

ANNUAL REPORT 2020

#### **MESSAGE FROM PSSI'S CHAIRMAN**

As PSSI moves toward its 20th anniversary, the Institute has emerged from the Covid pandemic stronger than at any time in its history. We have been exceptionally active in convening virtual meetings, roundtables, seminars, and other gatherings and are enthusiastically looking forward to returning to our normal operations. We have also hired talented new staff members as a function of our success in key programs, notably our Economic and Financial Threat Program, Space Security Program, and Regional Security Program.

Our most prominent accomplishment over the past year has been the successful institutionalization of the use of U.S. capital markets sanctions against the Chinese Communist Party and other authoritarian actors, arguably the most powerful and fearsome policy tool in America's non-military arsenal. This was formalized by the recent actions of the Biden Presidency to preserve and strengthen the Executive Order of the previous administration covering both Chinese corporate national security and human rights abusers.

The Institute's original work on what we term the "ground-based space race" playing out in the context of "international space partnerships" between authoritarian and democratic space powers is increasingly gaining traction in allied governments and NGOs. We are especially looking forward to again welcoming to Prague in June 2022 leading space security experts and officials from Europe, the U.S., Japan, and elsewhere for our sixth two-day Space Security Conference.

Moreover, our educational role with regard to disinformation, cyber security and NATO-related security issues has continued to gain in stature, as has our co-sponsored Master's Degree at Charles University in International Security Studies. We also continued our in-depth research into the influence of external actors in the Western Balkans, specifically focusing on Russia, China, Turkey, and the Gulf States. In short, we have rather long ago identified our optimal policy niche and educational priorities and are very pleased to report that our choices have been validated by the direction of geopolitical events and trends.

As in the past, we wish to extend our heartfelt thanks to PSSI's donors and friends who have steadfastly stayed with us over these nearly two decades.

Roger W. Robinson, Jr. PSSI Chairman and Co-Founder



### ROBINSON-MARTIN SECURITY SCHOLARS ACADEMY (RMSSA)

The Robinson-Martin Security Scholars Academy (RMSSA) is PSSI's core initiative, dating back to the Institute's inception in early 2002. Its central mission is to provide world-class, intensive educational experiences in small group settings in the field of international security studies for graduate students and young professionals in the Czech Republic and the broader region. We believe that it is essential that security-minded students have access to global luminaries and policy practitioners in this field, where direct interaction is encouraged. We also seek to organize and fund regular expert gatherings covering a wide spectrum of cutting-edge security policy challenges.

This two-semester educational program has, to date, trained well over two hundred highly skilled aspiring security professionals. Such professionals are indispensable for safeguarding individual freedoms and democratic institutions in Central and Eastern Europe and beyond. The Academy experience has also made its certificate holders valuable contributors to the region's common security, economic, and foreign policy structures like NATO, the EU, the OECD, the IEA, and others.

Among the distinguished RMSSA lecturers of 2020/2021 have been Petr Kolář, former Czech Ambassador to Russia and the United States; Petr Pavel, former Chairman of the NATO Military Committee; Pavel Fischer, Chairman of the Senate Committee on Foreign Affairs, Defence and Security; Ondřej Rojčík, Deputy Director of Department and Head of Strategic Analysis at the National Cyber and Information Security Agency; Václav Bartuška, Ambassador-at-Large for Energy Security at the Ministry of Foreign Affairs; or Elisabeth Braw, Resident Fellow at the American Enterprise Institute.

PSSI was the first national security-minded public policy group in the Czech Republic – and one of the first in the region – to take on this kind of educational mission, with the active encouragement and involvement of former Czech President Václav Havel, who chaired PSSI's distinguished International Advisory Board for a decade, as well as our beloved Co-Founder and Executive Director, Oldřich Černý, whose legacy will continue to be honored through the brilliant careers of our many alumni.

#### PARTNERSHIP WITH CHARLES UNIVERSITY

Since its inception in 2002, PSSI has been working closely with the prestigious Charles University in Prague. In 2006, PSSI began a formal partnership with the University by creating a new Master's

Degree program in International Security Studies, the first of its kind in the Czech Republic. The program was launched in 2007 in the Czech language and achieved English-language accreditation in 2012.

