



ONE HUNDRED SEVENTEENTH CONGRESS
SENATOR JEFF MERKLEY, CHAIRMAN
REPRESENTATIVE JAMES P. MCGOVERN, COCHAIRMAN

**Statement of Rep. James P. McGovern
Co-chair, Congressional-Executive Commission on China**

**Hearing on “How China Uses Economic Coercion to Silence Critics and
Achieve its Political Aims Globally”**

Tuesday, December 7, 2021, 10:00 a.m.

As prepared for delivery

Thank you, Mr. Chairman, for convening this hearing on the Chinese government and party’s coercive use of its economic might to pursue its political objectives and to silence critics.

Last July this Commission held a hearing entitled “Corporate Sponsorship of the 2022 Beijing Olympics” with the five U.S.-based companies that are top sponsors of the International Olympic Committee. We wanted to know if they would use their ample leverage as sponsors to insist on human rights improvements in China in the lead-up to the 2022 Beijing Winter Olympics.

Each of the five witnesses testified to how their company had incorporated human rights principles into their business operations. When asked by Commissioners, however, whether they would press those principles with the Chinese government ahead of the Olympics, they declined to answer.

In fact, when asked directly by Senator Cotton whether they accepted the finding by two Administrations that the Chinese government was committing genocide against the Uyghurs, only one of the five said yes.

These American companies refused to publicly acknowledge a fact because they feared Chinese government retaliation.

This is a clear example of China’s economic coercion at work.

It is also a case where evidence of coercion is inferred rather than visible. I suspect this is the norm. While there are many reported cases of the Chinese government flexing its economic muscle for political reasons – the boycott of Norwegian salmon in response to the award of the Nobel Peace Prize to Liu Xiaobo comes to mind – they are likely dwarfed by unreported cases, much like the amount of an iceberg under the surface.

Further, it may be that companies, whether tech giants, international financial firms or sports leagues, are self-limiting or self-censoring because intimidation by the Chinese government and party is the expected price of doing business there.

This is a big picture question I hope our witnesses will address. To what extent is economic coercion the norm? Are additional analytical tools needed to help us understand and assess the scope of this coercion?

And I also look forward to the witnesses' policy recommendations for how we should respond. The options appear to be neither simple nor easy, and will require careful and considerate diplomacy with international partners and collaboration between governments and industry.

In the legislative and regulatory realm, calls for enhanced transparency to help in the effort to resist economic coercion also dovetail with reforms sought in the growing movement to tackle corruption as a foreign policy and human rights priority. These topics and more will be discussed in this week's Summit for Democracy convened by the Administration and could create a good synergy for policy solutions.

Thank you and I look forward to your testimonies.