cultural issues of common interest, which has come to serve as a venue for these “emerging powers” to advance their own vision of global governance. Over the last 20 years, the PRC has undertaken a strategy of influence in Brazil to advance its interests. China’s initial strategy in Brazil was gradual, centered on cultivating relationships with Brazilian political and economic leaders and solidifying China as an important export destination for Brazilian natural resources. With few exceptions, Brazilian leaders have welcomed PRC engagement and have been active and willing participants in PRC influence efforts. There is a prevailing view among Brazilian politicians, business leaders, and military personnel that China is an opportunity to be explored and not a threat, and that the “PRC only wants to do business.”

Expansive economic ties and a narrative of Brazilian dependence on Chinese markets for exports provided an entry point for increased PRC influence in Brazil. By fostering ties with members of Congress, state governors, the commodities lobby, and elements of the press, the PRC has developed a cadre of vocal supporters among Brazil’s political and economic elite, which it has aptly leveraged to support pro-China narratives and policies. In the last two years, the PRC has increasingly instrumentalized these allies, and Brazil’s economic dependence on the PRC, to exert overt influence on issues related to the two countries’ relationship and to put economic, political, and diplomatic pressure on Brazil.

Economic Influence

Trade and investment, largely focused on the agricultural and mining sectors, have been the key drivers of deeper economic ties between China and Brazil and the entry point for PRC influence activities in the country. Between 2003 and 2018, trade between the two countries increased rapidly, from $6.7 billion to $100 billion. In 2009, China became Brazil’s leading trading partner. Agribusiness, particularly the export of soy, is the foundation of this expanded trading relationship. From 2000 to 2016, Brazilian agribusiness exports increased by 318 percent and exports to China increased by almost 2,000 percent. Growth in the soybean and beef trades – 40 percent of Brazilian agribusiness exports now go to China – has spurred the proliferation of pro-PRC lobbying groups in business and political circles, led by the China-Brazil Business Council and the Brazilian Congress’s Agribusiness Caucus.

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The PRC has also become one of the main sources of foreign investment in Brazil, investing $110 billion in the country from 2007-2020, and coming to rival the U.S. as a source of foreign direct investment. Chinese investments in Brazil, which accounted for nearly half of all PRC investments in South America in 2017, have been predominantly concentrated in oil, mining, commodities, and energy, strategic sectors for China and Brazil alike. In addition, China has also sought to develop infrastructure that facilitates agricultural exports, such as grain processing, transportation, and cultivable land acquisition. Marquee PRC investments include multi-billion dollar investments in energy generation and petroleum, as well as in the mining of niobium, an essential component in making steel stronger and lighter, and therefore a key resource for China’s large steel industry.

While increased trade and investment from China provided a lifeline for Brazil during times of economic crisis, China took strategic advantage of its role in facilitating growth in Brazil by promoting the perception that Brazil was dependent on the PRC market, and that its production growth was due exclusively to an increase in Chinese demand. Key narratives focused on China’s position as Brazil’s main trading partner, its importance as the main export destination for Brazilian exports, notably in agribusiness and mining, and its role as a key provider of FDI. In most Brazilian political and economic circles, these increased economic and trade ties were strongly welcomed, with little thought about the dependencies developing in Brazil-China ties or about PRC control of strategic sectors.

The narrative that Brazilian agricultural exports are dependent on the PRC market, and therefore strong relations with China are essential to Brazil’s trade balance and economic stability, remains a prevailing view perpetuated by Brazil and China alike. According to reports by soy and cotton producers, the consensus is that “there is no alternative” for Brazil without the Chinese market. In practice, producers have few incentives to diversify their buyers, as the PRC offers a considerable, and guaranteed, market for their products. Brazil’s powerful farm and mineral lobbies have been ardent and vocal advocates of protecting the political relationship with China in order to maintain strong commercial ties.

