

November 2022

**OCCASIONAL
PAPER**

Volume 2, Number 11

China's Quest for a New International Order and Its Use of Public Diplomacy as a Means

Kathleen C. Bailey



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Kathleen C. Bailey

National Institute Press®

Published by
National Institute Press®
9302 Lee Highway, Suite 750
Fairfax, Virginia 22031

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National Institute for Public Policy would like to thank the Sarah Scaife Foundation for the generous support that made this *Occasional Paper* possible.

Cover design by Stephanie Koeshall.

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Executive Summary

The decisive factor for a powerful nation – already adequately armed – is the character of its relationships with the world.¹

~ Robert McNamara

A battle is underway over which system will dominate the world in the coming several decades. One possibility, although increasingly at risk, is a continuation of Western prominence with its emphasis on democracy, rules-based social order, free-market financial networks, and personal freedoms. The other most likely possibility is a world order dominated by China, with its top-down, strict dictation by the Communist Party of China, with emphases on control of both corporate and individual thought and behavior.

There are multiple dimensions to this struggle, including competition for military superiority, infrastructure control, access to natural resources, diplomatic dominance, and control of cyberspace. The system that “wins” will be the one that is most widely adopted, respected, and adhered to by the international community.

China is rapidly establishing its new international system in regions worldwide. Two vital tools in this campaign are public diplomacy and active measures (deceptive influence operations) to gain support from foreign publics and leaders for its projects and power projection abroad. This *Occasional Paper* argues that public diplomacy and active measures will be central to whether a

¹ “Security in the Contemporary World,” Speech by Robert McNamara before the American Society of Newspaper Editors, May 18, 1966, as cited in Mark McDowell, “Public Diplomacy at the Crossroads: Definitions and Challenges in an ‘Open Source’ Era,” *The Fletcher Forum of World Affairs*, Vol.32:3, Special Edition 2008.
https://eastwestcoms.com/images/Public_Diplomacy.pdf.

Chinese-dominated system replaces the Western-led one. If the West is to succeed, which is still possible, it will have to up its own public diplomacy efforts, while continuing to avoid using active measures, not only to tell the West's story better, but also to ensure that the Western alternative is competitive.

It should be noted that this *Occasional Paper* is not a direct comparison of Chinese with U.S. public diplomacy efforts, which would require a lengthier analysis. Rather, it describes how and why China has been so successful in "selling" its model for a new international order. To a significant extent, the competition for hearts and minds of foreign publics and governments is a zero-sum game. If Chinese public diplomacy and active measures succeed in helping establish Beijing's new international order, it will be a failure of U.S. public diplomacy on behalf of democracy.

Chapter 1 defines public diplomacy and active measures as well as propaganda, which is a subset of both. It concludes that it is important for the United States to abide by the traditional meaning and scope of public diplomacy. Failure to do so would not only dilute the value of the West's message, but also the power to convey it.

Chapter 2 is also descriptive, focusing on how the infoscape has changed in the past few decades. The crucial point is that it is easier than ever to sow discord in democracies and that the United States and its allies need to do a better job of utilizing public diplomacy and countering hostile foreign manipulation.

Chapter 3 addresses the goals and methods China is using to establish its alternative international system, with emphasis on the portion of the system that addresses cyberspace and information control. Understanding the enormity of the Chinese challenge, and the nature of China's objectives, is central to tailoring U.S. public diplomacy going forward.

Chapter 4 is an introduction to China's One Belt-One Road Initiative as it applies in Africa. China has used Africa as a sort of proving ground for establishing its new system over the past two decades. Examining China's roadmap there offers insights to likely plans and action elsewhere.

Chapter 5 examines Chinese public diplomacy in Africa and briefly describes how it seeks to influence and control media, opinion leaders, and messaging content. The purpose is not to criticize China's practice of public diplomacy—which indeed uses some of the same tools as other nations use—but to highlight its successes as a measure of the challenges the United States faces.

Chapter 6, the conclusion, sums up the current status of China's successes and offers some thoughts on how the United States should enhance its own public diplomacy efforts. Principal suggestions are to improve the U.S. public diplomacy effort, disassociate public diplomacy from public affairs, and pay more attention to China's activities and their effects. Western public diplomacy should be used to make nations aware of the pitfalls of Chinese debt and the implications of enabling Chinese control of their assets. It is also important to ensure that Western governments and institutions, in the process of financially assisting bankrupt countries, do not pay off China if it is not participating in refinancing or loan forgiveness.

Introduction

Since World War II (WWII), the Western powers have made concerted efforts to use public diplomacy to convince publics worldwide that democracy is the form of government most likely to ensure a rules-based society, personal freedoms, and official accountability. Throughout the post-WWII era until around 2000, the contest for hearts and minds was predominantly between Washington and Moscow, with the West generally having the upper hand largely due to freedom of the press, technological dominance, and the belief by Western governments in the power of public diplomacy.

But since the end of the 20th century, there have been dramatic changes with the entry of China into the fray—along with the much-belated realization by Western leaders of the power, organization, money, and commitment to mission that Beijing has mustered.

China took the U.S. public diplomacy playbook, Sinicized it, and set out to win converts. Meanwhile, Washington relaxed during the post-Soviet lull. U.S. public diplomacy became less important and in 1999 its primary bureaucracy, the U.S. Information Agency (USIA), was subsumed into the State Department where it was diluted by its co-mingling with Public Affairs, which is primarily concerned with support for the news media and domestic public interactions rather than “telling the story of America” and explaining U.S. policies and objectives to foreign audiences. This was the mission of USIA.

Meanwhile, two more challenges arose. First, there was a post-Soviet resurgence in the use of active measures and propaganda by Moscow under ex-KGB agent-turned-president Vladimir Putin. Second, the digital age vastly complicated the infoscape. High-speed communications meant stories went further and faster. And the means to manipulate (e.g., with doctored videos, photos, and voice

recordings, as well as altered texts, forgeries, etc.) became easier, faster, and cheaper.

This *Occasional Paper* defines what U.S. public diplomacy has been historically, how China has adapted public diplomacy tools to its own goals, and the challenges the United States faces from China's successes. It lays out China's goal of replacing the current international system of technology, governance, and rules with one of China's own making—with public diplomacy being one of the principal tools used to bring about the changes. China's gameplan in Africa exemplifies its approach, objectives, and successes, but it is not the only region where China is active; China is now applying worldwide its playbook and lessons learned in Africa.

The United States and the West have the better story—that democracy is the best option—but unless the story is told, and told well, it will not be heard in the increasing din of information and spin. Unless there are technical, financial, and other types of alternatives available to foreign governments and publics, the Chinese and Russian means will be adopted by many. This paper argues that time is short.

Fortunately, there is little need for additional monetary resources for U.S. public diplomacy. What is needed is twofold: a cadre of public diplomacy professionals who understand what needs to be done and are willing to do it; and action by the U.S. Congress to assure that key roles are filled abroad—from ambassadorships down—with professionals who understand the importance and mechanics of public diplomacy. In short, the West must show up and play the game to win it.

It is important to add a note regarding attempts to gain information and perspective from the U.S. Department of State to make this paper more useful to those most closely engaged in U.S. public diplomacy. Four requests for interviews and information were made through the

Department of State's Public Affairs online portal and three voicemails were left. No responses were received.

Chapter 1

Active Measures and Public Diplomacy Defined

The terms *active measures* and *public diplomacy* are terms of art, and both are fraught due to recent misuse and confusion with related words that have very different meanings—disinformation, misinformation, and fake news. To discuss meaningfully what the United States should do to improve its public diplomacy, and to fight the ill effects of hostile foreign active measures and disinformation, it is essential to begin with how the terms have been defined and why.

Active Measures

If you can change perceptions of fact, you can change the reality by which people act.²

The term *active measures* is a literal translation from Russian—*aktivnyye meropriyatiya*, which denotes covert, deceptive intelligence operations conducted in support of Russian foreign policy.³ They are distinct both from the other core intelligence functions of espionage and counterintelligence, and from traditional diplomatic and informational activities. The goal of active measures is to

² At the outset of some chapters, there may be an apt thought in italics that conveys a message about the following subject. Some are quotations from others; those without attribution are my own.

³ The term *active measures* has been changed occasionally (e.g., actions of influence, operational disinformation, assistance measures.), often in conjunction with bureaucratic reorganizations in Moscow. Despite the changes in name, the definition has remained the same. See Yevgeny Primakov, *History of Russian Foreign Intelligence*, Volume 2, 1917-1933, p. 13. I am indebted to Todd Leventhal for pointing out this fact and source to me.

influence and manipulate opinions and/or actions of individuals, governments and/or publics.⁴

The active measures toolbox contains an array of techniques. Most involve the covert use of individuals or organizations to convey disinformation or propaganda, or to get results through covert action or influence. Some of the techniques are listed below.

Front groups, friendship societies, think tanks, or other institutions may present themselves as—and may be—non-governmental, non-political organizations engaged in promoting desirable goals such as cultural understanding, but they may be used to manipulate as well. For example, foreign-sponsored front groups have been used in the United States to spread disinformation, fight for foreign governments' objectives, and to cultivate influencers. Both Russia and China have made extensive use of such groups.

Agents of influence are individuals cultivated and used by intelligence services to covertly achieve a state's aims. For example, members of political parties, the press, business, labor, or academia may be recruited and covertly directed to do the controller's bidding.

Media outlets may appear to be independent but can be covertly funded and controlled. As will be explained in Chapter 5, China is also using its provision of hardware and software—as well as recruitment, training and placement of media professionals—as means of media control.

Forgeries—increasingly, doctored video, texts, and other digital communications—can be used to help “substantiate” a false story spread by a government deceptively.

The very heart of active measures is often disinformation—falsehoods deliberately spread by a person or group for the purpose of manipulating others, discrediting perceived adversaries, sowing discord, or some

⁴ U.S. Department of State, *Soviet Influence Activities: A Report on Active Measures and Propaganda, 1986-87, August 1987*, p. viii.

other political aim. Disinformation differs from misinformation, which is inaccurate information spread without these malign intents. Disinformation remains disinformation, regardless of whether its continued spread is via repeaters who have no malign intent.

Fake news is a heavily laden term that would seem to be a synonym for disinformation but is not. Certainly, disinformation can be both fake and often in the news. But the use of the term “fake news” has come to mean something else. It now is as likely to mean a news story that is disliked by a politician, even though the story may be truthful and has appeared without covert means. It is the often-covert origin and the manipulative intent of disinformation that distinguishes it.

Propaganda can also be an active measure if its origin is hidden, the information is falsely attributed to others, and/or it contains disinformation. Propaganda is not an active measure if it is simply biased information. Thus, Russian and Chinese state propaganda outlets are important efforts to sway public opinion, but they are not, strictly speaking, active measures.

Public Diplomacy

*To be persuasive, we must be believable. To be believable, we must be credible. To be credible, we must be truthful.*⁵

~ Edward R. Murrow

From the term itself we can see that public diplomacy (PD) is both openly conveyed (public) and diplomatic (in the sense of being a professional activity by a state's official

⁵ Edward R. Murrow, congressional testimony in May 1963, cited in Matthew Keys, “Editor’s note: Why Grasswire will not cover incendiary political rhetoric,” *medium.com*, December 7, 2015. <https://medium.com/@matthewkeys/editor-s-note-why-grasswire-will-not-cover-incendiary-political-rhetoric-8ffd8ba5593b>.

representative). Some people have sought to widen the definition to include “diplomatic” activities by a host of other actors such as private entities and non-governmental organizations⁶, or to include additional objectives such as two-way communications with foreign audiences.⁷ Others have taken an even more extreme view: that PD is “...diplomacy by the public, not of the government...”.⁸

This paper eschews such broader definitions because they so change the meaning as to make the term useless in the governmental context from which it is derived. It also removes the clarity of usage so badly needed in today’s foreign policy milieu, including the distinction needed to assure that U.S. Government funds are not used to influence American public opinion (discussed below). This chapter clarifies the origin and “traditional” usage of *public diplomacy* as it will be used in the remainder of this paper.

Although public diplomacy is conducted by government officials, it does capitalize on societal resources to achieve communication with and cultivation of foreign audiences. As Professor Alan Henrikson has written, “Public diplomacy may be defined, simply, as the conduct

⁶ For example, the website of the USC Center on Public Diplomacy advocates including sub-national actors and private companies as practitioners of PD. <https://uscpublicdiplomacy.org/page/what-is-pd>.

⁷ Other scholars have more expansive definitions. For example, one expert envisions public diplomacy as having the intent on the part of the purveyor to be open to response from the audience, including “listening to learn” and having a “flexible agenda.” See Nicholas J. Cull, Powerpoint Presentation to “Foreign Service Institute Public Diplomacy, 2013” as cited in Christian Mull and Matthew Wallin, “Propaganda: A Tool of Strategic Influence,” September 2013. <https://www.americansecurityproject.org/ASP%20Reports/Ref%200138%20-%20Propaganda%20-%20A%20tool%20of%20strategic%20influence%20-%20Fact%20Sheet.pdf>.

⁸ Manuel Castells, “The New Public Sphere: Global Civil Society, Communication Networks, and Global Governance,” *Annals of the American Academy of Political and Social Science*, 616, March 2008, p. 78.

of international relations by governments through public communications media and through dealings with a wide range of nongovernmental entities (political parties, corporations, trade associations, labor unions, educational institutions, religious organizations, ethnic groups, and so on including influential individuals) for the purpose of influencing the politics and actions of other governments.”⁹

There may be an attempt by some in the U.S. Department of State to change the definition and purview of PD. In an April 2022 paper, the Senior Official for Public Diplomacy and Public Affairs in the U.S. Department of State said, “While we have traditionally viewed Public Diplomacy as limited to engaging foreign audiences abroad, the Department must also engage American citizens, businesses, and organizations in discussions at home about U.S. foreign policy activities and solicit their input into those efforts.”¹⁰ The paper goes on to say that, “To be meaningful and effective, we must engage the American people to share the purpose, tools, and capabilities of diplomacy and to afford them the opportunity to share how our foreign policy efforts impact their lives and communities.”

If one were to take this recommendation seriously, it would mean that the State Department should engage “citizens, businesses, and organizations” in the process of formulating U.S. foreign policies. In the case of the United States, this is clearly a recipe for dragging party politics and

⁹ Although this quote is on Wikipedia (https://en.wikipedia.org/wiki/Public_diplomacy), the footnote source couldn't be verified, therefore I obtained confirmation of the quote via email from Prof. Henrikson on June 27, 2022.

¹⁰ Jennifer Hall Godfrey, “Engaging Americans through Public Diplomacy,” in *Exploring U.S. Public Diplomacy's Domestic Dimensions: Purviews, Publics, and Policies*, a report by the United States Advisory Commission on Public Diplomacy, April 2022. <https://www.state.gov/exploring-u-s-public-diplomacys-domestic-dimensions-purviews-publics-and-policies-2022/>.

commercial concerns directly into the U.S. foreign policy process. It is comingling public diplomacy and public affairs at its worst and contravenes U.S. history and law regarding public diplomacy. These points will be further addressed in the final chapter.

Origin & Development of Public Diplomacy in the United States

One of the earliest uses of the term public diplomacy in the press was in an 1871 report by *The New York Times* on a U.S. Congressional debate, citing a congressman who opposed establishing a secret fund to annex Santo Domingo (the Dominican Republic today) and instead called for “open, public diplomacy.”¹¹ Subsequent uses of the term public diplomacy reinforced this early emphasis on truthful openness in governmental decisions and intentions related to foreign affairs.¹² This emphasis on truthfulness and objectivity applies to all U.S. public diplomacy communications, including government-sponsored broadcasting which, by law, must contain “...news that is consistently reliable and authoritative, accurate, objective, and comprehensive.”¹³

Following WWII, the U.S. Congress realized the importance of more clearly conveying U.S. interests abroad as a means of reducing potential conflicts and of seeking more support for U.S. policies from foreign publics and

¹¹ “Forty-First Congress, Third Session,” *The New York Times*, January 20, 1871, p. 2.

<https://timesmachine.nytimes.com/timesmachine/1871/01/20/78756260.html?pageNumber=2>.

¹² Nicholas J. Cull, “Public Diplomacy before Gullion,” Chapter 3 in *Routledge Handbook of Public Diplomacy*, November 2008.

<https://www.routledgehandbooks.com/doi/10.4324/9780203891520.ch3>.

¹³ Section 303 of the U.S. International Broadcasting Act of 1994, Public Law 103-236.

governments.¹⁴ But there was fear that PD could become, or could be perceived as, propaganda being used by the U.S. Government to manipulate the thinking of its own citizenry. To achieve the goal of increasing understanding and support for the United States abroad while assuring that the domestic public would be protected from propaganda, Congress statutorily restricted PD concerning foreign relations to audiences abroad.

