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Democracy “with Chinese characteristics”?

Analysis of the ontological and political challenge China poses for European democracy

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DEMOCRACY VERSUS AUTOCRACY. WHY THE DEMOCRATIC SYSTEM IS SUPERIOR AND HOW IT CAN DEFEAT AUTOCRACY

DEMOCRACY "WITH CHINESE CHARACTERISTICS"?

ANALYSIS OF THE ONTOLOGICAL AND POLITICAL CHALLENGE CHINA POSES FOR EUROPEAN DEMOCRACY

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EXECUTIVE SUMMARY

Against the traditional understanding of "democracy", China claims to have put in place a system of democracy "with Chinese characteristics". This paper argues that this poses a double challenge to Western democracy: first, conceptual or ontological, by challenging the claim to universality of traditional democracy and arguing there are multiple models none of which is superior to the other, but instead more fitting to a particular reality; and second, political, to the democratic "health" of Western political systems, through a variety of tools ranging from soft power to cyberattacks. The paper discusses the historical origins of democracy with Chinese characteristics, proceeding then to present the set of tools that the European Union has at its disposal to counter the democratic challenge that China poses. It concludes with a set of recommendations that would equip the EU and its member states to better deal with the complexities of China and its political system.

Social Media summary

What exactly is democracy 'with Chinese characteristics'? Is it democracy at all? What can the EU do about it?

Keywords

#China #democracy #EuropeanUnion #chinesecharacteristics #democracyprotection #chinachallenge

Short bio

Laia Comerma is a PhD candidate at the Pompeu Fabra University and a predoctoral research fellow at the Barcelona Institute for International Studies. Her PhD dissertation, "The Influence of the EU–China Economic Relationship towards the reconfiguration of the Economic Regime of Global Governance", digs deeper on the perspective of norms, rules and institutions that structure the foreign policy relation of economic cooperation between China and the European Union and how they are being reformed due to their interaction in the fields of investment, trade, and finance. She has published on the future of EU-China relations, Chinese influence in the EU, Chinese democracy and the Belt and Road Initiative. Her research fields of interest are foreign policy analysis, Chinese foreign policy, EU foreign policy, and EU–China cooperation.

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TABLE OF ACRONYMS

BRI: Belt and Road Initiative.

CCP: Chinese Communist Party.

COSCO: China Ocean Shipping Company.

COVID: SARS-CoV-2.

DWCC: Democracy with Chinese characteristics.

EU: European Union.

EUGS: European Union Global Strategy.

FDI: Foreign Direct Investment.

HHRR: Human Rights.

MoU: Memorandum of Understanding.

NGO: Non-Governmental Organisation.

PPE: Personal Protective Equipment.

SLAPP: Lawsuits against public participation.

SOE: State-Owned Enterprise.

UN: United Nations.

US: United States of America.

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What *really* is democracy?

To understand how "Democracy with Chinese characteristics" (DWCC for short) diverges from our traditional concept of democracy, we must first understand what democracy itself is first. The term derives from the Greek *dēmokratia*, from *demos* ("people") and *kratos* ("rule"), literally, rule by the people. It originated in mid-5th century BCE, to denote the political system of Greek city-states or *polis*, where a citizen assembly deliberated and took the main political, military and economic decisions. Thus, it was those citizens that ruled the *polis*, guided by virtue and sound argumentation in a system characterized as "direct democracy". Arguably, this original democracy is not precisely what we understand today of democracy, as citizenship was hereditary, and thus only adult men of Athenian origin and with properties, so, from a specific social class, could obtain citizenship and spend their day deliberating in the *ecclesia* (assembly). Women, children and slaves were not citizens and so had no voice in these original days of 'rule by the people'.

The concept of democracy evolved in the 18th century, when democratic systems were implemented by nation-states and direct democracy gave way to "representative democracy". Under that system, citizens would elect representatives through a system of legitimate voting that then would take the decisions. This required the implementation of a set of political institutions to make the system work: a parliament or legislative power, an executive power, and the judicial power. A system of checks and balances would ensure that the decisions taken were fair, guided by the rule of law and democratic legitimacy. This system drinks from the doctrines of Locke, Rousseau, Montesquieu, Hume, Tocqueville and Madison. However, it was not until the beginning of the 20th century that "rule by the people" meant all people, including minorities of the adult population that had until not been able to vote. This is when the democratic principle of "one person, one vote" was enacted.

