



Introduction

When the minister of culture, Amanda Lind, on 15 November 2019 handed out the Tucholsky Prize to Gui Minhai on behalf of Swedish PEN, the Swedish government was well aware of the risks of coercive countermeasures from Beijing. In fact, the Chinese ambassador to Sweden had publicly issued a warning of such measures, even notoriously declaring in an interview with Sweden's public radio that "We treat our friends with fine wine, but for our enemies we got shotguns". Yet, the Swedish government was undeterred with prime minister Stefan Löfven referring to Sweden's freedom of expression as he made clear that "We will not give in to this type of threats. Never." While Beijing's specific punishment measures eventually proved to be relatively moderate, the incident showcased the newfound abrasiveness of Chinese "Wolf Warrior"-style diplomacy in response to perceived violations of China's interests.

A few months later in January 2020, twice within a week the Chinese embassy in Denmark resorted to assertive, if not quite Wolf Warrior-like, measures to protect Chinese interests. First by putting pressure on local Danish authorities to remove the Pillar of Shame sculpture temporarily placed in front of the Danish parliament to express solidarity with the Hongkong protesters; then by officially demanding an apology from the Danish newspaper Jyllandsposten over a satirical cartoon that mocked the PRC's flag. In both cases, Danish officials, including prime minister Mette Frederiksen in the second case, came out <u>publicly</u> in defense of freedom of expression without making any concessions to the Chinese. The incidents no doubt contributed to the sharp downturn in Danish-Chinese relations witnessed over the past few years, but no direct retaliatory steps were taken by the Chinese government.

This brief provides an assessment of China's use of assertive and coercive measures against Denmark and Sweden. It examines the scope and severity of such measures in order to draw some lessons and offer policy recommendations for Norway. Although the three Scandinavian countries differ from each other in some respects, not least concerning their international institutional affiliations, they appear quite alike as small Western, liberal-democratic free-market states - key characteristics that are likely to define their relations to the People's Republic of China in fundamental ways. Since around 2018 when the US government adopted a far more confrontational China policy, the Scandinavian countries – like many other European countries – have seen their bilateral relations with Beijing deteriorate as sensitive political issues and security-related concerns have come to the fore. This development is clearly discernible in, among other things, the Scandinavian governments' official threat assessment reports during this period. The increasingly fractious relationships have increased the risks that Beijing will use economic or political coercion against the Scandinavian countries to deter or punish them. Following conventional usage, coercion refers to a state's use of, or threat of using, economic, political, military and other tools to impose costs on another state in order to force it to change its behavior. It is useful, furthermore, to distinguish between the actual use of coercive measures and threats of such measures (what we may respectively call "biting" and "barking"). It should be noted that since this brief is based on open sources, the level of Chinese coercion might be larger than what has been publicly reported in the media.

Chinese coercion against Sweden: Much barking, but little biting

Sweden stands out among the Nordic countries by having borne the brunt of China's coercive measures in recent years. Initially triggered in 2016 by China's abduction of Swedish citizen Gui Minhai – presumably for publishing sensational books about the Chinese leadership – the Chinese government has exerted immense pressure on Sweden to counter its repeated demands for Gui's release in what has become an extremely delicate bilateral issue. Several other issues have also drawn the ire of the Chinese government, including in September 2018 when a satirical show in Swedish public television mocked Chinese tourists and especially in October 2020 when Huawei was explicitly banned from Sweden's digital infrastructure by the Swedish authorities. Meanwhile, Stockholm's vocal stance in addressing Chinese human rights violations has been a major irritant to Beijing, with Swedish foreign minister Ann Linde, for instance, being the most active China critic on Twitter among the Nordic-Baltic foreign ministers during 2019-2020.

