

# **BOLSTERING DEMOCRATIC RESILIENCE TO PRC FOREIGN AUTHORITARIAN INFLUENCE**



## **A FIELD GUIDE**

## **Bolstering Democratic Resilience to PRC Foreign Authoritarian Influence: A Field Guide**

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## ACKNOWLEDGEMENTS

This resilience guide is the result of a collective effort by IRI's Countering Foreign Authoritarian Influence (CFAI) team, with sections authored by: Caitlin Dearing Scott, Matt Schrader, Isabella Mekker, Jack Herndon, and J. Michael Cole. The recommendations are informed by partners worldwide who, through workshops, gaming sessions, and case studies, provided many ideas on how to counter the corrosive effects of influence from the People's Republic of China (PRC) in their societies, as well as a literature review of existing information on the topic. This product represents a distillation of those ideas, which were then refined and expanded upon by the CFAI team. For their input, we thank our partners around the world. IRI is grateful to the National Endowment for Democracy (NED) for its funding of this initiative.

## ABOUT THE CFAI INITIATIVE

Over the past five years, IRI has developed and implemented a framework to build resiliency against growing foreign authoritarian influence and interference through its Countering Foreign Authoritarian Influence (CFAI) practice. Under its Building Resiliency for Interconnected Democracies in Global Environments (BRIDGE) and Bolstering Europe Against the Subversive Tactics of the Chinese Community Party (BEAST) initiatives, funded by the National Endowment for Democracy (NED), IRI deploys a three-pronged approach to mitigate the impact of Chinese Communist Party (CCP) authoritarian influence on developing democracies. They are:

1. Sharing research on how CCP influence impacts democratic processes with IRI's global network of partners;
2. Equipping local stakeholders with the means to conduct similar research independently, the skills to craft and message targeted advocacy campaigns based on research findings, and the tools and resources to devise and advocate for locally appropriate policy solutions to bolster democratic resilience and counter PRC authoritarian influence;
3. Catalyzing the development and adoption of policy solutions through productive dialogue with stakeholders and policymakers and targeted advocacy campaigns.

By engaging stakeholders across sectors, including government officials, political parties, media, private enterprise, and civil society activists, IRI's work promotes broad awareness of authoritarian tactics and offers tools to shore up vulnerable democratic institutions. This guide is part of a growing compendium of case studies documenting the CCP's varied authoritarian influence tactics across countries and the elements of effective democratic resilience, which inform CFAI programming.

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## INTRODUCTION

This field guide builds upon years of efforts by IRI to study and counter the many ways the People's Republic of China (PRC)-Chinese Communist Party (CCP) party-state influences and corrodes democratic institutions around the world. While many people have studied and written about the PRC's *actions*, there is relatively little work designed to guide civil society, journalists, academia, and concerned officials on the best ways to *respond*. This guide seeks to fill that gap, providing tools and strategies to bolster democratic resilience to authoritarian influence.

The guide opens with a brief overview of the PRC's growing global influence and discusses why its negative impact on global democratic institutions has made a guide like this necessary. It next examines the various ways PRC economic influence, political influence, and influence in the information space can corrode other countries' democratic institutions. It recommends the best responses to PRC influence, using case studies to illustrate how both the problem and its solutions play out in the real world. It closes with an appendix that includes the open-source tools and databases IRI and our partners have found most useful for researching and understanding PRC influence.

This guide offers the best responses to PRC influence as identified by IRI and our worldwide network of partners. However, this work is constantly evolving; we have learned that the best solutions come from deep local understanding of the problem, of potential windows for change, and of which narratives best resonate. Rather than being the final word, we hope this guide can be a start for readers who want to develop their own unique approaches to PRC influence together with a global community of like-minded journalists, activists, scholars, and politicians.

## WHY THIS GUIDE IS NECESSARY

Beijing views democracy as a threat. It wants to remake the world to be more authoritarian and is not shy about saying so. Unlike other authoritarian states, like Russia or Iran, it might be powerful enough to succeed.<sup>1</sup> The PRC is the world's second-largest economy, one of the world's biggest bilateral lenders, and is the largest trading nation. It has leveraged these strengths to open doors in capitals across the world, through enticements like no-questions-asked loans in its Belt and Road Initiative (BRI).<sup>2</sup> It has used this access to strengthen anti-democratic leaders in other countries, while holding up the "success" of its own model as an example for would-be authoritarians by claiming that it has achieved economic development through tight political control. The PRC regularly uses money (often tainted by corruption) to win friends in other countries, in reality by bribing well-connected officials and businessmen. At the same time, it uses its economic strength to quash dissent, even going so far as to threaten severe economic reprisals against individuals, companies, and even entire countries.

The PRC's challenge to democracy is about more than just money. Over many years, China's ruling party, the Communist Party of China (CCP), has created a unique approach to maintaining and growing its power. This approach relies on secrecy, misdirection, corruption, and even front organizations, all spread across a huge bureaucracy that combines the Party and the state in opaque, confusing ways. This approach provides Beijing with an enormous range of ways to steer engagement with actors across the entire spectrum of democratic societies, from presidents and titans of industry all the way down to local and municipal governments. Beijing's approach, which marries potent economic influence with opaque, often-disguised political influence, can place democratically minded actors at a deep disadvantage, since it makes PRC influence hard to understand, much less identify. Beijing's corrupt, opaque approach to power can be deeply damaging to democratic institutions and values by stripping away the safeguards that make a country's elites accountable to its people.

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<sup>1</sup> Schuman, Michael, Jonathan Fulton, and Tuvia Gering. "How Beijing's newest global initiatives seek to remake the world order." Atlantic Council, 21 June 2023, <https://www.atlanticcouncil.org/in-depth-research-reports/issue-brief/how-beijings-newest-global-initiatives-seek-to-remake-the-world-order/>.

<sup>2</sup> Rolland, Nadège. "A Concise Guide to the Belt and Road Initiative." National Bureau of Asian Research, 11 April 2019, <https://www.nbr.org/publication/a-guide-to-the-belt-and-road-initiative/>. See also: Schrader, Matt, and J. Michael Cole. "China Hasn't Given Up on the Belt and Road." Foreign Affairs, 7 February 2023, <https://www.foreignaffairs.com/china/china-hasnt-given-belt-and-road>.

The CCP undermines democratic processes in vulnerable countries by exploiting governance gaps and obfuscating the risks of engagement with Beijing. While Chinese entities negotiate infrastructure investment deals that bring financial leverage and corrupt benefits to elites, the PRC uses various means to shape the information space and influence domestic political decision-making through a variety of covert, coercive, and corrupting means. The impact on democratic norms and values is profound. Freedom of expression, access to information, independent media, data privacy, transparent procurement practices, election and political party finance integrity, and the rule of law are all threatened by the CCP's growing global influence.

For reasons that go beyond opacity, such influence can be challenging to address. In many cases, democracies do not have the proper laws in place to safeguard against the potentially negative impacts of Beijing's influence; in some cases, countries even lack the correct terms to describe the problem. Oftentimes, Beijing's tactics are not strictly illegal, they fall into ill-defined grey zones where the line separating the illegal from the merely unethical can be very murky. Trying to eliminate these grey zones with new, far-reaching laws can end up trampling on the civil liberties that separate democracy from dictatorship.

Although the PRC's challenge to democracy is formidable, through long experience IRI and our partners have learned it is not impossible to counter or mitigate its effects. Countries with strong democratic institutions like a vibrant, independent media, competitive political systems, and flexible, well-designed laws are the best positioned to respond, since the PRC and its allies often struggle when forced to operate out in the open. But even in countries where some or all of these institutions are fragile, the cause is far from hopeless. Civil society can, and does, serve as a powerful check against the worst kinds of PRC influence, raising awareness and demanding accountability even when politicians or political parties might prefer not to talk about their relationship with Beijing.

This resilience guide is meant to be a primer for democracy champions all over the world in tackling the PRC's complex, sometimes deeply ingrained interests. This document outlines the nature of the problem and offers potential responses drawn from IRI's global network of partners. Throughout, the guide calls for a balanced approach; responses to the problem should not harm the values democracy is meant to protect. The guide is also careful to point out that not all forms of PRC influence are harmful, and that it would be counterproductive, even dangerous, for activists to suggest that their country cut all ties with China. Building resilience to PRC influence requires prioritizing the very values and standards that set democracies apart.

## **THE DEMOCRATIC RESPONSE: COUNTERING CHINESE COMMUNIST PARTY INFLUENCE**

All policy and advocacy solutions must be rooted in a foundational understanding of the problem – the nature of PRC influence and its impact on democracy. Each section – economic influence, political influence, and influence in the information space – starts with a closer look at the main elements of PRC influence abroad, the tools and players involved, and their corrosive impact on democracy. It then provides important leads for policy and advocacy responses that can be taken to mitigate, and where possible counter, the effects of corrosive PRC influence. It follows with short case studies to illustrate how the PRC goes about its influence work in our societies, the effects those have had on governance, as well as the conditions and measures taken by governments and societies that have limited or countered such efforts by the PRC. Each section then concludes with lessons learned and key considerations.

There is inherently some overlap in the policy recommendations for the various areas of influence discussed below; this is due to the fact that the mechanisms of PRC influence also operate across sectors (e.g., elite capture/economic influence and the information environment).

## ECONOMIC INFLUENCE

Economic ties are an important leverage for the PRC in its work to influence countries worldwide. For many years, China has woven a web of strategic economic dependence, through trade, infrastructure investment such as the BRI, and financing that creates dependencies. These policies often exacerbate tensions between a state's sovereignty and its need to avoid undermining such economic ties. This carrot-and-stick approach has served Beijing's interests well in recent years. It has also, in some cases, supported countries' development needs; in others, China's promises have proven hollow and had harmful second-order impacts. The PRC has also used its economic influence, as well as corruption, to co-opt leaders in the business community, in government, and elites worldwide who, in return for Beijing's favors, act as proxies for the regime. This often leads those elites to engage in activities or use their influence to pressure their governments in ways that may go against their state's self-interest or contradict its values. The two topics in this section provide a series of recommendations on how to best address this challenge.

## STRATEGIC DEPENDENCE AND ECONOMIC COERCION

### OVERVIEW OF PRC TOOLS AND TACTICS AND THEIR IMPACT ON DEMOCRACY

Strategic dependence occurs when one country gains excessive leverage over another, influencing markets, supply chains, and sovereign and social interests to compromise the autonomy of the dependent country.<sup>3</sup> The global economy relies on China for imported goods, as the termination point for innumerable supply chains, as a source of development financing, and as a vast market. This growing economic entanglement naturally allows the PRC state to express its displeasure toward individuals, companies, and countries through the coercive use of its economic power. The PRC state is able to exert this form of power because of its tight control over its economy, combined with few internal restrictions on its ability to use it.

Most frequently China wields its power against those who cross its political red lines on Tibet, Taiwan, Xinjiang, and other areas the CCP leadership has defined as part of the PRC's core interests. These core interests have shifted as the Chinese economy has grown. For example, the PRC now threatens economic retaliation against countries or entities that interfere with its claim over the whole of the South China Sea, which Beijing treats as a core interest now that it is powerful enough to menace other claimant states like the Philippines and Malaysia.

The PRC's economic leverage, combined with its willingness to coerce, harms democracies in a number of ways. Countries might shy away from policies that could displease the PRC or never consider actions contrary to PRC interests out of fear of a potential backlash. Perceived dependence by targeted societies also enables the PRC to issue threats that are not always acted upon and thus without follow-up measures to achieve its desired effect;<sup>4</sup> this can nevertheless increase the incentive for other countries' business sectors to blunt forward-leaning government action, for fear of inviting PRC retaliation. This is exacerbated by predatory PRC economic policies that seek to corner the market on critical products like rare earth minerals, batteries, or solar power components.

This influence is expressed in several ways, including:

- **Direct economic coercion:** In 2010, China threatened to cut off Japan's access to rare earth minerals during a dispute over ownership of the Senkaku Islands. Since then, the PRC state has threatened coercive economic action against countries that displease it. This often comes in the form of punitive bans on coal or wine from Australia or salmon from Norway, but sometimes Beijing pressures countries by threatening their place in third-party supply chains, as when Lithuania found itself temporarily cut out from French and German automotive supply chains in late 2021. Beijing was able to move against Lithuania because of the PRC's key role in French and German industry.

<sup>3</sup> "IPAC China Lexicon." Inter-Parliamentary Alliance on China, 7 September 2023, <https://ipac.global/ipac-china-lexicon/>.

<sup>4</sup> Adachi, Aya, Alexandr Brown, Max J. Zenglein. "Fasten your seatbelts: How to manage China's economic coercion." MERICS, 25 August 2022, <https://merics.org/en/report/fasten-your-seatbelts-how-manage-chinas-economic-coercion>.



- **Demonstration effect:** Beijing's willingness to use economic pressure has important downstream political effects. It incentivizes governments, companies, trade commissions, business councils, and others to embrace national policies that align with Beijing's core issues, issues which include anything from human rights to territorial integrity. Policymakers' fear of taking action contrary to the PRC's wishes can prompt them to engage in risk avoidance even before Beijing has had a chance to retaliate. The mere possibility of retaliation, often reinforced by PRC ambassadors,<sup>5</sup> is often sufficient to shape policy.
- **Real and perceived economic dependence:** China wields substantial global economic influence and power as the world's second-largest economy and the top trading partner for over 120 countries. Both real and perceived dependencies on China – as a key export destination and a source of goods and resources – provide China with a tangible avenue for exerting coercive influence.<sup>6</sup> Beijing's economic coercion is magnified by the perception that countries, or individual industries or businesses, are too dependent on China to do anything that might damage the bilateral relationship. These perceptions have varying impact in terms of persuading companies and governments to regard China as an indispensable trade partner that should not be alienated. Countries may reverse policies that China has criticized or avoid certain options altogether, even if they are unsure about the true extent of PRC pressure. Moreover, perceived dependence allows China to make veiled threats and still achieve its goals.<sup>7</sup> This dynamic differs from traditional economic coercion because it subtly influences and shapes behavior without direct intervention.
- **Predatory consolidation of supply chains:** The PRC state employs a complex, highly effective mix of policies to boost its export-oriented industries, some of them in strategically important sectors such as rare-earth minerals and battery production. These policies include substantial state subsidies. This gives PRC manufacturers and exporters an unfair competitive advantage over businesses in many democratic countries, and it has consolidated critical supply chains in the PRC. The consolidation of supply carries an inherent risk of disruption, as demonstrated by China's dominance of personal protective equipment during the Covid-19 pandemic, giving other countries yet another economic incentive to align with Beijing.

## POLICY AND ADVOCACY RESPONSES

**Improve understanding of the risks of economic dependence on the PRC:** First and foremost, it is essential that countries facing economic coercion and other forms of economic influence fully comprehend the nature and scope of their trade relations with the PRC and in supply chains.<sup>8</sup> A particular state's ability to strike a balance between its policy priorities and trade considerations can be complicated by inflated takes on the alleged indispensability of the Chinese market or future prospects for trade. This often results in the first consideration being held hostage by the second. Policymakers should rely on rigorous, granular, and sectoral trade statistics to make impact assessments and policy decisions. Greater knowledge among policymakers regarding the PRC's core issues, which could trigger coercive economic measures, and which sectors and industries may be most vulnerable to disruption, is also necessary. Private sector companies that suffered as a result of unfair trade practices, or that have been outcompeted due to undue influence, should work with policymakers to formulate policies that ensure better responses to the challenges posed by the PRC. Trade groups can also advocate for a more robust government response to external influence.

<sup>5</sup> See for example, Galloway, Anthony and Eryk Bagshaw. "Australia could lose billions from Chinese government boycott threat." Sydney Morning Herald, 27 April 2020, <https://www.smh.com.au/politics/federal/australia-could-lose-billions-from-chinese-government-boycott-threat-20200427-p54nmh.html>; and Satter, Raphael and Nick Carey. "China threatened to harm Czech companies over Taiwan visit: letter." Reuters, 19 February 2020, <https://www.reuters.com/article/us-china-czech-taiwan-idUSKBN20D0G3>.

<sup>6</sup> "The Chinese Communist Party's Coercive Diplomacy." Australian Strategic Policy Institute, 1 September 2020, <https://www.aspi.org.au/report/chinese-communist-partys-coercive-diplomacy>.

<sup>7</sup> Adachi, Aya, Alexander Brown, and Max J Zenglein. "Fasten your seatbelts: How to manage China's economic coercion." Mercator Institute for China Studies, 25 August 2022, <https://merics.org/en/report/fasten-your-seatbelts-how-manage-chinas-economic-coercion>.

<sup>8</sup> Šebeňa, Martin, Thomas Chan, and Matej Šimalčík. "The China factor: Economic exposure and security implications in an interdependent world." Central European Institute of Asian Studies, 30 March 2023, <https://ceias.eu/the-china-factor/>.



**Diversify trade to ensure economic resilience:** Trade diversification is an effective way to reduce a country's or a sector's exposure to the PRC's economic coercion. Beijing has exploited over-reliance by some sectors to ensure that the mere threat of economic retaliation would result in pressure on policymakers to change course. Diversification is a key element of resilience; alternative markets dilute both economic coercion's impact and its appeal. In many cases, governments will need to provide private companies with incentives and assistance (promotion, trade fairs, etcetera) to help open new markets.

**Create review committees for international financial agreements (inbound and outbound):** Create a legal framework to establish a proper screening mechanism to oversee any external investment or debt. Every effort must be made to ensure that all stakeholders, media, civil society (regional hearings, impact assessments by experts), comptroller, are involved in various phases of the review, with an Internal Commission, comprising all political parties in the legislature, set up to evaluate, and ultimately vote upon, foreign investment or debt. The entire legislative review must be open to citizens and NGOs.<sup>9</sup>

**Enact counter-coercion/anti-boycott mechanisms at the national and regional level:** Countries should build ways to provide financial assistance to firms and locales that the PRC targets via economic coercion and help them find new markets for their products, so as to mitigate the effects of lost trade opportunities.<sup>10</sup> No firm or multinational should be required to manage such a situation alone; states should step in and provide the necessary support (otherwise companies will likely bend to Beijing's demands). Similar anti-coercion measures and instruments should be adopted in a regional or multilateral fashion. The EU's anti-coercion instrument<sup>11</sup> offers a potential model for the G7, ASEAN, and other regional groups to address dislocations caused by primary and secondary sanctions aimed at supply chains. States and regional groups should raise their concerns about unfair trade practices with their Chinese counterparts and at the World Trade Organization.<sup>12</sup>

**Use awareness campaigns to expose PRC practices:** States, civil society, the media, and the private sector should publicize instances in which the PRC uses economic coercion to retaliate for policy decisions, especially when the policies in question pertain to human rights and democratic values. This can help generate public understanding of potential domestic economic fallout and build support for strong policy responses.<sup>13</sup>

**Strengthen public-private dialogue on supply chain risks:**<sup>14</sup> The relevant government agencies need to communicate regularly with domestic companies involved in foreign trade on the risks inherent to reliance on PRC-based companies for resources as part of their supply chains. They also need to make it clear that large companies that conduct business as usual with the PRC will not automatically be bailed out by the government if they encounter difficulties with their operations. Private companies tend to see information about their vulnerabilities as trade secrets. Nevertheless, from a risk management perspective, there is a need to find a balance between trade secrets and economic security. To this end, ministries can sponsor and attend industry fora, in which participants could exchange information on economic security and stability. Governmental organizations may use such fora to stress the importance of supply chain resilience and educate businesspeople about the latest developments and best practices. Governments could make connections with company representatives and share information. Additionally, governments could identify critical industries and materials and make disclosure of supply chain issues and exposures mandatory.

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<sup>9</sup> "Countering China's Information Manipulation: A Toolkit for Understanding and Action." International Republican Institute, 6 September 2023, <https://www.iri.org/resources/countering-chinas-information-manipulation-a-toolkit-for-understanding-and-action/>.

<sup>10</sup> Marek, Jonathan and Jerome Siangco. "Countering PRC Coercion as a Pathway for U.S. Economic Leadership." The National Bureau of Asian Research, 8 April 2023, [https://www.nbr.org/wp-content/uploads/pdfs/publications/prc-economic\\_apr23.pdf](https://www.nbr.org/wp-content/uploads/pdfs/publications/prc-economic_apr23.pdf); Hunter, Fergus, Daria Impiombato, Yvonne Lau, and Adam Triggs. "Countering China's coercive diplomacy." Australian Strategic Policy Institute, 22 February 2023, <https://www.aspi.org.au/report/countering-chinas-coercive-diplomacy>.

<sup>11</sup> "Trade: political agreement on the anti-coercion instrument." Council of the European Union, 28 March 2023. <https://www.consilium.europa.eu/en/press/press-releases/2023/03/28/trade-political-agreement-on-the-anti-coercion-instrument/>.

<sup>12</sup> For further details on the objectives and priorities of regional mechanisms to counter PRC coercion, see: Hunter, Fergus, Daria Impiombato, Yvonne Lau, and Adam Triggs. "Countering China's coercive diplomacy." Australian Strategic Policy Institute, 22 February 2023, <https://www.aspi.org.au/report/countering-chinas-coercive-diplomacy>.

<sup>13</sup> For further details on the key elements of awareness campaigns, see: Hunter, Impiombato, Lau, and Triggs. "Countering China's coercive diplomacy."

<sup>14</sup> This recommendation comes from a paper from the Central European Institute of Asian Studies commissioned and supported by IRI. Šebeňa et al. "The China factor: Economic exposure and security implications in an interdependent world."