The U.S. Information and Educational Exchange Act of 1948 (commonly known as the Smith-Mundt Act) had the overarching purpose “to promote the better understanding of the United States among the peoples of the world and to strengthen cooperative international relations.”¹⁵ The Act specified two objectives. First, it called for an information service to disseminate information abroad about the American people and U.S. official policies affecting foreign affairs. Second, the Act called for an educational exchange service to cooperate with other nations in the interchange of persons, knowledge, and skills; rendering of technical and other services; and the interchange of developments in education, arts, and sciences. These two objectives were related, but clearly separated. The Act even created two separate advisory commissions: for information, and for educational exchange.

¹⁴ Matthew Armstrong, “A Brief History of the Smith-Mundt Act and Why Changing It Matters,” February 23, 2012.

https://mountainrunner.U.S./2012/02/history_of_smith-mundt/.

¹⁵ The U.S. Information and Educational Exchange Act of 1948, Public Law 80-402, 62 Stat. 6, January 27, 1948. <https://www.usagm.gov/who-we-are/oversight/legislation/smith-mundt/>.

U.S. public diplomacy is characterized by two types of activities: advocating for U.S. foreign policy (communications) and building mutual understanding between Americans and foreign peoples (exchanges).

The two PD functions—information and exchanges—are very different means to the same end. It is somewhat awkward to have two such disparate elements under the rubric of *public diplomacy* because, while they have the common goal of swaying foreign publics' or governments' views and/or actions, they have quite different attributes. An

examination of each in more detail follows.

The first type of public diplomacy—conveyance of information from governmental officials about its policies, perspectives, and intentions—is most often of a shorter temporal character relating to objectives and needs of the moment. The primary officials who conduct U.S. communications PD are from the Departments of State and Defense. One of the most comprehensive definitions of communications PD as practiced by the United States is provided by the Department of Defense, which refers to its own public diplomacy as “strategic communication”:

[F]ocused United States Government efforts to understand and engage key audiences to create, strengthen, or preserve conditions favorable for the advancement of United States Government interests, policies, and objectives through the use of coordinated programs, plans, themes, messages, and products synchronized with the actions of all instruments of national power.¹⁶

PD exchanges such as foreigner visit programs and student-abroad exchanges are longer-term and, unlike

¹⁶ DOD Dictionary of Military and Associated Terms (Joint Publication 1-02), “strategic communication.”
<http://www.dtic.mil/doctrine/jel/doddict/data/s/18179.html>.

communications PD, often directly involve U.S. citizens and groups. These programs are designed to cultivate and increase mutual understanding, over time, between the United States and other peoples. They are necessarily an investment in the future.

While the Department of State and the U.S. Agency for International Development sponsor nearly four-fifths of exchange programs, other governmental entities are also engaged in PD exchanges.¹⁷ For example, there are scientist exchanges at the National Cancer Institute and congressionally mandated NGOs (e.g., National Endowment for Democracy, the Asia Foundation, and the East-West Center at University of Hawaii) receive appropriated funds to develop relationships with foreign publics.

As noted, PD exchanges may directly involve non-official Americans. The Mutual Educational and Cultural Exchange Act of 1961¹⁸ authorizes, for example, foreign language and area studies for Americans, books and other material exchanges, and grants for both Americans and foreigners for educational and cultural exchanges.

U.S. PD Communications Are for Foreign Audiences

If a U.S. bureaucracy is charged with explaining U.S. foreign policy to the American public, the process will inevitably be politicized, and the message will thus become propaganda.

The Smith-Mundt Act specified that the U.S. PD information service is for foreign audiences and that the educational and other exchanges are with people in other countries. This distinction has been made to keep U.S.

¹⁷ Kennon H. Nakamura and Matthew C. Weed, *U.S. Public Diplomacy: Background and Current Issues*, Congressional Research Service, December 18, 2009, p. 28.

¹⁸ Public Law 87-256; 22 U.S.C. 2451 et seq.

Government resources from being used to influence U.S. public opinion. PD by nature is extremely close to propaganda (discussed below) and the risk is ever-present that the dissemination of information could become manipulative. Keeping the “foreign audiences only” distinction helps prevent the use of PD for effect in U.S. politics.

Yet there are at least three reasons why U.S. citizens *should* have access to the information made available to foreign publics. As a practical matter, information being conveyed abroad is often available domestically anyway due to increased cross-border flow of information via television, film, the Internet, and other means. Second, it makes common sense that American taxpayers should be able to see the official products of their government. Third, making the information and perspectives conveyed to foreign audiences available to the press and others in the United States can prove useful as a check to help keep public diplomacy from evolving into propaganda. Yet the overarching argument remains: U.S. Government efforts to sway audiences abroad should never target U.S. citizens.

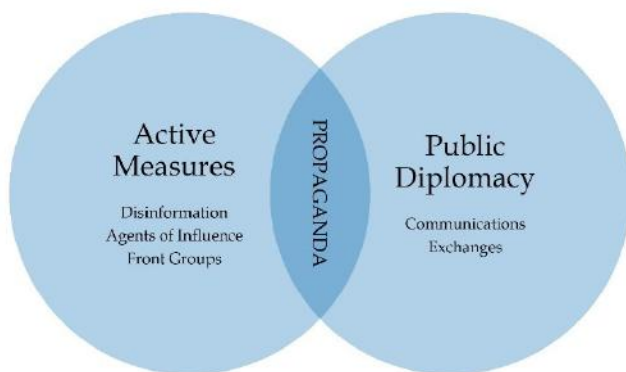
In 2013, the Smith-Mundt Act was amended to allow information intended for foreign audiences abroad to be made available within the United States upon request. The amendment also specified that nothing in it may be construed as affecting “...allocation of funds appropriated or otherwise made specifically available for public diplomacy or to authorize appropriations for ... programming other than *for foreign audiences abroad*.”¹⁹ (emphasis added) A further amendment specified, “No funds ... shall be used to influence public opinion in the

¹⁹ U.S. Public Law 112-239, Amendment to U.S. Information and Educational Exchange Act of 1948, January 2, 2013, Section 501 (b). <https://www.congress.gov/112/plaws/publ239/PLAW-112publ239.pdf>.

United States.”²⁰ Thus, the amendments clarified that U.S. public diplomacy products prepared for foreign audiences may be given to the U.S. public *upon request*, but the Act reinforced the restriction that PD products should not be created for or used to influence domestic audiences.

Public Diplomacy Versus Propaganda

Although the terms public diplomacy and propaganda are not the same, they are closely related and share essential qualities. Both involve dissemination of information and perspectives that are in the interests of the purveyor. Both attempt to sway the audience to make it understand and believe a set of facts that will result in specific thought, behavior or action that benefits the purveyor. But the flavor, and often the credibility, of the two differ.



Propaganda has a more pejorative connotation to Westerners because of the characteristics it does not share

²⁰ U.S. Public Law 112-239, Amendment to the Foreign Relations Authorization Act of Fiscal Years 1986 and 1987, January 2, 2013, Section 208 (a).
<https://www.congress.gov/112/plaws/publ239/PLAW-112publ239.pdf>.

with PD.²¹ It is often crasser and more one-sided, and frequently attempts to build up the purveyor while ignoring or denigrating the opponent. Propaganda doesn't prioritize objectivity; it is biased information that attempts to influence the audience and may, in addition to facts, use tactics such as obfuscation, omission, and/or outright disinformation.

By contrast, PD is the more upstanding, truthful sibling of propaganda. Often it will include the source of the information to bolster credibility. While it may also provide negative information about or analysis of the opposition, it does so with greater dispassion and objectivity than would be likely with propaganda. Nevertheless, PD and propaganda remain, at their essence, tools of influence.

Public Diplomacy Versus Public Affairs

U.S. communications PD is restricted by law to foreign audiences; public affairs serves the domestic counterpart. Public affairs consists of such activities as press briefings, website management, and outreach to Americans about U.S. foreign policy.

²¹ In Chinese, the word *propaganda* is not as pejorative as in English. For example, propaganda is cited as an important task of the CCP in the context of shaping online public opinion. See translation of Cyberspace Administration of China, "Deepening the Implementation of General Secretary Xi Jinping's Strategic Thinking on Building China into a Cyber Superpower: Steadily Advancing Cybersecurity and Informatization Work," *Qiushi*, September 15, 2017, translated by Elsa B. Kania, Samm Sacks, and Paul Triolo. <https://www.newamerica.org/cybersecurity-initiative/blog/chinas-strategic-thinking-building-power-cyberspace/>.

Chapter 2

Changes in the Infospace: The Digital Age and New Challenges From China

Facebook estimates that 10 million people saw the paid ads and up to 150 million people saw other content from the fake accounts, which Facebook has traced to the Internet Research Agency, a Kremlin-backed troll farm.²²

The infoscape—the arena in which information is generated, spun, reported, and absorbed by the public—is vastly more complicated in democracies. This is true for a few reasons.

First, the sources of information are greater in number and diversity. The upside and *raison d'être* for a free press is to increase chances for the truth to be told, corruption rooted out, voter education, and so on. A downside is that the plethora of information sources can be confusing, and it often falls to the consumer to try to sort out the facts.

Second, because democratic governments do not control the press, the media can be and often are manipulated by both internal and external forces, including foreign governments. For example, China, Russia, and Iran use “content farms” to generate information and spin, and to post them on social media. The ease of checking whether information is false is not always easy or fast, so misinformation and disinformation can go viral quickly. These factors make it easier to inject disinformation into discourse in the West. By contrast, of course, in autocracies the pace and content are highly controlled.

²² “How Russia ‘Pushed Our Buttons’ With Fake Online Ads,” *Wired*, November 3, 2017. <https://www.wired.com/story/how-russia-pushed-our-buttons-with-fake-online-ads/>.

Third, the skills and resources being dedicated to PD, propaganda, and disinformation have grown tremendously in China and Russia, and to a lesser degree in Iran. A few points should be noted about this expansion of capabilities:

- They have government-owned and -operated media outlets to shape and disseminate their messaging. They have developed large, well-funded, experienced, and skilled bureaucracies dedicated to the task of influencing foreign perceptions and behavior.
- They are unconstrained in terms of the measures they employ to accomplish their aims. They mix public diplomacy, political and cultural outreach, and active measures freely. And they have done so with significant success. An example is Russia's campaign to justify its invasion of Ukraine (more below).
- Their focus is not just on Western audiences. For example, while Russia has long had channels for information and disinformation in multiple languages, with the growth of digital media, they have significantly expanded. Meanwhile social media platforms have been less attentive to disinformation in foreign languages than they have been in English. Reportedly, 80% of Facebook's enforcement resources are English-language focused.²³

Another change in the infoscape is the relative absence of the United States. Following the collapse of the Soviet Union in 1992, the Cold War was assumed to be over. Many

²³ Steven Lee Myers and Sheera Frenkel, "How Russian Propaganda Is Reaching Beyond English Speakers," *The New York Times*, August 9, 2022. <https://www.nytimes.com/2022/08/09/business/russia-propaganda-spanish-social-media.html>.

resources formerly dedicated by the United States to stymie the effects of active measures were redirected, the PD effort was reorganized and reduced, and the emphasis on U.S. PD waned. Yet, there is a given that has not changed: democracy must continually fight against uncritical thinking and the vulnerability of publics to demagoguery, or it will not spread and may even wither.

Opinion on the War in Ukraine

*NATO is now a purely geopolitical project to develop the territory that turned out to be ownerless after the disappearance of the Warsaw Pact and after the collapse of the Soviet Union.*²⁴

~ Sergei Lavrov

Russia's war against Ukraine offers a case study in the role of PD and propaganda in foreign affairs. All sides have exercised PD to achieve their foreign policy goals. Ukraine has excelled at using the panoply of public diplomacy tools from social media to video appearances to the parliaments of many nations. The United States and allies have used imagery and words to try first to deter the Russian invasion and then to muster a coalition around a set of policies to sanction Russia and bolster Ukraine. Russia has pushed its narrative and justification for its invasion, focusing the message particularly on Russian citizenry, but also on key foreign leaders.

From the perspective of many in the West, opinion on the war in Ukraine appears to be an open-and-shut case in Ukraine's favor. The view is simple: Russia violently and without provocation, in contravention of its international

²⁴ Sergei Lavrov, Comments on *Raymond Scott Rewired*, December 27, 2021. <https://scottrewired.com/lavrov-called-nato-a-project-for-the-development-of-lands-after-the-collapse-of-the-ussr/>.

commitments, invaded Ukraine and began wanton destruction of its citizenry and infrastructure to seize land for itself.

Yet, many in all regions of the world do not share this perspective. Instead, they sympathize with Russia, which has finely formulated messages for both internal and external audiences justifying its behavior as warranted and making the claim that the invasion and destruction is not even war.

For non-Russian audiences, Moscow argues that its military response is a warranted preemptive response to threats from NATO. It has also claimed that Ukraine was not a legitimate state, but rather a breakaway territory Russia was reclaiming. Understanding the breadth of support for the pro-Russian position provides insight to the extent and success of Russia's public messaging and its cultivation of influence abroad.

Propaganda to the Russian people centers on the central theme that Moscow is trying to rid Ukraine of vicious Nazis and falsely claiming that Ukraine is using noncombatants as human shields, killing its own people, and planning a genocide of Russians. Using the term Nazis taps into historical fears of Nazi Germany as well as to memories of Ukrainian collaboration with Nazis during WWII. The claims are so prevalent, and repeated by so many media outlets, that up to 20% of articles about Ukraine appearing in Russia in the four months after the invasion began mentioned Nazism.²⁵

²⁵ Charlie Smart, "How the Russian Media Spread False Claims About Ukrainian Nazis," *The New York Times*, July 2, 2022.
https://www.nytimes.com/interactive/2022/07/02/world/europe/ukraine-nazis-russia-media.html?campaign_id=29&emc=edit_up_20220705&instance_id=65824&nl=the-upshot®i_id=98220779&segment_id=97647&te=1&user_id=62b545930c37f9f6e8ee93faedb002e7.

To succeed with his propaganda campaign within Russia, Vladimir Putin cleared away any possibility of challenges to his messages. He already controlled media outlets, but he took additional steps of banning reporting that is not from official sources, criminalizing the act of calling the war a “war,” and banning or blocking many Western social platforms (e.g., Facebook, Twitter, and Instagram).

While Putin and his propaganda machine fear the impact of Twitter inside Russia, they well appreciate its usefulness in other countries. Many probably-paid pro-Russia Twitter posts began to appear in Asia, India, and Africa shortly after the February invasion.²⁶ (Most of the postings varied the wording and emphasis of their content, indicating that they were probably generated by real people rather than bots.) For example, posts asked why NATO did not listen to warnings and dialogue with Russia when Putin proposed solutions.

Effectiveness of Kremlin Propaganda about the War

In March 2022, the Economist Intelligence Unit measured government actions since the Ukraine war began, and historical ties with Russia, to divide the world into three broad categories: West-leaning (71 countries), Russia-leaning (28), and neutral (32).²⁷ While the majority of countries are against Russia, almost two-thirds of the world's population live in countries that are either neutral or Russia-leaning, and many of those states that are neutral would be expected to favor Russia if forced to choose. Key

²⁶ “Russia is swaying Twitter users outside the West to its side,” *The Economist*, May 14, 2022. <https://www.economist.com/graphic-detail/2022/05/14/russia-is-swaying-twitter-users-outside-the-west-to-its-side>.

²⁷ “Who are Russia's supporters?” *The Economist*, April 4, 2022. <https://www.economist.com/graphic-detail/2022/04/04/who-are-russias-supporters>.

among these states are China (pro-Russia) and India (neutral), which together account for about one-third of the global population.

India, the world's most populous democracy, is a swing vote verging on being pro-Russian. In a YouGov poll conducted in March 2022, 40% of Indian respondents approved of Russia's invasion of Ukraine.²⁸ The government has refused to condemn Russia's invasion and has undermined sanctions by increasing its purchases of Russian oil. India's lack of support for the pro-Ukraine alliance is the product of decades of Russian PD and active measures in India, where it has established front organizations and news media outlets, spread disinformation, and cultivated journalists. Many popular Indian TV commentators blame the war on America, pushing this line even harder than the government itself does.²⁹

The views favorable to Russia have varied effects in the international arena. For example, on March 22, 2022, in a vote in the UN General Assembly to condemn Russia's invasion, only 28 of 54 African countries voted in favor. Seventeen abstained, 8 were no shows, and Eritrea voted against. While some of these abstainers and no-shows may have economic and security reasons to take it easy on Russia, that cannot alone be the reason. Rather, it is the result also of a decades-long effort by Moscow to cultivate influence with existing and potential African leaders, and a concerted, sustained campaign using PD and propaganda.³⁰

²⁸ Ibid.