They have been supported in these efforts by the China-Brazil Business Council (CEBC), which promotes multilateral commercial interests and has become an important tool for defending Chinese interests in Brazil. Previously led by former Ambassador Sergio Amaral, who played a founding role in the opening of one of Brazil’s Confucius Institutes, the CEBC is now led by the former Brazilian ambassador to China (2004-2008) Luiz Augusto de Castro Neves. Roberto Fendt, the deputy economy minister for foreign trade under President Jair Bolsonaro, also previously served as the executive secretary of the CEBC. The leadership of the CEBC demonstrates the close connection between Brazilian business interests and politics – a revolving door between government service and PRC advocacy that has become an important entry point for pro-PRC activity and sentiment in the country.

Brazil’s reliance on PRC markets for exports of both agricultural and mineral commodities has created a uniquely interdependent relationship between the two countries. China has strategically leveraged its economic influence to advance its priorities in the country, utilizing networks of political and economic elite, as well as efforts to influence the information space, toward this end.
The PRC has used its economic influence to advance its political interests in Brazil, deploying a range of tactics from cultivating close ties with the Brazilian Congress and the political opposition at the subnational level to implementing a campaign to promote positive narratives of China and the Brazil-China relationship in the Brazilian press.

The Brazilian Congress has been a vocal advocate of close relations between Brazil and China, and has been used by elements of the PRC party-state as a counterweight to the less friendly stance of the former Bolsonaro administration. The Brazilian Congress has been assertive in its executive oversight function and powerful in shaping Brazilian policy at the national level, through both pressure on the presidency and via legislative measures. Under the Bolsonaro administration, it was a key platform for the opposition, which the PRC sought to exploit. Numerous caucuses regularly and vocally advocate for pro-China policies on issues ranging from foreign investment and land ownership to extradition and vaccines. Under the 56th Legislature of Brazil (February 2019 – January 2023), the National Congress of Brazil’s China Parliamentary Group, a group created to advance Brazil-China relations, include over 50 percent of the members of the Senate and 44 percent of the Chamber of Deputies. The group’s president, Congressman Fausto Ruy Pinato, maintains close ties to the Chinese embassy and PRC businesspeople and has been highly responsive to Beijing’s agenda. The PRC also counts on the unequivocal support of the Agribusiness Caucus, which includes 178 members of the chamber (35 percent) and 24 senators (24 percent). The caucus is a powerful political tool within the Congress, with the capacity to mobilize voices and finances in support of trade and investment policy.

The PRC’s work to build relationships with members of Congress, including through PRC-funded delegations, has proven to be an effective strategy. There are several examples of Brazilian members of Congress who participated in PRC-sponsored delegations and returned as vocal supporters of its interests in Brazil. Congressman Felício Laterça, for example, participated in a January 2019 delegation and publicly expressed his support for the import of facial recognition systems produced in China as a way to fight crime in Brazil. In another example, Irajá Abreu, a member of the Agribusiness Caucus and the Brazil-China Parliamentary Group, and the son of the former chairman of the Senate Foreign Relations Committee and fellow caucus member Kátia Abreu, participated in a delegation and returned to praise the PRC’s leadership and economic model. Prior to his visit to China, Abreu was the author of a bill paving the way for increased foreign land acquisition. The bill proposes to reform the current law restricting foreign ownership of large land parcels and open up 2.12 million square kilometers of land to foreign ownership – a reform the PRC has been advocating for. The PRC has also sought to use this support to ask legislators not to maintain official contacts with Taiwanese leaders that would be harmful to the One China policy.

Alongside its efforts to gain friends in Congress, the PRC cultivated relationships with Bolsonaro’s political opposition, dealing directly with state governors and opposition political parties looking to China for help managing the COVID-19 pandemic. The most portentous alliance between China and the insurgent governors was established with Brazil’s wealthiest, most populous state, São Paulo, whose former governor, João Doria, is a strong ally of the PRC. Prior to joining politics, he led the lobby group Lide, which represented several Chinese companies and established a
branch in China to promote “better conditions for Chinese investment in Brazil.” Doria was also an early adopter of PRC surveillance technology. Both São Paulo and Bahia received PRC donations of surveillance cameras and facial recognition equipment.

