Policy Paper

REVITALIZING DEMOCRACY ASSISTANCE TO COUNTER THREATS TO DEMOCRATIZATION

DAVID BLACK

About GMF

The German Marshall Fund of the United States (GMF) strengthens transatlantic cooperation on regional, national, and global challenges and opportunities in the spirit of the Marshall Plan. GMF contributes research and analysis and convenes leaders on transatlantic issues relevant to policymakers. GMF offers rising leaders opportunities to develop their skills and networks through transatlantic exchange, and supports civil society in the Balkans and Black Sea regions by fostering democratic initiatives, rule of law, and regional cooperation. Founded in 1972 as a non-partisan, non-profit organization through a gift from Germany as a permanent memorial to Marshall Plan assistance, GMF maintains a strong presence on both sides of the Atlantic. In addition to its headquarters in Washington, DC, GMF has offices in Berlin, Paris, Brussels, Belgrade, Ankara, Bucharest, and Warsaw. GMF also has smaller representations in Bratislava, Turin, and Stockholm.

About the Author(s)

David Black is a democracy officer in the U.S. Agency for International Development's Center for Democracy, Human Rights and Governance. He wrote this paper while on detail to the German Marshall Fund as a resident fellow. The opinions and views expressed in this paper are those of the author and not necessarily those of USAID.

Executive Summary

The global prospects for democratization and democracy assistance are worse than at any time in several decades due to the culmination of six trends: a backlash against democracy assistance, disillusionment with the Western model of liberal democracy, increasingly resilient authoritarianism, efforts by Russia to undermine democratic institutions and development, China's alternative development model, and the spread of "digital authoritarian" technology. Democracy assistance has been adapting to these trends, but proponents of democracy are being outpaced by those who seek to undermine democracy or promote alternative models that are less sustainable, just, or equitable.

The backlash against democracy assistance has been evolving since at least the early 2000s when governments began taking more drastic steps to restrict or limit donor support to non-governmental organizations following large-scale citizen protests in Eurasia and the Middle East. Representative democracy is still the most popular form of governance, but disillusionment with political transitions, growing autocratization, and increasingly resilient authoritarianism are making it even more difficult to provide democracy assistance. At the same time, resurgent authoritarian regimes are undermining democratization around the world through disruptive actions, such as disinformation and cyberattacks, and offering alternative modes of development aid that lack accountability, exacerbate corruption, and weaken civil liberties. Furthermore, digitalization, smart cities, surveillance systems, artificial intelligence, and other technological advances are creating new tools and techniques that can accelerate development but can also be misused to repress citizens, stifle free speech, subdue political opponents, and strengthen autocratic rulers.

These trends demonstrate the need for more, not less, attention to democratic development and support for democracy assistance. Inaction could have long-lasting implications for the democratic (or autocratic) trajectory of many developing countries. Donors should revitalize democracy assistance within their overall development policies to effectively address these new challenges and threats to democratization. This will require:

- more strategic development and democracy assistance that directly addresses the harm being done to democratization by resurgent authoritarian regimes;

- modernizing democracy assistance to better address the challenges posed by increasing autocratization and digital authoritarian technology;

- improving coordination among donors to more effectively address increasingly complex democratization challenges; and

- expanding efforts to mitigate the negative impacts of Chinese development aid and investments.

Revitalizing Democracy Assistance to Counter Threats to Democratization

DAVID BLACK

The prospects for democratization and democracy assistance are worse than at any time in the past several decades due to the culmination of six trends: a backlash against democracy assistance, disillusionment with the Western model of liberal democracy, increasingly resilient authoritarianism, efforts by Russia to undermine democratic institutions and development, China's alternative development model, and the spread of "digital authoritarian" technology. These changes are not only making it more difficult for democratization to occur, they are also impeding sustainable development. Rather than succumb to these challenges, donors need to revitalize democracy assistance. This will require new tools and approaches to address gaps in assistance, such as enhancing cybersecurity and countering disinformation. It will also require more strategic and better-coordinated development policies that acknowledge and directly address the challenges to development and democratization posed by China and Russia. Democracy assistance should not be misconstrued as promoting regime change or fostering color revolutions, but properly understood as a complementary component of development assistance and critical to achieving the Sustainable Development Goals. Democracy assistance involves working with organizations, institutions, officials, and citizens to promote or defend elements of democratic governance such as rule of law, fair elections, participation, inclusion, and respect for human rights. Democratization is being challenged in new and unprecedented ways in many countries by domestic as well as external actors that seek to directly and indirectly undermine trust in democracy and promote systems that foster

corruption and curtail civil liberties. Now is the time to shift the balance back from authoritarians to those who seek more transparent, accountable, and representative governance; greater respect for human rights; and progress on addressing the world's most pressing development problems.

The Backlash Against Democracy Assistance

Democratization must always be homegrown, but donor-funded democracy assistance can play an important role in supporting the efforts of host-country actors to shed oppression, improve quality of life, advance democratic governance, and improve respect for human rights. Democracy assistance has changed dramatically over the past few decades, but its heyday, arguably, was at the tail end of the "third wave" of democracy following the collapse of the Soviet Union and communist regimes in Central and Eastern Europe. For over a decade starting in 1990, in most countries with donor aid programs there was broad receptivity to, if not enthusiasm for Western democracy assistance that was becoming a standard part of overall development assistance packages. Host-country governments generally welcomed, or at least tolerated, democracy assistance, and donors found many eager partners with whom to work in civil society, media, political parties, academia, and the private sector. Although it was premature to declare "the end of history," there was no apparent viable ideological alternative to liberal democracy, so the prevailing wisdom among donors and beneficiaries was, for the most part, to

emulate Western-style liberal democracy. Most of the knowledge and experiences being transferred by donors, therefore, was based on decades of experience and lessons learned in Western democracies tackling challenges that looked familiar to them, such as ensuring competitive elections, fostering local and independent media outlets, and promoting citizen participation through civil society organizations. With the exception of countries involved in inter-state conflict, there was little concern about other states undermining democracy assistance, and donors had the luxury of focusing almost entirely on domestic actors and institutions.