Today, the two core principles of democracy are: that of individual autonomy, the idea that everyone should be able to control their own lives under the rule of law and not subject of arbitrary rules, and that of equality, that is, all citizens should have the same opportunity to influence the decision-making process in their societies (CoE, online). The main characteristics that a democratic government should follow, according to the former UN Commission on Human Rights (UN, 2002), include: respect for human rights and fundamental freedoms, freedom of association, freedom of expression and opinion, access to power and its exercise in accordance with the rule of law, the holding of periodic free and fair elections by universal suffrage and by secret ballot as the expression of **the will of the people**, the separation of powers, the independence of the judiciary, transparency and accountability in public administration, and free, independent and pluralistic media.

From this checklist it seems evident why China's system cannot be considered a "democracy" if we follow Western standards. But there are two basic assumptions hidden behind this claim that China disputes today and are the key to its challenge to the democratic way of life: that there is only one valid definition of democracy, and that this Western type of democracy is superior to any other system currently in existence.

Regarding the first assumption, we observe the challenge from the very concept of "democracy *with Chinese characteristics*". Intrinsically, it poses that there can be multiple types of democracy, and that there is a specific one that adapts to the

Chinese circumstances by modifying certain characteristics of the Western democratic system to something more fitting to China's context[1]. As Brown (2017:209) claims, the fact that they themselves call it "with Chinese characteristics" illustrates that there is no further claim to universality of their system, because no other nation could identify with these characteristics as, by definition, they are only applicable to the Chinese because of certain identity traits, societal traits, history, culture, or any specifically Chinese reason. But the key point here is that the Chinese are not in a "democratization crusade" like the West and especially the US has been in the last century. As Vice Foreign Minister Le Yucheng said in 2021, "the construction of democracy does not need a "teacher". Just as there are no two identical leaves in the world, 'one side of the water and soil has the other side of democracy', in this world, there has never been a democratic model that applies to all countries, and there is no perfect democratic system that is superior to others." (China Institute, 2021).

The challenge, instead, is ontological, as it disputes the very claim of universality of democracy and human rights is core to the superiority of this system as proposed by the West. It says: Western-style democracy may have worked for you, but it cannot work for everyone, and there are other versions of it that are more fitting to other contexts and societies, while being equally 'good' for the citizens. The key question here is: has China perverted the very essence of democracy by transforming it into something else, or are those two compatible if different understandings of democracy? They are premised on two different understandings of "good": individual good versus societal good, but mostly, as the paper will show, this concept relies on the constructed narrative of China feeling again proud of itself after a "century of humiliation", as a powerful, globally respected China. Thus, it instigates nationalism, but it also perpetuates a system of vested interests, as the system of appointing government officials gives crucial power to the party and rewards loyalty. But what is exactly "democracy with Chinese characteristics" and what are the various tools, conceptual and otherwise, that China is using to weaken European democratic sovereignty?

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What is democracy 'with Chinese characteristics'?

If we want to understand more deeply how exactly the Chinese model is contesting the previously mentioned assumptions in the presented way, we need to understand what exactly is meant by DWCC, from the Chinese perspective. It is not a

[1] "There is no single road to democracy. The true barrier to democracy lies not in different models of democracy, but in arrogance, prejudice and hostility towards other countries' attempts to explore their own paths to democracy, and in assumed superiority and the determination to impose one's own model of democracy on others." "Political systems vary from civilization to civilization, and each has its own strengths. All countries should uphold the principle of non-discrimination, respect others' models of democracy, share experience with others, explore their own paths, and contribute their due share to human progress." (SCIO, 2021)

representative democracy like the Western one, but instead a **consultative democracy** or sometimes called **deliberative democracy** (*xieshang minzhu*), where the citizens "generate persuasive-based influence on the policymaking process through feedback and responses. Political power is not shared; it is still maintained in the hands of the CCP. It supplements the current authoritarian system by improving the government's capability to satisfy citizens' demands." (Li, 2022) This is implemented with initiatives such as public deliberation meetings with government officials, especially at the local level; NGO involvement in the policy-making process; or the "Mayor's Mailbox", a municipal initiative where citizens could contact their local representatives with complaints that would be quickly fixed, as resolving those problems was part of the reward and promotion system for CCP officials.

