# China and the Nordics: Tracing Trends in Relations

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#### **Summary**

- Diplomatic relations between Modern China and the Nordic States grew from different points of departure yet followed roughly congruent paths, adhering closely to Beijing's domestic and regional priorities.
- Trade and political exchanges were instrumentalized to facilitate the immediate goals of Nordic and Chinese leaders, going through periods of greater proximity and disruption as objectives transformed.
- Modern relations have been deeply affected by the increased economic, social, and interpersonal exchanges inherent to the globalized world, with significant implications for discourses on human rights, international value chains, technological development, and security.
- The dual perception of China as both a partner and competitor is fueling a push to reevaluate Sino-Nordic relations. This manifests itself in concerns about the national security impact of mergers and acquisitions, escalated diplomatic rhetoric, and Beijing's growing willingness to apply economic pressure over political issues. At the same time, the recognition of China's importance on the international stage necessitates cooperation on financial, governance, and environmental issues.
- Even during periods of lacking state-to-state relations, ideological exchanges continued to shape Sino-Nordic relations. Maoist thought and practice entered Nordic political discourse at a critical juncture, shaping a societal legacy of questioning hierarchy and structures, even after China's embrace of market principles disillusioned Nordic Maoists.
- Over the past decade, the Arctic has elicited ever more attention from governments, businesses, and civil society. In the context of Sino-Nordic relations the region occupies a special place with unique challenges and opportunities pertaining to climate change, evolving security considerations, and potential trade and investment flows.

#### Introduction

Now, more than ever, it is increasingly important to understand the complexity of international exchanges between countries and peoples. Many discussions about foreign policy as well as trade and national security make reference to China and its changing political landscape. Some look to the past, drawing on historical analogies to explain the politics of the present, while others zoom in on specific developments to the exclusion of other considerations. An appreciation of history and microanalytical approaches are certainly important contributions to discourse about international relations but fall short of providing the whole picture. To better understand the often messy and complex dimensions of modern Sino-European relations, one must take a discursive approach that draws on a broad base of academic, journalistic, and critical discussions. These ongoing discussions about trends, variables, and outcomes fuel not only how specialists view the world but also how the public approaches the critically important field of global affairs.

In outlining this Asia Paper, the authors set themselves a goal to produce a report on China's relationships with the Nordic states that is general, succinct, and readable. It would be beyond the scope of the project to chronicle the entirety of Sino-Nordic exchanges over the past century or provide an exhaustive account of contemporary diplomatic relations. Rather, the idea is to highlight some of the observable developments and trends that have resulted from decades of contact and embed these in a narrative frame. The often-repeated notion that "China is not a monolith" reflects some of the difficulties researchers might have in approaching such an undertaking – there is so much to be said about international relations, so much material to sift through, and so many assumptions to challenge and interrogate that several libraries could easily be filled from the resulting discussions. Compiling this report has involved many hours of not only writing but also discussion, argument, and revision. Indeed, the authors of

the report view this project of examining modern relations between China and the Nordic states as part of a wider discussion.

This report is not intended as an end unto itself but seeks to reflect emerging discussions that are unfolding in Europe, China, and elsewhere. In the following pages, the reader will find discussions that touch upon a myriad of themes, including history, ideology, diplomacy, and geopolitics, as well as an abundance of footnotes. The hope is that this publication will provide a basis for further reading and inquiry, in line with ISDP's mission to make analytical and scholarly material available to the general public.

The main body of the text is sectioned into four parts. The first section explores the historical backdrop of Sino-Nordic relations and provides a brief overview of the interplay between Chinese domestic developments and diplomacy. This is followed by a discussion in the second section of contemporary facets of relations, including economic ties, security concerns, and political considerations. The third section explores an ideological dimension of relations by examining the impact of Chinese political thought and rhetoric on Nordic politics and society. Finally, the report touches upon the Arctic as a unique intersection of Nordic and Chinese interests.

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#### I. The Roots of Diplomatic Relations

The early diplomatic recognition of the newly proclaimed People's Republic of China (PRC) by several Nordic states has played an important role in what is a relatively unique relationship. For the Chinese Communist Party (CCP), establishing diplomatic relations with non-socialist countries was a major step towards consolidating the new Chinese state and signaling a definitive victory in the Chinese civil war. In the following decades, Beijing's efforts to wrest recognition away from the remnant Nationalist (Kuomintang, KMT) government in Taiwan, acquire a seat on the UN Security Council, establish a pragmatic, if fraught, relationship with the United States, and forge a foreign policy course distinct from its erstwhile Soviet sponsors, reinforced the importance allocated to Sino-Nordic relations. After decades of fragmentation and the loss of sovereignty to foreign powers, CCP leaders were keen to engage with other countries on equal footing.

#### **Early Diplomatic Recognition**

Chinese state media often stress the symbolic importance of the establishment of ties between the Nordic countries and the PRC in the 1950s. While the Soviet Union and several Eastern European states had been quick to extend recognition to the PRC following its official founding on October 1, 1949, many countries outside the socialist bloc were slower to act. At the sixtieth anniversary of diplomatic relations between Beijing and Stockholm in 2010, China's then-ambassador Chen Mingming lauded relations between the two countries, stating, "[i]n the western world, Sweden was the first to respond [to Beijing] and entered the diplomatic ties with China [on May 9, 1950]." And yet, the process by which diplomatic relations between China and the Nordic states took shape is complicated.

 $<sup>^1</sup>$  "60th anniversary of China-Sweden diplomatic relations celebrated," China Daily, May 7, 2010. www.chinadaily.com.cn/china/2010-05/07/content\_9819770.htm.

Despite the amicable rhetoric surrounding the opening of diplomatic relations between the Nordic states and China, Sino-Nordic relations were the result of a negotiated process. While the newly established socialist governments of Eastern Europe and the CCP's long-standing backers in the Soviet Union could easily forge ties based on a shared ideology, countries like Sweden and Denmark had to agree to a set of preconditions before official exchanges could begin. This involved first and foremost breaking all ties with the defeated KMT government, which had recently retreated to Taiwan, and the handover of Chinese government property abroad to the communist authorities.

Diplomatic niceties notwithstanding, the Nordic governments were content to closely follow the British approach to the new communist government in Beijing. Within months of the proclamation of the PRC, on January 6, 1950, the United Kingdom issued an official diplomatic note to Beijing recognizing the PRC as the legal government of China, announcing the appointment of an interim *charge d'affaires*, and requesting permission to transfer diplomatic staff from temporary headquarters in Nanjing to Beijing.<sup>2</sup> Although the CCP leadership may well have been pleased with the idea of securing recognition from the *quintessential* imperial power which occupied such a prominent role in Chinese political rhetoric, they elected not to respond to British overtures. There were several reasons for this, including a deadly clash between the People's Liberation Army (PLA) and the British Navy in the so-called Amethyst incident, a desire by the Chinese authorities to regain sovereignty over Hong Kong, and the CCP's hesitance to uphold treaties signed by its predecessor.<sup>3</sup>

Although Sino-British relations stalled, London's recognition of the PRC precipitated a wave of diplomatic overtures from the Nordic states. Within a week of the UK foreign office issuing its note to the CCP authorities, the governments of Sweden, Denmark, Norway, and Finland followed suit.<sup>4</sup> For Beijing, the comparatively small Nordic states presented a better option for building ties with the wider world than the still-considerable British Empire. But the Nordic states did not approach China's new communist

<sup>&</sup>lt;sup>2</sup> Paul Preston, Michael Partridge & Piers Ludlow. "British documents on foreign affairs – reports and papers from the Foreign Office confidential print" University Publications of America, 2005. 56.

<sup>&</sup>lt;sup>3</sup> David Wolf, "To secure a Convenience: Britain recognizes China – 1950" Journal of Contemporary History, Vol. 18, No. 2, April 1983. 316.

<sup>&</sup>lt;sup>4</sup> The newly independent Iceland, which had only separated from Denmark in 1944 and lacked the diplomatic machinery of the other Nordic states, would only begin the process of building an official relationship in the 1970s, a different era for both the Nordic region and China.

rulers with a blank slate. Since the eighteenth century, Nordic trading companies like the Swedish East Asia Company had participated in lucrative commercial and shipping activities, taking advantage of the favorable conditions imposed on China by the major imperial powers.

In retrospect, the establishment of Sino-Nordic relations appears to reflect a set of very similar priorities. Yet, the various Nordic countries' legacies in China also differed greatly from one another. At the turn of the twentieth century, Sweden and Denmark were becoming embedded in Sino-European trade, particularly through the Swedish and Danish East Asiatic Companies. Denmark's Great Nordic Telegraph Company even contributed to China's nascent telegraph network and left behind a stately headquarters in Shanghai, today the Thai Consulate. 5 By contrast, the newly independent Norway and Finland had more modest diplomatic or commercial connections to China. Helsinki did recognize the Japanese puppet state of Manchukuo in 1941, a source of some subsequent diplomatic embarrassment yet ultimately an inconsequential stumbling block.6

Early Sino-Nordic relations were also influenced by the presence of large numbers of Christian missionaries in China. Lutheran missionary societies supported and directed by the national churches of Sweden, Norway, and Finland were particularly energetic in the central provinces of Hunan and Hubei, whereas the Danish Missionary Society focused its attention on China's Northeast. <sup>7</sup> The vestiges of these Nordic missionary activities would eventually amalgamate into the Lutheran Church of China, which soon after the founding of the PRC was absorbed into the Three-Self Patriotic Movement in mainland China, while independent seminaries remained in the more religiously pluralistic Hong Kong and Taiwan.

The differing Nordic points of departure notwithstanding, the comparatively small states of northern Europe fit well with the PRC's nascent foreign policy aspirations. Striking up fraternal relations with fellow socialist states and decolonizing peoples aligned with the ideological frame of communist China, yet there remained a powerful incentive to win over Western governments, many of which had maintained diplomatic relations with the defeated Nationalists. At the time, the transfer of recognition from

<sup>&</sup>lt;sup>5</sup> Today the company is known as the hearing aid manufacturer GN Store Nord A/S)

<sup>&</sup>lt;sup>6</sup> The government of Denmark also extended recognition to Manchukuo, albeit in 1941 while under the effective control of the German NS Regime, and so could easily distance itself from the wartime legacy in a way that the government of Finland could not.

<sup>&</sup>lt;sup>7</sup> For a discussion of Nordic Missionary activity around this time, see Jonas Jonson, 1972.

the KMT to the CCP was widely seen as a foregone conclusion. However, the prospect of pursuing cordial relations with countries that had directly benefitted from China's exploitation and still maintained imperialist policies in Africa and Asia was nevertheless jarring to Chinese ideologues.

From this perspective, it is perhaps unsurprising that the leadership around Mao Zedong and Zhou Enlai spurned the UK's invitation to forge diplomatic ties in early 1950 while reciprocating a similar overture from Switzerland soon after. Although it would be entirely inaccurate to equate Nordic social democracy with Chinese communism,8 the Nordic region hosted a political discourse that superficially shared ideological tenets with the leaders of the New China, smoothing the efforts to establish relations. Sweden, Denmark, Norway, and Finland all sported parliaments in which social democratic parties held relative majorities. 9 Moreover, the industrially and technologically advanced Nordic economies, particularly Sweden's, which had managed to skirt the widespread destruction of the Second World War, promised development opportunities that could help Beijing address the needs of its war-torn economy. The Swedish and Danish diplomatic missions in Nanjing, like their British counterparts, had elected to remain in Nanjing despite the Nationalist evacuation and stood poised to engage the new authorities. Since trade and cultural exchanges were already well established but less politically burdened by the legacies of the "century of humiliation," striking up relations with the Nordics proved attractive to China's new rulers.

With the conclusion of the Chinese Civil War and the founding of the PRC, Sino-Nordic relations were characterized more by a desire to maintain mutual economic interests than strategic or political calculations. However, this budding relationship was soon disrupted by one of the seminal events of the Cold War in Asia: the Chinese intervention in the Korean War.

#### The Korean War and the United Nations

The Communist victory in China not only set the stage for new diplomatic ties with the Nordic countries but also set in motion a chain of events that

<sup>&</sup>lt;sup>8</sup> Particularly the overtly agrarian and anti-parliamentarian doctrine that was beginning to take root in the mind of Mao Zedong at that time and would find extreme expression during the Great Leap Forward and the Cultural Revolution.

<sup>&</sup>lt;sup>9</sup> Technically in Finland the Social democrats had the second most seats in parliament following the 1948 elections but had won a relative majority of the popular vote and went on to form a minority government.

would lead up to the Korean War and fundamentally alter the political trajectory of East Asia. Emboldened by the CCP's apparent success, the detonation of the first Soviet atomic weapon, and intelligence suggesting that the US would not intervene, Soviet leadership decided to acquiesce to the long-standing request of North Korea's Kim Il-sung to sanction an invasion of the South. However, the notion that Pyongyang could achieve a sweeping victory and unite the peninsula proved a major miscalculation with the United States securing a UN mandate to intervene on behalf of the collapsing South Korean government.<sup>10</sup>

When the tide of the war shifted against the communist forces and the Soviets proved unwilling to risk an escalation on Pyongyang's behalf, Mao Zedong and the other senior CCP leaders were confronted with the alarming prospect of a North Korean collapse and the presence of American troops on China's doorstep. To stave off such a nightmare scenario, Beijing's new communist government decided to intervene on the side of their North Korean co-ideologists, dispatching a volunteer force of hardened PLA veterans across the Yalu River. The fateful decision to deploy forces in Korea brought China into conflict with the UN, a diplomatic complication considering Beijing's aspiration to inherit the UN Security Council seat of the Republic of China (RoC).

Beijing's entanglement in the Korean War laid the foundation for two interconnected developments that continue to shape Chinese diplomatic behavior to the present day. First, the perceived communist aggression strengthened the US view that the CCP threatened Washington's regional interests, thus helping to make a case for shoring up the alternative Nationalist regime based in Taiwan. The continued support from the US and some allies for the rump RoC would eventually lay the groundwork for a *de facto* state of self-rule in Taiwan. Second, the conflict effectively put on hold Beijing's efforts to foster diversified diplomatic relations. While many countries may have been somewhat slow in initiating diplomatic relations

<sup>&</sup>lt;sup>10</sup> The mandate for intervention was in part obtained because of the PRC's exclusion from the UNSC. The USSR famously boycotted Security Council meetings for seven months over the Council's refusal to recognize the PRC as China's government and was thus unable to veto the intervention. Three members had voted in favor (India, Yugoslavia, USSR) two abstained (Norway and Great Britain), and six voted against (RoC, Cuba, Ecuador, Egypt, France, US). For a detailed legal discussion of the push for UNSC recognition, see Winberg Chai, 1970.

 $<sup>^{11}</sup>$  This would eventually shape calculations about communist advances in Southeast Asia as part of the so-called domino theory.

with the CCP initially, the military conflict between China and the US-led UN forces in Korea dampened calls for diplomatic relations with China.

By virtue of Beijing's goodwill and desire to jumpstart diplomatic exchanges, the Nordic countries were uniquely situated in their relationship with China on the eve of the Korean War. Sweden and Denmark had established ties in spring 1950, while Sino-Finnish relations kicked off just as PLA troops began to deploy into Korea. The Nordic countries were thus well-positioned to develop a mediator role but were also forced to balance their commitments to Beijing with divergent security interests. Denmark and Norway had just become members of the North Atlantic Treaty Organization (NATO), while Finland had in 1948 signed the Agreement of Friendship, Cooperation, and Mutual Assistance with the Soviet Union.

Sweden, Norway, and Denmark all dispatched personnel to East Asia to participate in the UN-mandated intervention on the side of the Republic of Korea (ROK). Crucially, however, the three Nordic participants provided only non-lethal, humanitarian support in the form of field hospitals that provided care to not only allied combat troops but also civilians and captured Prisoners of War (POWs). Finland took a different route, shying away from being drawn into the Korean War altogether. As a result, Sino-Finish relations remained comparatively unaffected by Beijing's clash with the UN. Finland became the first non-socialist European country to sign a bilateral trade agreement with China in 1953.

Often overlooked is the impact of the US-spearheaded 1951 UN embargo imposed on Beijing following the PLA's intervention in the war. While the embargo succeeded in significantly cutting PRC trade with Western European nations and the US, it effectively pushed Beijing closer into an uneasy dependency relationship with the Soviet Union. However, unlike Washington, most of Western Europe never completely abandoned trade with Beijing during the war, with trade levels quickly rising after its conclusion. Troubled by the growing dependence on the communist bloc amid continued trade spurns from the US, 12 the CCP leadership was more

<sup>&</sup>lt;sup>12</sup> Noting the communist bloc's preoccupation with domestic construction programs, General Chen Yi, then-Mayor of Shanghai, and subsequent Foreign Minister, had welcomed trade and aid from "[a]ny foreign nation, including the United States and Britain [...]". Xin-zhu J. Chen, "China and the US Trade Embargo, 1950-1972", American Journal of Chinese Studies, October 2006, Vol. 13, No. 2, 170.

than happy to intensify trade ties with the Nordics who, along with the UK, had opposed Washington's calls for sanctions. 13

While the Korean War had provided Beijing with an opportunity to showcase its military capacity and avoid the possibility of a united ROK on its doorstep, it also cemented the pre-war *status quo*. The PRC remained effectively locked out of the UN until 1971, the culmination of a diplomatic push that has gone down in CCP historiography as the "Struggle to restore China's lawful seat in the United Nations." <sup>14</sup> Moreover, while the PRC's international recognition had been viewed as imminent before the war, the conflict ensured Washington would continue to forego official relations with the PRC until 1979. However, for the Nordic countries, China's relative diplomatic isolation would open doors for future economic and diplomatic engagement, albeit complicated by domestic political events in China.