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The program offers a range of cutting-edge subjects in the field of security studies. It equips students with a solid theoretical background and a detailed understanding of the critical security challenges of our time. Among these subjects are space security, economic and financial warfare, regional conflicts and influence attempts, cyber security, disinformation, hybrid threats, and Russia and China's malevolent activities in the region.

Two new courses configured by PSSI have been launched in the past few years: "Space Security in the 21st Century" in the fall semester of 2015, and "Economic and Financial Warfare" in the spring semester of 2016. PSSI also continues to coordinate closely with Charles University in organizing lectures with visiting speakers and host workshops on a range of subjects. PSSI's James Q. Whitaker Security Lecture Series was established at the Faculty of Social Sciences at Charles University in 2008 to help anchor this vibrant cooperation.

The primary aim of these lectures is to attract distinguished experts from the global economic, security, and foreign policy communities, academia, and the private sector to share their analytical expertise and first-hand experiences with students.

In 2020, the lectures were delivered by Kenneth Hodgkins, representative of the International Space Enterprise Consultants, and John Stopher, a Senior Fellow at the Prague Security Studies Institute.

In addition to these activities, PSSI sponsors an Oldřich Černý Ph.D. scholarship for one full-time student in a doctoral program in International Relations at Charles University's Institute of Political Studies in the field of Economic and Financial (E&F) Statecraft. Named for the esteemed Co-Founder and former Executive Director of the Institute, the scholarship helps to cover the student's living and related expenses, with the support of Charles University.

It is the intention of PSSI to assist Charles University in building an ever-growing core of professional E&F analysts and policymakers trained to understand and counter the subtle and sophisticated forms of hybrid warfare and soft power projection practiced by Russia, China, and other actual or potential adversaries.

In 2019, during a Gala Dinner held on the occasion of the Fifth PSSI Space Security Conference, the Institute announced the latest expansion of its academic activities with Charles University. PSSI's Chairman and Co-Founder, Roger W. Robinson Jr., and the Vice-Rector of Charles University, Jan Konvalinka, jointly unveiled a new four-year Ph.D. scholarship in the field of Space Security, which is co-sponsored by PSSI. The Ph.D. scholarship is named in memory of the Honorable William P. Clark, the former National Security Advisor to President Ronald Reagan, who was responsible for shepherding through to reality the Strategic Defense Initiative on the President's behalf.

#### **PSSI'S NATO SUMMER SCHOOL**

Each year, our NATO Summer School attracts some 25 highly qualified graduate students and young professionals from NATO member states and partner countries to participate in a week-long series of lectures, workshops, and simulations.

About a dozen nations are generally represented. Unfortunately this year, due to Covid-19, PSSI's NATO Summer School had to be canceled and postponed to 2021. The 17th Summer School session will take place in August, 2021.

#### CYBER SECURITY ACADEMY

In October 2020, PSSI organized its third Cyber Security Academy. The program was developed in cooperation with the Czech National Cyber and Information Security Agency and was supported by the U.S. Embassy in Prague, the British Embassy in Prague, the Norwegian Embassy in Prague, CybExer Technologies, and Check Point Software. The week-long course attended by 19 students and young professionals was held online due to Covid restrictions.

The topics discussed included security aspects of 5G, cyber exercises, the Russian Federation and its presence in cyberspace, ethical hacking, information security, and cyber-attacks in the banking sphere. Distinguished lecturers included: Dr. Richard B. Andres, Professor of National Security Strategy from the National War College; Laura Brent, Senior Advisor at NATO; Håkon Bergsjø, Cyber Security Expert at the Norwegian National Security Authority, and others.

#### **PSSI PERSPECTIVES**

As an educational, research and analytical policy Institution, PSSI is committed to enriching – and shaping– the transatlantic security policy debate, especially in more underdeveloped issue portfolios, like the Economic and Financial (E&F) Threat Domain and Space Security. Accordingly, these issue areas of concentration have afforded PSSI a global leadership position in the NGO community. The Institute also has a long history of tracking several regional security issues (e.g.

the disinformation landscape in Central and Eastern Europe, malign foreign influence in Western Balkans, etc.).

Accordingly, we have decided to periodically provide short "PSSI Perspectives" on select security-related topics, including breaking developments affecting Czech and regional security, Chinese and Russian business transactions or projects of strategic and/or security concern, and the attraction of U.S.

and European capital by corporate "bad actors" of adversary states in our respective capital markets.