²⁹ Interests, not values, underpin Asia's ambivalence about Russia," *The Economist*, April 23, 2022. <https://www.economist.com/asia/2022/04/23/interests-not-values-underpin-asias-ambivalence-about-russia>.

³⁰ See, for example, the expose of Russian propaganda in Julian Pecquet, "US looks to expose Russian propaganda in Africa," *The Africa Report*, May 25, 2022. <https://www.theafricareport.com/207268/us-looks-to->

Russia's efforts to win support are not just in non-Western states. In Turkey, a NATO member, public opinion is also in Russia's favor. A poll of Turkish citizens by Metropoll found that most Turks disapprove of the invasion, but about half of respondents (48.3%) blamed the United States and NATO for the war, while fewer (34%) blamed Moscow.³¹

Turkish views of the Ukraine war dovetail with a broader lack of support by Turks for NATO and the West. In a January 2022 poll, the question was asked, "In its foreign policy, should Turkey give priority to Russia and China or to the U.S. and the EU?" 39.4% opted for the Russia-China option, while 37.5% supported the U.S.-EU.³² This trend is consistent with Turks' views of NATO. In a 2019 PEW Research poll, only 21% of respondents had a positive view of the alliance, which is the lowest favorable rating in any NATO member state.³³

According to Turkish political scientist Burak Ozpek, not only is there insufficient credible news about the value of NATO, but also, "All the marginal voices about NATO and conspiracy theories have become mainstream. Hence, now the invasion of Ukraine is not perceived as a smaller state being attacked by a stronger one, but rather a battle

expose-russian-propaganda-in-africa/. Also, Russia has increased its use of social media manipulation in spreading propaganda and disinformation. See Mary Ilyushina, "Russia's 'troll factory' is alive and well in Africa," *CNN*, November 1, 2019. <https://edition.cnn.com/2019/10/31/europe/russia-africa-propaganda-intl/index.html>.

³¹ Kuldeep Singh, "U.S. and NATO Responsible for Russia's Invasion of Ukraine," *Revyuh*, March 31, 2022. <https://www.revyuh.com/top-news/featured/U.S.-and-nato-responsible-for-russias-invasion-of-ukraine-new-poll-shows/>.

³² Pinar Tremblay, "As Turkey scrambles in response to events in Ukraine, anti-NATO sentiment is spreading in large segments of Turkish society," *Al-Monitor*, March 8, 2022. <https://www.al-monitor.com/originals/2022/03/turkish-public-support-nato-declines>.

³³ Ibid.

between NATO and Russia.”³⁴ The results of pro-Russian propaganda and influence operations in Turkey have important effects on almost any topic related to NATO. For example, Turkey’s opposition to Swedish and Finnish membership in the alliance reflects more than just President Erdogan’s concerns about Kurdish militants; it reflects his government’s tendency to represent Russia’s anti-NATO objectives. This, in turn, is the product of years of investment by Russia to drive a wedge between Turkey and the rest of the alliance.

Russian propaganda and disinformation has had significant impact in South America as well. Prior to the invasion on February 24, 2022, Russia released over 1,600 articles and videos referencing Ukraine from its Spanish-language outlets. (By contrast Voz de América, the U.S. state-owned broadcaster, published only 188 Ukraine-related articles.)³⁵ And readership of the Russian media at the outset of the war was high; *RT*, Russia’s main Spanish-language news site, had over 30 million visits in February, some 42% of which were from Argentina, Venezuela, and Mexico—three countries where Russia’s anti-Western messaging is most focused, and which have supported Russia or expressed neutrality in the war.³⁶

Putin’s Propaganda: An Accounting

The success of Putin’s propaganda within Russia is understandable, given the strict controls that prohibit

³⁴ Ibid.

³⁵ Daniela Rojas Medina, “Growing Audiences and Influence: Russian Media in Latin America,” *Digital World*, June 9, 2022. <https://www.bfna.org/digital-world/growing-audiences-and-influence-russian-media-in-latin-america-7wlrwqpupm/>.

³⁶ Steven Lee Myers and Sheera Frenkel, “How Russian Propaganda Is Reaching Beyond English Speakers,” *The New York Times*, August 9, 2022. <https://www.nytimes.com/2022/08/09/business/russia-propaganda-spanish-social-media.html>.

information flow and discourse, as well as the threats posed to anyone who even calls the war a war. Abroad, the success is less acceptable, for it represents a failure of public diplomacy by the West.

Putin violated international law and norms but was not sufficiently held to account for it. As historian Beatrice Heuser noted,

Already with the annexation of Crimea and the covert war in Donbas since 2014, [Putin] departed from the commitment to restraint which his Soviet predecessors had made in 1975 with the Helsinki Final Act – the promise not to change international borders by force – and the Budapest Memorandum of 1994 on the recognition of the borders of Ukraine, Belarus and Kazakhstan in particular, in exchange for their relinquishment of Soviet nuclear weapons still based on their soil. It casts aside the Russia-Ukraine Interstate Treaty of 1997 and Black Sea Fleet agreements of the same year, the 2003 Treaty of Cooperation on the Azov Sea and Kerch Strait, and the Kharkiv Agreements of 2010 signed by then-Presidents Yanukovych for Ukraine and Medvedev for Russia.³⁷

The transgressions by Putin's Russia should have been far more widely and understandably conveyed to publics worldwide. Public diplomats did an insufficient job in shaping and conveying the messaging about the war and why it matters to the world as an assault not only on Ukraine, but on laws-based society.

³⁷ Beatrice Heuser, "Western Ideas of War and the Russia-Ukraine Conflict," *National Institute for Public Policy, Information Series #528*, July 12, 2022. <https://nipp.org/wp-content/uploads/2022/07/IS-528.pdf>.

China's Entry into the Fray

Another big change to the infoscape is China's rising activity. And, because of their ideological and situational similarities, China's PD and active measures often amplify the same messages as Moscow.

China has taken Russia's side in the war against Ukraine from the outset. This was not a surprise because China is threatening to do what Russia has done—attack and overtake a functioning democratic country by force. In the case of China, the target would be Taiwan, but the justifications would be very similar.

China has used its political clout very effectively in favor of Russia, particularly in Africa, where it has substantial sway. A good example is many African states' unwillingness to listen to Ukraine's side of the story.

Ukraine President Zelensky began trying to get a virtual audience with African Union (AU) members in April 2022, but he was continually put off. When the video conference was finally held on June 20, only 4 heads of state from the 55-member African Union attended. (They were: Senegal, Ivory Coast, Republic of the Congo, and one of Libya's governments, the leader of the Libyan Presidential Council.) A few countries sent lower-level representation.

The African Union was very quiet about the meeting. It made no posts about the call on its website and no tweets. It was as if they sought to keep it secret.³⁸

³⁸ Ben Norton, "Only 4 of 55 African leaders attend Zelensky call, showing neutrality on Ukraine and Russia," *MROnline*, June 25, 2022. <https://mronline.org/2022/06/25/only-4-of-55-african-leaders-attend-zelensky-call-showing-neutrality-on-ukraine-and-russia/>.

Chapter 3

China's Pursuit of an Alternative International System

*If liberal democracies do not present a compelling and cost-effective alternative to the Chinese model of digital governance and infrastructure, the authoritarian toolkit that Beijing has long honed at home will increasingly spread abroad.*³⁹

China seeks to replace the present Western-led international system with one that centers around itself⁴⁰ – a Chinese international order. China intends to become the most powerful state militarily, but also to be dominant politically, normatively, economically, culturally, and technologically. While this seems like a tall order given the U.S. superpower status since WWII, China has made remarkable progress towards its objectives and is nearing a tipping point toward success.

This chapter briefly highlights a few key Chinese objectives, which help to explain why the Western international order is at such risk. Second, this chapter describes in more detail one of those objectives – achieving control over cyberspace worldwide. The goal here is to outline the methodical Chinese strategy to control the

³⁹ Alina Polyakova and Chris Meserole, “Exporting digital authoritarianism: The Russian and Chinese models,” Brookings Institution, August 2019, p. 6.
<https://www.brookings.edu/research/exporting-digital-authoritarianism/>.

⁴⁰ The Chinese policy of Comprehensive National Power is detailed in Christopher A. Ford, *Building Partnerships Against Chinese Revisionism: A “Latticework Strategy” for the Indo-Pacific*, National Institute Press, June 2022. <https://nipp.org/wp-content/uploads/2022/06/OP-Vol.-2-No.-6.pdf>.

means of public discourse, to manipulate content, and, ultimately, public thought and behavior.

The Multi-Pronged Plan

China pursues military dominance, control of infrastructure ranging from ports to the means of communication, energy independence, and an alternative financial system. The means to these ends include hardware and software infrastructure, highly integrated commercial and financial enterprises, and shared ideological tenets. Control of communications is essential to all. The action plan that links these objectives and means together, and globalizes it, is the One Belt-One Road Strategy (OBOR).⁴¹

OBOR was conceptualized upon Xi Jinping's ascent to power in 2012 and formally adopted by the Chinese Government in 2013 as a plan for China to globalize its dominance in infrastructure and diplomacy worldwide, starting with investments in selected countries and international organizations. OBOR was incorporated into the Chinese Constitution in 2017. While there are many components and projects associated with OBOR, the following overarching technology-infrastructure developments are key.

BeiDou

BeiDou frees China's military to interfere with GPS and [similar systems] in pursuit of tactical and strategic

⁴¹ This paper uses the term One Belt-One Road Strategy because that is the direct translation from Chinese. The milder-sounding English version, "Belt and Road Initiative," was promoted by the Chinese Government in 2016, but the Chinese version remained unchanged.

*advantage without endangering its own services and infrastructure.*⁴²

During the Taiwan Strait Crisis of 1996, China fired three missiles into the Strait as a warning. One hit its target, but China lost track of the other two. Beijing claimed that the United States had cut off the GPS signal upon which it relied for missile tracking.⁴³ Thus was born the imperative to build an alternative, a Chinese-controlled GPS, the BeiDou. In 2015, the 35-satellite system became operational worldwide. China considers it, along with its 5G network, one of the two pillars upon which its economic and military power are based.⁴⁴

Unlike the other three location systems—GPS (United States) GLONASS (Russia), and Galileo (European Union)—BeiDou is a two-way communication system that allows China to know the location of something, to communicate that location to others, and to send messages to any compatible BeiDou user (allowing encrypted messaging to users in remote locations, for example). In particular, there is risk that malware could be installed through the BeiDou receiver chip or if the devices use the two-way transmission messaging service⁴⁵ (which would

⁴² Dana Goward, "BeiDou a threat to the West, but perhaps not individuals," *GPS World*, August 11, 2020. <https://www.gpsworld.com/beidou-a-threat-to-the-west-but-perhaps-not-individuals/>.

⁴³ Minnie Chan, "Unforgettable humiliation led to development of GPS equivalent," *South China Morning Post*, November 13, 2009. <https://www.scmp.com/article/698161/unforgettable-humiliation-led-development-gps-equivalent>.

⁴⁴ Raymond McConoly, "China's Beidou GPS is a strategic challenge for the U.S.," *Naval Post*, May 24, 2021. <https://navalpost.com/chinas-gps-beidou-is-a-strategic-challenge-for-the-u-s/>.

⁴⁵ David H. Millner, Stephen Maksim, and Marissa Huhmann, "BeiDou: China's GPS Challenger Takes Its Place on the World Stage," *National Defense University Press*, April 14, 2022.

require a BeiDou ground station). Additionally, BeiDou is more accurate and faster than the other three systems.

Apart from BeiDou's superior military applications, it is an essential component of Chinese commercial and economic expansion. The vast majority of Chinese smartphones use BeiDou, along with Chinese 5G, to dominate the market for telecommunications services. As of 2020, at least 30 countries with 400 million users employed BeiDou.⁴⁶

5G

*The standoff between China and the United States, where the technology company Huawei is being used as a victim because of its successes, is an example of protectionism that will affect our own telecommunications sector, particularly the effort to roll out the 5G network, causing a setback to other networks as well.*⁴⁷

~ South African President Cyril Ramaphosa

At times, the lower cost of Huawei technology, coupled with the speed with which it can be acquired, outweighs security concerns. But what really matters in the long run is the security of data transmitted over the Internet. And it is a fact: whoever controls the 5G wireless communications infrastructure will dictate online privacy and security. More importantly, because 5G will power much of the world's

<https://ndupress.ndu.edu/Media/News/News-Article-View/Article/2999161/beidou-chinas-gps-challenger-takes-its-place-on-the-world-stage/#endnote-095>.

⁴⁶ P.W. Singer and Taylor A. Lee, "China's version of GPS is almost complete," *Popular Science*, March 31, 2020.

<https://www.popsci.com/story/blogs/eastern-arsenal/beidou-china-gps-gnss/>.

⁴⁷ Quoted by Sherwin Bryce-Pease, South African Broadcasting, in Robert L. Strayer, "U.S. Policy on 5G Technology," U.S. Department of State Briefing, August 28, 2019. <https://2017-2021.state.gov/US-Policy-On-5g-Technology/index.html>.

economic and financial activity, it is a critical infrastructure that could be shut down or manipulated by the state that controls it. China is well on its way to having that power in much of the world.

5G wireless networks are up to 100 times faster than 4G and enable connection of up to a million devices per square kilometer versus the limit of 2,000 for 4G. In 2018 China built a trial network of 5G cell sites, with Huawei being the hardware and software lynchpin. (Although Huawei is not state-owned, as a Chinese company it is subject to China's 2017 National Intelligence Law that requires it to support, provide assistance, and cooperate in national intelligence work.) By 2019, it had installed 350,000 relays nationwide — about 10 times more than the United States — along with surveillance cameras and facial-recognition technology.⁴⁸

Huawei first made significant inroads into the market for telecommunications networks through selling proprietary 4G equipment at a lower cost than competitors. Due to non-interoperability with other brands of equipment, once a customer is a user of Huawei equipment for 4G, it has to continue using Huawei equipment for upgrade to 5G, or start over, which is very costly.

Although the Western powers woke up to the threat of a Chinese dominated communications system that could tap into everyone's email, sensitive files, and other data, China's 5G networks outside of advanced Western nations have a strong foothold.

From China's past behavior, it seems likely that Beijing will use its control over 5G to access data illicitly. As early as 2018, China used its requirement that data storage be in China, for example, as a means for industrial espionage. As a U.S. State Department briefing cited:

⁴⁸ Sue Halpern, "The Terrifying Potential of the 5G Network," *The New Yorker*, April 26, 2019.

The United States and 14 other governments last December [2018] attributed one of the largest instances of industrial espionage in modern history to the Chinese Ministry of State Security. The [Ministry] working with a private company there was able to cause what they call managed service providers or managed cloud providers, which are basically IT systems for major global companies. They caused companies in 12 different countries to be compromised, their data to be taken, and some of that data to be shared with commercial enterprises in China.⁴⁹

An Alternative Financial System

*[China hopes] to provide services all around the globe one day, and especially to facilitate services to overseas participants. There will be CIPS services wherever there is yuan.*⁵⁰

Some Western governments, particularly the United States, have made extensive use of sanctions, tariffs, and bans on blacklisted firms as a principal tool of foreign policy, especially since September 11, 2001. The sanctions move took a drastic step in March 2022, when Western governments excluded selected Russian banks from SWIFT (the Belgium-based dominant payments-messaging network). Although Russia and China have both worked to de-dollarize their trade and to seek an alternative to SWIFT, this accelerated their efforts.

⁴⁹ Robert L. Strayer, "U.S. Policy on 5G Technology," U.S. Department of State Briefing, August 28, 2019. <https://2017-2021.state.gov/US-Policy-On-5g-Technology/index.html>.

⁵⁰ As cited in Frank Tang, "What is China's Swift equivalent and could it help Beijing reduce reliance on the U.S. dollar," *China Macro Economy*, February 28, 2022. <https://www.scmp.com/economy/china-economy/article/3168684/what-chinas-swift-equivalent-and-could-it-help-beijing-reduce>.

In 2015, China established its Cross-Border Interbank Payment System (CIPS), which processes payments in Chinese yuan. As of early 2022, it is used by 80 foreign banks ⁵¹, 1,280 financial institutions, ⁵² and is used increasingly by Russia. (By comparison, SWIFT is used by 11,000 institutions.) Although CIPS accounted for only 3.2% of global payments in early 2022 (versus 40% for the U.S. dollar, 36.5% for the Euro, and 6.3% for the British pound), the quantity of CIPS transactions jumped 53% and by valuation 83% from the previous year.⁵³

To lessen its reliance on the dollar and vulnerability to Western sanctions, China has promoted the use of its currency, the yuan, internationally and has slowly opened its bond market to foreign investors. Following the start of Russia's war in Ukraine, it began paying for imports from Russia with the yuan. China's \$13 trillion bond market is the world's second largest.