The main weakness of this system is that it completely relies on the goodwill of the CCP to carry on with these initiatives and to involve those actors, as there is no requirement by law to do so; and for the same reason, it exclusively depends on state-controlled platforms, as the government or party official controls the domain and scope of the consultation, the forums, level of organization, the timing, and the agenda. Indeed, there has been a significant crackdown on consultative democracy since Xi Jinping's accession to power, as it is seen by his administration as a weakness and a threat to regime stability, in a moment when a reborn China wants to present strength, resolve and unity to the world. He follows the maxim of "smaller chaos, smaller solution; bigger chaos, bigger solution; no chaos, no solution" (小闹小解决，大闹大解决，不闹不解决). However, this fall of "consultative democracy in China demonstrate[s] that the CCP has a hard time balancing between political unipolarity and a diversifying society." This, nonetheless, raises a question of democratic legitimacy, since the CCP – and mostly an elite segment of the party – is seen to take all the relevant decisions, with practically no involvement of any other stakeholders. This has the potential, in a moment of crisis like the pandemic or an economic crisis, to instigate social instability and revolt, which might lead, as it did in 1989 in Tiananmen, to a political crackdown and more restrictions on social freedoms.

A key belief in China that underpins the CCP's survival is that "China's success hinges on the CCP. Without the CCP, there would be no new China and no rejuvenation of the Chinese nation. The CCP's role in leading the country is the choice of history and of the people." (Zhou, 2021) Thus, they have put forward a system, mostly through bureaucratic reforms, that aims at conferring increased legitimacy while maintaining the one-party rule and social stability. According to the State Council of the CCP, "democracy that works" has given extensive rights of the People by bringing growth, wealth, prosperity and choice to the Chinese people; and it has expanded democratic participation, who do not only express their wishes, as elections are corrupt because Western politicians do not fulfil their mandates, but people instead guide the whole decision-making process, and their voice is the guiding principle of the Party's policies.

It is an efficient national governance system, since a democracy is successful when it is efficient, that is, it brings cohesion, modernization, security, economic prosperity, raises the quality of life, protects national interests, brings social stability and harmony (from diversity – unity and harmony), and effective constraints and supervision of the exercise of power through law-based governance, party discipline,

and the fight against and punishing corruption. "Whether China's model of democracy is successful should be judged by its people. It all boils down to whether the people can enjoy a good life." (SCIO, 2021) China has developed a **whole-process people's democracy**. It strives to strike a **balance between democracy and development**. It also claims to promote democracy between nations by championing peace, development, cooperation and mutual benefit, a community of shared future, and a model of IR based on mutual respect, fairness and justice, and win-win cooperation.

"In developing relations with neighbouring countries, it applies the principles of amity, sincerity, inclusiveness, mutual benefit, and the policy of promoting friendly and neighbourly ties. In strengthening cooperation with other developing countries, China pursues the greater good and shared interests, and applies the principles of sincerity, affinity, good faith and real results." (ibid.)

In sum, the CCP claims to have established a model of democracy that is "owned by the people, governed by the people, enjoyed by the people, policy by the people, and with the people (of, by, for, to and with the people)". (China Institute, 2021) The key is that they do not measure democracy in terms of a process that confers legitimacy to the final policy results, but in terms of the results themselves.

Historical evolution of the concept

In the 1980s, there was a fairly open debate in China about political reform, prior to the Tiananmen crisis. The CCP itself even created a Political Reform Office, which was set to evaluate proposals for political change. At that time, in 1982, the term "socialism with Chinese characteristics" was coined by Deng Xiaoping. This political reform was not aimed in any way at democratisation, but at introducing the most necessary degree of openness to enable innovation, creativity and growth. That is, the political elite realised that if the economy were to continue growing and modernising, and especially if China was to avoid falling into the 'middle income trap', it needed to couple the 'Opening Up' reforms introduced by Deng Xiaoping with certain social and political freedoms, such as freedom of movement or of information, and to guarantee certain rights. It was believed that without political reform China might lose what it had achieved through economic restructuring, and the targets of modernisation known as the 'two Centennial goals' might not be realised.

Therefore, the term "socialist democracy" was supposed to include the right to vote in certain cases, such as specific local elections, the right to be informed, and to participate in and oversee government (Noumoff, 2011). The so-called 'reformists', such as Deng Xiaoping and to a certain degree its successor Hu Jintao, or Premier Wen Jiabao, never proposed a fundamental break with the system, just a revision to make it more adaptable to a changing reality of globalisation and increased competition with the West due to China's rise. The imperative of political reform was deemed as essential to safeguard economic reform. However, those reforms crucially maintained CCP's monopoly on power and thus those conferred rights and freedoms were never absolute. For instance, even if a well-informed society was deemed necessary if China was to compete economically with the Western countries, the spread of new technologies was considered dangerous as it could spread 'Western revolutionary' ideas of freedom and democracy among the population. Thus, China

guaranteed access to the web but created around it a cyberwall, within which censorship and information control are a key feature and where many Western platforms are not allowed to operate or only under certain conditions.