In 2020, PSSI published seven <u>Perspectives</u> on issues ranging from the role of China in the

Western Balkans to disinformation related to the Covid pandemic to the challenges to policymakers posed by cyber warfare.

#### **U.S. PRESIDENTIAL ELECTION 2020**

On 25 November 2020, PSSI, in partnership with the American Center in Prague, organized a closed online expert roundtable entitled "U.S. Presidential Election 2020". Speakers at the event were Petr Kopecký from the Department of English and American Studies, Faculty of Arts, University of Ostrava; Karel Komínek, consultant at the Institute of Political Marketing; and Jana Ciglerová, journalist at Deník N. The event was moderated by Jana Sehnálková from the

Department of North American Studies, Faculty of Social Sciences, Charles University. Speakers presented their perspectives on the process and results of the U.S. presidential election, with a focus on the differences between the campaign strategies of the candidates, factors affecting the result, the sentiments of individual core supporters and the follow-up that revolved around attempts to cast doubt on the integrity of the election.

#### **ALUMNI NETWORK**

PSSI's Alumni Network is designed to connect, support, embrace and recognize the growing PSSI "extended family," now thousands strong, and to facilitate information exchanges for these young professionals who have participated in PSSI's various educational programs. Specifically, these graduates successfully completed one or more of PSSI's educational initiatives: the Robinson-Martin Security Scholars Academy; our co-sponsored Charles University Master's Degree Program in International Security Studies; PSSI's long-running NATO Summer School; our Interagency

Civilian-Military Training Program, our Energy Security and Cyber Security Academies and others. Our Alumni project is primarily communicated and organized through social media platforms such as Facebook and LinkedIn. The Institute organizes a number of informal alumni events and gatherings annually to facilitate career-related exchanges and informal interactions between our present students and distinguished alumni.



The national security dimensions of global economic and financial (E&F) relations are increasingly prevalent in an ever-more interdependent world. Sanctions are more commonplace and varied, as are the measures taken to circumvent them. PSSI has long recognized this reality and launched a program dedicated to the education of the security and military communities of allied nations, academia, private sector entities, and non-governmental organizations.

The program sets out to identify various modalities of E&F statecraft and warfare as practiced by adversaries of NATO and its allies (notably China and Russia). This program addresses the strategic use of forward-deployed, state-controlled enterprises by prospective adversaries and the abuses taking place within the legitimate international trading and financial systems to advance their agendas on a daily basis, particularly via Western capital markets.

PSSI refers to this field as the Economic and Financial Threat Domain, an issue area that is becoming increasingly integrated into the training, planning, readiness, and operations of allied militaries and security communities more broadly. It is also a portfolio that is increasingly compelling to security-minded policymakers as a non-kinetic option for effective deterrence and crisis management in a policy space utterly dominated by the U.S. and its allies.

PSSI has invested heavily in producing E&F reports for allied policymakers on a range of issues. The Institute's experience in this domain dates back to before the Reagan Administration and includes over four decades of risk management and senior policy-making expertise.

PSSI's principals have developed an open-source software tool called IntelTrak, which tracks and visually maps every Russian and Chinese external business transaction globally on a daily basis. This extensive database now goes back some ten years. (www.rwradvisory.com/services/inteltrak).

In 2020, the E&F program focused on national security and human rights issues connected to China's access to Western capital markets. These capital markets are a critical source of funding for a growing number of Chinese State-Owned Enterprises, many of which are engaged in malign, security-threatening behaviors. Our work in this issue area aims to compel national governments, including those of both the U.S. and the EU, to recognize the threats posed by these entities' activities, and move to cut off their access to Western capital where necessary. The E&F program has also remained vigilant towards the threat of Russian economic statecraft in Europe, notably in our work on security issues connected to the Russian-led International Investment Bank's recent relocation to Budapest, Hungary.

#### **ECONOMIC AND FINANCIAL WARFARE COURSE AT CHARLES UNIVERSITY**

Launched in 2015, the PSSI-sponsored "Economic and Financial Warfare" course at Charles University is designed to introduce students to the economic foundations of national power and the various modalities and strategies to marshal this economic power to achieve national goals. The course illuminates the interdependencies of today's globalized economy and the kinds of abuses by malevolent state actors that can take place within legitimate international trading and financial systems to advance agendas inconsistent

with democratic principles and values during both war and peacetime (e.g., nation-capturing, economic extortion, unwitting Western funding of hostile activities, etc.). It also provides historical context for the ways in which economic warfare has evolved over time as a policy tool.



