Authoritarian Challenges to the Liberal Order

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Authoritarian states present serious challenges to liberal democracies and to the liberal world order. Democracies must engage constructively with great-power rivals, but they must also respond urgently and collectively to defend against, deter and counter these challenges to their values.

This report sets out six types of authoritarian challenges:

- military threats, such as annexation of territory, hybrid warfare and assertive behaviour;
- coercion, through political and economic efforts to intimidate and cajole;
- influence, via subtle means to reshape the intellectual climate of democracies;
- disruption, including propaganda, cyberattacks and political subversion;
- the spread of authoritarian norms such as unlimited power, historical revisionism and personal rule; and
- threats to the cohesion of democratic blocs, in the form of democratic backsliding.
Taken together, these challenges not only threaten the security and integrity of Western democracies but also tilt wider global norms—in developing regions and international institutions—away from liberal values, such as openness, and towards authoritarian ones, such as state control.

This is not an argument to contain authoritarian states. The reality of a multipolar world requires democracies to engage constructively with great-power rivals on issues from conflict resolution to nonproliferation. But as they engage, liberal democracies must also respond, urgently and collectively, to defend against, deter and counter these challenges to their values.

KEY RECOMMENDATIONS

The response to authoritarianism should be threefold. First, democracies must boost their domestic resilience. Divisions in liberal democracies have allowed authoritarian states to shape international norms and influence Western rivals. Addressing the political and economic problems at the root of these divisions is the most effective way to defend against authoritarian challengers. But other steps are necessary in the short and medium term.

- **Protect the core components of electoral competition.** Liberal democracies need to safeguard their critical democratic infrastructure—elections, political parties and electoral commissions—by forming a consensus on the threats they face and considering deterrent as well as defensive measures.
- **Address the political vulnerabilities created by economic openness.** Liberal democracies should deepen their scrutiny of authoritarian-led investments and protect Western companies and organisations better from authoritarian coercion.
- **Defend against threats to democratic infrastructure.** Authoritarian states thrive on falsehood, distortion and confusion. In response, liberal democracies need a renewed focus on civic education, more aggressive efforts to counter disinformation and sustained investment in credible journalism.
Second, liberal democracies must renew their alliances. Western democracies are bound together in the closest set of institutions anywhere in the world. They should harness these ties to meet the authoritarian challenge, even as they manage widening differences over issues such as trade.

- **Rekindle US-European ties.** Europeans should continue to build up their capacities in foreign, security and defence policies. However, this should form the basis for a renewed transatlantic partnership, including greater coordination on the challenge from China, even if that requires waiting until a more conventional US administration assumes office.

- **Challenge backsliding in the West.** Democratic alliances are of little use if illiberal forces erode them from within. In the EU, mainstream leaders should isolate backsliding governments by suspending their voting rights and withdrawing support for them in European institutions.

- **Form smaller coalitions.** When liberal democracies cannot reach consensus in the face of authoritarian challenges, they should act in smaller and more flexible diplomatic coalitions.

Third, liberal democracies must compete for international norms. The threat to the liberal order is directed not only at established democracies but also at other regions and international institutions. In response, liberal democracies need a positive agenda that embraces global competition for influence.

- **Compete for influence.** Liberal democracies need to provide an alternative to the presence of authoritarian rivals, by renewing their commitment to a global presence and increasing spending on support for democracy, human rights and the rule of law overseas.

- **Influence international institutions.** Liberal democracies should push back against authoritarian efforts to downgrade human rights. They must also collaborate in shaping the rules and norms on emerging technologies.

- **Engage democracies beyond the West.** Liberal democracies need to nurture the new coalitions that are emerging between old and new democracies. They should also deepen their
engagement with non-Western partners through greater support for reforms to global governance.
INTRODUCTION

“For more than a hundred years,” wrote E.H. Carr in the 1930s in *The Twenty Years’ Crisis*, “the reality of conflict had been spirited out of sight by the political thinkers of Western civilisation. The men of the nineteen-thirties returned shocked and bewildered to the world of nature.”¹ Three decades on from the collapse of the Berlin Wall, European enlargement and the appearance of new democracies, the prevailing optimism has given way to a similar sense of bewilderment.² Today’s international order faces not one but several crises. One is structural, as populous countries reclaim the economic and military power that ebbed away from them during the Industrial Revolution.³ Another is political and parochial, as Western democracies emerge from the long shadow of the global financial crisis with low growth, volatile politics, and disruption to their national and international institutions.⁴

These two crises combine, most seriously, with a third: a broad and growing authoritarian challenge not only to liberal states but also to the balance between liberal and authoritarian forces in the world order as a whole.⁵ Authoritarian states—both adversaries and allies of the West—aim to defend their regimes and build their influence by projecting their power and values into neighbours, rivals and neutrals. This challenge is more diffuse, less vivid and seemingly less urgent than immediate problems such as North Korea’s nuclear programme, Islamist terrorism or Syria’s civil war. But it represents the fusion of two fundamental trends: intensifying competition between a cluster of great powers, absent since the

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² On the “end” or “crisis” of the liberal international order, see G. John Ikenberry, “The end of liberal international order?”, International Affairs 94, no. 1 (2018).
Second World War, and ideological struggle, which faded with the end of the Cold War. These twin themes will colour every issue, from global governance to the future of human rights, determining the shape and character of the international order.

There have been several recent assessments of the global resurgence of authoritarianism; less attention has been paid to its international implications. The authoritarian challenge constitutes a significant long-term external threat to the democracies of North America and Western Europe. Liberal democracies everywhere are compelled to mount a collective resistance and response to this challenge on multiple fronts, regardless of what else may divide them in the short term.

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THE AUTHORITARIAN CHALLENGE

The share of democracies in the world has grown steadily over the past 30 years and stands at a postwar high, but the past decade has seen worrisome backsliding. The absolute number of democracies declined between 2011 and 2017. So too did their quality. Seventy-one countries suffered net reductions in political rights and civil liberties in 2017, marking the 12th consecutive year of decline. Over the past 12 years, 113 countries have seen net declines, while only 62 countries have improved. In short, the prevalence of democracy masks its weaknesses.

More broadly, the share of global income held by countries rated “not free” by Freedom House was 12 per cent in 1990 but is 33 per cent today, with authoritarian powers’ share likely to tip beyond that of democracies within five years. China and Russia, the two largest of those authoritarian powers, have both moved in more autocratic, personalistic and repressive directions over the past five to ten years. Some of the most serious declines have occurred in Western allies, such as Turkey and Bahrain. And even states embedded in Western political institutions, such as Poland and Hungary, have suffered eroding civil and political rights.

What does this mean for democracies? Autocracies present a series of individual challenges to their local rivals: Russia to the Baltic states, China to Taiwan and North Korea to South Korea, for instance. But the problem they pose to world order is larger than

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the sum of these issues. It is, rather, an ideological and systemic challenge that will reshape the norms of international relations. Will these norms reflect liberal principles such as openness, rule following and individual rights or competing authoritarian ones such as secrecy, arbitrariness and state power?

This competition over norms will influence not only Western liberal democracies but also the wider multipolar order that is emerging. In regions with weak political institutions or nascent democracies—parts of Africa, South and Southeast Asia, and East and Southeast Europe—the regional order is especially malleable. If authoritarian states can shape these regions in their own image, this bolsters their global standing and puts liberal democracy further on the back foot. This argument does not require an acceptance that democracies always act in liberal ways or adhere to a single and consistent set of norms. Authoritarian states also differ widely in levels of openness and repression, the balance between civilian and military authority, and civil versus political freedoms. Yet despite this variety, there remain systematic differences between democratic and authoritarian states in attitude, inclination and values—and this has important foreign policy implications.

