

Congressional-Executive Commission on China

Hearing

on

How China Uses Economic Coercion  
to Silence Critics and Achieve its Political Aims Globally

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Statement of Senator Jeff Merkley

Chair

Congressional-Executive Commission on China

- Good morning. Today’s hearing of the Congressional-Executive Commission on China on “How China Uses Economic Coercion to Silence Critics and Achieve its Political Aims Globally” will come to order.
- As the second largest economy in the world and the largest trading partner to many countries around the world, China leverages the attraction of its market and the global economy’s deep ties to supply chains in China to punish critics and reward self-censorship. This hearing will examine the ways the Chinese government and Communist Party attempt to use economic coercion for political aims, such as quashing critical commentary on China’s policies and conduct regarding Taiwan, Hong Kong, Xinjiang, or anything else China deems sensitive, or intimidating U.S. and other businesses into toeing the Party line if they want access to China’s market.
- Increasingly often, those that run afoul of these aims can see their products targeted, from Australian wine to Norwegian salmon to Philippine bananas to Taiwanese pineapples. The Chinese government has also ramped up the intensity of its coercive behavior, as seen in its wide-reaching campaign against Australia in response to calls for an independent inquiry into the origins of COVID-19 and other political grievances. This Commission has also been on the receiving end of formal sanctions, just like other parliamentarians, government officials, nongovernmental organizations, researchers, and others who speak out against human rights abuses in China.
- For this Commission, like many around the world, the intimidation, harassment, and economic coercion directed at critics of the Chinese government and Communist Party only reinforces our resolve to shine a light on this behavior. But for many others the threat of retaliation by the Chinese government or market casts a long shadow. Earlier this year, the Commission held a hearing with the top U.S.-based sponsors of the Olympic Games. Even after being confronted with many of the most egregious human rights violations of this century, the companies’ testimony largely served to demonstrate how the pull of the Chinese market continues to incentivize self-censorship.

- That's because it's not easy to stand up to a government so willing to use its country's economic clout as a cudgel to bully individuals, corporations, and other sovereign states. We saw this dynamic in action in recent weeks when a Marriott Hotel in Prague turned away the World Uyghur Congress because of concerns about "political neutrality."
- Yet not everybody is cowed into silence by the bullying. The recent actions by the Women's Tennis Association to suspend tournaments in China in response to the treatment of Chinese tennis star Peng Shuai inspire me and many members of this Commission.
- Clearly this is an evolving landscape. For the United States to be able to defend American businesses and citizens from censorship and intimidation, or to work with other countries to help insulate one another from coercive economic tools that undermine basic political rights, we need to better understand the nature, scale, and scope of this challenge. We also need to identify the tools that will be effective in response – and those that won't – as well as where China's economic coercion is headed.
- Those are the questions we're hoping to grapple with in this hearing. The panel of experts we'll hear from will help us do that. Today's witnesses will shed light on the range of measures China employs, pertinent trends, particular impacts on U.S. businesses, the risky environment Hong Kong is becoming for multinational corporations because of the reach of new laws, and recommendations for policymakers in the United States and globally.
- Just as last month's hearing on techno-authoritarianism highlighted the ways in which China exports authoritarian values through technology, this hearing will examine the ways in which it exports – and imposes – authoritarian values through trade and business ties. I look forward to learning from our witnesses about how we can resist the erosion of civil, political, and human rights threatened by these developments.