These political influence efforts have been complimented by efforts to influence the information space in Brazil and discourse on China and the Sino-Brazil partnership, using Brazilian political proxies and PRC officials to advance pro-China narratives and policies. Under former PRC ambassador to Brazil Yang Wanming, the PRC established content sharing and other arrangements with leading Brazilian media outlets, authored regular op-eds in the print media, and expanded its presence on social media. In November 2019, the state-owned China Media Group signed an agreement with the Band network, which has Brazil’s third highest viewership, for joint production and content sharing. As part of the agreement, one program featured is “Mundo China,” which has peddled propaganda about the genocide in Xinjiang. That same month, the China Media Group signed a content exchange and production agreement with Grupo Globo, a Brazilian media conglomerate which owns Brazil’s largest television network, Globo TV, and the O Globo newspaper. The China Media Group also inked an agreement on content and technology sharing, joint production and training with the Empresa Brasil de Comunicação (Brazil Communication Company), a state-owned company that manages TV Brazil, eight radio stations, and the Agência Brasil news agency. Beyond such agreements, the PRC has also invested in other media through paid advertising.

These agreements have granted the PRC access to Brazil’s information ecosystem, facilitating its attempts to influence coverage of China and Brazil-China relations. Since 2019, O Globo, one of Brazil’s most widely read newspapers, has published 12 op-eds by either Ambassador Yang or by the PRC consul in Rio de Janeiro, Li Yang. The diplomats have used their platforms to promote pro-PRC messages and deploy disinformation that went unchecked, as was the case in June 2020 when Li Yang stated that the U.S. created COVID-19. Ambassador Yang and his fellow diplomats leveraged this combination of content sharing agreements and advertising, economic pressure, and cooptation of political and economic elites to shape Brazil’s information environment in markedly pro-PRC directions, taking an increasingly confrontational tone in response to Bolsonaro’s erratic behavior toward China. In the environment of political polarization in Brazil, Yang found natural allies among opposition politicians, the parts of the population opposed to the president, and pro-China actors.

In at least one case, the PRC leveraged its relationship with prominent politicians, business elites, and the press to achieve real political influence, resulting in the sacking of a foreign minister and a momentary shift in China policy away from the presidency. In 2021, China placed a hold on the export of materials needed for production of both the CoronaVac and the Oxford/AstraZeneca vaccines (part of a previous agreement on SinoVac vaccine production in Brazil negotiated by Doria), allegedly over PRC complaints about rhetoric from the Bolsonaro administration and former Foreign Minister Ernesto Araújo’s stance on China. According to CNN, high-ranking members of the Bolsonaro government acknowledged that the “the country’s troubled relationship with China” was the reason for the freeze on importing vaccine components, which were scheduled to begin arriving in December 2020. As revealed in the press and confirmed by investigations for IRI’s Brazil country case study, Ambassador Yang conditioned the release of both vaccine supplies and vaccine doses on a clear signal from the government in support of relations with
China, with Beijing specifically pressing for Araújo’s resignation as such a signal. Allegedly, toward this end, a group of ministers and advisors suggested to the president that he should encourage Araújo’s resignation. The Brazilian press, as well as former diplomats currently working in the knowledge economy, were supportive of a conciliatory approach.

Demanding his resignation, the Senate blamed Araújo for the situation with China and also for the failure to get vaccines from the U.S.. Following a March 2021 session in the Senate Foreign Relations committee on the government’s pandemic response, committee chair and pro-PRC Senator Kátia Abreu published an article in which she criticized what she said was Brazil’s subservient relationship to the U.S.s and stated that going forward the Brazilian Congress would orient itself toward China, the country that has best helped Brazil confront COVID-19. In response, Araújo accused Abreu of attempting to pressure him to support China. According to Araújo, Abreu had asked him to make “a gesture about 5G,” which was understood as a quid pro quo for accepting Huawei’s technology in Brazil in exchange for preserving his political future. Araújo resigned on March 29, 2021.