Another tool China is developing to reduce reliance on the U.S. dollar and Western banking system is the digital version of the yuan, known the e-CNY, which is now in a trial phase across 15 provinces where residents can use the currency in their e-wallets.⁵⁴ The e-CNY will make it easier

⁵¹ David P. Goldman, "China's SWIFT alternative may undercut U.S. sanctions," *Asia Times*, February 25, 2022. <https://asiatimes.com/2022/02/chinas-swift-alternative-may-undercut-us-sanctions/>.

⁵² Huileng Tan, "China and Russia are working on homegrown alternatives to the SWIFT payment system. Here's what they would mean for the U.S. Dollar," *Insider*, April 28, 2022. <https://www.businessinsider.com/china-russia-alternative-swift-payment-cips-spfs-yuan-ruble-dollar-2022-4?op=1>.

⁵³ *Shanghai Securities News* reporting as cited in Frank Tang, "What is China's Swift equivalent and could it help Beijing reduce reliance on the U.S. dollar," *China Macro Economy*, February 28, 2022, op. cit.

⁵⁴ "The digital yuan offers China a way to dodge the dollar," *The Economist*, September 5, 2022. <https://www.economist.com/finance-and-economics/2022/09/05/the-digital-yuan-offers-china-a-way-to-dodge-the-dollar>.

and cheaper to make cross-border payments. It would be harder for America to block digital yuan payments because they would bypass SWIFT and possibly commercial-banking institutions altogether.

China's effort to build an alternative financial regime remains a work in progress. Key problems to be resolved before the yuan can become a reserve currency are for China to develop a trusted legal system, lessen its tight controls on the yuan, and make the yuan fully convertible to other currencies in the global market. But evidence is clear that China is on its way to establishing a worldwide alternative financial system.

Energy Self-Sufficiency

It does not matter whether it is oil, natural gas, coal or nuclear, China is developing it. ⁵⁵

China's strategy for energy differs fundamentally from that of the United States. While China emphasizes renewable energy, it is simultaneously continuing to build its traditional energy sector. It recognizes that the economy rests on the health of its coal, oil, and natural gas industries, while building alternatives to all three.

China is the largest importer of crude oil and has the fifth largest oil reserves. Since Russia's Ukraine war began, it has upped imports from Russia while continuing to import from the Middle East (including Iran), West Africa, and Latin America. It has also been adding extensively to its strategic oil reserves.

But what sets China apart is neither the quantity of oil imports nor its disregard of sanctions. Rather, it has emerged as both the dominant oil refiner worldwide

⁵⁵ "China's Use of Traditional Energy Resources Is on the Rise," Institute for Energy Research, September 10, 2021. <https://www.instituteforenergyresearch.org/international-issues/chinas-use-of-traditional-energy-resources-is-on-the-rise/>.

(China's refineries processed more crude oil than those in the United States in 2020 and the trend continues), and source of alternative energy.

China recognized that the need for fossil fuels would continue even with alternative energy coming online, and that the requirements for petrochemicals and plastics would increase, moving refining away from fuels to industrial and agricultural products. It set out to expand both oil imports and domestic refining capacity.

China regulated a major shift in oil refining in 2015 to allow small independent refiners to import crude oil on the condition that they expand and modernize. (Those that did not were closed.) This spurred competition not only among the independents, but also with China's state-owned producers,⁵⁶ which has nearly tripled Chinese refining capacity since 2000. (By comparison, the number of U.S. refineries is steadily declining, with several closures since 2020.⁵⁷)

In addition to its recognition that oil would have a long-term role to play, China foresaw the need for carbon neutral energy and invested accordingly. Solar power has been a huge success of this plan. China accounts for over 70% of the production of raw materials used to manufacture solar cells, but also the cells themselves and the modules into which they are assembled.⁵⁸ Likewise it is nearing dominance in battery technology and wind energy. Nuclear

⁵⁶ Nicolas DuPuis, "Why China Will be the World's Largest Oil Refiner in 2021," *Reuters*, May 24, 2021.

<https://www.reuters.com/article/sponsored/china-largest-refiner>.

⁵⁷ "U.S. Closes Refineries; China Increases Its Refining Capacity," Institute for Energy Research, July 13, 2021.

<https://www.instituteforenergyresearch.org/fossil-fuels/gas-and-oil/u-s-closes-refineries-china-increases-its-refining-capacity/>.

⁵⁸ "China is trying to protect its economy from Western pressure," *The Economist*, May 26, 2022.

<https://www.economist.com/OBORefing/2022/05/26/china-is-trying-to-protect-its-economy-from-western-pressure>.

energy is also part of the plan, with efforts underway to assure independence in all aspects of power plants from design to operation.

Redefinition of Values

Central to any worldview is its underlying ideology. The value of democracy underpins Western political thought and its manifestation—the ability of people to choose their own governance and system of laws.

China seeks to redefine its own system of governance as *democracy* and, in the process, denigrate the term as it applies to Western governments. A Chinese White Paper issued in 2021, entitled “China: Democracy That Works,”⁵⁹ turns the very concept of democracy on its head and seeks to define the Chinese Communist Party (CCP) as emblematic of democratic government. If China can succeed in convincing other states that its autocratic form of governance is actually a form of democracy, it will have won a key battle in the struggle for its new international order.

The CCP labels its democracy as “whole-process,” meaning it integrates two major democratic models—electoral and consultative democracy. CCP leaders are elected from within the party and by the party; they then consult the people whom they serve. So far, this is not far afield from some other democratic governments. Where the split comes is that China’s is a “people’s democratic dictatorship,” (emphasis added) a term in the Chinese Constitution.

The CCP says, “all power of the state belongs to the people” but the government takes “resolute action against any attempt to subvert the country’s political power.” Thus,

⁵⁹ “China: Democracy That Works,” State Council Information Office of the People’s Republic of China, December 4, 2021.
http://www.news.cn/english/2021-12/04/c_1310351231.htm.

"a tiny minority is sanctioned in the interests of the great majority, and 'dictatorship' serves democracy." Although other political parties exist, they are not allowed to be opposition parties and can never come to power. Knowing what the people want and need is achieved through "consultations" at the local level, which will in turn allow for the CCP to reflect "the will of the people" and "sound decision-making ensures their rights and interests and improves their wellbeing."⁶⁰

A Westerner in a democratic society might ask, "But what if we don't like the party decisions? Can we vote the leaders out?" In the West, yes. In China, no. And that is a fundamental difference that will continue to make China's claim to "democracy" false.

China's Cyberspace Strategic Plan

If our party cannot traverse the hurdle represented by the Internet, it cannot traverse the hurdle of remaining in power for the long term.

~ Cyberspace Administration of China, 2017

Although China's efforts to expand PD via traditional media picked up at the turn of the 21st century, the pace quickened after the ascension of Xi Jinping to the presidency in 2012. Xi has a greater understanding than his predecessors of the importance of PD and active measures, and particularly of the digital tools that enhance their power. Although he began to enhance China's use of communications as a tool of power after taking office, he laid out a clear framework for influence over the Internet with his Cyberspace Strategic Plan in early 2017.

The basic theme of the Plan is that China must control the "two wings of cybersecurity and informatization" (i.e.,

⁶⁰ Ibid.

the hardware, software, and mechanics of the Internet, as well as its content). The mastery of the Internet is viewed as existential by the CCP. The overarching theme of the Plan is that China intends to become a “cyber superpower.” To achieve this, the Plan asserts that China must:

- Excel in artificial intelligence, cloud computing, and 5G mobile networks;
- Develop a digital economy and enhance the influence of Chinese internet companies;
- Support international adoption of the BeiDou satellite navigation system;
- Use the internet to tell a “good story of China” to international audiences in more than 200 countries;
- Push China’s proposition of Internet governance toward becoming an international consensus; and,
- Gain control over communications and discussions worldwide.⁶¹

All of these have a common element—using digital technology and the Internet to control what information people are given in order to control their thought and behavior. As the Cyberspace Plan states, “[China] must grasp the characteristics and laws of the online public opinion struggle...and steadily control all kinds of major public opinion; dare to grasp, dare to control, and dare to wield the bright sword; refute erroneous ideas in a timely manner, comprehensively clean up online rumors, violent videos, and other harmful information...”⁶²

⁶¹ Sarah Cook, “China’s Cyber Superpower Strategy: Implementation, Internet Freedom Implications, and U.S. Responses,” testimony before the House Committee on Oversight and Government Reform, Subcommittee on Information Technology, September 26, 2018. <https://freedomhouse.org/article/chinas-cyber-superpower-strategy-implementation-internet-freedom-implications-and-u.s>.

⁶² Ibid.

In the six years since the Cyberspace Plan was published, China has made significant progress toward its goals. The CCP controls what its own citizens can see on the Internet and is gaining control over Virtual Private Networks to crack down on those who seek to evade censorship and the firewall. And many foreign companies are bowing to Chinese demands that their content reflect the CCP's political views, and that they move their servers and cloud data centers to China.

China's means to control the Internet, social media, and people's access to digital content is multi-pronged and affects every aspect of communications. Digital authoritarianism—the use of digital information technology by regimes to surveil, repress, and manipulate domestic and foreign populations—is reshaping the power balance between democracies and autocracies.⁶³

⁶³ Alina Polyakova and Chris Meserole, "Exporting digital authoritarianism: The Russian and Chinese models," Foreign Policy at Brookings, Brookings Institution. https://www.brookings.edu/wp-content/uploads/2019/08/FP_20190827_digital_authoritarianism_polyakova_meserole.pdf.

Chapter 4

One Belt-One Road in Africa

Numerous grains of earth make a mountain, numerous drops of water form an ocean. As long as we keep advancing China-Africa cooperation, we will make even bigger achievements.

~ Xi Jinping⁶⁴

Africa is home to China's first overseas military base and continent of its initial forays, starting in the early 2010s, into mega-scale overseas direct foreign investment in infrastructure—all folded into China's broader economic-political One Belt-One Road Initiative in 2017. Forty-three African countries have now signed the Initiative. Through OBOR, China aims to connect itself to the globe through ports, railways, pipelines, power plants and digital infrastructure—a set of strategic priorities added to its state and party constitutions in 2017.⁶⁵

The African example is emblematic of President Xi's global ambitions and, to some extent, a proving ground for its approach to other regions. China is exercising all its skills and tools to assure its influence over governments, officials, the private sector, and public opinion throughout the continent, but especially in countries where there are assets to be had such as raw materials, fishing rights, or ports of call.

⁶⁴ Xi Jinping statement to the media, March 19, 2013.

http://www.chinatoday.com.cn/ctenglish/2018/ttxw/201809/t20180901_800140005.html.

⁶⁵ Paul Nantulya, "China's Military Power Projection and U.S. National Interests," Testimony before the U.S.-China Economic and Security Review Commission, February 20, 2020.

https://www.uscc.gov/sites/default/files/Nantulya_Written%20Testimony_Final.pdf.

Why Africa?

Africa has roughly half of the world's stock of manganese, an essential ingredient for steel production, and the Democratic Republic of the Congo on its own possesses half of the planet's cobalt. Africa also has significant amounts of coltan, which is needed for electronics, as well as half of the world's known supply of carbonatites, a rock formation that's the primary source of rare earths.⁶⁶

Africa is important to China in the same way that it should be to the West. In the post-colonial world, it is a true proving ground where the contest between democracy and autocracy is being fought. It is a land incredibly rich with human and natural resources. It represents a huge source of labor and is a vast consumer market. (By 2025, half the population of Africa will be 25 or younger and within a couple of decades, one in four people on our planet will be African.⁶⁷) Africa is also strategically located and is the source of vital elements for the digitized world, points made by Gen. Stephen Townsend, who said:

Africa sits astride six strategic chokepoints and sea lines of communication, enables a third of the world's shipping, and holds vast mineral resources. Beyond its geostrategic location, Africa possesses vast untapped energy deposits, including one third of the world's mineral reserves and rare earth

⁶⁶ Wade Shepard, "What China Is Really Up to In Africa," *Forbes*, October 3, 2019.

<https://www.forbes.com/sites/wadeshepard/2019/10/03/what-china-is-really-up-to-in-africa/?sh=123444835930>.

⁶⁷ U.S. Secretary of State Antony Blinken Remarks to Press at an Election Transparency Hackathon Event, Kinshasha, Democratic Republic of the Congo, August 10, 2022. <https://www.state.gov/secretary-antony-j-blinken-remarks-to-press-at-an-election-transparency-hackathon-event/>.

metals. These resources are the key supplies that America relies on to produce 21st century technologies and transition to clean energy, including mobile phones, jet engines, electric-hybrid vehicles, and missile guidance systems.⁶⁸

Also, diplomatically, African countries play an important role in world political fora. For example, African states hold 28% of UN General Assembly votes and three of 15 UN Security Council seats. They also hold a large share of seats in regional and international institutions that China seeks to influence in pushing its new international order. African support has been instrumental in accomplishing several Chinese objectives, including:

- Since 2010, African nations have helped Chinese nationals secure leadership of four of the 15 UN specialized agencies. (An American national heads only one.)
- At the United Nations Human Rights Council in Geneva, African members supported China's introduction of a record 65 formal interventions between 2014 and 2015.
- China introduced its first-ever resolutions in 2017 and 2018 that enshrine language from the Community of Common Destiny on human security, human rights, and governance into UN texts for the first time. Both resolutions passed easily with near-unanimous African support despite U.S. opposition.
- Chinese nationals hold the Deputy Force Commander post in the UN Mission in South Sudan and the Secretary General's Special Envoy to the African Great Lakes Region.

⁶⁸ General Stephen J. Townsend, Statement before the Senate Armed Forces Committee, March 15, 2022. p. 3.

- Since 2007, the UN Undersecretary General for Economic and Social Affairs, a powerful office that coordinates international development, has gone to a Chinese national.
- China beefed up its UN credentials in 2016 by creating a UN Peace and Development Trust Fund, a decision supported unanimously by African countries.⁶⁹
- In October 2020, 54 countries worldwide supported China in opposition to a statement proposed at the UN that criticized China for human rights abuses in Xinjiang and developments in Hong Kong. Of China's supporters, 27 were African and no African countries supported the statement critical of China.⁷⁰

China uses international organizations to push its agenda and to obtain backing for its policies. Africa, being a very large block of countries, offers a particularly useful target that China has exploited well. The AU offers an example. In 2008, China established a strategic dialogue with the AU and three years later opened a \$200m Chinese “gift” headquarters for the AU in Addis Ababa. China assures that close African allies – Algeria, Kenya, Nigeria, and South Africa – hold sway in key AU positions. China places great emphasis on the AU and the Chinese

⁶⁹ Examples 1-6 are drawn from Paul Nantulya, “China’s Military Power Projection and U.S. National Interests,” Testimony before the U.S.-China Economic and Security Review Commission, February 20, 2020.

https://www.uscc.gov/sites/default/files/Nantulya_Written%20Testimony_Final.pdf.

⁷⁰ Shannon Tiezzi, “Which Countries Support China on Hong Kong’s National Security Law?,” *The Diplomat*, October 9, 2020.

<https://thediplomat.com/2020/10/which-countries-support-china-on-hong-kongs-national-security-law/>.

ambassador to the AU is at the Vice-Ministerial level, the same ranking as the ambassador to Washington DC.⁷¹

Chinese Infrastructure Investments

As noted, Africa is the source of vast resources, labor, and a huge and growing consumer market. What was missing at the turn of the 21st century were the means to transport and export— railways, ports, roads, and industrial parks. China had ample supply of finance and technology in the early 2010s as well as a strategy to gain more markets and raw materials. Several African states were eager to develop, but the World Bank and other multilateral and bilateral donors had little capacity or interest.⁷² China stepped in.

To reduce costs of accessing raw materials and products, as well as to deliver goods and services imported from China, Beijing began in the early 2000s to build transport infrastructure in key countries where Chinese interests already had commercial activity. By 2009, China had become Africa's largest trading partner, and it is now the largest bilateral lender on the continent. It has largely used these funds for infrastructure, with Chinese firms performing 40% of contracts in 2011, while the presence of U.S. contractors fell to just 6.7%.⁷³ From 2000 to 2020, Chinese state financiers lent \$160 billion to African

⁷¹ Paul Nantulya, "China's Military Power Projection and U.S. National Interests," Testimony before the U.S.-China Economic and Security Review Commission, February 20, 2020.

https://www.uscc.gov/sites/default/files/Nantulya_Written%20Testimony_Final.pdf.

⁷² Yunnan Chen, "African Railway Ambitions Meet China's Belt and Road," in Nadège Rolland (ed.), *(In)Roads and Outposts: Critical Infrastructure in China's Africa Strategy*, The National Bureau of Asian Research, Special Report #98, May 2022, p. 36.