#### **Ideological Isolation**

During the 1950s and 1960s, China's diplomatic relations were marred by tensions with not only the West but also the Soviet Union. Sino-Soviet tensions were rising despite close ideological leanings and convergent strategic interests, not to mention vested interests in projecting unity to the outside world. Disagreements over the strategic direction in Korea, long-standing border disputes, and clashes over party orthodoxy, as well as personal disputes among senior leaders, had strained relations. The death of Stalin in 1953 and Moscow's subsequent shift in policy marked a turning point in China's foreign relations. Alarmed at the speed with which the legacy of Stalinism was dismantled, China's paramount leader Chairman Mao Zedong feared that similar challenges to his position might arise from within CCP ranks. Mao and other senior Chinese cadres criticized the new Soviet policy positions, charging the Communist Party of the Soviet Union (CPSU) with revisionism, i.e., departing from fundamental socialist and Marxist principles.

The Sino-Soviet split had a profound impact not only on Chinese politics and society but also on China's place in the world. In Europe, the split did not have a major impact within the Eastern Bloc at first, with a few

<sup>&</sup>lt;sup>13</sup> Marita Siika, "China and the Nordic Countries, 1950-1970" Cooperation and Conflict, Vol. 18, No. 2, 1983 105

 $<sup>^{14}\,\</sup>mathrm{''Struggle}$  to restore China's lawful seat in the United Nations," Ministry of Foreign Affairs of the People's Republic of China,

www.fmprc.gov.cn/mfa\_eng/ziliao\_665539/3602\_665543/3604\_665547/t18013.shtml.

exceptions during the latter half of the 1950s; Albania was quick to align itself closely with China, and the CCP leadership pressured Moscow to accommodate reform efforts in Poland following protests in Poznan. <sup>15,16</sup> The long, poorly defined border between Russia and China became the scene of an open confrontation between the two countries in 1969, resulting in a tense standoff and a diplomatic setback for Moscow when it failed to garner enough support within the Warsaw Pact to condemn Beijing. <sup>17</sup>

Within China, the conflict with the Soviet Union engendered a major shift in policy. Ostensibly to foster better governance by encouraging criticism of the CCP, but also likely motivated by a desire to identify and remove potential inter-party threats, Mao initiated the Hundred Flowers Campaign in late 1956. Opening the Central Government up to ideological criticism, so the reasoning went, would allow the CCP to overcome ideological contradictions and develop new policies. However, the scale of criticism, coupled with the denunciation of Stalin and the uprising in Hungary, prompted Mao to reverse course, laying the groundwork for the Antirightist Campaign, a nationwide drive to purge anti-Communist elements and clamp down on all forms of dissent.

As a result of Beijing's economic and diplomatic isolation during the Korean War, subsidized trade and aid from the USSR ballooned throughout the 1950s. Moreover, the ambitious expectations set by First Five-Year Plan (1953-1957) were ultimately unmet, even as China's growth was among the highest of the post-war economies, outranked only by Japan. <sup>18</sup> Drawing upon Soviet know-how and the principle of "primitive socialist"

<sup>&</sup>lt;sup>15</sup> See Lorenz Lüthi, "The Sino-Soviet Split." While Chinese officials were energetic in seeking ways to visibly reign in what they viewed as domineering Soviet policy within the socialist camp, the severity of the threat posed by the Hungarian Revolution of 1956 to Communist rule ultimately discouraged such intra-ideological struggles.

<sup>&</sup>lt;sup>16</sup> The ideological fallout of the disagreement was more salient in the developing world, with Maoist-inspired movements emerging in places like Afghanistan, Nepal, Peru, and India throughout the tumultuous 1960s and 1970s. The history of Maoism in Afghanistan is particularly fascinating, if often forgotten, as it provides a rare example of a Chinese-backed socialist group resisting a Soviet aligned government, namely the People's Democratic Party of Afghanistan (PDPA). Although largely sidelined during the 1980s, the legacy of the Afghan Maoist movement can still be observed today – a notable example being the Revolutionary Association of the Women of Afghanistan (RAWA). See Julia Lovell's *Maoism: A Global History* and Niamatullah Ibrahimi's "Ideology without Leadership: The Rise and Decline of Maoism in Afghanistan," *Afghanistan Analysts Network*, 2012.

<sup>&</sup>lt;sup>17</sup> A notable development that emerged from the late 1960s onwards: Communist leaders in countries like Romania sought to deepen partnerships with China as an alternative to the USSR.

<sup>&</sup>lt;sup>18</sup> Some within the Party even went so far as to openly advocate for a return to market allocation mechanisms, a sign of growing internal dissent that would accelerate the backlash against 'capitalist roaders' during the subsequent Anti-Rightist campaigns. See also Chen, 2006.

accumulation," Beijing's central planners had sought to harness China's vast agriculture to provide the capital basis for an economic modernization program. However, the PRC's structural preconditions were fundamentally different from the USSR's. While sharing an experience of communist governance in the wake of devastating civil wars, Moscow could draw on significantly more industrial infrastructure and resources. In addition, while China's overall agricultural output was higher, the per capita food production was much lower.<sup>19</sup>

The rapidly rising economic dependence alongside the widening ideological gulf caused growing apprehension in Beijing, eventually leading Mao to expel experienced Soviet technicians and advisors, whose technical know-how was vital for maintaining advanced machinery.<sup>20</sup> This anxiety would enhance the drive for diversified trade partners and self-sufficiency, leading ties with the Nordics to grow in importance. Following Finland's 1954 trade agreement with China, Sweden and Norway signed similar bilateral agreements in 1957 and 1958, forming the core of early trade between the PRC and the Nordics. Even a superficial glance at the list of products for import and export paints a clear picture of the rationale for trade: in exchange for supplying Sweden with agricultural products, raw materials, animal by-products, and some handcrafted items such as textiles, Chinese officials hoped to secure imports of highly specialized products components, machine parts, electrical medical telecommunications equipment, and processed products like dried milk powder and stainless steel. 21 However, the disruptive years that followed meant that Sino-Nordic trade remained comparatively constrained.

Beyond pursuing diversified trade partners, Beijing sought to increase self-sufficiency drastically. For Mao and his closest political supporters, the solution to the disconnect between economic expectations and reality was not to reverse course but to push forward with an accelerated collectivization program. China's Second Five-Year Plan (1958-1962)

<sup>&</sup>lt;sup>19</sup> See the fantastic discussion of modern China's economic history in Kjeld Erik Brødsgaard and Koen Rutten's "From Accelerated Accumulation to Socialist Market Economy in China: Economic Discourse and Development from 1953 to the Present," 2017.

<sup>&</sup>lt;sup>20</sup> Lüthi describes the sudden, firm but very polite expulsion of Russian advisors in vivid detail in the *Sino-Soviet Split*.

 $<sup>^{21}</sup>$  "Proposition 1957:192," Sveriges Riksdag, 1957, https://www.riksdagen.se/sv/dokument-lagar/dokument/proposition/kungl-majts-proposition-nr-192-ar-1957\_ei31192; ; The Embassy of the People's Republic of China in the Kingdom of Norway, "China and Norway," n.d., https://www.fmprc.gov.cn/ce/ceno/eng/zngx/t110722.htm.

incorporated much of this thinking, leading to the disastrous Great Leap Forward, <sup>22</sup> which brought about one of the worst man-made famines in human history, estimated to have caused millions of premature deaths. By the end of the 1950s, Chinese agriculture had been heavily impacted by both natural and human degradation. Collectivization and the politically motivated push to modernize had done little to spark stable growth. <sup>23</sup>

Attempting to set the turmoil of the Second Five-Year Plan aright, the CCP even delayed the beginning of the Third Five-Year Plan (1966-1970) by four years, severely curtailing Mao's personal prestige and power in the process. However, the radical ideological current that had taken root within Chinese communism continued to simmer under the surface. Fearing for his legacy, Mao began to lay the foundations for the volatile political overhaul that swept the country from 1966 until he died in 1976, leaving an indelible mark on China's political culture.

Drawing on the revolutionary enthusiasm of the young, as well as those who felt disaffected by the process of China's transformation, the core leadership of the CCP unleashed what was in effect, a violent socio-political movement that targeted institutions and structures upon which the state and the authority of CCP rested. The movement was built on fervent notions of ideological purity and economic policies that emphasized "voluntarism" – the idea that revolutionary zeal could allow a population to fast-track national development. Several senior party leaders were publicly denounced, subjected to "struggle sessions," and were ultimately sidelined into obscure posts or became victims of suicide. Groups of student supporters, known as the Red Guards, traveled the country, destroying cultural heritage deemed part of a 'regressive' and pre-revolutionary past. The fomenting revolution dyed almost every aspect of life, and nearly civil war-like conditions took hold in some parts of the country.

<sup>&</sup>lt;sup>22</sup> It is difficult to overstate the destructive impact of the Great Leap Forward and the ensuing famine. Millions are estimated to have died, although, to this day, official figures and authoritative estimates diverge greatly on the number of preventable deaths caused by economic mismanagement. See Brødsgaard and Rutten. 33.

<sup>&</sup>lt;sup>23</sup> One of the famous examples of poor economic management during this era are the "Backyard Furnaces" that were meant to allow China to surpass the UK in steel production but were so poorly run and organized that they only managed to create low quality pig iron, to say nothing of the human and environmental toll of operating heavy equipment without safety precautions.

#### **Return to Diplomacy**

By the beginning of the 1970s, the Culture Revolution's earlier radicalism was beginning to run out of steam. While the iconoclastic energy of the period had been taken up enthusiastically in China and beyond, it did not make for sound economic planning. 24 Nevertheless, virtually all government functions were still plagued by inter-party power struggles, factionalism, and purges. China's diplomatic establishment was particularly hard hit, with all save one of China's ambassadors being either recalled, reassigned, or sidelined.<sup>25</sup> Unsurprisingly diplomats serving in capitalist countries were particularly suspect. Chinese citizens living abroad, most of them students, were eager to demonstrate their commitment to the Cultural Revolution's ideals, clashing with police at protests in places like Paris and London. Foreign diplomats serving in China were subjected to various forms of harassment and intimidation, which in many cases was encouraged either tacitly or overtly by government officials. 26 In a clear rebuke to Moscow's post-Stalinist turn, the street upon which the Soviet embassy was located was renamed "Anti-Revisionism Street." Significantly more damaging to Beijing's diplomatic standing was the storming and burning of the British embassy on August 22, 1967.27

Serious as such attacks were, Western embassies continued to operate in Beijing. However, the chaotic and erratic conditions did not lend themselves to deepening cooperation with Western partners, the Nordic states being no exception. While student leaders and activists were invited to China during this time, there was little in the way of national-level exchange. Although

<sup>&</sup>lt;sup>24</sup> It should be noted that while the official CCP historiography of this time period generally views the Cultural Revolution as misguided and destructive, and many within the population tend to view the disruptions of this time negatively, there are those who look back on some of the aspects of the Culture Revolution favorably.

<sup>&</sup>lt;sup>25</sup> The only Chinese ambassador to be left in post during the cultural revolution was the veteran party loyalist Huang Hua, who for most of the Culture Revolution served in Cairo. Hua has served as the translator for Edgar Snow during the latter's historical visit to Yan'an that would shape much of the international image of the CCP. He had also been instrumental in Mao's early efforts to make contact with American government in an early effort to cement a relationship between the US and a future Communist China. Hua's adroit ability to maneuver the currents party life through a combination of personal loyalty, ideological commitment, and an ability to make himself indispensable made him the exception rather than the rule in a paranoid era in which China's diplomatic establishment had to fend off accusation of *petit bourgeois* thinking and lacking ideological commitment. See Lovell, 81.

<sup>&</sup>lt;sup>26</sup> After the anti-Maoist Wuhan incident of July 1967, Swedish diplomat Jon Sigurdson had his car surrounded and smashed by Red Guards, upon which he and his entourage were detained overnight by security services. Jasper Becker, "Memories that escaped Red Guards' reach," SCMP, February 26, 2002, https://www.scmp.com/article/372370/memories-escaped-red-guards-reach.

<sup>&</sup>lt;sup>27</sup> See MacFarquhar and Schoenhals, "Mao's Last Revolution," 2008. 225.

the prominent role accorded to countries like Sweden and Denmark that had recognized the PRC early on and enjoyed favorable trade relations, the Scandinavian monarchies did not on paper fit well into the Cultural Revolution's guiding principles. However, with the end of the Revolution's Mobilization Phase, the CCP began to change its messaging on foreign policy.

Despite the vicious rhetorical denunciation of American policies, not to mention major differences over issues such as Nationalist Taiwan, the CCP had begun to cautiously explore the viability of building a strategic relationship with the United States. The brief border war of 1969 had convinced Chinese leaders that the USSR, not the USA, was the major threat to China's interests, while leaders in Washington began to see China as a potential ally in the existential struggle with Moscow. The upshot was the historic visit to China by Richard Nixon in 1972 after a series of secret meetings.

Gradually, life was injected back into Sino-Nordic relations as Beijing's diplomatic situation normalized. In December 1971, China established official ties with the government of Iceland, a close US ally and NATO member. For the Nordics, a visible relaxation of China's stance on the stage of world politics laid the foundations for a return to pursuing trade agreements and revitalizing diplomatic engagements. In May 1973, China signed civil aviation agreements with Denmark and Norway, followed by a similar treaty signed with Sweden in June, while Finland followed suit in 1975.28 While such agreements may seem innocuous, it was an important first step in establishing greater exchanges of goods and people between the Nordic region and China. Soon afterward, Beijing followed up with maritime trade treaties that would lay the foundations for enhanced trade, with Denmark and Norway in 1974 and Sweden in 1975. Although the process of "Opening up and Reform," the sweeping set of policies that facilitated China's economic liberalization and subsequent ascendency, is generally characterized as a phenomenon of the 1980s and attributed to Deng Xiaoping, its signs can be observed already in the mid-1970s.

Although the Cultural Revolution's radicalism was beginning to ebb, deeply entrenched political tensions remained. By 1971, the stage had been set for a power struggle between factions in Beijing. The more bureaucratic-minded CCP stalwarts, such as Zhou Enlai and the recently rehabilitated

<sup>&</sup>lt;sup>28</sup> See Ben She Yi Ming, "China's Foreign Relations: A Chronology of Events 1949 – 1988", 1989.

Deng, found themselves challenged by Mao's ideologically influential wife Jiang Qing and her supporters. This rift that culminated in the trial of the "Gang of Four" – the effective conclusion of the Cultural Revolution – continued to be a stumbling block for efforts to jumpstart Sino-Nordic trade. CCP members began to gradually, cautiously show signs that a shift away from socialist radicalism was taking root within the government's worldview. For example, when the Swedish King Gustaf VI Adolf, an avid Sinophile, passed away in 1973, Deng Xiaoping was sent to the Swedish embassy in Beijing to express his condolences.<sup>29</sup> Such episodes spoke both of Deng's diplomatic pragmatism and the important role the Nordic countries continued to occupy in the thinking of China's leaders.

Delegation visits play a significant role in gauging the climate and trajectory of China's international relations. The 1973 delegation visit of Swedish Foreign Minister Krister Wickman marked an important point of departure for Swedish industry, which a year prior had arranged the first foreign industrial fair in Beijing. The vast Chinese market seemed to promise great potential benefits, especially for Nordic industry. Beyond treaties on aerial and maritime exchange logistics, the growth of deeper economic ties was predicated on key cooperation agreements and joint planning committees. The 1974 agreement between China and Denmark, for example, went hand in hand with the development of the China-Denmark Mixed Committee for the Development of Bilateral Trade and Economic Relations. These early joint committees were meant to reinforce a broad-based approach to developing ties between the PRC and the outside world. As the political situation began to stabilize further following Mao's death and the subsequent restructuring of the CCP, the number and reach of such

<sup>&</sup>lt;sup>29</sup> Interview with Torbjörn Lodén, then resident in Beijing

<sup>&</sup>lt;sup>30</sup> Elisabet Söderström, "Sverige i Kina," Näringslivets historia: Idéer, människor, produkter och händelser, No. 2010; 2. 9, https://www.naringslivshi.cdn.triggerfish.cloud/uploads/2018/12/nummer-2-2010.pdf.

<sup>31</sup> See Ming. 1989.

<sup>&</sup>lt;sup>32</sup> It might be a bit euphemistic to call the post-Cultural Revolution changes to the party "restructuring" – "purge" or even "coup" would perhaps be more accurate. However, for the purposes of China's foreign policy, and arguably specifically for the Nordic countries it is important to note that rather than continue the effective operation of the state post-Mao, Deng and the other party elders fundamentally altered the way power operated within the CCP translating the experiences of personalized rule into a system in which a coalition of party elders held sway – even as the outward veneer of a Leninist system was retained and Hua Guofeng was able to smooth over fears of change with the "Two Whatevers" Doctrine. This altering of China's power dynamics allowed for the creation of the hybrid forms of 'Socialism with Chinese Characteristics' that would eventually fuse into a coherent set f policies, but also laid the foundations for political paralysis in the lead up to the June 4 repression of demonstrators on Tiananmen Square.

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cooperation agreements began to accelerate. Particularly impactful for Sino-Nordic relations was the resurgent demand for Nordic technical know-how and goods in exchange for manufactured products.

