



EU-China Hub

Interview Series



BJÖRN JERDÉN

SINO-SWEDISH RELATIONS -
STANDING UP FOR VALUES WHILE MANAGING INTERESTS

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About

EU-CHINA HUB

We are a Brussels-based, private, non-profit initiative pushing forward dialogue on EU-China relations.

Given China's rapidly rising importance on the global stage, it is now more important than ever for EU-China relations to be better understood not only by an inner circle of professionals and enthusiasts, but also by politicians, business people, and the general public.

This is especially true as Europe struggles to embrace the complexity of its relationship with China as a partner, a competitor, and a rival.

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He focuses his research on China and frequently comments on Sino-Swedish relations. He has been a visiting fellow at National Chengchi University, National Taiwan University, and Harvard University.

We recommend that you read his recent publications: ["Sweden: Not quite friends in need with China amid the COVID-19 crisis"](#) and ["China's propaganda campaign in Sweden, 2018-2019"](#).

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SINO-SWEDISH RELATIONS - STANDING UP FOR VALUES WHILE MANAGING INTERESTS

Edited by Grzegorz Stec and Michael Durgin

The following interview, from June 2020, is based on a podcast episode produced by the EU-China Hub as part of its on-going series. It has been edited for length and clarity.

Grzegorz Stec: In our conversation today the topic that we will come back to over and over is the values of systemic rivalry on the important issues in today's European debate on China. Sweden has recently come to be viewed as falling out with China, especially when the focus is on values and political differences. Notably, during the meeting of the EU foreign ministers, Sweden was the only country to raise the potential question of imposing sanctions on the PRC because of the Hong Kong national security law.

Let's first set the scene to understand what Sweden might be risking in this context. How do economic relations between Sweden and China look?

Björn Jerdén: Economic relations between Sweden and China have been very active, compared to other European countries. Close to 5% of total Swedish exports go to China (one of the biggest EU countries in this respect) and it's among the top four countries in the EU with a high trade dependence on the Chinese market. The Swedish economy relies more than most European countries on exports.

We have also seen a big growth in Chinese investments in Sweden over the past 10 years, ever since Volvo was acquired by Zhejiang Geely in 2010. In the last couple of years, Sweden has been one of the main targets in the EU for Chinese investment.

GS: And does the competition between Ericsson, with a stake in mainland China's 5G, and Huawei play a role in Sweden-China relations?

BJ: I think it does to some extent. First of all, one might think that international concern about including Huawei technology in the development of 5G networks is good news for the Swedish company, Ericsson. If countries ban Huawei, it will increase the chances that

Ericsson will get a bigger role in the development of networks. At the same time, it also increases political risks for Ericsson.

Ericsson has been active in the Chinese market for many years. So the whole politicisation of the 5G issue has been a thorny question for them. Also, representatives from the Trump administration have emphasized the role of Ericsson in a global context to secure a free and open arena for information. There have also been reports that President Trump has brought up the issue of Ericson's role in 5G development in talks with the Swedish Prime Minister. The Trump administration even suggested that, perhaps there would be a national interest for the United States to acquire some control over both Ericsson and Nokia, the Finnish company. (Later on the White House withdrew those ideas.) But certainly Ericsson is a very important company for Sweden. And developments over the last few years have put Ericsson, and Sweden, closer to the center of this emerging global competition.

GS: With a basic understanding of the economic situation, let's move to political issues. I think the key point of contention between Sweden and China now is the case of Swedish citizen Gui Minhai. This is a very complex case that has been going on for quite some time. It has many threads and controversies related to each country's ambassadors. Can you give us a key overview of the case and explain how important it is for Sweden-China relations?

BJ: The Gui Minhai issue has had a huge impact on relations between Sweden and China over the last 5 years. The episode has a lot of different angles but, briefly, Gui Minhai is a Swedish citizen who was based in Hong Kong, an author and a bookseller. Together with his colleagues in Hong Kong, at the Causeway Bay Bookstore, he sold some books that were critical of Chinese leaders. In the fall of 2015, Gui Minhai was kidnapped from his holiday home in Thailand and, a few months later, he was paraded on Chinese state television, confessing crimes.

Initially it was reported that he had returned to China of his own free will, to serve time for causing a deadly traffic accident 11 years before. Ever since, this has been a very big topic in relations between the two countries, and the Swedish position has been to press for Gui Minhai's release, to respect his consular rights, and to allow him to have contact with his family. But the Chinese have not complied. Earlier this year he was sentenced to 10 years in prison, on security related charges.

