I would like to thank all of the Commissioners for the opportunity and privilege of presenting testimony to the Commission on this timely and critical subject.

The present period of authoritarian resurgence has caught the democracies by surprise. This is in part due to a flawed assumption that took hold at the close of the Cold War: that engagement with authoritarian states would result in clear mutual benefit. By embracing regimes such as the one in Beijing, inviting its integration into the global economic system and key political institutions, the United States and other established democracies hoped to encourage China toward meaningful political reform and, eventually, to liberalize and democratize. But in an unanticipated twist, China and other influential authoritarian regimes have turned the tables on the democracies. Rather than reforming, China and other repressive regimes have deepened their authoritarianism. And now they are turning it outward.

Although China and other authoritarian regimes have in many ways integrated into global financial and political institutions, they have not become more like the democracies. Rather, they have developed policies and practices aimed at containing and contesting democracy and the ideas that underlie it. Exploiting globalization and the opportunities presented by integration with the West, China has set out to reshape the very institutions and arenas that welcomed it. The Chinese authorities have even put forward their conception of “Globalization 2.0”: a vision of Party/State-driven international economic cooperation epitomized by the “Belt and Road Initiative.” These developments are of high relevance to U.S. allies and partners around the globe, including those in Europe.

From “Soft” to “Sharp” Power

In the Cold War’s aftermath, analysts, journalists, scholars, and policymakers in the democracies perceived authoritarian influence efforts through the familiar lens of “soft power.” According to political scientist Joseph S. Nye’s definition, a country’s “hard power” is based on coercion and is largely a function of military or economic might. “Soft power,” by contrast, is rooted in attraction, and arises from the positive appeal of a country’s culture, political ideals, or policies.¹

Beijing seeks to shape public perceptions, sentiments, and opinions overseas to an extent that simply would not have been possible a decade or more ago. With the rapid growth of the internet and social media, and the integration of authoritarian information outlets into the media spaces of democracies, the opportunities to exert influence abroad are greater today than at any time in the recent past.

But those who interpret these efforts as a way for Beijing to boost its “soft power” miss the mark and risk perpetuating a false sense of security. The forms of influence that the Chinese authorities have emphasized in recent years are not “hard,” but they are not really “soft,” either. Authoritarian regimes like the one in Beijing view power projection and the notion of success in world politics in a way that cannot be divorced from the political values by which these states govern at home.
A clearer picture of the Chinese authorities’ intentions can be gleaned from China’s domestic political and media landscape. In the decade since the 2008 Beijing Olympics, the Chinese authorities have intensified their suppression of dissent, silenced political opponents, inundated their citizens with propagandistic content, and deftly co-opted independent voices, all while working to maintain the appearance of pluralism, openness, and modernity. In recent years, the realm of ideas in China has been steadily monopolized by the state and its surrogates. The CCP’s announcement in March 2018 that it would merge a constellation of broadcasters into one state-controlled entity is emblematic of this trend to manage and manipulate information within and beyond China’s borders. This new entity, Voice of China, strengthens the Party’s grip on public perceptions, while seeking to “propagate the theories, political line and policies of the party . . . and [to] tell China’s story well.”

Given the ways in which such authoritarian influence efforts have taken shape, what we have to date understood as “soft power” when speaking in the context of authoritarian regimes might be more properly labeled “sharp power,” whose key attributes are outward-facing censorship and manipulation, rather than persuasion and attraction.

As my colleagues at the International Forum for Democratic Studies noted in our December 2017 report, “Sharp Power: Rising Authoritarian Influence,” authoritarian influence efforts are “sharp” in the sense that they pierce, penetrate, or perforate the information and political environments of targeted countries. The growing inventory of tools used by repressive regimes are not “soft” in that they seek merely to attract support. These tools are not principally aimed at “charming” or “winning hearts and minds”—the common frames of reference for “soft power” efforts—but they are surely designed to manipulate their target audiences by shaping the information that reaches them. Indeed, such tactics should be seen as instruments of manipulation, distortion, and distraction that reflect the antidemocratic political systems of the authoritarian states that wield them.

There is clearly nothing “soft” about how these regimes treat the media, education, and the realm of ideas in their domestic environments. Should we view their outward-facing activities differently?

**Framing the Understanding of China’s Engagement: Interests Informed by Values**

Why should we care about this dramatic buildup of influence by the authoritarians, and how should we think about it? After all, aren’t China and other such states simply pursuing their own interests? They are, to be sure. But these interests are informed by autocratic political values and preferences that privilege state control above all else, a reality that is evident in the ways the authorities in such countries treat their own media and civil society.

As China has dramatically expanded its economic interests and business footprint around the globe through the Belt and Road Initiative and related efforts, Beijing has focused its influence on masking government policies and suppressing, to the extent possible, voices beyond China’s borders that are critical of the CCP. It seeks to do so by coopting and manipulating targets in the media, academia, and policy and business communities. Such efforts furthermore seek to permeate institutions in democratic states that might draw attention or raise obstacles to the advancement of CCP interests, disincentivizing any such resistance.