After Deng's now-famous reform program of Opening Up was enacted in 1978, the PRC gradually emerged as the "factory of the world." This laid the foundation for the country's surging wealth through the establishment of Special Economic Zones (SEZs) designed to ease the transition away from the inefficiencies of a socialist planned economy. But the beginning of Deng's tenure brought with it more than economic liberalization. A new constitution was introduced, rooted in the pre-Great Leap Forward era, signaling a clean break with Mao's disruptive policies. China's accession to the UN Security Council as a permanent member in 1971 was followed up with official diplomatic relations with the United States in 1979, the landmark Sino-Japanese Treaty of Peace, 33 the Speech to the "Compatriots on Taiwan",34 and the beginning of PRC-UK talks over the negotiated return of Hong Kong to Chinese sovereignty.35

These developments were a far cry from the often belligerent and ideologically rigid image that China had projected in preceding decades. In the Nordics, where hopes of entering Chinese markets and production centers had long stalled, a new enthusiasm emerged, particularly within the business community. The combination of bilateral treaties and the budding return of market principles proved attractive to investors, albeit with a pervading sense of caution in approaching a country so long closed off from the outside world. Fact-finding missions and state visits began picking up pace in the late 1970s with the visit of the Danish Queen Margarethe II to Beijing in 1979. The proliferation of high-level visits coincided with a drive to encourage cooperation in the sciences, with Beijing placing a particular emphasis on the acquisition of technical expertise from abroad. Cooperation in a range of specific areas became a staple of Sino-Nordic relations with

<sup>33</sup> Ministry of Foreign Affairs of the People's Republic of China, "Sino-Japanese Treaty of Peace and Friendship," https://www.fmprc.gov.cn/mfa\_eng/ziliao\_665539/3602\_665543/3604\_665547/t18012.shtml. 34 The speech appeared to convey the message that Beijing was open to considering the possibility of

peaceful unification. "Message to Compatriots in Taiwan," January 1, 1979,

http://www.china.org.cn/english/7943.htm.

<sup>35</sup> It should be noted that the commitment of the CCP leadership to these diplomatic overtures may have been questionable, and Deng's idea of 'hiding one's strength and biding one's time' may well have been the driving rationale behind sending signals of relaxation that the leadership never intended to honor, particularly when viewed against the backdrop of Beijing's national interests. However, it is important to keep in mind that taken together these diplomatic overtures seemed to demonstrate that the Chinese leadership was willing to engage in the with the wider world in a way that it had not for decades.

Sweden concluding an agreement on economic, industrial, scientific, and technological cooperation with China in October 1978; Finland and Denmark followed suit soon after, inking the "Sino-Finnish agreement on economic, industrial, scientific, and technological cooperation" and the "Sino-Danish economic and technological cooperation agreement" in May and September 1979, respectively.

#### Opening-up and Reform

Throughout the 1980s, the pace of Sino-Nordic exchanges accelerated, greatly facilitated by Beijing's 1982 adoption of an independent foreign policy line, eschewing the earlier ideologically determined division of the world into Cold War camps, and embracing a new relationship with Europe. Beyond demonstrating a firm political commitment to bilateral relations, senior-level visits also provided an ideal setting for introducing a plethora of bilateral agreements. The most important of these were mutual investment treaties between China and the various Nordic states, including the Sino-Swedish mutual investment protection agreement (1982) and the Sino-Norwegian mutual investment protection agreement (1984). From 1985, Denmark began extending governmental loans to China, which went hand in hand with a Sino-Danish accord to mutually protect trade.

For many in China, the experience of the 1980s contrasted sharply with the preceding eras of strictly enforced ideology and years of economic contraction. Economic experiments went hand in hand with changes to the established political *status quo*. Small businesses began to mushroom throughout the country. Where previously all things foreign had been denigrated as a hallmark of the decadent excesses of capitalism, now an outward-looking curiosity took hold. Similarly, China's rich historical legacy could once again be mined for inspiration with a return of pre-Communist classics such as the *Confucian Analects* and *The Romance of the Three Kingdoms* to print. University campuses began to become centers of political discussions again, although to a lesser degree than the fanatical activism of the 1960s, making it easier for students to seek opportunities abroad. However, while liberalization certainly allowed sweeping lifestyle changes and accelerated economic growth, the same processes brought

<sup>&</sup>lt;sup>36</sup> In September 1980, Norwegian Prime Minister Odvar Nordli traveled to Beijing meeting with Zhao Zhiyang, with Swedish Prime Minister Torbjörn Fälldin, as well as Sweden's royal family, visiting Beijing soon after.

hurdles. Opportunities were unevenly distributed, and the piecemeal adoption of reform both reinforced existing discrepancies and introduced economic uncertainties and rampant corruption.<sup>37</sup>

The 1980s saw a wave of transformation that was driven by reform, not ideological orthodoxy. In a sense, this fit well with developments in the wider socialist world, where efforts to alter the relationship between citizens and state were driving policies such as the USSR's *glasnost* and *perestroika*. A desire to further push forward the process of political reform in China began to take root in the latter half of the decade, particularly in urbanized centers such as Shanghai, Nanjing, and Beijing. Even within the CCP, aspirations for gradual change began to take hold, although not unopposed. Even as globally communism appeared to be undergoing a process of rapid transformation, the social democracies of the Nordic states seemed to offer an attractive compromise position between individualist capitalism and a collectivist welfare system.<sup>38</sup>

When student demonstrations, driven by increasing living costs and calls for an end to the Communist Party's monopoly on power, broke out in late 1986, then-General Secretary Hu Yaobang refused to crackdown on protestors. This perceived failure to act cost Hu his top position and led to the subsequent launch of the "Campaign against Bourgeois Liberalization." <sup>39</sup> Conservatives within the party who were generally opposed to the reform program of Deng used this incident as a pretext to remove what they saw as an overly liberal approach and establish a hardline precedent.

But Hu's legacy would nevertheless come to play an important role in China's political development and the trajectory of Beijing's foreign relations. When he unexpectedly died in early 1989, student mourners

<sup>&</sup>lt;sup>37</sup> For a discussion of China's economic development and practices in the 1980s, see MacFarquhar's "The Politics of China: The Eras of Mao and Deng," Chapter 5. The changes sweeping the country at this point not only reverberated with the population but fundamentally impacted the CCP, with different leaders and factions beginning to develop new notions about what was possible or desirable for the country. This in part contributed to the development of reformist and hardline factions that in turn was responsible for the political upheaval seen during the Tiananmen Square demonstrations and the subsequent crackdown on dissent.

<sup>&</sup>lt;sup>38</sup> Over the years there have been numerous calls for the CCP to relax its monopoly on power and lay the foundations for a transition to a social democratic party, which would be able to contest free elections. To date, however, these aspirations remain within the realm of political speculation and at least at the time of writing form a minority position.

<sup>&</sup>lt;sup>39</sup> Despite being toppled form the top CCP post, Hu remained within the inner circles of the party. His opponents largely consisted of hardliners who sought to mitigate what they perceived of as the deleterious effects of the liberalizations scheme on the early 1980s.

began to organize memorials on university campuses throughout the country. On Tiananmen Square, long-established as a site of political activism in Chinese political thought, impromptu mourning ceremonies would lead to ever-larger marches and protests. These demonstrations had swelled to the thousands by April, with sympathy marches being held in urban centers throughout the country. Protestors' various demands became amalgamated into a single document called the "Seven Demands," which sought to articulate a coherent agenda to the CCP.

It should be noted that party leaders were deeply divided on how to respond to the dissent on display in 1989. Efforts were made to engage with leaders of the demonstrations, although hardliners such as Li Peng and reformers like Zhao Ziyang remained unable to harmonize their positions. High-profile hunger strikes and the visibility of dissident leaders on national television escalated the pressure on the authorities. In the end, when faced with recalcitrant opposition from students and other demonstrators, elements of which began openly calling for a dissolution of the CCP, the party leadership decided to enact martial law to disperse opposition. Ultimately this crackdown resulted in the death of hundreds of civilians, although estimates vary greatly, and accurate figures remain unknown. Reformers such as Zhao lost their positions within the party, effectively subjected to house arrest, while hardline leaders saw their power reinforced.<sup>40</sup>

As the Iron Curtain was gradually coming undone in Europe, China's leaders were displaying a willingness to resist political reform at the cost of inflicting violence on the population. The CCP's decision to retain the functioning of the party-state by deploying force against the civilian population led China to again occupy a pariah position internationally. This included the Nordic states where broad audiences could watch events in China unfold on their television screens in a way that had not been possible in earlier decades.

 $<sup>^{40}</sup>$  A detailed discussion of the immensely complicated rounds of negotiations happening both between party and student leaders, as well as within te ranks of the CCP and the demonstrators can be found in *The Tiananmen Papers* compiled by Zhang Liang, New York: Public Affairs, 2001.

#### II. Modern Sino-Nordic Ties

One of the effects of the highly visible nature of the Tiananmen Square crackdown on June 4, 1989, was an abiding interest within the international community for human rights conditions in China. The implicit tension between lacking political freedoms and potential economic opportunities has led to a lasting contradiction in diplomatic approaches to China. In recent decades a belief took hold that business engagement coupled with sustained dialogues could engender a gradual change in China's ossified political system. Both within China and abroad, advocates of this position have highlighted the Nordic model, a central tenet of which is the marriage of market principles with collectivist welfare systems.<sup>41</sup>

#### **Economic Liberalization and Human Rights**

After the crackdown of Tiananmen Square, in the Madrid Declaration of June 26, the European Union (EU) imposed a still-in-place arms embargo and several diplomatic sanctions on Beijing.<sup>42</sup> This included the suspension of high-level contacts, the freezing of new cooperation projects, a reduction of cooperation projects in the cultural and scientific fields, and the extension of Chinese students' visas.<sup>43</sup> Although only Denmark was an EU member state and co-signatory at that time, all Nordic countries came to align themselves with the contents of the Declaration.<sup>44</sup>

Denmark delivered an official protest to the Chinese Ministry of Foreign Affairs. Copenhagen subsequently canceled all pending aid and credit programs, restricting official contacts and canceling scheduled high-level delegations. When the EU decided to lift some of the sanctions in October

<sup>&</sup>lt;sup>41</sup> Kristian Landsgård, "China Looks to the Nordic Countries." Senter for Forskning På Sivilsamfunn Og Frivillig Sektor, July 9, 2010.

<sup>&</sup>lt;sup>42</sup> The embargo is nevertheless vaguely defined and not legally binding, with member states like France, and formerly the UK, arguing the provisions cover only deadly arms but not dual use goods.

<sup>&</sup>lt;sup>43</sup> The European Council, "Presidency Conclusions," SN 254/2/89, Madrid, June 26-27, 1989.

<sup>&</sup>lt;sup>44</sup> Iceland did not at the time have an embassy in Beijing and contacts remained fairly limited, although it seems unlikely that Reykjavik would have embraced a position fundamentally different than that of the other Nordic states.

1990, a majority in the Danish Folketing forced the government to give up attempts to resume development aid to China. Still, bilateral relations gradually normalized with seventeen Chinese delegations to Denmark and seven Danish delegations to Beijing during 1989-1991 – although they were below ministerial level.<sup>45</sup>

The Swedish government likewise condemned the violence against protestors, comparing the brutality to a bloodbath. <sup>46</sup> Sweden canceled Minister of Defense Roine Carlsson's visit to China and Chinese President Li Xiannian's visit to Sweden. Shortly after, Sweden restricted bilateral ties with Beijing, recalling some diplomatic personnel. However, most operational staff was retained, likely to maintain industrial contacts, thus isolating Beijing diplomatically but not financially. As in Denmark, bilateral relations gradually stabilized towards the end of 1990. Norway condemned the violence, and the Noble Peace Prize Committee honored the 14th Dalai Lama, reflecting popular sentiments towards Beijing and the CCP. By contrast, Finland never directly condemned the crackdown in an official statement. In line with a more restrained position, Helsinki also proceeded with an earlier arranged meeting by Vice Foreign Minister Salolainen to China in November 1989.<sup>47</sup>

Unlike in earlier eras, however, this hiatus proved short-lived. The end of the Cold War promised a new kind of international engagement, while the allure of China's ever-growing markets proved difficult to resist. In Beijing, a new generation of leaders was rising to prominence, ostensibly more interested in becoming part of the international community and playing a constructive role in global affairs than the older guard. China's new post-Tiananmen President Jiang Zemin put Western critics at ease by prominently announcing on television that China sought to embrace a political liberalization program. Not to be underestimated in the heady diplomatic climate of the late 1990s was the highly visible retrocession of

<sup>&</sup>lt;sup>45</sup> On June 1991, Tian Zengpei, under-secretary of state at the Chinese foreign ministry, came to Copenhagen and in 1992 Industry and Energy Minister Anne Birgitte Lundholt went to China. Which can be seen as their bilateral relations became cordial.

<sup>&</sup>lt;sup>46</sup> Then-Prime Minister Ingvar Carlsson was quick the condemn the violence in Beijing on June 4: "Denna upprörande användning av militärt våld måste entydigt […] Meningsyttringarna på Himmelska fridens torg har mötts med naket våld. Krav på fredliga reformer har slagits ned med stor brutalitet i vad som närmast har jämförts med ett blodbad." Jerker Hellström, "EU:s vapenembargo mot Kina ur ett svenskt perspektiv," FOI, November 2009. 14. https://www.foi.se/rest-api/report/FOI-R--2852--SE.

 $<sup>^{47}</sup>$  Jari Järvenpää," Business as Usual": Suomen suhtautuminen Tiananmenin tapahtumien jälkeiseen Kiinaan. MS thesis. 2017.

Hong Kong and the establishment of the principle of "One Country, Two Systems," which at the time seemed to signal Beijing's willingness to embrace greater pluralism within its borders. The culmination of this process of apparent harmonization was China's accession to the World Trade Organization (WTO) in 2001.

#### Trade, Investments, and National Security

Sino-Nordic trade has boomed since China acceded to the World Trade Organization (WTO) in 2001, making China a top export destination for the small, export-oriented Nordic economies. One of the major determinants in how Beijing approaches subregional trade with its Nordic interlocutors is the question of EU membership. Whereas Stockholm, Copenhagen, and Helsinki surrendered their trade negotiation prerogatives to Brussels as part of their EU accession, both Reykjavik and Oslo have been free to negotiate bilaterally with Beijing, albeit with varying degrees of success.

After six years of negotiations, Iceland secured a Free Trade Agreement (FTA) in 2013 and saw its exports to China grow by nearly 200 percent in the following five-year period. <sup>48</sup> Aside from Switzerland, Norway and Iceland are the only Western-European countries that officially recognize China as a market economy. Norway concluded the first round of FTA negotiations in 2008 but made no headway until the conclusion of the Sino-Norwegian diplomatic freeze over the awarding of the Nobel Peace Prize to dissident Liu Xiaobo ended in 2016. Nevertheless, Oslo reached a steppingstone agreement for Norwegian seafood exports in 2017 and now appears to be in the final phases of negotiations after the COVID-19 pandemic dashed hopes of talks concluding before the end of 2020. <sup>49</sup>

While these trade volumes are ultimately relatively modest for a 16 trillion USD economy, Beijing is highly aware of how smaller bilateral FTAs can inspire and influence subsequent deals with larger regional economies, most notably the EU. <sup>50</sup> Model agreements with neighbors show the potential economic rewards of closer trade ties, acting as door-openers,

https://oec.world/en/profile/country/isl?deltaTimeSelector1=deltaTime5.

<sup>&</sup>lt;sup>48</sup> The Observatory of Economic Complexity. "Iceland." n.d.,

<sup>&</sup>lt;sup>49</sup> Savic, "Norway and China Strive to Complete Free Trade Agreement Negotiations," *China Briefing*, March 14, 2021, https://www.china-briefing.com/news/norway-and-china-strive-to-complete-free-trade-agreement-negotiations.

<sup>&</sup>lt;sup>50</sup> Jerker Hellström, "China's Political Priorities in the Nordic Countries: from technology to core interests," *Norwegian Institute for International Affairs (NUPI)*. 2.

incentivizing the belief that positive developments result from engagement.<sup>51</sup> Meanwhile, even as EU memberships set some hard caps on bilateral trade expansion with Stockholm, Copenhagen, and Helsinki, they too hold much value for Beijing's economic engagement with Brussels. More optimistic about China's gradual opening-up and reform prospects than much of continental Europe and enticed by the ever-growing Chinese consumers' markets, the three are eager to capitalize on new export and investment opportunities. Especially post-Brexit, this northern pro-free trade bloc is becoming ever more critical for China's efforts to make trade inroads into Europe. For Beijing, securing trade with European partners is both an economic and a political priority. Since 2012, China has been seeking to push forward negotiations with the EU concerning the Comprehensive Agreement on Investment (CAI).52 However, disagreements about access to markets, the protection of intellectual property, human rights, China's market economy status, and the widening chasm between the US and the PRC, have stalled the process significantly.53

While Nordic economic interests in China pertain principally to the export potential inherent in its vast consumer markets, Beijing's interest in Northern Europe is more focused on foreign direct investments (FDI), which is significant relative to both Gross Domestic Product (GDP) and population size. While overall Chinese FDI in the EU has fallen considerably from the peak of 37 billion USD in 2016, with a ten-year low reached in 2020, the relative share of Chinese FDI going to Northern Europe has continuously been growing. Despite representing only ten percent of EU GDP in 2019, Northern Europe made up 53 percent of Chinese FDI in Europe, compared to the E3 (Germany, France, and the UK) and Eastern Europe at 34 and three percent, respectively.<sup>54</sup>

Most of these investments go to Sweden – the largest economy of the five and China's "Nordic Hub", which is highly innovative and sported lax

<sup>&</sup>lt;sup>51</sup> The available readouts from the Sino-Norwegian FTA negotiations emphasize joint efforts in fighting "COVID-19, support free trade and multilateralism, strengthen economic cooperation and trade, restore economic growth and keep global industrial and supply chains stable." Ministry of Commerce of the People's Republic of China, "China and Norway will complete the FTA negotiations as soon as possible," March 14, 2021, http://fta.mofcom.gov.cn/enarticle/ennorway/ennorwaynews/202103/44678\_1.html.

