

Written Statement

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“Countering Malign PRC Influence in Europe”

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Chairman, Ranking Member, and esteemed members of Congress, thank you for the opportunity to address you today on the subject of Chinese influence in Europe. Over the past two decades, China has significantly upgraded its strategy for engaging with European countries, shifting from a relatively benign presence to a more assertive and strategic player. This shift reflects broader geopolitical trends, including growing tensions between China and the West, exacerbated by issues such as human rights abuses in Xinjiang, the crackdown on democracy in Hong Kong, the outbreak of the COVID-19 pandemic, and, most recently, China's 'pro-Russian neutrality' during the war in Ukraine. These developments have complicated the relationship between Europe and China and forced European nations to reassess their stance toward Chinese influence.

Today, I will outline the evolution of China's strategy in Europe, examine the key mechanisms China uses to exert influence, and highlight the growing challenges Europe faces in responding to this influence. Finally, I will address the key areas where transatlantic cooperation could help Europe resist malign Chinese activities and secure the region's democratic and economic integrity.

The Evolution of China's Influence Strategy in Europe: Initially, China viewed Europe as a potential ally against the United States in global governance, especially in multilateral forums. Beijing invested in diplomatic and economic ties with the European Union (EU), touting win-win cooperation, technological exchange, and trade. However, this perception has drastically changed over the last decade. Since his ascent to power, Xi Jinping initiated significant domestic ideological reforms aimed at strengthening party control and reinforcing socialist ideals. These reforms, which prioritize loyalty to the Chinese Communist Party and emphasize nationalism, have further complicated China's relations with the West, as they contribute to an increasingly assertive and authoritarian domestic and foreign policy stance.

China's global image deteriorated due to its stance on Russia's invasion of Ukraine, often described as pro-Russian neutrality, human rights abuses in Xinjiang, the suppression of freedoms in Hong Kong, and, notably, its handling of the COVID-19 pandemic. These actions have further strained China's relations with Europe and the broader international community.

As Europe shifted from viewing China as a potential partner to an economic competitor and strategic rival, China responded by adjusting its influence tactics. Initially, its approach was framed around "spreading positive energy," which emphasized the promotion of Chinese culture, investment, and soft power. However, following the crackdown on freedoms in Hong Kong and the outbreak of the COVID-19 pandemic, China's methods in Europe became more aggressive, increasingly resembling those previously used by Russia, particularly in the areas of disinformation and political interference.

Influence on European Politicians and the Population: China has become increasingly active in attempting to influence politicians, particularly (but not exclusively) those at the extremes of the political spectrum—far-right and far-left political parties.ⁱ My research conducted in Central and Eastern Europe suggest that when China enters a new political landscape, its influence-building strategy typically starts with those on the far-left of the political spectrum. These parties, due to their anti-establishment positions or historical alignment with socialist ideologies, are seen as more open to engagement with China’s political and economic offers. China then gradually expands its influence by reaching out to left-leaning political factions, and, over time, makes inroads with centrist, right-of-center, and far-right parties. Today, China has established contact with parties across the entire political spectrum in Europe, demonstrating the gradual but consistent application of this strategy.

It is important to note, however, that while China reaches out to various political parties, this does not imply active cooperation or alignment from all factions. Many political entities remain cautious or resistant to China’s overtures, especially those that may be more aligned with Western liberal values.

With the war in Ukraine, China has placed a greater emphasis on engaging far-right and far-left political parties in Europe. This shift is strategic: far-right parties, with their nationalist and anti-globalist stances, often oppose NATO and the EU, aligning them with China’s goal of weakening Western institutions. Meanwhile, far-left parties, which frequently criticize Western imperialism, may be more sympathetic to China’s narratives of non-intervention and its positioning as a counterbalance to US hegemony. By focusing on these political extremes, China may be able to exploit ideological divisions and push narratives that undermine European unity and transatlantic cooperation, especially on issues like sanctions and military support for Ukraine.

As in other parts of the world, China’s influence often takes the form of strategic corruption and elite capture. By leveraging economic investments and personal relationships with key political figures, China seeks to manipulate policy in its favor.ⁱⁱ These activities often go unnoticed due to the subtlety of the tactics, which range from financial incentives to promises of future economic partnerships, or unchallenged in countries experiencing democratic backsliding. These tactics mirror Russia’s approach, where financial incentives and strategic messaging have been used to create alliances within the fringes in European politics.

Beyond targeting politicians, China has also been more active in attempting to influence the general population through traditional media and social media.ⁱⁱⁱ Notably, China’s messaging has evolved. Initially, the focus was on projecting a positive image of China as a responsible global power and an economic partner.^{iv} However, since around 2019, its tactics have shifted toward disseminating disinformation and pro-Chinese narratives, often aimed at undermining trust in local governments, military institutions, and democratic structures. Much like Russia’s influence operations, attributing these activities is becoming more challenging, as state-backed media outlets and inauthentic accounts play a key role in spreading these messages.