Also, the Chinese government says that Gui Minhai had applied to reinstate his Chinese citizenship and that request was granted. So Gui Minhai is a Chinese citizen again but,

according to Chinese law, dual citizenships are not allowed. From the official Chinese perspective, he's no longer a Swedish citizen and the case is no longer relevant to bilateral relations.

The Swedish position now is that Gui Minhai is still a Swedish citizen, since he never applied to the relevant agency in Sweden to denounce his Swedish citizenship. So the original requests for his release and to respect his consular rights are still in place. The positions of the two countries are very far apart here, perhaps farther apart than ever before. It's very difficult to see a solution to this issue in the near future. And as long as this issue remains, it will be difficult for Sweden and China to return to relations as they looked prior to 2015.

GS: And also in late 2019, there was this escalation over freedom of speech. An award was given to Gui Minhai and that led to some controversies with Ambassador Gui Congyou.

Can you maybe explain to us the situation a little bit?

BJ: Since 2018, the Chinese embassy in Stockholm has waged what looks like a campaign of public criticism against all public voices in Sweden airing views that are not acceptable to the Chinese Communist Party. It concerns both Gui Minhai and other issues, such as the situation in Xinjiang and China's handling of the pandemic.

In the fall of 2018, there were a number of incidents. They are quite complicated but it involved a number of Chinese tourists who visited Stockholm and, later on, a satirical show on Swedish television. The Chinese government and Chinese Embassy in Stockholm reacted very strongly to these incidents and made various demands and veiled threats. This drew a lot of attention in Sweden. Compared to the early years of Gui Minhai's detention, things really changed in 2018 and became a much bigger issue in Sweden, partly due to greater public involvement from the Chinese side.

Then in the fall of 2019, the Swedish PEN Association decided to award an annual prize to Gui Minhai. The prize ceremony was held in absentia, as Gui Minhai was detained in China. Following a tradition from previous years, the Swedish Minister for Culture and Democracy made an appearance and awarded the honor. After that, China escalated tensions by making direct threats to the Swedish government and mentioned that this would have consequences in the areas of economy and trade for bilateral interactions. What's more, the Minister for Culture and Democracy was effectively declared *persona non grata* in China, as were other government officials working with cultural exchange from a Swedish side.

The Swedish Prime Minister also made a public statement saying that we will never back down when faced with these kinds of threats. So, the Swedish government tried to send a strong signal by having the Prime Minister, not just the Foreign Minister, respond to the threats.

GS: The Chinese ambassador to Sweden also made some inflammatory comments. But is this situation connected to what we have observed in recent months, fallout between Sweden and China related to the closing of Confucius Institutes and classrooms, as well as severing ties between sister cities? Is there a direct connection?

BJ: It's connected both directly and indirectly, but it's also an issue that actually appeared before, when bilateral relations were quite good between Sweden and China, at least concerning Confucius Institutes. These are a joint project between the Chinese government and local universities and high schools, in which the Chinese government sends Chinese teachers to teach Chinese language and Chinese culture.

The first Confucius Institute in Sweden—also the first in all of Europe—was established in 2005. It was very symbolic. Stockholm University, where it was placed, has a long history of sinology. So it was portrayed as an acknowledgment of the history of ties between the countries. But in the years after that, a debate appeared as to whether it's really a good idea to let a non-Democratic foreign state establish, found, and indirectly manage Institutes at Swedish universities.

About ten years later, the university made the decision to close the Institute, about one year before Gui Minhai was detained. At this time there were no big problems in Sweden's relationship with China. Some of the remaining institutes closed in the following years, but that was largely independent of any bilateral tension. However, this issue recently reappeared. The last closures of Confucius classrooms in Sweden, which happened in the past year, are very connected to concerns about China's behavior against Sweden and also a perception that the situation for human rights and democracy in China is deteriorating, which removes the basis for this kind of engagement. These are the same reasons we see in the severed sister city relationships over the last two years: 10 agreements have ended between local Swedish municipalities and regions with Chinese counterparts. And almost all of these cases involved concerns about the human rights situation in China and China's behavior against Sweden.

So we see local decoupling from China at the Swedish municipal and regional level. I think it very much reflects the tension in the bilateral relationship between the two capitals.

GS: The 2019 strategy on China, which was defined by the government in conversation with the Swedish parliament, refers to and builds upon the 2016 EU strategy on China. But it is a country-specific strategy. Can you tell us about the process of defining this document?