<sup>&</sup>lt;sup>52</sup> The European Commission. "EU-China Comprehensive Agreement on Investment: Milestones and Documents." *European Commission*, n.d., https://trade.ec.europa.eu/doclib/press/index.cfm?id=2115.

<sup>&</sup>lt;sup>53</sup> Sofia Baruzzi, "EU-China Comprehensive Investment Agreement," *China Briefing*, September 18, 2021, https://www.china-briefing.com/news/eu-china-comprehensive-investment-agreement/.

<sup>&</sup>lt;sup>54</sup> Agatha Kratz et al., "CHINESE FDI IN EUROPE: 2019 UPDATE Special Topic: Research Collaborations", RHODIUM GROUP and MERICS, 10.

foreign investment regulations until recently. Stockholm, Europe's third-largest tech hub after London and Paris, has the world's highest number of tech unicorns per capita in the world, excluding Silicon Valley.<sup>55</sup> In 2018, Sweden was Europe's single-largest receiver of Chinese FDI, which over 18 years added up to a total of 6.5 billion Euros. High-profile acquisitions in more recent years include Dalian Wanda's purchase of Nordic Cinema Group AB in 2017, Taison's purchase of Nordic Paper Holding AB in 2017, and China Evergrande's 816 million Euro investment in a majority stake in National Electric Vehicle Sweden (NEVS) in 2019.<sup>56</sup>

Although of growing interest to Chinese investors, Denmark has received far fewer investments than Sweden, more frequently targeted at small and medium-sized enterprises (SMEs) than large, high-profile corporations, thus attracting less public attention. These smaller investments have increasingly targeted critical high-tech sectors like fintech, computer technology, and renewable energy, all prominently featured in China's industrial policy white papers and latest Five-Year Plans. While investments are smaller in size and numbers, there are more significant Chinese R&D partnerships with Danish academia than in Sweden. <sup>57</sup> One considerable investment in recent years is the 2017 majority-stake acquisition of the brokerage firm Danish Saxo Bank by Zhejiang Geely Holding Group – the owner of Swedish Volvo since 2010. Saxo Bank, specializing in financial- and regulatory technology, has offices in several global cities worldwide and may contribute to developing financial services in China and across Asia. <sup>58</sup>

In Norway, Chinese investments were long focused on natural resources and energy, though from the 2010s onwards, FDI has been redirected towards high-tech firms. For example, in 2011, ChemChina acquired the century-old Norwegian Elkem, one of the world's leading suppliers of metallurgical silicon, commonly used in electronics and semiconductors.<sup>59</sup>

<sup>&</sup>lt;sup>55</sup> Conley and Lewis, "Chinese Technology Acquisitions in the Nordic Region," Center for Strategic & International Studies, September 2021. 6.

<sup>&</sup>lt;sup>56</sup> Viking Bohman and Niccola Nymalm, "Kinesiska investeringar i Sverige: från framgång till fara?," February 2020, *Utrikespolitiska Institutet*, 94f; Carrie Hampel, "Faraday investor Evergrande buys 51% of NEVS," *Electrivy*, January 16, 2019, https://www.electrive.com/2019/01/16/faraday-investor-evergrande-buys-51-of-nevs/.

<sup>&</sup>lt;sup>57</sup> Conley and Lewis, 10.

<sup>&</sup>lt;sup>58</sup> Teis Jensen, "China's Geely to take control of Denmark's Saxo Bank," Reuters, October 2, 2017, www.reuters.com/article/us-saxobank-m-a/chinas-geely-to-take-control-of-denmarks-saxo-bank-idUSKCN1C70RG.

<sup>&</sup>lt;sup>59</sup> John Seaman, Mikko Huotari, and Otero-Iglesias, "Chinese Investment in Europe A Country-Level Approach," *ECTN*, December 2017, 102.

More recently, during the COVID-19 Pandemic, Chinese State-owned Enterprise (SOE) BOC Aviation Limited acquired a 12.7 percent stake in debt-ridden Norwegian Air as part of a government bailout package that mandated the conversion of company debt into equities. <sup>60</sup> Chinese FDI in Finland has bucked the trend in the Nordics, focusing more on sectors outside of the tech industry, with only ten percent going into information control technologies (ICTs). The Chinese investment strategy for Finland appears to be overall less focused when compared to the other Nordic countries. Ninety percent of the last decades' worth of investments have gone into just two acquisitions – the "Clash of Clans" gaming company Supercell in 2016 and Sporting Goods company Amer in 2019. The motivation for these purchases was largely commercial and non-strategic. <sup>61</sup>

The Nordics are attractive FDI destinations for Beijing because of their advanced, high-tech-focused economies and strong free-trade stances coupled with comparatively low regulatory barriers. While most investments in the region come from private investors and are driven primarily by commercial interests, Beijing – a "National Strategic Buyer" – is increasingly pursuing mergers and acquisitions (M&As) for non-commercial reasons, 62 with national industrial policy and national security concerns at the forefront. 63 There is a blurring of lines between commercial and national interests in takeovers, which Nordic governments have so far been underequipped to handle adequately. In the first major survey of Chinese acquisitions in Sweden, the Swedish Defense Research Agency found that there had been 51 majority- and 14 minority acquisitions during 2002-2019, roughly half of which were related to key areas of the "Made in China" industrial strategy. 64

There are, moreover, several indications of Chinese companies acquiring dual-use technologies through mergers. In 2018, media investigators found

<sup>&</sup>lt;sup>60</sup> BOC Aviation later sold nearly 39 million shares, reducing ownership to 4.92 percent. "BOC Aviation cuts stake in Norwegian Air to 4.9%," *Reuters*, November 24, 2020, https://www.reuters.com/article/uknorwegianair-bocaviation-idUKKBN28424F.

<sup>&</sup>lt;sup>61</sup> Conley and Lewis, 13f.

<sup>&</sup>lt;sup>62</sup> Jeffrey Gordon and Curtis Milhaupt, "China as a "National Strategic Buyer": Towards a Multilateral Regime for Cross-Border M&A," *Harvard Law School Forum on Corporate Governance*, May 29, 2018.

<sup>&</sup>lt;sup>63</sup> Lauding Nordic innovativeness and business culture in 2016, then-Chinese ambassador to Sweden Chen Yuming related advanced manufacturing "to the strategy of 'Made in China 2025" – Beijing's then newly-minted industrial strategy. Embassy of the People's Republic of China in Sweden, "Speech at the seminar 'Sino-Nordic Relations: Opportunities and the Way Ahead' By the Chinese Ambassador Chen Yuming", November 12, 2016, http://se.china-embassy.org/eng/gdxw/t1414841.htm.

<sup>&</sup>lt;sup>64</sup> Peterson, et al., "Utländska direktinvesteringar i skyddsvärda verksamheter En studie av risker, branscher och investerare, *FOI*, November 2020. 94.

that three of Sweden's most advanced semiconductor companies had been sold to China, two of which – Imego and Norstel – had previously been government-owned.<sup>65</sup> These sales were approved despite the prohibition against dual-use goods exports to China. The largest of the three companies, Swedish micro-electromechanical systems manufacturer Silex Microsystem, was acquired in 2015 by a Chinese company, NavTech, backed by the staterun Beijing Integrated Circuits fund.<sup>66</sup> Concerns have also been raised over the sale of Chemical company Chematur Engineering, a spinoff company of Bofors – a major Swedish-British defense manufacturer – to the Chinese Wanhua Chemical Group in 2019, indirectly part-owned by the Yantai Municipal People's Government.<sup>67</sup>

The last few years have seen growing public awareness of such mergers and raised questions about lackluster government scrutiny. Nordic security service agencies first became aware of Chinese technical espionage in the early 2010s but have increased their emphasis on China in connection with growing investments, 68 especially since 2017 when China and Russia, for the first time, held joint naval exercises in the Baltic Sea. The exercise's geographical proximity coupled with high-profile bids involving Chinese and Russian business interests contributed to Beijing and Moscow being grouped together – a view which follows a wider trend in Sino-Russian rapprochement. Amid the Nordic's deteriorating relations with Russia, the specter of such a partnership with the Kremlin gave an additional impetus for scrutiny of Chinese FDI. Nordic security services, including Swedish SÄPO, Norwegian NSM, and Finnish SUPO, have all, albeit to varying degrees, highlighted Chinese intelligence gathering, strategic mergers, risks of political pressures, cyber-attacks, and Sino-Russo collaboration in their

<sup>65</sup> Birgitta Forsberg, "Försäljning av militär teknik till Kina fick statligt okej," SvD Näringsliv, January 13, 2019, https://www.svd.se/forsaljning-av-militar-teknik-till-kina-fick-statligt-okej.

<sup>66</sup> Silex was the world's largest MEMS manufacturer in revenue in 2020 and has announced the building of a two-billion-yuan foundry in Beijing, one of several MEMS projects encouraged by the government since 2014. "Status of the MEMS Industry 2021," Yole Development, July, 2021, https://s3.i-micronews.com/uploads/2021/07/YINTR21180-Status-of-the-MEMS-Industry-2021\_Sample.pdf; Emily Feng, "How China acquired mastery of vital microchip technology," Financial Times, January 29, 2019, https://www.ft.com/content/7cfb2f82-1ecc-11e9-b126-46fc3ad87c65.

<sup>&</sup>lt;sup>67</sup> Tang Shihua, "China's Wanhua Buys Sweden's Chematur for USD134.4 Million Ahead of MDI Plant Deal," Yicai Global, July 13, 2019, https://www.yicaiglobal.com/news/china-wanhua-buys-sweden-chematur-for-usd1344-million-ahead-of-mdi-plant-deal; Yantai Guofeng Investment Holdings Co., Ltd., State-owned Assets Supervision and administration Commission of Yantai Government, August 21, 2019, http://gzw.yantai.gov.cn/art/2019/8/21/art 9289 2493465.html.

<sup>&</sup>lt;sup>68</sup> In its annual reports, Swedish SÄPO mentions China twice in 2017, 15 times in 2018, and 33 times in 2019. See, "Publikationer," *Säkerhetspolisen*, n.d., https://www.sakerhetspolisen.se/publikationer.html.

respective annual reports.<sup>69</sup> In the last year, the heads of the Finnish and Swedish security services have publicly warned against letting China gain access to critical infrastructures, such as 5G.<sup>70</sup>

Regulatory oversight in the Nordics has long been focused primarily on arms exports and has only in recent years been faced with the prospect of major foreign takeovers and mergers in critical sectors. While Helsinki introduced national screening rules for foreign investments as early as 2012, Norway introduced such measures only in 2019, partly in response to growing awareness of Chinese and Russian acquisitions. Copenhagen and Stockholm are currently in the process of updating their rules and regulations as part of an EU-wide framework.<sup>71</sup> The Nordic states were initially opposed to EU-wide screening mechanisms first proposed in 2017 but have since gradually changed their tune. 72 Although lagging on the regulatory front, Denmark has long been indirectly shielded from potentially predatory takeovers through the widespread use of non-profit foundations which own much of the Danish business landscape and retain the final say on M&As.73 Stockholm first appointed a government inquiry into screening rules in mid-2019, after two investigations called for stricter oversight. Sweden's Protective Security Act was revised in 2019 and early 2021 to enhance regulatory supervision and allow the blocking of sales

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<sup>&</sup>lt;sup>69</sup> Cyber-attacks originating from China have been reported on such key targets as the Norwegian parliament, the Storting, leading Oslo to call on Beijing to make greater efforts to prevent potential cybercrimes on Chinese territory. Nora Buli, "Norway says cyber attack on parliament carried out from China," *Reuters*, July 29, 2021, https://www.reuters.com/world/china/norway-says-march-cyber-attack-parliament-carried-out-china-2021-07-19/.

<sup>&</sup>lt;sup>70</sup> In October 2020, SÄPO chief Klas Friberg stated that the Chinese state conducts cyber espionage to further its economic and military capacity: "Den kinesiska staten bedriver cyberspionage för att främja sin egen ekonomiska utveckling och utveckla sin militära förmåga. Det sker genom omfattande underrättelseinhämtning och stöld av teknologi, forskning och utveckling. Det här måste vi förhålla oss till när framtidens 5G-nät byggs." See Thomas Larsson, "Säpo-chefen: "Vi kan inte kompromissa med Sveriges säkerhet," *SVT*, October 20, 2020, https://www.svt.se/nyheter/ekonomi/ygeman-provningenger-sakrare-5g-nat; Lauri Nurmi, "Supon päälliköltä Ylellä suora varoitus Venäjän ja Kiinan uhasta: "Autoritääriset valtiot yrittävät päästä kiinni Suomen kriittiseen infrastruktuuriin," February 13, 2021, https://www.iltalehti.fi/politiikka/a/d02c01ef-a473-4ae1-9857-5ee255f67e15.

<sup>&</sup>lt;sup>71</sup> For a detailed discussion of the Nordic investment screening laws, see Jonas Hallberg's "Foreign Investment Screening in Finland, Norway, Sweden and Denmark, in: YSEC Yearbook of Socio-Economic Constitutions 2020, pp. 209–226.. doi:10.1007/16495\_2020\_17; Logan Ma, "Recent Developments in Nordic Investment Screening," *Center for Strategic and International Studies*, April 7, 2020.

<sup>&</sup>lt;sup>72</sup> Anran Zhang and Wei Yin, "A new proposed EU framework for screening foreign direct investment," *Leidenlawblog*, October 10, 2017. https://www.leidenlawblog.nl/articles/a-new-proposedeu-framework-for-screening-foreign-direct-investment.

<sup>73</sup> Conley and Lewis, 12.

relevant to national security.<sup>74</sup> Nevertheless, the Nordic countries are very unlikely to renounce Chinese FDI altogether, as the lost opportunities from complete disengagement are seen as far outweighing the potential risks.

#### **Diplomatic Frictions and Sanctions**

Although the Nordics hold the promise of being an ideal point of departure for a more pro-trade push in the EU and for potential technology transfers, their small size and economic weight make them easy targets for economic pressure. In tandem with growing general trade relations, Beijing's willingness to punish undesirable behavior with concrete actions has grown as well. Because the Nordic economies are small, economic retaliation and boycotts can also have more significant impacts than similar approaches to the larger economies of Western Europe. In this way, they can be used as initial low-cost "sounding boards" to test new strategies while also sending a message to other EU countries.<sup>75</sup>

One early political issue with economic ramifications in post-1989 Sino-Nordic relations was that of Tibet and the Dalai Lama, the exiled spiritual leader of the Tibetan Buddhist community whom Beijing regards as a separatist. In the late 1990s, Denmark adopted a more public and firmer stance on Beijing's human rights record, putting forward a subsequently downvoted UNHCR resolution in 1997 that criticized Chinese policy in Tibet. In response, Beijing canceled several scheduled state visits by top Danish ministers and targeted specific exports. Throughout the 2000s, several consecutive Danish PMs met the Dalai Lama, despite official Chinese protests. These meetings initially brought few concrete reprisals; indeed, in 2008, Copenhagen and Beijing entered into a Strategic Partnership. However, by 2009, when Danish Prime Minister Lars Løkke Rasmussen met the Dalai Lama at his official residence, the tone began to change. 76 Beijing threatened to boycott the impending Copenhagen Climate Conference, stressing ministerial meetings would not happen again until Copenhagen apologized for its interference in China's "core interests" and renounced future meetings with the Dalai Lama. Before the end of the year,

<sup>&</sup>lt;sup>74</sup> Erik Laaerlöf and Malin Arentoft, "Extensive amendments to the Swedish Protective Security Actincreased obligations and a comprehensive sanctions system," VINGE, May 19, 2021, https://www.vinge.se/en/news/extensive-amendments-to-the-swedish-protective-security-actincreased-obligations-and-a-comprehensive-sanctions-system/.

<sup>&</sup>lt;sup>75</sup> Hellström, 2.

<sup>&</sup>lt;sup>76</sup> Peter Levring, "China angry with Denmark over Dalai Lama visit," Reuters, May 30, 2009, https://www.reuters.com/article/idINIndia-39985820090530.

the Danish government clarified that it opposed "Tibetan independence," breaking with decades of deliberate ambiguity." During President Hu Jintao's state visit three years later, in 2012, Danish police notoriously seized Tibetan flags and detained protestors – acts ruled "clearly illegal" by the Danish Tibet Commission in December 2017.78 Such pressure drove home the lesson to Copenhagen that taking an outspoken position in defiance of China alone was risky, paving the way for a more pragmatic foreign policy relying on the EU for addressing sensitive issues.

Oslo was similarly seen as infringing on China's "core interest" when the Nobel Peace Prize was awarded to Chinese writer and human rights activist Liu Xiaobo, famous for his activism in 1989 and conviction for inciting subversion of state power. The Norwegian Nobel Committee had earlier made the decision to award the same honor to the Dalai Lama in 1989, a move that Chinese authorities had not forgotten. Despite protestation that the Committee makes decisions independently of the national government, Norway was subject to a targeted freeze on salmon trade and visa restrictions. Sino-Norwegian diplomatic relations were frozen altogether until 2016 when Oslo and Beijing released a joint statement saying that "meticulous and numerous conversations" had restored trust. Emphasizing Norway's regret, Foreign Minister Wang Yi stressed that "Norway deeply reflected upon the reasons why bilateral mutual trust was harmed, and had conscientious, solemn consultations with China about how to improve bilateral relations. 79 While the normalization of relations had undoubtedly been helped by growing Chinese interests in the Arctic and a desire to tap into Norwegian deep drilling expertise, Oslo had also taken some steps to accommodate Beijing's core interests in the intervening years. In 2010, Norwegian authorities started to label Taiwanese living in Norway as Chinese nationals on residence permits, and in 2014, on the 25th anniversary of the Dalai Lama's Nobel Peace Prize award, Oslo stopped accepting

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<sup>&</sup>lt;sup>77</sup> Kjeld Erik Brødsgaard, "Danish-Chinese Relations The Collapse of a Special Relationship," *Copenhagen Business School Asia Center Research*, Copenhagen Discussion Papers No. 36, 2010; Andreas Bøje Forsby, "Discreet diplomacy: Denmark's pragmatic stance towards China," in *Political values in Europe-China relations*, European Think-tank Network on China (ETNC), December 2018. 31.

