THE DRAGON AND THE KNIGHT: CHINA’S GROWING PRESENCE IN LITHUANIA

EASTERN EUROPE STUDIES CENTRE
INSTITUTE OF INTERNATIONAL RELATIONS AND POLITICAL SCIENCE, VILNIUS UNIVERSITY

Vilnius, Lithuania
February 16, 2020
Konstantinas Andrijauskas – Associate Professor of Asian Studies and International Politics at Vilnius University (Lithuania); formerly a senior visiting scholar at China’s Fudan (Shanghai, 2011) and Zhejiang (Hangzhou, 2013) universities as well as Columbia University (New York City, U.S., 2017, Fulbright Scholar Program); author of two Lithuanian-language books on contemporary relations between China, Russia and India (2016) and comparative history of pre-modern non-European civilizations (2018, co-authorship).
Introduction

The People’s Republic of China (PRC) celebrated its 70th anniversary on October 1, 2019. Throughout the latest forty years of its post-Maoist era the Asian giant experienced a historically unprecedented transformation from a poor, largely agricultural and autarchic country into the world’s second most powerful national economy. By 2020, China has become the world’s largest producer, trader, foreign exchange reserves holder, and natural resources consumer while the size of its economy has already exceeded that of the U.S. if measured in terms of purchasing power parity. Equally remarkable is the fact that China has achieved this as a one-party state led by the 90 million-strong Chinese Communist Party (CCP), the world’s largest deeply-institutionalized political organization by far.

Since 2012 at the helm of the CCP has been its General Secretary (and the President of the PRC) Xi Jinping, widely assumed to be China’s most powerful leader since Deng Xiaoping or even Mao Zedong due to his successful centralization and personalization of national politics, including getting rid of term limits for his own position. It was him that proclaimed the One Belt, One Road Eurasian infrastructure development mega-project (later re-labelled the Belt and Road Initiative, BRI) in 2013, and it is him that would rule China during the momentous 100th anniversary of the CCP’s creation in 2021 and the country’s emergence as the world’s largest economy by any single criterion a short while after.

It has been largely agreed upon that the major shift in China’s international conduct has accelerated since Xi’s ascent to the top of the party-state. Apparently encouraged by the immediate negative impact of the global financial crisis on the West in general and the U.S. in particular, as well as its own remarkable developmental achievements, Beijing has become more confident in reacting to “domestic” security concerns and more assertive in its numerous international territorial disputes. Under Xi, the Chinese party-state seems to be shedding the authoritative dictum by the late Deng to “hide brightness and nurture obscurity,” that is to bide time till the right circumstances emerge, as was showcased by his surprising bid to lead economic globalization voiced at Davos in January 2017.
Although China has already emerged as the world’s second largest military spender, its leadership correctly ties the cherished goal of becoming a comprehensive global power (i.e. superpower) not only with universal power projection capabilities, but also high-tech supremacy for decades if not centuries to come. The sheer need to ensure Chinese greatness and prosperity is intimately tied with the CCP’s domestic legitimacy and compels Beijing to be more active internationally in securing resources, technologies and markets, as well as countering the trends deemed hostile there. These imperatives explain China’s policies in small and distant Lithuania, the subject of this paper.

As will be shown below, the year 2019 also was unprecedentedly eventful for Sino-Lithuanian relations, causing numerous political debates and public interest in the southernmost of the Baltic states. In reaction to these important developments, the current paper attempts to objectively evaluate the state of China’s presence in Lithuania as of the end of 2019. Based on open, publicly available primary and secondary sources in Lithuanian, English and Chinese languages, it first outlines the main interests that the PRC is pursuing in the country. Then follows a brief discussion of the actual state of Sino-Lithuanian relations in 2019, particularly emphasizing the political and economic aspects of those. Using the combined research framework inspired by two widely-recognized sources, the paper’s third and longest part provides a qualitative analysis of China’s hybrid influencing activities in Lithuania. The conclusions are presented along with a list of recommendations to follow for Lithuanian stakeholders.

Deliberately no interviews have been conducted to collect the data. The views expressed in the paper thus reflect the opinion of its author, not of any institution that he is affiliated or in partnership with, and were based on publicly available official documents, statistical data, academic and think tank publications, news reports and pieces of investigative journalism. Whenever possible, English language sources were provided. Any errors or omissions are, of course, the responsibility of the author.
1. China’s Interests in Lithuania

Although China is well-known for the secrecy of its foreign-policy making, including the lack of public access to its most important official documents, numerous academic sources and practical instances of Chinese foreign policy-making in qualitatively similar countries worldwide, would suggest several interrelated reasons behind Beijing’s interest in Lithuania.

**Search for diplomatic partners and valuable political knowledge.** As the world’s only clear-cut emerging superpower today, China has naturally been increasing its attention to distant regions and countries on a global scale. Clearly aware of the diplomatic value and potential of all states, including small ones, the Chinese have arguably taken notice of Lithuania’s own unprecedented activism on both the European and global stages due to its Presidency of the EU Council and non-permanent membership of the UN Security Council during the remarkably sensitive period of 2013–2015. Principled and active Lithuanian policies during the Ukrainian crisis, a head-on clash between Beijing’s two important strategic partners, have particularly contributed to such an interest in the small and distant country. Moreover, the so-called Xinjiang Papers leaked in November 2019 suggest that the Chinese leadership might be concerned with knowing more about the place that played a crucial role in the USSR’s collapse in order to prevent a similar scenario from happening in the People’s Republic itself.