According to Freedom House, between 1988 and 2005 the share of "Free" countries grew from 36 percent to 46 percent, while that of "Not Free" countries fell from 37 percent to 23 percent.[1] The collapse of the Soviet empire contributed to much of this change, and in the absence of a strong authoritarian patron state or a credible alternative political model, even less democratically inclined governments around the world started holding regular (if not fair) elections, endorsed (at least rhetorically) support for democratic norms, and opened (even if slightly) more space for civil society to organize and act. Without a doubt, the leaders and citizens of these countries deserve the credit for this expansion of democracy, but external factors, including donor-funded democracy assistance, played a role as well. For example, cross-national studies have shown that democracy assistance by the U.S. Agency for International Development (USAID) has had modest positive effects on democratic development as measured by Freedom House and other democracy indicators.[2] Numerous qualitative studies, project-level impact evaluations, and anecdotal evidence have demonstrated the sometimes pivotal role of democracy assistance in supporting reform actors, improving the pace and quality of democratic reforms, and helping to mitigate democratic backsliding.

In fact, the effectiveness (real or perceived) of democracy assistance undoubtedly, and perhaps ironically, contributed to the beginning of the end of this era of receptivity to it.[3] Burgeoning civil society, independent media, checks on executive power, and more competitive multiparty elections, all aided by new technologies that made it easier to share information and spur collective action, were

> " *Democracy assistance is sometimes perceived to be oppositional in nature and threatening to the ruling elites, rather than understood as a complementary component of development assistance.*

increasingly seen as threats by political elites seeking to remain in or consolidate power. Democracy assistance is not designed to be partisan, but it does, by its nature, support actors, organizations, and institutions involved with political processes. While such assistance is almost always consistent with host-country governments' stated positions, it is not always consistent with their actual, self-serving interests. Thus, democracy assistance is sometimes perceived to be oppositional in nature and threatening to the ruling elites, rather than understood as a complementary component of development assistance that facilitates equitable economic growth, improves social-sector development, and makes development more sustainable.

In response, many governments increasingly closed space for civil society and independent media, and took steps specifically designed to thwart donor democracy assistance and intimidate potential aid partners; for example, by adopting "foreign agent"

1 Freedom in the World 2019, Freedom House, p. 1.

2 Steven Finkel, Anibal Perez-Linan, and Mitchell A. Seligson, "The Effects of U.S. Foreign Assistance on Democracy Building, 1990–2003," World Politics, 59. 404-440. 10. 1353/wp.2007, p.2.

3 See, for example, Thomas Carothers, "The Backlash Against Democracy Promotion," Foreign Affairs, March/April 2006.

laws that make it difficult for local NGOs to receive foreign grants. Autocrats associated democracy assistance with the 2000–2005 Color Revolutions[4] and, to a lesser extent, the 2010–2012 Arab Spring.[5] After election observers documented fraud in the 2011 parliamentary and 2012 presidential elections in Russia, prompting tens of thousands of Russians to take to the streets in protest, President Vladimir Putin blamed the protests on "foreign money" and a "signal" from U.S. Secretary of State Hillary Clinton.[6] Later that year, Russia expelled USAID from Russia, cutting off donor support to Russian NGOs like Golos, the domestic election-observer organization (and a beneficiary of democracy assistance programs) that had documented the election irregularities.

As this era of broad receptivity to, or at least tolerance for, democracy assistance waned, donors, implementers, and their local partners adapted to the more challenging environments and were able to continue supporting pro-democracy actors. But autocratic regimes became increasingly sophisticated in their efforts to hinder, discredit, and undermine democracy aid, typically using national-security justifications, and they shared lessons with each other for doing so. Some countries banned donors entirely,[7] and where donors were allowed to continue, democracy assistance programs were forbidden or faced constraints that made it nearly impossible to implement them.

Today, many governments that receive development assistance are much less receptive, if not outright hostile to democracy assistance. Democracy assistance implementers face severe obstacles, while their local partners and beneficiaries—civil society organizations, journalists, activists, reform champions within government, etc.— fare even

worse. Governments have the right to decide if they want to accept development and/or democracy assistance, but donors should not completely turn their backs on those who are fighting against oppression and defending human rights just because they are unfortunate enough to live under repressive regimes, especially when those regimes claim to the world and their own citizens that they care about democracy and human rights.

Disillusionment with Liberal Democracy

While the backlash by governments of countries receiving foreign aid has limited the supply of democracy assistance, a more recent trend has reduced the demand side—disillusionment with the Western model of liberal democracy. Many citizens in countries transitioning from a command economy to a market-based one experienced financial hardship and personal insecurity, as well as mushrooming corruption—and they associated that with the transition to liberal democracy. This was particularly true in the post-communist states where neoliberal reforms, privatization, and a smaller social safety net coincided with a dramatic decline in economic and social indicators, the effects of which are still being felt three decades later. Moreover, the Western model of liberal democracy brought with it an expectation of tolerance for certain liberal social norms and values that did not have widespread support in those countries.

The wars in Afghanistan, Iraq, and Libya, the global financial crisis of 2008, and the rise of violent extremism, while not the result of the spread of liberal democracy, were nonetheless sometimes associated with the West's economic, political, and foreign policies. More recently, the discord in Europe and the United States caused by Brexit, immigration, and increasingly polarized political discourse has further diminished the appeal of democracy for people who used to see it as an unrivaled model to imitate. Even in the "success

---

4 The Color Revolutions were in Serbia (2000), Georgia (2003), Ukraine (2004), and Kyrgzstan and Lebanon (2005).

5 Democracy assistance was limited or non-existence in many of the countries in the Middle East that experienced anti-government protests in 2010–2011.