**Improve transparency:**<sup>15</sup> Increasing transparency is an important way to manage and mitigate the security risks inherent in economic relationships with authoritarian regimes. Improved transparency around economics can act as a deterrent against potential abuse and contribute to stable and secure trade relations with China and other authoritarian regimes. These measures have an advantage in that they are country-agnostic and cannot be seen as a policy tool specially applied against a certain country. Furthermore, transparency gives policymakers the ability to aggregate data and monitor concentration and exposure.

## CASE STUDY

### LITHUANIA<sup>16</sup>

The PRC's coercive measures against Lithuania, stemming from its political engagement with Taiwan, underscore its capacity to leverage its substantial buying power for political objectives. Following the opening of a Taiwanese Representative Office in Vilnius in November 2021,<sup>17</sup> Beijing retaliated. Almost overnight, the Baltic state was removed from the PRC's customs system, blocking all imports and exports between the two countries.<sup>18</sup> Given the small amount of bilateral trade between the two countries, around one percent of Lithuania's total exports, this initial move did not impact the Lithuanian economy and did not compel Vilnius to change its policy regarding Taiwan. Lithuania also did not change the name of the Taiwan Trade Office, as the PRC demanded. China doubled down in December, targeting Lithuania's supply chains. For example, parts produced by Germany's Continental Automotive, which buys components from companies in Lithuania, could not clear customs in China.<sup>19</sup> The PRC's "informal" secondary sanctions thus threatened a breakdown between Lithuanian firms and European supply chains.

Despite this pressure, Vilnius did not ask Taiwan to change its trade office's name. This resilience came from three factors: Lithuania's historical experience with coercion from authoritarian regimes, its strong democratic institutions, and interventions by the EU and the Federation of German Industries. The Federation of German Industries supported an EU complaint on behalf of Lithuania at the World Trade Organization, challenging what it characterized as arbitrary trade restrictions.<sup>20</sup> Lithuania withdrew its complaint after China lifted its sanctions, though shortly after it did, Beijing stopped processing visas for Lithuanians. Both Taiwan and the EU reacted; Taiwan increased its investment in Lithuanian industries and pursued new joint economic ventures<sup>21</sup> and the EU approved a €130 million support package for companies impacted by China's economic pressure.<sup>22</sup> As referenced in Lithuania's new Indo-Pacific strategy, released in July 2023, these factors have been key. The strategy notes, "Unsuccessful attempts by China to exert economic and political pressure on Lithuania proves that a country can withstand economic blackmail if it has built up societal resilience and has reliable partners."<sup>23</sup>

<sup>15</sup> This recommendation comes from a paper from the Central European Institute of Asian Studies commissioned and supported by IRI. Šebeňa et al. "The China factor: Economic exposure and security implications in an interdependent world."

<sup>16</sup> For a more detailed discussion, see Reynolds, Matthew, and Matthew P. Goodman. "China's Economic Coercion: Lessons from Lithuania." Center for Strategic and International Studies, 6 May 2022, <https://www.csis.org/analysis/chinas-economic-coercion-lessons-lithuania>.

<sup>17</sup> "China condemns opening of Taiwan office in Lithuania as 'egregious act.'" The Guardian, 19 November 2021, <https://www.theguardian.com/world/2021/nov/19/china-condemns-opening-of-taiwan-office-in-lithuania-as-egregious-act>.

<sup>18</sup> Sytas, Andrius. "Lithuania says Chinese customs is blocking its exports." Reuters, 3 December 2021, <https://www.reuters.com/article/china-lithuania-trade-idUSKBN21IOY7>.

<sup>19</sup> Macikenaite, Vida. "Lithuania's Unforeseen Asymmetrical Interdependence Trap with China." Prospect Foundation, 8 April 2022, <https://www.pf.org.tw/en/pfen/33-8245.html>.

<sup>20</sup> Liu, Natalie. "European Union Rallies Behind Lithuania in Trade Fight with China." Voice of America, 29 January 2022, <https://www.voanews.com/a/european-union-rallies-behind-lithuania-in-trade-fight-with-china/6417838.html>.

<sup>21</sup> Eidėjūtė, Gabrielė. "Lithuania-Taiwan Cooperation: Macro Ambitions for Microchips." China Observers, 2 March 2023, <https://chinaobservers.eu/lithuania-taiwan-cooperation-macro-ambitions-for-microchips/>.

<sup>22</sup> "State aid: Commission approves €130 million Lithuanian scheme to support companies affected by discriminatory trade restrictions." European Commission, 26 April 2022, [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_22\\_2665](https://ec.europa.eu/commission/presscorner/detail/en/ip_22_2665).

<sup>23</sup> Lau, Stuart. "Lithuania defies China over Taiwan ties in new Asia strategy." Politico, 6 July 2023, <https://www.politico.eu/article/lithuania-defies-china-over-taiwan-ties-in-new-asia-strategy-xi-jinping/>.

## CASE STUDY

## THE PHILIPPINES

Locked in a territorial dispute with the PRC over the South China Sea, Beijing has repeatedly used economics to pressure the Philippines. The Philippines' economy has, in recent decades, become increasingly reliant on exports to the Chinese market. As early as 2012, Beijing imposed trade sanctions to force policy change in Manila and, barring success there, to punish it for its recalcitrance. That year, in what was regarded as Beijing's attempt to pressure the Benigno Aquino government, the PRC refused entry of 150 containers of bananas from the Philippines. Bananas are the country's second-largest agricultural export, with the PRC accounting for an estimated quarter of sales. Chinese health inspectors claimed they discovered that the shipments contained 104 types of "harmful organisms,"<sup>24</sup> a claim Manila denied.<sup>25</sup> The Aquino government claimed that the PRC was punishing it for not conceding the Scarborough Shoal in the South China Sea after Philippine naval vessels tried to arrest Chinese fishermen nearby.<sup>26</sup> According to a report in the *Washington Post*, as many as 200,000 people in the Philippines' Mindanao region would lose their livelihoods if the PRC continued to curb imports of bananas, a main source of income in the restive area. There were fears that the economic damage from a sustained banana boycott would undermine the local economy to the benefit of local insurgents; a sign, as discussed above, that the PRC did its homework and targeted its economic coercion. The Philippines' tourism industry was also hit by a rash of abrupt cancellations of vacation bookings from the PRC following a travel advisory from Beijing.<sup>27</sup> After the Permanent Court of Arbitrations (PCA) ruling in 2016 favoring the Philippines in its dispute with the PRC in the South China Sea, Chinese netizens called for a boycott of Philippine agricultural products,<sup>28</sup> though PRC officials denied that such punitive measures had been taken.<sup>29</sup>



More than 10 years on, the territorial dispute in the South China Sea continues, demonstrating that economic coercion alone did not deter Manila. But these incidents made the Philippine government realize that it needed to reduce its dependence on the PRC market and begin to explore alternatives. These efforts have met with some, albeit limited, success. As of 2022, China was the Philippines' second-largest market for banana exports after Japan, accounting for \$406 million in trade.<sup>30</sup> To better diversify, the Philippines should strengthen intra-ASEAN trade and pursue multilateral trade agreements (e.g., the Philippines-Korea FTA signed in September 2023, ongoing negotiations for an ASEAN-Canada FTA).<sup>31</sup>

<sup>24</sup> Higgins, Andrew. "In Philippines, banana growers feel effect of South China Sea dispute." *Washington Post*, 10 June 2012, [https://www.washingtonpost.com/world/asia\\_pacific/in-philippines-banana-growers-feel-effect-of-south-china-sea-dispute/2012/06/10/gJQA47WVTV\\_story.html](https://www.washingtonpost.com/world/asia_pacific/in-philippines-banana-growers-feel-effect-of-south-china-sea-dispute/2012/06/10/gJQA47WVTV_story.html).

<sup>25</sup> Zirulnick, Ariel. "Philippines feels the economic cost of standing up to China." *Christian Science Monitor*, 15 May 2012, <https://www.csmonitor.com/World/Security-Watch/terrorism-security/2012/0515/Philippines-feels-the-economic-cost-of-standing-up-to-China>

<sup>26</sup> "Philippine warship in standoff with China vessels." *Associated Press*, 11 April 2012, <https://www.theguardian.com/world/2012/apr/11/philippines-china-stand-off-south-china-sea>.

<sup>27</sup> Billones, Joy. "DOT reports losses from China travel advisory." *ABS-CBN News*, 14 May 2012, <https://news.abs-cbn.com/nation/05/14/12/dot-reports-losses-china-travel-advisory>.

<sup>28</sup> "Chinese netizens call for boycott of Philippine products." *Jakarta Post*, 14 July 2016, <https://www.thejakartapost.com/life/2016/07/14/chinese-netizens-call-for-boycott-of-philippine-products.html>.

<sup>29</sup> "China brushes off calls for Philippines boycott after S. China Sea ruling." *Reuters*, 19 July 2016, <https://www.reuters.com/article/southchinasea-ruling-business-idUSL4N1A51TG>

<sup>30</sup> "Bananas in Philippines." *Observatory of Economic Complexity*, <https://oec.world/en/profile/bilateral-product/bananas/reporter/phl>.

<sup>31</sup> Wester, Shay. "Balancing Act: Assessing China's Growing Economic Influence in ASEAN." *Asia Society Policy Institute*, November 2023, <https://asiasociety.org/policy-institute/balancing-act-assessing-chinas-growing-economic-influence-asean>.

## LESSONS LEARNED AND KEY CONSIDERATIONS

- The PRC is adept at identifying sectors that are particularly vulnerable to trade suspension. Vulnerabilities arise from single-market or high dependence on the PRC, as well as from local political conditions where trade has a substantial impact on livelihoods and political stability. Only with an accurate assessment of exposure can countries prepare countermeasures to protect themselves.
- To reduce exposure to PRC economic pressure and its potential impact on policy decisions, market diversification is essential. In times of political tension, a heavy reliance on the PRC for exports or tourism is an invitation to economic coercion.
- Solidarity among likeminded countries and other victims of economic coercion plays an important role in helping targeted countries mitigate the effects of trade bans and lends moral support to governments that refuse to be coerced. Such solidarity also sends a strong signal to Beijing that economic coercion will not provide the expected results.
- Economic coercion has not always worked for Beijing, and in some cases it has backfired. Many of the countries that Beijing targeted with economic pressure demonstrated that it is ultimately survivable. Countries should be confident that they need not yield to Chinese pressure on what they regard as their core interests and values. They should also identify the sectors at high risk of being targeted and have mechanisms in place to provide assistance. However, such measures may, in the long term, have a conditioning effect whereby companies and states try to reduce the likelihood of retaliation by China; in some cases, such risk avoidance might play into Beijing's strategy.

## ELITE CAPTURE AND CORRUPTION

### OVERVIEW OF PRC TOOLS AND TACTICS AND THEIR IMPACT ON DEMOCRACY

As the term is used in this resilience guide, elite capture means one country's use of powerful economic incentives to induce another country's political elites to act against their national interest. Unsurprisingly, this often involves corruption and other forms of illegal behavior. Many authoritarian states have significant economic resources at their disposal to influence democratic countries' policies and politics.<sup>32</sup> Famous examples in recent years include Russia's cultivation of European political elites before the Ukraine war<sup>33</sup> and high-priced lobbying campaigns by Gulf states in Washington, D.C.<sup>34</sup>

Although Russia and Gulf states are the most famous practitioners of this form of statecraft, the PRC is arguably the most potent. Large parts of China's economy – the second largest in the world, behind only the United States – are controlled by the CCP, giving it enormous power to reward foreign political allies for serving its interests. Most importantly, the CCP controls state-run banks like the China Development Bank and very large state-owned enterprises like the China Communications Construction Company or PetroChina. However, the CCP's pervasive political control in China means that even nominally private companies like Huawei can be used as conduits through which Beijing is able to capture other countries' political and business elites.

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<sup>32</sup> The term elite capture is most often used in political science to describe the capture and repurposing of a country's institutions by an unaccountable elite (see: Táiwò, Olúfémí O. "Identity Politics and Elite Capture." Boston Review, 7 May 2020, <https://www.bostonreview.net/articles/olufemi-o-taiwo-identity-politics-and-elite-capture/>). Here we use it to describe significant, covert capture of one country's political or policy processes by another through economic means.

<sup>33</sup> Michel, Casy and Schmitt, Benjamin L. "How to Stop Former Western Leaders from Becoming Shills for Autocrats." Foreign Policy, 15 February 2022, <https://foreignpolicy.com/2022/02/15/gerhard-schroder-gazprom-russia-tony-blair/>.

<sup>34</sup> Giorno, Taylor and Massoglia, Anna. "Saudi Arabia ramped up U.S. influence operations during Biden's presidency." Open Secrets, 7 October 2022, <https://www.opensecrets.org/news/2022/10/saudi-arabia-ramped-up-foreign-influence-operations-in-the-us-during-bidens-presidency/>.

This capture can take many forms, most often related to large infrastructure projects. Among the PRC's most important tools are:

- **Corruption:** China's BRI projects building railroads, ports, and dams is meant to address critical infrastructure deficits in the developing world. Unfortunately, the Chinese companies supporting the BRI often have serious issues with corruption,<sup>35</sup> and they often export that corruption abroad. In numerous PRC-backed projects around the world, investigative journalists, civil society, and government watchdogs have uncovered issues with corruption both before and during project implementation.<sup>36</sup> This includes corrupt payments directly from the PRC side or the PRC side ignoring corrupt arrangements that benefit its interests.
- **Rewarding patronage:** There is good evidence, both data-based and anecdotal, that political elites use PRC projects to reward their political patronage networks. One large-scale study of PRC projects in Africa found that Chinese aid disproportionately benefits politically privileged regions, and the impact is stronger when incumbents face upcoming elections and when electoral competitiveness is high. The study found "no such pattern of favoritism in the spatial distribution of World Bank development projects."<sup>37</sup> Information uncovered by journalists and watchdogs suggests that similar use of PRC projects to reward patronage networks has occurred in countries as disparate as Kenya, Malaysia, Ecuador, and Sri Lanka.
- **Patron-client:** The very nature of infrastructure projects, involving the disbursement of large amounts of money over long periods, can build patron-client relationships between the originating country and the recipient country's political elite. These ties can be difficult to break. The financial obligations of the loans for large infrastructure projects means that a recipient country often has little choice but to carry on with problematic projects, even if they have serious issues with cost overruns or construction quality. Additionally, although opposition parties, when they are out of power, have strong incentives to criticize the waste and corruption associated with large PRC projects, once in power they have equally strong incentives to avail themselves of the patronage benefits associated with the projects. The corruption and waste associated with the projects can persist even amidst robust criticism of elite connections with China.
- **Subsidized infrastructure:** Regarding Huawei, European countries have experienced a somewhat different pattern of capture, with key domestic constituencies resisting efforts to reduce European reliance on the PRC-based telecommunications giant. This capture is driven by China's state subsidies, which enable Huawei to build 4G and 5G wireless networks more cheaply than its competition can. This, in turn, boosts the profits of European carriers such as Deutsche Telekom or Vodafone, by cutting the cost of wireless infrastructure rollout. The carriers have lobbied vigorously against policies aimed at boosting European security by replacing Huawei technology with European alternatives on the grounds that such a "rip and replace" policy would be too cumbersome and costly. Because the carriers are powerful politically, they have often had success in slowing or halting efforts to phase Huawei out.

Elite capture and corruption can harm democracies in ways both obvious and subtle. Most obviously, they waste public funds, channeling rewards to political elites and their networks of cronies while sticking taxpayers with the bills for white elephant infrastructure projects. Democracies must also acknowledge that domestic cronyism is a real problem. The potential for graft can incentivize political elites to undermine existing laws or institutions meant to ensure transparency and accountability in public procurement. This failure to uphold public trust can erode confidence in the efficacy and trustworthiness of democratic institutions. Additionally, using professional or physical retaliation, networks of corrupt

<sup>35</sup> Zheng, William. "China's top graft-buster says it detained hundreds of SOE officials in first half of 2023." South China Morning Post, 10 August 2023, <https://www.scmp.com/news/china/politics/article/3230634/chinas-top-graft-buster-says-it-detained-hundreds-soe-officials-first-half-2023>.

<sup>36</sup> For an overview of corruption and elite capture in BRI projects, see: Malik, A., Parks, B., Russell, B., Lin, J., Walsh, K., Solomon, K., Zhang, S., Elston, T., and S. Goodman. (2021). *Banking on the Belt and Road: Insights from a new global dataset of 13,427 Chinese development projects*. Williamsburg, VA: AidData at William & Mary; Hillman, Jonathan E. "Corruption Flows Along China's Belt and Road." Nikkei, 18 January 2019, <https://asia.nikkei.com/Opinion/1MDB-probe-shines-uncomfortable-light-on-China-s-Belt-and-Road>. For high-profile cases, see the Coca Code Sinclair Dam in Ecuador (case study below), the 1MDB scandal in Malaysia (case study below), the Hambantota Port in Sri Lanka, the Jakarta-Bandung High Speed Railway in Indonesia, and the Standard Gauge Railway in Kenya.

<sup>37</sup> Dreher, Fuchs, et al. "African leaders and the geography of China's foreign assistance." *Journal of Development Economics*, Volume 140, September 2019, pp. 44-71.



elites are strongly incentivized to retaliate against journalists and civil society seeking to uncover abuse and waste in poorly conceived megaprojects.

## POLICY AND ADVOCACY RESPONSES

**Develop China capacity:** IRI's partners and regional offices have noted a global knowledge deficit among journalists, governments, and civil society regarding the PRC party-state. It is also very clear that China competency is uneven across the board, with some countries facing a more severe deficit than others. This can lead to challenges in understanding the intentions of PRC interlocutors, or the degree to which they are, or are not, serving Beijing's priorities. In cases involving PRC-driven corruption, high cultural, linguistic, and institutional barriers to reporting on China mean that journalists may choose to focus their time and energy on the home-country side of the story while paying less attention to the China side. All countries need to improve their China literacy so they can implement workable strategies to counter the nefarious effects of this relationship. Countries wanting to interact successfully with China should deepen their understanding of the PRC party-state, not just among officials, but among journalists, civil society, and academia. Such efforts are also necessary at the state, provincial, and city level, where PRC influence has often occurred under the radar. A more localized approach to knowledge-sharing and responses is indispensable.

**Address conflicts of interest and official co-optation:** Governments should ban senior government and elected officials from being employed by a foreign entity for a reasonable number of years after their retirement. This will ensure that officials are not lured by the prospects of lucrative contracts as consultants post-retirement and incentivized, while still in office, to serve the interests of their future employer.<sup>38</sup>

**Strengthen freedom of information laws:** Freedom of information laws are powerful tools for journalists, civil society, and transparency and accountability advocates. Laws requiring officials to respond to requests for information are an effective way to uncover corruption, waste, and cronyism. Freedom of information should include the public release of memorandums of understanding, government contracts, public procurement proceedings and more. Freedom of information laws alone can serve as a deterrent, since officials know corrupt actions may be uncovered after the fact. Since Sri Lanka's passage of a Right to Information Act, civil society organizations (CSOs) have used the law to demand details on major infrastructure deals brokered between Beijing and former president Mahinda Rajapaksa's administration.

**OECD infrastructure governance recommendation:** Many multinational organizations have recommendations for successful financing and implementation of large infrastructure projects. One especially good resource is the OECD Recommendations on the Governance of Infrastructure.<sup>39</sup> Available in English, French, Russian, Spanish, and Portuguese, the Recommendations lay out the best infrastructure governance practices and form part of broad set of standards, policy guidance, and toolkits for infrastructure governance. These documents are easily accessible on the OECD's website.<sup>40</sup> Journalists, civil society, and other democratically minded actors should familiarize themselves with these resources and demand that their local policymakers abide by international best practices for infrastructure governance, whether the projects in question be PRC-driven or not.

**Support regional journalism networks:** Regional networks connecting journalists across national borders have long served as an important way to pool resources and knowledge, advocate for safety, and get important stories told by partnering with news organizations. Such networks are especially important in reporting on China-related projects, both because the projects are often politically sensitive and because pooling stories across regions may allow reporters to identify patterns across countries and regions.

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<sup>38</sup> "Countering China's Information Manipulation: A Toolkit for Understanding and Action."

<sup>39</sup> "OECD Recommendation on the Governance of Infrastructure." Organisation for Economic Co-operation and Development, <https://www.oecd.org/gov/infrastructure-governance/recommendation/>. Accessed 8 January 2024.

<sup>40</sup> "Infrastructure Toolkit." Organisation for Economic Co-operation and Development, <https://infrastructure-toolkit.oecd.org/>. Accessed 8 January 2024.

## CASE STUDY

# ECUADOR



Ecuador's experience with large PRC state-owned enterprises (SOEs) shows how intrinsic corruption is to Beijing's way of doing business abroad and how difficult it can be to roll back PRC-tied corruption.

Beginning with the administration of former President Rafael Correa in 2007, Ecuador signed agreements with China worth approximately \$19 billion to build key infrastructure.<sup>41</sup> Ecuador agreed to pay for the loans by selling most of its yearly oil exports to China. In the years since, many of the senior officials involved in these agreements have either been convicted or credibly accused of receiving bribes from PRC SOEs. For example, in March 2023 former President Lenin Moreno, who served as vice president during the Correa administration, was charged, along with 36 other people. They were accused of taking bribes from a PRC SOE to facilitate the construction of the Coca Coda Sinclair dam, a hydroelectric megaproject that has been plagued with quality and environmental concerns.<sup>42</sup>

Even Ecuador's oil sales appear to have involved significant corruption. An investigation led by former journalist and legislator Fernando Villavicencio (who was assassinated on August 9, 2023) found that instead of shipping oil directly to China at the market price, contracts with PRC companies were negotiated through middlemen who bribed Ecuadorian officials to sell oil at rates far below market prices.<sup>43</sup> A report by an Ecuadorian congressional committee led by Villavicencio found that Ecuador may have lost as much as \$5 billion as a result of the agreements.