What we have been slow to recognize is that in an era of globalization, ambitious regimes that play by their own coercive and predatory rules at home are keen to move the international goalposts toward their authoritarian preferences. The remarkable spectacle of powerful global corporations such as Daimler, Marriott, and Delta Airlines bending to the CCP’s restrictive standards of expression are among the striking examples of how Beijing’s interests and values are expressed as two sides of the same coin.
The Challenge to Democracies in Europe

Having set the wider context for China’s engagement, I would like to touch on the Chinese authorities’ projection of influence in the democracies in Europe. I will focus my attention on Central and Southeastern Europe, where many of the countries in question possess shallow democratic roots and which are especially vulnerable to Chinese influence efforts.

The political integrity of many of the countries in the region is weaker than at any time in recent memory. As the Czech sinologist Martin Hala observes, “nearly thirty years after the fall of the Berlin Wall . . . the ideological and political landscape has changed dramatically” in Central Europe.6 This shift is in part a result of the 2008 financial crisis, which among other things significantly harmed the region’s independent media sector. It also reflects pressures emerging from the European refugee crisis that have contributed to the erosion of public confidence in democratic systems. It is within this context that China has intensified its activities throughout the region.

To inform the “Sharp Power” report, the International Forum, in cooperation with several international think tanks, undertook an initiative to closely examine and inventory the instruments of authoritarian influence in vulnerable democracies. The think tanks carried out on-the-ground research and analysis in Slovakia and Poland, as well as in Argentina and Peru. Our examination looked at how the regimes in China (and Russia) are investing resources in the media, think tank, cultural, and university sectors, through either overt programmatic support or less transparent means. The authoritarians’ efforts in these areas are of a piece with their global influence initiatives. Over the past decade, the Chinese government has spent tens of billions of dollars to shape public opinion and perceptions around the world, employing a diverse toolkit that includes, but is not limited to, thousands of people-to-people exchanges, wide-ranging cultural activities, the development of media enterprises with global reach, and educational programs, most notably the ever-expanding network of Confucius Institutes.

While China’s authorities are pursuing different degrees of engagement throughout the region, there are some common threads worth noting.

As observed in our “Sharp Power” report, an analysis of Beijing’s various influence initiatives suggests that the CCP seeks to preempt, neutralize, or minimize challenges to the regime’s presentation of itself. The Chinese government often aims to portray the country as either a benign foreign influence, or a successful example of a state that has achieved economic development without democratic political institutions. Beijing does not necessarily expect other countries to follow its supposed alternative model (although in certain circumstances it does promote this notion), and it is willing to find ways to engage with governing elites regardless of their political ideology or regime type. However, embedded within the Chinese government’s campaign to defend and promote its own one-party system is a tacit criticism of democracy as inefficient, chaotic, and a poor catalyst for economic development. Beijing does not hesitate to use its local allies and influence to silence opposition to its projects.

Central to China’s engagement in the region is the “16 + 1” initiative, a subregional grouping launched in 2012 that includes eleven EU member states (Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia) and five countries in varying stages of their accession to the EU (Albania, Bosnia and Herzegovina, Macedonia, Montenegro, and Serbia). The 16 + 1 format is somewhat misleading in suggesting that China deals with a bloc of 16 countries coordinated in their approach to Beijing. In fact, as Martin Hala notes, it is more properly understood as “a platform for sixteen bilateral relationships with Beijing, ensuring China an overwhelming advantage in each such relationship.”7
The Chinese government has leveraged this advantage to pursue elite capture, and to gain influence in the spheres of media and academia, among others. In the Czech Republic, the opaque case of CEFC China Energy (“CEFC”)—brought to light by crucial investigative reporting—is a striking example of China’s efforts to coopt local political elites and the threats such efforts pose to young and vulnerable democracies.8 Czech President Miloš Zeman, who has cultivated deeper ties with both China and Russia, made headlines during Xi Jinping’s March 2016 visit to Prague, announcing his aim for the Czech Republic to become “an entry gate for the People’s Republic of China to the European Union.”9

During Xi’s state visit to Serbia in June 2016, representatives at a China-Serbia media forum, hosted by China’s State Council Information Office, called for closer media cooperation between the two countries. Serbia’s national radio and television broadcaster, having already established a partnership with the state-owned Xinhua News Agency and China Central Television, signed an agreement with China Radio International to expand video production, with the hope that greater exposure to Chinese media would improve Serbian perceptions of and relations with China.10 The initiative points to the long-term vulnerabilities and dependencies that can be created when public media outlets in democracies enter into relationships with Chinese state media entities.