Another issue related to the need for democracy to have "Chinese characteristics" were the cultural differences between Western and Chinese populations and, especially, the Confucian heritage. Confucian tradition instructs citizens to have respect for a ruling elite, who is assumed to be competent and virtuous, and to aim at promoting the common good. Thus, it assumes that the "best and brightest" occupy bureaucratic posts, which is not directly intuitively compatible with the system of democratic elections, if an intellectual elite is supposed to rule.

Then, came the Tiananmen revolution and subsequent governmental crackdown. It was seen by the more conservative part of the elite to be a sign of having gone too far with the reforms. Deng chose to drastically repress the protestants, which is a proof of the fragility of China's state at the time, with internal disagreements and the sight of a change in leadership in the horizon, as Deng's term was coming to an end. The people saw the government as weak and believed that some members of the troubled leadership [were] sympathetic to their concerns (Solinger, 1989), but this set China's political reform back for decades to come. This episode illustrates again the mentioned Confucian heritage among Chinese, "a consciousness of the traditional duty of the educated in China to remonstrate and give voice to moral concerns whenever the political leadership falters in its duty to attend to the public welfare" (ibid). Protesters were calling for "an honest government, not behind-the-scenes control, and for high behavioural standards among the ruling class, who was perceived as weak, corrupt, detached and morally frail. Arguably, this episode is still very much in the back of the current elite's minds, and especially Xi's, who was put forward a wide-ranging anti-corruption campaign and set itself to raise the moral standards of the party and to rule by virtue, according to the 'Three Stricts and Three Earnests'[2], and the 'Four Cardinal Principles'[3].

From Deng's "socialist democracy" it was Xi who popularized the term "democracy with Chinese characteristics", claiming to establish a system of democracy "that works for China", as explained above. On the one hand, this was aimed at addressing the argument of the lack of legitimacy and authoritarianism of the CCP. It has made changes below the surface, reforming its bureaucracy to increase accountability, competition, and partial limits of power. But, crucially, without giving up single-party control. These changes have created a unique political system in the global sphere at the moment: an **autocracy with democratic characteristics** (Yuen Yuan 2018). However, "bureaucratic reforms cannot substitute for political reforms forever. As prosperity continues to increase and demands on the bureaucracy grow, the limits of this approach are beginning to loom large." (ibid) Cleavages in China's domestic politics appear more pronounced, and it is increasingly complicated to represent this complexity without the compromising that the democratic system represents.

Therefore, the Chinese government has set itself to legitimize its system as the best and more efficient one for the Chinese not only through the above-mentioned

[2] To be strict with oneself in practicing self-cultivation, using power, and exercising self-discipline; and to be earnest in one's thinking, work, and behavior.
[3] Keeping to the path of socialism, upholding the people's democratic dictatorship, upholding the leadership of the Communist Party of China, and upholding Marxism-Leninism and Mao Zedong Thought.

controls on information, movement, participation, etc. It needs to delegitimize the West so as to make democracy less appealing to its own citizens, and maintain stability and social order at home. In some way, through globalisation and modernisation, China has internalised the international, with a growing feminist movement, calls for freedom and democracy in Hong Kong, protests against banks and real estate SOEs, increased unrest against the sever pandemic lockdowns, etc. And by perpetuating the dichotomy of China versus the 'declining' West, it has externalised the domestic (Zhang, 2019). Let's analyse in more detail how this Chinese challenge to European democracy has materialised itself, so that we can prepare ourselves better to counter it.

The China challenge

Beyond this conceptual dispute to the universality of "democracy", the challenge that China poses to the EU's democracy is multifaceted and there is no one-size-fits-all solution. The main ways in which it has materialized in recent years are: a "divide and rule" strategy among EU member states; soft power influence through Confucius institutes and COVID assistance or "mask diplomacy"; and anti-democratic interference, mostly through so-called "red tech".