⁷³ Wade Shepard, "What China is really up to in Africa," *Forbes*, October 3, 2019, op. cit.

governments.⁷⁴ The top 5 African recipients of Chinese foreign direct investment in 2020 were Kenya, Democratic Republic of Congo, South Africa, Ethiopia, and Nigeria.⁷⁵

China loaned to African governments primarily to develop ports, railways, and roads, which benefitted China's own economy by accessing and enabling control over raw materials and facilitating delivery of Chinese exports. One example serves to make the point about China's raw resources investment. Seventy percent of the world's cobalt, an essential mineral in the production of electric vehicles, is mined in Congo, where, as of 2020, China owned or had a stake in 15 of Congo's 19 cobalt mines.⁷⁶

Since 2016, China has reduced its large-scale infrastructure financing, instead focusing on trade and other investments. This shift accelerated due to the COVID-19 pandemic, mounting debt distress risk, the need to develop technical and administrative capacity to better manage existing projects, China's own priorities, and other issues.

The relationship has entered a new phase involving deeper market ties and diplomatic interaction. Currently, Chinese firms now account for an estimated one-eighth of the continent's industrial output⁷⁷ and China is the main source of imports for most of Africa's 54 countries. China's direct investment (\$44 billion) has edged out that of America's (\$43 billion).

⁷⁴ "Chinese loans and investment in infrastructure have been huge," *The Economist*, May 20, 2022.

⁷⁵ "Data: Chinese Investment in Africa," China-Africa Research initiative, Johns Hopkins School of Advanced International Studies. <https://www.sais-cari.org/chinese-investment-in-africa>.

⁷⁶ "How Chinese firms have changed Africa," *The Economist* May 28, 2022. <https://www.economist.com/special-report/2022/05/20/how-chinese-firms-have-changed-africa>.

⁷⁷ "The Chinese-African relationship is important to both sides, but also unbalanced," *The Economist*, May 20, 2022.

Although the focus of this chapter is on the incentives for and reality of the Chinese presence in Africa, it is worth noting that the Chinese loans for infrastructure projects have become a significant burden on some African governments, leading some to label it as “debt-trap diplomacy.” Although the loans do not constitute diplomacy, it is the case that many Chinese loans are structured in a way that allows for takeover of collateral or asset seizure in event of non-payment on the loans. Generally, China has not exercised these options and instead has attempted to refinance or extend the duration of some loans. The loans have become unmanageable for some states. For example, both Ethiopia and Kenya have applied for debt relief through the G-20 Debt Service Suspension Initiative and Ethiopia has sought restructuring through the G-20 Common Framework to renegotiate the terms of external loans with China and other creditors.⁷⁸ (The Appendix discusses the concept of debt-trap diplomacy and the example of Sri Lanka.)

The Military Dimension

In 2022, China finished significant expansion of the capabilities of its Doraleh Naval Base in Djibouti – currently Beijing’s only permanent overseas military base – by adding a large and capable pier jutting 1,100 feet into the Gulf of Aden. This makes it capable of receiving aircraft-carriers, assault ships, or nuclear submarines. There are 2,000 troops permanently stationed on the base in addition to a large number of non-military personnel.

But the Doraleh project, located not far from the U.S. military facility at Camp Lemonnier, is much more than just a naval base. From the start, the project was envisioned as a

⁷⁸ Yunnan Chen, “African Railway Ambitions Meet China’s Belt and Road,” p. 42, op. cit.

“strategic strongpoint” that paired military and commercial interests. The construction includes an international free trade zone, a major railroad to Addis Ababa, an international airport, water and gas pipelines, and an undersea fiberoptic cable laid by Huawei.⁷⁹ It is a hub for exporting Africa’s raw materials to China, a military base, and a steppingstone to the goal of a Chinese-led new international system.

China is also negotiating, or may have already completed negotiations, with Equatorial Guinea to establish a second naval base along West Africa’s Atlantic Coast. Equatorial Guinea, an oil-rich nation, has benefitted from Chinese infrastructure investment for well over a decade. For example, it used Chinese loans and companies to restore and expand Bata port in 2014 and has contracted to build about \$20 billion in infrastructure using Chinese companies and financing.⁸⁰

The relationship with Equatorial Guinea is not exceptional in terms of China’s diplomatic and economic cultivation of a multi-faceted relationship with an African nation, but it is a bit deeper than most. It has built a strong relationship with President Teodor Obiang over many years. Xi and Obiang have exchanged visits and, in 2015, completed a bilateral comprehensive partnership that included promoting “defense and security cooperation.”⁸¹

⁷⁹ Peter Dutton, Isaac Kardon, and Conor Kennedy, “Djibouti: China’s First Overseas Strategic Strongpoint,” China Maritime Studies Institute, China Maritime Report, no. 6, April 2020. <https://digital-commons.usnwc.edu/cmsi-maritime-reports/6>.

⁸⁰ Isaac Kardon, “China’s Ports In Africa,” The National Bureau of Asian Research Special Report #98, May 2022, p. 22. https://www.nbr.org/wp-content/uploads/pdfs/publications/sr98_inroadsandoutposts_may2022.pdf.

⁸¹ “Zhonghua renmin gonghehuo he Chidao Jineiya gongheguo guanyu jianli quanmian hezuo huoban guanxi de lianhe shengming” [Joint

China has built military training facilities and barracks in Equatorial Guinea.⁸²

In addition to military bases, China is the most dominant builder of commercial ports in Africa. It has been directly involved in building, financing, or operating port terminals at 61 facilities in 30 African states and has equity in 28 of the facilities.⁸³

Although these port arrangements are driven by economic motives to secure resources and access consumers, the ports have tremendous strategic value and expand China's potential military reach. More may be added to the list. For example, China is working to revive a deal in Tanzania—initially agreed during a visit by President Xi in 2013—for a \$10 billion deep-water port that would have large-scale docking capabilities and would include an industrial zone and road and rail links to exploit new oil and gas fields.⁸⁴ By 2030, Chinese military facilities and technical collection sites in Africa will allow Beijing to project power eastward into the Middle East and Indo-Pacific theaters and west into the Atlantic.

China has space programs in nine African countries (Angola, Algeria, Ethiopia, Egypt, Namibia, Mozambique, Nigeria, South Africa, and Sudan). In Kenya and Namibia, it manages ground-based satellite tracking stations.

Statement of the PRC and the Republic of Equatorial Guinea on Establishing a Comprehensive Partnership], Ministry of Commerce (PRC), April 28, 2015, as cited in Isaac Kardon, "China's Ports in Africa," p. 23, op. cit.

⁸² "Ace of bases," *The Economist*, May 20, 2022.

⁸³ Isaac Kardon, "China's Ports In Africa", The National Bureau of Asian Research Special Report #98, May 2022, p. 12.

https://www.nbr.org/wp-content/uploads/pdfs/publications/sr98_inroadsandoutposts_may2022.pdf.

⁸⁴ Reuters, "Tanzania's China-backed \$10 billion port plan stalls over terms: official". <https://www.reuters.com/article/U.S.-tanzania-port-idUSKCN1ST084>.

Influencing individuals is also a priority for China. For example, in 2018 Beijing held a China-Africa security forum attended by some 50 African countries. It resulted in Beijing's commitment to increase co-operation. In the same year the Chinese conducted exercises in Cameroon, Gabon, Ghana, and Nigeria. And in 2019 China conducted a joint exercise with Tanzania and a trilateral naval exercise with South Africa and Russia.⁸⁵

⁸⁵ "Ace of bases," *The Economist*, May 20, 2022, op. cit.

Chapter 5

Chinese Public Diplomacy in Africa

Online positive publicity must become bigger and stronger, so that the Party's ideas always become the strongest voice in cyberspace.

~ Cyberspace Strategic Plan of China⁸⁶

Media Influence: Communications Infrastructure Control

China is working hard to shape African opinions of its government, actions, and society. To accomplish this, it uses a mix of active measures, propaganda, and public diplomacy (both types—communications and exchanges, but particularly the latter). As part of its plan to control messaging, China is shaping the infrastructure of African media.

If you can control the means through which information flows, you can better control the information itself. China is the major supplier of communications infrastructure to Africa—carrier infrastructure, hardware, storage and software, and applications. In all of this, Huawei is the key player.

Huawei has built approximately 70% of the communications infrastructure in Africa and is a software giant as well. In 2019, Huawei rolled out its Harmony OS operating system, launched Huawei Mobile Services

⁸⁶ Cyberspace Administration of China, "Deepening the Implementation of General Secretary Xi Jinping's Strategic Thinking on Building China into a Cyber Superpower: Steadily Advancing Cybersecurity and informatization Work," *Qiushi*, September 15, 2017. Translated by Elsa Kania, Sam Sacks, Paul Triolo, and Graham Webster. <https://www.newamerica.org/cybersecurity-initiative/blog/chinas-strategic-thinking-building-power-cyberspace/>.

platform, and employed over 3,000 software engineers and is spending \$1 billion to create a new app ecosystem.⁸⁷ Thus, Huawei will be responsible for the majority of Africans' communications – devices, operating systems, and apps.

Another Chinese company, ZTE, is also heavily involved in African communications infrastructure and supplements Huawei. The two companies, for example, hold 90% of the telecommunications equipment market in Nigeria.

Transsion is a Chinese firm whose phones account for almost half of the sub-Saharan market, more than twice the share of Samsung, its nearest competitor.⁸⁸ It has done so well in part because its products are tailored to the market – inexpensive (starting at about \$20), with cameras adjusted for black skin, and African-language keyboards.

Smartphone suppliers exercise extensive control over browsers and app stores associated with their devices and can use them to limit access to content. Within China, for example, Apple agreed to store Chinese-user data on servers run by a state-owned Chinese firm, . remove “offensive” apps from availability in China, limit any encryption technology to only that approved by Beijing, and limit access to unapproved sites.⁸⁹ There is danger that use of such techniques will spread to Africa and other regions as well.

⁸⁷ Matthew Hughes, “What Is Harmony OS? Huawei’s New Operating System Explained,” *How-To Geek*, June 19, 2020.

<https://www.howtogeek.com/675793/what-is-harmony-os-huaweis-new-operating-system-explained/>.

⁸⁸ “How Chinese firms have changed Africa,” *The Economist*, May 20, 2022.

⁸⁹ Jack Nicas, Raymond Zhong, and Daisuke Wakabayashi, “Censorship, Surveillance and Profits: A Hard Bargain For Apple in China,” *The New York Times*, June 17, 2021.

<https://www.nytimes.com/2021/05/17/technology/apple-china-censorship-data.html>.

China is now selling devices in Africa with facial recognition software to which China will have data access. This imbedded technology is part of the Chinese effort to build databases for security and law enforcement that go well beyond its borders. For example, in 2018 Zimbabwe signed a strategic partnership agreement with a Chinese tech company, CloudWalk, to establish large-scale facial recognition use throughout the country for government use. China will have access to the data and Chinese technologists will benefit from advances in machine-learning to profile facial and body features of other races, according to the CloudWalk CEO.⁹⁰

Facial recognition is used in China to track down people who use their mobile device, for example, to access blocked websites. To effect this, China requires all telecommunications companies within its own borders to obtain facial scans of new internet or mobile phone users as part of the real-name registration process to obtain a SIM card.⁹¹

Facial recognition and social media monitoring play a key role in China's control of information domestically. It is exporting those technologies thorough "safe cities" agreements between foreign governments and Huawei. As of 2019, 52 countries had signed up. The agreements share hardware and software for facial and license plate recognition, as well as social media monitoring. China so far

⁹⁰ Lynsey Chutel, "China is exporting facial recognition software to Africa, expanding its vast database," *QuartzAfrica*, May 25, 2018. <https://qz.com/africa/1287675/china-is-exporting-facial-recognition-to-africa-ensuring-ai-dominance-through-diversity/>.

⁹¹ Sarah Cook and Mai Truong, "China's Internet Freedom Hit a New Low in 2019 and the World Could Follow," Freedom House: China Media Bulletin 140, November 2019. <https://freedomhouse.org/report/china-media-bulletin/2020/china-media-bulletin-2019-internet-freedom-trends-shutterstock#a3>.

has signed “safe city” contracts with Kenya, Botswana, Mauritius, Zambia, and Uganda.⁹²

Chinese methods for using communications to control people and bolster authoritarianism are embraced by some African leaders such as President Buhari of Nigeria. Buhari has repeated the Chinese mantra about the need to “dominate cyberspace” and recreate the likeness of the Great Firewall of China in Nigeria. Buhari banned Twitter for 7 months in 2021-2022⁹³ and regulated access to social media.⁹⁴ (The ban was terminated, in part, because it caused an uptick in the use of virtual private networks in Nigeria, and because Twitter agreed to pay taxes and made other concessions.)

Another aspect of data control melding with security is the requirement to locate data centers in-country, which is a model that China has used to control its own population. Senegal is an example. Huawei completed a new national data center in mid-2021, which will move data and servers from the United States and some Asian facilities to Senegal.⁹⁵

⁹² Joe Parkinson et al, “Huawei Technicians Helped African Governments Spy on Political Opponents,” *The Wall Street Journal*, August 15, 2019. <https://www.wsj.com/articles/huawei-technicians-helped-african-governments-spy-on-political-opponents-11565793017>.

⁹³ Abubakar Idris and Peter Guest, “How Twitter rolled over to get unblocked in Nigeria,” *Rest of World*, January 13, 2022. <https://restofworld.org/2022/how-twitter-rolled-over-to-get-unblocked-in-nigeria/>.

⁹⁴ Chinedu Asadu, “Can Nigeria afford China’s internet wall to silence online critics?,” *The Africa Report*, June 11, 2021. <https://www.theafricareport.com/97144/can-nigeria-afford-chinas-internet-wall-to-silence-online-critics/>.

⁹⁵ Daria Impiombato, “Chinese Telecommunications Giants and Africa’s Emerging Digital Infrastructure,” The National Bureau of Asian Research, Special Report #98, May 2022, p. 53.

Media Influence: Content Control

To control the message, sure techniques are to control the journalist and/or the media company.

A key tool to control the message is to control the medium. Xinhua is the largest media organization in the world in terms of correspondents worldwide. In 2006, Xinhua moved its regional office from Paris to Nairobi, reflecting the priority CCP planners decided to place on Africa. It now has 37 bureaus across the continent.⁹⁶ In early 2012, China launched CCTV Africa (now CGTN), the largest non-African TV on the continent.

Since that time, Nairobi has become the hub of Chinese media in Africa. Xinhua provides free content to news outlets. (Xinhua built a 16-story building for the African bureau there in 2018 – the first Xinhua office block outside of Beijing.) Several other Chinese outlets are also in Nairobi: China Global Television Network (CGTN), China Radio International, *China Daily* (which publishes from both Nairobi and Johannesburg), and StarTimes, a privately owned television distribution network.

StarTimes has been central to the shift from analog to digital transmission in Africa, gaining over 10 million subscribers in 30 countries and influencing which stations viewers access. In Kenya, Uganda, and Nigeria, for example viewing packages that contain options from Western media cost more than those that contain Chinese state media.⁹⁷ StarTimes also transmits the signal for competing channels

⁹⁶ Emmanuel K. Dogbevi, "China in Africa's Media: A Case Study of Ghana," in Nadège Rolland, *Political Front Lines: China's Pursuit of Influence in Africa*, National Bureau of Asian Research, June 2022, p. 60.

⁹⁷ Sarah Cook, "The Expansion of Chinese Communist Party Media Influence since 2017," Freedom House, Special Report 2020. https://freedomhouse.org/report/special-report/2020/beijings-global-megaphone#footnote4_myju2fa.

in some countries, enabling it potentially to control their broadcasting.

In addition to directly providing content via Chinese-owned outlets, China makes investments in locally owned enterprises, giving it indirect control. (For example, in Zambia, StarTimes acquired 60% of the local state broadcaster, making it easier to influence content.) Since the early 2000s, China has also made loans to many African countries for media infrastructure upgrade and equipment purchases from Chinese firms, primarily Huawei and ZTE.⁹⁸

Cultivating Opinion Leaders

As massive as the Chinese investment in African infrastructure is, the Chinese investment in public diplomacy exchanges is a worthy counterpart in terms of its breadth and scope. Just as training and other exchanges have been a key tool in public diplomacy by the West, China has worked hard to cultivate foreign journalists, academics, and opinion leaders. The difference is, of course, in the objectives and content of the Chinese programs. Whereas Western training focuses on freedom, democracy, and objectivity, the Chinese focus is on tight control of both the means of communication and the message—CCP ideology and the Chinese models for government and economy.

⁹⁸ Iginio Gagliardone and Sam Geall, "China in Africa's media and telecommunications: cooperation, connectivity and control," Norwegian Peacebuilding Resource Center, April 2012.
<https://www.files.ethz.ch/isn/179376/7880fd6b12b93bdd18eddcdbd4f4e207f.pdf>.