PSSI believes that the security and sustainability of the space environment are essential to the day-to-day lives of Earth's inhabitants. Perhaps not surprisingly, in the contest between authoritarian versus democratic space powers, there is increasing competition for international space partnerships and space equipment/services markets. To probe

this and other downside risks in the space domain, the Institute launched a program in 2010 dedicated solely to space security – the first such program in the region. In January 2020, Dr. John P. Stopher and Frank Asbeck joined the program as Senior Fellows.

#### SPACE SECURITY CONFERENCE SERIES

PSSI's Space Security Conference series is the flagship initiative of this program. To date, five such international gatherings have taken place (three in Europe, one in Japan, and one in the U.S.) that brought together high-level government

officials, private sector executives, and NGO and former policy practitioners, as well as other experts from the space communities in Europe, the U.S., and Japan. A sixth conference is expected to be convened in June 2022 in Prague.

#### SPACE SECURITY COURSE AT CHARLES UNIVERSITY

This course, established and sponsored since 2015 by our Institute, is a collaborative undertaking with Charles University and is structured within the University's Master's Degree in International Security Studies at the Faculty of Social Sciences. The course is designed to explore the security dimensions of space from policy, regulatory, and technical perspectives. It is structured from the viewpoint of strategic studies and is consistent with other courses in this M.A. degree program.

The central objective of the guest lectures is to offer students the opportunity to interact with distinguished policy practitioners who manage various aspects of space security. These include safe access to, and operations in space, the security

of satellites, links and ground infrastructure, as well as various threats ranging from unintentional interference to counterspace operations.

The lectures have also examined the status of international space governance, including various initiatives to strengthen existing legal structures. Past lecturers included senior experts from the International Telecommunication Union, the European External Action Service, the European Commission, the Czech and Slovak Ministries of Foreign Affairs, George Washington University, the UN Office for Outer Space Affairs, the European Space Policy Institute, and the Secure World Foundation.

In 2020, lectures were delivered by Kenneth Hodgkins, representative of the International Space Enterprise Consultants and former Director of the Office of Space and Advanced Technology in the Bureau of Oceans, Environment and Science at

the State Department, and John Stopher, a Senior Fellow at the Prague Security Studies Institute and former Principal Assistant to the U.S. Secretary of the Air Force for Space.

#### OTHER PROGRAMMATIC ACTIVITIES

PSSI's Space Security Program Director, Dr. Jana Robinson, together with her team, contributed two articles to the 2nd edition of the Handbook of Space Security by Springer Publishing International. The articles, entitled "Strategic Competition for Space Partnerships and Markets" and "Space Security Policies and Strategies of States," were published in June. Subsequently, Dr. Robinson participated in the Online SpaceWatch.Global Space Cafe Summit, where she, alongside other editors, had the opportunity to present the 2nd edition of the Handbook of Space Security.

In September 2020, Dr. Jana Robinson contributed an article entitled "Arctic Space Challenge for NATO Emerging from China's Economic and Financial Assertiveness" to the 30th edition of the Journal of the Joint Air Power Competence Centre.

In September, PSSI's concept of the "Space Sector Capture" was featured in the Financial Times. Dr. Robinson also contributed to the "War and Peace in Outer Space" publication by Oxford University Press, published in November 2020.

In February 2020, PSSI's Senior Fellow, Dr. John P. Stopher, led a discussion on space security, Space Force, acquisition priorities for the space warfighters, deterrence, and international space partnerships at the Washington Space Business Roundtable. Dr. Stopher also spoke at the American Astronautical Society (AAS) online discussion entitled "Protecting National Security Assets and Critical Functions for the Space Enterprise" in September 2020.



PSSI's Regional Security Program seeks to identify and analyze emerging foreign policy and security-related issues that will increasingly affect and influence the transatlantic security policy community. At times, these challenges exceed the scope of the traditional political-military agenda that effectively dominated the public policy space in

the previous century. Less visible, unconventional methods of warfare are gaining traction among adversaries, including sophisticated cyberattacks, disinformation campaigns, counterspace activities, and hybrid warfare methods, which are often driven by economic and financial warfighting priorities.