Brazil’s Response and Democratic Resilience

Brazilian politics have a reputation for being corrupt and are, moreover, subject to political and economic pressures stemming from pressure to maintain strong Sino-Brazilian economic relations. As such, the Brazilian political sphere’s efforts to check malign PRC influence are limited, at least for the time being. The government of Jair Bolsonaro (2019-2022) tried to reduce Chinese influence in Brazil, though he ultimately failed under pressure from the agribusiness lobby, political opposition, and the Brazilian Congress. Parliament, the rural caucus, and the press united in criticizing what they called “Sinophobia,” “paranoia,” and “subservience to the interests of the United States,” and at least some of those allegations rang partially true. The emergence of the COVID-19 pandemic just at the beginning of Bolsonaro's second year in office neutralized Brazil's ability to put in place any plan that would reduce PRC influence over the country's political, economic, and intellectual elites. The CCP used the strategy of "vaccine weaponization" to achieve political ends in the country, to great success.

The new government of President Luiz Inácio Lula da Silva is likely to only further strengthen relations with Beijing, as Lula was in power in 2004 when the Brazil-China relationship began to deepen. Although Lula and his team officially speak of non-alignment and a multiplicity of partners, there is a half-truth in the statement. Brazil will work to maintain the tradition of good relations with as many countries as possible but is unlikely to slow the advance of China. On the contrary, the Lula government clearly prefers a closer relationship with China. In 2021, former president Dilma Rousseff – a Lula ally and alleged Lula candidate to be president of the New Development Bank – said, "China is admirable and represents a light against Western decadence." President Lula is also planning to visit Beijing on March 28, 2023, highlighting the importance of the partnership, though the visit comes after a February 2023 visit to the U.S. to meet with President Biden.

However, the country’s civil society and media sectors are large and well-developed and could represent a possible source of public pressure on the government’s China policy. Brazil has a vibrant free media, robust academic discourse, and is home to a large array of civil society
organizations (CSOs) that are involved in public debates. In theory, this openness and inclusivity could provide a framework for public oversight of any influence efforts, allowing citizens to hold political leaders accountable and fostering critical debates over what Sino-Brazilian relations should look like.

There are, nevertheless, at least a few factors that could negatively impinge on this potential: first, Brazilian political discourse is currently very polarized and this may drown out meaningful conversations about China amidst acrimony and misinformation, or reduce the issue to simple binaries (e.g. pro- and anti-Bolsonaro or pro- and anti-Lula positions) that do not reflect China’s complex role in Brazil’s ongoing development. Secondly, Brazil’s media offers robust reporting on national issues, but it is also subject to pressures that can compromise its integrity, such as the need to bring in advertising revenue, the rise of social media as a parallel news source, the concentration of media ownership in large conglomerates, and bias from private interests or fake news. Large Brazilian media organizations have received both ad revenue and engaged in partnerships with PRC state sources, in addition to providing a platform for the PRC Embassy in Brazil to promote false or misleading narratives. This does not necessarily mean that the PRC has a significant say over the content produced by Brazilian news organizations, but these pressures may have given it an opening to do so. In the future, this potential ability to shape news coverage could be used as leverage for the PRC to engage in sharp power censorship or further promote advertorials in Brazil, should there be no pushback from the media or policy communities.

Recommendations

As detailed in this testimony, PRC interference and influence efforts present a serious challenge to good governance in the developing world. Ongoing investment in democracy, rights, and governance programming to strengthen democratic institutions, including legislatures, political parties, free media, and civil society is foundational to countering this threat. These efforts must nevertheless be coupled with a full suite of initiatives to holistically respond to this growing challenge.