TYPES OF AUTHORITARIAN CHALLENGE

The authoritarian challenge to liberal democracy can be broken down into six categories.

The Military Challenge

Authoritarian states represent the most serious military threat to the democracies of Europe and Asia. Russia has dissolved existing norms regarding the use of force, conducting in Europe the first annexation of territory and the first use of chemical weapons since the Second World War. Russia’s use of hybrid warfare, which prioritises secrecy, deception and political warfare, presents a

11 Lucan Way and Steve Levitsky, Competitive Authoritarianism: Hybrid Regimes after the Cold War (Cambridge: Cambridge University Press, 2010), 12–16.
particular danger to rule-bound open societies. China, though more cautious, has also demonstrated increasingly assertive behaviour in the South China Sea, including the militarisation of reclaimed islands, the rejection of arbitration efforts and an escalation of the country’s border dispute with India.

The military challenge posed by authoritarian states is not a quirk of the past few years. Russian and Chinese behaviour is rooted in their resentment of the Western order, ambition for great power status and fear of Western power. All three of these drivers are shaped by these countries’ authoritarian political systems. The best available scholarship continues to show that democracies enjoy more peaceful relations with other democracies than with autocracies, suggesting that authoritarian states are intrinsically more likely to be threatening. Among states that ratify treaties governing the laws of war, democracies are also more likely to comply with these rules than autocracies are.

The Coercion Challenge


16 “In a subject of study where reliable insights are rare, the robust finding that democracies are more peaceful toward each other remains an important empirical regularity for future scholarship to build upon.” Allan Dafoe, John R. Oneal and Bruce Russett, “The Democratic Peace: Weighing the Evidence and Cautious Inference”, International Studies Quarterly 57, no. 1 (1 March 2013): 213. Also: “Citizens of democracies are significantly more pacifistic than citizens of non-democracies. This result upholds when we rigorously control for other relevant factors, including specific characteristics of individuals and rival theoretical explanations.” Jo Jakobsen, Tor G. Jakobsen and Eirin Rande Ekevold, “Democratic Peace and the Norms of the Public: A Multilevel Analysis of the Relationship between Regime Type and Citizens’ Bellicosity, 1981–2008”, Review of International Studies 42, no. 5 (December 2016): 968–991, doi:10.1017/S0260210516000097.

Military threats are the most serious form of coercion, but more common is the use of broader, often more subtle, political and economic pressure to intimidate and cajole liberal democracies into changing their behaviour. Authoritarian countries use coercion to secure specific interests, such as China’s successful embargo and isolation of Norway after the Nobel Peace Prize was awarded to a dissident in 2010, or to influence a country’s strategic orientation, such as Russia’s use of intimidation to scare neutral countries, such as Sweden and Finland, away from the North Atlantic Treaty Organisation (NATO). All countries use coercion; consider Western sanctions on Iran and Russia. But autocrats typically do so to counter threats to their rule or to uphold spheres of influence abroad, both of which require confronting and undercutting democracy in other states.18

For instance, China’s use of its market power to coerce academic publishers into curbing access to scholarship and technology firms into censoring their products points to a gradual and insidious encroachment on free speech; so does the increasing frequency with which international firms feel compelled to apologise to China for ideological infractions, such as acknowledging Taiwan’s nationhood or publishing noncompliant maps.19 The growth of China’s strategic investments and Russia’s deepening control over energy supplies represent particular European vulnerabilities, both of which could be used for future coercion for a variety of purposes.20

Other examples of authoritarian coercion include Turkey’s campaign to put pressure on dissident groups abroad, Iran’s efforts to target the Iran-based families of critical foreign media outlets and Russia’s assassinations in Europe.21 Turkey has even threatened

19 Emily Feng and Edward White, “China reprimands companies calling Tibet and Taiwan independent”, Financial Times, 15 January 2018, www.ft.com/content/3f88cbb8-f9b5-11e7-9b32-d7d59ace167.
21 See, respectively, Nate Schenkkan, “The Remarkable Scale of Turkey’s ‘Global Purge’”, Foreign Affairs, 29 January 2018, www.foreignaffairs.com/
to conduct operations against Western rating agencies that have done as little as downgrade the country’s credit score. \(^{22}\) Such actions will all have similar long-term chilling effects, unless these campaigns are blunted.

### The Influence Challenge

In addition to overt coercion, authoritarian states deploy more subtle means to reshape the intellectual climate of democracies in their favour. One tactic is to cultivate sympathetic intellectual and political networks through open or clandestine means, including the funding of educational or research institutes, and the intensive use of political lobbying to influence political leaders. \(^{23}\) Another is to suppress negative press while rewarding and encouraging more pliant coverage, through selective access and other means. Yet another is the development of alternative media channels to spread propaganda and sow confusion. \(^{24}\)

Liberal democratic states are by definition open. This makes them especially vulnerable to authoritarian influence campaigns, which not only distort national debates about how to respond to that very challenge but also undermine the respect for information and faith in objective truth on which the proper functioning of democracy depends. Influence operations exploit and compound the problem of declining trust in news media, with levels of trust well below 50

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per cent in the United Kingdom (UK), below 40 per cent in the United States (US) and at 30 per cent in France.\textsuperscript{25} Russia’s use of state-controlled print and broadcast media to spread disinformation around its military and covert actions is the starkest example.\textsuperscript{26} At times, Russia has leveraged its influence into direct intervention, notably in its attempted coup in Montenegro in 2016, demonstrating how these different types of challenges—physical and ideological—can meld together.\textsuperscript{27}

China has pursued a less provocative, if no less troubling, approach.\textsuperscript{28} Beijing’s state-controlled media outlets are growing rapidly and increasing their footprint in Western democracies.\textsuperscript{29} There is mounting evidence of the growing propaganda and

\begin{itemize}
  \item \textsuperscript{28} For a comparison of Russian and Chinese influence operations, see Peter Mattis, “Contrasting China’s and Russia’s influence operations”, War on the Rocks, 16 January 2018, warontherocks.com/2018/01/contrasting-chinas-russias-influence-operations/.
influence activity of China’s United Front Work Department, the large role of Beijing’s state-controlled Confucius Institutes on foreign university campuses, and the increasing penetration of paid-for pro-Chinese content such as editorial partnerships or advertorials in respectable print outlets in Europe and the United States.\textsuperscript{30} Authoritarian states in the Middle East have used similar strategies, through overt channels like Qatar’s Al Jazeera and more clandestine means.\textsuperscript{31} Smaller regimes typically have fewer resources and narrower ambition, but can still have region-wide impact: allies of Hungarian President Viktor Orbán have invested in media outlets of nearby countries, like Slovenia, supporting like-minded candidates there.\textsuperscript{32}

**The Disruption Challenge**

Military threats, coercion and influence tend to be aimed at changing behaviour in specific ways, often through particular policies. But authoritarian states also target liberal democracies in a broader, less purposeful way. Authoritarian powers seek to weaken democratic rivals and alliances to undermine the ideological appeal of open societies, in turn consolidating their own power.

This interference occurs on a spectrum ranging from broad propaganda to cyberattacks to full-blown political subversion.\textsuperscript{33} Russia’s assault on the 2016 US presidential election and support for extremist political movements in Europe are the most egregious examples of this challenge.\textsuperscript{34} This approach was in keeping with

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\textsuperscript{31} On Arab media outlets, see El Mustapha Lahlali, Contemporary Arab Broadcast Media (Edinburgh: Edinburgh University Press, 2011), 79–118.


Russia’s long-standing practice of active measures—the deliberate effort to widen cracks in an adversary’s society. The purpose of these interventions is not only to elevate individual candidates or parties, or to bargain over a particular policy, but also to sap confidence in the health of democracy as a whole.