The oil sales also demonstrate democratic institutions' power and ability to change. Villavicencio and an informal yet persistent coalition of journalists, activists, and legislators working over several years exposed many of the details above. Although Ecuador still has significant problems with corruption and narco-trafficking-related violence, the oil sales scandal resulted in important legal and normative changes, making it more difficult for China and other authoritarian actors to wield corruption so blatantly and openly in the country.

<sup>41</sup> Casey, Nicholas and Krauss, Clifford. "It Doesn't Matter if Ecuador Can Afford This Dam. China Still Gets Paid." The New York Times, 24 December 2018, <https://www.nytimes.com/2018/12/24/world/americas/ecuador-china-dam.html>.

<sup>42</sup> Valencia, Alexandra and Giraldo, Marion. "Ecuador judge Oks bribery charges against ex-president over Chinese dam contract." Reuters, 5 March 2023, <https://www.reuters.com/world/americas/ecuador-judge-oks-bribery-charges-against-ex-president-over-chinese-dam-contract-2023-03-06/>.

<sup>43</sup> "A giant \$5 billion oil heist." Ecuador Times, 31 March 2022, <https://www.ecuadortimes.net/a-giant-5-billion-oil-heist/>.



## CASE STUDY

## MALAYSIA



Malaysia's experience with flagship BRI projects also vividly illustrates how Beijing uses corruption and elite capture, along with espionage, to accomplish its foreign policy objectives to the detriment of other countries' democratic institutions.<sup>44</sup>

In 2016, then-Malaysian Prime Minister Najib Razak grappled with reporting by *The Wall Street Journal* and other media outlets on massive corruption in his family's and allies' management of Malaysia's 1MDB sovereign wealth fund. Beijing approached his government with an offer: it would direct its state-controlled banks to bail out the sovereign wealth fund. In return, Najib had to commit Malaysia to massive infrastructure projects that would provide the PRC companies involved with "above market profitability."<sup>45</sup> Beijing would also use its influence to halt an ongoing U.S. Department of Justice investigation into 1MDB. Such an agreement, which reportedly came with the direct approval of PRC paramount leader Xi Jinping, would violate several Malaysian laws meant to prevent corruption and promote transparency in public procurement. The total amounts involved, both in the 1MDB bailout and the BRI projects, ran well into the billions of dollars.<sup>46</sup>

Beijing also offered to help Najib's government put an end to the negative reporting by *The Wall Street Journal* and others. A senior PRC intelligence official reportedly told Najib's government that it had established full operational surveillance of *The Wall Street Journal* reporters covering the 1MDB scandal, who were both based in Hong Kong, and would share the information so the Malaysian government could identify the *Journal's* sources and "do the necessary."<sup>47</sup> Although it is unclear what "the necessary" means, the PRC offer's clearly implied that it would help put an end to the press's ability to report on the issue.

Again, the institutions of competitive democracy proved key in bringing the details of 1MDB corruption, including China's role, to light. Digging by Malaysian and foreign journalists contributed significantly to Najib's coalition's electoral defeat. Additionally, details of the corrupt deal with China came to light after the defeat, suggesting that the victorious rival coalition provided details to *The Wall Street Journal* after gaining control of key government bodies. This incident demonstrates how political competition in democracies can be an important way for the public to learn about elite corruption.

## LESSONS LEARNED AND KEY CONSIDERATIONS

- Beijing's coercive tools, their range and potency, are widely understood. Actors working to counter PRC-facilitated corruption should understand how the PRC uses all elements of its formidable national power to corrupt other countries' elites.
- Access to information is essential in investigating and exposing corruption from domestic and foreign actors alike. Safeguarding access to information through freedom of information laws and open government policies and practices is essential to countering PRC elite capture and corruption.

<sup>44</sup> Case study drawn largely from Schrader, Matt. "Friends and Enemies: A Framework for Understanding Chinese Political Interference in Democratic Countries." German Marshall Fund, 22 April 2020, <https://securingdemocracy.gmfus.org/wp-content/uploads/2020/05/Friends-and-Enemies-A-Framework-for-Understanding-Chinese-Political-Interference-in-Democratic-Countries.pdf>.

<sup>45</sup> Wright, Tom and Hope, Bradley. "WSJ Investigation: China Offered to Bail Out Troubled Malaysian Fund in Return for Deals." *Wall Street Journal*. 7 January 2019, <https://www.wsj.com/articles/how-china-flexes-its-political-muscle-to-expand-power-overseas-11546890449>.

<sup>46</sup> Wright.

<sup>47</sup> Wright.

- Exposing PRC corruption and elite capture can be a good entry point for raising awareness and incentivizing action about PRC influence. Corruption impacts people's everyday lives and exposing the PRC's role in exacerbating domestic corruption can help make concerns about PRC influence resonate more broadly in the general population and among policymakers.
- Transparency and accountability mechanisms are key tools in preventing and countering corruption. Transparency helps reveal foreign entities' attempts to interfere with the democratic processes of other nations or use corrupt economic practices to advance political influence. Accountability mechanisms ensure that individuals or organizations engaging in corrupt practices can be identified and held accountable. This also has a deterrent effect.

## POLITICAL INFLUENCE

Separate from its economic influence, the PRC also attempts to shape other countries' politics through various channels. These include direct electoral interference, engagement with political parties through extra-governmental measures, and covert political influence. Although these tools superficially resemble some of the ways democratic countries, and the actors in them, attempt to influence each other, PRC political pressure is often characterized by strong ambiguity, lack of respect for democratic norms and, in some cases, outright deception.

## DIRECT ELECTORAL INTERFERENCE

### OVERVIEW OF PRC TOOLS AND TACTICS AND THEIR IMPACT ON DEMOCRACY

The most direct way to influence another country's politics is to interfere in its elections. Russia is famous for its meddling in its neighbors' elections, but the PRC behaves similarly. Over the past decade, it has quietly racked up an impressive track record of interference in other countries' elections through direct funding of political parties or candidates, electioneering (i.e. PRC officials openly campaigning on behalf of candidates or parties), providing international approval for sham elections run by non-democratic regimes, and by trying to run co-opted candidates in both local and national elections. In nearly every case, the goal is to ensure that the candidates or parties involved are positively predisposed toward the PRC. In many cases, these activities violate laws barring foreign interference in elections.

The PRC interferes in other countries elections through:

- **Direct funding:** In some cases,<sup>48</sup> the PRC uses proxies to provide funding to its preferred political parties or candidates. By using proxies, China can exploit blind spots in a country's laws regarding foreign campaign funding. These donations may not be designed to influence a particular election but carry the assumption that the recipients will push for policies that benefit the PRC.
- **Electioneering:** On some occasions, the PRC will indicate its preferred candidates via one of its own officials, officially controlled media, or electioneering. The PRC supports candidates and parties that favor cooperation and trade and who will not push on Beijing's core issues like human rights, Taiwan, Tibet, or Xinjiang.<sup>49</sup> PRC diplomats have campaigned with their chosen candidates in Kenya, the Solomon Islands, and Kiribati.<sup>50</sup> The

<sup>48</sup> Australia, Canada, Taiwan. See, for example: Cooper, Sam. "Canadian intelligence warned PM Trudeau that China covertly funded 2019 election candidates: Sources." Global News, 7 November 2022, <https://globalnews.ca/news/9253386/canadian-intelligence-warned-pm-trudeau-that-china-covertly-funded-2019-election-candidates-sources/>; Chung, Lawrence. "Taiwan charges pro-Beijing politicians with accepting funds from Chinese mainland." South China Morning Post, 30 October 2019, <https://www.scmp.com/news/china/politics/article/3035425/taiwan-charges-pro-beijing-politicians-accepting-funds>.

<sup>49</sup> "Press conference on China's diplomacy in the new era." State Council Information Office (People's Republic of China, 14 October 2022, [http://www.china.org.cn/china/2022-10/14/content\\_78465566.htm](http://www.china.org.cn/china/2022-10/14/content_78465566.htm).

<sup>50</sup> "Coercion, Capture, and Censorship: Case Studies on the CCP's Quest for Global Influence." International Republican Institute, 28 September 2022, <https://www.iri.org/resources/coercion-capture-and-censorship-case-studies-on-the-ccps-quest-for-global-influence/>; "A World Safe for the Party; China's Authoritarian Influence and the Democratic Response." International Republican Institute, 3 February 2021, <https://www.iri.org/resources/china-expands-global-authoritarian-influence-efforts-some-fragile-democracies-show-resilience-against-ccp-aggression/>.

PRC has also used its tools to discredit candidates deemed anti-China. In Taiwan, Beijing promoted candidates it regards as ideological allies, while undermining its critics.<sup>51</sup> There are indications that it may also be using some of these measures in countries like Canada<sup>52</sup> and Australia<sup>53</sup> (see case studies below).

- **Co-optation:** In countries like Taiwan and Australia<sup>54</sup> the PRC has supported co-opted candidates in their campaigns for political office or has successfully co-opted politicians in office. In some instances, a candidate worked for a PRC-aligned businessperson or organization before running. In others, politicians appear to have been co-opted while in office with the promise of lucrative consulting opportunities, seats on the board of directors at a PRC-based firm, or senior positions on business or trade councils after retirement. In other countries, companies like Huawei have provided would-be authoritarians with the tools to cement their rule by spying on and harassing political opponents and disrupting their events or their political organizing.<sup>55</sup>
- **Support for zombie elections:** In recent years, the PRC has offered electoral support to authoritarian countries running sham elections, both through bilateral support and through PRC-sponsored international organizations like the Shanghai Cooperation Organization (which it launched with Russia).<sup>56</sup> This support includes voting machines and observation missions to sign off on elections that do not meet international standards for freedom or fairness. These zombie missions serve to offset Western criticism of a flawed electoral process by providing alternative, often favorable assessments, of decidedly undemocratic elections. The point of this support is not just to prop up regimes friendly to China, it is also to redefine the very meaning of international standards for election monitoring, making it more acceptable for budding authoritarians to run sham elections that prop up non-democratic governments.

Beijing's covert manipulation of foreign electoral processes and its more overt efforts to shape political outcomes undermines democracy by subverting the will of voters and replacing the decisions of elected representatives with the preference of a foreign authoritarian state. Politicians frequently serve as vital sources of foreign policy information for voters. The PRC's use of information manipulation and economic coercion can potentially distort an entire nation's discourse concerning China.

## POLICY AND ADVOCACY RESPONSES<sup>57</sup>

**Expose PRC election interference:** Investigative journalism is a vital mechanism for exposing PRC activities that seek to influence electoral outcomes. By shedding light on election interference, journalists play a crucial role in informing the public about the subtle and insidious methods employed to manipulate political outcomes. Independent reporting is also essential in exposing political capture, helping to hold individuals accountable for compromising national interests at the behest of a foreign power. Investigative reporting is a bulwark against undue foreign influence, promoting transparency and preserving the foundations of a free and fair electoral system. Where appropriate, governments or civil society should also publicize their findings on electoral interference. This helps raise awareness and counters the skepticism that sometimes surrounds a government's claims that a country is interfering with its elections.

<sup>51</sup> Chung; "Detecting Digital Fingerprints: Tracing Chinese Disinformation in Taiwan." Graphika/Institute for the Future/International Republican Institute, 25 August 2020, <https://www.iri.org/resources/detecting-digital-fingerprints-tracing-chinese-disinformation-in-taiwan/>.

<sup>52</sup> Cooper. "Canadian intelligence warned PM Trudeau that China covertly funded 2019 election candidates: Sources."

<sup>53</sup> Searight, Amy. "Countering China's Influence Activities: Lessons from Australia." Center for Strategic and International Studies, July 2020, <https://www.csis.org/analysis/countering-chinas-influence-activities-lessons-australia>.

<sup>54</sup> Cooper. "Canadian intelligence warned PM Trudeau that China covertly funded 2019 election candidates: Sources."; Searight.

<sup>55</sup> Parkinson, Joe, Nicholas Bariyo, and Josh Chin. "Huawei Technicians Helped African Governments Spy on Political Opponents." The Wall Street Journal, 15 August 2019, <https://www.wsj.com/articles/huawei-technicians-helped-african-governments-spy-on-political-opponents-11565793017>.

<sup>56</sup> "How Dictators Use Zombie Election Monitors to Stay In Power." International Forum for Democratic Studies, 29 October 2014, <https://www.ned.org/buzzfeed-how-dictators-use-zombie-election-monitors-to-stay-in-power/>.

<sup>57</sup> This section draws significantly from IRI's comprehensive report on PRC information manipulation, "Countering China's Information Manipulation: A Toolkit for Understanding and Action," which explores in detail how the PRC manipulates information environments in other countries and provides policy and advocacy recommendations for how to push back. The information in the report is compiled from an extensive literature review on the topic, as well IRI partner consultations over the last five years of programming. "Countering China's Information Manipulation: A Toolkit for Understanding and Action."

**Enhance political finance laws and requirements:**<sup>58</sup> To reduce interference from foreign authoritarian regimes, governments should strengthen campaign and political party finance transparency laws and regulations. This requires robust disclosure requirements, including comprehensive information on donations and expenditures with a focus on foreign contributions. Governments and political parties must also implement laws banning foreign political donations. Donations from local businesses on behalf of foreign principals must also be made public. This applies not only to political parties but also foundations and other entities, for- or non-profit, associated with politicians, political parties, and government employees, as well as political advertising. A broad definition of foreign influence that includes non-monetary support, such as digital advertising, is also essential. Along with the appropriate legal and policy frameworks, governments must ensure effective enforcement and monitoring, with strict penalties for non-compliance.

**Adopt new laws and disclosure requirements:**<sup>59</sup> To promote transparency, democratic governments should pass registration laws requiring disclosure about activities, finances, and relationships with foreign principals. This data should be available to the public. Likewise, those running for political office should have to disclose their contacts with hostile foreign powers. The law should provide authorities with enforcement powers to investigate potential violations, follow up with civil and criminal proceedings, and impose penalties for non-compliance. However, laws must be carefully worded so as not to be repressive, particularly in countries with weak democratic institutions and/or strong alliances with foreign authoritarian actors. The legislation should be designed to prevent the law from targeting political opposition and so as not to impede civil society's ability to cooperate with democratically minded organizations abroad. As articulated by the International Center for Non-Profit Law in an assessment of existing foreign influence registration laws, countries "should only adopt measures that are focused, proportionate, and based on identified risk; that measures should only apply to those organizations with identified risk; and that countries should be mindful of and avoid disproportionate measures that hinder the legitimate activities of the [civil society] sector."<sup>60</sup>

**Protect election infrastructure:**<sup>61</sup> This is crucial; protecting election infrastructure extends beyond the actual election day events and encompasses essential measures before, during, and after election day itself. This demands a comprehensive approach, including:

- Understanding the threat of foreign interference and conducting pre-election assessments to identify vulnerabilities, including audits and early testing of election technologies.
- Exposing fake observation "zombie missions" that undermine electoral integrity. Electoral commissions must follow the Declaration of Principles for International Election Observation.
- Implementing strategies and processes to address vulnerabilities and recover from them should they be exploited and insufficiently mitigated.
- A focus on cybersecurity and digital hygiene for election staff throughout all stages of the electoral cycle.
- Training for election staff to protect election systems from digital attacks.

<sup>58</sup> Brandt, Jessica and Joshua Rudolph. "Spies and Money: Legal Defenses Against foreign Interference in Political Campaigns." Alliance for Securing Democracy, January 2021, <https://securingdemocracy.gmfus.org/wp-content/uploads/2021/01/Spies-and-Money.pdf>; Joske, Alex. "The Party Speaks for You: Foreign Interference and the Chinese Communist Party's United Front System." Australian Strategic Policy Institute, 9 June 2020, <https://www.aspi.org.au/report/party-speaks-you>; Zhang, Linda. "How to Counter China's Disinformation Campaigns in Taiwan." Military Review/Army University Press, September-October 2020, <https://www.armyupress.army.mil/Journals/Military-Review/English-Edition-Archives/September-October-2020/Zhang-Disinformation-Campaign/>.

<sup>59</sup> Joske; Cook, Sarah, Angeli Datt, Ellie Young, and BC Han. "Beijing's Global Media Influence." Freedom House, September 2022, [https://freedomhouse.org/sites/default/files/2022-09/BGMI\\_final\\_digital\\_090722.pdf](https://freedomhouse.org/sites/default/files/2022-09/BGMI_final_digital_090722.pdf); Brandt and Rudolph.

<sup>60</sup> "Foreign Influence Registration Laws and Civil Society: An Analysis and Responses." International Center for Non-Profit Law, April 2024, <https://www.icnl.org/wp-content/uploads/2024.04-Foreign-Influence-Laws-and-Civil-Society-Report-vf.pdf>.

<sup>61</sup> For further details on needed steps to protect election infrastructure throughout the electoral cycle, please see: "Multi-Stakeholder Insights: A Compendium on Countering Election Interference." Microsoft/Alliance for Security Democracy/Government of Canada, 2020, <https://www.canada.ca/en/democratic-institutions/services/paris-call-trust-security-cyberspace/multistakeholder-insights-compendium-countering-election-interference.html#h>.

**Improve media literacy:**<sup>62</sup> Citizen trust in the electoral process is essential. Teaching citizens media literacy skills allows them to identify information manipulation and propaganda, thereby fortifying them against it. Informed citizens are better equipped to make discerning choices, resist the influence of misleading narratives, and trust in and contribute to the democratic process. Effective media literacy strategies include community-based approaches for sharing elections information; proactive and regular communication to disseminate accurate information about the elections and “pre-bunk” attempts at information manipulation; targeting communication to address some populations’ vulnerability to propaganda and information manipulation; and fact checking.

## CASE STUDY

# AUSTRALIA



In late 2017, the government of Australian Prime Minister Malcolm Turnbull introduced three bills designed to protect the country from “covert, coercive, or corrupting” political interference by the PRC.<sup>63</sup> The Australian government took this step after shocking revelations that major donors to the country’s political parties were acting as proxies for Beijing. This included pushing politicians to take pro-China positions, violating Australian election laws with large, undisclosed cash donations and, in some cases, even trying to run preferred candidates for local offices. In the most extreme case, an Australian senator directly contravened the government’s position on an important China-related security question while standing next to one of the donors at a press conference for Chinese-language Australian media.

In response to these and other revelations, Turnbull’s package of three laws, which passed Parliament in 2018, boosted transparency by requiring foreign agents to register, strengthened protections against state-directed espionage, and prohibited donations of more than A\$100 from foreign governments and SOEs to political parties.<sup>64</sup>

New organizations and CSOs helped the government boost transparency. As IRI has noted elsewhere, “Australia’s robust independent media has played a central role in exposing CCP influence and examining the Australian government’s response to CCP tactics against the backdrop of Australia’s democratic traditions. The media has served as a watchdog, facilitating the dialogue between civil society and the government, and ensuring the government’s response does not infringe upon freedom of speech and expression.”<sup>65</sup> Civil society with, notably, support from the Chinese diaspora, also worked to ensure robust political debate and alignment with other priorities to protect fundamental freedoms. Australia’s new laws have not made it immune to PRC influence, but they have made Australian democracy, as a whole, notably more resilient.

<sup>62</sup> For further details on building citizen resilience, please see: “Multi-Stakeholder Insights: A Compendium on Countering Election Interference.”

<sup>63</sup> Searight.

<sup>64</sup> Shullman, David (ed.) “Chinese Malign Influence and the Corrosion of Democracy.” International Republican Institute, 2019, [https://www.iri.org/wp-content/uploads/2019/06/chinese\\_malign\\_influence\\_report.pdf](https://www.iri.org/wp-content/uploads/2019/06/chinese_malign_influence_report.pdf).

<sup>65</sup> Shullman.

## CASE STUDY

# CANADA



Explosive late 2022 revelations that a network of PRC-tied proxies channeled funding to candidates for Canada's federal parliament continued to reverberate through the country's politics in 2023. The unfolding scandal demonstrates investigative journalists' and civil society's crucial role in pushing back on blatant political interference and the importance of competitive democratic politics. However, the Canadian case also amply demonstrates the PRC's adeptness in exploiting the fissures in democratic politics to complicate the response.

In 2022, journalists reported, among other allegations, on warnings from Canadian intelligence that the PRC consulate in Toronto had funneled large sums of money to 11 parliamentary candidates from both major parties in the 2019 general election.<sup>66</sup> The funding came with what appeared to be PRC-directed efforts to mobilize parts of the electorate against supposed anti-China candidates. It appeared to be part of an effort to cultivate a relationship with Prime Minister Justin Trudeau by directing money to his family foundation.<sup>67</sup> This all took place in the broader context of close economic ties between Canadian business elites and the PRC in the mining and energy sectors.<sup>68</sup>

Unlike in the Australian case, however, Canada has not been able to arrive at a consensus on appropriate action. Government foot-dragging, political partisanship, and (largely unfounded) allegations of racism have made the debate much more toxic than in Australia, eroding social consensus on the problem and reducing incentives for political action to address it. Despite this, dogged investigative journalism and competition between political parties, –both foundational aspects of liberal democracy– combined to keep the issue on the front pages, as Canadians debate legal measures such as a foreign influence transparency registry.<sup>69</sup> Separation of powers has also proven crucial: Canada's House of Commons has played a key role in putting, and keeping, the issue on the policy agenda, investigating foreign interference and pressuring the government to respond.<sup>70</sup>

<sup>66</sup> Murphy, Rex. "Rex Murphy: China's Interference Is an Outrage. Trudeau Dismissing It, an Even Greater Outrage." National Post, 3 March 2023, <https://nationalpost.com/opinion/chinas-interference-is-an-outrage-trudeau-dismissing-it-an-even-greater-outrage>.