6 Steve Gutterman, "Putin says U.S. Stoked Russian Protests," The Guardian, December 8, 2011.

7 For example, between 2012 and 2014 the governments of Russia, Bolivia, and Ecuador ordered USAID to cease operations in their countries.

stories" of Central and Eastern Europe, the initial enthusiasm for European integration has given way to growing support for illiberal and nativist policies in response to feelings of loss of sovereignty and a desire, as Ivan Krastev and Stephen Holmes have written, "to shake off the colonial dependency implicit in the very project of Westernization."[8] Around the world, as social discourse becomes more polarized, nativist policies gain traction with voters and citizens become less trusting in democratic institutions, "the once barely-questioned link between economic progress and liberal democracy is being severely put to the test."[9]

But in fact, this disillusionment with democracy has less to do with democracy itself than with the neoliberal economic policies, liberal social values, and the societal disruptions that typically accompanied democratic transitions. Global and regional public opinion surveys consistently show that democracy is still strongly preferred over

> " *Disillusionment with democracy has less to do with democracy itself than with the neoliberal economic policies, liberal social values, and the societal disruptions that typically accompanied democratic transitions.*

other forms of governance.[10] And current events in countries as diverse as Sudan and Hong Kong prove

that people are willing to turn out in huge numbers, sometimes at considerable risk to their own safety, to demand democracy and freedom. Rather than interpreting such disillusionment as a reason to pull back from democracy assistance, donors should continue to support the broad global demand for democracy, but do so in a way that is even more attuned to local context. This means doing a better job of understanding the nuances of each country, considering alternatives to promoting shock-therapy economic reforms, anticipating the societal and economic impacts of democratic transitions, and implementing longer-term development strategies to address those impacts.

Resilient Authoritarianism

While countries that receive aid have pushed back against democracy assistance and discontent has accompanied political and economic transitions, authoritarianism is becoming more resilient, and posing new threats to democratization. Authoritarian regimes today last longer than their Cold War predecessors,[11] and their increased resilience is due, at least in part, to shedding some of the hallmark characteristics of their authoritarian predecessors, integrating more into the global economy, and adopting certain aspects of democratic systems. For example, opening borders and allowing people to travel abroad provides an outlet for those who have the most to lose under an undemocratic system and are often the most likely to demand changes. In authoritarian countries, such as Russia, "the emergence of an exit-minded middle class…is at the heart of the regime's survival capacity."[12]

Similarly, authoritarian regimes today are less likely to strictly adhere to an overarching, regime-legitimizing ideology, particularly one so extreme

8 Ivan Krastev and Stephen Holmes, "Explaining Eastern Europe: Imitation and Its Discontents," Journal of Democracy, no. 3 (2018): 117-28, p. 119.

9 "The Economist at 175: Reinventing liberalism for the 21st century," The Economist, September 13, 2018.

10 See, for example, Robert Mattes, "Democracy in Africa: Demand, supply, and the 'dissatisfied democrat,'" Afrobarometer Policy Paper No. 54, February 2019, and "Globally, Broad Support for Representative and Direct Democracy," Pew Research Center, October 2017.

11 Andrea Kendall-Taylor, "Autocracy's Advance and Democracy's Decline: National Security Implications of the Rise of Authoritarianism Around the World," submitted written testimony before the House Permanent Select Committee on Intelligence, February 26, 2019.

12 Ivan Krastev, "Paradoxes of the New Authoritarianism," Journal of Democracy, no. 2 (2011): 5-16. p. 15

that it requires people to suspend disbelief. Such a practice actually weakens authoritarian regimes because it "breeds reformist delusions on the part of elites, [and] gives the opposition a discourse that it can use to press the regime from below."[13] For example, in Russia, compared to the Soviet Union, "resisting Putin's regime is so difficult precisely because of its lack of any ideology beyond a meaningless mélange of Kremlin-produced sound bites."[14] The regime in China has not entirely abandoned communist/marxist ideology, but it has achieved a similar result by continuously modifying aspects of it to be compatible with market economics and weaving in elements of Chinese/Confucian ideology that appeal to the popular idea of Chinese exceptionalism.

Freed of strict adherence to an overarching and overly restrictive ideology, authoritarian regimes can better focus on the time-honored practice of numbing domestic discontent by convincing citizens that other countries are dangerous, chaotic, and immoral; pose threats to national security and traditional values; and are the cause of any domestic hardships. Propagandists can be replaced by public relations experts, and,

> " *Authoritarian regimes are also adopting the trappings but not the substance of democracy.*

rather than relying on stale state TV and radio news broadcasts, the government can even more effectively disseminate narratives via infotainment shows on privately-owned TV stations and Hollywood-style blockbuster films. What is more, according to one study, international news makes up as much as 80–90 percent of domestic news programs in Russia, and the vast majority of that is negative, while only 10 percent of Russians say they often read or watch foreign news.[15] Without having to restrict access entirely, authoritarian regimes can also effectively manage the content available to their citizens on the internet by blocking access to specific websites, monitoring and censoring social media, as well as discrediting, harassing, arresting or otherwise silencing citizens who post critical commentary. The authorities further discredit any critical news and opinions on the web by responding to it with overwhelming amounts of disinformation in order to confuse people and make them suspicious, and then use that same state-sponsored disinformation as a source for more mainstream TV news.[16]

Authoritarian regimes are also adopting the trappings but not the substance of democracy, such as elections (that are not fair or competitive), opposition parties (that are regime-friendly or have no chance to compete fairly), privately owned media (that are owned by regime-friendly businessmen and/or practice self-censorship in order to survive), and non-governmental organizations (that are actually government-sponsored). These provide a modicum of means for citizens to voice discontent without threatening the regime, and make it easier for leaders to dismiss international criticism of their human rights records and failure to follow democratic norms. And, as companies from authoritarian countries have become key partners in the energy and technology sectors in the West, and oligarchs from those countries have invested heavily in Western financial markets and real estate, there is less consensus within and among Western governments about the potential threats posed by authoritarian countries.

Democratic decline has been observed for over a decade,[17] but new research shows that an autocratization wave—when the number of democratizing countries decreases as the number of autocratizing countries increases— has been

---

13 Ibid. p. 13.

14 Ibid. p. 13.

15 Liubov Tsybulska, "Image of Europe in Russian Media: Journalism or creation of enemy image?," UA: Ukraine Analytica 1 (11), 2018: pp. 19-26.