Invest in Democracy, Rights, and Governance Globally

- While the Countering PRC Influence Fund (CPIF) administered by the State Department is a welcome step in countering Chinese influence globally, Congress should also greatly increase the budget of the National Endowment for Democracy (NED) with a specific view to meeting the challenge of China across the Global South. The NED and its core institutions are often better positioned to act in a more agile, responsive fashion to needs on the ground in developing countries. They should be directly empowered to expand their work, whether through amplifying existing initiatives to build democratic resilience or to explore new lines of programming to address the evolving threat of PRC influence, such as economic coercion.

- In addition to increasing funding for the NED, Congress should specifically allocate significant new funds to supporting independent journalism in countries outside the United States. Good journalism is one of the most effective prophylactics to PRC influence in countries in the Global South, and every dollar spent toward enabling free, independent,
and well-trained journalists in countries vulnerable to PRC influence" is a worthwhile investment of scarce U.S. resources.

- Congress should push harder for allies to establish entities mirroring the NED, while also pushing the administration to push allies harder. Supporting democracies globally in an institutional, well-resourced fashion can’t just be the job of the U.S. alone. The U.S. needs partners like the EU, Japan, and the Five Eyes countries to increase their investment in democratic development and resilience.

- Congress should greatly increase the amount of time and money it directs to parliamentary diplomacy. Often members of other democracies’ legislatures are the most effective internal advocates for measures that will increase resilience to PRC influence, and much more receptive to engagement with partners like Taiwan. IRI has found that investing in engagement with other parliaments on the subject of China – both by the U.S. Congress and between other parliamentary bodies around the world -- is one of the most effective grassroots ways to create consensus on countering the adverse aspects of PRC influence.

- Many key democratic partners of the U.S., such as Canada, do not require foreign actors seeking to influence their political systems to register. Congress should direct the Justice Department, in conjunction with the State Department, to increase international cooperation on laws related to foreign political interference, such as the Foreign Agents Registration Act, and make it the policy of the U.S. government to encourage partner countries to take appropriate action to protect the integrity of their democracies from foreign authoritarian actors, while at the same time avoiding the misuse of such laws to crack down on civil society.

- Congress should allocate funding to greatly expand the number of educational and technical exchanges between the U.S. and the Global South, in conjunction with G7 partners. IRI consistently hears from its local partners that the huge number of people China sponsors for fellowships and exchange programs is one of its biggest soft power wins in the Global South. This is an area where the U.S. and partners would have an advantage, if we chose to wield it. Investing in this area would be the definition of a cost-effective win-win.

- Congress should greatly expand the pool of funding available for the study of China and the Chinese language, and direct that Taiwan be a key partner in the application of these funds. At present, the PRC government maintains too strong a hold on both language studies and the study of China globally. Congress should seek to break that hold, so that other countries can independently develop the capacity to understand and deal with the PRC party-state. Such foundational understanding is essential to address PRC influence globally. To date, none of the major legislation passed in the last Congress to strengthen U.S. ability to compete with China contained provisions allocating significant new funding for either Chinese language studies or the study of China’s political system.

Providing Economic Alternatives to China and Counter PRC Economic Coercion
• Congress should direct the U.S. Trade Representative – in conjunction with the departments of Treasury and Commerce -- to devise and implement strategies to reduce other countries’ economic dependence on China, and encourage such efforts already underway, such as those currently being conducted by Japan and Germany. Measures for this could include diverting or reducing trade in strategically important sectors. Reducing the concentration of trade with China in economically important sectors is a crucial step in avoiding the emergence of pro-PRC lobbying groups such as seen in Brazil, since these groups can hamper effective action related to China by countries in areas that go far beyond trade, including human rights, security, and military affairs.

• Congress should direct the administration to form an interagency task force led by the State Department to devise a proposal to be presented to Congress. This would center on an international organization led by the U.S. and its democratic allies that would build a collective economic defense against PRC economic coercion. 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 for simply standing up for democratic values. Bills such as the Countering China Economic Coercion Act are a good start, but the U.S. and our partners need to do more. The U.S. and its allies should immediately begin undertaking serious efforts to construct a credible deterrent to PRC economic aggression.