<sup>67</sup> Cooper, Sam. "2017 Memo Prepared for PM Warns of Beijing Election Interference." Global News, 8 February 2023, <https://globalnews.ca/news/9464937/security-memo-trudeau-china-election-interference/>; Cooper, Sam. "Canadian Intelligence Warned PM Trudeau That China Covertly Funded 2019 Election Candidates: Sources." Global News, 7 November 2022, <https://globalnews.ca/news/9253386/canadian-intelligence-warned-pm-trudeau-that-china-covertly-funded-2019-election-candidates-sources/>; Chase, Steven and Robert Fife. "CSIS Documents Reveal Chinese Strategy to Influence Canada's 2021 Election." The Globe and Mail, 17 February 2023, <https://www.theglobeandmail.com/politics/article-china-influence-2021-federal-election-csis-documents/>; Chase, Steven and Robert Fife. "CSIS Uncovered Chinese Plan to Donate to Pierre Elliott Trudeau Foundation." The Globe and Mail, 28 February 2023, <https://www.theglobeandmail.com/politics/article-csis-uncovered-chinese-plan-to-donate-to-pierre-elliott-trudeau/>.

<sup>68</sup> Walker, Sandy. "Canadian Bar Association - 'Net Benefit' Threshold Raised on Foreign Investment in Canada." Canadian Bar Association, 11 January 2018, <https://www.cba.org/Sections/Business-Law/Articles/2018/Net-benefit>.

<sup>69</sup> See News Releases of the Ministry of Public Safety Government of Canada: "Government of Canada Launches Public Consultations on a Foreign Influence Transparency Registry in Canada." Ministry of Public Safety Government of Canada, 10 March 2023, <https://www.canada.ca/en/public-safety-canada/news/2023/03/government-of-canada-launches-public-consultations-on-a-foreign-influence-transparency-registry-in-canada.html>.

<sup>70</sup> See the Procedure and House Affairs Committee Canadian House of Commons: "PROC – Foreign Elections Interference." 44th Canadian Parliament, 2023, <https://www.ourcommons.ca/Committees/en/PROC/StudyActivity?studyActivityId=11820024>; See Information from Canadian House of Commons Privacy and Ethics Committee and House Affairs Committee: "ETHI – Foreign Interference and Threats to the Integrity of Democratic Institutions, Intellectual property and the Canadian State." 44th Canadian Parliament, 2023, <https://www.ourcommons.ca/Committees/en/ETHI/StudyActivity?studyActivityId=12034016>.



## CASE STUDY

## SOLOMON ISLANDS



China has successfully cultivated influence in the upper echelons of the Solomon Islands government, notably with Prime Minister Manasseh Sogavare (in office since April 2019), to advance its economic, political, and security interests in the country and the broader Pacific. Chief among Beijing's goals was to break the Pacific Island country's relationships with its neighbor Australia, the U.S., and Taiwan, with which it broke official diplomatic relations in September 2019, in favor of the PRC. This decision was made despite ongoing tensions related to this issue and amid allegations of PRC electoral and political interference in support of Sogavare. Solomon Island Members of Parliament (MPs) across the country leveled seemingly credible allegations of corruption against the Sogavare government in connection with the change in recognition, some alleging that Beijing offered payments of up to \$125,000 to individual MPs to win their support.<sup>71</sup>

Despite these allegations, and mass dissent from civil society and opposition policymakers alike, Prime Minister Sogavare worked to deepen the relationship – and reap the benefits the PRC was offering, seemingly in exchange for the diplomatic switch. A few weeks after the Solomon Islands ended its 36-year relationship with Taiwan, Prime Minister Manasseh Sogavare was warmly welcomed in Beijing, where he signed five MOUs, including an agreement on the Belt and Road Initiative and plans for China to build a sports stadium. Chinese firms also secured rights to build various infrastructure projects in the Solomon Islands, including roads, bridges, and power stations.<sup>72</sup> The CCP also deepened its engagement at the political level and used its influence to promote pro-PRC views and the narrative that Australia, the U.S., and Taiwan are colonial powers that have been meddling in its affairs; it also attributed riots in November 2021 to such external influences. The protests were fueled by rumors of corruption and foreign interference in elections that were occurring the same month, as well as perceptions that the government was overly prioritizing Beijing's interests, and resulted in significant violence against Chinese businesses, with protestors burning and looting business in Honiara's Chinatown.

While there is much to indicate that Solomon Islands' switch to Beijing was the result of a diplomatic push by PRC actors, not all interactions between the two countries should be viewed as illustrative of overt influence campaigns. However, since the switch, there have been notable examples of potentially coercive methods of PRC influence, conducted either by the PRC government or by Beijing-linked entities and financial groups.<sup>73</sup> Prime Minister Sogavare, running for reelection in the April 2024 campaign, also continues to pursue a "Look North" policy, prioritizing engagement with Beijing. Ongoing activism by opposition politicians, including presidential candidate Matthew Wale, who strongly opposes close relations with the PRC, as well as continued coverage and scrutiny over political, economic, and security deals with the PRC by local media, despite attempts to censor such reporting, have proven critical to limiting further democratic backsliding and undue PRC influence.

## LESSONS LEARNED AND KEY CONSIDERATIONS

- Transparency in campaign and political party funding is essential to understanding a country's exposure to foreign political influence and mitigating its impact. Disclosure requirements for elected officials and political parties are an important foundation for action to address political influence.

<sup>71</sup> Cavanaugh, Edward. "China and Taiwan offered us huge bribes, say Solomon Islands MPs." *The Guardian*, 7 December 2019, <https://www.theguardian.com/world/2019/dec/08/china-and-taiwan-offered-us-huge-bribes-say-solomon-islands-mps>.

<sup>72</sup> Cavanaugh, Edward. "When China came calling: inside the Solomon Islands switch." *The Guardian*, 7 December 2019. <https://www.theguardian.com/world/2019/dec/08/when-china-came-calling-inside-the-solomon-islands-switch>.

<sup>73</sup> See Solomon Islands Case Study in: "Coercion, Capture, and Censorship: Case Studies on the CCP's Quest for Global Influence." 74 "Foreign Influence Registration Laws and Civil Society: An Analysis and Responses."



- Foreign influence disclosure laws can advance transparency and ensure oversight if such laws come with enforcement and compliance power so the court system can prosecute those who break the law. This is essential for both accountability and deterrence. However, they must be designed and enforced so that domestic authoritarian actors do not misuse them to target civil society or political opposition. As argued by the International Center for Non-Profit Law, “not only are many foreign influence laws overbroad, excessively burdensome, or unduly target nonprofits, but they also frequently may not be the best tool for combatting the type of foreign influence lawmakers claim to want to address.”<sup>74</sup> As such, when designing any disclosure or registration scheme to counter and deter foreign influence, lawmakers must consider whether such laws are a necessary, tailored, proportionate, and evidence-based response to the concerns they are trying to address.<sup>75</sup> Lawmakers must also consider not only the law’s objectives but any potential externalities and weaponization of the law for anti-democratic ends.<sup>76</sup>
- Elected and government officials must be disincentivized from acting on behalf, or at the behest, of a foreign government. The CCP wields financial and coercive power over officials it seeks to influence, and the promise of lucrative business deals, all-expenses-paid trips to China, and other windfalls can be appealing. Disclosure requirements can help deter such behavior, but any and all efforts to ensure responsive and accountable governance also serve this end.
- Independent media and civil society play important roles in exposing foreign political influence and its impact. The disclosure requirements recommended in this section allow for access to information. Where absent, however, media and civil society can nevertheless investigate and expose the CCP’s political activity by using the research methods in section II of this report. Information and awareness can, in turn, put public pressure on leaders to prioritize the interests of the country over their own.
- The tactics described in this section are part of the CCP’s broad work to exert influence. Economic influence and influence in the information space also achieve political ends. Therefore, the solutions described in those sections are important for addressing political influence. An effective response to mitigating political influence requires a whole-of-society and whole-of-government approach.
- In some areas, the PRC has been learning from and adapting Russia’s approach to influence campaigns. A better understanding of Russia’s influence toolkit, and of how the PRC has adopted those measures to fit its strategies, can better prepare countries to address the challenges posed by the PRC.<sup>77</sup>

## SUBNATIONAL GOVERNMENTS, LEGISLATURES, AND POLITICAL PARTIES

### OVERVIEW OF PRC TOOLS AND TACTICS AND THEIR IMPACT ON DEMOCRACY

Maintaining ties with subnational political parties, legislators, or governments is common in bilateral diplomacy. Unlike the PRC, however, most countries do not use these ties to build political leverage over influential members of other societies guided by an authoritarian party. That aside, there are three other ways Beijing’s unique approach differs from standard diplomatic practice:

- the amount of resources it devotes to cultivating these relationships;
- its tendency to obfuscate the purpose of the relationships; and

<sup>75</sup> “Foreign Influence Registration Laws and Civil Society: An Analysis and Responses.”

<sup>76</sup> King, Adam and Daniel Twining. “In Lawmaking, the Details Matter. Taiwan Would be Wise to Remember That.” *The Diplomat*, 26 May 2024, <https://thediplomat.com/2024/05/in-lawmaking-the-details-matter-taiwan-would-be-wise-to-remember-that/>.

<sup>77</sup> See: Defending Democratization: How the OSCE’s ODIHR Can Counteract Russian Influence .Power 3.0, 21 August 2023, <https://www.power3point0.org/2023/08/21/defending-democratization-how-the-osces-odihhr-can-counteract-russian-authoritarian-influence/>

- the tendency to hide the role of the PRC's party-state.

The result is a collection of organizations, many of which claim to be independent or non-governmental despite the fact that they are all under direct CCP control. Their purpose is to build friendly relationships with influential people in other countries at all levels. The CCP honed its approach during its long years of international isolation in the 1950s and 1960s, when many countries recognized Taiwan, instead of Beijing, as the legitimate government of China. To combat U.S.-led attempts to isolate it, Beijing needed to build political ties with other countries that were not government-to-government. As a result, the PRC has front organizations corresponding to almost every level of society in other countries. These organizations can build ties with other countries' political parties, legislatures, state and provincial governments, and even mayors or city council members.

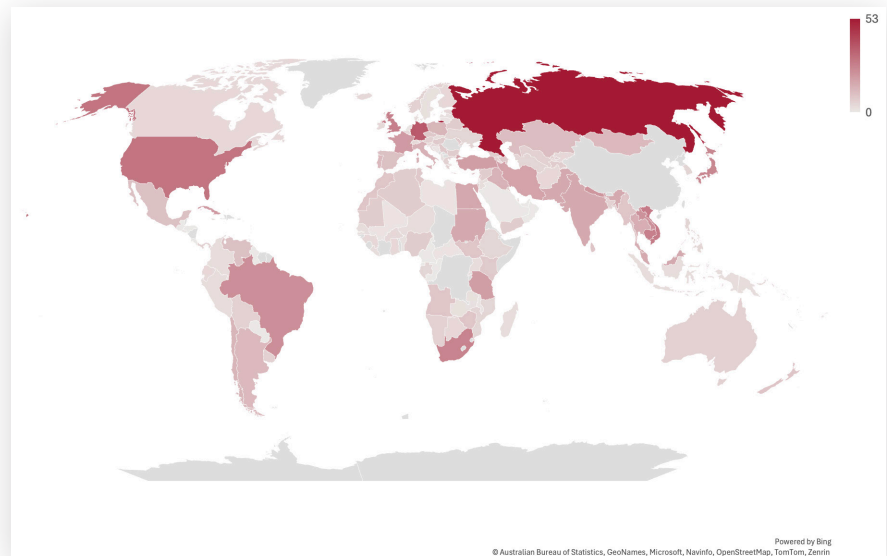
In most circumstances, the desire to build strong, friendly international relationships is an admirable goal. Unfortunately, Beijing uses this form of diplomacy in ways that can be harmful to other countries' sovereignty and democratic institutions. Having connections at every level of government can be useful for circumventing an unfriendly national government or for making sure that, regardless of who is in power or how poorly they behave, Beijing has friends.

The PRC's tendency to obscure connections to the PRC state means that these ties are also often conduits for espionage and corruption. Politicians compromised through these ties may make decisions that are not in the national interest, or even damaging to important institutions like freedom of speech or freedom of assembly. Finally, this form of diplomacy is designed to promote a one-sided view of the PRC through one-on-one conversations that feel genuine and meaningful to foreign targets. Beijing knows that systematically cultivating a wide range of "friendships" gives it a powerful tool to manipulate foreign perceptions of its intentions and actions.

The PRC seeks to cultivate relationships through three major channels:

- **Party-to-party exchanges:** The CCP is divided into several major departments. One of these, the powerful International Liaison Department (ILD), is devoted solely to building relationships with foreign political parties. The ILD acts almost as a shadow foreign ministry; many PRC diplomats work for the ILD at some point in their careers. Although one might expect it to prefer communist partners, the ILD engages parties from all over the ideological spectrum in all parts of the world. In its interactions with political parties around the world, the ILD is used as a vehicle to popularize the PRC's "best practices," for example, the content of their meetings and trainings include sharing the PRC's approach to poverty alleviation or the CCP's methods of party-building, party loyalty, and effective communication, all of which entail the spread of the PRC's system of government and central control. Publicly available data collected by IRI shows that, from 2018 to 2023, the ILD conducted exchanges with over 600 political parties in more than 160 countries, an extraordinary number considering this period overlapped with China's years of Covid-19 isolation.<sup>78</sup>

2018–2023 ILD Engagements



<sup>78</sup> "Department Profile." International Department of the Central Committee of the CPC, <https://www.idcpc.org.cn/english/Profile/profile/index.html>; "Introduction." International Department of the Central Committee of the CPC, <https://www.idcpc.org.cn/zlbj/wbjj/>. Accessed 8 January 2024.

- **Exchanges with legislatures:** Unlike the ILD and foreign political parties, there is no part of the CCP whose only job is to build relationships with foreign legislatures. However, the PRC maintains a large number of bilateral parliamentary friendship associations that identify and cultivate friendly members in foreign legislatures. Although it can be unclear who runs the associations, there are some indications that the PRC's Ministry of Foreign Affairs oversees them. On the PRC side, the associations are usually staffed by a combination of diplomats and members of China's rubber-stamp legislature, the National People's Congress. Their job is to help their foreign members better "understand" China, a mission they conduct in a number of ways, including all-expenses-paid luxury junkets to Beijing and other Chinese cities.
- **Exchanges with subnational governments:** As with legislatures, the PRC uses a large collection of front organizations to engage with powerful members of state, provincial, and municipal governments; this includes sister-city exchanges. The three most important are the Chinese People's Association for Friendship with Foreign Countries (under the Ministry of Foreign Affairs), the China Association for International Understanding (under the Ministry of Civil Affairs), and the China Association for International Friendly Contact (subordinate to the Liaison Bureau of the Political Work Department of the Central Military Commission). In a reflection of both organizations' importance, they were until recently headed by the children of two of the PRC's Eight Immortals, the legendary group of elderly revolutionaries who ran China in the 1980s. The tactics used by these organizations are similar to those used by PRC-run parliamentary friendship associations.

In addition, the PRC deploys the full weight of its economic influence at the subnational level as well, cultivating relationships and capturing elites to develop China-friendly proxies within government at the city, provincial, and regional levels (see above section on economic influence for further details on PRC tactics). Particularly in federalized countries, such subnational governments have extensive control over economic matters and often seek out investment and infrastructure development from China. In turn, the PRC develops a deeper cohort of friends to advance its interests in the country, sometimes helping overcome challenges at the national level.<sup>79</sup>

## POLICY AND ADVOCACY RESPONSES<sup>80</sup>

**Impose travel disclosure requirements:** Government and elected officials should be required to disclose their overseas travel as well as the source of financing for that travel. Where possible, such information should be made publicly available so that the media can monitor and report on such travel and citizens can have access to information on sources of financing that could potentially influence elected and government officials. Where such information cannot be made public (e.g., contact between senior intelligence officers), such information should nevertheless be available to oversight bodies.

**Increase awareness and understanding of CCP political influence tactics:** Government officials often have a limited understanding of the CCP's tools and tactics. Officials of all ranks require training to understand how foreign actors seek to influence them. Governments (top-down) or trusted academic institutions, think tanks, et cetera, can provide this training. Refresher courses should also be given on a regular basis. Additionally, support for whistleblowers should be established.

**Scrutinize or suspend subnational diplomacy agreements:** Suspending subnational diplomacy initiatives with authoritarian regimes, although difficult to achieve in federal systems, means taking a principled stance on issues like human rights and democracy. It signals dissatisfaction with the policies and actions of authoritarian regimes and

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<sup>79</sup> See, for example, the case of Brazil during the Bolsonaro regime, in "Coercion, Capture, and Censorship: Case Studies on the CCP's Quest for Global Influence."

<sup>80</sup> This section draws significantly from IRI's comprehensive report on PRC information manipulation, "Countering China's Information Manipulation: A Toolkit for Understanding and Action," which explores in detail how the PRC manipulates information environments in other countries and provides policy and advocacy recommendations for how to push back. The information in the report is compiled from an extensive literature review on the topic, as well IRI partner consultations over the last five years of programming.

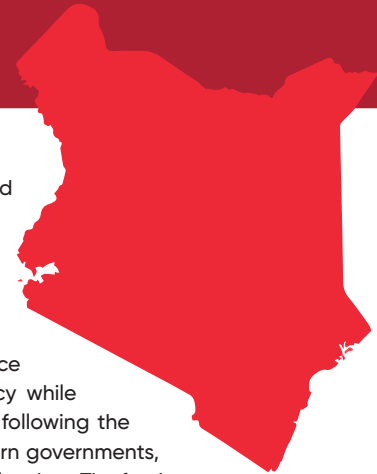
conveys disapproval and concern in ways that can help publicize the excesses committed by authoritarian governments. Suspending, or where suspension is not feasible, closely scrutinizing subnational diplomacy protects national interests, while guarding against potential exploitation or interference through such subnational channels by authoritarian entities. When taken in conjunction with deepened subnational-level ties with democracies, suspending destructive relationships with authoritarian states supports allies and builds solidarity among nations that share concerns about the corrosive effects of authoritarianism. Additionally, even the threat of suspending subnational partnerships can encourage dialogue and create incentives for change. It sends a message that actions have repercussions. Another possible measure, short of suspending subnational ties, is to bypass the friendship bureaucracy and engage directly with PRC counterparts. For instance, if a municipality or state cooperates with a Chinese city or state on an environmental topic, the former should work with the relevant bureaucracy, rather than with the local branch of the Chinese People's Association for Friendship with Foreign Countries (CPAFFC). If subnational governments find they cannot do that, they might realize that the relationship is problematic and more than it seems.

**Require asset disclosures for elected officials:** Elected officials should be required to disclose all assets and income to mitigate potential links or vulnerabilities to CCP influence. This information should be publicly available to allow civil society and journalists to expose pressure points in political parties and government officials that the PRC can abuse.

## CASE STUDY

### KENYA

China relies heavily on the CCP's ILD, the National People's Congress (NPC), and the China Association for International Friendly Contact (CAIFC) to foster ties and increase its influence across the African continent. According to research by the Africa Center for Strategic Studies, the ILD works with political parties in 51 African countries, while the NPC has official relations with 35 African parliaments.<sup>81</sup> In Kenya, the ILD has capitalized on the reticence of Western governments to engage with presumed Kenyan electoral victors following allegations of fomenting violence and election fraud. In doing so, the ILD has lent political support and legitimacy while establishing strategic inroads with major political parties in the country. Similarly, following the contested elections in 2013 and prolonged recognition of election results by Western governments, the ILD saw an opportunity to strengthen these party ties and support its embattled leaders. The foreign ministry and the Chinese ambassador to Kenya pledged to "expand and enrich the scope and forms of party-to-party exchanges, deepen political dialogue, consolidate political mutual trust, and broaden exchanges in governance and development."<sup>82</sup> Those efforts have undeniably paid dividends, promoting both Beijing's ideology and international influence. Top officials in the Jubilee Party frequently praise the CCP's achievements and model of governance, attend party-building trainings by the CCP in China, and host party-building trainings led by the CCP in all of Kenya's counties.<sup>83</sup> The CCP's intensive diplomacy with the Jubilee Party has contributed to the latter's vocal support for China's interests and political positions in international forums. Case in point: former Secretary-General of Kenya's previous ruling Jubilee Party (which was in power from 2016-2022), Raphael Tuju, has stated that the CCP provides an example for his government.<sup>84</sup> While the Jubilee is no longer a major party, the case illustrates how the PRC can use political party ties to export its authoritarian model of governance and undermine democratic values within political parties abroad.



<sup>81</sup> Nantulya, Paul. "China's United Front Strategy in Africa." Africa Center for Strategic Studies, 5 September 2023, <https://africacenter.org/spotlight/china-united-front-africa/>.

<sup>82</sup> See Kenya Case Study in: "A World Safe for the Party: China's Authoritarian Influence and the Democratic Response."