<sup>&</sup>lt;sup>78</sup> "Danish police gave illegal orders during Chinese visits: commission," *The* Local, December 19, 2017, www.thelocal.dk/20171219/danish-police-gave-illegal-orders-during-chinese-visits-commission.

<sup>&</sup>lt;sup>79</sup> "Norway, China normalize ties after Nobel Peace Prize row," *Reuters*, December 19, 2016, https://www.reuters.com/article/us-norway-china-idUSKBN1480R4.

meetings with the spiritual leader.<sup>80</sup> Despite the diplomatic chill, several major investments were completed during this period, with Chinese SOEs getting involved in significant infrastructure projects.

Sweden experienced a precipitous decline in relations with China, roughly from 2015 onwards. A driving force behind the deterioration of what had been a comparatively close relationship was the 2015 disappearance and arrest of Gui Minhai, a Hong Kong national with Swedish citizenship. Gui - co-owner of the Hong Kong-based Causeway Bay Bookstore known for selling material critical of CCP leaders in Mainland China – was allegedly arrested for his role in a vehicular manslaughter a decade prior. However, his televised confession was met with skepticism from Swedish authorities, who maintain that Gui had been coerced into making a false confession for political reasons. The ensuing diplomatic wrangling has severely impacted Sino-Swedish relations and entailed several unprecedented developments, such as the legal proceedings against Swedish ambassador Anna Lindstedt, charged with unauthorized negotiations with a foreign power.<sup>81</sup> Against this backdrop, relations were further damaged by the outspoken Chinese ambassador Gui Congyu, who took up office in 2017 and subsequently sought to engineer an influence campaign in Sweden's media landscape, pursuing so-called "wolf-warrior diplomacy." Several Swedish newspapers issued a joint letter condemning the ambassador's sometimes threatening approach to members of the media establishment, 82 and Ambassador Gui has been summoned to the Swedish Ministry of Foreign Affairs on numerous occasions. Diplomatic relations have also been further tarnished by Beijing's sanctioning of Swedish researcher Björn Jerdén along with several EU institutions and politicians in March 2021.83

Whereas Denmark, Norway, and Sweden have all gone through challenging stages in their relationship with China, there is a shared pragmatic positivity in Sino-Finnish relations. Beijing's political pressure, which has prominently

<sup>&</sup>lt;sup>80</sup> Tone Sutterud and Elisabeth Ulven, "Norway criticised over snub to Dalai Lama during Nobel committee visit," *The Guardian*, May 6, 2014, https://www.theguardian.com/world/2014/may/06/norway-snub-dalai-lama-nobel-visit.

<sup>&</sup>lt;sup>81</sup> "Detta har hänt i fallet kring Anna Lindstedt," *Dagens Nyheter*, July 10, 2020, https://www.dn.se/nyheter/detta-har-hant-i-fallet-kring-anna-lindstedt/.

<sup>82</sup> Björn Jerdén and Viking Bohman, "China's propaganda campaign in Sweden, 2018–2019," UI Brief no. 4, June 2019; Sveriges Författarfund, "Öppet brev till Kinas president XI Jinping," 20 februari, 2020, https://forfattarforbundet.se/oppet-brev-till-kinas-president-xi-jinping/.

<sup>&</sup>lt;sup>83</sup> Ministry of Foreign Affairs of the People's Republic of China, "Foreign Ministry Spokesperson Announces Sanctions on Relevant EU Entities and Personnel," March 22, 2021, https://www.fmprc.gov.cn/mfa\_eng/xwfw\_665399/s2510\_665401/t1863106.shtml.

been on display in other Nordic countries, is noticeably absent in Helsinki, and the Finnish embassy in Beijing is similarly known for a comparatively passive stance towards Chinese domestic developments. Even when Prime Minister Sanna Marin was unusually outspoken about Beijing's human rights record, tweeting about the treatment of Uyghurs in March 2021, the Chinese embassy remained comparatively calm. Nonetheless, there have been some publicly commented upon instances of elite capture or high-level ties between Chinese businessmen and Finnish politicians. For example, concern arose in 2019 when the CCP took out a full-page newspaper ad in the Helsingin Sanomat defending China's HKSAR policy.<sup>84</sup>

Still, the scale of Chinese influence is small, and Beijing is careful in its approach to Finland. Helsinki's approach to China has been influenced by a long-standing pragmatism that guides Finnish foreign policy. <sup>85</sup> The lack of overt political pressures may thus be partly attributable to Helsinki's instinctive avoidance of foreign policy actions which could cause punitive pushback. Finland is increasingly benefitting from Chinese trade and does not seek to disturb that development needlessly. But while leaders in Helsinki maintain a courteous tone in their rhetoric regarding Beijing, this does not mean that they entirely refrain from expressing criticism. In 2019, Finland and the other Nordic countries signed a letter condemning China's human rights policies in Xinjiang. In 2020, Helsinki similarly joined the other Nordic States in criticizing China's Hong Kong policy, suspending the Hong Kong Special Administrative Region extradition treaty. <sup>86</sup> In both instances, Beijing has pushed back, demanding explanations, though, to date, no direct pressures have come to the fore.

Friction aside, bilateral engagement continues to take pride of place in Beijing's approach to the Nordic states. Since 2008 a strategic partnership has framed relations with Denmark, and a forward-looking partnership with Finland was signed in 2017. However, as China has increasingly become to take on the trappings of a superpower since the early 2000s,

<sup>&</sup>lt;sup>84</sup> See Matti Puranen, "China-Finland: Beijing's 'Model Relationship' in Europe?," *The* Diplomat, February 29, 2020, https://thediplomat.com/2020/02/china-finland-beijings-model-relationship-ineurope/; Esteban et al, "Europe in the Face of US-China Rivalry," *European Think-tank Network on China (ETNC)*, January 2020. 63.

<sup>&</sup>lt;sup>85</sup> This pragmatism is informed by the Cold War-era Paasikivi–Kekkonen doctrine which involved acquiescing to some of the USSR's red lines to maintain formal independence. It has pejoratively been called "Finlandization."

<sup>&</sup>lt;sup>86</sup> Sanna Kopra and Matti Puranen, "China's Arctic Ambitions Face Increasing Headwinds in Finland," *The* Diplomat, March 18, 2021, https://thediplomat.com/2021/03/chinas-arctic-ambitions-face-increasing-headwinds-in-finland/.

Beijing has begun to show signs of changing gears in its diplomacy, becoming more willing to engage within larger trans-national frameworks, as evidenced by the China-EU Comprehensive Strategic Partnership (from 2003 onwards), and the controversial "17+1 Framework" which blurred the lines between different levels of diplomatic engagement. This has spilled over into Northern Europe, where Beijing seeks to expand diplomatic engagement with the Nordic states through a "5+1 diplomacy model." 5+1 has not been formally proposed yet, but repeated interest has been shown in working with Nordic Council.

These aspirations, however, have been hindered by a number of factors. Firstly, there currently exists no formalized cooperation on foreign relations within the Nordic council. Secondly, the Nordic states are wary of the potential impacts of a "5+1 mechanism" on their relationships with Brussels, particularly given the example set by the 17+1 mechanism and concerns stemming from a European policy that presents Beijing as a "systemic rival." This applies not only to EU member states such as Finland, Sweden, and Denmark but also to Norway and Iceland, whose economic and security interests are intertwined with the EU's, to say nothing of the often-complicated relations with Washington. By and large, Nordic leaders are cognizant of the need to balance potential conflicts of interests in bilateral relations with Beijing with other commitments. Within much of the political establishment, there is a broad consensus that deepening cooperation with Beijing must be complemented by strong EU-China relations.<sup>88</sup>

Considering Beijing's stated goal that it seeks to foster closer relations with the Nordic countries and promote international cooperation, the aggressive rhetorical manifestation of so-called "Wolf Warrior Diplomacy" – most prominently displayed by Beijing's envoy in Stockholm – can appear counter-intuitive. However, it bears noting that Chinese officials are likely seeking to pursue ancillary goals in their relationships with individual states or commentators within them. This may be motivated by a desire to foster acquiescence with Chinese core interests – by demonstrating potential positive and negative outcomes of outspokenness, effectively encouraging a form of self-censorship and rewarding supportive rhetoric – or by the need

<sup>&</sup>lt;sup>87</sup> Ulf Sverdrup and Marc Lanteigne, "Sino-Nordic sub-regional diplomacy and the '5+1' model," in *China and Nordic Diplomacy*, (Ed.), Sverdrup-Thygeson, Lindgren, Lanteigne, 2017, 127-128.

<sup>&</sup>lt;sup>88</sup> Andreas Bøje Forsby, "NORDIC-CHINA COOPERATION Challenges and Opportunities," Nordic Institute of Asian Studies, NIAS Reports, no. 52, 2019.

to impress upon a domestic audience, either within the CCP or the Chinese population.

Faced with challenges stemming from slowing economic growth, rising social inequality, environmental degradation, higher expectations of living standards, a demographic shift, and corrupt practices, the CCP is under pressure to identify and communicate new sources of Party legitimacy. The transition from Mao-era socialist utopianism, through Deng-era pragmatic rationalism, to Xi Jinping's contemporary reformism – all of which have unfolded within a relatively short time span - has historically driven the CCP to adapt and evolve. Concern for Party survival has contributed to the Xi Jinping-led rejection of Western influences, the infamous Document No. 9 - which articulates the "seven don'ts" - being the prime example. 89 Drawing on an established pattern of nationalist discourse that emphasizes China's millennia of historical achievement, 90 the CCP has fostered a sense of cultural nationalism as a new source of Party legitimacy. By instilling a sense of nationalist pride, it becomes easier to deflect calls for change within China while also public nurturing resistance towards perceived lecturing or condescension from foreigners, including smaller, northern European democracies.

As always, when discussing China, it is paramount to understand that the country and its political system, despite their massive scale, are not monolithic. Indeed, there seems to be significant disagreement within the CCP establishment about the utility or desirability of an assertive and rhetorically aggressive form of diplomacy. Much seems to be left to the discretion of individual officials, whose personalities or professional trajectories may induce significant differences in communicative strategies. The varying approaches of Chinese diplomats in different Nordic countries – and even the variations between individuals holding similar postings over time – speaks to the diversity that can be found within Beijing's diplomatic establishment.

<sup>&</sup>lt;sup>89</sup> See Torbjörn Lodén's "China's Communist Party at 100:," *Institute for Security and Development Policy*, July 2021, 56-63.

 $<sup>^{90}</sup>$  A phenomenon which contrasts notably to the Maoist rejection of the old and regressive and formed part of the post-1989 ideological landscape

## Infrastructure and Supply Chains

Despite being enthusiastic about the benefits of trade, the Nordic states have remained comparatively cautious in their approach to the Belt and Road Initiative (BRI). While this can partly be attributed to a wariness of engaging in large-scale projects with unclear outcomes, there are growing concerns about the possibility of influence being projected onto critical infrastructure.

Perhaps the most well-known and discussed example of controversy in Sino-Nordic infrastructure projects are efforts by the Chinese telecommunications company Huawei to bid on contracts for the Fifthgeneration wireless mobile network (5G). 1 Although a hot-button topic in all the Nordic states, most governments opted to bolster security requirements without explicitly singling out Chinese companies, leaving it to national telecom providers to make the final call on equipment providers. However, Sweden took an uncharacteristically strong position more in line with the Anglosphere than much of Europe, sparking anger from Beijing. Citing a confidential Armed Forces security report, the Swedish Postal and Telecommunications Authority (PTS) decided to entirely exclude Huawei from bidding on 5G-contracts in October 2020, requiring telecommunication companies to phase out Huawei and ZTE supplied components. 12

Acrimonious 5G-rollout notwithstanding, there is a long-established precedent of Chinese companies engaging in infrastructure projects overseas, with the Nordics being no exception. This can be attributed in part to the massive growth in infrastructure and the simultaneous development of relevant expertise within China over the preceding decades. Some have characterized this desire to project domestic overcapacity outwards as one of the driving factors for the BRI.93 Such is the nature of the relationship between the CCP and Chinese business interests that political considerations are by necessity included in the development of large new projects. Just as Beijing has push-and-pull factors at play, incentivizing Chinese-based companies through instruments like favorable loans, there is

<sup>&</sup>lt;sup>91</sup> Concerns were raised in 2018 by the Trump administration over Huawei's vague ownership structures, alleged ties to the PLA, and ambiguous legal commitments under the sweeping National Intellengence Law of 2017. While irrefutable evidence has yet to emerge, the extremely sensitive nature of 5G-infrastructure steered EU countries towards stricter regulations and support for regional alternatives. See Tim Rühlig, "Who Controls Huawei? Implications for Europe," *UI Paper* No. 5, May 2020.

<sup>&</sup>lt;sup>92</sup> Johannes Nordin, "The Next Generation Problem: The Ups and Downs of Sweden's Huawei Ban," Institute for Security and Development Policy, February 18, 2021.

<sup>&</sup>lt;sup>93</sup> Phillip Holt, "A Truly Friendly Neighbor? The Motivations behind China's Belt and Road Initiative in its Periphery," *The Institute of World Politics*, June 17, 2020.

in the BRI an inherent desire to harmonize state and private sector objectives through infrastructure development.

Bordering the BRI-participating Russia and Estonia, Finland has been encouraged by growing trade. In 2017, the year of the Sino-Finnish "Futureoriented New-type Cooperative Partnership," the first China-Europe freight train route between China and Finland opened, connecting southeastern Finland with Xi'an in Northwestern China. Overshadowed somewhat by the global COVID-19 pandemic, trains operated by the Finnish Nurimenen Logistics have been connecting Helsinki and Xi'an since 2020.94 Increased freight trade has been welcomed by Finnish Development Minister Ville Skinnari, who has cited a diversification of supply chains as a motivation for enhanced trade connection.95 Although there is no official position on joining the BRI, Helsinki has expressed appreciation for the initiative and support for the EU and China's joint exploration of "an integrated and mutually beneficial approach." 96 Responding to Helsinki's cautious positivity, Chinese Foreign Minister Wang Yi has expressed that "China is willing to advance the alignment of the Belt and Road Initiative with Finland's development strategy." 97 Nevertheless, many Finnish companies are interested in participation, especially given the prospects for a Chinesebacked Talsinki tunnel (Helsinki-Tallinn).98

In the north, the Finnish government has long lobbied for the "Arctic Connect" project – plans for a 10,500 km trans-Arctic undersea internet cable. 99 In 2019, Finnish Cina signed an MOU with Russian MegaFon to set

<sup>&</sup>lt;sup>94</sup> "China's Zhengzhou launches freight train service to Finland", *The State Council of the People's Republic of China*, November 20, 2020,

http://english.www.gov.cn/news/topnews/202011/20/content WS5fb7b59bc6d0f725769403b9.html.

<sup>&</sup>lt;sup>95</sup> Mette Larsen, "Finnish Minister: Huge potential for trade between China and Finland by rail," *ScandAsia*, April 1, 2021, https://scandasia.com/finnish-minister-huge-potential-for-trade-between-china-and-finland-by-rail/.

<sup>&</sup>lt;sup>96</sup> Ministry of Foreign Affairs of the People's Republic of China, "Joint Declaration between the People's Republic of China and the Republic of Finland on Establishing and Promoting the Future-oriented Newtype Cooperative Partnership," April 6, 2017,

www.fmprc.gov.cn/mfa\_eng/topics\_665678/xjpdfljxgsfwbfmgflldjxzmyshw/t1451732.shtml

<sup>&</sup>lt;sup>97</sup> Ibid, "Wang Yi Talks about the Future-oriented New-type China-Finland Cooperative Partnership," July 25, 2021, https://www.fmprc.gov.cn/mfa\_eng/zxxx\_662805/t1895000.shtml.

<sup>&</sup>lt;sup>98</sup>Frank Jüris, "The Talsinki Tunnel Channelling Chinese Interests into the Baltic Sea," *Rahvusvaheline Kaitseuuringute Keskus International Center for Defense and Security*, December 2019.

<sup>&</sup>lt;sup>99</sup> Frank Jüris, "Handing over infrastructure for China's strategic objectives: 'Arctic Connect' and the Digital Silk Road in the Arctic," *Sinopsis*, March 7, 2020, https://sinopsis.cz/en/arctic-digital-silk-road/.

up a trans-Arctic telecom company.<sup>100</sup> The project is currently halted due to technical challenges, but investors are plentiful.<sup>101</sup> Additionally, Norwegian and Finnish authorities have explored the prospects of an Arctic Railway between Norwegian Kirkenes and Finnish Rovaniemi.<sup>102</sup> While the BRI connection has been downplayed amid chillier relations, such a project would undoubtedly benefit from the Polar Silk Road (PSR), letting Chinese trade flow through the Arctic into Europe.<sup>103</sup>

Norway has struck a balance between state intervention and allowing Chinese access to its infrastructure projects. As in Finland, there are tangible economic rewards for Chinese investments. In 2013, during the thenongoing diplomatic freeze, Sichuan Road and Bridge Group (SRGB) was awarded a contract to build Norway's second-largest bridge – the Hålogaland bridge – which finally opened in 2018. <sup>104</sup> When there was another tender for the Beitstadsund bridge in 2017, infrastructure authorities overruled a local decision to reject SRBG's bid, the objectively cheaper alternative. <sup>105</sup> However, there have been instances of Norwegian officials displaying some trepidation regarding Chinese business. In 2014, when 2014 property tycoon Huang Nubo sought to buy land in Svalbard to build a tourist resort, Oslo intervened by purchasing the area to maintain control of Svalbard's development. <sup>106</sup> A similar bid for land in Iceland took place in 2011, with a similar outcome. <sup>107</sup>

<sup>100</sup> Thomas Nilsen, "Major step towards a Europe-Asia Arctic cable link," The Barent Sea Observer, June 6, 2019, https://web.archive.org/web/20200224173950/https://thebarentsobserver.com/en/industry-and-energy/2019/06/mou-signed-set-arctic-telecom-cable-company.

