

November 9, 2023

EXPERTS TAKE

EU and U.S. Relations with China in Retrospect and Looking Ahead

An Interview with
PROFESSOR TORBJÖRN LODÉN

The Institute for Security & Development Policy (ISDP) has for the past three years had the honor and privilege of Professor Torbjörn Lodén serving as its Head of the Stockholm China Center. With his tenure having recently drawn to a close, he sat down for an interview with ISDP Research Fellow, Agust Börjesson, to look back on how China's relations with the U.S. and Europe have developed under his watch and to discuss what could potentially lie ahead for relations with China in the era of Sino-American rivalry.



Agust Börjesson: During your tenure as Head of the Stockholm China Center, a number of countries have undergone a shift in their perceptions of China.¹ Security challenges related to China have increasingly come to take precedence over an emphasis on trade and cooperation with the EU notably designating China a systemic rival in 2019.² How do you view this development?

Torbjörn Lodén: I think this is a sad and disappointing development. To a great extent, this shift in perception reflects how China itself has changed during the past decade having become more authoritarian. This was a process that started before I joined the ISDP. It has, however, during my time at ISDP become increasingly clear that

China is moving in the direction of becoming more and more authoritarian. On the other hand, I also think that this shift in perception reflects a sense of disappointment in the U.S. and Europe. From a historical perspective, I can see how the pendulum has once again swung from one extreme to the other. We have moved away from the idea that we have come to “the end of history” and can witness the final victory of liberal democracy towards the view of Chinese authoritarianism as being so ingrained in Chinese culture and society that it is almost impossible to get rid of. I think this reflects a radically new perception on the part of many China scholars and observers. If you look at this carefully you will see that after the introduction of Deng Xiaoping’s reform program in the late 1970s, several of today’s most adamant proponents of the idea that the Chinese system is inimical to democratization believed that China would soon become a liberal democracy. Then came the brutal crackdown on the democracy movement in 1989, which showed that China was in fact not on the threshold of introducing liberal democracy. Inevitably this made many of us disillusioned. As I see it, that paved the way for a widespread perception among scholars and observers which exaggerates the “resilience” of the prevailing authoritarian order. This represents a swing of the pendulum from one extreme to another in our perception of China. This swing of the

pendulum has been a recurring theme for hundreds of years in European perceptions of China.

Börjesson: An adversarial relationship between the U.S. and China has become increasingly pronounced in recent years with a profound effect on global politics.³ With the benefit of hindsight could these developments, as you see them, have gone in another direction?

Lodén: I think that history could definitely have taken another course. For example, the development towards increasing authoritarianism in China was not inevitable. There was a development in the direction of increased domestic pluralism and China becoming more integrated into the global system. But to embark on this course was a very controversial matter. It was a course that was promoted by the most progressive and “modern” forces in Chinese politics after the death of Mao Zedong. Unfortunately, these forces never managed to fundamentally change the prevailing authoritarian order. With a less authoritarian system in China, it would have been much easier to avoid conflict with the West.

Having said that, we must also realize that there are geopolitical conflicts of interest at play, no matter which political system we are talking about. These inevitably pose a challenge to a harmonious development of relations and applies especially in

“We have moved away from the idea that we have come to “the end of history” and can witness the final victory of liberal democracy towards the view of Chinese authoritarianism as being so ingrained in Chinese culture and society that it is almost impossible to get rid of. I think this reflects a radically new perception on the part of many China scholars and observers.

relation to the U.S. as China is rising to become a more important country in the world and continues to develop economically. We should note here that, beginning in the mid or late 19th century, China actually began to decline in the world. Up until the early 19th century, China's share of the world economy oscillated between roughly 20 and 35 percent of the total. Then, in the early 19th century, a decline began. Therefore, when we arrive at the 1970s, China's share of the world economy had shrunk to around a 5 percent share. What we often now refer to as China's rise, or the Chinese economic miracle, we could instead also consider to be a gradual return to a global normality. But this return cannot take place without friction. Such a change in the global system necessarily evokes conflicts of interests.

Börjesson: Having had a long career as a sinologist, was there a time when you yourself could see another path for the relationship between China and the West?