The Spread of Authoritarian Norms

The competition between authoritarian states and liberal democracies plays out not only through their direct interactions but also with respect to wider international norms.

This challenge to norms has two dimensions. One is negative, with authoritarian states arguing that the political and economic difficulties of the West, and the relatively slower growth of non-Western democracies like India, demonstrate the failure of the entire political model. They associate liberal democracy with stagnation, unpredictability and even chaos.

Alongside this attempt to discredit liberal democracy is a parallel effort to displace liberal norms—ones that hinder authoritarian states’ freedom of action, or even threaten their own legitimacy—with alternative ones. As authoritarian states grow more powerful, prosperous and confident, their principles are reflected in their broader foreign policy. These principles include majoritarianism, absolute sovereignty, boundless executive power, historical revisionism and personal rule. Authoritarian states become more comfortable with supporting repressive regimes, even in periods of intense violence, less willing to make cooperation conditional on human rights and rule-of-law concerns, and more likely to export the authoritarian behaviours and ideas they practise at home.

These norms can take hold across large areas. Authoritarian-led regional blocs, such as the Shanghai Cooperation Organisation (SCO) or the Eurasian Economic Union (EEU), create space for illiberal cooperation, for instance allowing the extradition of suspects on political grounds that would never be accepted in groupings such as the European Union (EU). The Russian-dominated Commonwealth of Independent States (CIS) and the Chinese-led SCO have both created spurious election-monitoring bodies “that endorse fraudulent elections with the aim of clouding the assessments made by established monitoring organizations”—a quintessential example of authoritarian norm setting.

Authoritarian norm setting can spread through both political and economic projects. China’s Belt and Road Initiative, a flagship set of infrastructure and connectivity projects stretching from Asia to Europe, has empowered strongmen leaders, tilted the civil-military balance in Pakistan away from civilians, saddled low-capacity countries with unsustainable debt, favoured Chinese over local firms or transparent international tendering and paved the way for an expansion of China’s military footprint into new areas. The scheme has provoked a backlash from the US, Europe, India and Japan, among others, not only because it embodies unfair economic practices, but also because it squeezes liberal norms—such as transparency and multilateralism—in key regions like the Indian Ocean.

Internationally, at the United Nations (UN), Russia and China have systematically targeted human-rights advocacy by attempting to cut spending for human-rights posts on UN peacekeeping missions, attacking a human-rights cell in the office of the secretary general, and blocking a UN human-rights commissioner from addressing the UN Security Council on Syria. More broadly, authoritarian states export their norms not only by selling or transferring individual

tools of surveillance, such as cameras and software, but also
through entire systems of repression.  

Finally, authoritarian states offer the world an alternative political
model to liberal democracy, capitalising on what they portray as the
congenital shortcomings of open societies. At the 19th Party
Congress of the Chinese Community Party, President Xi Jinping
notably presented China as “a new option for nations who want to
speed up their development while preserving their
independence.” China’s model of authoritarian capitalism,
contrasted to the low growth and political instability of its Western
competitors, makes it harder for democracies to sell their norms to
developing countries and can even reinforce disillusionment in the
West. Russia’s model of personal rule, ultranationalism and
purported defence of traditional Western civilisation appeals to
would-be strongmen in Europe and beyond.  

The Cohesion Challenge

Democratic backsliding in the democratic congregation, or
among its aspiring members, presents a different sort of challenge.
In recent years, Poland and Hungary have exemplified this problem.
Their governments have undermined the rule of law, weakened the
free press, removed checks and balances, and vilified minorities.
Among countries queuing up to join the EU, the trends are also

40 Colum Lynch, “At the U.N., China and Russia Score Win in War on
Human Rights”, Foreign Policy, 26 March 2018, foreignpolicy.com/2018/03/
26/at-the-u-n-china-and-russia-score-win-in-war-on-human-rights/

41 “Chinese Surveillance Tech, from Xinjiang to S. America”, China Digital
Times, 23 January 2018, chinadigitaltimes.net/2018/01/chinese-surveillance-
tech-xinjiang-south-america/; “Does China’s digital police state have echoes in
the West?”, Economist, 31 May 2018, www.economist.com/leaders/2018/05/31/

42 “Socialism with Chinese characteristics enters new era: Xi”, China Daily,
2017-10/18/content_33398070.htm.

43 Ronald Brownstein, “Putin and the Populists”, Atlantic, 7 January 2017,
www.theatlantic.com/international/archive/2017/01/putin-trump-le-pen-
hungary-france-populist-bannon/512303/.

44 Daniel Hegedüs, “Responding to illiberal democracies’ shrinking space
for human rights in the EU”, in Will human rights survive illiberal democracy?,
eds. Arne Muis and Lars van Troost, Strategic Studies and Amnesty
International Netherlands, www.amnesty.nl/content/uploads/2015/10/illiberal-
democracy-PDF-20mrt.pdf?x56589.
worrying. In the Western Balkans, for instance, media freedom and governance have both been eroding. This is partly linked to the challenges described above, in the form of Russian disruption, such as a Russian-backed coup attempt in Montenegro, and influence operations, including the spread of Russian propaganda channels.

This political regression has three major consequences for liberal democracies. First, it undercuts the EU’s claim—to its own citizens, to aspiring members and to the wider world—to embody liberal democratic values. Europe has less credibility in speaking to backsliding states in Asia, Africa or South America when its own members can violate core European values with impunity.

Second, democratic backsliders—particularly those of the populist-nationalist variety—are more likely to advance a view of international relations that prioritises competition and bargaining over liberal solidarity. This cuts at the ideological heart of the European project.

Third, illiberal-minded leaders in Poland and Hungary, as well as in Italy, Austria and even the United States, are more likely to demonstrate affinity for authoritarian powers like Russia. This frustrates a common European and Western response. Hungary, for instance, was the lone abstention from a European rebuke of China’s Belt and Road Initiative in late 2017, and blocked a statement on China’s conduct in the South China Sea in 2016.

**Summarising the Challenge**

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47 Angelos-Stylianos Chryssogelos, “Vladimir Putin’s popularity among populist parties in Europe illustrates the depth of the challenges facing European democracy”, London School of Economics, 14 May 2014, bit.ly/1oMUpbs.

What can we draw from this breakdown of the authoritarian challenge?

First, this is not just a story of Russia and China. While Russian revanchism and China’s extraordinary economic ascendance make them two of the most significant authoritarian powers, it would be a mistake to consider the challenge in these narrow terms. Authoritarian middle powers can exert a larger influence on their region than more distant great powers; Turkey’s impact on the Western Balkans, the Levant and the Persian Gulf is in many respects larger than that of China.49

Second, while it is useful to disaggregate these challenges, they can also flow into one another. Influence operations that spread propaganda and false claims can disrupt national politics, undermine cohesion between allies and function as a coercive threat of more to come.

Third, these international authoritarian challenges exacerbate, but are not the primary cause of, democracy’s domestic challenges. It is clear that Western states are enduring a crisis of liberalism, with the forces of populism, nativism and nationalism testing the West’s professed commitments to values of openness, pluralism and internationalism.50 The origins of this crisis lie largely in the West, and it would be a mistake to displace responsibility onto external foes.

Fourth, the instruments described here—disruption, coercion, influence and norm setting—are not unique to authoritarian states. Democracies also disrupt, coerce, influence and seek to shape norms. The United States has recently sought to coerce both its adversaries (Iran) and allies (Europe) through the use of economic

49 Alida Vračić, for instance, warns that “the danger is that the Western Balkans’ political elites, who themselves embrace non-democratic practices, may find Turkey’s way of governance as being just as apt. If more authoritarianism is reinforced in the Western Balkans, fragile democracies in the region might suffer irreversible damage”. See “Turkey’s Role in the Western Balkans”, German Institute for International and Security Affairs, December 2016, www.swp-berlin.org/fileadmin/content/products/research_papers/2016RP11_vcc.pdf.

sanctions and tariffs, respectively. Europeans and Americans both deploy soft power to spread their values elsewhere.