16 Ibid.

17 Freedom in the World 2019, Freedom House.

underway since 1994.[18] Moreover, since 2017, for the first time since 1940, the number of autocratizing countries has exceeded the number of democratizing

> **" In addition to being more resilient, authoritarian regimes pose new threats and challenges to democratization.**

countries.[19] A peculiar characteristic of this autocratization—defined by the researchers as "the antipode of democratization"[20]—is that it is "affecting an unprecedented high number of democracies,"[21] and "the way incumbents undermine democracy has become more informal and clandestine."[22] Autocratization today is more likely to occur gradually, often through legal and constitutional means pushed through by democratically elected leaders, with no single event such as a coup or martial law that can be pinpointed as a turning point.[23]

In addition to being more resilient, authoritarian regimes pose new threats and challenges to democratization. They are now more likely to be personalist dictatorships, which are "the most corrupt and the least likely to democratize," and when they do eventually collapse "they leave conditions that are highly inhospitable for a transition to democracy."[24] Furthermore, as authoritarian regimes drop ideology, open their borders, hold regular elections, and integrate more into the global economy, these features

that make them seem less threatening and more likely to democratize are actually making them more resilient and less likely to democratize. While a military coup, the suspension of constitutional rights, or leader staying in power beyond their term limits easily generates domestic and international condemnation, autocratization that occurs gradually and under the guise of democracy is much less likely to draw attention or spark action. Policymakers in donor countries must be more forthcoming about the threats posed by autocratization and by more resilient and personalist authoritarian regimes, and counter misperceptions that weaken public and political support for democracy assistance.

Russian Disruption

The conditions for democratization and democracy assistance would be bad enough given the above trends that are driven primarily by actions and perceptions within individual countries, but democratization today also faces a serious and direct challenge from an external actor. Russia is employing tools of hybrid warfare, such as disinformation and cyberattacks, to sow distrust in democratic institutions, diminish the appeal of liberalism and liberal democracy, influence elections, and undermine Western democracy assistance. Its efforts to influence election and referendum results in the West are well known, but it is making similar efforts on a regular basis on a global scale.

One of the ways Russia does this is through disinformation and "active measures." With relatively little resources, Russian trolls and bots use social media to spread disinformation, stoke polarizing discourse, and generate or amplify extremist views and conspiracy theories. This disinformation is then amplified through Russia's state-funded media outlets RT and Sputnik, which provide content in dozens of languages and reach hundreds of millions

---

18 Anna Lührmann & Staffan I. Lindberg (2019): "A Third Wave of Autocratization is Here: What is new about it?," Democratization, p. 8.

19 Ibid. p. 9.

20 Ibid. p. 4.

21 Ibid. p. 3.

22 Ibid. p. 22.

23 See also, for example, Steven Levitsky and Daniel Zieblatt, "How Democracies Die," 2018.

24 Kendall-Taylor, "Autocracy's Advance and Democracy's Decline." (Personalist regimes are also "the most likely to invest in nuclear weapons; the most likely to fight wars against democracies; and the most likely to initiate interstate conflicts.")

of people in more than 100 countries.[25] These efforts have the added effect of contributing to the growing disillusionment with liberal democracy outside the West, and undermining political and public support in the West for democracy assistance.

Unlike traditional soft power efforts to influence foreign audiences through attraction and persuasion, Russian disinformation is a form of "sharp power" designed to interfere, rather than merely influence, through distortion, distraction, and manipulation, and thus poses a significant threat to democracies and democratization.[26] Russia is arguably the most prolific purveyor of disinformation with malign intent, but it is not the only one. China uses similar tactics, most notably with respect to Hong Kong and Taiwan, but it has less to gain from sowing discord in democratic countries and is more focused on soft power efforts to improve its global image. Iran, Saudi Arabia, and Venezuela are among other countries "that host online influence operations with a history of interfering across borders."[27]

Russia also employs cyberattacks to weaken democratic institutions and intimidate democratizing countries such as Ukraine, Georgia, Indonesia, and Kyrgyzstan.[28] These have a broad range of targets, including ministries, utilities, chemical plants, electrical grids, telecoms, financial institutions, NGOs, media, political parties, universities, private companies, courts, and religious figures.[29] As with disinformation, Russia is not the only country using cyberattacks to undermine democracies, but it is probably the most prolific and aggressive. Other forms of Russian disruption of democratization include providing overt and covert support to NGOs in other countries to promote anti-Western or nativist discourse;[30] training, supporting or manipulating extremist and paramilitary groups;[31] and using "energy investments to corrupt and covertly influence local stakeholders."[32]

The effect of all of these disruptive efforts, and their potential future effects, should not be underestimated. Disinformation and cyberattacks undermine trust in democratic institutions, drive polarization, stoke conflicts, and paint a false equivalence between the flaws of liberal democracy and the definitional characteristics of authoritarianism. Cyberattacks, in particular, have the potential to create catastrophic outcomes. Given the negative impact on overall development outcomes, donors need to acknowledge the implications of such deliberate efforts to disrupt democratization and development, and adapt to meet this challenge head on.

China's Alternative Development Model

The massive Belt and Road Initiative (BRI), launched in 2013, has become the centerpiece of a broader effort by China to create an alternative set of development assistance norms, institutions and practices. In addition to BRI infrastructure projects, China is providing training and technical assistance, exporting surveillance technology and other digital infrastructure, and investing in local media, accompanied by a narrative that it is possible, if not preferable, to achieve economic growth without political liberalization. Notwithstanding the benefits of Chinese aid and investment in developing countries, China's development model is rooted in its own authoritarian model of modernization and lacks attention to development best practices

25 RT and Sputnik target audiences outside of Russia. RT provides content in Spanish, French, Arabic, English and German, reaching about 700 million households in more than 100 countries, and even more on the internet. In addition to radio programming in many countries, Sputnik provides content on the internet in over 30 languages.

26 See, for example, Christopher Walker and Jessica Ludwig, "The Meaning of Sharp Power," Foreign Affairs, November 16, 2017.

27 Craig Timberg and Tony Romm, "It's Not Just the Russians Anymore as Iranians and Others Turn Up Disinformation Efforts Ahead of 2020 Vote," Washington Post, July 25, 2019.

28 See, for example, "Significant Cyber Incidents Since 2006," Center for Strategic and International Studies.

29 Ibid.

30 Laura Rosenberger and Thomas Morley, "Russia's Promotion of Illiberal Populism: Tools, Tactics, Networks," March 11, 2019. ("Covert support for and exploitation of non-governmental (NGO) interest groups, for example, has proven a successful means of building networks with influential political figures and fanning issues on which populist movements feed.")

31 See, for example, Mitchell Orenstein, "How Putin's Favorite Biker Gang Infiltrated NATO," Foreign Affairs, October 15, 2018; and Michael Carpenter, "Russia Is Co-opting Angry Young Men," The Atlantic, August 29, 2018.