BJ: Certainly. If you ask the Swedish government, they deny that this is a strategy. They say we already have an EU strategy and this is a communication. But many people perceive it as a strategy. And it's quite unique in the Swedish context because this is the first time that the Swedish government has issued this kind of country-specific overall strategic document for any country. The background has a bit to do with the state of bilateral relationships. A lot of people and decision makers in Sweden feel that the previous approach to dealing with China was not really working anymore.

We needed to rethink the situation that, when dealing with China nowadays, it's not only the foreign ministry that's involved, but all of the ministries, as well as many government agencies and local governments. There's a need to sort of take a comprehensive view of the relationship from the Swedish perspective, to identify Swedish interests, areas of cooperation, and areas where Sweden perhaps needs to issue new legislation in order to handle challenges. The entire government has been involved in drafting the strategy and it has been through the parliament where it has been approved by all of the parties. Experts at universities have not been directly involved in the process. The Netherlands also released a China strategy at about the same time and they took a bit more of an inclusive approach in drafting the strategy and the process. There it took longer.

For Sweden, it was a short process. The Strategy does not really point out what kind of policies Sweden should preserve toward China. However, there's a strong emphasis to always put Swedish interest first in relations with China. I think it's a meaningful emphasis here because it reflects the thinking that Sweden and China, when it comes to our national interests, do not always see eye to eye. Since in many instances there are clashes, there's a need to put Swedish interests first.

Another part of the document, a rethinking about the relationship with China, shows an emphasis on opportunities and challenges. You always hear decision makers saying that there are opportunities and challenges in any relationship. But what happened in Sweden in the last few years is that some areas were previously seen as mostly consisting of opportunities, such as Chinese investments in Sweden. Nowadays it reflects the strategy

that some of these issues, in fact, also involve challenges in the Swedish parliament that the government has followed up on. One example is new legislation about screening foreign investments from a country that might harm Sweden's security interests.

Just a couple of years ago the debate looked very different: the Swedish government was critical of this kind of legislation and described it as a protectionist measure. Of course, it's not only about China, it's about investments from other countries, such as Russia, but I think the debate is mainly about China. So the political system in Sweden has really done some major rethinking in handling the relationship with China.

GS: Can you give us a few key takeaways for other EU countries in developing their own China strategies? What are the most important parts of this strategy that Sweden has really emphasized?

BJ: I think what the government tries to do is to identify areas where cooperation with China is still needed and necessary, such as efforts to combat climate change. So it's not a hawkish document but a way to look at different aspects of the relationship differently, rather than focusing only on maintaining good, stable relations with China, deciding that's it and that everything will be fine. Rather, identifying areas where we have a lot to gain from the relationship, but also risks involved. Some areas, such as investments, involve both opportunities for gains and challenges and risks. I don't think this is unique to Sweden. It's also reflected in US strategy documents on China. That's the approach the government's aiming at.

A number of issues stand out. For example, potentially negative security implications of China's global role is an issue that should be discussed in a transatlantic context, opening up for greater coordination, perhaps with the United States, when it comes to security challenges emanating from China. Sweden is not a NATO member, but this very much emphasizes their bilateral security relationship with the United States.

So those might be interesting to people in other EU countries.

GS: One thing that I found interesting in the strategy was the idea of boosting wider China literacy. In this context, the government talked about establishing a national knowledge center on China. Can you tell us about this initiative?

BJ: Nowadays so many people in Sweden have to deal with China in one way or another. In the Asia section of the foreign ministry, there's always been very strong China expertise. But the desire here is to introduce a China reflex in all the other ministries as well.

How would issues concerning China be relevant for an issue, whether it's about international law, trade, or the environment? This also applies outside the government offices, at the different administrative agencies, at the local level. The view is that people perhaps don't know as much about China as they need to in order to take into account all the possible China relations consequences of different policies.

So that's the background for investing in a national research base, a knowledge center on China: to be able to provide policy makers and others with in-depth expertise about China-related issues. I think many other countries would also like this kind of resource. The Center would be able to help the Swedish state introduce this kind of China reflex, and also provide greater understanding of China, which will improve Sweden's capacity to take advantage of opportunities while considering risks.

GS: Are there any details as to how this would work in practice? Would it revolve around government structures?

BJ: The government is working on the details and will present them quite soon. There is money for the Center in the annual budget for 2020, so it should launch in the near future. However, this issue is also affected by all the commotion stemming from the pandemic.