But authoritarian states, with greater confidence and larger resources than at any time in the past quarter century, use these instruments in ways that undermine liberal democracies both directly and, through reshaping wider norms, indirectly. Even when authoritarian states have defensive intent, and even when their aim is not to proselytise, their behaviour has a unique impact on democracies and, more importantly, the global environment in which democracies operate. The authoritarian challenge is defined less by its means than by its impact.

If there is a crisis in the so-called liberal international order, this challenge—along with wider power shifts and tumult in liberal democracies—is a central part of it. Rescuing or adapting that order requires reckoning with this new autocratic internationalism.
HOW LIBERAL DEMOCRACIES CAN RESPOND

How should liberal democracies respond to this authoritarian challenge, bearing in mind their own economic and political weaknesses and divisions? Their strategy should be threefold: domestic transformation, renewing alliances and embracing competition.

DOMESTIC RESILIENCE

Authoritarian states have been able to cast themselves as political models, shape international norms and, above all, influence Western rivals in large part because of divisions within and between liberal democracies. Although authoritarian states have widened those divisions, they have not caused them. Addressing the deeper economic and political problems that lie at the root of these divisions is the single most effective way to defend against authoritarian challengers.

As political theorist John Ikenberry recalls, 20th-century liberal internationalism was inextricably linked to progressive policy at home, such as the New Deal and Great Society. 51 Twenty-first-century internationalism will require similar ambition. This is a long-term project of ideological and political renewal. However, this process should sit alongside a programme of short- and medium-term democratic resilience. This resilience has several dimensions: ideological, political, economic and military. If renewal is about basic changes to liberal democracies’ political and economic model, resilience is about fixing the chinks in their present armour.

Political Resilience

The 2016 US presidential election demonstrated the consequences of weak political resilience to authoritarian interference. Elections, like the free flow of credible information, are core parts of critical democratic infrastructure. So too is the wider infrastructure of electoral competition, including political parties and independent electoral commissions. Protecting this infrastructure requires acting at multiple levels.52

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51 Ikenberry, “The end of liberal international order?”, 22.
At the first and simplest level, there needs to be vigilant monitoring of specific threats, such as intrusions into vote-counting machines or political-party databases. Although electronic voting machines are used by only a small number of European states, such as Estonia and Switzerland, and have been rejected for national use by many others, such as the UK and Germany, their wider use in the future would create serious vulnerabilities. France continues to use the same type of voting machines that were previously deemed insecure and discontinued by the Netherlands, while Germany uses similarly rejected tabulation mechanisms. Other aspects of the electoral infrastructure, such as digitised voter rolls and tabulation mechanisms, are also subject to interference by authoritarian powers looking to disrupt or influence. Building resilience involves both technical defence and wider capacity building, through steps such as the delivery of closed briefings to political parties.

Second, democracies must work on developing a political consensus on such threats before a crisis. The failure to do so can have serious consequences: in the United States, state-level leaders refused to accept federal cybersecurity assistance, while Republican congressional leaders blocked efforts to warn the public and thereby lessen the political impact of Russia’s actions. European

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states should learn from these errors, not only by hardening their election infrastructure, but also by including by urging opposing party leaders to discuss possible responses to such attacks in advance of elections, such as agreements to abstain from the politicisation of improperly leaked information and bipartisan statements of support for strong retaliatory action in the event of electoral interference. When consensus can be reached, these should be codified into explicit norms.

Third, states must pay attention to broader threats beyond elections, such as authoritarian funding of political parties and nongovernmental organisations. Although foreign or extra-regional funding of parties is widely forbidden, liberal democracies are rightly sceptical of barring cross-border funding of civil society. Restrictions aimed at preventing authoritarian front organisations can violate international law and ensnare the work of independent, liberal-minded organisations. However, there is a case for greater transparency in these funding streams, allowing the press and wider public to scrutinise the risks in each case. Cross-border funding that originates from authoritarian countries should be inherently more suspect than that from other sources.

Fourth, open societies cannot harden themselves indefinitely without compromising their own values, and so political resilience requires deterrence as well as defence: authoritarian rivals should know not only that their efforts to distort democratic political landscapes will be frustrated but also that they will incur costs out of proportion to any benefit they hope to gain. Liberal democracies should reflect on the fact that their collective response to political aggression against the United States, a core member of the Western alliance, was vastly short of their response to interference in Ukraine, a member of neither NATO nor the EU. High-level public statements, ideally coordinated with allies, should send clear signals of warning. Retaliatory steps can include diplomatic

isolation, economic sanctions and cyberattacks, in line with the scale of the provocation.\textsuperscript{60} Measures targeted at specific individuals and groups responsible for interference, such as the indictments in February 2018 of Russian citizens and entities as a result of the investigation of US Special Counsel Robert Mueller into foreign interference in the 2016 presidential election, are especially important as signals of resolve.\textsuperscript{61}

Finally, retaliatory steps should be discussed and prepared in advance, rather than—as in 2016—in the politicised aftermath of a hotly contested election.

A series of national commissions across Western democracies could be established to assess current levels of political resilience, areas where more work is needed and avenues for international cooperation.

**Economic Resilience**

Ideological and political resilience are about defending against the second and fourth challenges described above, authoritarian disruption and influence. But addressing the first challenge, military threats, and particularly the third, authoritarian coercion, is largely about a different type of resilience.

Of the world’s 30 states most open to trade and investment, at least 27 are democracies.\textsuperscript{62} China is ranked 56th, and Russia 58th. While the relative openness of democracies is on balance a source of vitality and strength, it also creates vulnerabilities.

One problem is that authoritarian states, notably China, have exploited Western openness to expand exports, absorb technology.


\textsuperscript{61} United States of America v. Internet Research Agency et al., Department of Justice, 16 February 2018, www.justice.gov/file/1035477/download.

and grow towards great-power status while imposing more onerous restrictions on access to their own markets. A second is that authoritarian states have used their market power to bend the will of Western companies and countries, as described earlier. A third vulnerability is that authoritarian investment in, influence over and control of critical democratic and national infrastructure in liberal democracies—such as media outlets, energy supplies and telecommunications, often via state-owned companies—furnishes them with sources of leverage that could be used in a crisis to divide allies from one another or to shape national policy in other illiberal ways.

Building economic resilience requires that liberal democracies appreciate these trade-offs between economic openness and political vulnerability. Initial steps in the US and Europe to scrutinise Chinese investments in sensitive areas are welcome, but these measures should be coordinated and deepened. Democracies without bodies such as the Committee on Foreign Investment in the United States or Australia’s Foreign Investment Review Board should institute them. At present, fewer than half of EU member states have legislation that allows sensitive foreign investment to be screened. The European Parliament should approve a mechanism that would allow the European Commission to play a larger role in monitoring inflows in strategic areas such as space, telecommunications and security. These US, European and wider


democratic screening bodies should foster deeper links between their experts and leaders.

When authoritarian states must be involved in such areas, democracies should mitigate vulnerabilities using innovative means and new institutions. The UK, for instance, has developed a specialist cell that inspects and vets products by the Chinese company Huawei, which is close to the ruling Communist Party, rather than banning these products entirely. As authoritarian states like China develop leading expertise in emerging technologies, such as 5G networks, this will become increasingly important.