**Search for access to regional markets and breaches in multilateral arrangements.** As a traditionally mistrustful of multilateral initiatives and security alliances, particularly Western ones, great power, China has been blamed of targeting the soft underbelly of both the EU and NATO and pursuing long-term “divide and rule” tactics on the European and even Euro-Atlantic dimensions. In any case, Lithuania’s geographical position in the middle of the continent, directly bordering with China’s two important non-Western strategic partners (Belarus and Russia through its Kaliningrad exclave), and membership in both of the most-powerful Western multilateral structures, as well as the increasingly relevant Nordic-Baltic and Baltic Sea transnational initiatives, would at least suggest Chinese economic and political interest in accessing the developed markets and normative communities in the region through yet another of its actors. The alleged coupling of long-term complex security and developmental
imperatives explains Beijing’s attention to Lithuania’s critical, particularly transportation, infrastructure as part of its famed BRI mega-project that aims to physically connect both ends of Eurasia.

**Search for resources, products and technologies.** As the ongoing comprehensive rise of China is primarily driven by economic factors, Lithuania’s human and natural resources, manufactured products and technological know-how are perceived by the Asian giant through their possible role in its own growth story, ranging from increasing the huge country’s notorious food security to serving its openly-expressed ambitions of becoming a high-tech superpower. Notably, while the exports of Lithuanian non-sensitive products have yet to achieve their potential, the bilateral economic agenda has gradually moved to essentially dual-use topics related to critical infrastructure and especially technology.

**Influence on normative agenda and soft power projection.** Last but not least, Beijing is interested in affecting Lithuania’s public discourse and international diplomatic activism related to sensitive topics that it deems to be purely domestic and thus off-limits to foreign countries. Although the problem of Tibet has long ago become an uncomfortable, but essentially habitual part of the bilateral agenda, Lithuanian diplomats, politicians and public activists have recently made statements on China’s other so-called “core interests” and human rights abuses in reaction to its escalatory policies in most of those cases. From Beijing’s perspective, projection of its so-called soft power of non-coercive appeal and co-optation thus serves as one of the vehicles to deal with this problem and more broadly aims to increase China’s general popularity in a country that is known for its principled anti-communist stance.

### 2. The State of Sino-Lithuanian Relations in the Year of the Pig

As the PRC was celebrating its 70th anniversary on October 1, 2019, the Sino-Lithuanian relationship experienced a downturn hardly seen ever since it was officially established back in 1991. This stage started inauspiciously, as on February 5, the first day of the Year of the Pig for the Chinese, Lithuanian intelligence bodies for the first time identified China’s espionage activities as a threat to the country’s national security, adding it to the two usual suspects of Russia and Belarus. The National Threat Assessment 2019 published by
the State Security Department and the Second Investigation Department under the Ministry of National Defence underscored the “increasing aggressiveness of Chinese intelligence and security services’ activities” in Lithuania and explicitly named the PRC’s Ministry of State Security and military intelligence as the two services operating in the country.

The document noted that such activities are driven by China’s domestic policy issues, particularly silencing Lithuania on Tibet and Taiwan, but also aiming at broader interests, including “Lithuanian foreign policy and economy, the defence sector, information accessible to Lithuanian citizens about foreign countries’ international cooperation projects and future plans with China.” While the assessment mentioned diplomatic cover, Confucius institutes, Chinese companies, news agencies and students studying abroad as the means to pursue intelligence activities, these were merely presented as Beijing’s traditional tools applied globally without their explicit attribution to the Lithuanian case. On the other hand, the document plainly stated that “Chinese intelligence-funded trips to China are used to recruit Lithuanian citizens,” although no such instances are known to the public thus far.

The Assessment came as quite a surprise considering that Lithuania is a latecomer in certain important relationship areas with Beijing even compared to its fellow Baltic sisters, Latvia, which hosted the 16+1 Riga Summit of Cooperation between China and Central and Eastern European Countries (CEEC) in 2016 and attracted investments into the country’s real estate sector due to its “golden visa” programme, and Estonia with its successfully completed (2017 investment into the Taxify/Bolt ridesharing unicorn startup and 2018 acquisition of the Magnetic MRO aviation maintenance company) or rather controversially proposed (Helsinki–Tallinn undersea rail tunnel) major Chinese investment stories.

However, beyond the purely domestic level of analysis, the Lithuanian security and political actors have become naturally concerned about China’s increasing cooperation with both of their usually designated threats, Belarus and especially Russia, as was particularly showcased during the mid-2017 joint Sino-Russian naval drills in the Baltic Sea, the first such instance ever. The following analysis of the principal issue areas in Sino-Lithuanian relations will showcase that several milestones had been reached just before 2019 thus making the later bilateral developments even more curious.
2.1. Political Relations

Official diplomatic relations between Lithuania and China were established in 1991, but it took more than a decade for the highest-level Chinese politician to come to the country until the outgoing CCP General Secretary/President of the PRC Jiang Zemin travelled through all of the Baltic states in mid-2002 (the only presidential visits thus far for all of them). Notably, during Jiang’s stay Lithuania signed an extradition treaty with China, the only such in the Baltics thus far. No Chinese premier has come to the region in his serving capacity so far, except for the current one, Li Keqiang, who attended the abovementioned 2016 Riga 16+1 Summit in Latvia. Curiously, the 2000 visit by Li Peng, the former PRC premier implicated in the 1989 Tiananmen crackdown and at that time serving as the chairman of the country’s rubber-stamp parliament, was cut short to several hours at the Vilnius airport in displeasure at an international meeting on the crimes of communism held at the Seimas (Lithuanian parliament).