China’s engagement with Serbia, a focal point of CCP activity in the region, extends well beyond the media sphere. In May 2017, the Serbian government established the National Council for Coordination of Cooperation with China and Russia. Led by former president Tomislav Nikolić, the Council aims to “consider, direct and coordinate” the Agreement on Comprehensive Strategic Partnership between Serbia and China, and to “guide cooperation between Serbia and China” regarding the Belt and Road Initiative.”11

In Central and Southeastern Europe alike, Confucius Institutes, Confucius Classrooms, and Confucius Teaching Points are active and proliferating, with at least one entity operating in each of the sixteen countries. Poland has five Confucius Institutes, while Hungary and Romania (which is host to ten Confucius Classrooms) have four.

Confucius Institutes are controversial because of the opacity with which they operate on university campuses. Although some observers note that many Confucius Institutes activities seem innocuous, emphasizing Chinese language instruction and cultural events such as film exhibitions, other elements of Confucius Institute programming are quite out of place in a university context. The Chinese government’s control of staffing and curricula ensures that courses and programming will subtly promote CCP positions on issues deemed critical or sensitive by the Chinese authorities, such as territorial disputes or religious minorities in China.

In relative terms, the new democracies and democratic hopefuls of Central and Southeastern Europe are in the early stages of their engagement with China. These countries therefore have the opportunity to build their respective relationships with China with open eyes. To do this, they will need to cooperate with and learn from countries, such as Australia, that are farther along on the learning curve in dealing with China’s sharp power.

**Exploiting Asymmetries**

Critical to the authoritarians’ success has been their exploitation of a crucial asymmetry: In an era of hyperglobalization, the regimes in China, Russia, and elsewhere have erected barriers at home to external political and cultural influence while simultaneously preying upon the openness of democratic systems abroad.
The decision makers in Beijing clearly have the political will and resources to build up and implement their influence efforts. By comparison, the United States and other leading democracies in many respects have scaled back their participation in the ideas sphere. The democracies have been slow to shake off the longstanding assumption that unbridled integration with repressive regimes would inevitably change these regimes for the better, without any harmful effects on the democracies themselves. But as globalization accelerated and integration deepened over the past decade, the authoritarians survived, and their ability to penetrate the political and media spheres of democracies has become progressively stronger.\(^\text{12}\) China’s initiatives are truly global in scope, turning up in democratic countries on every continent.

**Crafting a Response to the China Challenge**

Any response to the challenge posed by China will first require dispensing with the false framing of this issue as a choice between shunning or engaging China, which is already deeply integrated into the international system, including increasingly throughout Europe. Rather, it is the nature of the democracies’ engagement with China that must be rethought. The democracies must pursue a more sophisticated and principled approach that takes into account the new environment in which authoritarian regimes are seeking to contest and undermine democratic institutions and values.

The following are key steps, drawn from our “Sharp Power” report, which can be taken to address the Chinese government’s influence efforts:

1. **Address the serious shortage of information on China.** Throughout the young democracies of Central and Southeastern Europe—as in other regions around the world—information concerning the Chinese political system and its foreign policy strategies tends to be extremely limited. There are few journalists, editors, and policy professionals who possess a deep understanding of China and can share their knowledge with the rest of their societies. Given China’s growing economic, media, and political 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. This should include a conscious effort to break down ordinary academic and policy barriers to enable collaboration between experts on China and regional specialists focused on Europe.

2. **Unmask authoritarian influence.** Chinese sharp power relies in part on camouflage—disguising state-directed projects as commercial media or grassroots associations, for example, or using local actors as conduits for foreign propaganda or tools of foreign manipulation. To respond to these efforts at misdirection, observers in democracies should put them under the spotlight and analyze them in a comprehensive manner. Given the dispersed, globalized nature of authoritarian influence activities, which are increasingly embedded within democratic societies, the formation of working alliances across professional fields and borders is critical.

3. **Safeguard democratic societies against malign authoritarian influence.** Once the nature and techniques of authoritarian influence efforts are exposed, democracies in the region should build up internal defenses. Authoritarian initiatives are directed at cultivating relationships with the political elites, thought leaders, and other information gatekeepers of democratic societies. Such efforts are part of Beijing’s larger aim to get inside democratic systems in order to incentivize cooperation and neutralize criticism of their authoritarian regimes. Support for a robust, independent civil society—including independent media—is
essential to ensuring that the citizens of democracies are adequately informed to critically evaluate the benefits and risks of closer engagement with authoritarian regimes.

**Reaffirm support for democratic values and ideals.** If one goal of authoritarian sharp power is to legitimize non-democratic forms of government, then it is only effective to the extent that democracies and their citizens lose sight of their own principles. The Chinese government’s sharp power seeks to undermine democratic standards and ideals. Top leaders in the democracies must speak out clearly and consistently on behalf of democratic ideals and put down clear markers regarding acceptable standards of democratic behavior. Otherwise, the authoritarians will fill the void.

**Learn from 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 in Europe whose democratic institutions are at an earlier stage of their interaction with Beijing.13 Given the complex and multifaceted character of Beijing’s influence activities, such learning between and among democracies is critical for accelerating responses that are at once effective and consistent with liberal democratic standards.

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7 Hala, “China in Xi’s ‘New Era’: Forging a New ‘Eastern Bloc.’”