Lodén: Well, I am by nature I suppose an optimistic person and I hoped for another outcome. Although predicting the future is of course difficult, if not impossible, and I never felt certain. But I believed and hoped that China and the West had embarked on a course that would be mutually beneficial. When I began to follow Chinese politics closely under the rule of Mao Zedong, it was very important for the Chinese and a main priority for Mao Zedong's regime to avoid by any means China becoming dependent on the outside world. Self-reliance, or “自力更生” as it is called in Chinese, was one of the main tenets of Mao's ideology. When Deng Xiaoping instead brought forth the program of reform and opening up, that changed.

What Deng Xiaoping had realized, as I see it, is that the principle of comparative advantages is a very good principle. He and his associates felt that Mao Zedong had vastly exaggerated the need to

remain economically independent from the rest of the world. Therefore, Deng Xiaoping instead encouraged trade with the outside world, import of technology, exchange of tourism and culture and so on. He believed that this would be good for China. Deng Xiaoping and his associates felt that China had gotten stuck and that it was not developing. There was a sense that if this was allowed to continue, the Communist Party of China (CCP) would in turn also lose power.

China had to modernize, not only to keep power in the hands of the communist party but also, and more importantly, for the people of China. In order to do so, a shift in relation to the outside world was necessary. But this issue was quite controversial in China. Deng Xiaoping and his associates met severe resistance. Decades later, when the question of China possibly joining the World Trade Organization (WTO) came up on the agenda, I personally had many friends among dissidents, but also among reformist-oriented people within the party, who were very much in favor of joining. And when China was finally able to join the WTO, I was glad and optimistic. I thought that this was very good for China, but also for the world at large. I felt that opening China up for trade with the outside world was a triumph for the aforementioned reformist forces. Never would I have imagined at that time, that today many years later, there are a number of observers and scholars in the U.S. and Europe who look back and say that perhaps letting China join the WTO was a mistake as the Chinese have used that to their own advantage. And they may have, but more importantly, joining the WTO was indeed good for China, but it was also a victory for the reformist forces in China with whom Americans and Europeans share many interests.

Börjesson: The current discourse about the prospects of a more democratic China is often decisively pessimistic. China is often seldom

discussed in terms of being a force for autocratic inspiration rather than having potential to become a powerful democracy.⁴ How do you view this issue?

Lodén: Following the death of Mao Zedong, from the late 1970s and onward, China was becoming more and more open and pluralistic. This development often had a pattern of two steps forward and one step backward. On the whole, at least from 1979 to 1989, China was clearly moving in the direction of greater openness and pluralism. Then from 1989 to 2012, the developmental course became more complicated. But with the benefit of hindsight, you can still see that a development towards an increased integration with the world system and in terms of an increased scope of ideas in scholarship and literature, continued, albeit with some setbacks. However, today in the year of 2023, it's very difficult to gauge the past decade of development and be optimistic. For the past decade, the trajectory towards increased openness and pluralism has come to a halt, and has perhaps even been reversed, with China heading backwards. Observing this brings me great sadness.

On this note, a very important aspect is that, from my perspective, the beginnings of limiting the role of the Communist Party could previously be gleaned. The roles of party and government were defined and separated in a way that had not previously been seen. Some issues were for the government to decide, and some were for the

party to decide. This separation marked a decisive difference in comparison with the Maoist system. A relatively autonomous judiciary also evolved. It was never truly autonomous, because if the CCP leaders felt that certain legal decisions were necessary to uphold their power, they never hesitated to overrule judges and the judiciary. Still, having said that, the judiciary did achieve a relative autonomy which it had not had since the establishment of the PRC in 1949.

Maybe for people who were not around at that time it's hard to understand that under Mao Zedong, China hardly had a judiciary at all in a sense of the word that is familiar to us. The very notion of equality before the law was depicted as an idea which served the bourgeoisie. The emergence of a relatively autonomous judiciary must be seen in the context of China's expanding trade ties. In trading with other nations, you need more laws than China had at the time. This was a very important development.

Moving away from the topic of the economy, on China's culture scene in the 1980s and 1990s there were examples of intellectuals suing the state, which was entirely inconceivable under Mao Zedong. This was another example how the role of the CCP was becoming somewhat restricted. Another example is that enterprises and companies gained considerable autonomy. There were still party committees in companies, but the main focus was placed on recruiting competent technocrats and engineers who would do good for the companies themselves.

“China had to modernize, not only to keep power in the hands of the communist party but also, and more importantly, for the people of China. In order to do so, a shift in relation to the outside world was necessary. But this issue was quite controversial in China. Deng Xiaoping and his associates met severe resistance.