Although occasional trips to China by Lithuania’s highest-level politicians or meetings with its leaders in third countries have taken place since 1993, it was indeed the establishment of the then 16+1 framework in 2012 that added a semblance of consistency and regularity to these, particularly on prime-ministerial level. In November 2018, the outgoing president Dalia Grybauskaitė went to Shanghai where she met Xi and launched the Trade and Investment Forum. Grybauskaitė’s first visit to China since attending the 2010 World Expo was most probably made possible by her earlier decision not to meet the visiting Dalai Lama in June 2018, especially considering that they had a “private” meeting back in 2013.

As has already been noted, the problem of Tibet has gradually become an uncomfortable, but essentially habitual part of the bilateral agenda since the Dalai Lama congratulated Lithuanians for regaining their independence and the country’s vocal Tibetan Support Group was subsequently established. In mid-2019, however, Lithuania raised the stakes by co-signing a letter authored by representatives of 21 other countries to the President of the UN Human Rights Council and the UN High Commissioner for Human Rights calling on Beijing to respect human rights and fundamental freedoms in Xinjiang by refraining from the arbitrary detention and restrictions on freedom of movement of Uyghurs and other Muslim and minority communities there. Tellingly, the three Baltic states...
were the only representatives of the 17+1\(^{13}\) platform among the signatories. In October, Lithuania joined its two Baltic neighbours and 20 other countries\(^{14}\) in blasting China over Xinjiang abuses at the UN itself.\(^{15}\) Both initiatives showed that the country remained committed to human rights as its fundamental political principle.

### 2.2. Economic Relations

Similarly to many other countries worldwide, the “positive” political developments were inspired by the allure of China’s market and financial resources. Although Sino-Lithuanian economic relations remain far below their full potential, the total volume of bilateral trade had finally passed the symbolically important mark of €1 billion in 2017. Despite the fact that Lithuanian exports to China have recently grown faster than imports from it, a huge trade imbalance (€189 vs. €855 million respectively in 2018) remains a major issue in their economic relationship. An officially designated priority destination for the country’s exports, China took a lowly 25th position among Lithuania’s export partners (19th in overall trade ensured by being 12th in imports).\(^{16}\) As opposed to the success of the timber manufacturing sector, decades-old attempts to secure the Chinese market for Lithuanian competitive meat, dairy, grain and other food products have yet to produce substantial results. It is worth mentioning that the latter sector fell victim to a lengthy Chinese freeze on negotiations in reaction to the abovementioned 2013 Dalai Lama meeting, the most clear-cut case of Beijing’s economic statecraft towards the country thus far.

Lithuania has for quite some time attracted China’s attention for several of its non-high-tech services, particularly logistics\(^{17}\) and tourism. In the latter case, almost 20,000 Chinese visited the country in 2018, registering a 20% growth from the previous year.\(^{18}\) Sadly, some of the Chinese tourists that came to Lithuania in late 2019 produced an obnoxious incident during which several crosses supporting the Hong Kong protests were defaced or thrown out at the Hill of Crosses, a globally unique religious site in the northern part of the country.\(^{19}\) Notably, such conduct seems to be turning into a trend in the region as has recently been showcased by the Lennon Wall controversy in Prague.\(^{20}\)

In terms of logistics, the seaport of Klaipėda and Lithuanian Railways have already jointly formed an important supply route for the
developing China-Belarus Industrial Park near the latter country’s capital Minsk, and these two actors are naturally expecting to operate more Chinese cargo traffic as part of the BRI. Despite the alleged “intervening land stranglehold” advantage that China’s mega-project provides to Russia, in 2017 Lithuania became one of the last members (along with Estonia and Slovenia) of the then 16+1 grouping to sign a memorandum of understanding on jointly building the BRI during the platform’s annual prime ministerial summit meeting that year held in Budapest, Hungary. On the other hand, the willingness to develop Klaipėda’s seaport and the ongoing Rail Baltica project expressed on several occasions by China’s commercial actors has raised logical concerns in Lithuania due to their major strategic role and importance to national and even regional security. Partly to address such qualms, the Seimas adopted an updated version of the original 2002 Law on the Protection of Objects of Importance to Ensuring National Security in early 2018, thus further strengthening one of the most powerful foreign investment screening mechanisms in Europe.

However, even such measures failed to preclude Chinese acquisitions in areas sensitive for Lithuania. China’s most important investment into the country’s energy-related sector has become rather controversial as the investigative unit of the Lithuanian National Radio and Television (LRT), the public broadcaster, revealed that the local company “Energetikos tinklų institutas” (Power Network Institute, ETI) was acquired in 2013 by the same Chinese enterprise that has been actively participating in projects which essentially make the Belarusian (Astravyets) Nuclear Power Plant, an incident-prone structure built by Russia barely 50 km from the Lithuanian capital of Vilnius, more viable thus contradicting one of Lithuania’s principal foreign policy goals. The ETI itself is an important actor in Lithuanian electricity transmission projects, a crucial area of ensuring the country’s cherished energy security.