32 Rosenberger and Morley," Russia's Promotion of Illiberal Populism," p.2.

of promoting participation, inclusion, transparency, and accountability. In fact, the scope and approach of its model pose challenges for achieving the Sustainable Development Goals and efforts to reduce corruption, conflict, gender inequality, environmental degradation, human rights abuses, and democratic backsliding.

On the surface, China's development aid model may look similar to Western ones— loans and funding for infrastructure projects, technical assistance, and training—but it is quite different in many respects. BRI projects and other Chinese commercial ventures[33] are helping build critical infrastructure around the world, but these efforts bring substantial risks and problems. Although concerns about "debt trap diplomacy"— lending with an expectation of default in order to gain economic or political concessions—may be overstated,[34] unmanageable debt is a significant risk from the BRI. For example, in order to service an €800 million loan for a BRI project to build a segment of highway that is pushing the country's debt towards 80 percent of GDP, the government of Montenegro "slashed its public welfare spending, cut wages for government employees and introduced tax increases on cigarettes, coal and ethyl alcohol" amid questions about whether it will be able to afford to finance the remainder of the highway connecting a port city to Serbia.[35] In Laos, a deputy prime minister "with close ties to Beijing…almost single-handedly ushered [a $6 billion railway] project through the Lao bureaucracy, despite warnings from the International Monetary Fund that it threatened the country's ability to service its debts."[36]

In addition to unmanageable debt, there are other reasons for concern about BRI loans because the terms are often skewed heavily against the interests of the recipient countries; for example, guaranteeing that contracts go predominantly to Chinese firms that utilize large numbers of Chinese workers, offering key infrastructure or national assets as collateral in case of default, and having arbitration settled by a court in China rather than by a third-party arbitrator as is the norm. Despite official Chinese proclamations about green development

> " *By providing assistance in its own image, [China] is advancing an overall alternative model of development— one without democracy, freedom of the press, accountability, or concern for human rights.*

projects, environmentalists have cited a lack of commitment to environmental protection in BRI projects and potentially significant harm to biodiversity.[37] BRI loans and projects also tend to be much less transparent and competitive than typical commercial or international financial institution loans, potentially misappropriating funds in countries already struggling to control corruption. "This opacity allows China to work with partners who have few other options because of their poor credit ratings and reputation for corruption, and also, by agreeing to inflate project cost, Beijing is able to funnel a portion of its investment to influential elites in partner governments."[38]

---

33 The Belt and Road Initiative is vaguely defined, and many projects, loans, and investments by Chinese private and state-owned firms are purported to fall under it even if they are not official BRI initiatives. China has recognized that some such projects are hurting the BRI brand and has begun to better define the initiative. See, for example, Yuen Yuen Ang, "Demystifying Belt and Road: The Struggle to Define China's 'Project of the Century,'" Foreign Affairs, May 22, 2019.

34 See, for example, Deborah Brautigam, "Is China the World's Loan Shark?" New York Times, April 26, 2019.

35 Keegan Elmer, "Is China's investment in infrastructure projects driving Western Balkan nations into debt?," South China Morning Post, May 22, 2018.

36 Will Doig, "The Belt and Road Initiative Is a Corruption Bonanza," Foreign Policy, January 15, 2019.

37 Basten Gokkon, "Environmentalists are Raising Concerns Over China's Belt and Road Initiative," Pacific Standard, July 18, 2018.

38 Christopher Walker, "China's International Influence on Democracy," Testimony before the U.S. Senate Committee on Foreign Relations, June 5, 2019

China has been ramping up other forms of development assistance, such as training and exchange programs. At last year's annual Forum on China-Africa Cooperation, President Xi Jinping "announced China's plans to train 1,000 high-caliber Africans, provide 50,000 government scholarships, sponsor workshops and seminars for 50,000 Africans and invite 2,000 African youths for exchanges."[39] There are

> " *China's alternative development model and resurgent authoritarianism is not as directly confrontational to democracy as Russia's disruption efforts.*

approximately 60,000 Africans currently studying in China, and China recently "became the most popular destination for English-speaking African students, surpassing both the United States and United Kingdom."[40] In the recent years, thousands from Africa, Asia, and Latin America have attended study programs in China, including journalists, political party leaders, elections-management officials, and telecommunications regulators.

Western aid programs also organize trainings and exchange programs, and it is reasonable to assume that participants benefit from attending trainings in China on topics such as poverty reduction, increasing tourism, and environmental protection. But it is easy, perhaps necessary, to be cynical about what, for example, journalists from other countries will learn from a media training program in a country that does not allow freedom of speech, or what elections officials will learn from trainers from a country that

does not hold competitive elections. For example, for years, China provided extensive training for members of the Ethiopian People's Revolutionary Democratic Front, the ruling party of Ethiopia, on topics such as poverty alleviation, but also on topics such as "how the Chinese government monitors, guides, and manages public opinion."[41] Government regulators from developing countries are attending cyberspace management seminars in China where "officials from like-minded countries are trained in 'big data public opinion management systems'—in other words, how to use new technology for propaganda and surveillance."[42]

China is also providing technical advice on drafting laws and regulations. For example, Vietnam adopted a new cybersecurity law in 2018 that includes provisions that limit free speech and data privacy, and that also requires foreign companies to store all data on servers in Vietnam so that the data falls under local jurisdiction. "The law's provisions closely resemble those in a law adopted by China just the previous year, and this is no coincidence given reports of close cooperation between Chinese and Vietnamese officials on the issue."[43] Other countries with some of the weakest records on press freedom, including Cambodia, Uganda, Zambia, and Tanzania, "are in the process of adopting similar legislation as a result of their close cybersecurity partnerships with Beijing."[44]

Complementing its foreign aid and infrastructure loans, China is expanding its influence in international and national media markets. Despite being ranked by Reporters Without Borders as one of the four worst countries in its 2018 World Press Freedom Index, China "is lavishing money on modernizing its international TV broadcasting, investing in foreign media outlets, buying vast amounts of advertising in the international media, and inviting journalists from all over the world

39 Gladys Muniu, "Scholarships Help Cultivate Future Leaders of Africa," China Daily Global, March 11, 2019.

40 Aubrey Hruby, "China's Educational Offensive in African Markets," The Hill, December 12, 2018.

41 Yun Sun, "Political party training: China's ideological push in Africa?," July 5, 2016.

42 Reporters Without Borders, "China's Pursuit of a New World Media Order," p. 15.

43 Ibid, p. 15

44 Ibid, p. 15

on all-expense-paid trips visits to China."[45] Foreign broadcasting is a legitimate form of soft power, but Chinese investment in foreign media markets is leading to self-censorship and blatantly biased reporting that supports official Chinese media narratives.