Increased Chinese Cyber Activity in Europe: In recent years, China has significantly ramped up its cyber activities across Europe, targeting both private and public sectors with increasingly sophisticated techniques. One of the most notable incidents was the July 2021 cyberattack on Microsoft Exchange servers, which compromised thousands of organizations across the continent, including government institutions and private enterprises. The European Union, alongside the US and other Western allies, attributed the attack to Chinese state-backed actors, specifically the Ministry of State Security (MSS).^v This breach exposed

sensitive data and demonstrated the potential risks posed by China's cyber capabilities, which are now being used not only for espionage but also to gather intellectual property and confidential information from critical sectors such as technology, healthcare, and energy.^{vi}

China's cyber operations are not limited to direct attacks but also include widespread disinformation and influence campaigns. The uncovered campaigns were designed to manipulate public opinion on key issues, such as the COVID-19 pandemic^{vii} or the war in Ukraine^{viii}.

These developments underscore the urgent need for enhanced cybersecurity and coordinated responses within Europe. The EU has already begun taking steps to address these threats through measures like the EU's Cybersecurity Strategy 2020^{ix}, which seeks to bolster the resilience of its digital infrastructure. However, more comprehensive and collaborative efforts are required to counter these sophisticated threats. European countries must not only invest in stronger cybersecurity but also improve their capabilities to detect and mitigate disinformation campaigns aimed at influencing public opinion. The growing complexity and scale of Chinese cyber activities present a significant challenge for European democracies, making it essential to adapt quickly to this evolving threat landscape.

Comparing the Threats from Russia and China: While China's FIMI (Foreign Information Manipulation and Interference) in Europe is growing, it is critical to acknowledge that Russia remains the more immediate and skillful threat, particularly regarding electoral interference and disinformation campaigns.^x Russia's longstanding strategy of manipulating public opinion, targeting elections, and dividing the EU has been extensively documented. However, China's influence operations are becoming more sophisticated and, in some cases, harder to detect.

For Europe, the dual threat from Russia and China presents a significant challenge. The war in Ukraine has understandably made Russia the top priority, as it represents a clear and present danger to European security. China, in contrast, is seen as a longer-term strategic challenge, particularly in the economic domain. Nonetheless, Europe is beginning to recognize the need to address the malign influence of both Russia and China, albeit slowly.

Europe's Response to Chinese Influence: Despite increasing recognition of China's growing influence, Europe's reaction has been slow and fragmented. Several factors contribute to this delayed response:

1. a lack of capacity due to the understandable prioritization of war in Ukraine and Russia,
2. a lack of political will,
3. limited expertise on China within European countries and international institutions.
4. Finally, the perception of China as a distant threat, combined with economic interests and uncertainty about the direction of transatlantic relations, has hampered a more robust response.

A key challenge appears to be the limited China expertise within European institutions and EU member states. While the European External Action Service (EEAS) has reportedly made progress in enhancing its personnel's understanding of China, this effort seems not to have been mirrored extensively at the Ministries of Foreign Affairs across member states. It is perceived that a similar situation exists within other ministries, as well as

counterintelligence and intelligence services, where the recognition of China's growing influence seems to remain relatively slow, possibly due to the continued prioritization of Russia as a strategic concern.

A potential lack of political will to take a more assertive stance towards China has created divisions within Europe's response to Beijing. While some European countries, like Lithuania and the Czech Republic, have adopted more confrontational stances, advocating for stronger actions on human rights and security concerns, others—such as Germany and France—are more hesitant due to significant economic ties and reliance on trade with China. This divergence reflects the competing priorities within the European Union, where economic interests often compete with strategic considerations. As a result, Europe's collective response to China is fractured, with some countries pushing for tougher measures while others prefer a more cautious approach, fearing repercussions for their economies and trade relationships. Yet others have even gravitated toward closer ties with Beijing, often motivated by economic incentives or ideological affinity for strongman governance. The risk is that such outlier countries may influence others, especially in Central and Eastern Europe, where the temptation to secure future economic deals with China remains strong.

For example, Serbia, as the largest country and traditional center of gravity in the Western Balkans, has embraced China as a key partner in infrastructure development. Similarly, Hungary, led by Prime Minister Viktor Orbán, has cultivated ties with China, with potential ripple effects in Central Europe. Slovakia's growing interest, exemplified by the current PM Robert Fico's idea on engaging Chinese companies in critical infrastructure projects, such as the management of 500 Slovak bridges and highways^{xi}, could raise significant concerns. Given Slovakia's proximity to Ukraine and China's pro-Russian neutrality during the war, this could complicate Western efforts to maintain unified support for Ukraine, as Chinese economic influence could be used to exert pressure on Slovakia's political and military decisions. Additionally, it could offer China greater insight into European logistics and infrastructure, potentially allowing China to share information with Russia, or disrupt routes for potential military aid to Ukraine.

Positive Developments in Europe's Response: Despite these challenges, there are signs of progress in Europe's response to Chinese policies targeting Europe, including some on FIMI.