Beyond critical infrastructure, high-tech has become another potentially dual-use topic increasingly defining the Sino-Lithuanian economic agenda. Throughout the five years up to 2019, Lithuanian exports of high-tech products to China grew 7.4 times to more than €22 million, securing it a fourth position below only the U.S., Germany and the Netherlands in 2018. 74% of that volume was comprised of lasers, as China had already emerged as the largest market for the Lithuanian laser producers since 2016, and accounted for 29% of their exports in 2018. Tellingly, in the beginning of 2019, the Ministry
of the Economy and Innovation named China the tenth priority country in terms of technology and innovation cooperation above both fellow Baltic states and Poland, as well as several friendly tech-powerhouses worldwide, such as South Korea, Israel and Japan.\(^{27}\)

Despite the fact that China’s foreign direct investment in Lithuania failed to reach even €10 million in 2018 (37th position)\(^{28}\) and probably remains below €100 million overall\(^{29}\), its companies have expressed an interest in the country’s rapidly developing high- and deep-tech industries, namely biotech, greentech and especially fintech. Notably, Vilnius, a major tech start-up hub worldwide\(^{30}\), hosted the 17+1 High Level Fintech Forum and established the platform’s “network of fintech coordinators” in November 2019. Lithuania’s new reputation has also been recognized by major Chinese commercial actors, as was showcased during a surprise and low-profile mid-2019 visit by Jack Ma, one of the world’s wealthiest people and a role model for start-up businesses.\(^{31}\) According to the chairman of the Bank of Lithuania, the country’s national regulator, nine Chinese capital fintech companies had been licensed by it as of November 2019,\(^{32}\) including through the usage of Lithuania’s recent “start-up visa” initiative.\(^{33}\)

Although Lithuania has correctly encouraged a truly promising high-tech sector, the embrace of China, including repeated pledges to provide it a fintech gateway to the rest of Europe, calls for a mid- to long-term strategic evaluation of such initiatives’ implications for the small country’s competitiveness, prosperity and security, especially considering numerous precedents of China’s economic statecraft and forced or illegal technology transfer worldwide, intimate ties between many of its tech companies and the party-state, and the current or potential use of similar (or indeed the same) technologies to create the (in)famous “social credit system(s)” in the People’s Republic itself. The same argument goes for China’s flagship tech company and its “national champion,” Huawei (see below).

The actual relationship in high-tech and related economic sectors between Lithuania and China has been working both ways. In mid-January 2020, the country’s reigning association football champion, Sūduva of Marijampolė, signed a sponsorship agreement with Hikvision, the Chinese surveillance equipment manufacturer sanctioned by the U.S. government for its role in the ongoing Xinjiang security crackdown. The deal designated that the company’s name would appear on Sūduva’s jerseys and its home stadium would be
re-named accordingly. Hikvision (along with its smaller Chinese competitor, Dahua Technology) has attracted further media attention due to the surprising popularity of its equipment among various Lithuanian governmental institutions, including those working with very sensitive data.

3. China’s Hybrid Influencing

The European Centre of Excellence for Countering Hybrid Threats (Hybrid CoE) in Helsinki defines them as coordinated and synchronized actions, that deliberately target democratic states and institutions’ systemic vulnerabilities, through a wide range of means, exploiting the thresholds of detection and attribution, as well as different interfaces (war-peace, internal-external, local-state, national-international, friend-enemy), with the aim to influence different forms of decision making at the local (regional), state, or institutional level to favour and/or achieve the agent’s strategic goals while undermining and/or hurting the target. The Centre divides hybrid influencing roughly in two phases: priming and operational. During the first, the adversary is constantly monitoring the situation, exercising reasonably subtle means of influencing while gradually enhancing its assets. If decided, it may initiate a more serious hybrid operation whereby the effect of such measures becomes stronger, means more violent and plausible deniability less effective.

Although hybrid activities are usually associated with Russia, its increasingly close strategic partner, China, is becoming a crucial player in deploying such capabilities, particularly in maritime actions in the disputed South China Sea, and most importantly for Lithuania, its cybersecurity doctrine and diplomatic conduct worldwide. Both the Chinese millennia-old strategic theory and actual practice on the battlefield, including asymmetric warfare that successfully brought the CCP to power, favour hybridity as one of the fundamental principles de facto characterizing Beijing’s international behaviour.

Indeed, the friendly part of Lithuania’s extended neighbourhood has been increasingly providing telling examples of related activities. Although similarly non-assertive in the other two Baltic states, China has recently conducted a genuine propaganda campaign in Sweden, Lithuania’s largest foreign investor, faced spying accusations in Poland, the country’s only terrestrial connection to the EU/NATO continental core, affected the political elites’ foreign policy
rhetoric in three other Visegrád Group/Four (V4) members – Slovakia, but most tellingly Hungary and the Czech Republic, – and even acquired several fringe media outlets in the latter country.40

The Chinese embassy in Vilnius has been supplying its opinion pieces on China-related topics, including controversial ones, to Lithuanian media outlets at least since 2016,41 while during the 2019 Hong Kong protests such means suggested a coordinated action in the whole 17+ region.42 Several telling examples that praised the latter framework in the English-language version of Lithuania’s most popular news portal43 were curiously authored by a “corporate client,” thus suggesting either unwillingness to highlight the embassy too much or outsourcing of these tasks to local public relations companies. In December 2019, the embassy organized a screening of a movie depicting its take on the Tibetan issue. Notably, this event was attended by several Lithuanian government figures and officials.44 Lithuania quite surprisingly seems to be fertile ground for such activities, considering that more people there already regard China more positively than among its Western allies. According to the latest respectable Pew Research Survey conducted in spring 2019 (i.e. admittedly before the below-analysed incidents), 45% of polled Lithuanians had a favourable opinion on China, and 33% had a negative one, thus being even more positive than in the V4 countries, except for neighbouring Poland.45