<sup>83</sup> See Kenya Case Study in: "A World Safe for the Party: China's Authoritarian Influence and the Democratic Response."

<sup>84</sup> "How China's Communist Party trains foreign politicians." The Economist, 10 December 2020, <https://www.economist.com/china/2020/12/10/how-chinas-communist-party-trains-foreign-politicians>.

## CASE STUDY

# BRAZIL



In Brazil, under the former Bolsonaro administration (2019-2022), the PRC cultivated close ties with the Brazilian Congress and the then-political opposition (to Bolsonaro) at the subnational level to advance its political interests, building off strong economic ties and perceptions of dependence on trade with the PRC.<sup>85</sup> From funding delegations for Brazilian members of Congress<sup>86</sup> to inking economic deals at the subnational level,<sup>87</sup> the PRC worked to develop China champions at all levels of government. In turn, the Brazilian Congress and subnational political opposition emerged as strong proponents of fostering close ties with China. Within Congress, numerous caucuses regularly advanced pro-China policies on issues ranging from foreign investment and land ownership to extradition and vaccines. The PRC 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.<sup>88</sup> 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.<sup>89</sup> Since entering office in 2023, President Luiz Inácio da Silva's administration has been overtly engaging the PRC.

The Brazil case is illustrative of how the PRC uses economic leverage to achieve political ends – and also how the question of engagement with China can emerge as a domestic political issue and narrative to score political points. It underscores the importance of training for all levels of government on PRC political influence, the need for oversight of subnational diplomacy and economic engagement, and the critical role of media in reporting on developments in PRC-Brazil relations.

## LESSONS LEARNED AND KEY CONSIDERATIONS

- While attempts to build international understanding and trust are inherently good, the PRC party-state exploits such efforts to advance its own agenda. This makes well-meaning people in democratic societies especially vulnerable to the PRC's subnational, legislative, and political party exchange programs, which use the language of understanding and trust as cover for propaganda, subversion, and sometimes even espionage. Actors from democratic countries are often unprepared for the scale and sophistication of the PRC's efforts to utilize political engagement and training to advance its own authoritarian ends and do not approach the PRC with the proper level of skepticism. Although democratic countries support similar exchange programs, the bottom line is that the CCP's use of these as a weapon has very little in common with their use by democracies.
- Beijing has similarly co-opted "soft power" exchanges such as sister-city partnerships, formalized by the U.S. during the Cold War to promote liberal democracy behind the Iron Curtain, to promote its values and governance.

<sup>85</sup> See Brazil Case Study in: "Coercion, Capture, and Censorship: Case Studies on the CCP's Quest for Global Influence."

<sup>86</sup> "Senador Irajá Abreu is impressed with the competence of the Chinese government in the economic agenda [Senador Irajá Abreu está impressionado com a competência do governo chinês na pauta econômica]." CRI, 24 September. 2019, <http://portuguese.cri.cn/videos/noticias/3325/20190924/357416.html>.

<sup>87</sup> McGeever, Jamie and Pedro Fonseca. "Brazil clears emergency use of Sinovac, AstraZeneca vaccines, shots begin." Reuters, 17 January 2021, <https://www.reuters.com/article/us-health-coronavirus-brazil/brazil-clears-emergency-use-of-sinovac-astrazeneca-vaccines-shotsbegin-idUSKBN29M0M3>; Londono, Ernesto, et al. "Bolsonaro Talked Vaccines Down. Now Brazil Has Too Few Doses." The New York Times, 18 January 2021, <https://www.nytimes.com/2021/01/18/world/americas/brazil-covid-variants-vaccinations.html>; "Sao Paulo starts building production plant for China's Sinovac vaccine: governor." Reuters, 9 November 2020, <https://www.reuters.com/article/us-health-coronavirus-brazil-sinovac-idINKBN27P24K>.

<sup>88</sup> Amaral, Luciana. "China urges House not to favor Taiwan; deputies see 'pressure' [China pede que Câmara não fique a favor de Taiwan; deputados veem 'pressão']." Uol, 28 May 2020, <https://noticias.uol.com.br/internacional/ultimas-noticias/2020/05/28/china-pressionadeputados-federais-a-nao-se-manifestarem-a-favor-de-taiwan.htm>.

<sup>89</sup> See Brazil Case Study in: "Coercion, Capture, and Censorship: Case Studies on the CCP's Quest for Global Influence."

The PRC has benefited from a lack of understanding or mirror-imaging (the belief that local governments are transparent entities that act independently from the party-state) at the local level. In reality, local governments in the PRC cannot act independently and their units act upon directives from and are supervised by the CCP at the local and central level.

- The ILD's broad engagement with political parties across the spectrum ensures that "Friends of China" have increased chances of landing in positions of power with every change in government. The ILD is the tool the party relies on to establish and maintain these ties. While meeting with the ILD does not immediately mean that one party has been coopted or recruited by the other, extended relationships with local interlocutors sustained by the ILD over time indicate that the ILD perceives that the relationship has utility for the party. Understanding how the PRC perceives – and utilizes – these ties is essential not just for political parties but for political actors more broadly.
- Parties that do engage with the ILD should be more transparent about the nature and content of these meetings to prevent the ILD from taking advantage of these meetings as a propaganda point to strengthen the perception that the PRC and its system of governance is widely accepted and admired.
- At the subnational level, there is a critical lack of awareness of the PRC's political system and the CCP apparatus. Direct engagement by the PRC at these levels enables the PRC government and CCP party organs to control first impressions of the PRC among potentially politically influential individuals.
- Unlike other forms of influence, it is relatively easy to address exchange-based diplomacy. The solutions proposed above are unlikely to deprive anyone of their civil liberties and, unlike influence in the economic sphere, addressing PRC subnational diplomacy does not require huge changes to a country's economy. This means, in theory, the problem should be easier to fix. Nevertheless, it will still require strong action by civil society and journalists, since politicians may be reluctant to place restrictions on themselves, particularly when they have economic interests in maintaining strong and opaque ties with the PRC.

## COVERT POLITICAL INFLUENCE

### OVERVIEW OF PRC TOOLS AND TACTICS AND THEIR IMPACT ON DEMOCRACY

Although the PRC's direct electoral interference in foreign countries is relatively new, Beijing has long used front groups, criminal gangs, and co-option of legitimate organizations to covertly influence foreign politics. This marriage of covert subversion with overt political work is as old as the CCP itself: in a 1936 essay, one of Mao Zedong's lieutenants explained the link between the Party's work and secrecy by saying, "[o]nly when secret work is added to open work is the work of the party complete, with secret work occupying the main, guiding position."<sup>90</sup>

After the end of the Chinese Civil War, the CCP continued to use the covert subversion techniques it perfected during the war to influence events outside its borders. For example, in the years prior to Hong Kong's 1997 return, Beijing relied on an underground network of agents, a mixture of intelligence officers, organized crime, and front organizations to influence events in the territory.<sup>91</sup>

The PRC uses different elements of its covert political mobilization model around the world, relying primarily on a constellation of front organizations tied, in one way or another, back to the CCP. From purported "think tanks" to local chapters of PRC associations, these organizations spread PRC propaganda on Beijing's core issues. They also perform various tasks on behalf of the state, from mobilizing protesters over visits by people the PRC regards as enemies of

<sup>90</sup> Liu Shaoqi. "论公开工作与秘密工作 Lun Gongkai Gonguo Yu Mimi Gongzuo." 共产党员 Gongchandangyuan, October 20, 1939.

<sup>91</sup> The best history of this phenomenon can be found in: Loh, Catherine. *Underground Front: The Chinese Communist Party in Hong Kong*. Hong Kong, Hong Kong University Press, 2010.



the state (e.g., the Dalai Lama), the defense of Confucius Institutes, or countering pro-Hong Kong rallies on university campuses.<sup>92</sup>

Beijing's most frequently used forms of covert political mobilization include:

- **Front organizations:** Worldwide, the PRC has at its disposal a vast number of front organizations that are involved in propaganda and play a role in the CCP's influence work. These include the China Association for International Friendly Contact (CAIFC), which has ties to the PLA Political Work Department, the China Council for the Promotion of Peaceful National Reunification (CCPPNR), the China-U.S. Exchange Foundation (CUSEF), the U.S.-China Cultural Exchange Society, as well as other organizations whose names often include variations on the theme of peaceful reunification, such as the National Association for China's Peaceful Unification (NACPU).<sup>93</sup>

Purported "think tanks," such as the now-defunct China Energy Fund Committee (CEFC), also do outreach and organize academic conferences in support of the PRC's interests, establishing connections with influential global institutions to legitimize influence campaigns under the pretense of academic exchanges.<sup>94</sup> In many cases, these efforts were successful, largely because counterparts in these exchanges were unaware that they were collaborating with individuals linked to the PRC state. Similar organizations use cultural and religious exchanges to cultivate contacts, engage in co-optation, and spread pro-CCP propaganda. Many have successfully used their once-removed ties to the Party to bolster their legitimacy, again relying on lack of awareness as to their ties to the party-state apparatus to sustain their reach and appeal.

- **Criminal gangs:** The PRC supports a network of triad organizations around the world, particularly in countries with a substantial Chinese diaspora. While those organizations' primary focus is on traditional criminality (debt collection, smuggling, prostitution, drug trafficking, et cetera), crime syndicates seeking to continue operations in the motherland must cooperate with the CCP. In Hong Kong and Taiwan, triads have often collaborated with pro-CCP politicians and political parties (the China Unification Promotion Party, or CUPP, in Taiwan, is led by a former head of Bamboo Union crime syndicate) to threaten, intimidate, and physically assault CCP critics.<sup>95</sup> Many triads operate across Southeast Asia and are involved in human smuggling, arms trafficking, and other criminal activities. It is also suspected that some CCP-affiliated triads are recycling the proceeds of some of their criminal activities into political work – or united front work – on behalf of the Party.
- **Co-option of legitimate organizations:** PRC front organizations have also taken over, or penetrated, local chambers of commerce (mainly in Chinatowns) and used their influence to reach out to, and attempt to co-opt, local politicians or influence voting behavior.<sup>96</sup> The PRC also uses city-to-city or sister city exchanges, under the supervision of the CPAFFC, to influence officials at the local level, often using cultural events as cover for propaganda or political work.<sup>97</sup>

<sup>92</sup> See: Charon, Paul and Jean-Baptiste Jeangène-Vilmer. « Chinese Influence Operations: A Machiavellian Moment. » Institut de Recherche Stratégique de l'Ecole Militaire, October 2021, <https://www.irsem.fr/report.html>; Hsu, Szu-chien and J. Michael Cole (eds.). *Insidious Power: How China Undermines Global Democracy*. Eastbridge. 2020.

<sup>93</sup> See chapters by Peter Mattis and Mark Stokes in Hsu and Cole.

<sup>94</sup> Allen-Ebrahimian, Bethany, Nick McKenzie and Zach Dorfman. "China wants a new world order. At the U.N., NGOs secretly paid cash to promote Beijing's vision." *Yahoo News*, 11 November 2018, <https://www.yahoo.com/news/china-wants-new-world-order-u-n-china-linked-ngos-secretly-paid-cash-promote-beijings-vision-145746181.html>

<sup>95</sup> Cole, J. Michael. "On the Role of Organized Crime and Related Substate Actors in Chinese Political Warfare Against Taiwan." Ministry of Justice Investigation Bureau (Taiwan), 2020, [https://www.mjib.gov.tw/FileUploads/eBooks/6f2646ebb06a4ddb2449c950a42533d/Section\\_file/8a0b255919bc48e1bc3d2a38825cd3c8.pdf](https://www.mjib.gov.tw/FileUploads/eBooks/6f2646ebb06a4ddb2449c950a42533d/Section_file/8a0b255919bc48e1bc3d2a38825cd3c8.pdf)

<sup>96</sup> Groot, Gerry. "Understanding the Role of Chambers of Commerce and Industry Associations in United Front Work." *Jamestown Foundation*. 19 June 2018, <https://jamestown.org/program/understanding-the-role-of-chambers-of-commerce-and-industry-associations-in-united-front-work/>.

<sup>97</sup> Yan, Flora. "CCP Stealth War 133; Feature: China's Sister-City Relationships in Focus." *Jamestown Foundation*, 12 May 2023, <https://jamestown.org/program/sw-133-feature-chinas-sister-city-relationships-in-focus/>.



Confusion and misunderstanding help Chinese organizations overseas. A lack of awareness about the nature and objectives of PRC-backed organizations worldwide helps, as does the tendency of people in democratic societies to conflate their vibrant, independent civil society with the highly constrained, co-opted organizations in China. Few China specialists, for example, have done the rigorous research to untangle the inherent complexity and ambiguity of this kind of covert influence, which often nests inside legitimate organizations.

Beijing's reliance on covert political work has eroded local democratic institutions, contributed to co-optation of local officials and at UN institutions, and fueled paranoia in the Chinese diaspora. Perhaps most perniciously, these kinds of covert influence erode the social cohesion necessary to address them. They turn groups against one another and tip other societies over from healthy caution into self-destructive paranoia. Most countries' legal environment is also ill-equipped to deal with the challenges posed by the CCP's exploitation of sub or non-state actors, whose activities often lie in legal grey zones.

## POLICY AND ADVOCACY RESPONSES

**Increase knowledge and awareness of CCP tactics:** To counter the corrosive effects of China's global influence campaigns, government institutions, local organizations, civil society, media, and academia must understand the groups involved in the work, their connections to the Chinese party-state, their modus operandi, and their role in the PRC's larger influence campaign. Think tanks, academic institutions, and the media should be provided with the right analytical tools to study China and help map this complex and ever-changing web of theoretically non-state organizations. It is also necessary to equip researchers with the language skills needed to identify, track, and monitor this plethora of organizations.

**Promote collaboration:** Law enforcement and intelligence agencies should be willing to collaborate with think tanks, academia, and the media by sanitizing some classified material. Outreach to potentially targeted communities, sectors, and organizations, either by security intelligence agencies or think tanks, will also help protect against potential penetration by, or unwitting collaboration with, groups acting on behalf of an authoritarian state. In many cases, however, civil society will be reluctant to collaborate with a country's security apparatus due to lack of trust, which can be reciprocal. Nevertheless, efforts should be made to build trust and find ways to make these two groups' work more collaborative and complementary.

**Outreach to diaspora communities:** Given that many of the CCP-affiliated front organizations operate within the Chinese diaspora, students of PRC influence and agencies tasked with tracking such activities must deepen their outreach to Chinese-speaking communities. This is of the highest importance, as (1) members of the diaspora have unparalleled language, historical, and cultural tools that can play a key role in making sense of the various front organizations (and, logically, intelligence and law enforcement agencies should recruit more from those communities); and (2) greater awareness surrounding PRC front organizations could result in backlash, intentional or unintentional, against law-abiding residents of Chinese descent. Cultural sensitivity, combined with outreach to the Chinese diaspora so that it feels included, rather than treated with suspicion, will protect states against accusations of racism or anti-Asian sentiment. It will also win over allies from the diaspora with unique skill sets and reduce the efficacy of China's influence tools.

**Adopt legal amendments to address grey zone activities:** Some, albeit not all, PRC-linked subnational front organizations' work in democracies is illegal, meaning that target countries' legal systems can respond. However, in many cases, influence efforts do not meet the threshold of illegality. Legal systems must be more adaptive and better equipped to respond to actors that exploit legal blind spots or gray areas. Countries, working with legal experts, should assess whether foreign registration and disclosure laws are appropriate to their local context by assessing the independence of judicial systems, state capacity to exert oversight for such a registry, and legislative capacity to design a law that is tailored, proportionate, and evidence-based to address grey zone activities.<sup>98</sup> Lawmakers must make sure not to

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<sup>98</sup> For a comprehensive assessment of the potential misuse of foreign agent laws, see: "Foreign Influence Registration Laws and Civil Society: An Analysis and Responses."

violate freedom, the rule of law, and the openness of financial and other relationships between legitimate international organizations. Law enforcement and intelligence agencies must understand the nexus between subnational/criminal behavior and the potential political uses stemming from such activities. These can include laundering money from criminal activity to fund political organizations or influence elections, providing guns to substate groups, and violence against those Beijing regards as enemies.

## CASE STUDY

# THE CZECH REPUBLIC



The Czech Republic provides what is perhaps an unparalleled example of the PRC's use of a subnational actor in the pursuit of its geopolitical aspirations. At the same time, the country provides a salient example of the power of investigative work in exposing external authoritarian actors' behind-the-scenes meddling and its effects on democratic institutions. The China Energy Fund Committee (CEFC) and its parent, Shanghai-based energy company CEFC China, are the main players here.<sup>99</sup> At the height of the PRC's focus on BRI projects in Central and Eastern Europe (CEE), Beijing counted on powerful non-state organizations like CEFC. CEFC, part energy company, part "think tank," established new links, co-opted individuals, influenced academia, and legitimized the whole enterprise. CEFC used the Czech capital as its gateway to the rest of CEE and began an aggressive acquisition spree, buying real estate in downtown Prague, a brewery, a soccer team, and other assets. The Czech Republic's president at the time, Miloš Zeman, who was keen on furthering economic ties with China, invited CEFC Chairman Ye Jianming to be his special economic advisor.

CEFC's presence in the Czech Republic attracted the attention of journalists and academics. Subsequent investigations pointed to troubling ties between the CEFC and the Chinese intelligence apparatus, military, and other united front entities such as CAIFC. This included Chairman Ye himself. Around the same time, the CEFC "think tank," based in Hong Kong and led by Patrick Ho Chi-ping, an ophthalmologist turned Secretary for Home Affairs of the Hong Kong government under Tung Chee-wah, set up a presence in Washington, D.C. There, CEFC co-organized conferences on topics of interest to the PRC (territorial claims, the demise of the West, et cetera) with reputable institutions like universities and think tanks that saw it as a regular think tank and its members as bona fide academics. It also operated in New York and began to build up influence at the UN, particularly at the UN's Economic and Social Council, or ECOSOC.

By then, the shadowy CEFC was flashing lights on the radars of China watchers, who began to investigate and write about CEFC's activities and influence. This resulted in the threat, and in one instance, the use, of legal action against journalists and academics in the Czech Republic, the United States, Australia, and Taiwan, where CEFC had an office under a different name. Rather than allow themselves to be cowed by CEFC's legal action (which, among other things, demanded that articles about CEFC be deleted), the targets worked together to ensure that their information got to the FBI, which eventually launched an investigation into Ho's activities at the UN which included bribing senior officials, leading to his arrest, imprisonment, and subsequent deportation.<sup>100</sup> Around the same time, Ye, at one time the PRC's wealthiest individual under 40, appeared to have been detained by the PRC and has not been seen or heard of since. He is, presumably, under house arrest. Before CEFC's collapse (its fortune was illusory, and it relied on unsustainable lending from shadow banks in the PRC to finance itself)<sup>101</sup> and nationalization by the state (it has been absorbed by the China International Trust Investment Corporation), the organization had extended its influence in several countries, including the Czech Republic, the U.S., Myanmar, Singapore, Taiwan, Georgia, Chad, and in the halls of the UN. One of the people it ostensibly co-opted was a former director of the CIA.<sup>102</sup>

<sup>99</sup> Hala, Martin. "A New Invisible Hand: Authoritarian Corrosive Capital and the Repurposing of Democracy." National Endowment for Democracy, March 2020, <https://www.ned.org/wp-content/uploads/2020/03/New-Invisible-Hand-Authoritarian-Corrosive-Capital-Repurposing-Democracy-Hala.pdf>.

<sup>100</sup> "Patrick Ho, Former Head Of Organization Backed By Chinese Energy Conglomerate, Sentenced To 3 Years In Prison For International Bribery And Money Laundering Offenses." U.S. Attorney's Office, Southern District of New York, 25 March 2019, <https://www.justice.gov/usao-sdny/pr/patrick-ho-former-head-organization-backed-chinese-energy-conglomerate-sentenced-3>.

<sup>101</sup> Zhu, Julie and Engen Tham. "China's CEFC was scrambling for loans as authorities swooped." Reuters, 12 March 2018, <https://www.reuters.com/article/cbusiness-us-china-cefc-loans-idCAKCN1GO0DE-OCABS>.

<sup>102</sup> Blake, Aaron. "Indictment paints tale of Chinese interests and 2016 Trump campaign." Washington Post, 15 July 2023, <https://www.washingtonpost.com/politics/2023/07/15/indictment-paints-tale-chinese-interests-2016-trump-campaign/>.

## CASE STUDY

## TAIWAN

Subnational exchanges play a major role in the PRC's efforts to influence politics in Taiwan. Mandarin and much shared culture link the two countries. Many religious and cultural organizations in the PRC promote exchanges which reinforce narratives supporting Beijing's claims of sovereignty over Taiwan.<sup>103</sup> These include Buddhist/Taoist temple visits (e.g., Mazu pilgrimages),<sup>104</sup> all-expenses-paid summer camps and educational tours in China for Taiwanese students,<sup>105</sup> and cultural exchanges.<sup>106</sup> In most, if not all, cases, the PRC's subnational entities are not fully independent of the party-state apparatus, which either provides guidance or uses the organizations as fronts for political work. Some of the exchanges also aim to co-opt those Taiwanese the PRC seeks to recruit to further propagate its narrative on reunification. In some cases, CCP officials have used exchanges like religious pilgrimages as cover to visit Taiwan and engage in political work during "side meetings." The Covid-19 pandemic has soured ties in the Taiwan Strait and prompted greater scrutiny from Taiwan, making the PRC's operating environment more challenging. Most Taiwanese invited to tour China on all-expenses paid trips are aware of the trips' political subtext and most will state that they got a free trip to the PRC but are immune to China's efforts to woo them. In fact, several beneficiaries of such trips argue that the PRC invests money for this type of united front work with little results. The PRC also relies on crime syndicates, or triads, for political work like harassing dissidents, added security for visiting CCP officials (much reduced due to souring cross-Strait ties since 2016), underground banking (which may be used for political purposes, given the Bamboo Union's symbiotic relationship with the China Unification Promotion Party, CUPP), and arms trafficking.