<sup>&</sup>lt;sup>101</sup> Alte Staalesen, "Megafon halts trans-Arctic cable project Arctic Connect," *The Barents Observer*, May 28, 2021, https://thebarentsobserver.com/en/arctic/2021/05/megafon-halts-its-trans-arctic-cable-project.

<sup>&</sup>lt;sup>102</sup> Ministry of Transport and Communications, "Final Report of the Joint Working Group Between Finland and Norway on the Arctic Railway," Helsinki, 2019; Sebastian Murdoch-Gibson, "Scandinavia's Unlikely Link in the Belt and Road Initiative," Asia Pacific Foundation of Canada, May 30, 2018, https://www.asiapacific.ca/blog/scandinavias-unlikely-link-belt-and-road-initiative.

<sup>&</sup>lt;sup>103</sup> In 2018, the Finnish military blocked an attempt by the Chinese "Polar Research Institute" from buying/leasing an airport near Kemijarvi in Lapland on security grounds as there are military grounds nearby. Jari Tanner, "Finland IDs hackers linked to parliament spying attack," ABC News, March 18, 2021, https://abcnews.go.com/International/wireStory/finland-ids-hackers-linked-parliament-spying-attack-76534687.

<sup>&</sup>lt;sup>104</sup> Li Xia, "Norway's 2nd largest bridge built by Chinese firm opens to traffic," *Xinhua*, September 27, 2021, http://www.xinhuanet.com/english/2018-12/10/c\_137661984.htm.

<sup>&</sup>lt;sup>105</sup> Nina Berglund, "Chinese get to build new bridge," Newsinenglish, November 7, 2017, https://www.newsinenglish.no/2017/11/07/chinese-get-to-build-new-bridge/.

<sup>&</sup>lt;sup>106</sup> Atle Staalesen, "No Chinese resort in Svalbard, after all," *The Barents Sea Observer*, October 21, 2016, https://thebarentsobserver.com/en/arctic/2016/10/no-chinese-resort-svalbard-after-all.

<sup>&</sup>lt;sup>107</sup> Ties Dams et al., "Iceland: What is China doing there and why?", in Presence before Power China's Arctic strategy in Iceland and Greenland," *Clingendael Report*, chap.4, June 2020.

With a more distant relationship to the other Nordics of the European mainland and vast untapped natural resource reserves, Iceland has much to gain from courting investment and trade from China. The island withdrew its application for EU membership in 2015 and has subsequently sought to develop new opportunities that cater to its unique set of challenges. In 2018, the Asian Development Bank (ADB) furnished a 250 million USD loan to a joint venture by Iceland's Arctic Greene Energy Corporation and Sinopec to develop geothermal energy in China. 108 The project was designed to simultaneously wean the Chinese population off coal-produced energy and provide access to an enormous new market for renewable energy for the Icelandic company. 109 The same year the China National Offshore Oil Corporation (CNOOC), the first Chinese company to be licensed for Arctic oil extraction in 2013, announced that it would be withdrawing from further explorations in Icelandic waters. 110 However, 2018 also brought with it the opening of the China-Iceland Arctic Science Observatory at Kárhóll, as well as an invitation for Reykjavik to join the BRI, which precipitated a series of visits to Iceland by senior US officials.111

Meanwhile, Stockholm and Copenhagen share a general sense of caution in their approach. In Sweden, the positions of government and business leaders can be described as lukewarm and cautious when approaching the BRI. Having seen initiatives come and go over the years while growing increasingly apprehensive about Chinese takeovers, <sup>112</sup> as well as preferential treatment of Chinese companies, policymakers have adopted a wait-and-see attitude. Compared to Norway, there has also been pushback against Chinese involvement in infrastructure projects. In 2017, Hong Kong-Chinese Ming Wai purchased Gotland's port of Fårösund, the location of a submarine base for the Swedish Royal Navy. Wai offered to rent it out free of charge but was rebuffed for security concerns, in the end selling the port to the Navy at a loss. Another high-profile case was the withdrawn 2018 bid

<sup>&</sup>lt;sup>108</sup> Ivana Kottasová, "Iceland is bringing geothermal heating to China," CNN Business, September 27, 2018, https://edition.cnn.com/2018/09/27/business/china-iceland-geothermal-energy/index.html.

<sup>&</sup>lt;sup>109</sup> Ties Dams et al. 2020.

<sup>&</sup>quot;Oil exploration in Icelandic waters comes to an end: Too expensive and too risky," *Iceland Magazine*, January 23, 2018, https://icelandmag.is/article/oil-exploration-icelandic-waters-comes-end-too-expensive-and-too-risky.

<sup>&</sup>lt;sup>111</sup> Guðbjörg Ríkey Th. Hauksdóttir, "Pressure in the Arctic: China-Iceland Relations in the Era of U.S-China Rivalry," *ISDP*, Blog Post, December 4, 2019, https://isdp.eu/pressure-in-the-arctic-china-iceland-relations/.

<sup>&</sup>lt;sup>112</sup> Tobias Holmqvist, "Försvaret har köpt tillbaka ubåtshamnen i Fårösund," *SVT*, January 17, 2018, https://www.svt.se/nyheter/lokalt/ost/forsvaret-har-kopt-ubatshamnen-i-farosund; Bohman and Nymalm, 2020, 99.

of China Constructions Communications Company (CCCC) to build a deep port in Lysekil, Scandinavia's largest container port, following negative public reactions over environmental and security concerns.<sup>113</sup>

Denmark has similarly been restrained in its approach, as Chinese interests in developing infrastructure in Greenland, including the construction of airports, a satellite station, and a research station, have grown. For Copenhagen, Greenland presents a complicated political issue due to its geostrategic significance to the United States and the island's long-standing independence aspirations. Several Chinese agencies and SOEs have signed agreements and have held talks with Greenlandic ministries since 2014, with then Greenlandic Prime Minister Kim Kielsen visiting China for the first time in 2017. <sup>114</sup> Citing National Security provisions in the constitution, Copenhagen has intervened twice in recent years in high-profile Chinese bids for building port and airport infrastructure, much to the anger of Nuuk. <sup>115</sup>

One stumbling block in Sino-Nordic relations, both historically and contemporary, is a lack of clarity about intentions. Not unique to Sino-Nordic ties, differences in political culture, perception of cause and effect, and ideology often complicate international affairs. However, when it comes to the BRI specifically, relations are further confused by divergent interpretations of objectives and intentions. Moreover, as Beijing has become more assertive in international affairs, potential disconnects have become more salient, drawing demands for leaders of both political establishments and business to fathom better the trajectory of and relationship between different moves made by the Chinese state.

This drive for better understanding is not aided by the gigantic dimensions of projects like the BRI, which promise enormous and far-reaching change to the current economic order. Neither does its often-amorphous diplomatic regime, which categorizes partnerships based on mutual interests and long-

<sup>&</sup>lt;sup>113</sup> Mikael Weissmann and Elin Rappe , "Sweden's approach to China's Belt and Road Initiative Still a glass half-empty," No.1, 2017, Swedish Institute of International Affairs.

<sup>114</sup> Ties Dams et al. 2020.

<sup>&</sup>lt;sup>115</sup> Former PM Lars Løkke Rasmussen personally blocked a Chinese company from buying the disused Grønnedal naval base in 2016 as an extraordinary measure. To avoid offending China, the base was reopened and taken into use. Again in 2018, PM Rasmussen indirectly blocked the CCCC bids to upgrade build to airports at Nuuk and Ilulissat on Greenland in 2018, intervening by buying a stake in the airports and letting state companies renovate instead. This set off a political firestorm with regards to Greenlandic autonomy. Seaman, Huotari, and Otero-Iglesias, 2017. 51; Mia Bennett, "The controversy over Greenland airports shows China isn't fully welcome in the Arctic — yet," *Arctic Today*, September 13, 2018, https://www.arctictoday.com/controversy-greenland-airports-shows-china-still-unwelcome-arctic/.

term timelines. While Beijing's motivations and priorities certainly change over time, the CCP naturally takes a much more long-term perspective than any democratic counterpart. Moreover, many BRI-linked projects are spearheaded not directly by Beijing but by private actors or lower-level officials looking for financial support under the BRI umbrella. It is thus tricky even for Chinese policymakers to have a comprehensive overview of all BRI projects and their motivations, let alone conveying them to puzzled Nordic officials seeking transparency. In turn, this lack of detail easily lends itself to sensationalist assessments in the media and further confusion. 116

<sup>&</sup>lt;sup>116</sup> For an excellent overview and demystification of the BRI's complexities, see Eyck Freymann's "One Belt One Road: Chinese Power Meets the World," Harvard University Press: Cambridge and London 2021.

# III. Ideological Foment - China and the Nordic Left

Contact between China and the Nordic states has not been limited to government-to-government relations. Over the decades, there have been numerous instances of personal, educational, cultural, and ideological contacts. The 1960s stand out as an era in which political conditions did not allow for much of a diplomatic relationship – in effect, the Cultural Revolution stymied Sino-Nordic relations on a state level but were notable for the spread and cross-pollination of Chinese political thought. Many of the concepts put forward by the CCP during this era found fertile ground in newly emergent discourse, where they grafted themselves onto a political left that was itself undergoing profound transformations. In the Nordics, the effects of the Cultural Revolution made their way into local political, philosophical, and social discussions in places like Gothenburg and Copenhagen, reverberating within national discourse.1<sup>117</sup>

By its nature, the concept of "Maoism" is difficult to define as an ideology in a satisfactory way. Drawing largely from the interpretations of and additions to Marxist-Leninism that Mao Zedong put forward over his decades-long career, the concept is difficult to circumscribe as a single monolithic entity. It bears keeping in mind that as a worldly leader contending with a shifting political situation over the course of his life, Mao both altered his ideological precepts to align with mundane conditions and used ideology to justify his policies. This is not to say that as a leader, he was not influenced by a certain worldview, nor that he did not struggle to reconcile ideas he developed over time with reality, but rather that "Maoism" – or more accurately Mao Zedong Thought – for all its influence remained a work in progress. 118

 <sup>117</sup> The ubiquitous "Little Red Book" – a collection of saying and excerpts from speeches made by Mao, once the most published book on earth, speaks to the scope of the support the movement enjoyed.
118 For a more complete discussion of the difficulties in defining Maoism, see Torbjörn Lodén's "Från Mao till Mammon: idéer och politik I det moderna Kina," Ordfront: Stockholm, 1998.

#### Marxism in Transformation

It is important to understand that in addition to theory and practice not always being aligned, Mao's ideas refracted differently in diverse parts of the world. In other words, "Maoism" can mean very different things to different people at different times, taking expressions in China and abroad as it becomes entangled in local conditions and ideas. For the purposes of this discussion of how Chinese policy and ideology impacted discourses in the Nordic countries, however, it can be helpful to try and identify a few key tenets. One key concept was the constant emphasis on violent, revolutionary struggle. Proclaiming that "to rebel is justified," ideologues such as Mao sought to encourage a violent break with the status quo, eschewing parliamentary democracy as a bourgeois affectation. This rejection of the system also extended to cultural and social practices, painting anything that had preceded a revolutionary point of departure as "regressive." At its best, such iconoclasm called for the empowerment of women in all aspects of a post-patriarchal society, but at its worst, it encouraged the destruction of cultural patrimony and violence against any person associated with the traditional.

The notion of voluntarism, the idea that the ideological fervor of the masses could overcome logistical barriers, reflects a skepticism of expertise that would become devastating for China's population in the late 1950s. Another hallmark of Maoism was a strict, almost militarized party discipline that included practices such as self-criticism sessions and rote memorization of party slogans. Other characteristics, such as a personality cult surrounding an idealized version of Chairman Mao, a baked-in hostility institutionalization, the use of evocative language and imagery for propagandistic purposes, and a strong commitment to internationalism with a rejection of imperialism, featured prominently in the ideology developed in China, finding different forms of expression over the years. These impulses were not unique to Maoism; indeed, similar elements could be found in earlier or unconnected contexts and were never truly internally coherent. This propensity towards contradiction both prevented the ideology from becoming too rigid and imbued it with an internal energy that allowed numerous movements to take up, contribute to, and alter Maoist thought.119

<sup>&</sup>lt;sup>119</sup> For a very thorough and in depth yet eminently readable discussion of what constitutes 'Maoism,' as well as its many offshoot see Julia Lovell's *Maoism: A Global History*.

The 1960s, a watershed moment for the communist movement worldwide, saw a proliferation of Maoist Thought, which found its way into the Nordics. The process of de-Stalinization and the subsequent Sino-Soviet split helped drive forward a process of reorientation for communist parties in Western Europe. Decolonization and the emergence of a non-aligned movement signaled a relaxation of the bipolar world order that had previously held sway. While many European Communist Parties had been content to proclaim their loyalty to the Soviet Union in the wake of the Second World War, massive repression in countries like Hungary severely damaged Moscow's ideological authority. Changes were taking place in the capitalist world as well, with workers' wages rising even as shifting modes of production, such as an increased emphasis on the service sector, diminished the proportion of blue-collar workers. <sup>120</sup> This led to the emergence of a New Left in many parts of Western Europe and North America that sought to rethink ossified approaches to Marxism.

Within the Nordic countries, differing trajectories caused leftist movements to undergo parallel yet divergent transformations. Some of these would become interwoven with the Cultural Revolution ideology emanating from China. Responding to some of the same international developments that communist leaders and intellectuals were contending with, Mao's theories on Marxism-Leninism <sup>121</sup> fit well with debates taking place within the Western European Left. While the heavy-handed bureaucratic nature of Soviet governance lost much of its appeal, Chinese communist thought, with straightforward slogans that "to rebel is justified" and that government must "serve the people," proved much more effective in capturing the imagination of student radicals. The spread of Maoist ideas coincided with major shifts in social and cultural norms, allowing for elements of Chinese ideology to be incorporated into a broad array of socio-political movements in Western Europe and North America. <sup>122</sup>

## Maoist Thought in Scandinavia

A key development was a reinterpretation and, by extension, a reorientation of socialist internationalism. In Denmark, the *Socialistisk Folkeparti* (SF) saw

<sup>&</sup>lt;sup>120</sup> An illuminating study of the development of the political left and its impact on the state in Sweden and Denmark during this era can be found in Thomas Ekman Jørgensen's *Transformation and Crises: The and the Nation in Sweden and Denmark, 1956-1980.* 

<sup>121</sup> The terms "Maoist" or "Maoism"

<sup>122</sup> See Julia Lovell's Maoism: A Global History.

the emergence of a global divide between an industrialized North and a decolonizing South as the basis for an alignment with oppressed peoples as a "third force" opposed to the geostrategic logic of the Cold War. 123 This internationalism with the Third World, 124 rather than with the Warsaw Pact countries of Eastern Europe, imbued the SF's opposition to NATO membership with greater credibility. These views overlapped well with the anti-imperialist rhetoric that the CCP had long drawn on to foster Chinese nationalism and challenge the leading role of the Soviet Union within the socialist camp, and which rose to a fever pitch during the Cultural Revolution.

In Sweden, the late 1960s saw deep divisions within the political left. In 1967, at the party congress of Vänsterpartiet-Kommunisterna (VPK), 125 a rift led to the creation of a new Maoist party, Kommunistiska Förbundet Marxist-Leninisterna (KFML). Led by Bo Gustafsson, an economic historian, the KFML rejected efforts to rebrand the Swedish left as revisionism and gravitated closely towards the PRC's foreign policy. One of the prominent influences within Swedish Maoist circles was Jan Myrdal, who had lived in rural China in 1962, an experience he would later collate into the well-known *Report from a Chinese Village*, which sets out to present an unbiased account of life in rural China. Myrdal would make several contributions to left-wing thought, notably publishing the *Confession of a Disloyal European* in 1968, echoing Cultural Revolutionary ideas such as internalized guilt for the exploitation inherent to a capitalist system. 126

The entry of Maoist ideology into the Nordics, and more broadly Western Europe, was greatly accelerated by the tumultuous period leading up to the global escalation of social movements that culminated in the demonstrations of 1968. Although the drivers of the protests were heterogeneous, major forces shaping international opinion and activism were the escalation of the war in Vietnam, the Prague Spring, the American Civil Rights Movement, and student activism in places like West Germany, France, and Yugoslavia. Students protesting the participation of Apartheid Rhodesia in the Swedish-hosted Davis Cup occupied the Stockholm

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<sup>&</sup>lt;sup>123</sup> SF had grown out of an ideological break within the Danish Communist Party (DKP) in the late 1950. <sup>124</sup> Today "Third World" is often seen as a problematic term for its connotations with institutionalized cycles of poverty etc. However, in the context of the 1960's it was used to identify an emergent block of nations that did not adhere to Cold War blocs and forms the basis of Maoist political rhetoric.