Topics may include ideology and propaganda, and how to monitor, guide, and manage public opinion.⁹⁹

China offers large numbers of grants to African government officials, journalists, and opinion leaders for training in Africa as well as in China. From 2003 to 2016, the number of Africans trained in China grew from fewer than 2,000 to more than 61,000 per year. In 2015, the number of African students in China reached 50,000, surpassing the number in the United States or the U.K.¹⁰⁰, and increased to over 81,000 in 2018.¹⁰¹ In 2018, President Xi outlined an expansion of the Chinese exchange programs to include an additional 1,000 scholarships for “high-caliber” Africans, 50,000 other government scholarships, workshops for another 50,000 Africans, and an additional 2,000 slots for youth exchanges.¹⁰²

Recent data are difficult to find on the numbers from individual countries trained in China. As of 2016, China had provided scholarships to at least 700 Nigerian students to

⁹⁹ Jean-Pierre Cabestan, “Party-to-Party Relations and Political Training,” in Nadège Rolland, *Political Front Lines: China's Pursuit of Influence in Africa*, National Bureau of Asian Research, June 2022, p. 35.

⁹⁹ Case Studies on PRC Influence in Africa's Information Space, International Republican Institute, 2022, p. 20.

¹⁰⁰ Victoria Breeze and Nathan Moore, “Why African students are choosing China,” *U.S. News & World Report*, June 29, 2017.
<https://www.usnews.com/news/best-countries/articles/2017-06-29/china-second-most-popular-country-for-african-students>.

¹⁰¹ “Update to Stats on International Students Studying in China,” June 28, 2019.
<https://breezegeography.wordpress.com/2019/06/26/update-to-stats-on-international-students-studying-in-china/>.

¹⁰² Gladys Muniu, “Scholarships help cultivate future leaders of Africa,” *China Daily Global*, March 11, 2019.
<https://www.chinadaily.com.cn/a/201903/11/WS5c89b9cea3106c65c34ee951.html>.

study in China and as of 2021¹⁰³, some 7,000 Nigerians reportedly study in China and Confucius Institutes or at cultural centers in Nigerian universities.¹⁰⁴

Many African students attend the CCP-founded Renmin University in Beijing, where the journalism department closely follows CCP guidance on how to tell China's story well.¹⁰⁵ In a further nod to increasing the CCP model of thought and discourse control, President Xi personally visited Renmin in April 2022 and declared that the university would no longer participate in international university rankings. As Xi reasoned: the international standards are too high and unnecessary, Renmin needs to follow "Chinese characteristics, and there's no need to follow the Western model."¹⁰⁶

Confucius Institutes provide one of the most influential venues for cultivating opinion leaders. As of 2021, there were 61 Confucius Institutes and 48 Confucius Classrooms in Africa.¹⁰⁷ Each year, they train many thousands of Africans in Chinese language and ideology. For example:

- As of 2018, at the Confucius Institute in Ethiopia, China had provided 1,450 scholarships to

¹⁰³ Statement by Chinese Charge d'Affairs, Chinese Embassy in Nigeria, reported by International Center for Investigative Reporting, August 19, 2016. <https://www.icirnigeria.org/700-nigerians-benefit-chinese-scholarship/>.

¹⁰⁴ Case Studies on PRC Influence in Africa's Information Space, International Republican Institute, 2022, p. 3, p. cit.

¹⁰⁵ Ibid, p. 10.

¹⁰⁶ "Renmin University of China drops out of international university rankings after Xi Jinping's 'investigation,'" *Archyde*, May 11, 2022. <https://www.archyde.com/renmin-university-of-china-drops-out-of-international-university-rankings-after-xi-jinpings-investigation-international-liberty-times-newsletter/>.

¹⁰⁷ Mareike Ohlberg, "United Front Work and Political Influence Operations in Sub-Saharan Africa", in Nadège Rolland, *Political Front Lines: China's Pursuit of Influence in Africa*, National Bureau of Asian Research, June 2022, p. 21.

Ethiopians, Chinese language training to more than 10,000, and in-China training to 7,697.¹⁰⁸

- The Confucius Institute at the state-owned University of Liberia trained over 21,000 students since it began teaching Chinese language and culture in 2008.¹⁰⁹

Table 1. Sampling of Chinese Training Center for Africans Within China

- Center for African Legal and Social Studies, Zhejiang Normal University, China
- Center for Tanzania Studies, Communication University of China
- College of Foreign Languages, Zhejiang Normal University, China
- Institute for Financial Studies, Renmin University of China
- Institute of African Studies, Zhejiang Normal University, China
- International Development Cooperation Institute, Shanghai University of International Business and Economics, China
- National Institute of Communication Strategy, Huazhong University of Science and Technology, China

Source: Compiled by author from data found at, Forum on China-Africa Cooperation, Government of China.

Think tanks are another means of teaching Chinese policy positions and cultivating influence. In 2011, the China-Africa Think Tanks Forum, funded by the China Development Bank, was established to support an array of

¹⁰⁸ Case Studies on PRC Influence in Africa's Information Space, International Republican Institute, 2022, p. 20, op. cit.

¹⁰⁹ Nicholas D. Nimley, "Chinese skills viewed as opening doors in Liberia," *ChinaDaily.com*, May 31, 2022. <https://global.chinadaily.com.cn/a/202205/31/WS62956da1a310fd2b29e5ff23.html>.

think tanks in Africa working on Chinese security cooperation, trade relations, UN reform, and governance.¹¹⁰ Table 2 lists some of the locations in China where African journalists and others attend courses.

Chinese training programs for Africans are effective. One researcher interviewed Ghanaian returnees and found that their impressions of China much improved following their study there.¹¹¹ And, certainly, China has had ample experience with its programs to hone its messages.

Table 2 lists some of the African-Chinese think tanks and institutions that are used for propaganda and which train and support academics, journalists and others to develop bonds with China.

In addition to training, China influences media output directly by employing journalists and paying for content placement. For example, in Kenya's media alone, China's media outlets directly employ more than 300 African journalists, many of whom have been trained in China.

China gives many African publishers "supplements" of funding and paid advertising. If Chinese Embassy officials object to any stories by those whom they fund, they show their displeasure by cancelling or withholding the financial support.¹¹²

¹¹⁰ Paul Nantulya, "Grand Strategy and China's Soft Power Push in Africa," Dehai Eritrea Online, September 1, 2018. <http://www.dehai.org/dehai/basic/277632>.

¹¹¹ Emmanuel K. Dogbevi, "China in Africa's Media: A Case Study of Ghana," in Nadège Rolland, *Political Front Lines: China's Pursuit of Influence in Africa*, National Bureau of Asian Research, June 2022, p. 65.

¹¹² *Deutsche Welle*, "Experts ward of China's growing media influence in Africa," December 29, 2021. <https://www.dw.com/en/experts-warn-of-chinas-growing-media-influence-in-africa/a-56385420>.

Table 2. Sampling of Chinese Think Tanks and Institutions in Africa

- Africa Institute of South Africa, Academy of China and World Studies
- Center for China Studies, Nigeria
- Centre for Chinese Studies, University of Dar Es Salaam, Tanzania
- Confucius Institute at University of Johannesburg, South Africa
- Confucius Institute-Suez Canal University, Egypt
- University of Letters and Human Sciences of Bamako, Mali
- Horn Economic and Social Policy Institute, Ethiopia
- Institute of Politics Studies, Madagascar
- Institute for Global Dialogue, South Africa
- National Institute for Policy and Strategic Studies, Nigeria
- Puntland Research and Development Center, Somalia
- School of Communication, Daystar University, Kenya
- School of Social Sciences, Mulungushi University, Zambia
- Sidra Institute, Somalia
- South African Branch, Institute of African Studies, Zhejiang Normal University
- South Sudan Center for Strategic and Policy Studies
- Southern African Research & Documentation Center, Zimbabwe
- The Mwalimu Nyerere Foundation, Tanzania

Source: Compiled by author from data found at, Forum on China-Africa Cooperation, Peoples Republic of China.

If training and currying favor with journalists, media managers, and netizens does not work, some African states turn to intimidation and retaliation—with China's help. Nigeria and Ethiopia have been quick to seek and use China's help in this regard: journalists have been tracked online and via phone, arrested, and otherwise intimidated using technology and assistance from China; digital attacks

against free press websites included denial of service and blocked servers, and media companies have been raided.¹¹³

Social Media

*[T]he Great Firewall is the center of the government's online censorship and surveillance effort. Its methods include bandwidth throttling, keyword filtering, and blocking access to certain websites....and makes large-scale use of deep packet inspection technology to block access based on keyword detection.*¹¹⁴

China uses censorship extensively domestically and increasingly externally as well. WeChat, the popular application for messaging and business services, is used by about a billion active users within China and up to 200 million abroad. Chinese authorities have censored, manipulated, or shut down accounts in retaliation for some users making comments perceived as against China's interests (such as supporting Hong Kong's protestors). More importantly, the app's design deemphasizes the source and credibility of information, making the spread of disinformation more difficult to fight.¹¹⁵ TikTok is used similarly and poses the same threats of increasing censorship, disinformation, and opportunistic control.

¹¹³ Hannah Ajakaiye, "Data trails: How Nigeria's state surveillance crackdown on journalists, active citizens," International Center for Investigative Reporting, April 13, 2022.

<https://www.icirnigeria.org/data-trails-how-nigerias-state-surveillance-crackdown-on-journalists-active-citizens/>.

¹¹⁴ Beina Xu and Eleanor Albert, "Media Censorship in China," Council on Foreign Relations, February 17, 2017.

<https://www.cfr.org/backgrounder/media-censorship-china>.

¹¹⁵ Eileen Guo, "How WeChat Spreads Rumors, Reaffirms Bias, and Helped Elect Trump," *Wired* April 28, 2017.

<https://www.wired.com/2017/04/how-wechat-spreads-rumors-reaffirms-bias-and-helped-elect-trump/>.

Non-Chinese social media are also tools for China. Facebook, YouTube, and Twitter have been used aggressively by China to promote propaganda and spread disinformation. China's tactics include purchase accounts on the black market and use of content farms – individuals hired to post and repost in local languages messages favorable to China.¹¹⁶ In Tanzania, for example, the Chinese embassy pays some locals to like and repost its social media posts. It also pays some academics to place op-eds favorable to China in newspapers.¹¹⁷

Social media control enables not only control of content, it can also be used for location of key resources and targets. For example, in Ukraine, Russia has used messaging apps like Telegram to aim its artillery better. Russians pretending to be Ukrainians have used channels to feign fear of shelling to elicit information about infrastructure that has or has not been hit. And Russian intelligence has used smartphone games to induce youngster to snap and upload geotagged photos of infrastructure for targeting.¹¹⁸

Content

China controls most means of communication in Africa and uses it to convey a steady stream of publicity for itself and the Africans who support China's goals. It sponsors headline-grabbing fora, exchanges, and other events. For example, in 2000 China established an annual Forum on

¹¹⁶ Sarah Cook, "Beijing's Global Megaphone," Freedom House, Special Report 2020. https://freedomhouse.org/report/special-report/2020/beijings-global-megaphone#footnote17_yq45jid.

¹¹⁷ "China, meet Fourth Estate," *The Economist*, May 20, 2022.

¹¹⁸ All three examples come from "The modern cannons that may make the difference in Ukraine," *The Economist*, June 15, 2022. <https://www.economist.com/science-and-technology/2022/06/15/the-modern-cannons-that-may-make-the-difference-in-ukraine>.

China-Africa Cooperation (FOCAC) to discuss how to create “a new international political and economic order in the 21st century.”¹¹⁹ This conference is used both to organize for action, and to shape China’s image for Africans.

The 2021 FOCAC was in Senegal, where President Xi made a virtual appearance to announce, among other initiatives, that China would provide Africa with one billion doses of COVID-19 vaccine. China has used its vaccine initiative to contrast its own largesse with negative coverage of the Western reticence to provide Africa with vaccines.

Measures of Success

*Xi and the Chinese Communist Party are reaffirming their belief that a free press in the Western sense is not a prerequisite for effectively integrating with the global economy or dominating the most advanced industries in the 21st century.*¹²⁰

~ Thomas Friedman

China’s success must be evaluated on whether it has accomplished key goals. The foregoing chapters have described how China clearly enunciated objectives and then worked to successfully accomplish them. The goals include:

- Building and controlling valuable infrastructure (ports, roads, etc.);
- Gaining access to highly valuable minerals, ores, and other natural resources;
- Accessing markets for imports and exports;

¹¹⁹ Agenda of the First Ministerial Conference of FOCAC.
http://www.focac.org/eng/ljhy_1/dyjbzjhy_1/CI12009/.

¹²⁰ Thomas L. Friedman, “I Was Wrong About Chinese Censorship,” *The New York Times*, July 21, 2022.

- Establishing communications control via hardware and software means (BeiDou, 5G, data collection);
- Expanding presence and use of Chinese media services;
- Developing exchanges, training, and fora to build understanding; and,
- Cultivating close relationships with selected government officials.

In all areas, China has made remarkable progress. It has also made significant strides toward raising its political and cultural profile in Africa, as measured by public opinion and closer relationships with African governments and leaders.

In a statistical 2022 study on developing country public approval of the Chinese government, the completion of a single Chinese development project increased public approval for the Chinese government in the recipient country by more than 3 percentage points in the short run and .2 points in the long term¹²¹, and increased approval ratings for officials in the recipient country.¹²² (Those who live in close proximity to completed projects often have somewhat less favorable opinions due to environmental degradation, familiarity with project corruption, ethnic tensions, etc.¹²³).

While the United States remains the preferred development model in 34 countries surveyed in 2019-2021

¹²¹ Wellner L., Dreher, A., Fuchs, A., Parks, B., and Strange, A., "Can Aid Buy Foreign Public Support? Evidence from Chinese Development Finance," Working Paper #117. Williamsburg, VA: AidData at William & Mary, pp. 7-8.

¹²² Ibid., p. 34.

¹²³ Tim Wegenast et al, "At Africa's Expense? Disaggregating the Social Impact of Chinese Mining Operations," German Institute of Global and Area Studies Working Paper No. 308, October 2017.

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3128793.

by Afrobarometer, a research group, China is second. Survey findings included the following:¹²⁴

- The United States ranks at the top in 23 of 34 surveyed countries, while China ranks first in Benin, Mali, Burkina Faso, Niger, and Botswana. However, views of China as the best model for development are improving or holding fairly steady in some countries where Chinese investment has been particularly focused.
- Almost two-thirds (63%) of Africans say the economic and political influence of China in their country is “somewhat positive” or “very positive,” while only about one in seven (14%) consider it negative. Views on U.S. influence are slightly lower (60% vs. 13%).
- Among the 47% of African citizens who are aware of Chinese loans or development assistance to their country, a majority (57%) say their government has borrowed too much money from China.
- Seven in 10 Africans (69%) say English is the most important international language for young people to learn. Only 3% prefer Chinese.

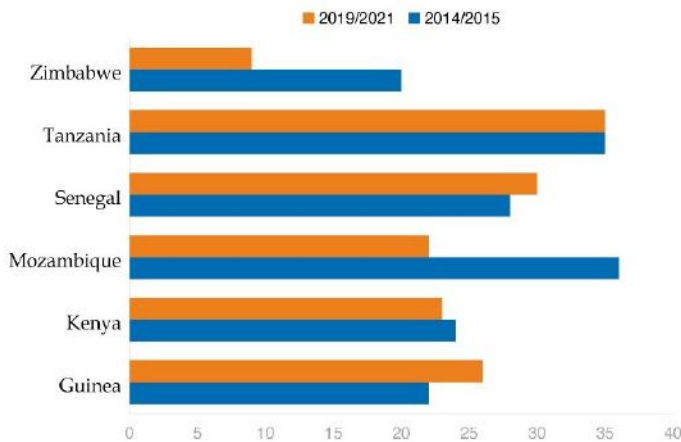
Polls in seven African countries by Premise for *The Economist*, conducted in April 2022, found that China is perceived positively. In every country more respondents

¹²⁴ Josephine Appiah – Nyamekeye Sanny, and Edem Selormey, “Africans welcome China’s influence but maintain democratic aspirations,” *Afrobarometer Dispatch* 489, November 15, 2021. https://www.afrobarometer.org/wp-content/uploads/2022/02/ad489-pap3-africans_welcome_chinas_influence_maintain_democratic_aspirations-afrobarometer_dispatch-15nov21.pdf.

felt that China had a “good” rather than a “bad” influence.
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As for the future, Africans see China as the winner. The same Premise poll asked Africans in seven countries, a mix of democracies and authoritarian states, which would be more powerful in a decade's time: China or America. In all seven the answer was China. Overwhelmingly they also felt that China's influence was favorable, as well.

China is the Best Model for Development



Source: Compiled by author from data found at Afrobarometer.