3.1. United Front Work and China’s Political Influence Activities

One of the most curious and widely-discussed templates of hybrid-like Chinese policies has been developed by a prominent China-watcher from far-away, but surprisingly similar New Zealand, professor Anne-Marie Brady. In a ground-breaking 2017 paper46 she proposed a template of the policies and modes of Chinese expanded foreign influence activities in the Xi era. Her key to unravelling this complexity is the “united front” concept that originally signified a Leninist tactic of strategic alliances, and later incorporated such activities as working with groups and prominent individuals in target societies (both domestic and foreign), information management and propaganda, as well as facilitation of espionage.

According to Brady, there has been a clear re-emphasis on the so-called “united front work” since Xi came to power. Dubbed as one
of the CCP’s “magic weapons” along with Party building and military activities by him, it encompasses four key interrelated categories of political influence activities: (1) a strengthening of efforts to manage and guide overseas Chinese (diasporic) communities and utilize them as agents of Beijing’s foreign policy; (2) a re-emphasis on people-to-people, party-to-party and enterprise-to-enterprise relations aiming for co-opting foreign elites to support and promote China’s foreign policy goals; (3) the issue of a global, multi-platform, strategic communication strategy; and (4) the formation of a China-centred economic and strategic bloc, particularly associated with the BRI.47

Although Brady’s actual analysis of New Zealand emphasizes the roughly 200,000-strong ethnic Chinese community there as the main facilitating force behind other political influence activities, Lithuania greatly differs in this regard. In the beginning of 2019, only 470 Chinese citizens lived in the country.48 It is no wonder then that the “united front work” had not been an important feature of Sino-Lithuanian relations. The situation seems to have changed, however. Little notice was taken that in the end of May 2019 Lithuania was visited by You Quan, the Head of the United Front Work Department (UFWD) of the Central Committee of the CCP, i.e. the Party’s main agency tasked with such efforts.49 During a brief visit, You met with prominent representatives of the Seimas50 and the Government.51 The most serious ever incident in Sino-Lithuanian relations that occurred only twelve weeks later has arguably shed some extra light on the qualitatively new “united front work” in the country.

3.2. The Case Study of the August 23 Incident

On August 23, 2019 Lithuania along with the other two Baltic states commemorated the 30th anniversary of the Baltic Way, one of the world’s largest ever peaceful political demonstrations and a key event in these countries’ liberation story.52 The eventful day took a rather unexpected turn when several hundreds of Lithuanians that joined hands in solidarity with the protesters in Hong Kong were confronted by a small, but vocal group of pro-Beijing counter-demonstrators in downtown Vilnius. At around the same time in Hong Kong, an estimated 210,000 people formed their own “Hong Kong Way” spanning some 60 km as part of the ongoing Anti-Extradition Law protests in the city.53
Crucially, the incident in Vilnius proved to be a qualitatively novel development, as it marked the first time that pro-Beijing demonstrators expressed themselves openly in Lithuania. On the other side of the divide, a member of the Seimas Mantas Adomėnas indicated that he had witnessed none other than the Chinese ambassador Shen Zhifei “personally observing from the side-lines” and directing the counter-protesting group. As a result of the commotion, two Chinese citizens were briefly detained by Lithuanian police and fined €15 each for disturbing the public order during the event.

The Lithuanian Ministry of Foreign Affairs which had a whole weekend to gather evidence and prepare a response, decided to summon Ambassador Shen on Monday, August 26. While commenting on the diplomatic note handed in protest to China, Minister of Foreign Affairs Linas Linkevičius was rather straightforward: “Based on the information we have, the behaviour of some diplomats crossed the line [...]. We, therefore, expressed our regret and demanded that similar actions should not be repeated in the future.” The Chinese embassy predictably denied any involvement in a comment sent to one of Lithuania’s main news agencies. It stressed the spontaneous character of the counter-protest and expressed strong hopes that “such events tarnishing the Chinese government will not happen again in the future.”

This was not the end of the larger story, however. Exactly one month later after the incident, Vilnius woke up to face several billboards inviting the public to attend a firework celebration in commemoration of the 70th anniversary of the People’s Republic on October 1, its National Day. The Chinese embassy’s initiative proved to be a major misstep as it failed to follow the necessary administrative procedures, thus causing rapid removal of the ads after reproach by the city’s mayor, and, most importantly, aroused public outrage that ultimately even led to rather successful calls by some Lithuanian politicians to boycott the official commemoration event itself. Two weeks later, a seminal article by the LRT investigative unit confirmed the August 23 allegations, providing footage depicting members of the Chinese diplomatic staff, including Ambassador Shen, the defence attaché, his deputy, and the second secretary of the embassy, preparing for and/or actually participating in the commotion. Although the embassy’s role was unprecedented, the composition of the rest of the counter-protesting group provided even more interesting clues into China’s influencing activities. There were representatives of several Chinese organizations that merit close attention.
The Overseas Chinese Association of Lithuania. The authors of the LRT article highlighted the Overseas Chinese Association of Lithuania as the embassy’s principal organizational tool behind the counter-protest. The journalists took note of the curious fact that although the Chinese diasporic community has been present in the country for several decades, its representative association was created only in 2016. Notably, its head, Wang Jinwei, was also present during the August 23 incident. The article on the 2016 inaugural meeting of the Association at the embassy’s website mentioned congratulatory messages sent from 60 similar organizations worldwide and several institutions from China itself, including the Overseas Chinese Affairs Office of the State Council (i.e. the PRC’s executive), an institution that allegedly has been merged into the UFWD, the agency of the Party.