This was another sign of the shrinking role of the party. The media also became more outspoken and independent of the Party. I once had lunch with the editor of a leading newspaper in Shanghai who said that when he travelled to Beijing, he would say to the leaders that China ought to also have independent newspapers, not just newspapers run by the state.

Having said all this, democracy with general elections and a multiparty system and so on was probably never really on the political agenda among the CCP rulers. Even though certain leaders such as Hu Yaobang and Zhao Ziyang may have had this as distant future goal in their minds.

Of course, there are many people in China who dream about a democratic China. But I also think that something that we often fail to understand is that democracy in the sense of free and fair elections, a multi-party system, free press and so on and so forth, has hardly ever been a main priority for most Chinese people. What people in China want first and foremost is greater welfare and security, a higher standard of living and more freedom to shape the course of their own lives. They don't necessarily associate that with elections and a democratic political system.

Börjesson: It is perhaps a somewhat “western” perspective?

Lodén: It's very much a western perspective. Hundreds of millions of people in China have likely perceived that for the past half century, they have achieved a higher degree of “freedom”. They have become freer in the sense that they can, for example, choose what kind of job they would like to have. Not in terms of unlimited choices, of course, but things are nevertheless completely different from the time of the Maoist system. Under Mao Zedong, if you were born in a village, you oftentimes did not even have the right to leave that particular village. These days, people can to a considerable extent

choose their own careers. People can choose their own spouse. Even that was largely controlled by the party under Mao Zedong with marriages and relationships having to be approved by work units or party committees.

The Communist Party has never been prepared to give up its power or risk being swept away from the political scene. One particular dilemma, that I would like to emphasize, runs like a red thread through Chinese history since Mao Zedong. This dilemma has been how to go about modernizing China and how to inject new vitality and creativity into Chinese society without simultaneously threatening the supreme role of the CCP. If you study political developments in China from 1978 until today, you will see that there have been periods of relative opening up, followed by periods of tightening control. What now worries me is that we have entered a longer era of tightening control. These periods have followed one after another, and I think this reflects the dilemma I mentioned.

Many communist leaders have felt that in order for China to modernize, more openness and freedom was necessary. But as they allowed that, they simultaneously noticed that the same freedom was often used to attack the party itself. Therefore, they embarked on introducing new restrictions. I believe that when Xi Jinping came to power in 2012, his main concern was to strengthen the leading role of the party which he felt liberal reforms had seriously threatened. This concern on his part explains quite a lot of what we have seen in Chinese politics in recent years. And the unfortunate strengthening of authoritarian rule in China that we have seen during the past decade has probably served as inspiration for other authoritarian countries. This is very sad.

Börjesson: How do you see the concept of engagement in relation to China? In previous decades, advocacy for engagement with China was more common and there was a belief that

engaging with China in terms of trade and collaboration could help facilitate and inspire a more liberal and democratic rule by the CCP. Could engagement again claim a greater space in discussions about how to maintain and develop relations with China? Or is there validity to the criticism that engagement has facilitated the rise of an adversary?⁵

Lodén: Engagement has become somewhat of an ugly word in the U.S. and Europe. It is seen by many as having been used by China and willfully allowing them to play a more dominant and assertive role on the world scene. Instead of engagement, people have started to advocate for “decoupling” and for increasing independence from China. I feel unhappy about this discussion and this wholesale rejection of engagement.

I think we should ask ourselves what would the situation today have been like without previous attempts at engagement? Would China have been better off? Would the world have been better off if it had refused to trade and communicate with China in the early 1980s? Would China have become friendlier and more peaceful than today if we had said no to allowing China into the WTO? Here I again come back to something I have already touched on, which is who the people in China were who wanted to expand exchange and cooperation. They represented, in my view, the most progressive forces in China.

I continue to see engagement as vitally

important, and I feel worried about what I see as a rather aggressive rejection of this notion. Engagement has promoted China’s economic development. One could probably say that in terms of economic and military strength, China is today a more formidable adversary than it would have been otherwise. But without China’s reform and opening up and the outside world’s willingness to engage China, the situation for the vast Chinese population would have been much worse than today. I also believe that such a China would have been more hostile than what we see today even though it might have been economically and militarily weaker.