• Through efforts to promote trade and investment, and in coordination with companies and countries part of the global democratic alliance, the U.S. should support the development of a reliable pipeline for locally-responsive infrastructure projects as an alternative to BRI. Ensuring that projects are necessary and responsive and by working with local legislators and civil society, this development to-do list can help build a cross-party consensus on the need to divest from PRC investment.

• The U.S. and other advanced democracies should 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 U.S. 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, and that they can demand to know why leaders failed to take advantage of such a facility.

• Just as the deindustrialization of Brazil was a weakness exploited by the PRC, the reindustrialization of Brazil and the industrialization of other Latin American nations may be an effective way to reduce China's economic and political influence in the hemisphere. The U.S. Congress can lead a strategy to stimulate nearshoring and the transfer of value chains currently in China to strategic countries in Latin America. Transferring the value chain to Latin America would have a systemic impact that transcends the reduction of China's influence.
First, the U.S. would recover its lost influence in Latin America by attacking China's main field of activity and providing important investment in the region; Second, the CCP would lose important monetary sources; and Third, changing the economic matrix in Latin America could result in beneficial impacts for improving the local quality of life, which would significantly reduce the economic pressures that help generate illegal immigration to the U.S.

**Public Diplomacy**

- The U.S. must continue to invest in its diplomatic corps and other public diplomacy efforts, including streamlining the process for approving ambassadors, in order to counter China’s growing investment in the space and its growing presence globally.103

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5 The PRC has also sought to impact certain countries and constituencies in advanced democracies to create entry points for influence (ie. In Italy, where PRC targeted capture efforts as an entry point for influence within the EU). See Italy case study in Dearing Scott and Schrader (eds.), “Coercion, Capture, and Censorship: Case Studies on the CCP’s Quest for Global Influence.”


7 See Panama case study in Shullman (ed.). “A World Safe for the Party: China’s Authoritarian Influence and the Democratic Response.”

8 Dearing Scott and Schrader (eds.), “Coercion, Capture, and Censorship: Case Studies on the CCP’s Quest for Global Influence.”


15 See, for example, Panama case study in Shullman (ed.). “A World Safe for the Party: China’s Authoritarian Influence and the Democratic Response.”

16 See, for example, Nepal case study in Shullman (ed.). “A World Safe for the Party: China’s Authoritarian Influence and the Democratic Response.”


21 See, for example, South Africa case study in Dearing Scott and Schrader (eds.), “Coercion, Capture, and Censorship: Case Studies on the CCP’s Quest for Global Influence.”.


29 For example, Huawei has deployed surveillance hardware across Uganda, and aided Ugandan security forces in using it to track political opponents. See Barros, Kohlenberg, and Soula. “China and the Digital Information Stack in the Global South.”


31 Publication forthcoming.


35 Trinkunas. “Testing the limits of China and Brazil’s partnership.”

36 Leonardo Coutinho interviews with Brazilian soybean producers from Mato Grosso state and cotton farmers from Bahia state, military sources, and members of Brazil’s cabinet for Brazil case study in Dearing Scott and Schrader (eds.). “Coercion, Capture, and Censorship: Case Studies on the CCP’s Quest for Global Influence.”


45 Spring. “Bolsonaro’s anti-China rants have Beijing nervous about Brazil.”; Lapper. “Bolsonaro Took Aim at China. Then Reality Struck.”
48 Leonardo Coutinho interviews with Brazilian soybean producers from Mato Grosso state and cotton farmers from Bahia state for Brazil case study in Dearing Schrader (eds). “Coercion, Capture, and Censorship: Case Studies on the CCP’s Quest for Global Influence.”
49 Ibid.
50 Trinkunas. “Testing the limits of China and Brazil’s partnership.”
56 “Meeting at the Chamber celebrates partnership between Brazil and China [Encontro na Câmara comemora parceria entre Brasil e China].” Agência Câmara de Notícias, 14 December 2021, https://www.camara.leg.br/noticias/837178-ENCONTRO-NA-CAMARA-COMEMORA-PARCERIA-ENTRE-BRASIL-E-CHINA;
57 The Brazilian National Congress is still in the process of developing parliamentary groups and fronts for the 57th Legislature, which began in February 2023, following the October 2022 elections.
Brazilian lawmakers. Through open-source research, the author documented 14 visits by senators and members of Congress to China between 2019 and 2020. These included a May 2019 official delegation by the Minister of Agriculture, accompanied by 11 parliamentarians, among others, on agribusiness, and a September 2019 trip organized by the CCP for six parliamentarians, Minister in Asia (Ministra na Ásia)."