In assessing the scope and severity of China's coercive measures against Sweden, the distinction between threats and reported acts of compelling behavior is helpful. With respect to the former, Sweden has drawn headlines in the international media over the past five years, as vividly illustrated by The Economist in February

2020: "Shotgun diplomacy: How Sweden copes with Chinese bullying". Spearheaded with indefatigable vigor by then-Chinese ambassador to Sweden Gui Congyou (2017-21), the Chinese government has embarked on a comprehensive campaign of public criticism, targeting a wide range of Swedish institutions and individuals in order to silence them. Specifically, this campaign has, according to the Swedish State Security Service, included 'pressure or threats exerted against Swedish political decision-makers, researchers, public figures and others'. On one occasion the Chinese ambassador likened the Swedish media to a lightweight boxer who "continues to provoke the heavyweight [i.e. China, who] tells him to go away and watch out for himself". In response, the Swedish Ministry of Foreign Affairs has, obviously to little avail, summoned the Chinese ambassador 40-50 times to inform him about Sweden's constitutionally guaranteed right to freedom of expression. Oftentimes the Chinese government has warned about economic consequences unless Sweden "correct its mistake", as when Zhao Lijian, the Chinese MFA's "wolf warrior" par excellence, responded to the Swedish ban on Huawei by talking about "the negative impact on China-Sweden cooperation and the Swedish businesses operating in China."

Turning to the actual use of coercive measures, the scope and severity of cases seem less dramatic than what might be expected. Since 2016, the media have reported five separate cases: (1) Following a Chinese tourist incident in September 2018, in which the Chinese government accused the Swedish police authorities of "brutal treatment" of three Chinese tourists that were removed from a hostel, both the Chinese embassy and MFA subsequently issued travel alerts about the risks involved in visiting Sweden (the effects of which seem to have been quite limited). (2) In response to the awarding of the Tucholsky Prize to Gui Minhai in November 2019, China cancelled two large business delegations scheduled for visiting Sweden according to the Chinese ambassador, while some Swedish documentary films were <u>allegedly</u> prevented from being screened at local Chinese film festivals. (3) After the October 2020 banning of Huawei from Sweden's digital infrastructure by the Swedish authorities, Ericsson lost much of its 5G market share in China. In the most recent tender, their market share went down from 11 to a 3% in what has been widely interpreted as a retaliatory measure by the Chinese government. (4) As part of its countersanctions against the EU in March 2021, Beijing specifically targeted the Swedish China scholar Björn Jerdén, a prominent critic of the Chinese government, prohibiting him from entering China. (5) Reacting to a statement from the Swedish fashion retailer H&M expressing concern about reports of forced labor and discrimination in Xinjiang's cotton industry, Chinese government officials, party organs and media in March 2021 orchestrated a consumer boycott campaign against H&M which, among other measures, removed the company from local app-stores and excluded the company from the two largest Chinese e-commerce platforms (Taobao and JD.com). By most accounts, the effects have been quite devastating with nearly one in 10 physical H&M stores in China being closed since then and sales still falling in the last quarter of 2021 (by no less than 41%). However, as the boycott was organized to directly punish the Swedish company - not the Swedish government - for its statements on Xinjiang, the case should be regarded as an outlier in this context.

What emerges from this brief assessment are three main points. First, judging by the lengthy "reign" of the Chinese ambassador to Sweden and the lack of any overt disciplinary steps to rein him in, the Chinese government has purposely used threats and intimidation practices in seeking to silence the Swedish government as well as individual Swedish citizens critical of Beijing. Second, for all the "barking" over the past five years, few "bites" have been registered, and they do not – with the possible exception of Ericsson's market share in China – seem to leave long-term scars (the H&M case should be left aside here). Indeed, even if "politics are cold" between Stockholm and Beijing, "economics remain hot" in overall terms, with Sweden's exports in goods to China growing from USD5,3 billion in 2016 to 7,8 billion in 2021 (and imports growing at a similarly rapid pace). Third, the coercion attempts have generally failed in terms of extracting any concessions from the Swedish government.