In March 2023, the European Commission President Ursula von der Leyen presented the concept of derisking in her speech on March 30, 2023.^{xii} This concept emphasizes the need to address and mitigate the potential risks associated with engaging China, framing the overall EU strategy towards China. As a part of this signaled shift, the European Commission has recently pushed back against Chinese subsidies in the automotive sector,^{xiii} and in March 2024, the EU adopted the European critical raw materials act. Additionally, there are preparations for a European law aimed at increasing transparency around foreign lobbying activities.^{xiv}

There is also a growing recognition of the need to shield European industries from Chinese overproduction, espionage, and intellectual property theft targeting academia, research centers as well as businesses.

European governments are increasingly recognizing the need to understand the dynamics of Chinese diasporas within their borders, especially in light of growing concerns over Chinese influence. There is mounting evidence that China may be utilizing these communities to further its geopolitical interests, including manipulating election outcomes,

gathering intelligence, and suppressing dissenting voices. Chinese diasporas, including students and political dissidents, are often targeted through intimidation, surveillance, or pressure to act as proxies for Beijing's interests. Protests by diaspora members critical of China's policies have also faced organized counter-efforts, leading to the silencing of these voices. The risk of China using its diasporas to sway political outcomes in Europe is a growing concern, especially given the country's increasing sophistication in information warfare and disinformation campaigns. Several projects funded by the EU Horizon program are now dedicated to investigating information manipulation and suppression, highlighting these risks.^{xv}

Central and Eastern European (CEE) countries, particularly Lithuania, the Czech Republic, and Poland, while sometimes slow to take decisive action, are increasingly recognizing the strategic importance of adopting a tougher stance on China in both bilateral as well as multilateral frameworks, such as NATO. This recognition is partly driven by their understanding that aligning more closely with the United States on China-related issues could bolster their broader security interests. For these countries, the relationship with the U.S. is critical, especially in the context of ongoing support for Ukraine, which remains a top security priority in the region.

Conclusion: In conclusion, Chinese influence in Europe is evolving, posing a long-term strategic challenge to Europe's security and democracy. While Russia remains the more immediate threat, Europe cannot afford to overlook China's increasingly sophisticated tactics. The slow but steady response from Europe reflects a complex balancing act between economic interests, security concerns, and transatlantic relations.

Moving forward, strengthening Europe's resilience to Chinese influence will require a more coordinated, European-led effort, with an emphasis on internal capacity building and strategic independence. Europe should focus on enhancing expertise in China-related issues through increased investments in specialized training for diplomats, policymakers, and intelligence services. This will better equip them to understand and respond to the complex nature of China's political, economic, and technological influence.

In addition, closer intra-European cooperation among like-minded countries is essential, with countries sharing intelligence and aligning policies to present a united front. Europe should also strengthen its partnerships with nations in the Asia-Pacific, such as Japan, South Korea, and Australia, which have managed similar challenges stemming from China. These partnerships can provide valuable insight and help develop diversified approaches to counterbalance China's influence globally.

The U.S. remains an indispensable partner in this endeavor. Continued collaboration between Europe and the U.S. will be crucial in areas such as sharing best practices, coordinating cyber defense efforts, and upholding the shared values of democracy and human rights.

The United States can play a significant role in addressing the challenges posed by outlier governments in Europe, such as those of Hungary, Serbia, and increasingly Slovakia, by recognizing that these governments often operate with a transactional and opportunistic mindset. These governments have demonstrated a tendency to align their policies based on immediate economic or political benefits, often at the expense of broader democratic and geopolitical values. To counter this, the U.S. should adopt a dual approach: on one hand, it should reassure these governments that they can expect continued investments and economic opportunities from Europe and the U.S., thereby addressing their economic

concerns. On the other hand, it must communicate unequivocally that certain behaviors—such as undermining democratic institutions, aligning too closely with adversarial powers, or violating international norms—will not be tolerated. By balancing incentives with clear red lines, the U.S. and its European allies can ensure these governments remain aligned with Western interests while deterring opportunistic actions that could undermine regional security or transatlantic relations.

The U.S. should recognize that even countries with seemingly firm stances on China, such as the Czech Republic, may shift their policies depending on the outcomes of future elections. The current China-critical approach is largely driven by specific political parties, but the opposition, which may come to power, could hold different views on how to engage with China. Within existing governing coalitions, internal divisions are also evident. Some factions advocate for a more cautious approach, pushing for reduced cooperation with Taiwan and promoting "economic pragmatism" over ideological confrontation with Beijing.

To hedge against potential policy shifts, the U.S. should cultivate relationships across the political spectrum in these countries, ensuring that dialogue on China remains robust regardless of electoral outcomes. This could include fostering long-term cross-party understanding of the strategic risks posed by China and highlighting the economic benefits of alignment with U.S. and European policies on transparency, security, and technological standards.

Thank you for the opportunity to present these insights today. I look forward to engaging with the members of the subcommittee during the discussion and am ready to answer any questions you may have regarding China's influence strategies and the steps Europe is taking to counter them.

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