<sup>125</sup> VPK had until 1966 been named Sveriges Kommunist Parti (SKP) but had sought to reinvent itself.

<sup>&</sup>lt;sup>126</sup> See Jørgensen's Transformation and Crises for a discussion of how Myrdal's writing injected Maoists element sinto the Swedish Mainstream

University Student Union building, famously leading to then-Education Minister Olof Palme meeting protest leaders to discuss their demands. In Norway, the 1968 upheaval led the *Sosialistisk Ungdomsfylking*, the Socialist Party's youth wing, to adopt a Maoist orientation and later break away from its parent party in 1969, laying the foundations of the Maoist *Arbeidernes Kommunistparti* which would contest elections until 2007 when it merged into the *Red Party*. <sup>127</sup>

Nordic Maoist parties drew their inspiration not only from the social trends sweeping the western world but also from the revolutionary zeal unleashed in China. Throughout the 1960s and early 1970s, left-wing activists, intellectuals, and leaders were invited to China for public diplomacy visits. Thomas Ekman Jørgensen notes that a surprising number of Swedes took the opportunity to gain firsthand experience of the socially transformative projects implemented by the Chinese masses. It seems plausible that many, if not most, of these visits were highly choreographed and made to serve CCP interests. Myrdal's famous account of life in the Chinese countryside, although drawing largely on interviews, is a typical example of the ideological character of reports written by foreigners emanating from China at the time. Although Myrdal provided the most famous account, other notable Swedish intellectuals writing travelogues of their visits to China were Tore Zetterholm, Sture Källlberg, Sven and Cecilia Lindqvist, and Olof Lagercrantz.<sup>128</sup>

Organizing and managing such goodwill visits has long been entrenched in the *modus operandi* of the CCP.1<sup>129</sup> This pattern of public diplomacy has roots in modern Chinese political history predating the Party's rise to power. Sun Yat-sen famously raised funds in the United States to help finance the Revolution against the Qing Dynasty, and early on, Mao welcomed American reporter Edgar Snow to his base area in Yan'an. <sup>130</sup> During the Cultural Revolution, China's public diplomacy machinery was in effect subordinated to the ideological maneuverings of the CCP's core leadership, drawing on non-governmental groups from abroad to promote domestic

<sup>&</sup>lt;sup>127</sup> Hans Petter Sjøli, "MAOISM IN NORWAY," Scandinavian Journal of History, 33:4, 478-490, 2008, https://doi.org/10.1080/03468750802519982.

<sup>&</sup>lt;sup>128</sup> For an extensive discussion of ties between the Swedish left and China during the Cultural Revolution, see Anna Hedén's authoritative "Röd stjärna över Sverige: Folkrepubliken Kina som resurs i den svenska vänsterradikaliseringen under 1960- och 1970-talen."

<sup>&</sup>lt;sup>129</sup> Efforts to win over public opinion in the west spanning back to Edgar Snow's time at Mao's camp in Yan'an, which culminated in the much-read Red Star over China – for many outside of China an entry point into the CCP's socio-political worldview and the eventual underpinnings of the PRC.

<sup>130</sup> For an account of Snow's famous visit to China in the 1930s, see the classic "Red Star over China."

propaganda. A famous example of this was a visit by French student activists who burst into tears during a goodwill visit to China in which the revolutionary achievement of the masses was on full display.<sup>131</sup>

However, despite the public diplomacy coordination, the spread of Maoist thought and practice was also characterized by high degrees of misunderstanding, mistranslation, and happenstance. Julia Lovell, in her groundbreaking *Maoism: A Global History*, relates the experience of William Hinton, an American author who collected impressions of rural reforms taking place in China between 1945 and 1953. <sup>132</sup> Such was the political climate in the US upon his return that the government confiscated his notes. Not until 1966 did Hinton regain access to his material, which would become the widely read book *Fanshen* (Turn Around) on China's agricultural reforms. However, the ten-year delay in the manuscript's publication meant that the material lacked accounts of the horrific Great Leap Forward, providing an aged, distorted image of conditions in China to its readers at a time when the Cultural Revolution dominated public discourse.

The malleable character of Maoist ideology lent itself to a wide array of different social contexts. In Europe, Mao's writings were taken up as popular slogans used by grassroots organizations, which largely were predominantly made up of students, to create appealing platforms around which to mobilize. Calls to dismantle imperialist, racist, and anti-feminist structures could selectively draw on the anti-authoritarian themes brought up in publications such as the near-ubiquitous *Little Red Book* without necessarily having to deal with the idiosyncrasies inherent in the CCP's policy platform within China.<sup>133</sup>

# Disappointment and Reorientation

As the Cultural Revolution ground to a halt and a new generation of CCP leaders rose to power, however, China began to lose its appeal as a source of revolutionary ideology. Deng Xiaoping's embrace of market dynamics

<sup>&</sup>lt;sup>131</sup> See Christophe Bourseiller 's description of French Maoist intellectuals visiting China, p.81, in "Les Maoïstes: La Folle HIstoire des Guardes Rouges Francaises" for a full account.

<sup>132</sup> Lovell, 278

<sup>&</sup>lt;sup>133</sup> Such idiosyncrasies included the complete rejection of parliamentarianism or the justification of the use of political violence to achieve a guerilla style governance system. Some violent groups did take up the more dogmatic and militarist elements of Maoist thought, particularly in the 1970's, but by and large a rhetorical ambiguity held sway in most left-wing movement. See Lovell's discussion, p.291 onwards.

and the implicit rejection of the chaotic elements of Maoist practice may have set the stage for a resumption of interstate diplomacy but disappointed fervent believers in world revolution. Reformist tendencies undermined the notion that an alternative form to governance outside of a globalized capitalist system existed in China. Moreover, Beijing's willingness to entertain a pragmatic strategic alliance with the quintessential capitalist-imperialist power, the United States, put the lie to the notion that Chinese socialism was inherently more revolutionary than other forms of Marxism-Leninism.

Nordic Maoists were deeply disappointed by the CCP's gravitation away from revolutionary sentiments. Sweden's Maoist KFML, which had presented itself as the custodian of authentic communist thought and renamed itself *Sveriges Kommunistiska Parti*, was presented with a crisis by the leadership change in China. Disagreements over what line to take on China's trajectory split the party in the early 1980s. China's brief but deadly border war with Vietnam in 1978, moreover, undermined the message of post-imperialist solidarity and challenged ideas of benign Chinese leadership.1<sup>134</sup> Jan Myrdal, long a champion of Mao-era Chinese socialism, expressed deep regret of the direction of Chinese communism, illustrating his profound disappointment with Deng era reforms in his 1984 account *Return to a Chinese Village*.

The CCP's shift to capitalism and the collapse of the Soviet Union along with its satellites stymied the ideological exchanges between the Chinese and Nordic left. However, some thinkers in China began to view the Nordic states as a potential blueprint for the political transformation taking place at home. Advocates of this approach saw the Nordic integration of a socialist welfare system with market principles as providing a roadmap for the CCP to transform itself into a social democratic party. However, different sociopolitical points of departure between China and the Nordics, not to mention Beijing's political trajectory in recent years under the leadership of Xi Jinping, have relegated such an aspiration to a subordinate position.

Nevertheless, traces of the Maoist legacy remain within both China and the Nordic countries, albeit with very different trajectories. In China, a form of Neo-Maoism has begun to take root, 135 which has influenced the rhetoric

<sup>&</sup>lt;sup>134</sup> The Nordic left had been able to translate anger over American involvement and atrocities in Vietnam into support for a political platform. Somewhat ironically, Beijing's willingness to impose its will on a fellow East Asian socialist country echoed the earlier Soviet intervention into Hungary in 1956.

<sup>&</sup>lt;sup>135</sup> For an in-depth discussion of modern Neo-Maoism, see Lovell chapter 12.

and world view of a new generation of citizens, although emphasizing more the nationalist need to push back against hegemonic foreign powers than to create revolutionary conditions at home. In the Nordic countries, by contrast, discourses about feminism, internationalism, and human rights have drawn on some of the anti-imperialist notions tinged by the Chinese political thought of an earlier time.

While its appeal has dampened since the heady 1960s, Maoism remains a potent force within the collective political imagination. For many, the term conjures a youth-led, disruptive, and irreverent style of revolutionary activism that clashes with the established order. This view goes hand in hand with the historical narrative of the Cultural Revolution, a unique moment in which a communist party-state turned upon itself. Although most Nordic left-wing parties differ significantly from the revolutionary CCP of Mao's day, their ideological opponents still evoke past radicalism and apologist inclinations in political discourse. In an irony of history, however, which in part owes to their constituencies and general exclusion from key positions in government, there are instances where the modern Nordic left are more vocal advocates of human rights, and by extension, stronger critics of China than their counterparts in government. 136

<sup>&</sup>lt;sup>136</sup> For instance, in April 2021, Sweden's Left Party (V) joined forces with the Christian Democrats (KD) and Sweden Democrats (SD) to call for the expulsion of the Chinese ambassador. V has in recent years called for stronger consequences for Chinese human rights abuses, drawing the ire of the Chinese embassy. "Jonas Sjöstedt (V): "Närmar sig en gräns i agerandet mot massmedierna," *Dagens Nyheter*, October 16, 2018, www.dn.se/kultur-noje/jonas-sjostedt-v-narmar-sig-en-grans-i-agerandet-mot-massmedierna/.

#### IV. China in the Arctic

The rapid onset of climate change is altering strategic interests in the Arctic. While rising temperatures and new weather patterns are threatening local communities and alarming scientists worldwide, the prospect of an Arctic Sea free of ice – at least for part of the year – has in some quarters instilled a sense of new possibilities. The promise of more international shipping, enhanced connectivity, fossil fuel- and mineral extraction, and research opportunities, have driven speculation about how best to engage with the transforming Circumpolar region, not just in Arctic states but also in countries further afield such as China. Although its Arctic stakes go all the way back to 1925, when Beijing entered the Spitsbergen (now Svalbard) Treaty, it was not until January 2018, when a White Paper titled "China's Arctic Policy" was published, that China's regional priorities became common knowledge. Unsurprisingly, this special interest in the Arctic has grafted itself onto the bigger picture of Sino-Nordic relations.<sup>137</sup>

#### China in Arctic Governance

While changes in the Arctic may bring new economic opportunities, they also raise serious questions about regional governance and climate protections, especially as there is no comprehensive legal regime akin to the Antarctic Treaty System delineating responsibility. Consequently, questions have arisen over how the United Nations Convention on the Law of the Sea (UNCLOS) and other maritime treaties can be applied and adjusted to new conditions in the Circumpolar Sea. <sup>138</sup> Nevertheless, the Arctic Council, which consists of all five Nordic states, the US, Canada, and Russia, does facilitate international cooperation.

<sup>&</sup>lt;sup>137</sup> The State Council Information Office of the People's Republic of China, "Full text: China's Arctic Policy," January 26, 2018,

 $english.www.gov.cn/archive/white\_paper/2018/01/26/content\_281476026660336.htm.$ 

<sup>&</sup>lt;sup>138</sup> Thai Nguyen, "The Arctic Environmental Papers," *Parliamentary Information and Research Service*, December 3, 2020, Publication No. 2020-92-E.

Supported by the Nordics, who sought to internationalize the Arctic region, China became a permanent observer to the Arctic Council in 2013 but had already shown interest in regional affairs in prior years. <sup>139</sup> Beijing's early Arctic engagement was predominantly structured around scientific research and exploration. However, since at least the late 2000s, regional interests and strategic planning have featured not only in academia but also in think tanks and military circles. <sup>140</sup>

The same year that China was elevated to observer status, the China-Nordic Arctic Research Center (CNARC) was launched as a platform for academic collaboration for Arctic research, although Beijing's active sponsorship of research and partnerships with regional partners was nothing new. China had established its first research station, the Yellow River station on Spitsbergen, Norway, already in 2003. Under the umbrella of the Polar Research Institute of China (PRIC), Beijing has since established joint research stations in Norway and Sweden (China Remote Sensing Satellite North Polar Ground Station, 2016), and Iceland (the China-Iceland Arctic Science Observatory, 2018), with a joint research center planned in Finland.<sup>141</sup>

Beijing often stresses its many partnerships to substantiate its Arctic presence. For instance, the Arctic policy white paper mentions the 2012 Framework Agreement on Arctic Cooperation with Iceland (China's first intergovernmental agreement on Arctic issues with an Arctic State), the bilateral dialogues with Russia since 2013, and the 2010 China-US dialogue mechanism for polar and UNCLOS issues. Nevertheless, while many other states have joined the Arctic Council as observers too (e.g., the UK, Germany, ROK, Japan, and India), China stands out for the rhetoric surrounding its participation in Circumpolar affairs. With the 2018 white paper release, Beijing officially adopted the moniker of China being a "Near Arctic state," incorporating elements of a discourse used by Chinese researchers for over a decade. The white paper explicitly states that the

<sup>&</sup>lt;sup>139</sup> This is part of a wider trend in East Asian interest in the Arctic. Beijing had applied for observer status in 2006, with South Korea and Japan following suit in 2008 and 2009, respectively. Although China was the first country to apply, however, it was the last of the three to release a national Arctic policy.

<sup>&</sup>lt;sup>140</sup>Olga Alexeeva and Frédéric Lasserre, "C hina and the Arctic," in *Artic Yearbook* 2012..

<sup>141 &</sup>quot;China," The Arctic Institute, June 19, 2020, https://www.thearcticinstitute.org/countries/china/.

<sup>&</sup>lt;sup>142</sup> For instance, in 2012, the China Center for Contemporary World Studies (CCCWS) organized a workshop titled 'Chinese and Nordic Cooperation on Arctic Developments' with the Stockholm

Arctic should not be classified as a demarcated region but rather as part of the global commons. This approach is not unique to the Arctic region and adheres closely to the contours of Beijing's overall discourse on international affairs. Government officials stress that China's objectives in the region will not infringe upon neighboring states' territorial sovereignty or rights and not conflict with international regulatory regimes such as the UNCLOS.<sup>143</sup>

China's growing regional engagement has not proceeded without friction, especially within the Arctic Council, where China's presence has diluted the influence of other observer states such as the UK and Germany. Mixed feelings about Beijing's long-term intentions in the Arctic stem from confusion about objectives and methods. For instance, the government of Canada, whose relations with Beijing have suffered from "hostage diplomacy" in recent years, is particularly sensitive to questions concerning territorial sovereignty.<sup>144</sup>

Such ambiguity has been reinforced by opinion pieces in publications like the nationalist *Global Times*, which equate Beijing's diplomatic prestige with involvement in international affairs and charge geopolitical rivals such as the US with willfully distorting Chinese policy. 145 Russian officials have also shown signs of anxiety over China's presence in the Circumpolar Sea. 146 While to date, notions of a major Chinese security presence remain within the realm of speculation, Chinese officials have long asserted that China will not accept exclusion from Arctic affairs. 147 As a result, China stresses "winwin" agreements on research, resource extraction, and infrastructure development, particularly in its approach to the multilateral-inclined Nordic states. 148

International Peace Research Institute (SIPRI), in which Chinese participants referred to China as a "near-Arctic state" and regional "stakeholder." "China defines itself as a 'near-arctic state', says SIPRI," SIPRI, May 10, 2012, https://www.sipri.org/media/press-release/2012/china-defines-itself-near-arctic-state-says-sipri.

<sup>&</sup>lt;sup>143</sup> Carin Holroyd, "East Asia (Japan, South Korea and China) and the Arctic," Chapter 20, in *The Arctic in International Affairs Handbook of Arctic Policies. Link. p.328f.* 

 $<sup>^{144}</sup>$  Kai Sun, "Beyond the Dragon and the Panda: Understanding China's Engagement in the Arctic," Asia Policy, No. 18 (JULY 2014), pp. 46-51.

<sup>&</sup>lt;sup>145</sup> Li Zhenfu, "China's role in the Arctic being misrepresented," *The Global Times*, May 8, 2019, https://www.globaltimes.cn/content/1149040.shtml.

<sup>&</sup>lt;sup>146</sup> Anna Rhyzova, "On the prospects for China' cooperation with the Arctic countries," *IOP Conf. Series: Earth and Environmental Science* 539, 2020,

 $https://iopscience.iop.org/article/10.1088/1755-1315/539/1/012045/pdf\ .$ 

 $<sup>^{147}</sup>$  "Rear Admiral: China is indispensable for the development of the Arctic Ocean", Sina, March 5, 2010, http://news.sina.com.cn/c/2010-03-05/140117171339s.shtml.

<sup>148</sup> Holroyd, 326.

The Nordic states have proven to be enthusiastic advocates of multilateralism and are wary of the kind of great power politics that absorb much of the contemporary discussion about Arctic geopolitics, preferring instead to advocate for a collaborative approach to global issues like climate change. For instance, when the Trump administration was seen as continuously blocking or watering down council statements mentioning climate change while steering discourse in a confrontational direction, there was great exasperation among the Nordic countries.<sup>149</sup>

## Climate Change as an Entry Point

The Arctic environment is currently under strain from three main interconnected issues: rising global temperatures, degradation to ecological systems, and the accumulation of toxic substances. Changes in the local climate are expected to significantly impact the rest of the world via rising sea levels, altered ocean currents, growing methane emissions, and increasingly extreme weather events. The Arctic Ocean has lost around 40 to 50 percent of its sea ice volume over the past 40 years, and the region is warming at twice the rate of other parts of the world. At the current pace, scientists project ice-free summer conditions within ten to twenty years. <sup>150</sup>

Despite occupying a fundamentally different position in terms of geography and the global value chain than the Nordic countries, China's engagement in the Arctic is at least partly driven by a desire to mitigate the impact of climate change. China's leaders appear to be well aware that their governance system is vulnerable to the deleterious effects of a warming climate and secondary effects that could degrade the CCP's legitimacy. A large proportion of the population lives alongside large river systems or in coastal regions, which are vulnerable to flooding. The country's north and southeast have been experiencing increasingly devastating droughts, which have ravaged the agricultural sector and threatened the livelihoods of regional farmers, driving up food prices and impacting the quality of life. According to Chinese scientists, changes in the Arctic are already profoundly impacting China's climatic conditions with implications for

<sup>&</sup>lt;sup>149</sup> Sabrina Shankman, "How the Trump administration's climate denial left its mark on the Arctic Council," *Arctic Today*, January 19, 2021, https://www.arctictoday.com/how-the-trump-administrations-climate-denial-left-its-mark-on-the-arctic-council/.