The "divide and rule" strategy has taken place through two main platforms: the Belt and Road Initiative (BRI, 一带一路), and the 16+1 cooperation platform. During and after the 2008 crisis, many European states welcomed Chinese investment like a breath of fresh air, especially those in the South and East of Europe, like Greece or Hungary. Most of those countries signed Memoranda of Understanding (MoU) with China by which they joined the BRI, and welcomed Chinese investment in key infrastructure projects like the Port of Piraeus (Greece) or Valencia (Spain) by State-Owned Companies (SOEs) such as COSCO. China had achieved that by de-securitising its soft power strategy, portraying itself as a non-security issue and enabling a flexible and pragmatic adoption of its norms and ideas in those countries in exchange for investment, secure political power at home, or an improved negotiating position with the EU institutions. It has created a narrative of China as 'rescuer' and its investment as 'reviving' Europe (Jakimów, 2019). It portrayed a vision of the BRI as non-threatening and depoliticised, so that those countries would see China as an ally, and this way, created a narrative of its model being attractive because of its economic success, justifying power grabs among politicians in this region, and undermining the EU rule of law.

Since 2016, however, the perception of China of most European countries has changed, especially as the government promoted initiatives like the "Made in China 2025" strategy that aimed at aligning outward investment to its own global strategy. This sparked fears that China had "a comprehensive plan, not just for its own development and prosperity, but also for global dominance, and that Europe was part of that." (Pieke, 2020) Thus, China shifted from being perceived as an "economic opportunity" to a much more complex perception illustrated in the *EU-China – Strategic Outlook* published by the Commission in 2019, where following a "principled pragmatism" approach, it is defined as a "strategic partner, economic competitor and systemic rival". Meanwhile, since 2020, President Xi has started to talk about the "four insists" as the basis of EU-China relations: openness and cooperation through the "dual circulation" economy, multilateralism through the UN-led order and dialogue and consultation, peaceful coexistence of the different political models of the EU and China (Rühlig, 2020).

Focusing on the political implications of this shift, EU countries and institutions began to point to the potential geostrategic dangers that these Chinese-controlled infrastructures could pose for the national security of the EU, if conflict with China were to become more pronounced, especially in the context of a US-China trade war, increased criticisms of China's human rights record in Xinjiang and its democratic crackdown in Hong Kong, and the threat of a Taiwan invasion looming large in the horizon. Thus, we see a slow and still unclear but definite shift in EU policy, but the challenge is not over, since China has close allies inside the EU, especially Hungary, who do not doubt to block Council decisions unfavourable to China, such as the 2021 statement criticising its actions in Hong Kong. Calling itself an "illiberal democracy", Hungary is undermining EU democracy and its rule of law from within, and creating more confusion around the concept and standards of democracy. From China's perspective, if the EU cannot hold inside the highest democratic standards, it lacks the legitimacy to indoctrinate anyone at the global stage. With this win-win relationship, the friendship between Hungary and China has grown even deeper since the COVID crisis (see Newton, 2022).

The Confucius institutes have also been portrayed as a soft power tool, as ambassadors of Chinese culture that often served a more subversive objective on behalf of the CCP (Berzina & Soula, 2020), especially in the UK. Recently, some have been closed and a national debate around the issue is happening in multiple EU countries. Moreover, Chinese assistance in Europe during the pandemic was marked as an attempt to increase its soft power in the region, as part of the so-called "Health Silk Road" (健康丝绸之路). This is proven by the fact that "Chinese assistance stretched well beyond the high-profile cases of hard-hit Italy and Spain to countries large and small [...]; the donations by Chinese authorities and companies coincided with China's national and economic interests [...]; [and] Chinese donations were accompanied by sharp rhetoric and coercive behaviour, which was aimed at a global audience and conducted on social media and in the traditional press." (Soula et al., 2020) Fitting within Xi's narrative of a "shared future for mankind", the CCP attempted to advertise its assistance in Europe as much as possible to a global audience, so as to "tell China's story well". China showed an unprecedented level of assertiveness in this period, giving birth to the term "wolf warrior diplomacy" to explain Chinese diplomat's behaviour since the pandemic.

Figure 1. Prominent Chinese Coronavirus Donations in Europe, March-April 2020.

Source: Soula et al., 2020.