### WESTERN BALKANS AT THE CROSSROADS (WBC)

In March 2018, PSSI launched a project entitled "Western Balkans at the Crossroads," (WBC) sponsored by the National Endowment for Democracy. In 2020, PSSI launched an 18-month second round of the project, entitled "Ways Forward in Analyzing External Actors' Influence."

The WBC project sought to analyze and publicize external actors' influence in the Western Balkans, specifically focusing on Russian, Chinese, and Turkish engagements.

While the first phase (WBC I, March 2018-June 2019) of the project aimed to identify and map non-Western influence in five post-Yugoslav and non-EU member countries, looking country-by-country at specific domains of influence, the innovative project (WBC II, October 2019-March 2021) builds on established knowledge and focuses on indepth, socially rooted research and investigative journalism.

Its design reflects our aim to go beyond conventional analytical frameworks and overcome ideologically constructed stereotypes and bipolar dichotomies, while combining various methodological approaches. Project outputs consisted of fifteen analytical studies, fifteen journal articles drawing on their findings, and a "reflection" paper.

The project team consisted of the PSSI Balkan team, a scientific advisor, and 10 researchers from the region responsible for writing the studies. The team held a two-day kick-off workshop in Belgrade in January 2020, where researchers had an opportunity to discuss their study proposals and exchange ideas.

Six of the studies and six articles had been published by the end of the year, with the rest of the publications released in the first half of 2021.

#### **DISINFORMATION**

Within the framework of the Regional Security Program, PSSI researchers also continued to develop projects related to harmful activities in the information space.

In 2020, a significant effort was put into mapping and disrupting the business model of actors spreading disinformation in the Czech information space by materially limiting their income from online advertising revenue.

The project, "Business Model of Platforms Spreading Disinformation," uncovered the sources of funding of Czech sites trafficking in disinformation and confirmed that a significant portion of their revenue stems from online advertisements. Based on these findings, a follow-up project, entitled "Disinformation as Business: Stakeholders Perspectives," focused on stakeholders (e.g., the PR agencies and private companies advertising online) and their perceptions of the issue. PSSI researchers facilitated efforts to curtail advertising on websites spreading disinformation and helped to highlight

the activities of civil society initiatives in the field, such as Fair Advertising or NELEŽ.

PSSI also swiftly reacted to the COVID-19 pandemic, which created ideal conditions for the spread of disinformation. A new project, entitled "Disinformation Pandemic: Case Study of Disinformation Related to Coronavirus," tracked harmful narratives in real-time and provided early warnings against their proliferation. Knowledge acquired during this project helped our researchers better understand the tactics and practices of websites notoriously trafficking in disinformation.

PSSI continued to cultivate its ties with other think tanks and researchers focused on disinformation in the region. The most significant output of this cooperation was the <u>project HADES</u>, led by Slovak think tank Globsec. PSSI researchers co-authored a unique study "Visualizing Influence," contributing via an analysis of the Czech Facebook space. PSSI also tried to enhance the public understanding of disinformation and introduced periodic "Disinformation Debates," gathering the most renowned experts in the region.

# PSSI WASHINGTON

In the fall of 2006, PSSI Washington Inc. was established in Washington, DC. Its primary mission is to strengthen U.S. understanding of the security challenges facing Central and Eastern Europe and other post-communist states and pursue ground-breaking initiatives in the economic & financial and space domains. PSSI Washington's China/Russia Capital Markets Transparency Initiative, for example, is the leading NGO work program in this field worldwide. This partner organization of PSSI

Prague has gained a good deal of stature in the United States and is a leading source of research and data on China's expanding presence in America's capital markets and that of Russia as well. It is likewise the principal hub of PSSI's Space Security Program and convenes periodic, co-sponsored conferences and roundtables in this and other fields in Washington and elsewhere. More information can be found at www.pssiwashington.org

#### **PERFORMANCE IN RANKINGS**

The Prague Security Studies Institute was again honored to be ranked among the top think tanks in the world in six categories, according to the "Global Go-To Think Tank Index" for 2020. The Index is produced by The Think Tanks and Civil Societies Program (TTCSP) at the Lauder Institute of the University of Pennsylvania, which surveys and ranks some 8,100 NGOs worldwide.

