

June 26, 2024

Esteemed members of the Oversight Committee,

I am honored to address you today regarding a matter of critical importance: China's expanding influence within multilateral institutions and the imperative to address this development. Drawing from my experience as the U.S. Director at the World Bank, I have witnessed firsthand the nuanced and strategic efforts China has employed to enhance its presence within key international bodies. These efforts are significantly impacting global governance and regulations.

China's concerted plans to augment its influence are evident across several pivotal organizations. For instance, China holds significant sway within the International Telecommunication Union (ITU), an organization actively shaping global telecommunications standards. In 2014, Zhao Houlin was elected Secretary-General, and he remained at the organization until 2022. During his tenure, China leveraged its influence to support companies such as Huawei and ZTE.

The United Nations Industrial Development Organization (UNIDO) exemplifies China's strategic alignment of multilateral initiatives with its domestic agendas. UNIDO was initially established to promote industrialization in the developing world. In 2013, Chinese Communist Party Member Li Yong became Executive Director, and during his eight-year term, China seamlessly integrated UNIDO with the Belt and Road Initiative (BRI). The UNIDO endorsement not only enhanced China's credibility but also extended its economic and strategic reach globally, leveraging other multilateral platforms to further its national interests.

China's involvement in the International Civil Aviation Organization (ICAO) has also been concerning, particularly regarding the establishment of air navigation and safety standards. Liu Fang led the organization from 2015-2021. During her tenure, the ICAO came under fire for denying Taiwan access to participation in crisis coordination efforts during COVID and then attempting to silence criticism on Twitter.

China's ascendancy extends beyond these examples. Its influence permeates other critical multilateral bodies, including the 15 principal agencies of the United Nations, where Chinese deputies hold influential positions.

The implications of China's growing influence within these institutions are profound. They extend beyond mere representation to shaping global development, rules, regulations, and standards. China's involvement in the ITU, for instance, impacts global telecommunications standards, with significant ramifications for technology and innovation worldwide. Similarly, its influence within UNIDO and other bodies reflects its efforts to align multilateral initiatives with its foreign policy agendas, such as the BRI.

As China continues to assert its influence within multilateral institutions, it is imperative for the international community, including the United States, to respond effectively. Failure to address this issue could result in a significant shift in global governance dynamics, with far-reaching

consequences for international cooperation, the rules-based order, and the promotion of democratic values.

During my tenure at the World Bank, I observed the critical importance of maintaining the integrity and impartiality of multilateral institutions. Ensuring that these organizations serve the collective interests of the international community is paramount. We must develop a comprehensive strategy to safeguard these institutions from undue influence and ensure they remain effective in promoting global development and stability.

In conclusion, I urge this committee to recognize the urgency of addressing China's expanding influence within multilateral institutions. It is essential to develop a comprehensive strategy to safeguard the integrity, impartiality, and effectiveness of these organizations, thereby ensuring that they serve the collective interests of the international community. Thank you for your attention to this pressing matter.

Sincerely,

Erik Bethel