GS: Looking at this strategy and the events of last month, how does Sweden strike a balance between its interests and values? Is values-based messaging primarily going through multilateral frameworks, such as at the EU level?

BJ: That's a very good question. This balancing challenge facing Sweden is the challenge faced by all of the EU countries when dealing with China.

There hasn't been that much comparative research on how different European countries deal with this. But our institute is a member of the European think tank network in China. One and a half years ago we published a report on European countries' political values in bilateral relations with China. We looked at how different countries brought up human rights concerns with China. We found that Sweden ranks among the top countries in the EU when it comes to this.

The Swedish government does this in the EU setting and in multilateral and poly-lateral settings such as groups of different countries, both European and non-European countries, writing letters and criticizing China for various issues.

But Sweden also does this bilaterally. For example, the Swedish government publishes regular reports on the human rights situation in China. And Sweden has for many years worked with Chinese authorities to improve the situation for human rights. For example, Sweden has funded a program on human rights at Beijing University.

However, as a result of more severe restrictions in China, talking about this aspect of human rights policy is now much more difficult. In Sweden, both current and previous governments have received criticism for not being vocal enough when it comes to criticizing China. So not everyone in Sweden is happy. A lot of people say Sweden is more cautious about human rights abuses when it comes to China than, for example, toward a small African or Latin American country, because Sweden is more concerned about repercussions of criticizing China too hard. At the same time, Sweden remains one of the EU countries most willing to bring up human rights issues with China.

You mentioned earlier the request to discuss sanctions against China for the new Hong Kong security law. Sweden was the only country raising that. It was actually the EU committee in the Swedish parliament that forced the government to bring up this issue. Sweden today is run by a minority government consisting of the Social Democrats and the Green Party. Sometimes the parliament overruns government policy, which happened in this case. It's quite notable that it happened concerning Sweden's relations with a great power, China. And it shows the extent to which China policy has become politicized in Sweden. This would have been quite unthinkable a few years back.

GS: Referring to domestic politics and its impact on the debates about values, we talked with Richard Turcsanyi some time ago on this broadcast about the Sino-Czech fallout. Much of the discussion there surrounding values and the general approach to China seems to be linked to domestic politics and the identities of specific political groups. Is this also true in Sweden?

BJ: It's intriguing to compare recent experiences of Sweden and the Czech Republic. There are similarities but some important differences. These countries are similar to the extent that China policy has become increasingly politicized and takes up bigger space in the domestic debate, but it plays out quite differently. China has indeed become more politicized today in international political debate than it did some years back.

In the case of the Czech Republic, as I understand it, the China issue has become a symbolic issue for signaling one's position on issues involving fundamental questions about Czech national identity: What kind of country is the Czech Republic? This involves views on the past Communist relations with Russia and whether or not the Czech Republic

is a part of the West. So it has sort of polarized different camps and they are using the China issue to signal two different versions of Czech national identity.

In Sweden, the issue has become politicised but there are no pro-Chinese voices in Sweden. They are pragmatic and seek to avoid conflict. There's very strong consensus among political elites about the challenge coming from China. The China issue in Sweden reflects shared views on the perceived problems with China's authoritarian development and challenges stemming from China's increasing global prices.

GS: Can you give us a feel for who stands where on this issue, maybe using the example of the sanctions on Hong Kong that you already mentioned?

BJ: I'm actually not aware exactly which parties press this issue in the parliament. We have eight parties in the Swedish parliament. The government consists of two parties that collaborate with the other parties. All are pressuring the government in different ways to take a harder stance on China-related issues. Some parties are calling for the government to declare China's ambassador *persona non grata*. But there are no clear dividing lines between the left and right.

In some European countries, the populist right tends to be more positive about China. That is not the case in Sweden. The Sweden Democrats, the populist right party in Sweden, is very hawkish on China. But so is the left party, the former Communist Party. The China issue does not divide the political landscape. Rather, there's a divide now—a natural consequence, perhaps, of parliamentary logic—that the government should take a more pragmatic approach about why the opposition is pushing the government to adopt stronger policies. I think it's because the two-party government has a lot of things to consider and are more cautious, while the political opposition is more eager to push for harder policies. But even if we have a change in power to a right-wing government, I don't think this dynamic will change that much. We could expect some new policies related to cyber security and investment screening, which might go further than the current government has been willing.

No matter which coalition of parties runs Sweden in the next few years, we will continue to see a trend focusing more on the challenges involved in relations with China rather than the opportunities.