We are pleased to report that in 2020 PSSI was ranked as the #4 among "Think Tanks in Central and Eastern Europe" (including Russia) and #92 among the "Top Think Tanks Worldwide" (Non-US). PSSI was also ranked #62 in the world among

both the "Top Defense and National Security Think Tanks," and the "Top Foreign Policy and International Affairs Think Tanks". PSSI was ranked #60 among the "Best Managed Think Tanks" globally. The Index also positioned PSSI as #27 in the world on the list of the "Think Tanks to Watch."

PSSI has likewise been shortlisted as one of three think tanks in the world in the "One to Watch" category in Prospect Magazine's Think Tank Awards for 2020.

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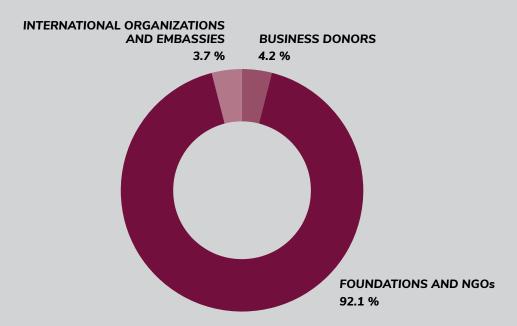
# FINANCIAL OVERVIEW

#### **FUNDING SOURCES**

- British Embassy in Prague
- Check Point Software
- Embassy of Norway
- Embassy of the United States in Prague
- Fundacja Prospect
- GLOBSEC
- National Endowment For Democracy

- Political Capital Szolgaltato
- PSSI Washington
- STEM Ústav empirických výzkumů, z.ú.
- The Atlas Economic Research Foundation
- Sarah Scaife Foundation
- Zinc Network Limited

#### STRUCTURE OF REVENUES



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## **ABOUT PSSI**

THE PRAGUE SECURITY STUDIES INSTITUTE (PSSI) is a non-profit, non-governmental organization established in early 2002 to advance the building of just, secure, democratic, free-market societies in the Czech Republic and other post-communist states. PSSI's mission is to educate and train an ever-growing number of informed and security-minded policy practitioners dedicated to the development and protection of democratic values, principles, and institutions. PSSI offers programs that help meet the critical requirements associated with equipping new generations of young leaders to manage the complex, security-related challenges of the 21st century.

To advance its mission, PSSI conducts a broad range of activities under its Security Scholars Program, Space Security Program, Economic & Financial Threat Program, and Regional Security Program. PSSI concentrates on identifying and analyzing underdeveloped economic and financial (E&F) threats, particularly those posed by China and Russia. First among them is the growing presence of Chinese and Russian corporate "bad actors" in the U.S. and allied capital markets. We also focus on the ground elements of Space Security in the E&F domain. In short, the Institute is highly selective concerning the issue areas it covers and illuminates less understood elements of economic and financial statecraft and warfare being waged by adversaries.

#### in memoriam

- Václav Havel,InternationalAdvisory BoardChairman (2002–2011)
- Oldřich Černý,
  Co-Founder and
  Executive Director
  (2002–2012)
- Elie Wiesel,InternationalAdvisory BoardMember (2002–2016)

#### international advisory board

- Dennis C. Blair
- R. James Woolsey
- Alexandr Vondra
- Timothy Garton Ash
- Michael Žantovský
- Adam Michnik
- Robert Pfaltzgraff
- H.R.H. Prince Hassan
- Karel Schwarzenberg
- Madeleine Albright
- Petr Kolář
- Jiří Schneider

#### Your Support is Appreciated

As the Institute is expanding its activities and regional outreach, we would welcome your support in these efforts.

#### **PSSI's Bank Account**

PSSI's Account is held at the Komerční banka, a.s. (Na Příkopě 33, 11407 Prague 1, Czech Republic): IBAN: CZ7401000000512281850237 BIC/SWIFT Code: KOMBCZPP

Tax deductible contributions from the U.S. can be made to PSSI through the Institute's tax-exempt partner organization, PSSI Washington, 1010 Wisconsin Ave, Suite 250, Washington, D.C. 20007. E-mail: adavenport@pssiwashington.org, tel.: +1-202-342-0696

#### Contact info

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Queries about PSSI activities and projects can also be directed to: Dr. Jana Robinson (jrobinson@pssi.cz), Managing Director, or Boris Kalisky (kalisky@pssi.cz), Director of Operations.