China's alternative development model and resurgent authoritarianism is not as directly confrontational to democracy as Russia's disruption efforts, and "reflect less a grand strategic effort to undermine democracy and spread autocracy than the Chinese leadership's desire to secure its positions at home and abroad."[46] But, by providing assistance in its own image, it is advancing an overall alternative model of development—one without democracy, freedom of the press, accountability, or concern for human rights—that may have a profoundly negative impact on democratization and overall development. Moreover, China is using aid to influence discourse in the UN where is it pressing member states "to acquiesce in China's preferences on issues such as human rights and Taiwan."[47] China has long sought to advance alternative interpretations of well-established concepts, such as human rights,

> " *Authoritarian regimes could have a significant advantage over liberal democracies that strive to protect personal data and limit government access to it.*

but the difference today is that it "has now come up with a 'grand alternative' to 'Western' political and economic models that covers everything from 'consultative democracy,' 'rule by law,' the 'socialist

market economy with Chinese characteristics' and visions of international order...to more specific ideas such as 'internet sovereignty' and 'constructive journalism.'"[48]

Notwithstanding the positive contributions of the BRI and other aid, the overall model of Chinese development assistance is creating significant risks and undermining many development objectives. Its model facilitates corruption, strengthens authoritarian leaders, threatens national sovereignty, undermines democratic development, and all but ignores human rights considerations. It is incumbent upon development donors and implementers to provide developing countries with better alternatives, and to offer assistance to help navigate the risks and pitfalls of accepting Chinese aid.

Digital Authoritarianism

The conventional wisdom in the 1990s that the internet would usher in a new era of participatory democracy by offering equal and unfettered access to information has not only turned out to be overly optimistic, it also is being replaced by a much more ominous idea—that the spread of technology in an age of artificial intelligence (AI) will not just fail to weaken authoritarianism, but actually help it thrive.

It is estimated that by 2025 the number of unique mobile phone subscribers will reach 5.9 billion, equivalent to 71 percent of the world's population, with most of the growth occurring in developing countries.[49] The mobile internet market is projected to reach 5 billion users in 2025, and "the number of internet of things (IoT) connections…will increase more than threefold worldwide between 2017 and 2025, reaching 25 billion."[50] As more and more people around the world get access to the internet,

45 Ibid, p. 3.

46 Jessica Chen Weiss, "A World Safe for Democracy: China's Rise and the Future of Global Politics," Foreign Affairs, July/August 2019.

47 Daniel R. Coats, "Statement for the Record, Worldwide Threat Assessment of the U.S. Intelligence Community," U.S. Senate Select Committee on Intelligence, January 29, 2019, p. 24.

48 Kristin Shi-Kupfer, Mareike Ohlberg, Simon Lang, and Bertram Lang, "Ideas and Ideologies Competing for China's Political Future: How online pluralism challenges official orthodoxy," Merics Papers on China, No 5, October 2017..

49 "The Mobile Economy 2018," GSMA, p. 2.

50 Ibid. pp. 2-3.

utilize social media, shop and get their news online, interact with the IoT, and have their medical and financial records digitized, they are producing vast amounts of personal digitized data. And because AI works better with larger amounts of data, it bestows significant advantages to those who have the most of it. Thus "the main handicap of authoritarian regimes in the 20th century—the desire to concentrate all information and power in one place—may become their decisive advantage in the 21st century."[51] Devoid of concerns over data privacy, and capable of requiring citizens to share ever more personal information, authoritarian regimes could have a significant advantage over liberal democracies that strive to protect personal data and limit government access to it.

> " *The potential for abuse of surveillance systems is not limited to Chinese technology and software.*

Surveillance technology is one way governments can collect big data, and the potential for its misuse is not limited to authoritarian regimes. In the Philippines, where democratic backsliding has occurred since President Rodrigo Duterte took office in 2016, a high-tech "public safety" surveillance system was installed in Davao City in 2012 where hundreds of extrajudicial killings had taken place while Duterte was mayor. The system allegedly assisted law enforcement "in carrying out Duterte's controversial anti-crime agenda" and "in gathering intelligence on the activities of the political opposition in Davao."[52] In Kenya, a new biometric citizen registry that collects biometric and other personal data on a single system is being implemented this year as a means to improve service delivery, but critics have raised concerns about

data security, further marginalization of minority groups, and whether some private businesses will have privileged access to this sensitive data.[53]

The potential for abuse of surveillance systems is not limited to Chinese technology and software. The surveillance system in the Philippines was supplied and supported by IBM, and the biometric registry in Kenya is being implemented by a French firm. Policymakers and the private sector in the United States, Europe, Israel, and elsewhere must pay more attention to this problem, and take steps to ensure that technology exported for legitimate ends is not misused. This may require legislation to better regulate exports, and at the very least will require more efforts by donors and watchdog groups to advocate for self-regulation and flag incidents of misuse. The same is true for Chinese firms and policymakers, but there is little hope of Chinese media or watchdog groups advocating for caution in how Chinese surveillance technology is used in developing countries, and, based on its domestic record, there is little indication that this is a concern for the government of China. In fact, perhaps due to questions raised by human rights groups, IBM no longer services the system it installed in the Philippines, whereas the Chinese firm Huawei just signed a contract with the country's government to expand the system with 12,000 new surveillance cameras in Davao and Manila.[54]

Surveillance is a key component of "smart cities," which make extensive use of information and communications technologies. Most definitions of "smart cities" focus on how new technologies can be used to improve service delivery for citizens, but "China's smart cities have become a model for twenty-first century authoritarianism, aiming to seamlessly combine public services with big data harvesting, cloud computing, artificial intelligence, advanced facial-recognition software, and fine-

---

51 Yuval Noah Harari, "Why Technology Favors Tyranny," The Atlantic, October 2018.

52 George Joseph, "Inside the Video Surveillance Program IBM Built for Philippine Strongman Rodrigo Duterte," The Intercept, March 20, 2019.