GS: Sweden has been vocal on issues related to human rights, criticizing China on political issues. What are some lessons learned and best practices that might be important for other European countries?

BJ: It teaches other countries that it is not easy to keep a balance. You face pressure from both the Chinese side and the domestic audience.

The case of Gui Minhai is both a consular issue and a human rights issue. That whole episode also illustrates challenges in talking frankly with China about human rights issues. The Swedish self image or national identity involves a lot of pride in our democratic system. In comparative research, Swedes tend to be quite confident in the virtues of our own systems. This also plays into Sweden's approach when it comes to bringing up human rights issues with China and other countries.

The traditional Swedish approach has been not only to point fingers at China but also to work together and convince China of the benefits of implementing different kinds of domestic reform. But it's more difficult now to get through to the Chinese side because of quick reactions, claiming and denouncing attempts at foreign interference in China's domestic affairs.

However, disagreements about human rights do not necessarily impact economic exchange with China. As I mentioned earlier, Sweden exports a lot to China, which seems willing to invest a lot in Sweden. This has not changed even though political relations have experienced a downturn. This is a pattern that we have witnessed for other countries. For example, for Japan, which has lived through a lot of disturbance in its relations with China, economic interactions have remained very active and positive. The Japanese and Chinese used to talk about "hot economics/cold politics". The political relations might be cold, but economic interaction continues vigorously.

To some extent, I think that's what we are seeing now with Sweden and China. This is subject to change, as China has implemented unofficial economic sanctions against various countries in the past, recently with Australia, for example. So we shouldn't rule out the possibility that this might happen with Sweden. But, at least so far, these disturbances and Swedish human rights criticism against China have not led to any obviously negative effects on economic interaction.

GS: Has the EU been helpful in the case of standing up for values, specifically in the case of Gui Minhai?

BJ: When Gui Minhai was detained, the initial approach by the Swedish government was to find a way of solving the issue through so-called "silent" diplomacy. That is, not to make a big fuss of the issue in public, but work in closed-door interaction with the Chinese to see if it was possible to get Gui Minhai released. Over time, it was obvious that this wouldn't work.

So Sweden then adapted the approach of bringing up the issue at every level. Therefore, it has also become an issue in relations between the EU and China. But I have a few questions. First, how actively is the EU bringing up this issue in relations with China? Does it try to impose any costs on China for not meeting the EU's demands on this issue?

I'm not really sure. Borrell met recently with Wang Yi, China's foreign minister and at the press conference afterwards, Borrell said that he had brought up several individual cases. But I don't know if Gui Minhai was one of those cases. Perhaps. From the outside, it's a bit difficult to see exactly how the EU is working on this issue and how we should assess these attempts. Do they have any effect?

Another question is exactly how interested the Swedish side is to press this issue hard at the EU level. It's good to remember that the Swedish government's approach in the last few years has been quite pragmatic. The Swedish government does not try to actively escalate the conflict. It's rather pressure from the political opposition in Sweden and also this kind of local disengagement that we talked about earlier; there we see harsher measures to respond to China's actions. One possible risk of pressing this issue very hard at the EU level would be to turn Sweden into the standard bearer of a global coalition to counter China's global rise. The Swedish government has no interest in that.

GS: As of now, the EU seems to be deeply rethinking its China policy, especially in the context of values versus interests and the dynamic of systemic rivalry. What are some of the lessons that can be drawn for the EU and its member states from the case of Sweden? Could you address this topic head on?

BJ: If the EU really intends to honor the values included in its founding documents—that is, to let the values of human rights, democracy, and rule of law shape the EU's role as a global actor—in its relations with China, it will be very hard to avoid more conflict. The Chinese side views this approach as interference in its core interests. A common talking point is that if we have a relationship based on mutual understanding and respect, then we can also bring up difficult issues. But it would be foolish to pretend that really honoring these commitments wouldn't frequently bring tension in relations with China. I'm not sure the EU's prepared to do that. At least some member states are very reluctant.

Another lesson would be that coherence is fundamental when it comes to dealing with tricky issues. That's obviously true for any EU issue, especially external policy. But the Chinese side works very strategically, singling out different actors.

We're seeing this now with Sweden, but it has happened with other countries in the past. It seems that the Chinese side is not very concerned about possible costs of continuing to do this. So I think that's something that the EU really needs to think hard about, to avoid this kind of situation appearing again between China and other member states.





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