## LESSONS LEARNED AND KEY CONSIDERATIONS

- Experience demonstrates that, in the PRC, no organization operates fully independently of the party-state apparatus. At a minimum, the PRC's highly constraining environment severely narrows the space in which CSOs can operate. It can therefore be difficult for even the most independently minded organization to fully resist the CCP's desire to guide their interactions with foreign counterparts.
- PRC front organizations involved in international influence work benefit from a lack of awareness among international audiences about the nature of their relationship with the party-state apparatus, their lack of independence, and their *raison d'être*. In most cases, international organizations and host country governments tend to assume that friendship groups, think tanks, and other front organizations are similar to civic groups in the democratic world, rather than extensions of the PRC state, and treat them accordingly as independent. Greater effort must therefore be put into uncovering the ties between these organizations and the PRC-CCP and making sure those ties are well-known.

<sup>103</sup> A very small sample of subnational organizations are involved in cross-Strait efforts on behalf of Beijing: the Peace and Development Research Center, the National Society of Taiwan Studies, the China Painting Academy for Friendly Contact, the Alliance for Unification of China, China Council for the Promotion of Peaceful Reunification (Taiwan), the Chinese Democratic Progressive Party, the Cross-Strait Integration Society, the Chinese Huangpu Four Seas Alliance Association, the China People's Democratic Unification Association, the Cross Strait Unification Association, the Taiwan Cross Strait Peaceful Development Association, the Taiwan One Country Two Systems Studies Association, the China Federation for Defending the Diaoyu Islands, and the Chinese Association for Political Party Liaison.

<sup>104</sup> Ho, Ming-sho. "China's Influence Campaigns Among Taiwan's Religious Organizations." Carnegie Europe, 30 November 2022, <https://carnegieeurope.eu/2022/11/30/china-s-influence-campaigns-among-taiwan-s-religious-organizations-pub-88479>; see also Lin, Yuan. "China hopes Mazu, a sea goddess, can help it win over Taiwan." The Economist, 15 June 2023, <https://www.economist.com/china/2023/06/15/china-hopes-mazu-a-sea-goddess-can-help-it-win-over-taiwan>.

<sup>105</sup> Zheng, Yibing. "Youth from Taiwan join summer camp in mainland." CGTN, 5 July 2023, <https://news.cgtn.com/news/2023-07-05/Youth-from-Taiwan-join-summer-camp-in-mainland-1lc3BL6kCs0/index.html>.

<sup>106</sup> Hsiao, Alison. "'Sing! China' Controversy Sheds Light on China's United Front Tactics." Taiwan Democracy Bulletin, 26 September 2017, <https://bulletin.tfd.org.tw/tdb-vol-1-no-13-sing-china-controversy-sheds-light-on-chinas-united-front-tactics/>.

- Domestic laws must be updated to better reflect the PRC's work so that organizations that conduct influence work can be dealt with accordingly. Every effort must be made so that new laws, as well as law enforcement and intelligence efforts, do not alienate legitimate activities or demonize the Chinese diaspora.
- There is an urgent need to reach out to, and learn from, members of the Chinese diaspora, as well as China's ethnic minorities abroad. This outreach will help authorities respond to the PRC's influence work and ensure that measures countering it are commensurate with the threat, sensitive to religious and cultural freedoms, and sufficiently focused so that they do not do any collateral damage.

## INFLUENCE IN THE INFORMATION SPACE

The CCP is highly aware of the power of narrative to create a world safe for the Party. To that end, the CCP advances its objectives to shape other countries' information environments and censor criticism with the full weight of its propaganda apparatus. It also cultivates foreign proxies and spokespeople to tell China's story. As detailed in IRI's *Countering China's Information Manipulation: A Toolkit for Understanding and Action*,<sup>107</sup> the CCP's approach is derived from United Front principles and aims to win over neutral actors and discredit perceived enemies. The CCP utilizes both carrots and sticks toward this end and targets local political, business, and media elites.

From information manipulation to targeting journalists, universities, and the Chinese diaspora to establish itself as the authoritative voice on PRC affairs, the CCP deploys a range of tools and tactics in its efforts to influence the information space. This section provides an overview of PRC influence in the information space, which includes information manipulation, media, and thought work, and the policy and advocacy tools that democratic stakeholders can use to counter this influence.

## INFORMATION MANIPULATION ONLINE<sup>108</sup>

### OVERVIEW OF PRC TOOLS AND TACTICS AND THEIR IMPACT ON DEMOCRACY

The Party tries to manipulate information because it believes it should exert maximum control over discussions related to China. The CCP uses a wide array of tools to push favorable narratives online. In instances where complete control is impossible, the CCP sows confusion or uses distortion to muddy the conversation. The CCP relies on the following means to manipulate information online:

- **Propaganda accounts:** Beijing operates numerous propaganda accounts on all major social media platforms, including Facebook, Twitter, and YouTube, among other localized platforms. While some are clearly operated by PRC-state media, Beijing has also used influencers to repeat propaganda without disclosing their association with the CCP.
- **Control of social media companies:** Most large social media companies are not based in China. One important exception is Bytedance, which owns TikTok. There is no evidence of Bytedance manipulating conversations on TikTok on behalf of Beijing. But the company's headquarters in China means that its senior leadership must obey Party demands and would not be able to refuse if they were required to manipulate online conversations in other countries.<sup>109</sup>

<sup>107</sup> "Countering China's Information Manipulation: A Toolkit for Understanding and Action."

<sup>108</sup> This section draws significantly from IRI's comprehensive report on PRC information manipulation, "Countering China's Information Manipulation: A Toolkit for Understanding and Action," which explores in detail how the PRC manipulates information environments in other countries. It provides policy and advocacy recommendations for how to push back. The information in the report is compiled from an extensive literature review on the topic as well IRI partner consultations over the last five years of programming.

<sup>109</sup> Wang, Yaqiu. "The Problem with TikTok's Claim of Independence from Beijing." Human Rights Watch, 24 March 2023, <https://www.hrw.org/news/2023/03/24/problem-tiktoks-claim-independence-beijing>.

- **Bot networks:** Beijing maintains large networks of fake accounts, or bots, on major social media platforms. These networks typically consist of many small accounts which amplify the content of larger pro-PRC accounts. They can also launch attacks on online adversaries.
- **Coordinated harassment/defamation:** The CCP targets critics, and even perceived critics, with propaganda, bot attacks, false rumors, threats, and doxing.

Collectively, these efforts to manipulate information have a real impact on democracy. CCP-sponsored information manipulation distorts coverage of China and confuses responses to it. Positive stories about economic development and successful partnerships, censorship of critical coverage about China, and powerful proxy voices help erode a nation's ability to make economic, political, and regulatory decisions. It can also limit reporting on issues related to engagement with China such as corruption, human rights, and environmental protection. CCP propaganda and information manipulation also undermine information integrity and can erode citizen trust in facts, as it pollutes online platforms and crowds out credible sources.

## POLICY AND ADVOCACY RESPONSES

It is impossible to stop the spread of CCP-sponsored propaganda and information manipulation. However, there are policy and advocacy responses countries can use to limit their impact and build resilient information ecosystems. Greater effort and coordination are also vital to ensuring that citizens can access fact-based information and know which trusted sources to turn to (see the media section below).

**Expose and counter propaganda and information manipulation:** Governments should pass legislation and create oversight bodies to monitor and, if necessary, move against organizations that disseminate misleading or false information. Foreign media should be subject to existing laws, such as the Foreign Agents Registration Act (FARA) in the U.S.,<sup>110</sup> the Foreign Influence Transparency Scheme (FITS) in Australia,<sup>111</sup> or a foreign influence transparency registry as is currently being explored by Canada.<sup>112, 113</sup> Any legal, regulatory, or policy effort must protect freedom of expression and only target malign actors. When designing any disclosure or registration scheme to counter and deter foreign influence, lawmakers must consider whether such laws are a necessary, tailored, proportionate, and evidence-based response to the concerns they are trying to address.<sup>114</sup> Lawmakers must also consider not only the law's objectives but any potential externalities and weaponization of the law for anti-democratic ends.<sup>115</sup>

**Take action against information manipulation:** After discussions with media and legal experts, using carefully worded statutes, governments should empower regulatory bodies to act against entities identified as acting on behalf of a foreign authoritarian power (e.g., content farms) or those which have repeat offenses against laws on information manipulation.<sup>116</sup> Punishment can range from warnings, fines, and, in extreme cases, closure or loss of a broadcast license. Governments could also use these regulations for social media (e.g., Baidu's video platform iQIYI and Tencent video).<sup>117</sup> Also, governments must write rules for advertorials and other forms of placement by authoritarian-owned media entities (e.g., content sharing). Governments must also put mechanisms in place to counter efforts by authoritarian regimes using lavish advertising buys to reward complicit media. Advertising should also be clearly labeled to make clear who is paying for it.<sup>118</sup>

<sup>110</sup> "Foreign Agents Registration Act." U.S. Department of Justice, <https://www.justice.gov/nsd-fara>. Accessed 8 January 2024.

<sup>111</sup> "Foreign Influence Transparency Scheme Resources." Australian Government Attorney-General's Department, <https://www.ag.gov.au/integrity/foreign-influence-transparency-scheme/fits-resources>. Accessed 8 January 2024.

<sup>112</sup> "Enhancing Foreign Influence Transparency: Exploring Measures to Strengthen Canada's Approach." Public Safety Canada, <https://www.publicsafety.gc.ca/cnt/rsrscs/pblctns/2023-nhncng-frgn-nfluence/index-en.aspx>. Accessed 8 January 2024.

<sup>113</sup> Polyakova, Alina and Daniel Fried. "Democratic defense against disinformation." Atlantic Council, 5 March 2018, <https://www.atlanticcouncil.org/in-depth-research-reports/report/democratic-defense-against-disinformation/>.

<sup>114</sup> "Foreign Influence Registration Laws and Civil Society: An Analysis and Responses."

<sup>115</sup> King, Adam and Daniel Twining. "In Lawmaking, the Details Matter. Taiwan Would be Wise to Remember That." The Diplomat, 26 May 2024, <https://thediplomat.com/2024/05/in-lawmaking-the-details-matter-taiwan-would-be-wise-to-remember-that/>.

<sup>116</sup> For more detailed information on potential legal and regulatory responses, please see the CEPPS Countering Disinformation Guide: "Countering Disinformation." Consortium for Elections and Political Processes Strengthening, 2021, <https://counteringdisinformation.org/>.

<sup>117</sup> Zhang.

<sup>118</sup> Polyakova and Fried.

**Rebuke foreign officials involved in information manipulation:** Government officials should use diplomatic measures to rebuke state-sponsored perpetrators of misinformation. Foreign officials should be held accountable for their attempts to undermine information integrity.

**Encourage best practices:**<sup>119</sup> Governments must work in collaboration with the management of major social media platforms, such as Facebook, Twitter, Line, YouTube and others on best practices for reducing harmful content, including information manipulation, propaganda, and activity by internet armies including bots, sock puppets, automated accounts, and activities which interfere with algorithms. Best practices should include:

- **Label state content:** All those affiliated with the CCP should be labeled as representatives of a foreign government or as part of state-affiliated media on social media platforms. This is a foundational element of what social media companies can do to stop information manipulation.
- **Better regulate fan pages and automated accounts:** Fan pages and automated accounts are platforms for the dissemination of harmful authoritarian content. They should be labeled, muted, or shut down, and media companies can take preventative action to stop users from sharing URLs for media working for hostile foreign authoritarian governments. These bans could either be permanent or used in particularly sensitive periods, such as the lead-up to elections, referenda, and so on.
- **Give researchers access to data:** Social media platforms can provide important support to researchers investigating information manipulation by providing them with access to data. There should be strict criteria on granting such access to protect against misuse and ensure data privacy.<sup>120</sup>

**Support digital literacy:** CSOs, education ministries, teachers, and community activists must incorporate digital literacy in their curricula to encourage people to think critically about the information they consume.<sup>121</sup> Training people about the potential misuses of information should help them better distinguish fact from fiction, understand how information spreads online, identify credible content (including through fact-checking tools), and assess their own role in sharing information. Training by qualified CSOs at community centers has proven effective in this regard.<sup>122</sup>

**Build communications security and resilience:** Activists, journalists, and researchers need to build secure communication networks to withstand digital harassment and systemic challenges posed by the CCP and other foreign authoritarian actors.<sup>123</sup> International donors and funders should include digital safety and security training for all partners working on countering foreign authoritarian influence and corruption, environmental degradation, or other topics affiliated with the CCP's engagement in their country.

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<sup>119</sup> Cook et al. "Beijing's Global Media Influence."

<sup>120</sup> Polyakova and Fried.

<sup>121</sup> "Countering Information Manipulation: A Playbook for Elections and Beyond." National Democratic Institute/International Republican Institute/Stanford Internet Observatory, 28 September 2021, <https://www.iri.org/resources/combating-information-manipulation-a-playbook-for-elections-and-beyond/>.

<sup>122</sup> Zhang.

<sup>123</sup> "Corpus Ong, Jonathan. "Building Comprehensive Approaches to Combating Disinformation in Illiberal Settings: Insights from the Philippines." National Endowment for Democracy, December 2021, <https://www.ned.org/wp-content/uploads/2021/12/Combating-Disinformation-in-Illiberal-Settings-Insights-from-the-Philippines-Jonathan-Corpus-Ong.pdf>.



## CASE STUDY

## TAIWAN

Cognitive warfare and dis- misinformation are important parts of the PRC's efforts to influence Taiwanese politics and society. To this end, China uses social media, content farms, political warfare units (e.g., Base 311), the Taiwan Affairs Office, co-opted local media, influencers, PR firms and the entertainment industry to promote a positive image of the PRC and of eventual reunification. This wide range of outlets and sources also supports ideologically aligned politicians in Taiwan and demonizes political opponents. The PRC aims to overwhelm, confuse, and divide Taiwan to weaken its defenses. Consequently, any response to this challenge requires a whole-of-society effort on the Taiwanese side.

Over the years, Taiwan has built resilience to pervasive PRC-supported information manipulation on everything from elections and domestic politics to trade and cross-Strait relations. It has also capitalized on PRC overreach – taking advantage of China's missteps to mobilize a whole-of-society response. This response has included legal and policy actions and civil society to track, expose, and counter information manipulation. Government-led efforts involve the executive and legislative branch, in addition to the country's national security apparatus, and includes coordinating bodies such as the Big Data and Public Opinion Task Force and Countering Fake News Rapid Response Group. Taiwan also bans the Chinese media outlets iQIYI and Tencent video.<sup>124</sup> Taiwan uses national legislation to fight false narratives, notably the Radio and Television Act and Satellite Broadcasting Act, though which the government fines domestic media that harms the public interest;<sup>125</sup> the Public Media Act, which addresses media independence and accountability; the Social Order Maintenance Act, that criminalizes misinformation online; and the Anti-Infiltration Act, which prevents "foreign hostile forces" from making political donations, conducting information manipulation, or interfering in elections.<sup>126</sup>

Civil society has supported the government in this work. Taiwanese digital democracy activists, media workers, social scientists, and data engineers came together in response to political interference in the 2018 elections. They devised strategies for battling information manipulation, promoting media literacy, creating automated fact-checking chatbots, and for spreading accurate public information generally.<sup>127</sup> Several NGOs have institutionalized this work; the Information Environment Research Center (IORG) "uses science and education to reduce information manipulation, advance understanding of the Mandarin information environment, facilitate reasonable public discourse, and strengthen Taiwan's democratic resilience."<sup>128</sup> IORG publishes public reports on information manipulation campaigns and works with high school teachers and civil society to provide training on media literacy and information manipulation. Cofacts provides a real-time collaborative platform for fact-checking and does media literacy and fact-checking skills training.<sup>129</sup> IORG and Cofacts are just two of the many Taiwanese CSOs tackling information manipulation. While this whole-of-society effort has not made Taiwan immune to the challenges posed by the CCP, it has greatly strengthened the information ecosystem in the country.



<sup>124</sup> Zhang.

<sup>125</sup> Dickey, Lauren. "Confronting the Challenge of Online Disinformation in Taiwan." Stimson Center, September 2019, <https://www.stimson.org/wp-content/files/file-attachments/StimsonTaiwanSecurityBrief2019.pdf>.

<sup>126</sup> Zhang.

<sup>127</sup> Chen, Ketty. "Taiwan's Democracy Under Fire." *Journal of Democracy*, volume 33, number 3, July 2022, pp. 144-157, <https://muse.jhu.edu/article/860234/pdf>.

<sup>128</sup> "About IORG." IORG, [https://iorg.tw/\\_en/about](https://iorg.tw/_en/about).

<sup>129</sup> "About." Cofacts, <https://en.cofacts.tw/about>.



## LESSONS LEARNED AND KEY CONSIDERATIONS

- Given the scope and scale of the problem, it is impossible to fully counter state-sponsored information manipulation and propaganda. By using a whole-of-society approach, including legal and policy measures, digital literacy, and resilient communications systems, societies can nevertheless mitigate the impact of information manipulation and promote information integrity.
- In a democracy, addressing malign influence campaigns using the law can raise a variety of issues in regard to freedom of information, censorship, and power, particularly in decisions about what constitutes foreign interference or information manipulation. If mishandled, combatting information manipulation can undermine the principles of an open society. It can deprive citizens of the basic democratic rights of speech and association and play into the PRC's strategy of conquest through division by eroding the trust necessary for democracies to function.
- Any effort to counter state-sponsored information manipulation must prioritize freedom of speech and analyze the potential impact of legal, regulatory, and policy measures on this fundamental freedom.
- Moderating content online while protecting free speech is challenging. Different social media and technology companies approach the issue differently. While social media and tech companies cannot, and should not, lead in countering information manipulation, since they may not share the same incentives as democracy activists do, they must be part of the solution.
- Government and civil society actors should be ready to capitalize on CCP missteps and use it to their strategic advantage, particularly in the information space. The CCP's overreach has in many instances backfired and presents important opportunities for exposing CCP information manipulation.

## INFORMATION MANIPULATION THROUGH TRADITIONAL MEDIA<sup>130</sup>

### OVERVIEW OF PRC TOOLS AND TACTICS AND THEIR IMPACT ON DEMOCRACY

Media co-optation is one of the CCP's key tools in exerting malign influence in developing democracies. In 2016, Xi said that "wherever the readers are, wherever the viewers are, that is where propaganda reports must extend their tentacles."<sup>131</sup> The CCP does this primarily by identifying and co-opting key interlocutors to amplify propaganda in local media, present positive perceptions of the regime and, ultimately, win trust. Ultimately, the Party's objective is to undermine democratic institutions and export authoritarian models of media censorship around the globe when doing so serves the PRC's interests. The Party has two main goals: first, to bolster the PRC's image around the globe, and second, to build a network of global partners whose interests align with the Party. Both help create an environment safe for authoritarian leadership.

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<sup>130</sup> This section draws significantly from IRI's comprehensive report on PRC information manipulation, "Countering China's Information Manipulation: A Toolkit for Understanding and Action," which explores in detail how the PRC manipulates information environments in other countries. It also provides policy and advocacy recommendations on how to push back. The information in the report is compiled from an extensive literature review on the topic as well IRI partner consultations over the last five years of programming. "Countering China's Information Manipulation: A Toolkit for Understanding and Action." International Republican Institute, 6 September 2023, <https://www.iri.org/resources/countering-chinas-information-manipulation-a-toolkit-for-understanding-and-action/>. See also, "Beijing's Global Media Influence 2022." Freedom House. <https://freedomhouse.org/report/beijing-global-media-influence/2022/authoritarian-expansion-power-democratic-resilience>.

<sup>131</sup> Radu, Sintia. "China Expands Media Influence Abroad." U.S. News and World Report, 6 June 2019, <https://www.usnews.com/news/best-countries/articles/2019-06-06/china-expanding-influence-over-media-abroad-report-warns>.

The CCP works through local influencers to promote pro-authoritarian narratives<sup>132</sup> and it relies on covert and overt operations to exploit local media, a tactic experts call “borrowing a boat out to sea” (jiechuan chuhai).<sup>133, 134</sup> Strengthening perceptions of the PRC not only helps the CCP consolidate power domestically, it also promotes PRC interests in business, politics, and tech. In many cases, planting roots in local media has helped the PRC gain control over local perceptions about Chinese-backed projects around the country.

The second goal, building a network of global partners, is often characterized by Party officials as “telling China’s story well.”<sup>135</sup> This refers to the CCP’s objective of creating a world safe for the Party, creating alliances based on similar governance systems. The CCP pushes a narrative that China has been a victim of colonization, Western bias, and racism and yet has risen as a world leader with a new and effective governance model. The Party aims to unite countries, primarily those struggling with economic development, against democratic norms and institutions. The first goal ties into this; the Party co-opts local media and controls perceptions with the intent of telling China’s story via talking points repeated on many platforms.