In the abovementioned case of New Zealand, professor Brady cited its Peaceful Reunification of China Association as her country’s “organization most clearly connected with the PRC authorities” serving directly under the UFWD. Although the Lithuanian counterpart does not explicitly mention the goal of Taiwan’s reunification with mainland China in its name, the Association’s official website hinted at contacts with the New Zealand-like “Peaceful Reunification” organizations from Poland and Serbia in the end of 2018, and published a “joint declaration” on this same topic exactly five weeks later.

The Chinese Chamber of Commerce. In an interview taken by the LRT journalists, one of the counter-protesters, Chen Hongzhi, admitted that on August 23 many members of the Chinese community were in another event and came to disrupt the Hong Kong support rally from there. On that same day, Xinhua, China’s official state-run news agency, reported on the establishment of the Chinese Chamber of Commerce in Lithuania. Wang Haonan, its new head and one of the oldest, most respected and visible representatives of the country’s Chinese diaspora, also participated in the counter-protest and was the most outspoken member of his group. It is no wonder that professor Brady named Chinese nation-wide or province-based chambers of commerce as important institutional conduits for political influence activities in New Zealand, considering that the All-China Federation of Industry and Commerce, the “non-governmental” chamber of commerce acting as a bridge between the private sector and the government in the People’s Republic itself, is actually also under the UFWD.
**The Xinhua News Agency Bureau.** The author of the above-mentioned Xinhua article, Guo Mingfang, was also present during the August 23 incident. Although her journalist background makes an interest in China-related topics perfectly comprehensible, the news agency itself has been widely criticized for its dual role in reporting news and disseminating the party-state’s propaganda. Not a part of the UFWD framework as such, the Xinhua is identified by professor Brady as a key institution behind China’s global strategic communication strategy. Notably, the U.S. Justice Department ordered the agency to register as a foreign agent in September 2018 to combat foreign influence operations in the country. Despite being low-profile ever since its establishment back in 2014 (or rather because of it), the Xinhua bureau in Lithuania was indirectly mentioned in the 2019 National Threat Assessment.

### 3.3. Other Usual Suspects

Several additional actors are widely associated with Chinese hybrid influencing and interference worldwide, but these have been either absent or relatively free of controversy in Lithuania thus far. Of the former ones, the Chinese Students and Scholars Association, a crucial UFWD-related institution that recently came into a spotlight during numerous disturbance cases on campuses of Western universities, particularly stands out. Since the number of its potential members remains low in Lithuania, no publicly available indication of its existence in the country has been found up to this point. On the other hand, there are two Chinese actors that despite operating in Lithuania for much longer than institutions that were implicated in the August 23 incident, have remained professional within the country so far.

**Confucius Institute at Vilnius University.** The most recognized manifestation of China’s soft power is a network of Confucius institutes that was initiated in 2004 following the successful examples of language and culture organizations created by many European countries, and spread to a staggering number of 500+ such institutions worldwide since then. Lithuania’s first and only Confucius Institute was established in 2010 at Vilnius University, the country’s oldest and largest, with the rather unremarkable Liaoning University as its Chinese partner. There are several indications that the local Confucius Institute positively differs from its equivalents in many other parts of the Western world. Most evidently, it has never
been implicated in any public scandal thus far. Notably, its representatives have not been spotted during the August 23 incident. The often-alleged indirect self-censoring power of Confucius institutes towards their hosts was vividly tested when Vilnius University welcomed the Dalai Lama for a massively attended free public lecture during his visit to Lithuania in June 2018.

**Huawei.** The symbol of China’s high-tech prowess and perhaps its most successful “national champion,” Huawei has become the world’s largest telecommunications-equipment manufacturer and a leading developer of 5G cellular network technology. Founded in 1987 by a former military technologist, the company has emerged as both an active and controversial player in the West since the new millennium. Although there has been no public evidence of significant vulnerabilities in Huawei technology thus far, it has been blamed for espionage and continued violation of international economic sanctions in countries as varied as the U.S., Canada, Australia or, more recently, Poland. Since the economic and security implications of the 5G revolution are extremely hard to foresee and adoption of a certain equipment would at least create a long-term and complex reliance, numerous Western countries, including neighbouring Poland and Estonia, have imposed restrictions on the use of Huawei’s 5G solutions over national security concerns.74 There have been no truly sinister actions known to the public ever since the opening of the company’s Lithuanian chapter back in 2010. Curiously, though, Huawei has performed the first major publicity campaign by any Chinese entity in the country while serving as the official sponsor of the Lithuanian Basketball Federation in 2014–2016.75 Huawei’s attention to its image and reputation has been further highlighted by a court case won against one of Lithuania’s prominent news portals which thus had to officially refute the statements about Huawei’s activities in Africa.76