China's interference, is not aimed so far at expediting Europe's decline, as Russia has done traditionally, as China prefers a stable Europe with whom it can trade, even if a more disunited one where it can exert diplomatic pressure to obtain more favourable terms. China's authoritarian influence in Europe is carried out through what the CCP calls a "United Front" strategy, which incorporates a broad array of institutions and private and public organisations within China to influence policies towards Chinese ends, with four primary objectives: propaganda and censorship, developing and maintaining people-to-people relations, using economic ties as political leverage, and gathering intelligence from non-intelligence sources (Brandt & Taussig, 2019). China pursues thus a broader front of influence activities that can include financial donations or suborns to prominent individuals to align foreign countries' policies to its strategic objectives. China is carrying out online information operations in multiple EU countries (Dubow et al. 2022), which is having a cumulative detrimental impact on the EU's democracy. "Cyberattacks steal intellectual property and intelligence from European companies and governments while information operations hinder open debate and free speech on Chinese policies." (ibid)

This is illustrated by the concept of "red tech", which is used to define the technology ecosystem built by China with which it plans to dominate innovation, high technology and the global perception ecosystem (Saran & Mattoo, 2022). Red tech is an extension of CCP's global ambitions, with which China wants to set global tech standards that will shape AI and new tech regulation for years to come. A key issue here is data privacy, especially when it comes to AI-powered facial recognition technologies employed in citizen surveillance systems as a tool of state control. This is a key issue for democracies, as lacking appropriate regulation, those technologies have the potential to help authoritarians oppress minorities and curtail democratic freedoms.

EU Counter-challenge tools

In 2019, Von der Leyen stated in front of the European Parliament when presenting its "agenda for Europe" that "security challenges are becoming diverse and unpredictable. Serious and acute hybrid threats have become a reality" and thus "we need to do more to protect ourselves from external interference. Digital platforms are actors of progress for people, societies and economies. To preserve this progress, we need to ensure that they are not used to destabilise our democracies." (Von der Leyen, 2019) This is why her Commission put forward the EU Democracy Action Plan (2020), built on 3 pillars: free and fair elections; media freedom and pluralism, and fight against disinformation. It commits to proposing legislation on political advertising and to revise the rules of the financing of political parties in Europe; to issue a recommendation on the safety of journalist, an initiative to curb the abusive use of lawsuits against public participation (SLAPPs) and to support media pluralism; and to create an instrument to punish perpetrators of disinformation, create a Code of Practice and a more robust framework for monitoring the implementation of the Digital Services Act (European Commission, 2020).

With regards specifically to China, the call for a more "principled" China policy has been popular in EU policy-making and academic circles. The EU needs to "act strategically, in European unity, in concert with like-minded partners, while strengthening its record of upholding its political values and reforming its foreign policy decision-making procedures" (Rühlig, 2020). There is a relatively wide consensus among its member states over the importance of political values, as well as the strategic importance of their relations with China, even if they have taken different attitudes on the topic. As Yuan Xuetong describes in "Inertia of History: China and the World by 2023" (2013), EU countries can be group into three categories according to their China policy: friends – such as Greece, Spain or Hungary, who focus on "political friendship", all-weather cooperative relations with China and have the potential to prevent the EU from adopting common anti-China policies; frenemies – like Germany or France, who are unwilling to politically oppose China because of economic interests but can be neutralised by appealing to strong and individual economic interest; and political enemies – mostly in Northern and Eastern Europe like Sweden Norway and Poland, who follow a "hands-off" policy and are not willing to turn down any corners or to proselytize, with a growing trend of internal bipolarisation impelling them to give up their anti-China policies. This is why China has recognised that it is not useful to cultivate a bloc-level relationship but to focus on bilateral ties instead, being strengthened by the unanimity vote (Tatlow, 2020).

A clear example of this is the FDI screening mechanism. Some member states such as Greece and Portugal opposed it on economic grounds, because they benefited from Chinese investment. Hungary has since 2010 aimed to reduce its economic dependency on the EU and reorient its economy towards China, with its 'Eastern Opening Strategy', and so dismisses any political threat coming from Chinese FDI. Thus, it was difficult for the EU to deal with the challenges posed by Chinese investment in a unified manner and these different member states' positions weakened the EU's bargaining power in the negotiations for the Comprehensive Agreement on Investment.