Some authoritarian-led projects in democratic areas are so consequential that they should be opposed outright. One example of this is the Russian-backed Nord Stream II pipeline, which would bring natural gas from Russia to Germany under the Baltic Sea. This project would affect liberal democracies in three ways. First, it would bypass Ukraine and thereby weaken the position of the EU-aligned government in Kiev. This would strengthen Moscow’s hand in perhaps the most important of all Europe-Russia issues. Second, increasing European dependence on Russian energy supplies, which already comprise over one-third of the bloc’s total imported natural gas, would increase Russia’s ability to coerce Europe, as it did against Ukraine in 2006. Third, allowing Russia to increase its European energy network would reinforce its control over weak third-party states, allowing it to undermine liberal international norms more widely. As one EU report makes clear, “transit states are expected to behave like clients of Moscow”.


68 Jamie Syth, “Australia considers Huawei 5G ban over security concerns”, Financial Times, 4 June 2018, www.ft.com/content/1a2d19ba-67b1-11e8-8cf3-0c230fa67aec.

Finally, liberal democracies should consider how Western companies and organisations might be better protected from authoritarian coercion. Democratic leaders should do more to highlight this practice, which would increase the reputational cost of those who bow to authoritarian states’ political demands for ideological compliance or censorship. Most democracies already impose various types of export control on arms and surveillance technology that might be used to further repression abroad. Democracies also penalise firms that violate liberal norms abroad by employing bribery, even when there is no immediate impact within a country’s own borders. Democratic leaders should consider whether such controls—or, at least, looser codes of conduct—might be instituted for other types of products that have a similar effect, such as software that filters search results or excludes sensitive applications for authoritarian markets.

**Ideological Resilience**

Authoritarian states thrive on falsehood, distortion, disinformation and confusion. They seek to suppress unfavourable information, propagate state-sanctioned narratives and, notably in the case of Russia, sow doubt in the very idea of truth. Liberal democracies should develop the idea of critical democratic infrastructure—as important as critical national infrastructure, like power plants—and harden themselves against these efforts.

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Such hardening could take many forms. At its most basic, it would require a renewed focus on critical thinking, media literacy and civic education. An assessment of digital reading in 2012 showed that less than one in ten 15-year-olds across countries in the Organisation for Economic Cooperation and Development (OECD) were able to “navigate online information autonomously and efficiently, evaluate information from several sources and assess its credibility and usefulness.” In the United States, civics education has shrunk precipitously over the past 50 years, only one-quarter of students reach a proficient assessment on one measure, and gaps across socio-economic groups are large. Individual European governments and the European Commission resource and trial an increasing number of citizenship education projects, but a new cooperative initiative—perhaps across G7 countries—could expand joint funding and share best practices.

Further downstream, ideological resilience also requires more aggressive efforts at countering disinformation as it unfolds. Although the EU has taken initial steps, such as establishing an East StratCom Task Force to counter Russian campaigns in half a dozen countries to the union’s east, this operates on a small scale. The unit publishes a weekly newsletter on Russian disinformation and curates a database of 3,000 cases, with a budget of around £1 million ($1.3 million) for System (https://institute.global/admin/config/system) 2018–2020 and just 14 staff. Its limitations became apparent in March 2018, when the unit’s failure to accurately translate Dutch-language material became a wider political and legal controversy, undermining public faith in its workings. Although there are natural limits to the efficacy of such campaigns—those most

76 Amanda Litvinov, “Forgotten Purpose: Civics Education in Public Schools”, neaToday, 16 March 2017, neatoday.org/2017/03/16/civics-education-public-schools/.
susceptible to disinformation are least likely to absorb countervailing messages from an EU-funded source—there is a case to expand this paltry level of funding.

Europe should also make greater efforts to share best practice and integrate national efforts to counter Russian interference in particular. Estonia, Latvia, Lithuania and Sweden have been at the forefront of this issue, with the Czech Republic, Finland, Germany, the Netherlands and the UK increasingly active. The Finland-based European Centre of Excellence for Countering Hybrid Threats, inaugurated in October 2017, will be a particularly crucial hub for EU-NATO collaboration, ensuring that non-NATO states like Finland and Sweden and non-EU countries such as Canada and the United States are not excluded.79

Finally, inoculation requires sustained investment in credible journalism. Political leaders should condemn and stigmatise all efforts—whether by authoritarian rivals or democratic partners—to attack and intimidate the press, including actions that deliberately target the owners of critical newspapers. The increasing cross-border flow of information means that a stronger press at home can support a healthier international information environment. Recent increases in the budget of the British Broadcasting Corporation (BBC) World Service represent minor expenditure in the context of European national security spending, but represent the service’s largest expansion since the 1940s.80 This offers disproportionate reach and impact in the relevant countries, providing a source of credible and professional news in place of state-controlled propaganda outlets. Sustaining this funding, as well as that of other internationally minded public broadcasters in Europe and the United States, is vital.81

RENEWING ALLIANCES

In facing the authoritarian challenge, liberal democracies’ greatest advantage is their number. Only four of the world’s 20 largest economies, and six of the largest military spenders, are not democracies. Both figures are unchanged in nearly three decades, despite backsliding. Equally importantly, Western democracies are bound together in the most dense set of institutions anywhere in the world: NATO is the largest and most active military alliance in history, and the EU is the largest and deepest economic bloc ever created (and, collectively, the world’s second-largest military spender), while a plethora of other bodies, from the Five Eyes intelligence-sharing network, which brings together Australia, Canada, New Zealand, the UK and the United States, to the pan-European Counter Terrorism Group, provide further glue. Liberal democracies should harness these ties to meet the authoritarian challenge.

Rekindling US-European Ties

Although NATO is at its most active since the end of the Cold War, it is clear that transatlantic ties are in a period of crisis. The causes flow largely from the radical and disruptive shift in US foreign policy, in areas from abrogation of the 2015 Iran nuclear deal to the imposition of steel tariffs on spurious national-security grounds. These drivers of transatlantic crisis are likely to remain for the duration of the administration of US President Donald Trump, and in some cases thereafter. Any realistic assessment of how the US and Europe can collaborate against an authoritarian challenge must reflect these circumstances.

For Europe, it would be tempting to hedge against the United States at the global level by aligning on key issues with China, Russia or even both. With China, there would be common cause on climate change, some overlap on trade and nuclear nonproliferation issues, and the opportunity to prevent Beijing from drifting ever closer to...
Moscow. On Russia, Europe might see an opportunity to de-escalate tensions, rebuild economic ties and work towards a settlement in Syria. But in aggregate, such a European pivot towards Russia would not only further put at risk the American role in Europe’s territorial defence but also allow these authoritarian challengers to play ally off against ally, giving them more space to pursue the challenges outlined above. There would be little point in Europe pursuing a balance of forces only to end up strengthening the pressures on liberal democracy.

Europeans should continue to build up their capacity in foreign, security and defence policies. This allows them not only to address regional crises in the absence of the United States—a trend evident to some degree in the Sahel—but also to defuse US concerns of European free riding. Although defence spending in Europe has been rising for several years, a sustained failure to increase the number of NATO states that meet the target of spending 2 per cent of gross domestic product (GDP) on defence risks undermining support for NATO in Washington. It also risks fuelling a populist narrative that underspending allies are unworthy of security guarantees.

Yet these moves towards greater foreign policy and defence capacity in Europe should be viewed not merely as a hedge against US volatility but as the basis for a renewed transatlantic partnership. One can imagine the outlines of a broader US-Europe bargain. As the United States is drawn further into Asia, Europe is coming to terms with a Russian threat that has grown over the past ten years. Both of these represent the first and most basic type of authoritarian challenge: military threats from great powers seeking to carve out spheres of influence.