Chinese coercion against Denmark: Little barking and no biting

Since the beginning of 2020, the Chinese embassy in Denmark has repeatedly expressed anger and frustration over what it perceives to be provocations and direct interference in China's internal affairs by the Danish government as well as Danish NGOs. For instance, when Jyllandsposten published the satirical drawing of the Chinese flag with corona virus symbols, the embassy stated that "We express our strong indignation and demand that Jyllands-Posten and Niels Bo Bojesen [the cartoonist] reproach themselves for their mistake and publicly apologize to the Chinese people." The Chinese embassy has also reacted sharply to various remarks made by the Danish foreign minister, Jeppe Kofod, about the political situation in Hongkong, "urging" or even "strongly urging" the

Danish government "to refrain from interfering in Hongkong affairs and China's internal affairs". While no such strong-worded statements were posted on the embassy's webpage before January 2020, fourteen messages have appeared since then, eight of which targeted the Danish government and six were directed at NGOs. Reading through these statements, however, one searches in vain for any threats about punitive countermeasures against the Danish government or NGOs that have crossed China's red lines. In fact, even though the Danish government has continued to "interfere in China's internal affairs", the embassy basically just repeats its messages without resorting to threats or coercive measures.

Leaving aside China's public communication in Denmark, the Danish media have uncovered a few cases where the Chinese embassy has used threatening language. In one example from 2013, the embassy warned the director of the Copenhagen International Film Festival (CPH:DOX) about the potential damage to Danish-Chinese relations if the festival included Ai Weiwei's film "Stay Home" in its program. In late 2019, Feng Tie, the Chinese ambassador to Denmark, allegedly (according to a leaked recording) threatened the Faroe Isles with negative effects on trade relations if the Faroese government did not sign a planned 5G collaboration agreement with Huawei. Earlier in 2019, Huawei itself used a mixture of pleas and pressure in a failed attempt to prevent the Danish government from effectively banning the company from Denmark's digital infrastructure, at one point conveying the message in a private letter to prime minister Lars Løkke Rasmussen that "Huawei's predicament in Denmark will seriously affect other potential Chinese investors in Denmark". Overall, however, there are few documented instances of covert Chinese threats against Danish authorities or NGOs in recent years even if the Chinese embassy seems to have become more assertive in pursuing its interests in Denmark.

Turning to China's actual use of coercive measures against Denmark, there is only one case of relevance over the past decade. In March 2021, Beijing imposed sanctions on the Copenhagen-based NGO Alliance of Democracies, whose virtual summits have included presentations by Taiwanese president Tsai Ing-wen as well as Hongkong democracy activist Joshua Wong (the Chinese measures were part of a wider set of countersanctions against the EU, including the Danish government). Going further back in history, in May 2009 when the Dalai Lama was last received by a Danish prime minister, Beijing reacted by reportedly cancelling some planned business delegations and threatening to stay away from the Copenhagen Summit (COP 15) later that year. The political crisis was resolved only after the Danish parliament issued a verbal note acknowledging China's core interests and even explicitly "opposing Tibetan independence". The fear of crossing China's red lines subsequently had a self-disciplinary effect on the Danish government, even causing a constitutional breach of the right to freedom of speech during Hu Jintao's state visit to Denmark in June 2012 when Danish police authorities deliberately prevented pro-Tibetan demonstrators from being visible to the Chinese president's motorcade as it toured the streets of Copenhagen. But with the profound change of perceptions of China in Denmark over the past five years such fears seem to have given way to a new sense of moral obligation to stand up to China.

Taken together, despite a series of perceived provocations by the Danish government or Danish NGOs in the past few years, which are seen to violate Chinese interests and directly interfere in China's internal affairs, Beijing has largely refrained from using coercive measures against Denmark (with the sanctioning of Alliance of Democracies as a notable exception). Indeed, economic relations between Denmark and China remain strong as testified by the fact that for the first time China has become Denmark's fifth largest export market just ahead of Norway (accounting for DKK 70.1 billion in goods and services). Still, the constant "growling" from the Chinese embassy is symptomatic of how the overarching political framework of the Comprehensive Strategic Partnership between Denmark and China is currently being eroded.