Institutionally, the EU needs to tackle three interrelated challenges: "a diversity of interests and perspectives that lead to different degrees of willingness to defend political values across Europe; a unanimous voting procedure on foreign and security policy within the Council that has paralyzed the projection of political values; and policy silos within the Commission that constrain the emergence of a strategic approach." (ibid) It also needs to redefine its policy priorities according to its self-interest, considering the leverage it has in every policy issue, while always responding to the gravest violations of international norms and standards. A better internal rule of law record is key to the effectiveness of this policy strategy. This is because EU's "soft power" and its normative appeal are anchored in a set of "desirable values", like peace, human rights and democracy. The democratic backlash in Hungary and Poland, together with less pronounced ones in other member states, the EU risks having its normative power eroded, and to have these countries blocking foreign policy decisions due to the unanimity requirement. Simply put, the EU will find it increasingly difficult to deal with illiberal and undemocratic power externally if its foreign policy positions and its soft power are being undermined by illiberal regimes internally.

It is true that the EU's democracy promotion strategies have been evolving, especially since 2010 with the publication of the EU Global Strategy (EUGS). It reflects an evolved and more grounded understanding of democracy that extends beyond free and fair elections to areas such as human rights and well-being, minorities' rights and basic freedoms (Dandashly, 2017). It also engages local actors so as to find better "root solutions" to problems like terrorism, demographic challenges, climate change or illegal migration (EU GS, 2016: 34). Thus, the focus is now more on resilience, fighting poverty and inequality, and promoting long-term home-grown positive change (Biscop, 2016:2).

Nonetheless, the EU's democracy promotion strategy still has several shortcomings. Due to its accession criteria and lengthy accession process, the EU could be unwillingly contributing to the backsliding in its member states (Meyerrose, 2020). Those processes favour executives and the bureaucracy over other domestic institutions (Follesdal & Hix, 2006; Grabbe, 2001), and created institutions from above without support from political groups or civil society (Bugaric, 2015). EU membership also increases domestic executive power by giving executives supranational decision-making power in the European Council (Tallberg, 2008). The EU also imposes significant policy constraints on its candidate and member states. For example, the EU's direct influence over monetary policies gives it tremendous influence over national policies regarding budgetary issues (Katsanidou & Otjes, 2015). Thus, both internally but also not to promote the same backlash externally, the EU should revise its approach so as not to over-emphasize and over-empower the executive branch and instead focus on political parties, legislatures and the civil society.

Finally, let's move on to the cyber-realm and the topic of "hybrid interference". The very key features of European democracies – the restrained state, pluralism, free media and an open economy – provide loopholes for clandestine diplomacy, geo-economics and disinformation to be exploited by non-democratic powers. (Wigell, 2019). These weaknesses, however, can potentially be turned into strengths, for instance, if the open media performs the essential function of a watchdog, NGOs and social movement monitor and expose hybrid interference. In all, the EU needs to work on becoming more resilient at home, when it comes to supply lines, critical

infrastructure and democratic infrastructure such as elections, "by activating autonomous civil society, increasing transparency of money flows, and broadening inclusive politics." Together, it has to put forward punishment or compellence mechanisms, communicating clear thresholds of response to unacceptable behaviours, making aware of asymmetrical vulnerabilities of global trade flows, and harnessing their soft power by threatening to release data about the corrupt practices of authoritarian regimes, or to visibly strengthen programs of democracy and human rights promotion in their neighbourhood and home turf (Wigell, 2021).

CONCLUSION

The concept of Democracy with Chinese Characteristics has a long history, since the days of Deng Xiaoping's "Reform and Opening Up" strategy. The legitimacy of the CCP rests significantly on its ability to deliver economic growth and prosperity to the Chinese people, together with a renewed sense of national pride, as illustrated by Xi's 'China dream'. Its survival and legitimacy rests on the assumption that without the CCP, China is doomed for failure. The Party acts as a kind of "father of China" that "knows best". The set of political reforms that comprised DWCC was intended to illustrate that the Party listened to the people and could thus respond to their needs and wishes in the most appropriate manner, but was never intended to deliver fundamental and comprehensive political reform towards a different political system; much less a liberal democracy. The challenge that democracy "with Chinese characteristics" poses to the EU is both ontological and political. On the one hand, it disputes the very claim of universality of democracy and human rights is core to the superiority of this system as proposed by the West. It relies on the constructed narrative of China feeling again proud of itself after a "century of humiliation", as a powerful, globally respected China. Thus, it instigates nationalism, but it also perpetuates a system of vested interests, as the system of appointing government officials gives crucial power to the party and rewards loyalty. It perverts the essence of democracy by violating its two core principles of individual autonomy and of equality, as both can be overruled if deemed necessary by the CCP on behalf of a greater good, namely, national security and stability and the survival of the regime.