But instead of these differing priorities driving the two groups apart, they might form the basis of a broader and more coherent approach to authoritarian challengers. If Europeans want the United States to remain invested in Europe’s position with regard to Russia and other local challenges, such as Islamist terrorism from the Middle East and North Africa, then they will need to be more sensitive to the United States’ broader priorities, including China’s impact on the world.82 This chimes with Europeans’ growing

82 For alternative formulations of this idea, see Simon Fraser, “In Search of a Role: Rethinking British Foreign Policy”, Chatham House, 7 November 2017.
concerns over the risk of Chinese disruption, coercion and norm setting both in Europe itself and in the continent’s near neighbourhood. “In this region of the world,” noted French President Emmanuel Macron in Sydney in May 2018, “China is building its hegemony step by step.”

On this basis, the US and Europe could cooperate in a more structured way on multiple aspects of China’s rise. A common approach to Chinese trade practices would be the logical place to begin, but dialogue should be broad and ambitious. This could include deeper collaboration on foreign investment screening, joint naval patrols in Asia (presently being pursued largely separately), and coordination on capacity building, aid programmes and outward investment in areas of deepening Chinese involvement, such as Africa and the Indian Ocean. In turn, the United States would recommit to broader engagement with Europe not only in narrow military terms but also by increasing support for the resilience measures described above, such as hardening against election meddling and—in due course—support for liberal forces around Europe’s periphery.

This agenda, or at least a significant part of it, may be unworkable until a new and more conventional US administration assumes office in 2021 or 2025. Recent signals, such as a US diplomat’s stated wish to “empower other conservatives throughout Europe”, as well as the significant escalation in tensions during the G7 summit in June 2018, point to the stumbling blocks. But Europeans should nevertheless preserve as much continuity as possible through

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83 “France’s Macron extols New Caledonia ties in nod to independence vote”, Reuters, 5 May 2018, af.reuters.com/article/worldNews/idAFKBN1I60OB.
working-level and other official ties, including those to non-executive bodies like the US Congress. The expansion in US financial support for European allies under the Trump administration, despite the president’s iconoclasm, is evidence that this is possible.\textsuperscript{87} Those who frame US withdrawal from the liberal order as a permanent or irreversible act are guilty of fatalism. That obscures the possibility and importance of long-term US-Europe cooperation against authoritarian pressures that will ultimately have a larger impact on the world than any one of the issues presently dividing the two sides.\textsuperscript{88}

**Challenge Backsliding in the West**

Liberal democratic alliances and partnerships are of little use if illiberal forces erode them from within, or if this process undermines their international credibility. The most egregious examples, Poland and Hungary, demonstrate how democratic backsliders can exploit the EU’s rules to protect one another from formal reprimand. The EU’s belated response has been to propose funding cuts for nations where judicial independence is threatened, on the grounds that this would prevent money from being spent accountably.\textsuperscript{89}

But the bloc can and should go further, using a process outlined in the EU treaties to work towards suspending voting rights. Hungary would likely veto sanctions, but the process itself would be an unprecedented and powerful signal to Warsaw and other potential backsliders. Mainstream EU leaders should also work to

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\textsuperscript{87} The European Reassurance Initiative, a fund initiated by the administration of former US President Barack Obama to enhance deterrence and improve the readiness of forces in Europe, is being expanded to $4.8 billion in the fiscal year 2018—an amount that, remarkably, exceeds the defence budgets of 17 NATO members.


\textsuperscript{89} Alex Barker, “EU plans to cut funding to nations where rule of law is at risk”, Financial Times, 29 April 2018, www.ft.com/content/fa422d26-4bb2-11e8-97e4-13afc22d86d4.
isolate backsliding governments by withdrawing support in European institutions. Most importantly, the centre-right European People’s Party, a bloc in the European Parliament, should expel Hungary’s ruling Fidesz party, rather than holding out forlorn hopes that it can be better tamed within the group.90

In considering how to tackle regression in their midst, it is important that Europeans also look ahead. In Austria and Italy, the assumption of power by right-populist parties increases the risk that political and particularly civil rights will be similarly affected. Bulgaria, Romania and Slovakia also show some warning signs.91 These three countries are all major net recipients of EU funds, suggesting possible points of leverage.92 The EU and major nongovernmental donors should expand support for civil society in these states, by putting greater scrutiny on their political trajectory and ensuring that steps can be taken before they reach the threat level posed by Warsaw and Budapest.93

Flexible Liberal Coalitions

Western liberal democracies should aim to act and speak as one in the face of authoritarian challenges, but in many cases this will be impossible because of divergent national interests on specific issues, illiberal shifts in leadership and simple differences of judgement. When consensus is possible, as on the Western response to the attempted assassination of former Russian spy Sergei Skripal and his daughter in the UK in March 2018, collective action can yield remarkable results—in that case, an unprecedented mass expulsion of Russian intelligence officers across North America, Europe and Australia. But in circumstances where consensus is elusive, liberal democracies should act in smaller and more flexible

93 For a more detailed discussion of this issue, see Martin Michelot, “Visegrad countries: how can Europe repair breaches of the rule of law?”, Notre Europe: Jacques Delors Institut, policy paper 221, 4 April 2018, www.europeum.org/data/articles/visegradcountriesbreachesoftheruleoflaw-michelot-march18.pdf.
coalitions. As the tension engulfing the G7 demonstrates, no single bloc can serve as the definitive vehicle for liberal democratic objectives. Multiple, overlapping groupings will be needed, allowing for consensus to form at whatever level is possible.

The case of China’s approach to the West is instructive. China’s inroads into Central and Eastern Europe have split the EU, making it harder to generate the necessary consensus on collective censure or more. Previously cautious leaders are sounding the alarm bells. “We . . . need a joint strategy on how to deal with China’s striving for power,” noted German Foreign Minister Heiko Maas in June 2018, “so that we can work together to counter targeted attempts to sow division in the European Union.”

However, individual nations may veer towards a cautious approach, fearful of provoking economic or diplomatic retaliation from Beijing. There is safety in numbers, but the EU cannot achieve unanimity. One answer is for a smaller group—such as the UK, France and Germany, which together accounted for over two-fifths of all inward Chinese investment during 2010–2015—to consult, coordinate their responses, and issue stronger and clearer signals than would be possible with the 28-nation EU. Such a framework would partly insulate each country from retaliatory pressure by China, because Chinese escalation against three European powers would be more challenging than against one.

More broadly, the Five Eyes intelligence-sharing network could deepen cooperation on assessing the strategic implications of China’s Belt and Road Initiative, including its possible military dimensions. This would be difficult in a NATO context, where the issue lies outside the alliance’s geographical competence, and virtually impossible in the EU context, where divisions over China are severe. But a smaller bloc could move more quickly and

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effectively. Over time, new contact groups might form to broaden these coalitions, taking in other states on an ad hoc basis. The purpose of this cooperation would not be to contain China or to undo its regime. It would be to ensure that liberal democracies remain strong and cohesive enough to defend against authoritarian charges of weakness and disarray, and to ensure that liberal norms remain credible, appealing and vibrant in places where they face new forms of authoritarian competition.

In military terms, no European grouping is likely to be able to substitute for NATO in the next two decades. But smaller coalitions of European states might nevertheless be useful for other purposes, including the resolution of regional crises that threaten embryonic democracies—say, in the Western Balkans—and therefore wider liberal norms. While a number of regional institutions exist, such as the EU’s battle groups and a UK-led Joint Expeditionary Force including several non-NATO countries, a new body might be the most flexible instrument. Macron’s proposal for a European Intervention Initiative, floated in 2017 and backed by Germany in 2017, would sit outside both EU and NATO structures; this would allow the continued involvement not only of the UK, should it leave the EU, but also of non-NATO states like Sweden and Finland.96

COMPETING FOR INTERNATIONAL NORMS

So far, this report has discussed how liberal democracies might respond within their borders and their existing alliances to authoritarian challenges from military aggression to coercion. But the threat to the liberal order is broader and more diffuse than this. It is directed not only at a cluster of established democracies but also at international institutions and regions beyond the West.