As I see it, the discussion of engagement and decoupling is often very crude. I mean what does engagement mean? A word that is today often used to evaluate engagement is “naivety”. The world has been “naïve” about China in promoting engagement. On the whole, I don’t like that description either. However, I do admit that in some ways, we and many other countries have been credulous, perhaps also naïve, in our dealings with China. In particular, I think we have not emphasized the importance of reciprocity in our relations as we should have. For example, it has been much easier for Chinese people to set up companies in our part of the world than the other way around. And in welcoming engagement, we did not apply enough of a security perspective. This was very unfortunate.

“Decoupling” our economy from China I consider both totally unrealistic and undesirable.

“What people in China want first and foremost is greater welfare and security, a higher standard of living and more freedom to shape the course of their own lives. They don’t necessarily associate that with elections and a democratic political system.”

Recently another concept – “de-risking” – has come into focus in discussing our relations with China. This I think is a much more useful concept than “decoupling”. There can be no doubt that we need to apply a security perspective as we manage our trade and other relations with China. But the question is what forms of exchange and trade actually do threaten our security. I think we have to recognize that telecommunications, for example, is a security-sensitive field where we have to carefully protect our interests. Given how the Chinese state operates, some restrictions are necessary. But again, to let these security concerns make us reject engagement altogether would be to throw out the baby with the bath water. I believe that this would not make the world safer but on the contrary increase tension. It would make cooperation on issues vital for all mankind such as climate change and environmental destruction impossible and it would also increase the risk of war.

Börjesson: Perhaps de-risking in that sense should have been part of engagement to begin with?

Lodén: I think you are absolutely right. There is no absolute contradiction between de-risking and engagement. De-risking is a way of controlling engagement, of keeping it within reasonable limits. International trade has been deregulated during the past few decades in a way that people of my generation hardly thought possible. This is not an issue that only relates to our problems with China. Deregulating or improving the conditions of international trade has had a tremendous impact on global economic growth. But it came with a price that is increasingly noticeable and this applies not only to China.

Börjesson: What could engagement potentially look like in the era of Sino-U.S. rivalry if states are increasingly forced to choose sides? What part can engagement play in a bipolar world order?

Lodén: I hope we will see a multipolar order rather than a bipolar world order. In a bipolar world with two camps, we will easily find ourselves in a situation where countries are faced with the choice of either supporting one camp or the other. I think we should aim for an order with more choices. This situation with only two camps set against one another tends to increase tensions. For me, a multipolar world order with a strong and in some ways reformed United Nations is an ideal to strive for.

Börjesson: How do you view the space for countries like Sweden in terms of engagement with China in this era of friction? Does Sweden leaving its long-standing neutrality behind play a role in this context?

Lodén: I hope that Sweden, even after joining NATO, will pursue an independent foreign policy that identifies climate change and the environmental problems as the most urgent challenges today. These challenges require international and global cooperation to be dealt with. I would also like to see Sweden pursue a foreign policy that defines global justice, peace and disarmament, nuclear disarmament in particular, as major objectives.

I would also like to see Sweden promote engagement with China. Especially when it comes to cooperation in dealing with climate change and the environmental challenges which are gigantic problems facing all of mankind. We are Europeans and, in my view, Europe should play a more proactive role in world affairs. In particular when it comes to dealing with environmental problems, promoting global justice and working for peace and disarmament.

Börjesson: What do you see as the defining obstacles in China’s relationship with the U.S. and the EU in the coming years? Where do you potentially see the most friction moving forward?

Lodén: I believe that the authoritarian order, the political system in China, is one major obstacle.

Everything would be so much easier if China was more open. It would be so much easier if China did not commit the crimes against humanity that it is committing in Xinjiang. As a Swedish person I also have to say that as long as the Chinese government keeps the Swedish citizen Gui Minhai in prison, it is very difficult to believe that our relations can become really good. Many cadres in China probably consider this a detail and doubt whether one person can really be a major obstacle to improving relations, but I think this is a fact rooted in a widespread sense of dismay among the Swedish population concerning the treatment of Gui Minhai.

Furthermore, Taiwan is likely to remain a “defining obstacle”. While European countries or the U.S. should not encourage the government in Taipei to declare formal independence, it would also be wrong of them to accept the idea that the government in Beijing has the right to bring Taiwan under its rule by means of violence. How this conflict is going to evolve is a cause of great concern for the whole world, and it is critically important that all parties concerned show restraint and seek a peaceful solution.