53 See, for example, Alex Kirwa, "Huduma Namba data goes missing in Machakos!," Daily Active Kenya, April 22,2019, and Mustafa Mahmoud, "Case Filed to Stop New Digital ID Register in Kenya," Namati, February 26, 2019.

54 Joseph, "Inside the Video Surveillance Program IBM Built for Philippine Strongman Rodrigo Duterte."

grained state surveillance."[55] Huawei has developed a "Smart City Solution" surveillance service that has reportedly been sold to 120 cities in 40 countries.[56] Surveillance technology can bring significant benefits to any country, but it requires appropriate levels of regulation, transparency, oversight, and security. This will be a challenge for any country regardless of the source of the underlying technology, but it will be particularly challenging in countries with inefficient or undemocratic governance.

With advances in artificial intelligence, the potential uses of surveillance technology go well beyond using security cameras to identify or track individuals. Researchers and tech companies are touting software—although still somewhat nascent—that can determine a person's emotional state and make predictions about behavior; for example, by analyzing facial expressions, body language, and eye movements.[57] Advances are also being made in voice analysis and using video to obtain non-contact physiological measurements such as respiration and heart rates. Such technology can be used beneficially for commercial, healthcare, and public safety purposes, but it could also be used to oppress and repress; for example, by monitoring emotional reactions to speeches by government officials or observing how long someone looks at anti-government social media posts.

Russia is pouring state resources into AI research, with President Putin proclaiming that "whoever becomes the leader in this sphere will become the ruler of the world." Although Russia lags far behind China and the United States in AI development, even nascent and commercially available AI technology has the potential to dramatically improve the effectiveness of its disinformation and disruption efforts. Advances in AI in the near term "will greatly increase the potency of disinformation operations by enhancing the effectiveness of behavioral data tracking, audience segmentation, message targeting/testing,

and systemic campaign management."[58] AI is also making it easier to manipulate video and audio to produce "deep fakes" that are extremely difficult to detect and could be weaponized to undermine trust, fuel conspiracy theories, exacerbate polarization, and stoke violent conflict.

China's Xinjiang province offers an example of the dystopian level of oppression that can occur when an authoritarian regime makes full use of artificial intelligence, surveillance cameras, digital technology, facial recognition software, biometric data, censorship, and police-state monitoring.

> " *With advances in artificial intelligence, the potential uses of surveillance technology go well beyond using security cameras to identify or track individuals.*

There, the "authorities conduct compulsory mass collection of biometric data, such as voice samples and DNA, and use artificial intelligence and big data to identify, profile, and track everyone in Xinjiang."[59] They then use AI technologies to identify people from surveillance videos, track the location and movement of phones, ID cards, and vehicles, and detect irregular or "suspicious" behaviors, such as using encrypted mobile apps, not socializing with neighbors, avoiding using the front door, or using more electricity than normal.[60]

Chinese firms are among the world leaders in surveillance technology, and China has exported facial-recognition software to several developing countries, such as Zimbabwe, Venezuela, and

---

55 Shanthi Kalathil, "Redefining Development: China in Xi's 'New Era'," Journal of Democracy, Vol. 29, no. 2, April 2018, p. 57.

56 "China's Pursuit of a New World Media Order," p. 14.

57 See, for example, Jay Stanley, "The Dawn of Robot Surveillance: AI, Video Analytics, and Privacy," American Civil Liberties Union, June 2019, pp. 21-25.

58 Dipayan Ghosh and Ben Scott, "Digital Deceit: The Technologies Behind Precision Propaganda on the Internet," New America, January 23, 2019.

59 Human Rights Watch, "'Eradicating Ideological Viruses': China's Campaign of Repression Against Xinjiang's Muslims," September 9, 2018.

60 Human Rights Watch, "China's Algorithms of Repression: Reverse Engineering a Xinjiang Police Mass Surveillance App," May 1, 2019.

the Philippines. Another Chinese technological innovation that raises concerns for democratic development is the Social Credit System (SCS) for citizens and businesses that has been piloted for several years and could be rolled out nationally as early as 2020. The concept is not unlike financial credit score systems, but the type of data collected and the way it will be used are likely to be much broader. It is too early to know exactly what the national SCS will look like, but a key feature "could be that each Chinese citizen will be given a score measuring their sincerity, honesty, and integrity, and that this score will then be a major determinant for their lives, for instance, whether to be able to get a credit, rent a flat, or buy a plane ticket, or being given preferred access to hospitals, universities and government services."[61] The SCS already applies to foreign companies operating in China, and given China's efforts to push its own models, technology, and norms outside its borders, it is not unreasonable to presume that it will compel its aid recipient countries to integrate with the SCS or adopt something compatible with it.

It remains to be seen if digital authoritarianism will be successful in the long run, but, at least in theory, AI "offers a plausible way for big, economically

> " *As a result of these six trends, the prospects for democratization and the environment for democracy assistance are in dire straits.*

advanced countries to make their citizens rich while maintaining control over them."[62] China's domestic digital authoritarianism is proving resilient, for now, which makes its development model all the more alluring to leaders of other countries who are

more concerned about remaining in power than in improving development outcomes. Countries with fewer resources, weaker economies, and less efficient governance models may have trouble replicating this model, but China and Chinese firms certainly seem willing to help them try. Donors need to adapt development assistance to better demonstrate the long-term advantages of more open and democratic systems, implement safeguards to prevent high-tech components of well-intentioned aid projects from being misused, and assist those seeking to prevent or mitigate the spread of digital authoritarianism.

Implications for Democratization and Democracy Assistance

As a result of these six trends—the backlash against democracy assistance, disillusionment with liberal democracy, increasingly resilient authoritarianism, efforts by Russia to undermine democratic institutions and development, China's alternative development model, and the spread of "digital authoritarian" technology—the prospects for democratization and the environment for democracy assistance are in dire straits. Even for established democracies, the current wave of autocratization, the crisis of liberalism, and challenges posed by resurgent authoritarian regimes and the spread of technology are serious problems that need to be addressed. But, given their historical legacies, institutional resilience, and access to human and financial resources, established democracies are also well positioned to overcome these challenges. The situation is much more uncertain, however, for most other countries, particularly newer democracies, electoral democracies, fragile states, and hybrid regimes.