How can liberal democracies ensure that liberal values are preserved in international institutions, like the UN, in emerging regimes such as those that govern lethal autonomous weapons, and in contested regions such as the Western Balkans and the Indian

Ocean? This requires not just a negative agenda, focused on resilience and defence, but a positive and outward-looking one, which embraces global competition for influence.

**Competing for Influence**

Liberal democracies’ primary task is to provide an alternative to the growing presence and weight of authoritarian rivals. In recent years, Russia has established its first major military presence in the Middle East in decades, China has opened its first permanent overseas base in its history, and Turkey has declared ambitious plans for bases in Qatar and Somalia. More broadly, China became the second-largest source of outward foreign direct investment in 2016 and by far the largest source in developing countries, outstripping the United States and France.

The first step for liberal democracies should be to renew their commitment to a global presence, including economic and diplomatic investment in contested regions. While democracies retain immense diplomatic strength—holding 23 of the top 25 positions on one measure of diplomatic reach—their edge is eroding, even as they face a greater range of challenges. Chinese spending on the country’s foreign ministry doubled over the first five years of Xi’s tenure, growing at twice the rate of defence spending.

By contrast, Britain’s spending on the Foreign & Commonwealth Office over roughly the same period almost halved. Europe’s three largest powers all spend less on diplomacy as a proportion of GDP than China does. The US State Department also faces

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100 Charles Clover and Sherry Fei Ju, “China’s diplomacy budget doubles under Xi Jinping”, Financial Times, 6 March 2018, www.ft.com/content/2c750f94-2123-11e8-a895-1ba1f72c2c11.
substantial cuts while continuing to experience a serious crisis of staffing: two dozen ambassadorial posts and a clutch of leadership positions remain unfilled since the current administration took office.\textsuperscript{103} Addressing these institutional and budgetary weaknesses is a prerequisite for greater democratic presence and influence.

Second, spending on support of democracy overseas must be increased to meet the scale of the challenge. Democracy programmes, which make up a tiny proportion of the federal budget in the United States, are set for funding cuts of 40 per cent between 2017–2018 and 2018–2019, with a 60 per cent cut, of roughly $100 million, to the National Endowment of Democracy.\textsuperscript{104} US allies should lobby Congress to make it clear that such programmes play an important role in supporting the liberal order. Although the EU has expanded its own principal financing mechanism for democracy support, the European Instrument for Democracy & Human Rights, it remains modest at just over €1.3 billion ($1.5 billion), or less than 5 per cent of the overall EU aid budget.\textsuperscript{105} There is strong public support to do more: despite populists’ antipathy to such policies, two-thirds of European citizens wish to see greater efforts in democracy promotion and believe the EU’s actions to be insufficient.\textsuperscript{106}

\begin{itemize}
\item \textsuperscript{103} John W. Schoen, “The State Department is riddled with key vacancies as Trump seeks nuclear talks with North Korea”, CNBC, 13 March 2018, www.cnbc.com/2018/03/13/the-state-department-is-riddled-with-key-vacancies.html.
\item \textsuperscript{104} Freedom House, “United States: Cuts to Democracy Funds Reduce U.S. Security”, 12 February 2018, freedomhouse.org/article/united-states-cuts-democracy-funds-reduce-us-security.
\end{itemize}
Third, Western powers must speak honestly to their authoritarian partners, making it clear that the scope and depth of engagement will ultimately be limited so long as the political direction of movement is towards repression and closure. They should continue to pressure these partners into building long-term institutions that allow representation, dissent and pluralism, rather than succumbing to the fatalistic view, commonplace after the Arab Spring, that democracy is too dangerous to attempt.

It is also important that the West’s partners respect wider liberal norms, such as adherence to the laws of war, with concrete consequences for the failure to do so. While there is a role for private messaging, clear public signalling is also vital to build credibility and establish norms. Western leaders cannot credibly talk about a liberal order without making good-faith efforts to shape the behaviour of their partners in liberal directions. These efforts are more likely to succeed if they involve the sort of coordination between democracies outlined in the previous section.

Fourth, the geo-economics of investment and infrastructure will play a crucial role in the balance of influence between liberal and authoritarian states. One of the key means by which China is expanding its political influence in areas with weak political institutions, such as parts of Africa and the Indian Ocean, is the use of strategic investment, often in ways that laden countries with high levels of debt. Over one-third of countries that participate in China’s Belt and Road Initiative—many of them weak democracies such as Pakistan and Montenegro—are estimated to be at risk of debt distress, in turn laying the ground for China to shape these countries’ politics in illiberal directions.107

In some places, the resulting leverage has paved the way for a potential expansion in Beijing’s military footprint. In Sri Lanka, for instance, China was able to leverage its creditor status into control of a strategic port, strengthening its potential military position in the region—and, perhaps, its ability to mount the various challenges outlined above.108

lending overseas also has knock-on effects on the influence of Western institutions. For every 1 per cent increase in Chinese aid, the World Bank diluted its demands for liberal norms, such as economic transparency, by 15 per cent.109

In response, liberal democracies should take three types of steps. First, they should continue to consult one another and coordinate positions on this and similar investment programmes by authoritarian regimes. In particular, the EU and the Quad—Australia, India, Japan and the United States—should engage on this subject, as should the G7 as a whole. Second, liberal democracies should demand greater transparency, sustainability and multilateralism of the Belt and Road Initiative. Third, they should do more to expand the options available to smaller states. This is hard, because democracies lack large pools of capital under the control of the state. But the United States and some of its Asian partners are already exploring alternative financing mechanisms that would effectively compete with the Belt and Road.110 Smaller groups of democracies, such as India and Japan, are exploring their own connectivity initiatives.111

Influencing Institutions

The pressure of authoritarian influence is felt not only in regions like the Western Balkans, sub-Saharan Africa and the Indian Ocean but also in the governing institutions and regimes of world politics. Authoritarian states are constraining the role of democracy and human rights in the work of international bodies like the UN, both to avert scrutiny of their domestic affairs and to shield their

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autocratic allies. These efforts are directed at narrow political rights and at a wide range of liberal values. The UK, for instance, has warned of “pushback from other countries at the United Nations against the International Criminal Court, and against concepts such as the responsibility to protect, human rights norms, the rights of women and lesbian, gay, bisexual and transgender people.”

Liberal democracies should push back against authoritarian efforts to elevate principles such as non-interference, absolute sovereignty and so-called traditional values above human rights. Although UN bodies are far from perfect—the repeated election of serious human-rights abusers onto the UN Human Rights Council remains a problem—it is far better that liberal democracies remain active in these groups rather than ceding the ground to authoritarian states that would weaken and dismantle the system entirely.

No less important are the broader regimes that shape the rules and norms on emerging technologies. In cybersecurity, for instance, great powers play a disproportionate role in setting norms for legitimate targets for cyberattacks, which are growing in frequency and severity. Meanwhile, a broader debate is unfolding about whether the Internet should be dominated by security-conscious states (the cyber-sovereignty model) or by a wider set of actors including civil society and the private sector (the multistakeholder model). While Russia, China and like-minded states have supported new laws that would reflect their desire to bring the


Internet under greater state control, liberal democracies should fight to keep it as open as possible.\textsuperscript{116}

**Engaging Democracies Beyond the West**

In 1990, just one of the world’s ten largest democratic economies was outside the West. By 2016, that figure had risen to four. India, Brazil and South Korea have ascended most rapidly, followed closely by Indonesia and Mexico.\textsuperscript{117} Although China, Russia and other autocracies have been exceptionally assertive on the world stage, the structural advantage of Western democracies and their partners is stronger than sometimes assumed. Of the 20 largest military powers, the number of nondemocracies, six, is unchanged from 1990; the number of states not allied to the United States has scarcely budged, from five to six.\textsuperscript{118} How can liberal democracies exploit this aggregate strength?