"Senate approves Bill that makes the sale of Brazilian land to foreigners more flexible [Senado aprova Projeto de Lei que flexibiliza a venda de terras brasileiras para estrangeiros].” Instituto Socioambiental, 18 December 2020, https://www.socioambiental.org/pt-br/blog/blog-do-monitoramento/senado-aprova-projeto-de-lei-que-flexibiliza-a-venda-de-terras-brasileiras-para-estrangeiros.


Ibid.


Climate change, a priority for the Sino-Brazilian partnership [Mudanças climáticas, uma prioridade para a parceria sino-brasileira].” 20 March 2020, 74


Foreign Minister Araujo was a leading figure in the anti-China camp within the Bolsonaro administration. In April 2020, Araújo publicly reprimanded Ambassador Yang for his outspokenness toward the Bolsonaro government, going so far as to issue a complaint to the PRC asking for his withdrawal. Zarur, Camila. “Seven moments when Ernesto Araujo attacked China [Sete momentos em que Ernesto Araujo atacou China].” O Globo, 18 May 2021, https://oglobo.globo.com/brasil/sete-momentos-em-que-ernesto-araujo-atacou-china-1-25023701; Wiziaek, Julio and Ricardo Della Coletta. “China ignores Bolsonaro’s requests for ambassador change in Brazil [China ignora pedidos de Bolsonaro por troca de embaixador no Brasil].” Folha de São Paulo, 14


100 President Luiz Inacio Lula de Silva was in power in 2004 when the China-Brazil relationship began to blossom and is again running for president.


103 See, for example, the case of Panama in Toosi, Nahal. “Frustrated and powerless’: In fight with China for global influence, diplomacy is America’s biggest weakness, Politico, 23 October 2022, https://www.politico.com/news/2022/10/23/china-diplomacy-panama-00062828.


107 Leonardo Coutinho interviews with Brazilian soybean producers from Mato Grosso state and cotton farmers from Bahia state for Brazil case study in Deering Scott and Schrader (eds). “Coercion, Capture, and Censorship: Case Studies on the CCP’s Quest for Global Influence.”


111 @ernestofaraujo. “On 4/3 I received Senator Kátia Abreu for lunch at the MRE. Courteous conversation. Little or nothing has been said about vaccines. At the end, at the table, she said: “Minister, if you make a gesture towards 5G, you will be king of the Senate.” I made no gesture. [Em 4/3 recebi a Senadora Kátia Abreu para almoçar no MRE. Conversa cortês. Pouco ou nada falou sobre vacinas. No final, na mesa, disse: “Ministro, se o senhor fizer um gesto em relação ao 5G, será o rei do Senado.” Não fiz gesto algum.]” Twitter, 28 March 2021, 2:05 p.m., https://twitter.com/ernestofaraujo/status/1376234123019309061?s=20.

112 @ernestofaraujo. “Today I presented to President Jair Bolsonaro this letter in which I placed at his disposal the position of Minister of Foreign Affairs: [Apresentei hoje ao Presidente Jair Bolsonaro esta carta em quecoloquei à sua disposição o cargo de Ministro das Relações Exteriores].” Twitter, 29 March 2021, 7:47 p.m., https://twitter.com/ernestofaraujo/status/1376234123019309061?s=20.


119 President Luiz Inacio Lula de Silva was in power in 2004 when the China-Brazil relationship began to blossom and is again running for president.