<sup>150</sup> Nguyen, "The Arctic Environmental Papers."

weather patterns, the likelihood of natural disasters, agricultural production, and national security.<sup>151</sup>

Beijing argues that the global reverberations of changing conditions in the circumpolar region mean that the Arctic littoral states should not retain a monopoly on interest or access. China joined the International Arctic Science Committee in 1996,<sup>152</sup> and its research establishment has since been keen to contribute to Arctic research, drawing on hypothesized similarities between the Tibetan Plateau area (sometimes referred to as the Third Pole Environment, TPE) and the Arctic region. Both areas are characterized by large freshwater ice reserves, permafrost, inaccessible landscapes, and extreme sensitivity to climate change. In 2018, Beijing hosted a symposium specifically linking polar research to the TPE region, providing scientists a platform for cooperation. <sup>153</sup> With its expertise on the environmental conditions in the TPE, China is keen to collaborate with Arctic scientists on related issues. Chinese state media have also taken up the topic, stating: "China has emphatically worked for environmental monitoring, Arctic life protection and concerns about indigenous peoples." <sup>154</sup>

Beijing's 2018 Arctic white paper pledges to address climate change and protect the circumpolar environment, yet it remains sparse on policy details. The focus has been primarily on mitigation and adaptation rather than identifying and discontinuing root causes of manmade climate change. Despite periodic instances of bilateral friction, Nordic states are keen to engage and push China forward on important multilateral issues, following the European approach to Beijing closely. By virtue of their geographic position and governance systems, Nordic states have been well-positioned to lead efforts to mitigate climate change-related developments in the Arctic, 155 having pushed hard for the Arctic Council to issue stronger a call for climate action. In this light, Chinese climate action, like President Xi Jinping's 2021 announcement about the discontinuation of Chinese

<sup>151</sup> Holroyd, 321f.

<sup>&</sup>lt;sup>152</sup> There are two Chinese governmental research bodies leading polar research: the Chinese Arctic and Antarctic Administration (CAA) and the Polar Research Institute of China (PRIC).

<sup>&</sup>lt;sup>153</sup> Liz Bowman and Dr. Qingchao Xu, "CHINA IN THE ARCTIC Policies, Strategies, and Opportunities for Alaska," *Center for Arctic Policy Studies*, February 2020, 11f.

<sup>&</sup>lt;sup>154</sup> Wang Li, "Analysis: The reasoning behind China's Arctic policy," *CGTN*, January 30, 2018, https://news.cgtn.com/news/3359544e30677a6333566d54/index.html.

<sup>&</sup>lt;sup>155</sup> The Nordic Council of Ministers' action plan for Vision 2030 proposes three strategic priorities to achieve their objectives: a green Nordic region, a competitive Nordic region, and a socially sustainable Nordic region.

investments into carbon dioxide heavy industrial production, holds importance.<sup>156</sup>

The Arctic Council has been adamant in its calls for a reduction of Black Carbon emissions, a form of soot produced through inefficient burning of fossil fuels, which is particularly harmful to human life and a major accelerator of warming in the atmosphere. A significant proportion of the historical production of Black Carbon emissions has taken place in China, 157 but Beijing has been slow to enforce domestic curbs, and its efforts to effectively curb emissions have so far remained relatively modest, although there have been signs of a growing willingness to prioritize climate action. 158 Reluctance to impose meaningful barriers on economic forces driving environmental degradation is by no means unique to China, but it does highlight the often complex relationship between Arctic stakeholders and Beijing. Nonetheless, even nascent efforts to curtail activities that are damaging to the global climatic status quo remain attractive, and the Nordic states will likely continue to welcome such efforts. Therefore, China could realistically legitimize its presence in the Arctic through transparent and serious climate policy.

#### **Civil-Military Fusion**

Critics of Chinese intentions in the Arctic, particularly in the United States, see the convergence of Chinese and Russian interests in the Arctic as jeopardizing the region's comparably conflict-free *status quo* and implicitly forming part of a wider challenge to US interests. Beijing's growing presence for scientific purposes and economic aspirations reflects an enhanced ability to project state power outside of China's borders and in extreme weather

<sup>&</sup>lt;sup>156</sup> Valerie Volcovici, David Brunnstrom, and Michelle Nichols, "In climate pledge, Xi says China will not build new coal-fired power projects abroad," September 22, 2021,

https://www.reuters.com/world/china/xi-says-china-aims-provide-2-bln-vaccine-doses-by-year-end-2021-09-21/.

<sup>&</sup>lt;sup>157</sup> China produced between 20 and 24% of the global total of Black Carbon between 1997 to 2007. UN Environment Program, The Climate and Environmental Benefits of Controlling SLCPs in P.R. China: A UNEP-PRCEE Synthesis Report," 2015, https://www.unep.org/resources/report/climate-and-environmental-benefits-controlling-slcps-pr-china-unep-prcee-synthesis.

<sup>&</sup>lt;sup>158</sup> China's domestic initiatives to address climate change have largely focused on CO2 emissions reduction and phasing out coal dependency, within the Paris Agreement framework. Beijing has been keen to present itself as a new leader in the clean energy economy. For instance, China has generated nearly one-third of all wind turbines and solar panels in the world. In his address to the 2020 UN General Assembly, President Xi announced that China is devoted to becoming carbon neutral by 2060. Bowman and Xu, "CHINA IN THE ARCTIC Policies, Strategies, and Opportunities for Alaska."

conditions. For Washington, which has long viewed the North pole from the vantage point of its rivalry with the former USSR, it is difficult to divorce China's regional aspirations from national security concerns. The concern is particularly focused on US military bases in Greenland and Alaska, which are becoming increasingly crucial for American operations in the Indo-Pacific.<sup>159</sup>

The link between civilian, economic, and military interests in CCP strategic thinking is not new, going back to at least the early 1980s, but has become all the more pronounced in the last decade. The Military-Civil Fusion (MCF) strategy aims at developing the PLA into a "world-class military" by 2049 and entails the reorganization of science and technology sectors to promote innovation and advance economic and military development.<sup>160</sup>

While Beijing's activities in the Arctic, in cooperation with the Nordic States, entail scientific research and environmental protection, these commitments could also facilitate the testing of new military technologies in extreme environments. For instance, China's BeiDou Navigation Test Satellite System (BDS), which provides ground- and satellite-based communication to both civilians and the PLA, is presented as a model of MCF. <sup>161</sup> Knowledge accumulation on navigation and meteorology in the Arctic could thus, along similar lines, contribute to building up dual-use military-civilian capabilities.

China's development of MCF-linked projects has raised some concerns in the Nordic states. For instance, in 2019, the Danish defense intelligence authorities warned that the PLA is increasingly using scientific research as a means of entering the Arctic, describing such activities as not just a matter of scientific inquiry but serving a "dual purpose." Similarly, a 2019 Pentagon report warned of the risk of Chinese activities in the Arctic, stating that "civilian research could support a strengthened Chinese military presence in the Arctic Ocean, which could include deploying submarines to

<sup>&</sup>lt;sup>159</sup> Carla Babb, "Alaska Seen as Strategic US Military Asset Against China, Russia," *Voanews*, July 25, 2021, www.voanews.com/a/usa\_alaska-seen-strategic-us-military-asset-against-china-russia/6208688.html.

<sup>&</sup>lt;sup>160</sup> ElsaB. Kania and Lorand Laskai, "Myths and Realities of China's Military-Civil Fusion Strategy," CNAS, January 28, 2021.

<sup>161</sup> State-owned Assets Supervision and Administration Commission, "中国兵器+阿里巴巴="北斗 Plus," July 8, 2019, http://www.sasac.gov.cn/n2588025/n2588164/n4437287/c11687887/content.html.

the region as a deterrent against nuclear attacks." <sup>162</sup> This is not to say that the Nordic states are aligning themselves with Washington's "Great Power Competition," but rather that a potential militarization of the Arctic would bode poorly for the Nordic-preferred peaceful cooperation regime.

## **Regional Partnerships Breaking Ice**

A central tenet of China's Arctic strategy is to develop partnerships with regional actors to improve Beijing's image and build trust. The tense relationship with the Washington and Ottawa has incentivized the Chinese leadership to make inroads in Russia and the Nordic countries. The prevailing attitude appears to be that there is more to gain from China positioning itself as an advocate for multilateralism and regional development rather than allowing itself to be painted as a unilateralist or revisionist power.

In recent years, Sino-Russian cooperation in the Arctic has increased in tandem with wider efforts to align a broad spectrum of military and economic interests. Beijing and Moscow share a common desire for fostering greater independence from Western institutions, particularly since the 2014 annexation of Crimea. For the Kremlin, this cooperation forms part of a wider "pivot to Asia," while for Beijing, it has fueled the BRI's northernmost transport artery, the Polar Silk Road (PSR). The presence of rich oil and gas fields and the need to develop the Northern Sea Route (NSR), as well as making use of Russian ports and icebreaker fleets, have encouraged new venues for cooperation. For instance, the successful launch of the "Yamal Liquefied Natural Gas (LNG) project" reflects the potential for Sino-Russian energy projects in the Arctic and allows key companies such as Rosneft and Gazprom to build new partnerships.

Sino-Finnish relations have also incorporated an Arctic dimension, highlighted in President Sauli Niinistö and Xi Jinping's signing of a 2019 joint action plan, deepening bilateral research engagements in the Arctic, and potentially laying the groundwork for a future Finnish stake in the BRI.

<sup>&</sup>lt;sup>162</sup> "China mixing military and science in Arctic push: Denmark," *Reuters*, November 29, 2019, https://www.reuters.com/article/us-usa-arctic-idUSKBN1Y3116; Phil Stewart and Idrees Ali, "Pentagon warns on risk of Chinese submarines in Arctic," *Reuters*, May 2, 2019,

https://www.reuters.com/article/us-usa-china-military-arctic-idUSKCN1S829H.

<sup>&</sup>lt;sup>163</sup> the state-owned China General Nuclear Power Group's nuclear-powered ice-breaker represents a strong statement of the country's Arctic goals.

164 China's involvement in the development of the Polar Silk Road means that goods and products will be transported along the Arctic route in an East-West direction. Beijing is investing heavily in expanding the quality and quantity of its icebreaker fleet, notably partnering with Finnish engineering firm Aker Arctic in developing its first home-grown icebreaker, the Xue Long 2, in 2012. Currently, Beijing is in the process of designing a wholly domestically produced nuclear icebreaker. If completed, this newest icebreaker would likely be record-breaking not only in size but also capacity, a major milestone on the road to make China a world-leading icebreaker nation, second only to Russia. 165 Beyond providing China greater access to the Arctic, the development of nuclear-powered powered icebreakers could potentially provide an engineering testing ground for future nuclear aircraft carriers. 166

A developing trend in Sino-Nordic relations is an observable difference between national and regional level governments' engagement with Beijing on infrastructure projects. The Norwegian town of Kirkenes, located near the juncture of the Russo-Finnish-Norwegian borders and north of the Arctic circle, provides an illuminating example. Plans to provide major port infrastructure, as well as an international railway corridor linking the Arctic with the Baltic Sea and Continental Europe through Finnish Rovaniemi, was met with enthusiasm from local governments and businesses. <sup>167</sup> Although not wholly opposed to the projects, the national government in Oslo was warier given diplomatic frictions in recent years. Nevertheless, Helsinki and Oslo commissioned joint feasibility studies into the Rovaniemi-Kirkenes corridor in 2018. While these ultimately found the railway to be economically unviable, they noticeably left out potential increases in trade volumes owing to the PSR, skirting the sensitive nature of Beijing's efforts

<sup>&</sup>lt;sup>164</sup> Minister for Foreign Affairs of Finland, "Joint Action Plan between China and Finland on Promoting the Future-oriented New-type Cooperative Partnership 2019-2023," n.d.

<sup>&</sup>lt;sup>165</sup> Liu Zhen, "Could China's 'experimental' ship be the world's biggest nuclear-powered icebreaker?," SCMP, March 20, 2019, https://www.scmp.com/news/china/military/article/3002455/china-build-30000-tonne-nuclear-powered-ship-described.

<sup>&</sup>lt;sup>166</sup> Malte Humpert, "China to Use First Atomic Icebreaker as Test for Future Nuclear Aircraft Carriers," High North News, March 22, 2019, www.highnorthnews.com/en/china-use-first-atomic-icebreaker-test-future-nuclear-aircraft-carriers.

<sup>&</sup>lt;sup>167</sup> Albeit with pushback from the local Sami populations. Gloria Dickie, "A Proposed Railway In The Arctic Has Investors Excited—And Indigenous Groups Terrified," *Pacific Standard*, June 5, 2019, https://psmag.com/environment/kirkenes-proposed-railway-from-europe-to-asia-investors-excited-indigenous-groups-terrified.

to make inroads into Europe. <sup>168</sup> Private investors have since expressed interest in pushing the Arctic Railway, with project coordinators notably publishing adverts in Chinese. <sup>169</sup>

Instances of local- and national authorities diverging on Chinese infrastructure projects are not unique to the Arctic region, as could be observed in Swedish Lysekil and the Danish Faeroe Islands. <sup>170</sup> However, the remote nature of communities in the Arctic, as well as the uneven distribution of the effects of climate change, means that the northern peripheries of the Nordics are often subject to different interests than the majority population. Greenland is a key example of such interests, reinforced by a colonial legacy that has tarnished relations between Nuuk and Copenhagen, wherein aspirations for increased economic growth and greater autonomy have clashed with strategic calculations in mainland Denmark. <sup>171</sup>

Nordic states will need to adjust their Arctic calculations both in line with changes taking place in international affairs as well as within their national borders. The interwoven character of economic interest, security concerns, and climate change mitigation make for a potent political cocktail that will likely form an undercurrent to the greater trajectory of Sino-Nordic relations. It remains to be seen how Beijing's efforts to instill an Arctic dimension in its diplomacy and national security will play out. However, policymakers in both China and the Nordic states will have to consider a wide spectrum of often conflicting or contradictory interests and design strategies that are both flexible and consistent.

<sup>168</sup> Ministry of Transport and Communications, "Final Report of the Joint Working Group Between Finland and Norway on the Arctic Railway," 2019:4,

www.julkaisut.valtioneuvosto.fi/handle/10024/161367.

<sup>169</sup> Tarmo Virki, "Finland-Norway rail link planned to fit Arctic sea routes," Reuters, May 9, 2019, https://www.reuters.com/article/arctic-railways/finland-norway-rail-link-planned-to-fit-arctic-searoutes-idUSL5N22L2ZA; "北极铁路 罗瓦涅米至-希尔克内斯," *Arctic Corridor*, n.d., https://arcticcorridor.fi/wp-content/uploads/jkrautatiekiinascr02.pdf

<sup>&</sup>lt;sup>170</sup> Ola Wong, "'Ingen risk' att Kina äger Sveriges största hamn," *Svenska Dagbladet*, January 15, 2018, https://www.svd.se/ingen-risk-att-kina-ager-sveriges-storsta-hamn; "Did China pressure Faroe Islands to build Huawei 5G network?," The Local DK, December 11, 2019,

https://www.thelocal.dk/20191211/did-china-pressure-faroe-islands-to-build-huawei-5g-network/.

<sup>&</sup>lt;sup>171</sup> Michael Paul, "Greenland's Project Independence," SWP Comment, 2021/C 10, January 28, 2021, https://www.swp-berlin.org/10.18449/2021C10/.

#### Conclusion

The above discussion has sought to identify and tease apart some key areas of modern Sino-Nordic relations. However, this complex subject is deserving of further study and discussion, especially as modern economic, social, political, and cultural trends drive greater interchange between China and the Nordic states. The PRC's rapid rise on the international stage, both as a political actor and an economic center of gravity, has driven a reevaluation of long-held assumptions about the international order. This has major implications for trade, foreign policy, civil society, international jurisprudence, and security – both in Europe and in China. To meet challenges as they emerge and seize on opportunities for cooperation, policymakers, scholars, and perhaps most importantly, the public must continuously interface with a broad array of complex changing factors. It bears keeping in mind that neither China nor the Nordics are monolithic and that relations remain dynamic and everchanging.

Sino-Nordic diplomatic history, trade, environmental concerns, and ideological perceptions of the world are continuously interacting with each other, periodically aligning and clashing in a complex mosaic. Alternating periods of political opening and closing have fueled highs and lows in diplomatic relations. More recently, differing views of political, economic and security interests, as well as power relations, have engendered tensions and frustrated efforts at cooperation. Historically, China has served both as a source of inspiration and disappointment owing to misunderstanding and mistranslation, not only on the part of governments but also individual people. The case of the Arctic illustrates a new set of factors, which with the onset of rapid warming, changing security dynamics, and new trade routes, are becoming ever more important for Sino-Nordic relations.

To navigate and understand these shifting dynamics, future studies of China's role in the Nordic countries will need to balance between specialized knowledge on the one hand and the larger forces driving ancillary developments on the other.

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