New or rising democracies undoubtedly differ from their Western counterparts in important ways. They tend to score slightly lower on measures of democracy and have higher levels of popular scepticism towards democracy.\textsuperscript{119} They also have distinct strategic interests. For instance, Russia is increasingly estranged from Western democracies but enjoys substantial net favourable ratings in India, and balanced ratings in South Korea, Indonesia and Brazil.\textsuperscript{120} And despite the shift from a unipolar world to a multipolar one, these emerging democratic poles beyond the West still wield modest power. Japan is a military minnow, with constitutional and political barriers in the way of a wider security role. Brazil and spends less on defence than Italy or Australia does. And many of Asia’s democratic powers, notably India, have a large proportion of their military capacity bound up in local conflicts. All of these constraints should temper expectations of the potential influence of rising democracies.

\textsuperscript{117} Calculations on the basis of World Bank data, data.worldbank.org/indicator/NY.GDP.MKTP.KD.
\textsuperscript{119} Polity scores and Pew data, March 2018.
\textsuperscript{120} Pew data August 2017.
Even so, novel and important coalitions are taking shape between old and new democracies. The first task is to nurture these, expand their scope, and build connections to existing alliances and partnerships where possible.

America’s historic alliances in Asia were built on a hub-and-spokes basis, with thick bilateral ties to Washington but few between allies themselves. The new Asian diplomacy is different. It involves plurilateral institutions—each bringing together two, three or four partners—that overlap with one another, including both the great powers and smaller regional or middle powers. India, for instance, has trilateral arrangements with the United States and Japan, with the United States and Afghanistan, and with Japan and Australia, as well as a new quadrilateral group known as the Quad with the United States, Australia and Japan together.121

In large part, these groups have taken shape in response to China’s rise. But they also lay the base for a positive, forward-looking and democratic vision for the future of the region. The Quad is neither an alliance nor a formal club. It is not an Asian NATO. But it is still important. It unites a disparate set of democracies—Western, Asian and emerging—and enables coordinated action on issues such as infrastructure finance and maritime security.122 It points to one way in which Western and non-Western democracies can join hands to advance a liberal, rather than authoritarian, vision of the regional order. These countries certainly do not agree on everything. Indeed, they disagree on many issues, such as the role of Russia, the law of the seas and the merits of humanitarian intervention—but the nature of the wider authoritarian challenge has made it much easier to see what they do have in common.

The challenge for Europeans is to widen this circle, ensuring that the United States is not the only representative of the Western alliance developing these links. France and the UK are increasingly

active in the Indo-Pacific region.\textsuperscript{123} Japan’s foreign minister has proposed that both countries might join the Quad.\textsuperscript{124} Even if this is unlikely, Europeans should engage more deeply both with embryonic groups like the Quad, perhaps through an occasional EU-Quad dialogue, and with established organisations like the Association of Southeast Asian Nations (ASEAN).\textsuperscript{125}

Second, it would be a mistake to view these new democratic coalitions purely in the context of military competition between great powers. The role of democratic middle powers, often with limited military capacity but substantial diplomatic influence, will be crucial. For example, Brazil has been active in dispute resolution, intervening in the Iranian nuclear negotiations in 2010, and in multilateral negotiations over areas such as Internet governance and climate change. Brazil is not big enough to shape global regimes on its own, but it is a democratic partner whose support would swing debates over the future of those regimes in a more liberal direction. Indonesia, similarly, is likely to become the world’s fifth-largest democracy by 2030 and is playing a growing diplomatic role, both in regional crises, such as Myanmar, and in regional blocs like ASEAN. Debates over counter-radicalisation or the future of the Indian Ocean are more likely to be shaped in liberal directions if countries like Indonesia are included and championed by Western partners.

Finally, Western democracies should consider how their engagement with non-Western partners might be deepened through expanded support for reforms to global governance. Until now, non-Western democracies have often found common cause


\textsuperscript{125} See also Ian Bond, “European Policy in Asia: Getting Past Mercatorism and Mercantilism”, Centre for European Reform, 7 September 2017, www.cer.eu/insights/european-policy-asia-getting-past-mercatorism-and-mercantilism; Cameron, “It’s Asia, Stupid”.

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with authoritarian states on the question of global governance. Brazil, India and South Africa, for instance, have joined with China and Russia in the BRICS grouping. India has become the only full democracy to join the SCO.

Current efforts to reform the structures of global governance are stuck. While Brazil, Germany, India and Japan all seek permanent seats on the UN Security Council, this so-called G4 has largely failed to coordinate with, and thereby secure support from, Africa, which makes up over two-fifths of votes in the UN General Assembly. The intransigence of the five permanent members, particularly China, Russia and the United States, is another obstacle. As international-relations experts Richard Gowan and Nora Gordon have argued, the most successful route to reform is likely to lie in a French proposal to limit use of the veto in some circumstances. This would ease Western concerns that an already ineffectual Security Council would be further paralysed through expansion.

CONCLUSION

Modern states face a daunting array of foreign and security policy challenges, including trade wars, terrorism, nuclear proliferation, interstate military competition and ecological stress on fragile states. Important as all of these are, Western liberal democracies also face an overarching issue that will colour all of these individual issues in the long term.

This report has set out six types of authoritarian challenges, from direct threats to liberal democracies (military, coercion, influence and disruption) to efforts to discredit and supplant the norms of liberal democracy (the spread of authoritarian norms) to threats to the glue between democracies (cohesion).

These challenges will interact and play out in many ways. As authoritarian powers become stronger and more assertive, and as Western states seem weaker and distracted, international politics will become less hospitable for liberal democracies. They will face pressure to cede spheres of influence and compromise liberal values, or accept the rising costs and risks of military competition. They will be subjected to intensified efforts to divide Western powers from one another, fracturing the historic alliances that span the Atlantic and stretch across Europe. Western organisations and companies will find themselves subject to standards, rules and expectations increasingly influenced by the economic heft of authoritarian states, in ways that will slowly but surely impinge on the quality of liberal democracy at home. Strongmen and autocrats will find stronger networks of mutual support, both economically and politically. As these pressures unfold, the multipolar order that emerges will look less and less liberal.

Liberal states should respond in three ways. First, they need to build ideological, political and economic resilience at home, cooperating more closely as they do so. Second, they must look beyond the engulfing transatlantic crisis by considering how best to reshape and orient their historic alliances to address the challenges they face, building on increasingly shared concerns over the impact of China’s rise. Third, they need to compete globally with authoritarian norms, in areas from infrastructure financing to global
governance, building new ties to non-Western democracies as they do so.

Although the bonds between established democracies are under serious strain, with the United States pitted against Canada, the UK against the EU and Europe against itself, these partners face a common generational challenge from authoritarian states, and only a joint response will suffice. This is not a call to reject compromise, accommodation or diplomacy. In a multipolar world, cooperation with ideological rivals will often be necessary. But liberal states will have an advantage if that cooperation is negotiated from a position of collective strength.
Authoritarian states present serious challenges to liberal democracies and to the liberal world order. Democracies must engage constructively with great-power rivals, but they must also respond urgently and collectively to defend against, deter and counter these challenges to their values.