The good news is that representative democracy remains the most popular form of government, and people around the world continue to demand more freedom and protest against oppression. Also, implementing partners, activists, and others promoting democratic governance have been

61 Daithí Mac Síthigh and Mathias Siems, "The Chinese social credit system: A model for other countries?" European University Institute Department of Law, EUI Working Paper LAW 2019/01, ISSN 1725-6739.

62 Nicholas Wright, "How Artificial Intelligence Will Reshape the Global Order," Foreign Affairs, July 10, 2018.

adapting and innovating in light of the increasingly challenging environment. But proponents of democracy are being outpaced by those who seek to undermine democracy or promote alternative models that are less sustainable, just, or equitable. Even as there is increasing awareness among U.S. and European policymakers of the gravity of these new threats to democratization, they are being called out for a lack of leadership in addressing them.[63] In his new book, Ill Winds, published this year, Larry Diamond identifies a similar set of trends, including the rise of authoritarian populism, China's "stealth offensive,"

> " *Donors must more explicitly acknowledge the fact that Russian and Chinese efforts are having negative effects on democratization and sustainable development outcomes.*

and Russia's global assault on democracy, and concludes that it is time for the world's democracies to recommit to democracy at home and support democratization elsewhere through development assistance, diplomacy, and the power of example.[64]

The trends highlighted in this paper indicate the need for more, not less, attention to democratic development and support for democracy assistance. Actions taken (or not taken) now could have long-lasting implications for the democratic (or autocratic) trajectory of many developing countries. To effectively address today's incredibly challenging threats to democratization, donors must revitalize and reprioritize democracy assistance within their overall development policies. This will entail more strategic and better coordinated approaches, as well as

becoming better equipped to address today's most pressing challenges to democratization. Broadly speaking, this will require the following.

More Strategic Democracy and Development Assistance

Donors must more explicitly acknowledge the fact that Russian and Chinese efforts are having negative effects on democratization and sustainable development outcomes, and adopt development policies that directly address these challenges. This may require linking development policies more closely with national security and foreign policies, something that many donors have been reluctant to do, but if democratic countries are concerned about the risks and harmful effects in their own countries of Russian and Chinese digital technologies, disinformation, cyberattacks, and election interference, then they should also be concerned about these same issues in developing countries. Furthermore, because the negative impacts on democratization will also have negative impacts on development overall, donors should use a "thinking and working politically" approach in setting development strategies and expand the use of political-economy analyses in project designs for all sectors.[65]

Modernized Democracy Assistance

Donors and implementing partners have been gradually adapting to new challenges, but donors in particular need to do much more. Democracy assistance must be updated to better address the growing threats of digital and resurgent authoritarianism, and the lingering threats of disillusionment with democracy and the backlash against democracy assistance. For example, the spread of technology and the growing risks posed by digital authoritarianism mean that democracy assistance must include projects to help countries appropriately address challenges related to cybersecurity, surveillance technology, data privacy,

63 See for example, Thomas Carothers, "International Democracy Support: Filling the Leadership Vacuum," July 2019; and Noah Barkin, "Democracy is Under Attack, Will Europe Fight Back?," The Atlantic, October 3, 2019.

64 Larry Diamond, Ill Winds: Saving Democracy from Russian Rage, Chinese Ambition, and American Complacency, Penguin Press, 2019..

65 For more on "Thinking and Working Politically", see, for example, https://twpcommunity.org.

and disinformation. Also, because democracy assistance challenges today are increasingly virtual and transnational, and given the difficulty and security risks of implementing development assistance in some

> *"Given the increasingly dynamic, adversarial, and high-stakes democracy development environment, it is imperative that donors coordinate much more intensively at a strategic planning level.*

countries, donors will need to implement more global, regional, and cross-border programs in addition to traditional bilateral programs. Furthermore, they must make sure programming is flexible and better able to quickly adapt to trends and keep pace with increasingly sophisticated efforts by authoritarian regimes to counter and undermine democratization. Finally, donors need to better anticipate trends and challenges, and their implications for development and democracy assistance, and begin to take steps to address them now. This will require closer collaboration with researchers, social scientists, technology companies, and others to plan appropriate responses to trends and challenges such as deep-fake technology, societal polarization, artificial intelligence, and quantum computing.

Better Coordinated Democracy Assistance

Donor coordination historically has focused mostly on avoiding duplication and leveraging resources, but given the increasingly dynamic, adversarial, and high-stakes democracy development environment, it is imperative that donors coordinate much more intensively at a strategic planning level. Disinformation, cyberattacks, and corruption-fueled sharp-power competition demand programmatic

and diplomatic responses that are based on shared data and analysis, deliver coherent and unified messaging in international fora, and coordinate tactical responses to anti-democratic active measures taken by authoritarian regimes. North American and European donors must improve coordination among themselves, and also engage more with donors from Asia and the global South that bring unique perspectives and expertise. Donor coordination in any sector is more difficult than it sounds given different funding cycles, development priorities, and aid-delivery mechanisms, but coordinating democracy assistance is even more difficult due to fundamental differences in donor perceptions of the severity of the threats to democratization and the appropriate role for development agencies. More high- and working-level coordination efforts should take place with the goal of producing more cohesive strategic planning and more effective democracy assistance programming.

Responses to Mitigate the Risks of the Chinese Development Model

Donors are taking steps to provide more and better alternatives to Chinese loans and investments; for example, by establishing the EU-Asia Connectivity Strategy and the U.S. Development Finance Corporation. But more should be done given the vastly disproportionate amount of Chinese funding being made available. Just as important, in countries that are accepting Chinese aid and investments, donors should offer programming to help interested actors and institutions better understand the risks and disadvantages involved, and provide technical assistance to mitigate the potential for harm; for example, through new legislation or strengthening oversight mechanisms. Furthermore, as China increasingly leverages its foreign aid to gain allies in international arenas, donors should more actively engage in processes for setting and promoting international norms that are critical to democratization and development, such as internet governance, data privacy, surveillance technology, and cybersecurity.