In the doghouse: Lessons for Norway

Following the award in 2010 of the Nobel Peace Prize to Chinese dissident Liu Xiaobo, Norway found itself in the doghouse until the end of 2016, when the Norwegian government finally managed to appease Beijing by signing a joint statement, according to which Oslo "attaches high importance to China's core interests [...] and will do its best to avoid any future damage to the bilateral relations." However, the deepening US-China great power rivalry as well as China's more assertive and repressive policies have recently put pressure on the Norwegian government to distance itself from China not only over human rights issues, but also national security concerns. As we have seen in the case of Denmark and Sweden, there are several indications that the Chinese embassy is

also becoming increasingly frustrated with the position of the Norwegian government and the Norwegian media's China coverage. On 15 February, for instance, the embassy <u>expressed</u> its "strong dissatisfaction" and "firm opposition" to "reports by NIS [i.e. Norwegian Intelligence Service], PST [i.e. Police Security Service] and NSM [i.e. National Security Authority] and the remarks by relevant officials regarding China". The statement claims that "the reports are full of hostility towards China and Cold War mentality" before warning that "it is extremely irresponsible and dangerous to create imaginary enemies". As bilateral relations between Norway and China are likely to become more challenging, what lessons can be learned from the Denmark and Sweden cases?

Although the Norwegian government should prepare itself for a rockier relationship with China, experiences from Denmark and Sweden would suggest that the risk of China resorting to outright coercive measures is relatively low. That is, despite repeated political clashes, accompanied by displays of frustration, anger and sometimes even threats from the Chinese side, Beijing has rarely applied coercive measures against the Danish and Swedish governments over the past decade. NGOs and private companies, on the other hand, seem more vulnerable as testified by Chinese sanctions against Alliance of Democracies, Ericsson's loss of market share in the Chinese market and the comprehensive virtual embargo of H&M. Interestingly, the Swedish government itself expressed "grave concern" about the Xinjiang situation and called for "unfettered access" to the province for the UN shortly after the boycott of H&M without being punished by Beijing. While non-government actors have thus clearly come under increasing scrutiny from Beijing in recent years, a new study by the Australian Strategic Policy Institute (ASPI) based on data from across the world finds that state governments still bear the brunt of China's coercive diplomacy (i.e. 100 of 152 registered cases between 2010 and 2020).

Indeed, looking beyond Denmark and Sweden, we have recently witnessed a <u>number of cases</u> where Western governments – even strategic partnership countries such as <u>Australia and Canada</u> and close neighbors such as <u>South Korea</u> – have fallen victim to China's political and especially economic coercion. A similar fate has also befallen <u>Lithuania</u>, targeted by China with multiple types of coercive practices (including diplomatic isolation, technical trade restrictions, supply line disruptions etc.) for crossing Beijing's red lines, notably with respect to Taiwan's diplomatic status. If anything, China's use of coercive measures has lately been on the rise with 20-55 annual cases registered during 2018-20 as compared to less than 20 cases during 2010-17, according to <u>the ASPI study</u>. Hence, we should be careful not to overstate the findings from the Danish and Swedish cases as the overall picture is one of growing Chinese coercion.

When comparing Scandinavia to the broader population of cases, one might assume that the Danish/Swedish governments have steered clear of Chinese coercion by deliberately avoiding violating China's core interests (notably the sovereignty of the PRC and the power monopoly of the CCP). However, not only are Beijing's "red lines" notoriously hard to pin down, but both the Danish and Swedish governments have recently taken several steps that would seem to violate such core interests. Notable instances include, when a minister of the Swedish government awarded the Tucholsky Prize to Gui Minhai despite prior Chinese warnings, when the Danish government supported Jyllandsposten despite a strong-worded Chinese request for an apology, or when the Copenhagen municipalities authorized the erection of the Pillar of Shame sculpture in front of the parliament (with the latter two episodes taking place within a single week). That the Chinese government has largely refrained from using coercive countermeasures in these cases – but chose to boycott Norway for six years because of a decision taken by the non-governmental Nobel Peace Prize committee – goes to demonstrate the flexibility and unpredictability of China's coercive diplomacy.

Even if no clearcut pattern emerges from the Scandinavian cases, the risk of being subjected to Chinese coercion certainly increases whenever Beijing's perceives its core interests to be violated. As such, it would be prudent of the Norwegian government, which cannot rely on the EU for solidarity and protection, to carefully assess potential vulnerabilities in its bilateral relations with China and to plan for diversification initiatives in those areas that could be exploited for purposes of coercion. Just in case Norway once again finds itself in the doghouse.

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