But there are also obstacles to improved relations on the western side. Democracy in Europe and the U.S is facing serious issues. For example, all over Europe there are influential populist political parties, and in the U.S. there is Donald Trump. As a result, in the eyes of Chinese people,

the democracies of the western world are more and more often seen as bad examples rather than models to emulate. While many people in China, perhaps even an increasing number of people, still feel that the Chinese system is backward and needs to be radically reformed, Western style liberal democracy is viewed with greater skepticism today than before.

When we look at China our vision may sometimes be clouded by a narrow focus on political democracy. Chinese people crave more freedom to control their own lives and resist being treated as unruly children by the authorities. National minorities such as the Uyghurs and Tibetans want an end to the Han Chinese exploitation and oppression. But general and free elections are hardly a top priority for very many Chinese citizens.

Dysfunctional politics affects the image of western countries in China. Many people think that the West is on the decline while China is rising. This sort of perception, which cannot be attributed solely to propaganda in China, breeds skepticism about the western world. Another problem is the aggressive rhetoric against China that is often perceived as directed not only as against the authoritarian regime in China but also against Chinese culture and the Chinese people. This is something that causes and reinforces friction.

“When Xi Jinping came to power in 2012, his main concern was to strengthen the leading role of the party which he felt liberal reforms had seriously threatened. This concern on his part explains quite a lot of what we have seen in Chinese politics in recent years.

“Dysfunctional politics affects the image of western countries in China. Many people think that the West is on the decline while China is rising. This sort of perception, which cannot be attributed solely to propaganda in China, breeds skepticism about the western world.

Börjesson: And, to conclude, where do you see the most potential for constructive cooperation with China from a European perspective?

Lodén: Let me again come back to the climate and the environment. Combating climate change and protecting the environment are areas where we could do so much together. Political conflicts should not stand in the way of cooperation in those areas. U.S. President Barack Obama and China’s Premier Wen Jiabao, together, played a decisive role in achieving the Paris agreement which is but one example. I hope that we can get back to this. No matter what other conflicts we have in the world, on these matters there must be cooperation, and there can be. If there is a will, there is a way. I also think that cooperation in the areas of culture and science is extremely important. Unfortunately, I think there is exaggerated skepticism in the U.S. and Europe about scientific cooperation with China. No doubt there are forms of scientific cooperation that should be avoided for security reasons, but on the whole, it seems to me that this is potentially a very fruitful field of cooperation.

In conclusion, I would like to raise an issue that is particularly important for me as a sinologist. I do think that it is very important that more people in Europe learn Chinese, read Chinese literature and study Chinese culture. To promote

cross-cultural understanding and communication is something we can all benefit from. It will facilitate cooperation in dealing with the major challenges that mankind is facing. For me these are not mere words but something of great practical importance. It is, therefore, sad to see that the interest in studying Chinese language and culture now seems to be declining. In recent years, I have more and more often come across examples of unwillingness to recognize the value of China’s rich and diverse cultural tradition, which is rather seen as the source of today’s authoritarianism. This I find especially unfortunate. While it is certainly true that cultural nationalism is a major feature of the ideological landscape in China today, this nationalism reflects China and its position in the world today rather than the cultural tradition itself. Chinese culture is a rich and valuable part of the global cultural heritage which has much to offer not only people in China but all mankind.

Endnotes

- 1 Laura Silver, Christine Huang and Laura Clancy, “How Global Public Opinion of China Has Shifted in the Xi Era,” Pew Research Center, September 28, 2022, <https://www.pewresearch.org/global/2022/09/28/how-global-public-opinion-of-china-has-shifted-in-the-xi-era/>.
- 2 Hans Von Der Burchard, “EU slams China as ‘systemic rival’ as trade tension rises,” Politico, March 12, 2019, <https://www.politico.eu/article/eu-slams-china-as-systemic-rival-as-trade-tension-rises/>.
- 3 Barbara Lippert and Volker Perthes, “Strategic Rivalry between United States and China: Causes, Trajectories, and Implications for Europe,” German Institute for International and Security Affairs, April 2020, <https://www.swp-berlin.org/10.18449/2020RP04/>.
- 4 Charles Edel and David O. Shullman, “How China Exports Authoritarianism,” *Foreign Affairs*, September 16, 2021, <https://www.foreignaffairs.com/articles/china/2021-09-16/how-china-exports-authoritarianism>.
- 5 Aaron L. Friedberg, “Engagement With China Was Always a Long Shot,” *Foreign Policy*, May 12, 2022, <https://foreignpolicy.com/2022/05/12/getting-china-wrong-engagement-change/>.