To achieve these two overarching objectives, the PRC relies on a combination of the following methods:

- **PRC state-media:** Beijing has invested significant resources in improving its state-controlled media outlets’ reach. These organizations include China Global Television Network (CGTN), China Central Television (CCTV), China Daily, People’s Daily, China Radio International (CRI), and news agencies Xinhua and China News Service. Xinhua, for example, currently has 170 foreign bureaus and serves as a de facto arm of the PRC’s overseas intelligence gathering.<sup>136</sup> CGTN broadcasts TV programs in 14 countries, and CRI broadcasts in over 65 languages.
- **Content-sharing agreements:** State media, such as the Xinhua News Agency or China News, frequently sign agreements with media organizations in other countries to republish content provided by the PRC. While the details vary, these agreements are typically cost-free for the foreign news organizations. Free content is a form of in-kind financial support that can help struggling media companies stay afloat. However, this financial support also creates the potential for conflicts of interest. In some cases, the content is not properly labeled and passes off PRC state propaganda as genuine news.
- **Local radio and television:** The PRC also buys stakes in foreign news outlets.<sup>137</sup> This provides the PRC with editorial say over content produced by organizations in which it holds a significant share. This results in positive coverage of China. Party-funded media also pay for advertorials, or paid inserts. Improperly labeled PRC state propaganda are similar to content-sharing agreements but magnified by the presence of China’s investment.
- **Cultivating journalists:** PRC state media outlets hire local journalists in other countries, paying reporters salaries that local outlets cannot match, as in Kenya. These news organizations present themselves as staffed with straightforward, credible journalists who may, in fact, report neutrally on issues China does not much care about. However, PRC control means they are not reliable on issues that are important to Beijing since they are obligated to parrot the Party’s perspective and downplay negative stories, a practice that Xi has called “spreading positive energy.”

<sup>132</sup> Metelits, Claire and Gabriel Delsol. “‘Borrowing boats to go out in the ocean’: The influence of China and Russia in Africa.” *Democracy in Africa*, 8 October 2021, <https://democracyinfrica.org/borrowing-boats-to-go-out-in-the-ocean-the-influence-of-china-and-russia-in-africa/>.

<sup>133</sup> Beauchamp-Mustafaga, Nathan and Michael S. Chase. “Borrowing a Boat Out to Sea: The Chinese Military’s Use of Social Media for Influence Operations.” *Foreign Policy Institute Johns Hopkins University*, 2019, <https://www.fpi.sais-jhu.edu/borrowing-a-boat-out-to-sea-pdf>.

<sup>134</sup> Metelits and Delsol.

<sup>135</sup> Schliebs, Marcel, Hannah Baley, Jonathan Bright, and Philip N. Howard. “China’s Public Diplomacy Operations: Understanding Engagement and Inauthentic Amplification of PRC Diplomats on Facebook and Twitter.” *Oxford Internet Institute*, 11 May 2021, <https://demtech.oii.ox.ac.uk/wp-content/uploads/sites/12/2021/05/Chinas-Public-Diplomacy-Operations-Dem.Tech-Working-Paper-2021.1-4.pdf>.

<sup>136</sup> Mattis, Peter. “A Guide to Chinese Intelligence Operations.” *War on the Rocks*, 18 August 2015, <https://warontherocks.com/2015/08/a-guide-to-chinese-intelligence-operations/>.

<sup>137</sup> “How the People’s Republic of China Seeks to Reshape the Global Information Environment.” *Global Engagement Center U.S. Department of State*, September 2023, [https://www.state.gov/wp-content/uploads/2023/09/HOW-THE-PEOPLES-REPUBLIC-OF-CHINA-SEEKS-TO-RESHAPE-THE-GLOBAL-INFORMATION-ENVIRONMENT\\_Final.pdf](https://www.state.gov/wp-content/uploads/2023/09/HOW-THE-PEOPLES-REPUBLIC-OF-CHINA-SEEKS-TO-RESHAPE-THE-GLOBAL-INFORMATION-ENVIRONMENT_Final.pdf).

- **Training and exchange programs:** China operates a wide range of training and exchange programs for journalists from other countries, bringing them to China for short- and long-term opportunities. The CCP has courted journalists from around the world and sponsored lavish media tours of China. Implicit in these trips is the expectation that foreign journalists will file positive stories about China in future coverage. They are meant to create another channel for Beijing to control information and promote an incomplete, one-sided view of its actions.
- **Censorship:** Inside China, the CCP routinely uses harassment and intimidation to control the press and suppress criticism. It does the same thing in other countries, sometimes directly, sometimes through proxies. This can take many forms, including cyberattacks and hacking, threatening a journalist's job, or even threats to a reporter's physical safety.
- **Media norms/standards:** Central to the PRC's influence tactics is the goal of undermining international norms related to media freedom. The CPP is also working to shape digital norms and standards to reflect authoritarian practices. According to Reporters Without Borders (RSF), the CCP is trying to influence international media standards and promote its governance model, including state control of the media and information, censorship, and nonexistent freedom of expression and the press.<sup>138</sup>

## POLICY AND ADVOCACY RESPONSES

**Increase awareness of PRC influence:** It is critical to raise awareness on the PRC's specific tools and tactics, and specifically how the PRC targets the media. Everyone involved in media work, from editors to production assistants must understand that the tactics outlined above have the potential to impact all elements of a media organization.

**Invest in independent journalism and research:** Good journalism and research expose the scope and scale of foreign authoritarian influence and its local impact, an essential step in building democratic resilience. robust information ecosystem, built on independent media platforms which reach broad audiences can effectively socialize PRC influence – and its impact – among broader audiences.<sup>139</sup> Nonetheless, this important work demands resources. Independent journalists benefit from financial support and opportunities to network, locally and internationally. Additionally, prioritizing assistance to independent Chinese-language media is crucial, as these outlets are frequently the focus of PRC influence. Independent Chinese-language media often face the greatest need for funding, awareness campaigns, resilience initiatives, and collaborative partnerships.<sup>140</sup>

**Restrict market access:** Restricting broadcasting rights or, at a minimum, limiting or banning content from media supported by authoritarian regimes curtails the spread of misleading information. Such restrictions safeguard the interests of independent journalists and media organizations committed to journalistic ethics and professional standards. Governments require licenses and regulatory frameworks that impose specific conditions, such as clear labeling. New rules and regulations also emphasize editorial independence, impartiality, accuracy, and adherence to journalistic ethics.

**Strengthen freedom of information laws:** Journalists and civil society rely on freedom of information as a powerful weapon. Access to information is critical for journalists to report on the CCP's often opaque model of exerting economic and political influence.

**Ensure legal and financial protections for journalists:** Nations should take appropriate measures to shield journalists and media outlets from potential legal action, retaliation, lawfare, or censorship by foreign authoritarian entities or their

<sup>138</sup> "China media guide." BBC, 22 August 2023, <https://www.bbc.com/news/world-asia-pacific-13017881>.

<sup>139</sup> "Countering China's Information Manipulation: A Toolkit for Understanding and Action."

<sup>140</sup> Cook, Sarah. "Beijing's Global Megaphone." Freedom House, January 2020, <https://freedomhouse.org/report/special-report/2020/beijings-global-megaphone>.

local proxies. This includes anti-SLAPP laws<sup>141</sup> and addressing, publicly, authoritarian countries' attempts to intimidate journalists or researchers. Similar measures and awareness initiatives should be implemented to protect think tanks and other CSOs involved in uncovering and publicizing authoritarian interference.<sup>142</sup>

**Support regional journalism networks:** Regional networks across borders are an important way for journalists to pool resources and knowledge, collectively advocate for safety in the field, and get colleagues to run locally controversial stories in lower-risk areas. These networks are especially important in reporting on China-related projects, both because the projects are often politically sensitive and because pooling stories across regions allows reporters to draw out broad patterns for readers that might not be apparent.

## CASE STUDY

### BRAZIL<sup>143</sup>



The PRC has leveraged its competitive advantage as Brazil's largest trading partner (and its dependence on the Chinese market for its agricultural exports) to promote positive narratives about the two countries' relationship. Former Ambassador Yang Wanming, who served in Brazil from 2019-2022, cultivated relationships with the press and used connections with the political and economic elite to disseminate messages through PRC officials and Brazilian proxies. While Yang's predecessors conducted soft power engagement in Brazil, it was Yang who presided over the PRC's first forays into discourse power and influence in the information space. Under Yang's leadership, the PRC deployed its full suite of tactics, outlined above, to engage with Brazilian media. This included a November 2019 agreement between state-owned China Media Group and Rede Bandeirantes, known as the Band network, which has Brazil's third highest viewership. The two companies agreed to joint production and content-sharing. China signed a similar agreement with Grupo Globo, a Brazilian media conglomerate with ownership of Brazil's largest television network, Globo TV, and the O Globo newspaper. The China Media Group also inked a deal 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. 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 twelve op-eds by either Ambassador Yang or the PRC consul in Rio de Janeiro, Li Yang, on topics ranging from multilateralism and China's economic model to the importance of the Brazil-China relationship. The diplomats used their platforms to promote pro-PRC messages, often deploying information manipulation that went unchecked. Ambassador Yang and his fellow diplomats leveraged a combination of content-sharing agreements and advertising, economic pressure, and co-optation of political and economic elites to shape Brazil's information environment in markedly pro-PRC directions. While Brazil's media offers robust reporting on national issues, including on the relationship with China, it is also subject to pressures that can compromise its integrity, such as the need to bring in advertising revenues, 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. Brazil highlights how the PRC leverages economic dependence to exert influence in the information space.

<sup>141</sup> SLAPP laws – Strategic Lawsuits against Public Participation – are a method for well-resourced foreign and domestic actors to attempt to silence civil society and journalist criticism through legal means. Anti-SLAPP laws are designed to provide legal protections for free speech and prevent people from using the threat of lawsuits, or judicial proceedings, to silence criticism.

<sup>142</sup> "Countering China's Information Manipulation: A Toolkit for Understanding and Action."

<sup>143</sup> "Coercion, Capture, and Censorship: Case Studies on the CCP's Quest for Global Influence."

## CASE STUDY

## THAILAND



As a strategically important neighbor and home to the largest overseas Chinese community in the world, Thailand is a key target for PRC propaganda and information manipulation. China has pursued broad-based investments in influencing Thailand's information space through a robust presence from CCP media, content-sharing arrangements, journalist cultivation, and targeting the diaspora, in addition to information manipulation online.<sup>144</sup> Leading CCP media, including China Global Television Network (CGTN), People's Daily, China Radio International, and Xinhua have regular Thai-language reporting, and Xinhua has content-sharing arrangements with 12 Thai media outlets, laundering content that exactly replicates CCP state media and narratives.<sup>145</sup> Moreover, Chinese companies have been able to circumvent restrictions on foreign ownership of Thai media outlets, allowing the effective purchase of such outlets and putting popular media under CCP control.<sup>146</sup>

Beyond inserting CCP content directly into local media, the CCP has also worked to cultivate Thai journalists and instrumentalize the diaspora to advance pro-Beijing narratives in a local voice. As noted by Lilly Min-Chen Lee, "The Thai-Chinese Journalists Association is arguably one of the clearest examples of how CCP-affiliated entities use inducements and training programs/cultural trips to China to influence Thai journalists."<sup>147</sup> The myriad diaspora groups further these efforts at local journalist capture. Lee has documented at least five umbrella groups focused on indoctrinating foreign media outlets on behalf of or in close concert with United Front Work Department entities, and thus the CCP, including the All-China Federation of Returned Overseas Chinese (ACFROC), the Chinese International Media Association (CIMA), the Global Chinese Media Cooperation Union (GCMCU), the International Chinese Media Union (ICMU), and the Overseas Chinese Media Cooperation Organization (OCMCO).<sup>148</sup>

These efforts have been largely welcomed by officials and media outlets alike in Thailand, facilitating the dissemination of pro-China narratives on issues as diverse as COVID-19 and "Western values of journalism."<sup>149</sup> These efforts, however, have not always been successful – Thailand is home to one of the key groups involved in the "Milk Tea Alliance," a loose coalition of activists from Thailand, Hong Kong, and Taiwan that developed organically as a way to counter CCP information manipulation and advance pro-democracy ideals online. The Milk Tea Alliance's exposure of the CCP tactics was instrumental in raising concerns about widespread efforts by the PRC and its proxies to manipulate information in the country. Ongoing support to civil society and media in Thailand is essential in helping them both resist the appeal of PRC funding and helping them fight back to protect information integrity in traditional and online media.

## LESSONS LEARNED AND KEY CONSIDERATIONS

- Investments in independent media are critical. These include training opportunities for reporters, financial support, networking, and legal and policy regulations that protect journalists.

<sup>144</sup> For a comprehensive assessment of PRC information manipulation in Thailand, see the Thailand case study in: Ohlberg, Mareike, Niva Yau, et al. "Countering China's Information Manipulation in the Indo-Pacific and Kazakhstan: A Framework for Understanding and Action." International Republican Institute, 27 July 2023, <https://www.iri.org/resources/countering-chinas-information-manipulation-in-the-indo-pacific-and-kazakhstan/>; and Loomis, Ryan and Heidi Holz. "China's Efforts to Shape the Information Environment in Thailand." CNA, September 2020, <https://www.cna.org/reports/2020/09/IIM-2020-U-026099-Final.pdf>.

<sup>145</sup> Roney, Tyler. "Chinese Propaganda Finds a Thai Audience." Foreign Policy, 28 August 2019, <https://foreignpolicy.com/2019/08/28/chinese-propaganda-finds-a-thai-audience/>.

<sup>146</sup> "China's Efforts to Shape the Information Environment in Thailand."

<sup>147</sup> "Countering China's Information Manipulation in the Indo-Pacific and Kazakhstan: A Framework for Understanding and Action."

<sup>148</sup> "Countering China's Information Manipulation in the Indo-Pacific and Kazakhstan: A Framework for Understanding and Action."

<sup>149</sup> "China's Efforts to Shape the Information Environment in Thailand."; "Countering China's Information Manipulation in the Indo-Pacific and Kazakhstan: A Framework for Understanding and Action."

- While it is important to expose PRC influence in diaspora institutions and Chinese-language media, it is also critical that this does not further marginalize Chinese diaspora groups. Chinese diaspora groups are key partners and are often those most impacted by PRC malign influence in the information space.
- The PRC has been adept at influencing local and national media and engaging audiences. Programs to support journalists must acknowledge this reality and invest in locally driven investigations and stories to counter such influence.
- Understand the local media landscape before implementing projects. Pouring money into television news, for example, in a country where the majority of the population listens to radio will yield limited results. It is critical to understand local news consumption and platforms and target initiatives accordingly.

## INFORMATION MANIPULATION VIA BUSINESSES, THINK TANKS, AND ACADEMIA

### OVERVIEW OF PRC TOOLS AND TACTICS AND THEIR IMPACT ON DEMOCRACY

Business and trade ties are one of the most important ways the PRC shapes political and public conversations on China. This is effective for two reasons: 1) large businesses often have significant power to shape perceptions and foreign policy in their home countries, and 2) Beijing does not hesitate to use its tight control of its markets to threaten foreign businesses. Beijing targets foreign businesses because it knows that business elites influence perceptions in their home countries.<sup>150</sup> Some business leaders own and control media outlets, others donate to think tanks or universities, still others hold meetings with government decision-makers. Beijing uses the lure of its market, and the threat of its loss, to encourage foreign businesses to tell stories favorable to the PRC and use their influence to isolate its critics.

Beijing targets think tanks and universities directly, using money as an opening. Offering money and China experts is an extremely effective way to shape the way these institutions discuss issues that matter to Beijing, not least because the benefits of partnering with China may make them hesitate to offend it.

Some of the most important tactics Beijing uses in this space are:

- **Influence through media ownership:** Beijing can exert indirect influence on foreign media through entrepreneurs with large business interests in China. These entrepreneurs often also own newspapers, TV stations, or social media properties in their home countries and can have an interest in slanting their media properties' coverage of China in ways that play up to -Beijing. Entrepreneurs who are not necessarily pro-China may still influence coverage in their media properties because of the potential for PRC retaliation against other parts of their business.
- **Funding of pro-China think tanks or academic programs:** In many countries, the private sector is an important source of funding for think tanks and academic programs. PRC-friendly entrepreneurs may use a portion of their funds to endow think tank and academic programs meant to promote bilateral cooperation with China, while downplaying potential sources of bilateral tension. The PRC also provides funding directly to foreign think tanks, research centers, and universities to promote its preferred narratives. Unlike more democratic states, however, the PRC also uses funding flows to stifle criticism or block ideas it dislikes. Limited disclosure requirements in many countries mean that donations to think tanks and universities may not be fully reported to the public or reported without proper disclosure of ties to the PRC state.

<sup>150</sup> Jin, Canrong "外企在中国需拿出真本事了 Waiqi Zai Zhongguo Xuyao Na Chu Zhen Benshi Le." 环球网 Huanqiuwang, 14 May 2021, <https://web.archive.org/web/20230725142715/https://m.huanqiu.com/article/437o1iWGuE6> (archived).



- **Partnerships:** Many foreign think tanks and universities have significant partnerships with PRC-based counterparts, such as exchange programs, joint symposiums, or overseas campuses. Although these partnerships can provide opportunities for valuable exchanges, they can also export the PRC's censorship.<sup>151</sup> PRC think tanks and universities view many topics as sensitive. This can force foreign institutions to choose between partnership and intellectual freedom, since the PRC may choose to end a partnership rather than expose itself to a sensitive subject.<sup>152</sup> Some PRC-based think tanks, such as the Center for China and Globalization, have gone one step further, describing themselves as independent while laundering CCP talking points and denying the significance of their obvious ties to the party-state apparatus.<sup>153</sup>
- **Confucius Institutes (CI):** Confucius Institutes offer free Chinese-language instruction to partner universities abroad. These schools often do not have the resources to teach Mandarin without that help. Although they may appear similar to the Alliance Française or Goethe Institute, they are: 1) fully funded and controlled by the PRC state, and 2) always part of a larger university or college, rather than operating independently. A CI therefore risks a host institution's commitment to academic freedom, particularly since many CIs have moved beyond language instruction and have established scholarships, academic programs on bilateral ties with China, and STEM exchange programs.<sup>154</sup> In some countries, universities have refused to publish their contracts with CIs, while in others, CIs have attempted to shut down campus events perceived to be hostile to China.<sup>155</sup>
- Chambers of commerce, friendship associations, and influential Chinese diaspora businesspeople also often play a role in influencing the discourse on China in the media, academia, and think tanks.

In many countries, businesses and entrepreneurs are powerful political actors. The PRC's manipulation of foreign business interests to influence other countries' information environment can undermine those countries' sovereign right to make security, electoral, and regulatory decisions without external influence. More practically, it can also reinforce preexisting difficulties in reporting on corruption in government and politics, undermine the work of transparency and good government advocates, and make it more difficult for countries to work together to uphold international human rights commitments. It can also deprive the voting public of important information on PRC activities and intentions, which may be relevant to their evaluation of their leaders' foreign policy decisions.

Beijing's attempts to manipulate other countries' information environment through academia and think tanks can be a powerful way to guide policies in pro-PRC directions, since these institutions are often important sources of policy advice and thought leadership in their home societies. Also, while the PRC's work in this space tries to shape other countries' relationship with China, it also, increasingly, showcases the PRC's political model as preferable to liberal democracy.

In a democratic society, using the law to address this influence raises a variety of issues with regard to freedom of information, censorship, and who should have the power to decide what constitutes "foreign interference" or "information manipulation." If mishandled, efforts to combat business-led information manipulation can undermine the principles of an open society by depriving citizens of legitimate democratic rights of speech and association and play into the PRC's strategy of conquest through division.

<sup>151</sup> Feng, Emily. "China Tightens Party Control of Foreign University Ventures." *Financial Times*, 2 July 2018, <https://www.ft.com/content/4b885540-7b6d-11e8-8e67-1e1a0846c475>.

<sup>152</sup> Redden, Elizabeth. "Cornell Ends Partnership with Chinese University over Academic Freedom Concerns." *Inside Higher Ed*, 28 October 2018, <https://www.insidehighered.com/news/2018/10/29/cornell-ends-partnership-chinese-university-over-academic-freedom-concerns>.

<sup>153</sup> Fischer, Sara, and Bethany Allen-Ebrahimian. "Semafor's China Problem." *Axios*, 7 March 2023, <https://www.axios.com/2023/03/07/semafors-china-think-tank>.

<sup>154</sup> Rubinsztein-Dunlop, Sean. "The Chinese Government Co-Funded at Least Four University of Queensland Courses," *ABC News*, 14 October 2019, <https://www.abc.net.au/news/2019-10-15/chinese-government-cofunded-four-university-of-queensland-course/11601946>.

<sup>155</sup> Allen-Ebrahimian, Bethany. "How China Managed to Play Censor at a Conference on U.S. Soil." *Foreign Policy*, 9 May 2018, <https://web.archive.org/web/20180509161829/http://foreignpolicy.com/2018/05/09/how-china-managed-to-play-censor-at-a-conference-on-u-s-soil/> (archived).

## POLICY AND ADVOCACY RESPONSES

**Address conflicts of interest and co-optation:** Foreign groups linked to authoritarian governments should be banned from hiring senior government officials in sensitive jobs. This ban should last for a reasonable number of years following retirement. Such a ban will ensure that officials are not lured by the prospects of lucrative jobs post-retirement and incentivized to adopt policies, while in office, that serve the foreign entity. This will also help reduce the prospects of a former government employee using his or her network of contacts to influence discourse on behalf of a hostile foreign entity.

