

The  
**Oldřich Černý**  
Ph.D. Scholarship  
at Charles University

IN THE FIELD OF:

The Economic and Financial Threat Domain

SPONSORED BY:

The Prague Security Studies Institute

in honor and remembrance of Olda  
December 1, 2016

# I. Introduction

The Prague Security Studies Institute (PSSI) has agreed to provide 480,000 CZK to cover the living expenses stipend for a full-time student of a doctoral programme of International Relations at the Charles University Faculty of Social Sciences, Department of International Relations at the Institute of Political Science Studies. It will be in the field of the “Economic and Financial Threat Domain” in the name of Oldřich Černý, the Co-Founder and former Executive Director of PSSI.

Although economic warfare has been an integral part of warfighting for millennia, its 21st Century iteration is not widely understood and no longer relies on a number of the classic tools and tactics of such warfare, such as sieges, embargoes, the physical destruction of economic infrastructure, and economic sanctions. Instead, the new brand of “hybrid warfare” makes prominent use of activities in the open and legal international trading and financial systems to achieve a number of strategic goals. These range from efforts to compromise the freedom of action of neighboring countries to attempts to project power and influence for a variety of other reasons.

Regrettably, most security policy practitioners with “follow the money” missions have, to date, solely concentrated on the illicit E&F activities of non-state actors, such as the financing of terrorist groups and the money movements of drug cartels and organized crime syndicates. Although this is important and required work, there are very few professional analysts or Ph.D. students that are examining in depth the security-related abuses taking place in the legitimate E&F domain or that are seeking to differentiate between benign, commercial transactions and those primarily motivated by the strategic and/or security objectives of state actors. In recent years, it has been the actions of certain Russian and Chinese companies that have come under the most Western scrutiny in this regard.

This Charles University Ph.D. scholarship is designed to concentrate on this kind of E&F statecraft playing out in the legal international trading and financial systems in seemingly full view of the public. This field is referred to by PSSI as the “Economic and Financial Threat Domain.” It is occurring on a daily basis with precious little security-minded oversight or screening.

It is the objective of PSSI to assist Charles University in building a cadre of professional E&F analysts and policy-makers equipped to understand and counter this often subtle and sophisticated form of soft power projection by actual and prospective adversaries. The Institute also seeks to train Ph.D. students to identify, and, if necessary, leverage the rather glaring E&F vulnerabilities of those questionable state actors operating in this domain that the U.S. and its allies created and dominate.

This Ph.D. scholarship is in the name of Oldřich Černý to reflect his exemplary and lasting contribution to achieving, and consolidating, the freedom of the Czech Republic from Soviet oppression, serving, at different times, as the National Security Advisor and Director of the Foreign Intelligence Service under his close friend, then-President Václav Havel. Mr. Černý (known as Olda) began PSSI in February 2002 with his fellow Co-Founder, Roger W. Robinson Jr., former Senior Director of International Economic Affairs at the White House National Security Council under



PSSI's Co-Founders Roger W. Robinson, Jr. and Olda Černý

President Ronald Reagan and former Chairman of the Congressional U.S.-China Economic and Security Review Commission.

Olda Černý lived to celebrate PSSI's tenth anniversary before passing away in March 2012. He was a visionary, selfless leader who was fervently committed to human rights and individual liberties. Olda strongly believed in the prosecution of intelligent, well-crafted security policies that could defeat the predations of the foes of freedom with minimum loss of life. We believe that advanced study of the E&F Threat Domain, which he understood well, fits this profile rather elegantly. Any recipient of this scholarship can take great pride in the name it will carry.

## II. Proposed Research Topics

The E&F Threat Domain is replete with interesting research topics, as it remains an underdeveloped security policy field. Accordingly, the selected Ph.D. candidate will have a wide spectrum of research and writing opportunities. Examples of potential topics which could be incorporated into a dissertation research project include the following:

- Analyzing the projects and transactions of state-controlled enterprises (including those claiming to be private entities) in the legitimate E&F domain to identify: 1) patterns of strategic behavior that are inconsistent with normal market practices; and 2) the underlying Western “targets” of such activity (i.e. non-transparent motivations).
- Demonstrating, via research and analysis, specific SOEs that conduct – often through their network of subsidiaries – strategic missions, unfair trade practices and security-related wrongdoing for their respective governments, while still enjoying unfettered access to the international trading and financial systems, including the capital markets of one or more of the G-7 industrialized democracies.
- Assessing those military-related SOEs of actual or prospective adversaries that are listed, or seeking to list, on global stock exchanges to help attract private funding for specific weapons systems that could be later used against Western allied interests.
- Analyzing how SOEs go about building up dependencies in neighboring countries that can later be leveraged by their respective governments to bend the decision-making of host governments in a direction favorable to their strategic interests.
- Examining the current security-oriented screening mechanisms and foreign investment controls of various allied countries related to legal transactions of questionable SOEs in the global markets, and the present inadequacy of such mechanisms.
- Assessing the recent history of Chinese and Russian foreign investment activities, particularly via the acquisition of sophisticated Western technology firms and strategic infrastructure assets, and those transactions that were blocked by the host governments for national security reasons.
- Analyzing the extent to which Western private sector firms engage (if at all) in security-related diligence prior to decisions to partner with, or invest in, controversial state-controlled entities in an effort to protect their corporate reputations/brands and share value.
- Evaluating the predatory trade and tender bidding practices of certain strategically-motivated SOEs, offering terms with which Western private sector firms cannot hope to compete (e.g. heavily subsidized financing, bribery, cyber hacking of competitors, threatening broader trade and investment relations, the provision of non-market “sweeteners,” silencing critics of specific SOEs through threats of costly legal action, etc.)



### III. Additional PSSI Support

Fortunately, PSSI possesses among the foremost capabilities in this category of E&F statecraft in the NGO community through its Economic and Financial Threat Program and open-source software tool called IntelTrak, developed by PSSI's principals (more information on this tool is available at: [www.rwradvisory.com](http://www.rwradvisory.com)). The Institute would work with the Ph.D. candidate on an ongoing basis to offer guidance and react to research questions and findings.

The Černý scholar would be welcomed at all PSSI roundtables and conferences in this field. He or she would also be invited (should they have an interest) to participate in the present "Economic Warfare" course within the curriculum of Charles University's Master's Degree Program in International Security Studies (co-sponsored by PSSI). In short, the Institute would offer its full array of capabilities to support the recipient of this scholarship. PSSI would also call on this Ph.D. candidate to assist the Institute in the preparation of E&F-related funding proposals, the research and writing of reports on cutting-edge developments in the field and event planning and execution.

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