**Areas to Look At.** It seems safe to conclude that China’s hybrid influencing activities, including the “united front work”, are becoming a permanent fixture of Sino-Lithuanian relations. Although there are no publicly available indications that the aforementioned trip of the UFWD head to Vilnius included meetings with the local Chinese community, this is precisely what one would expect considering You’s principal remit, as well as previous visits by his internationally more famous colleagues. Thus, meetings with Lithuanian officials arguably served as window-dressing to conceal the real priority of the trip. This is not to suggest that the UFWD would not be inter-
ested in establishing and deepening relationships between the CCP and Lithuanian political parties, especially considering that it is precisely its original function, and that neighbouring Latvia has already provided a role model since its significant Social Democratic Party “Harmony” (Saskaņa) signed a memorandum of cooperation with the CCP in 2011.77

There is another sub-governmental area where China’s hybrid influencing is yet to showcase itself, namely the relationships between local governments, particularly sister city partnerships. It is an activity in which the Chinese People’s Association for Friendship with Foreign Countries, a UFWD-related institution, is in charge.78 Notably, Lithuanian cities and towns have developed numerous twinning arrangements with much larger Chinese counterparts, and there is a rather considerable amount of nationally neglected news on bilateral communication and trips, increasingly so through the 17+1 format.

A mid-October visit by the mayor of Harbin (population of almost 11 million in the agglomeration) to its twin Rokiškis (less than 12,000), famed for its dairy industry, is perhaps the most clear-cut example of this curious trend.79 Notably, the even smaller town of Pakruojis (population below 5,000) has been hosting increasingly popular Great Chinese Lanterns light festival since 2018, allegedly the only such in the whole Northern Europe.80 Although economic and cultural cooperation between Lithuanian and Chinese regional and other sub-governmental entities should indeed be encouraged, recent municipality-related controversies in Vilnius or Prague81 even more so would suggest to proceed with caution.
Conclusions and Recommendations

Several inter-related conclusions can be made and recommendations provided, based on the findings above. First of all, Chinese interest in Lithuania is logical and lasting considering both the massive domestic requirements of the former and the often-under-appreciated comparative advantages of the latter. Although from Beijing’s perspective, Lithuania is not particularly outstanding in comparison to many other countries of similar size in the Western world, its voracious economic appetite and global ambitions would ensure attention if not persistent activity in the distant and small state. China is here to stay and appreciation of this simple, but surprisingly unrecognized fact is the paper’s first recommendation.

Moreover, China’s growing activities in Lithuania, though essentially comprehensible considering that it is the world’s only clear-cut emerging superpower, have increasingly been associated with more assertiveness and hybrid influencing. For several years now, Beijing has been using de facto economic statecraft and low-scale propaganda tactics against Lithuania through market access restrictions and ambassadorial attempts to affect its public discourse, respectively. The country’s recent emergence on the CCP’s “united front work” map partially explains the 2019 downturn in the relationship, as the stakes automatically have risen for both sides. Although certainly a serious development, UFWD-related activities in Lithuania have yet to approach the level seen in many other Western countries. To use the Hybrid CoE’s vocabulary, China’s influencing remains in the priming phase.

The second recommendation thus highlights Lithuania’s surprising advantage of being a latecomer in many China-related topics. As the country has not yet entered into any kind of irreparable inter-dependence relations with the PRC, it can use room for manoeuvre that even many of its more powerful allies seem to be lacking. Being a latecomer naturally means that one can learn from other similar examples, both worst-case and best-practice scenarios, and Lith-
uania should appreciate the valuable experience of its friends and allies, including distant ones that range from the U.S. and Canada to Australia and Japan. The country’s famed societal and political resilience to Russia’s hybrid activities would also be of much use, though important differences between Moscow and Beijing should also be duly appreciated.

Notably, the latecomer advantage would not serve well in the emerging key area of Sino-Lithuanian cooperation, high-tech. Lithuania’s numerous stakeholders, especially economic ones, are thus well advised to fully appreciate the mid- to long-term implications of such cooperation with China, particularly in the fintech sector, which is arguably difficult to regulate, and 5G technology, seen by many as a stepping stone for Chinese ambitions to emerge as a tech-superpower. Along with Beijing’s disturbing practices at home, high-tech has increasingly become a normative issue as well. Lithuania should thus remain principled and committed to its defence of human rights and international law, clearly defined by its red lines that even China would think twice before crossing. Many examples worldwide have shown that sacrificing the normative agenda for economic pragmatism is counter-productive.

The fourth recommendation calls for cool heads, however. It is imperative to understand that most of the activities by the PRC embassy are within the remit of usual practices by great powers, novel though they are in the particular case of Lithuania, and that the actual Chinese often taken for “spies” collect information legally or most often remain stuck to their own matters. Neither is the witch-hunt for “friends of China” among the Lithuanians themselves truly productive. Different ministries and agencies, local governments, commercial entities and political, academic or media personalities are merely doing their job when dealing with China in one way or another. What is arguably necessary is a balanced, informed and non-self-censored public debate about both the opportunities and the risks of this key relationship.

The fifth and the final recommendation again calls for learning from others, but in this case, it is the Chinese themselves. There is no other way for Lithuania to deal with the challenge in question than to know much better its complex origins and contexts. This is particularly related to an area that has been only briefly touched upon in the paper – culture. The CCP has already reached the realization that appreciation for China’s exceptionally rich civilization
and personal knowledge of both the country and its people abroad
do not automatically translate into support for the party-state. Ac-
tually, quite to the contrary, as numerous examples of prominent
China-watchers have been demonstrating recently. Thus, Lithuania
must heavily increase its support for Chinese culture and language
studies, research on today’s “greater China”, including Taiwan, and
diplomatic corps working on/in that country.