**Enact disclosure requirements:** Universities, think tanks, and research organizations should be required to publicly disclose funding sources in the interest of transparency and to protect them against undue influence on content, curricula, censorship, and so on.<sup>156</sup>

**Adopt codes of conduct and ethical review:** Universities and research institutions should also adopt, and make public, rigorous standards for accepting funding from authoritarian actors. They should develop strict codes of conduct for collaborating with researchers from authoritarian nations. Codes of conduct must also account for the reality that work produced with researchers from authoritarian nations such as China could be shared with and/or used to advance government objectives.<sup>157</sup>

**Expose censorship attempts:** Academic communities should be transparent about censorship. Academia is not free if it complies with PRC-mandated censorship. This awareness is critical to safeguarding academic freedom. Business associations, universities and other targeted sectors should also be educated on the subject, either by the government or by the CSOs that play a role in the country's response to external influence.

**Adopt foreign agent registration and disclosure laws:** Registration and disclosure laws require organizations working on behalf of a foreign government to register with the relevant authorities in an effort to promote transparency and accountability. They require those acting as agents of foreign governments, political parties, or other entities to register with a country's justice department or other relevant agency. Registrants must disclose detailed information about their activities, finances, and relationships with foreign principals and all such data made available to the public. It also imposes record-keeping and reporting obligations on registered agents.<sup>158</sup> Such laws would provide authorities with enforcement power to investigate potential violations, begin civil and criminal proceedings, and impose penalties for non-compliance. The criteria must be clear and applied evenly to prevent abuse, and laws must be carefully worded so as not to be repressive, particularly in countries with weak democratic institutions and/or strong alliances with foreign authoritarian actors. As articulated by the International Center for Non-Profit Law, "any regulation impacting the associational rights of a nonprofit should be undertaken for a legitimate purpose and be necessary and proportionate. It should also not discriminate against nonprofits versus other entities."<sup>159</sup> When designing any disclosure or registration scheme to counter and deter foreign influence, lawmakers must consider whether such laws are a necessary, tailored, proportionate, and evidence-based response to the concerns they are trying to address.<sup>160</sup> Lawmakers must also consider not only the law's objectives but any potential externalities and weaponization of the law for anti-democratic ends.<sup>161</sup>

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<sup>156</sup> Cook et al. "Beijing's Global Media Influence."

<sup>157</sup> Stoff, Michael, and David Tiffert. "Ethical Risks in Research Collaboration with China." Hoover Institution, December 2021, [https://www.hoover.org/sites/default/files/research/docs/stoff-tiffert\\_eyeswideopen\\_web\\_revised.pdf](https://www.hoover.org/sites/default/files/research/docs/stoff-tiffert_eyeswideopen_web_revised.pdf).

<sup>158</sup> Cook et al. "Beijing's Global Media Influence."

<sup>159</sup> "Foreign Influence Registration Laws and Civil Society: An Analysis and Responses."

<sup>160</sup> "Foreign Influence Registration Laws and Civil Society: An Analysis and Responses."

<sup>161</sup> King, Adam and Daniel Twining. "In Lawmaking, the Details Matter. Taiwan Would be Wise to Remember That." The Diplomat, 26 May 2024, <https://thediplomat.com/2024/05/in-lawmaking-the-details-matter-taiwan-would-be-wise-to-remember-that/>.

## CASE STUDY

## A NETWORK OF ASEAN-CHINA THINK TANKS (NACT)

Beijing has boosted its influence in think tanks in Southeast Asia by creating the Network of ASEAN-China Think Tanks (NACT), launched by PRC Premier Li Keqiang in 2013.<sup>162</sup> The China Foreign Affairs University (CFAU) in Beijing, under the Foreign Ministry, coordinates the NACT China<sup>163</sup> (CFAU has a number of foreign professors on its staff who, like Fabio Massimo Parenti, have parroted the CCP line on a variety of issues).<sup>164</sup> Over the years, NACT's seminars have promoted major PRC infrastructure projects under the BRI.<sup>165</sup> It, as part of a wider regional network, has brought the heads of partner think tanks in ASEAN countries, along with other local intellectuals, on visits to the PRC. There they were given access to senior officials and subjected to the official PRC stance on issues from the China model to land disputes in the South China Sea.<sup>166</sup> Many of the think tanks involved in the NACT have done research on behalf of the PRC and some have received funding and training. China has given some of these think tanks preferred partner status at regional events such as the Jakarta Forum on ASEAN-China Relations in 2021.<sup>167</sup>



To improve its image, the PRC has used surveys by partner think tanks; the results invariably give a positive image of the PRC.<sup>168</sup> China hopes to use think tanks and thought leaders to deflect criticism on issues that have undermined the PRC's reputation in recent years, from its assertiveness in the South China Sea to its treatment of Muslim Uyghurs in Xinjiang. As with other groups in the PRC, there is no space for purely independent think tanks which are, instead, seen as extensions of the country's diplomacy, with a top-down list of directives to shape international opinion in Beijing's favor.<sup>169</sup> Such institutions, therefore, are simply extensions of the PRC's external propaganda system. These "think tanks with Chinese characteristics" promote prescribed narratives rather than a true exchange of ideas.

## LESSONS LEARNED AND KEY CONSIDERATIONS

- In this channel more than perhaps any other, PRC influence operates by exploiting scarcity in other countries, be it for funding, expertise, or business opportunities, and by shaping the incentives of other countries' most powerful political actors. As a result, successfully addressing PRC informational influence through business, academia, and think tanks requires strong political commitment and widespread social buy-in.
- This kind of PRC influence is especially powerful because, in most countries, expertise on China is most often concentrated in business and the academy (aside from the foreign ministry). As a result, both constituencies exert influence on public discourse about China and on government policy. In using them, Beijing can bend other countries' policy discourse in ways that are difficult to detect and often even more difficult to address without significant costs to social cohesion and civil liberties.

<sup>162</sup> Rakhmat, Muhammad Zulfikar. "China's 'Think-Tank Diplomacy' is Gaining Traction in Indonesia." *The Diplomat* 2 September 2022, <https://thediplomat.com/2022/09/chinas-think-tank-diplomacy-is-gaining-traction-in-indonesia/>.

<sup>163</sup> "The 4th Network of ASEAN-China Think Tanks (NACT) Country Coordinators' Meeting and Seminar." Institute of Strategic and International Studies (ISIS) Malaysia, 10 October 2017, <https://www.isis.org.my/2017/10/10/the-4th-network-of-asean-china-think-tanks-nact-country-coordinators-meeting-and-seminar/>.

<sup>164</sup> For example, see, "Interview: U.S. fabricates Xinjiang-related misinformation to contain China, not to protect human rights -- Italian scholar." *Xinhua News Agency*, 14 August 2021, [http://www.xinhuanet.com/english/europe/2021-08/14/c\\_1310127207.htm](http://www.xinhuanet.com/english/europe/2021-08/14/c_1310127207.htm).

<sup>165</sup> "CC Representatives Attended the NACT Group Meeting (2019-04-30)." ASEAN-China Centre, 30 April 2019, [http://www.asean-china-center.org/english/2019-05/01/c\\_138026548.htm](http://www.asean-china-center.org/english/2019-05/01/c_138026548.htm).

<sup>166</sup> Wang, Zheng. "China's Think-Tank Diplomacy in Southeast Asia: Idea Exchange or Echo Chamber?" *Fulcrum*, 10 August 2022, <https://fulcrum.sg/chinas-think-tank-diplomacy-in-southeast-asia-idea-exchange-or-echo-chamber/>.

<sup>167</sup> Rakhmat.

<sup>168</sup> Wang.

<sup>169</sup> Wang, Hongying and Xue Ying Hu. "The New Great Leap Forward Think Tanks with Chinese Characteristics." *Center for International Governance Innovation*, September 2017, <https://www.cigionline.org/static/documents/documents/Paper%20No.142.pdf>.

- In a related point, laws meant to address this issue through additional transparency and disclosure requirements must be carefully drafted, targeted in scope, and applied impartially. If poorly crafted, laws like a foreign agents' registration or a requirement to disclose foreign funding can easily be weaponized by would-be dictators to harass legitimate forms of political opposition, journalism, or civil society organizing. Such laws should only be pursued in countries with strong democratic institutions and independent executive, legislative, and judicial systems to avoid the potential for misuse.

## OVERARCHING POLICY AND ADVOCACY RESPONSES

Beyond the ideas outlined above, other policy and advocacy responses can address PRC influence in and across borders. These ideas highlight the importance of global, collective action and build on the important work done by civil society, media, researchers, and governments worldwide to develop the information, networks, and solutions that comprise a comprehensive response.

**Strengthen democratic unity:** Democratic countries must strengthen their relationships and build resilience strategies to protect alliances against autocratic regimes' attempts to sow divisions. In addition to traditional high-level diplomacy (ministerial, parliamentary) and membership in multilateral organizations like NATO, the G7, and other groups, the democratic alliance should deepen engagement at the subnational level, with sister-city partnerships and educational exchanges. Quasi-official initiatives like the Global Cooperation and Training Framework (GCTF) and new initiatives like a task force on electoral interference, modeled on the Financial Action Task Force (FATF), are potentially important links. Global democracy-promotion organizations must also deepen their investment in consolidating regional networks and information exchanges, increasing solidarity, and bolstering a multifaceted united front against revisionist authoritarian powers.<sup>170</sup>

**Deploy a whole-of-society response:** To counteract authoritarian influence, democracies must deploy a comprehensive response. Governments should collaborate with civil society, media, the private sector, and other independent institutions, working collectively to fortify democratic resilience.

**Foster cross-regional learning:** Promoting collaborative learning and knowledge-sharing between civil society, media, researchers, and academics is essential in identifying shared trends and effective solutions. Information exchanges also support democratic unity and solidarity. Collectively, networks that cut across regions, sectors, and areas of specialization can develop and deploy strategies to engage and inform policymakers and promote policy change.<sup>171</sup>

**Deepen and mainstream awareness of CCP influence:** To mobilize the changes needed to build democratic resilience, discussions on CCP influence must go beyond elite circles. Civil society plays a key role in raising public awareness of CCP influence through communications campaigns that link such influence to local issues of concern, such as corruption or environmental degradation. Such campaigns must be locally driven and use creative means and platforms to disseminate fact-based evidence and research so that it resonates.

**Expose and counter authoritarian messaging:** In light of the widespread dissemination of authoritarian messages and ideas, democrats around the world must be ready to push back against authoritarian messaging. Clear, compelling and contextualized responses to autocrats' propaganda and information manipulation are essential. This includes exposing PRC propaganda, the gaps between promises and reality, evidence about how the PRC deploys influence tactics to undermine democracy, and how it uses the information space to do so. This includes Beijing's message laundering, in which the PRC uses a vast network of proxies to disseminate narratives it likes. Message laundering, employing familiar local voices, demands more systematic scrutiny and exposure. Local audiences should be informed about whose interests their elites represent.

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<sup>170</sup> "Countering China's Information Manipulation: A Toolkit for Understanding and Action."

<sup>171</sup> The International Forum for Democracy Studies at the National Endowment for Democracy has held a series of closed-door sessions on countering foreign authoritarian influence with experts, partners, and other civil society actors that informed these policy and advocacy solutions.

**Make the case for democracy:** It is imperative that advocates of democracy articulate the superiority of liberal governance over authoritarian alternatives. This must be done in a compelling manner. The following principles should guide this response:

- Construct affirmative messaging customized for various regions and countries. Foster regional alliances and encourage cross-regional collaboration and learning, with the aim of developing storytelling and communications skills.
- Tailor narratives for elite communities and the general public, recognizing that these groups often respond differently to messaging. Securing support from both is essential for strengthening democracy and democratic values.
- Use values-based messaging to champion democracy, placing a strong emphasis on universal ideals such as freedom, fairness, and solidarity, in stark contrast to the autocrats' focus on control and order.
- Employ creative storytelling techniques that incorporate personal narratives to engage audiences.
- Highlight the economic advantages of democratic models, emphasizing their ability to deliver superior and sustainable outcomes for citizens.
- Ensure that pro-democracy narratives are easily accessible and digestible for mass audiences. Break down complex issues into comprehensible parts and address each aspect systematically.
- Innovate and experiment to devise new approaches for disseminating narratives that uphold democratic ideals.

# APPENDIX: IDENTIFYING CHINESE COMMUNIST PARTY INFLUENCE

## OVERVIEW

The sheer size, complexity, and foreign nature of the CCP's global influence apparatus can make research a daunting endeavor. Nevertheless, it is possible, thanks to a variety of tools and resources, to make sense of this system and to identify the key players. This section provides a series of open-source resources, some in English and others in Chinese which, in the aggregate, will help researchers shed light on the actors and mechanisms involved in Chinese influence efforts.

## RESEARCH STRATEGIES

### How to monitor pro-PRC narratives

- **Telltale indicators:** In whatever form they take, pro-PRC narratives normally feature keywords or expressions that signal official propaganda or information manipulation. These include terms such as "one China principle," "territorial integrity," "5,000 years of China's history," "the feelings of 1.3 billion Chinese," "anti-China," "China-bashing," "Cold War mentality," "separatist/splittist," or "with Chinese characteristics" among others. Organizations of an ostensible civic nature with "Peaceful Reunification" in their name are also inevitably affiliated with, and operating under the guidance of, the CCP's United Front apparatus. As the PRC faces greater scrutiny over its human rights track record and destabilizing behavior, the PRC has also engaged in whataboutism to deflect criticism and establish a moral equivalence (this often targets the West's colonial past, treatment of minorities, slavery, wars waged abroad, use of nuclear weapons, and so on). Such narratives are often amplified by isolationists and groups on the left of the political spectrum. These groups are highly critical of what they regard as the U.S.' and the West's supposedly neo-colonial behavior (the West's past bad behavior must be acknowledged, but wrongdoings notwithstanding, this does not give carte blanche to authoritarian regimes to engage in similar, if not worse, forms of behavior) and "double standards." Such organizations may be conscious or inadvertent partners of the CCP in its propaganda and information manipulation efforts, with some of their publications printing "leaked documents," often of questionable authenticity, which may have been given them by CCP agents. China's official statistics also tend to be suspect, particularly when such data are used to present the PRC's economic development model (mercantilist, with strict political controls) as a viable, if not superior, model for developing economies to emulate.
- **Follow the lead:** Much CCP propaganda and information manipulation first appears on PRC/CCP-affiliated social media accounts (e.g., Weibo) which is then amplified by content farms, on Facebook fan pages, and X (formerly known as Twitter). These stories are pushed on social media via automated saturation, or bots, and traditional media, which has either been captured by the PRC or simply carrying what they regard as legitimate news content. Co-opted politicians and influencers often act as repeat propaganda. It is usually easy to identify proxies involved in such activities.

## TOOLS

### Open databases

General open-source intelligence (OSINT) tools are the most broadly usable tools and relied on by investigative journalists, policy researchers or academics, regardless of the project or field of specialty.



**[Bellingcat OSINT toolkit](#):** This is Bellingcat’s online open-source investigation toolkit. Bellingcat is an independent investigative collection of researchers, investigators, and citizen journalists who use open-source tools to investigate a range of topics. Bellingcat notes significant challenges to conducting OSINT research on the PRC; however, this toolkit should still be helpful in researching PRC influence in local contexts.

**[Worldwide OSINT tools map](#):** This map of OSINT tools contains links to business records and court filings around the world. Business records and court filings can be useful in investigating the activities of a PRC-based company operating in your country.

**[OSINT Chine](#):** This OSINT toolkit provides a number of resources for gathering information on PRC-based companies, government agencies, organizations, and individuals.

**[China Index](#):** Developed by Doublethink Lab and the China in the World network, the China Index measures PRC influence worldwide, providing a cross-regional ranking of PRC influence and links to supporting evidence. The 2022 edition contains 82 countries, a number that is expected to grow as the project continues.

**[“Beijing’s Global Media Influence 2022”](#):** The 2022 edition of Freedom House’s comprehensive project to monitor PRC influence in traditional and social media around the world. Includes a number of country case studies.

**[China Media Project](#):** A comprehensive resource with up-to-date news, analysis, and explanations of how the CCP manages media inside China.

## SPECIFIC AREAS OF PRC INFLUENCE

### Economic

**[Embassy trade guides \(in Chinese\)](#):** These government-compiled guides are meant to help PRC-based companies do business in every country where China has a diplomatic presence. Although they are meant for Chinese companies, they can also be useful resources for researchers since they compile information that may not be available through other sources, including information on investment, projects under contract, number of workers, and bank loans.

To make it easier to find the guide for your country, IRI has collected all of the trade guides and made them available in one location [here](#). This database is current as of September 2023.

**[Global Chinese Development Finance Dataset by AidData](#):** This uniquely granular dataset captures 13,427 development projects worth \$843 billion financed by more than 300 Chinese government institutions and state-owned enterprises across 165 countries all over the world from 2000–2017.

**PRC company stock filings:** Publicly listed companies based in the PRC must file annual and quarterly reports with regulators and make them publicly available. These reports often contain useful information on company ownership, management, finances, and business activities in other countries. China has several major stock exchanges, all of which allow for searches of company filings using a company name or stock code:

**[Shanghai Stock Exchange \(In Chinese\)](#)**

**[Shenzhen Stock Exchange \(In Chinese\)](#)**

**[Shanghai STAR Market \(In Chinese\)](#)**

**[Hong Kong Stock Exchange](#)**

With the exception of the Hong Kong Stock Exchange, searches must be done using a company's Chinese name. The best way to find the Chinese name of large PRC companies is usually through their website or Wikipedia. Stock filings can also be useful for clarifying corporate structures. On that subject, one complication is that large PRC companies often have more than one listed subsidiary; make sure you are searching for the right one.

## Social Media

**[Hamilton 2.0 – German Marshall Fund](#)**: This dashboard provides a convenient, easy-to-use place to track the narratives and topics promoted by Russian, Chinese, and Iranian government state-funded media on X, YouTube, Facebook, and via official press releases and transcripts. It can be used to track which narratives China is pushing across different social media platforms, as well as to identify official PRC social media and state media sources in your country or region.

**[IRI Beacon Project's Media Monitoring Handbook](#)**: This is a beginners' guide to mapping the narratives circulating on social media or other online discussion platforms, a practice known as media monitoring. Media monitoring harnesses big data tools to let researchers track the spread of narratives online, including how many total times a piece of content is viewed, how often it is shared, and by whom. This IRI-produced guide teaches users how to use publicly available tools to collect and analyze social media data, as well as how to design and implement a rigorous media monitoring project.

## Political

**[International Liaison Department \(ILD\)](#)**: The CCP's International Liaison Department manages the PRC's engagement with political parties around the world. These meetings are often announced on the ILD's Chinese-language website. While individual announcements usually contain relatively little information, when analyzed in bulk they can be used to determine the frequency and topics of engagement between the CCP and political parties in your country. The two most important areas of the Chinese-language website are:

**[部长活动/外事会见 \(Ministerial activities/foreign meetings\)](#)**: This section contains records and readouts of meetings between the head of the International Liaison Department and his foreign counterparts and delegations.

**[联络动态 \(Contacts\)](#)**: This section contains records and readouts of meetings between junior members of the ILD and their foreign counterparts and delegations.

Users can find county-specific information by entering the country's name in Chinese into the search bar halfway down the ILD home page. IRI has scraped the contacts section of this website and compiled it into a [dataset](#) which can be accessed and downloaded. The dataset covers all ILD engagements from 2018 to April 2023.

**[China Council for the Promotion of Peaceful National Reunification \(in Chinese\)](#)**: The CCPNR is one of the most important of the many diaspora front organizations managed by the CCP's United Front Work Department. In public statements its members often describe it as an independent, non-governmental organization, but it is run by one of the CCP's most senior officials, who oversees a network of local chapters in countries around the world. In many countries, council members meet frequently with PRC embassy officials and often undertake political activities that appear to coincide with PRC interests. For research, the most useful part of the Council's website is its "News and Updates" section, which contains information on the activities of local chapters around the world.

**[China Qiaowang \(in Chinese\)](#)**: China Qiaowang is a news aggregation website run by the United Front Work Department, reprinting stories from Beijing-aligned Chinese-language media outlets around the world. It is meant to collect the

diaspora-related news Beijing considers important and can be used to map interactions between PRC embassies and the diaspora, as well as meetings by diaspora representatives with officials in China. Two sections of the site are particularly useful for journalists and researchers:

**华社动态 (“What’s New in the Diaspora”):** This section aggregates diaspora-related news stories from around the world. As with the previous resource, you can use Google to search this part of the site, type in your country’s name in Chinese. The search string to use is “[Country name in Chinese] site: <https://www.chinaqw.com/hqhr/>”.

**各地侨讯 (“The Diaspora Comes Home”):** This section aggregates news about diaspora activities inside China and can be used to track interactions between PRC state officials and diaspora individuals and organizations. To search this part of the site, use your country’s name in Chinese and the search string “[Country name in Chinese] site: [http://www.chinaqw.com/qwxs/](https://http://www.chinaqw.com/qwxs/)”

**China Vitae:** Tracking the public remarks and careers of senior PRC officials can be a useful guide to PRC policy. China Vitae has biographical information on more than 5,000 senior PRC leaders and tracks announcements of major personnel appointments. It also tracks the appearances and travel of the country’s 500 most senior officials, which can be searched according to a variety of criteria.

**Local leaders database:** Additional Chinese-language resources include the China Economic Network database of local leaders which contains biographical data on a wide range of CCP cadres. If the Chinese name of the person in question is known, you can search for them in the website’s search function.

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