In judging whether China has been successful in its public diplomacy efforts in Africa, it is important to keep in mind that its focused effort began only about two decades ago, whereas the U.S. communications and exchange programs have been in existence for more than 7 decades. What is noteworthy is not so much that the United States remains high in the estimates of many Africans, but that

¹²⁵ “Countering China in Africa,” *The Economist*, May 28, 2022.

<https://www.economist.com/special-report/2022/05/20/countering-china-in-africa>.

China has made strong inroads and now is seen not only positively, but as the likely strongest power in the world of the future.

Another measure of success of PD is the extent to which it influences elites and leaders of the nation. China has used the template of Western exchange programs to build its own set of institutions and training to groom not only those in power, but also those whom it expects to be influential.

China's efforts go beyond education and cultural familiarization to include ideological indoctrination and means of societal and governmental control. It enables and abets chosen leaders to use surveillance hardware and software to track opponents, provides funding and projects to bolster their power, and elevates authoritarianism.¹²⁶ It has fostered paranoia of some leaders about, for example, allowing data to be stored in Western nations (rather than in China), or the negative influence of Western culture in entertainment and news. These efforts, while a work in progress, have had significant impact on some leaders such as President Yoweri Museveni in Uganda and President Muhammadu Buhari in Nigeria.

¹²⁶ Bryce Barros, Nathan Kohlenberg, and Etienne Soula, "China and the Digital Information Stack in the Global South," Alliance for Securing Democracy, June 15, 2022.

<https://securingdemocracy.gmfus.org/china-digital-stack/#Uganda>.

Chapter 6

Conclusion and Recommendations

Beijing has transformed the dynamics of the region, from the agendas of its leaders and businessmen to the structure of its economies, the content of its politics and even its security dynamics.

~ R. Evan Ellis

From the content of this *Occasional Paper*, one might think that the quote above is about Africa. Instead, it is by a professor at the U.S. Army War College about Latin America.¹²⁷ And it could just as well be said about Asia. The point is: China is using the vast wealth it accumulated during the last three decades to invest financially, politically, and militarily everywhere it can. To illustrate the point that China is doing in Latin America what it did in Africa, consider the following:

- As elsewhere, China's commodities-backed loans have given it claim over resources throughout the region. For example, it now controls nearly 90% of Ecuador's reserves.¹²⁸

¹²⁷ As quoted in Ernesto Londoño, "From a Space Station in Argentina, China Expands Its Reach in Latin America," *The New York Times*, July 28, 2018.

<https://www.nytimes.com/2018/07/28/world/americas/china-latin-america.html?smtyp=cur&smid=tw-nytimes>.

¹²⁸ Nicholas Casey and Clifford Krauss, "It Doesn't Matter if Ecuador Can Afford This Dam. China Still Gets Paid," *The New York Times*, December 24, 2018.

https://www.nytimes.com/2018/12/24/world/americas/ecuador-china-dam.html?action=click&block=associated_collection_recirc&impression_id=666ce622-0de8-11ed-ab2d-0be1a89a4d72&index=2&pgtype=Article®ion=footer.

- China secretly negotiated a \$50 million space control station, now operational, in Argentina that can be used for intelligence and military purposes.
- The same techniques for influence, including training in China, media manipulation, and loans for infrastructure, are used in Latin America.

And, as in Africa, ports and infrastructure are key. For example, in Peru, the \$1.3bn first stage of a new port is being built with Chinese funding and expertise. It will be the largest on the Pacific coast of South America.

China surpassed the United States as South America's top trading partner in 2015. China is now a bigger trading partner than the United States for all the main Latin American economies except Mexico and Columbia.¹²⁹ China is also diplomatically active in the region. (The United States has 11 ambassadorships unfilled.) China is using its public diplomacy skills and assets to sway Latin American foreign affairs policies.

China's voice has had significant political impact in some Latin American capitals. For example, although most Latin American countries voted in the UN to condemn the invasion of Ukraine, there are clear signs that some countries don't want to side completely with the West. President Alberto Fernández of Argentina visited Russia shortly before the war and said that his country should become the "gateway" for Russia in Latin America.¹³⁰ And echoing China's position, Mexico has argued to keep Russia in the G20.

Now that China has made such deep inroads to the economies and politics of governments and societies worldwide, Beijing is beginning to play a much greater role

¹²⁹ "The rival influences of the United States and China," *The Economist*, June 16, 2022. <https://www.economist.com/special-report/2022/06/16/the-rival-influences-of-the-united-states-and-china>.

¹³⁰ Ibid.

in international affairs. On one hand, China is motivated to protect its extensive investments in projects to acquire natural resources, markets, and strategic locations for military use and expansion. But there is a second overarching motive as well: China's plans for globalization of its role as dominant international leader ideologically, normatively, and diplomatically. Beijing's recent effort to play power broker in the Horn of Africa represents China's fairly new and expanding role in this regard.

In February 2021, China appointed a special envoy to the Horn of Africa, signaling that it was stepping up its diplomacy in the region. At China's instigation, a two-day "peace-conference" was held June 20-21, 2022, in Addis Ababa, attended by foreign ministers from Sudan, Somalia, South Sudan, Kenya, Uganda and Djibouti. (Eritrea did not attend.)

The Chinese envoy offered to mediate in conflicts in the region.¹³¹ China has strong economic incentives to foster calm in the area. States wracked by conflict are less able to repay their loans from China. Also, conflict has already damaged infrastructure and trade. For example, the war in Ethiopia has disrupted use of a \$3.4 billion railway opened in 2018 that connects Addis Ababa with the port of neighboring Djibouti.¹³² It is unclear as yet what impact this conference will have on the regional conflict, but it is important as a signal of how China plans to become involved as a power player in regional affairs.

¹³¹ "China's 1st Horn of Africa envoy offers to mediate in region," *AP News*, June 20, 2022. <https://apnews.com/article/politics-africa-china-addis-ababa-abiy-ahmed-2069a4305a5aca2732f65262bde3732d>.

¹³² "China's diplomats are trying to broker peace in foreign conflicts," *The Economist*, June 16, 2022. <https://www.economist.com/china/2022/06/16/chinas-diplomats-are-trying-to-broker-peace-in-foreign-conflicts>.

What To Do

There is no going back to U.S. preeminence. Rather, the question is whether the hemorrhage can be stemmed. The answer is that it can be, but not without effort, including a strategic plan and a commitment to implement it with the appropriate level of resources and actions. The plan is actually not that difficult. The basis is already there in history. The United States quit doing what it historically did – effective public diplomacy (both communications and exchanges), intensive and helpful interactions with foreign leaders, trade and economic problem-solving, and military-to-military relationships – with rigor, discipline, and purpose. The United States must once again show up, play the game, be honest, be a worthwhile friend, and be the model others want to emulate. At the same time, it must be savvy enough to prevent China from taking advantage any more than it already has.

Don't Finance China

China is not behaving according to international lending and loan-management rules established after WWII to help economies of low- and middle-income countries. It is collateralizing loans and often refusing to refinance or forgive loans. Instead, it is using muscle to force nations to give up resources, political control, or other concessions in event of inability to make interest payments.

The United States and other Western countries and institutions need to assure that the traditional mechanisms for dealing with financial distress do not result in Western-sourced funds being used to make payments to China or in any way to subsidize China's exploitative behavior. This is likely to require some reorganization in how, for example, the Paris Club works and perhaps new mechanisms or rules about how relief monies are utilized, but it can be done.

Show Up

First, the United States needs to show up. Mr. Xi has made four tours of Africa as president and nine in all. (Barack Obama was the last American president to visit.) Despite the huge impact that a visit by President Biden or Vice President Kamala Harris could have in Africa, neither has made any trip there.

Secretary of State Antony Blinken's trip to South Africa, the Democratic Republic of the Congo, and Rwanda in August 2022 was a much-needed visit to reassert U.S. interest and commitment to the continent. But it is like a brief rain after a long drought. Both Russia and China have been very diplomatically active in the region in 2022. For example, Chinese Foreign Minister Wang Yi held bilateral talks in the first quarter of 2022 with African counterparts in Algeria, Egypt, the Gambia, Niger, Somalia, Tanzania, and Zambia, in addition to visiting Eritrea, Kenya, and Comoros.¹³³

Table 3. Xi Shows Up

- March 2013 – Xi Jinping chose Africa for his first state visit, the first time a Chinese leader had done so. He went to Tanzania, South Africa and Republic of Congo.
- December 2015 visited Zimbabwe and South Africa.
- January 2016 went to Egypt.
- July 2018 went to Senegal, Rwanda, Mauritius, and South Africa.

Source: Compiled by author from data found at XinhuaNet.¹³⁴

¹³³ Judith Bergman, "China Taking Over Africa: 'China's Second Continent'," Gatestone Institute, April 11, 2022.

<https://www.gatestoneinstitute.org/18417/china-taking-over-africa>.

¹³⁴ State Council Information Office of the PRC, "China and Africa in the New Era: A Partnership of Equals," November 2021.

http://www.news.cn/english/2021-11/26/c_1310333813.htm.

Strong U.S. follow-up to Secretary Blinken's visit is imperative for it to make any lasting difference. Too many U.S. ambassadorships remain empty in Africa, and indeed worldwide, and, when they are filled, often go to pay political debts. Instead, the majority of appointments – particularly to states where the stakes are high – should go to foreign service professionals or to political figures who have substantive foreign policy and public policy experience.

Regional institutions also need higher priority on the U.S. agenda. A U.S.-Africa leaders conference has been planned for the end of 2022. It is only the second such meeting after the first was held in 2014.¹³⁵ This sort of inattention must change.

Disconnect Public Diplomacy from Public Affairs

Public diplomacy is not a lightweight topic. As noted in Chapter 1, like other aspects of foreign policy it has a deep history and there are many nuances and pitfalls. True professionals – those who understand U.S. foreign policy, the processes by which public diplomacy is conducted, the reasons for doing it, and how to gauge success – should do the job. But things seem to be going in the opposite direction.

In October 2021, a virtual workshop was held by the U.S. Advisory Commission on Public Diplomacy. The workshop did not focus on China, disinformation, problems associated with U.S. foreign relations exchanges, and other enormous challenges to U.S. public diplomacy abroad. Instead, it addressed topics such as the “requirement for Americans to understand why and how U.S. foreign policy

¹³⁵ Clara Ferreira Marques, “Is Russia Winning the War for African Support?,” *Bloomberg News*, July 29, 2022.

affects their day-to-day lives” and “the role that public diplomacy might play in advancing Americans’ understanding of the domestic impact of U.S. global engagement.” The report on the Commission’s workshop argues, “While we have traditionally viewed Public Diplomacy as limited to engaging foreign audiences abroad, the Department [of State] must also engage American citizens, businesses, and organizations in discussions at home about U.S. foreign policy activities and solicit their input into those efforts.”¹³⁶

China, Russia, Iran and others would definitely support such a redirection and dilution of U.S. public diplomacy. And what better way is there to assure a disconnect of foreign policy from its historical precedents than to solicit input from individuals with their own agendas and who have no U.S. foreign policy expertise?

The fact that U.S. public diplomacy seems to have become unmoored from its central purpose—explaining U.S. policies and perspectives to foreign audiences and building understanding with foreign individuals and societies—may be associated with the bureaucratic melding of public diplomacy with public affairs in the Department of State reorganization of 1999. Regardless of the origin of the problem, however, it needs to be fixed.

And the best way to fix it is to tap into professionals who understand the goals and tools of public diplomacy as defined by U.S. history and law, and to keep domestic politics out of the fray. This is crucial and, let there be no

¹³⁶ Vivian Walker, Kathy Fitzpatrick, Jay Wang, “Exploring U.S. Public Diplomacy’s Domestic Dimensions: Purviews, Publics, and Policies,” Commission on Public Diplomacy, April, 2022.
<https://www.state.gov/exploring-u-s-public-diplomacys-domestic-dimensions-purviews-publics-and-policies-2022/>.

mistake here, domestic politics will be a factor if public diplomacy includes a domestic dimension.¹³⁷

Bureaucratically, it is time for a reorganization that once again separates the PD function from public affairs. This should be accompanied by training to convey the history, purpose, and differences of PD from public affairs.

Focus Resources

On June 26, 2022, the G7 announced a plan for \$600 billion of private and public investment in infrastructure in low-to-middle income countries over the next 5 years—the Partnership for Global Infrastructure and Investment (PGII). One third of this sum is to be provided by the United States. Unlike China’s focus on hard infrastructure that has tangible results that Africans can clearly see as beneficial, the PGII plans to prioritize climate and energy security, digital connectivity, health and women’s equality, all while being transparent and sustainable—financially, environmentally, and socially.¹³⁸ Some of the PGII goals, while clearly preeminent in the Western context, are unlikely to have the same priority in the context of Africa.

The PGII follows other Western schemes that were meant to compete with OBOR but that have accomplished little—the U.S. idea presented in 2021 of Build Back Better World, the EU’s Global Gateway scheme, and Britain’s Clean Green Initiative. All these ideas face hurdles that may

¹³⁷ During the Reagan Administration, politicization of public diplomacy led to the Iran-Contra Affair, which involved not only use of active measures such as forgeries, but also efforts to influence U.S. public opinion on behalf of the Administration (or part of the Administration).

¹³⁸ “The G7 at last presents an alternative to China’s Belt and Road Initiative,” *The Economist*, July 7, 2022.
<https://www.economist.com/china/2022/07/07/the-g7-at-last-presents-an-alternative-to-chinas-belt-and-road-initiative>.

not be possible to overcome. First, there is the economic situation in Western countries, including inflation and potential recession, massive domestic spending, support for Ukraine, food crises worldwide, and already overextended aid programs. With the huge and growing financial demands and paltry productivity, commitment may flag.

Second, and closely related to the above point, it is possible that the West is coming too late with too little, particularly in the face of China's capacities. China's resources are enormous, and its commitment is high. (From 2013-2017, China's annual development finance commitments were more than twice those of the United States). Does the United States have the will and staying power to join and stay in the game, even when the administration changes?

Third, there are the downsides that accompany transparency. Not only do loans and projects from the West take much longer due to competitive bidding and open reporting, but they also dilute or eliminate the corruption that can make foreign leaders' cooperation with China so attractive. It is an unfortunate reality that doing business with leaders in autocracies or emerging democracies often requires levels of corruption unacceptable to Western lenders and donors.

These challenges indicate that a more narrowly-focused aid program would likely be more successful than a broader one such as outlined by the PGII. Of the various priorities listed, the one of overwhelming importance is probably digital connectivity. If China succeeds in monopolizing worldwide communications, that will have a cascading effect on all other ventures and will be a serious impediment to democracy wherever Chinese technology dominates.

Minimize Official U.S. Disinformation Management

In the late 1980s, I served as Deputy Assistant Secretary of State in the Bureau of Intelligence and Research. One of my responsibilities was to chair the Active Measures Working Group (AMWG), an interagency effort to identify and publicize Soviet active measures as a means of countering them.

The AMWG was highly successful in tracking, documenting, and publicizing Soviet-generated disinformation, among other active measures.¹³⁹ Although it represented all relevant agencies, it was a small group that developed a strong ethos against politicization and any temptation to engage in active measures or propaganda. The emphasis on being truthful as well as careful in its analyses led to producing highly successful reports that garnered respect and attention.

Many people, particularly from the press, have asked me in recent years to support the revitalization of an AMWG-type organization to fight disinformation. I have steadfastly opposed the idea for five reasons.

First, from my experience, it is hard to prevent politicization. As AMWG chairperson, I was constantly embroiled in efforts to ensure professionalism and veracity, and to avoid propagandizing. Key pitfalls of politicization include:

- Arguments, inspired by political motives, to either withhold or promote material. For example, some might argue: “We can’t reveal that piece of

¹³⁹ An in-depth analysis of the AMWG’s successes is provided by Fletcher Schoen and Christopher Lamb, *Deception, Disinformation, and Strategic Communications: How One Interagency Group Made a Major Difference*, (National Defense University, 2012). <https://inss.ndu.edu/Portals/68/Documents/stratperspective/inss/Strategic-Perspectives-11.pdf>.

information because it would embarrass so-and-so." On the other side there would be an argument such as "We need to get this out now and can't wait for confirmation of more facts because the President is giving a speech on this tomorrow." Even though it was very hard then to prevent the group from falling under the treads of the political tanks, it would be even harder in today's polarized political world.