To summarise metaphorically the topic by using the two countries’
lasting national symbols, the clash between the giant Chinese drag-
on and the small Lithuanian horseback knight (Vytis) seems to be
predetermined, similarly to one between communist authoritarian-
ism and liberal democracy. International political reality, however, is
not a fairy-tale, and there have been numerous examples of vastly
different actors successfully working for the common good. It is in
the interest of both China and Lithuania to follow such precedents.
Hopefully for us all, the much more benevolent role of dragons in
Chinese as opposed to Western culture would translate into corre-
spanding actions of the world’s emerging superpower. The realities
on the ground unfortunately call for qualified pessimism.
Endnotes

1. India’s governing Bharatiya Janata Party is larger in membership, but the requirements and procedures to become part of it are incomparably easier than in the case of the CCP.


3. Xi himself recognized that role as he noticed at the Chinese leadership conference while preparing a security crackdown in Xinjiang that “The Baltic republics were among the most developed in the Soviet Union, but also the first to leave when the country broke up.” Source: Austin Ramzy and Chris Buckley, “‘Absolutely No Mercy’: Leaked Files Expose How China Organized Mass Detentions of Muslims.” New York Times, November 16, 2019, https://www.nytimes.com/interactive/2019/11/16/world/asia/china-xinjiang-documents.html?fbclid=IwAR3clZsGo14Nw-l7qEWhkvy09jh3h2l5HX-0YzFj6ixoYbcNIYaKaYrpQ


5. Ibid., p. 33.

6. Notably, the Chinese naval ships made a friendly port call in neighbouring Riga soon after these drills.


13 Greece joined the framework in spring 2019 thus making it a “17+1”.
14 This time including an extra 17+1 member, Muslim-majority Albania.
15 Joint statement to the UN on the human rights violations and abuses in Xinjiang, October 29, 2019, retrieved from the UK government website, https://www.gov.uk/government/speeches/joint-statement-on-xinjiang
17 Notably, neighbouring Latvia established the CEEC-China Secretariat on Logistics Cooperation in 2016 thus highlighting its well-founded ambitions in this same important sector.
18 Ministry of Foreign Affairs of the Republic of Lithuania, ibid.
22 Oficialus Lietuvos Respublikos Ministro Pirmininko tinklalapis [Official website of the Prime Minister of the Republic of Lithuania], “Premjeras tikisi prekybos ir krovinių srautų su Kinija augimo [The Premier is expecting the rise of trade and cargo flows with China].” November 27, 2017, https://ministraspirmininkas.lrv.lt/lt/naujienos/premjeras-tikisi-prekybos-ir-kroviniu-srautu-su-kinija-augimo


27 Lietuvos Respublikos ekonomikos ir inovacijų ministro įsakymas dėl Lietuvos Respublikos tarptautinio bendradarbiavimo technologijų ir inovacijų srityje prioritetinių valstybių sąrašo patvirtinimo [The order by the Minister of Economy and Innovation of the Republic of Lithuania on Confirmation of the List of Priority Countries for Cooperation in the Area of Technology and Innovation], issued on January 4, 2019, https://eimin.lrv.lt/uploads/eimin/documents/files/2019-01-04_inovacij%C5%B3%20%C5%BEem%C4%97lapio%20isk_%20Nr_%204-5.pdf

28 Thus being outstripped by Lithuanian investment in China (€44.5 million in 2018).

29 Ministry of Foreign Affairs of the Republic of Lithuania, ibid.


36 The European Centre of Excellence for Countering Hybrid Threats, website, https://www.hybridcoe.fi/hybrid-threats/


42 Karásková, ibid.


45 Laura Silver, Kat Devlin and Christine Huang, “People around the globe are divided in their opinions of China.” Pew Research Center, December 5, 2019, https://www.pewresearch.org/fact-tank/2019/09/30/people-around-the-globe-are-divided-in-their-opinions-of-china/


The author is indebted to a colleague of his for informing of this important, but largely unnoticed visit.


In 1989 approximately two million people joined their hands to form a human chain spanning almost 700 km and connecting the three republican capitals of Estonia, Latvia and Lithuania to mark the 50th anniversary of the infamous Molotov–Ribbentrop Pact and protest their subsequent annexation by the Soviet Union.

The alleged author of the idea, an anonymous Tallinn-based Hong Kong start-up entrepreneur, explicitly named the Baltic Way as an inspiration. It needs to be noted that this was not the first time that the 1989 events in the Baltic republics were linked with China. Back in 2004, an approximately 2 million-strong and 500 km-long pro-independence 228 Hand-in-Hand rally in Taiwan was also inspired by the prior Baltics example.


59 Ibid.


61 Brady, p. 16.

62 The Overseas Chinese Association of Lithuania, “中国侨联副主席, 河北省侨联主席包东率团访问立陶宛华联会 [Bao Dong, Vice Chairman of China’s Overseas Chinese Association and Chairman of the Overseas Chinese Association of Hebei Province, led a delegation visit to the Overseas Chinese Association of Lithuania].” December 21, 2018, http://ltchina.lt/?id=25


64 Mindaugas Aušra, “Chinese demonstration in Vilnius unmask Beijing’s reach into Lithuania – LRT Investigation.” Ibid.


68 Brady, pp. 17, 18, 26 & 28.


70 Brady, p. 9.

Brady, p. 33–34;