On the other hand, it poses a political challenge, as China relies on a multilateral soft power strategy composed by the Belt and Road Initiative, including the "health road" and the "digital road", Confucius institutes, disinformation, and alliances with illiberal EU member states exercising a co-option strategy through trade and investment benefits when those states act in its favour at the Council on foreign and security policy decisions, and anti-democratic interference through cyber and hybrid tools. Faced with this, the EU needs to define a realistic 'China strategy' (Jochheim, 2021: 10-11), that acknowledges the complexities of this major power and enables cooperation, while putting its democratic values front and centre. Further, it must recognise that a democratic China in the liberal sense under the CCP is little less than a quimera, and rethink its China policy accordingly. Finally, it needs to ensure the highest democratic and rule of law standards internally, putting down the necessary institutional and structural reforms. It must strengthen its democratic resilience and put forward the tools that will allow it to respond to China's anti-democratic interference appropriately, including political but also trade and investment instruments. Only this way it will become the beacon of democracy it has set itself to be.

POLICY RECOMMENDATIONS

- **Remove unanimity requirement from Council foreign and security policy voting**. This would enable a more principled EU foreign policy, and would make states more irrelevant in the eyes of China, reducing the potential for a "divide and rule" strategy from China, and the influence of illiberal states such as Hungary. In any case, improving the rule of law and the respect for democratic values inside Europe should be an utmost priority. This could be coupled with the creation of a high-level working group including all states that would be tasked with seeking consensus on policy priorities before key decisions in the Council are to be made. Regular discussions on China at EU summits should also take place.

- **Better overview of the dialogues** and increased synergies among them, so that the issues and advances on one policy issue or area in one dialogue can move forward to other dialogues. The EU should be more strategic and coordinate agendas and link issues, so as to give more "hard power" on soft issues such as human rights. The Commission should implement mandatory coordination at a working level on the DGs dealing with the multiple dialogues.

- **Restructure the dialogues** so as to integrate HHRR and legal affairs, the ones that deal with political values, more systematically. This would avoid "free riding" on the issues that are an EU priority but China is not interested in discussing, such as Xinjiang, media censorship, etc. It would also allow for partial instead of absolute gains on those issues, giving the possibility for compliance with HHRR standards in some areas that China would find easier to introduce. It is important to design a pragmatic and realistic policy towards China, to maximize the cooperation and engagement potential, while not giving up on normative aspirations. Economic leverage, and market access in particular, should be used to pressure China over political values.

- **Prioritize the negotiation and introduction of a European Magnitsky Act.** It would authorize EU governments to sanction foreign government officials from China or any other country that would be deemed to be human rights offenders, freeze their assets and ban them from entering the EU. In 2019, the European Parliament already passed Resolution 447-70 in favour of passing a Magnitsky Act for the EU, and it was stated in 2020 by President Von der Leyen as a Commission priority for 2019-2024 in its State of the European Union speech.

- **Build detection capabilities to cyber interference and respond accordingly to state-backed interference**. This should happen through funding research on strategies, tools and measures, and building education campaigns to equip the population for preventive and responsive behaviour. The EU should make it clear that there will be costs for those who interfere in its democracies, and put forward the necessary legislation to make it hard for foreign adversaries to be involved in interference activities. This should take a holistic view of interference, beyond the digital, to include funding to extremist political parties and the cultivation of influence on key state actors.

The issue of interference should be raised at all high-level interactions with China, at EU and member state level.

- **Strengthen democratic resilience, audit and diversify supply chains, and limit opportunities for disinformation**. The EU could build an agency to identify and counter propaganda and disinformation, aimed at weakening European democratic sovereignty, and support open source research and tracking of malign influences. It should reassess its supply chains and technologies, including from PPE and 5G, and help businesses diversify away from their dependence on China. It is not about decoupling, but diversification.

- **Build international alliances**. The EU, together with democratic governments like the United States, Canada, Australia, New Zealand or Japan should establish a forum or a coordination mechanism for sharing information and analysis, exchange best practices, and policy coordination against foreign interference. It would replace the current ad hoc system with a regular contact mechanism that would develop a toolkit for more effective responses.

- **Help Chinese activists and strengthen ties with civil society**. It should cooperate closely with Chinese expats so as to protect them from CCP control, and make the treatment of EU citizens in China a priority, especially when they are faced with unfair trial and detention, particularly in the media sector, and assist both European and Chinese human rights defenders in China. It could develop cooperation projects with civil society organisations and activists to promote political values and the rule of law.

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