- The temptation of labeling whatever the opponent says as disinformation, when in fact it may be merely propaganda (more on this below). This should be resisted strongly because such claims undermine the authority and credibility of the analysis.
- The ever-present risk that the task of countering disinformation will instead become an exercise in one's own propaganda.¹⁴⁰

The second reason that I oppose a government bureaucracy to combat disinformation is that it will inevitably foster an incentive for disinformation countermeasures—U.S. active measures by another name. This happened during my tenure as AMWG chairperson. A group was set up at the National Security Council to do just this sort of thing. While U.S. active measures have a place

¹⁴⁰ For example, Foreign Minister Lavrov accused the West of creating a "global food cartel," but this is not disinformation. We know the source and it is merely propaganda. The State Department included Lavrov's statement in a disinformation analysis and declared that the Russian government should stop weaponizing food. It was tit-for-tat propaganda that does not constitute disinformation. See U.S. Department of State, "Russia's Disinformation Cannot Hide its Responsibility for the Global Food Crisis," June 22, 2022. <https://www.state.gov/disarming-disinformation/russias-disinformation-cannot-hide-its-responsibility-for-the-global-food-crisis/>.

in warfare, using them as a means of reaching political goals does not align with Western values.

Third, the media in the United States are now sufficiently aware of the disinformation conundrum that they can tackle the issue with better reporting and fact-checking. I have argued for a sort of “seal of approval” for stories akin to what *The New York Times* has done with reporting on Russian atrocities in its war against Ukraine.

Fourth, the infoscape has changed so radically that the speed with which disinformation can spread and do damage is so great that a governmental bureaucracy is not up to the task of countering it. It takes time to identify disinformation, obtain bureaucratic clearances to respond, and then contact Facebook, Google, or the relevant platform to either have the postings taken down or the accounts demoted or eliminated.

Fifth, there is already a State Department entity tasked to expose disinformation, but its impact has been limited and its efforts dissipated by inclusion of the task of countering propaganda. It is called the Global Engagement Center (GEC). Created in March 2016, its goal at first was to counter the Islamic State. Its mission now is “to direct, lead, synchronize, integrate, and coordinate efforts of the Federal Government to recognize, understand, expose, and *counter foreign state and non-state propaganda* and disinformation efforts aimed at undermining or influencing the policies, security, or stability of the United States, its allies, and partner nations.”¹⁴¹ (emphasis added)

Inclusion of countering propaganda in the mission means that the GEC engages in propaganda tit-for-tat, presenting counter arguments to (mostly Russian) foreign propaganda. In the process, the United States can readily become like Russian or Chinese propagandists in tone and

¹⁴¹ U.S. Department of State. <https://www.state.gov/bureaus-offices/under-secretary-for-public-diplomacy-and-public-affairs/global-engagement-center/>.

style. For example, in the GEC response to Russia's claim that the Ukrainians are Nazis, the GEC published, "To serve its predatory ends, the Kremlin is exploiting the suffering and sacrifice of all those who lived through World War II and survived the Holocaust."¹⁴² Using the word predatory and expansively including "all of those" people make this smack of propaganda, not PD. And this leads full circle to the original point: a U.S. bureaucracy dedicated to fighting disinformation must beware of morphing into a politicized propaganda entity.

Refrain from Preaching

PD is not telling others what we think they ought to do. While it is both imperative and useful to advocate liberal values and the benefits of democracy, most other societies and governments do not have the institutions and historical traditions that enable democracy as found in Europe or the United States. Thus, U.S. expectations must be realistic, and we must be ever cognizant of the limitations of our influence. Almost always, it will be better to remain engaged with other states and leaders, despite their undemocratic ways, than to be sanctimonious and disengaged. As the *Economist* aptly concluded, "The West has discovered that simply trying to impose its values on despots... is ultimately self-defeating. Instead, it should marry pressure with persuasion and plain-speaking with patience. That may not be as gratifying as outraged denunciations and calls for boycotts and symbolic sanctions. But it is more likely to do some good."¹⁴³

¹⁴² "To Vilify Ukraine, the Kremlin Resorts to Antisemitism," U.S. Department of State, July 11, 2022. <https://www.state.gov/disarming-disinformation/to-vilify-ukraine-the-kremlin-resorts-to-antisemitism/>.

¹⁴³ "How to deal with despots," *The Economist*, July 28, 2022. <https://www.economist.com/leaders/2022/07/28/how-to-deal-with-despots>.

Respond to Chinese Public Diplomacy

Understanding what you are up against is usually a prerequisite to handling it well. Part of the reason that the quality and quantity of U.S. public diplomacy has declined since the 1990s is due to inattention to China. Chinese public diplomacy—both communications and exchanges—were highly visible, but not taken seriously enough by the United States.

There is now enough history of China's behavior to tell the story of consequences. This means that the United States and its allies should simply document and share clearly what has happened with Chinese projects, debt, and how China uses its power to manipulate and corrupt. The facts can be conveyed without propaganda or rancor. The place to begin is to use the traditional means of U.S. public diplomacy. As Adm. Craig Faller said, "[China pursues] multiple port deals, loans for political leverage, vaccine diplomacy that undermines sovereignty, state surveillance, IT, and the exploitation of resources such as illegal unregulated and unreported fishing."¹⁴⁴ The story is there and is real; it just needs to be reported cogently and professionally.

Conclusion

China is well on the way to establishing a new international order based on its own capabilities, ideology, and priorities. It has done so, in part, by utilizing public diplomacy to convince foreign publics and leaders that its model is both most desirable and inevitable. Meanwhile, the United States

¹⁴⁴ Jeff Seldin, "Top U.S. Commander Warns 'Front Line' With China Now South of Border," *Voice of America*, March 16, 2021. https://www.voanews.com/a/americas_top-us-commander-warns-front-line-china-now-south-border/6203386.html.

specifically, and the West more generally, have yielded the field to China by allowing their own diplomacy and public diplomacy to diminish.

If the United States is to regain lost ground, it must take whatever steps are required to revitalize its abilities to tell America's story as well as America's side of the story. This means immediately filling ambassadorships and other key roles as quickly as possible with competent people, and reestablishing U.S. PD capacity and will. These are not the only steps needed, of course. For the longer term, it will be imperative to follow a PD strategic plan that recognizes the specific challenges China poses and identifies steppingstones to convey to and convince others of the value of the Western order of democracy, rules-based social order, free-market financial networks, and personal freedoms.

Appendix

Debt-Trap Diplomacy

Some U.S. and other Western officials have branded Chinese investments in Africa and elsewhere as “debt-trap diplomacy” and have warned that China’s loans could lead to bankruptcy or Chinese takeover of infrastructure and resources. In one sense “debt-trap diplomacy” is a misnomer because Chinese loans and loan terms do not constitute diplomacy. Furthermore, it implies that China is purposefully seeking to make loans that will entrap the borrowers. But the truth is: China is not keen to make loans that cannot be repaid,¹⁴⁵ and it wants to avoid the trouble and adverse public relations of debt squabbles. Nevertheless, China (which usually has a strategic plan) has in many cases positioned itself to take advantage of potential nonpayment by requiring other types of benefit—such as control over resources or facilities—in lieu of repayment. Thus, like most good propagandistic labels, there is a thread of truth to the term debt-trap that deserves scrutiny.

Indeed, there have been examples of serious debt problems. An article in *Forbes* summarized increasing African debt:

There have already been warning signs [of too much debt]: the Addis Ababa-Djibouti Railway ended up costing Ethiopia nearly a quarter of its total 2016 budget, Nigeria had to renegotiate a deal with their Chinese contractor due to their

¹⁴⁵ Communication with Lex Reiffel, former U.S. Treasury official, July 19, 2022. Note also that China has made additional loans to help prevent indebted nations from default. See Layna Mosley and B. Peter Rosendorff, “Sri Lanka can’t count on China to solve its debt problems,” *The Washington Post*, September 12, 2022. <https://www.washingtonpost.com/politics/2022/09/12/sri-lanka-debt-china-imf/>.

failure to pay, and Kenya's 80% Chinese-financed railway from Mombasa to Nairobi has already gone four times over budget, costing the country upwards of 6% of its GDP. In 2012, the IMF found that China owned 15% of Africa's external debt, and hardly three years later roughly two-thirds of all new loans were coming from China. This has some analysts issuing warnings about debt traps— with some even going as far as calling what China is doing a new form colonialism.¹⁴⁶

In most cases, China has been careful to avoid either pushing countries into default or taking over assets in times of countries' financial distress. The \$200 million Entebbe International Airport upgrade offers an example. China Eximbank had required the Government of Uganda to hold collateral in escrow that China Eximbank could seize in case of default and for airport revenues be used to repay the loan on a priority basis for 20 years. The Ugandan Government developed cash flow problems and objected to the terms of the original contract. After a December 2019 Ugandan delegation went to Beijing to renegotiate the loan, adjustments apparently satisfactory to both sides were made.¹⁴⁷

But there is another case study in which China exploited debt owed to gain control over key infrastructure in Sri Lanka. It is important to make this example known to states that have borrowed or may borrow from China. But it

¹⁴⁶ Wade Shepard, "What China is really up to in Africa," *Forbes*, October 3, 2019.

<https://www.forbes.com/sites/wadeshepard/2019/10/03/what-china-is-really-up-to-in-africa/?sh=759ba91d5930>.

¹⁴⁷ All data in this paragraph are drawn from Parks, B., Malik, A., and A. Wooley, "Is Beijing a predatory lender? New evidence from a previously undisclosed loan contract for the Entebbe International Airport Upgrading and Expansion Project," Williamsburg, VA: AidData at William & Mary.

should be done without hyperbole or jingoism. Here is a brief history of what happened.

Sri Lanka defaulted on its \$51 billion of international debt in May 2022 after years of heavy borrowing and tax cuts by the government. It has negligible foreign reserves and \$25 billion in foreign debt due for repayment over the next five years. Nearly \$7 billion is due this year.¹⁴⁸ This debt is not due only to China, which loaned only about 10% of what Sri Lanka owes. What is different about the Chinese debt is that it is collateralized, and China chose to exploit the terms of its loans.

When Gotabaya Rajapaksa was elected President of Sri Lanka in 2005, he wanted to develop his home district of Hambantota, one of the areas hit hard by a tsunami in 2004. A key project was building a new port. Rajapaksa had difficulty securing loans. India, for example, considered the project but concluded that it was unviable. Nevertheless, Sri Lanka was able to get loans on the open market to start a first phase of port construction, but lenders began to shy away from the project thereafter.

China was eager to take over and finish the project to gain access to ports as part of its One Belt-One Road initiative. Due to other lenders' unwillingness to sink any more money into the project, China was able to drive a hard bargain with higher interest rates and terms, but sweetened by kickbacks and, in 2015, large payments to Rajapaksa's campaign fund.¹⁴⁹ (China also had a leg up on loan negotiations with Rajapaksa due to its history during the 26-year civil war with Tamil separatists, during which China

¹⁴⁸ Krishan Francis, "Sri Lanka halts debt repayment pending IMF bailout plan," *ABC News*, April 12, 2022.
<https://abcnews.go.com/International/wireStory/sri-lanka-halts-debt-repayment-pending-imf-bailout-84037476>.

¹⁴⁹ Maria Abi-Habib, "'How China Got Sri Lanka to Cough Up a Port,'" *The New York Times*, June 25, 2018.
<https://www.nytimes.com/2018/06/25/world/asia/china-sri-lanka-port.html>.

supplied the Rajapaksa government with economic support, military equipment, and protection from UN sanctions.)

Once built, Hambantota's port did not have enough business; ships that used it took away from the port at Colombo, meaning that few net additional fees were earned. By 2017 Sri Lanka could not pay interest on the \$1.4 billion on Chinese loans for the port. (The loans from China may be greater due to the fact that, unlike with loans from international institutions and Western banks, Chinese loans have little transparency.) China then used the terms of its loans to acquire equity stake in the port and a 99-year lease for a Chinese company to operate it.¹⁵⁰ China refused to change the terms of the loan or to restructure. Sri Lanka began a cycle of borrowing from multiple sources just to pay interest, with no relief in sight.

The debt crisis was worsened by effects on tourism of the pandemic and by government policies, notably the banning of fertilizer use, which decimated crop yields. By 2022, Sri Lanka's foreign exchange reserves were depleted and in May, when it failed to make an interest payment for the first time in its history, Dr. W.A Wijewardena, former deputy governor of the Central Bank of Sri Lanka, summarized:

Sri Lanka has requested China for debt restructuring but China is yet to grant this request. Initially it had shown willingness to give another loan of \$2.5 billion to enable Sri Lanka to refinance the maturing loans but it was withdrawn later. Instead, China provided relief to Sri Lanka by providing a Yuan swap of 10 billion Yuan. This swap amounts to nearly \$1.5 billion, giving a

¹⁵⁰ "Game of Loans: How China Bought Hambantota," CSIS Brief, April 2, 2018. <https://www.csis.org/analysis/game-loans-how-china-bought-hambantota>.

major boost to Sri Lanka's foreign exchange reserves. But it's still not enough to mitigate the crisis. Sri Lanka's current strategy is to get relief through common debt restructuring with the support of IMF.¹⁵¹

With the economic freefall that resulted in defaults on the nation's loans, Sri Lankans took to the streets and demanded the removal of President Rajapaksa, who fled the country on July 13, 2022, and resigned two days later.

With this historical backdrop, it is interesting to look at China's response to criticisms in the press following the default and Rajapaksa's resignation. China was well aware of the use by Western critics of the term "debt-trap diplomacy" and accusations that China was driving hard bargains for loans on major infrastructure projects, including terms that would enable China to take over ports, airports, and other facilities in cases of non-payment. Such debt was partly responsible for Sri Lanka's crisis.

China was worried that the bad press could affect its image and perhaps jeopardize its OBOR projects elsewhere. On July 13, the day Rajapaksa fled Sri Lanka, a Google search of "Sri Lanka debt trap" yielded the same basic story, slightly reworded in some versions, as the top 6 hits from 6 different news sources. The story appears to be a product of Chinese propaganda with two points listed below.

- Nearly half of the debt is owed to "Western vulture funds and banks."
- "Less than 5% of Sri Lanka's foreign debt was denominated in China's currency."

The article has a decidedly anti-U.S. slant, including the claim that the Voice of America is closely linked to the CIA and that the United States dominates the institutions that

¹⁵¹ "Sri Lanka's foreign debt default: Why the island nation went under," DW, April 14, 2022. <https://www.dw.com/en/sri-lanka-foreign-debt-default-why-the-island-nation-went-under/a-61475596>.

caused Sri Lanka's debt difficulties. The article is clearly intended as propaganda to absolve China of fault in the debt crisis. It does not address key points, including:

- Interest rates of loans from China are above 6%, much higher than others.
- Western loans rarely involve collateralization, whereas China's often include potential equity, takeover of infrastructure, or other assets in event of nonpayment.
- Dollar denominated loans do not infer that the loans are granted or controlled by Western governments.

The International Monetary Fund has again attempted to restructure Sri Lanka's debt. As of this writing in July 2022, China has not agreed to provide debt relief under the Common Framework adopted by the G20, of which it is a member, and Paris Club of official countries to help heavily indebted low-income countries. It is important to obtain China's participation because, otherwise, Western debt relief will simply finance debtors' payments to China.

U.S. Treasury Secretary Janet Yellen singled out China for failing to cooperate in efforts to provide debt relief to Sri Lanka under the Common Framework adopted by G20 members and the Paris Club of official creditors in October 2020. Similarly, three countries— Zambia, Ethiopia, and Chad— have applied for help under the framework, but those efforts have stalled, largely due to foot-dragging by China, now the world's largest sovereign creditor, and private sector creditors.¹⁵²

The Sri Lanka example serves to make at least two points. First China's use of infrastructure loans has been used to acquire control over, or be in a position to control,

¹⁵² Andrea Shalai and Marc Jones, "Yellen says it's in China's interest to restructure Sri Lanka's debt," *Reuters*, July 14, 2022. <https://www.reuters.com/world/asia-pacific/yellen-says-its-chinas-interest-restructure-sri-lankas-debt-2022-07-14/>.

militarily and economically strategic resources—to include not only natural resources such as oil and rare earths, but also airports, ports, and other infrastructure—in many countries. Second, it is attuned to the potential for negative publicity and has news outlets that enable its quick use of propaganda and disinformation to defend its actions.

About the Author

Dr. Kathleen C. Bailey is a consultant on defense and arms control issues and a senior associate at the National Institute for Public Policy. She served in three U.S. Government positions: as Assistant Director of the Arms Control and Disarmament Agency (1988-90), a Presidential appointment, responsible for nuclear, chemical, biological, and missile proliferation; as Deputy Assistant Secretary of State in the Bureau of Intelligence & Research (1985-87), where she chaired the Interagency Active Measures Working Group; and as head of the Bureau for Research in the U.S. Information Agency (1983-85), where she directed foreign opinion polling and analysis. She also spent 10 years at the Lawrence Livermore National Laboratory where she was co-founder and director of the nuclear-nonproliferation intelligence program. She has lectured at several universities, including the NATO War College and George Mason University. She made an unsuccessful run for U.S. Congress (2022). She earned a PhD from the University of Illinois (1976) after conducting her thesis research in Tehran.

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