China in the middle of Sweden

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Abstract

China’s ongoing transformation into a consumer-driven economy, could this influence the Swedish society in more ways than just the economic? The purpose of this study is to contribute with qualitative research examples for further research in order to shed some light on, or give significant insights into how contemporary and emerging relations between China and Sweden might influence Swedish society and culture. This study seeks to find a understanding if there is a connection between household consumption expenditure growth and the rise of the middle class in China which might be related to the structural transition to a modern consumer economy, and if this in turn can impact Swedish society in more ways than just the economic in a globalization perspective. The methodology choice for this study is a Sociological exploratory approach with qualitative semi-structured expert interviews. The study shows that the Swedish society could be affected in more unprecedented ways than just the economic.

Keywords: Globalisation, globalization, China, Sweden, culture, trade, Sociology, GDP, BNP
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Chapter 1: Introduction

1.1 Introduction: The rise of China's Middle Class.

In 2008 the Swedish globalisation council released a report about how globalization had created unprecedented economic growth in the People's Republic of China (henceforth only referred to as 'China'), India and South East Asia. In the report the authors concluded that there is huge potential for further economic growth in these countries. It is perhaps less obvious how this growth will impact the Swedish economy. The authors concluded that the “benefits of globalisation for a small open economy such as Sweden may be equivalent to a 25 per cent increase in GDP.” Furthermore, in recent time Chinese companies have bought a couple of Swedish companies that employ thousands of Swedish workers. Some of these companies are an important part of Swedish primary industry and Swedish society.

I believe that China’s rapidly growing economy of recent years will keep on growing. Furthermore, that there is a rapidly growing Chinese middle class which is strongly related to China’s structural transition to a modern consumer economy. This development will bring the rise of hundreds of millions of new Chinese middle class citizens in the world. I will explore the facts about this a bit more in Chapter 2: Previous research. The interesting question for my study is how this development will have an impact on other countries in ways beyond the economic. Is the rise of the Chinese middle class going to have an impact on other societies and cultures? I also want to illustrate Chinese economic growth by a couple of pictures, just for an illustrative purpose. The next three China maps shown were presented in a HSCB Global research paper called: Inside the growth engine. A guide to China's regions, provinces and cities. The maps on the next page illustrate countries that have an equal GDP to Chinese provinces in 2000, 2009 and 2020. In 2000, China’s union of provinces was similar to poor, developing countries. By 2009, China had grown into a union of provinces similar to many booming, developing countries. By the year of 2020, it is projected that China’s GDP will be the sum of top-tier developing countries.

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3 GDP is short for gross domestic product which refers to the market value of all final goods and services produced within a country in a given period. GDP per capita is often considered as an indicator of a country's standard of living.
China GDP in 2000 by Province: a Union of Poor Third World countries

Source: HSBC, CEIC, IMF, CIA

China GDP in 2009 by Province: A Union of Leading Developing Countries

Source: HSBC, CEIC, IMF, CIA
Is it possible that when a much larger part of China’s population has the economic means to be a middle class citizen, will they also have the economic means to consume foreign products in much larger quantities? But does it also mean that they can travel, live, study and work around the world to a much further extent than ever before? And will the much higher GDP lead to more and more investments in other countries around the world? For example in 2011 Chinese companies bought a couple of major Swedish companies that employ thousands of Swedish workers and some of them are an important part of Swedish primary industry and Swedish society. Is the rise of the Chinese middle class going to have an impact on other societies and cultures?

From a Swedish sociological perspective this is a concern that lacks scientific research to some extent. So to conclude the introduction I am interested whether this development will open up important new markets that are going to influence, and are already influencing Swedish society and culture. So of course this development is not just interesting for China but also for other countries that are dependent on export and import trade and are easily influenced by globalization. The question here is how this development will have an impact on other countries in more ways than just economic. The Sociological interesting question is how can the rise of the Chinese middle class be understood, and relate this development to the question if this might have an impact on Swedish society and culture in a contemporary perspective and what might come to-be in the future.
1.2 Purpose

From a Swedish Sociological perspective the field of the study lacks scientific research to some extent. In the Swedish Sociological community I believe that there has been an nonchalant attitude toward the effects and importance of globalization tendencies, on how other societies might impact or has impacted other societies. The consequences of this myopic view of society is perhaps that many Sociological scientists are truly perplexed about what is happening in contemporary society. One of the aims with this study is to wake up the sleeping sociological scientific community and Swedish people about Chinese influences on Swedish society and culture, both in a contemporary perspective and what might come to-be in the future.

The purpose of this study is to contribute with qualitative research examples for further research in order to shed some light on, or give significant insights into how contemporary and emerging relations between China and Sweden might influence Swedish society and culture. The goal is to learn 'what is going on here?' and to investigate this social phenomenon without explicit expectations. To achieve the purpose and to fulfil the problem statement for this study I have chosen to do a Sociological exploratory approach with qualitative semi-structured expert interviews.

1.3 Problem Statement

This study seeks to find a understanding with qualitative research examples if there is a connection between household consumption expenditure growth and the rise of the middle class in China, which might be related to the structural transition to a modern consumer economy, and that this in turn can impact Swedish society in more ways than just the economic in a globalization perspective. I wish to study the development of such concerns with the following problem statements:

- How can the rise of the Chinese middle class in China be understood?
- How might contemporary and emerging relations between China and Sweden influence Swedish society and culture?

1.4 Disposition of the study

The thesis is divided into seven chapters in a logical order, chapter five and six are the most important ones because these chapters show the reader the empirical results and summary. The first
chapter Introduces the reader to the field and why this is a Sociologically relevant and interesting study. The first chapter also introduces the purpose of this thesis, the problem statement, some definitions of central terms and limitations of this study. In the next chapter, chapter two there is a brief introduction to some important previous research that is relevant to this study. The next two chapters introduces the reader to the theories of globalization, the discussion about this and a methodology chapter. The methodology chapter is about the qualitative approach, empirical analysis methods, informants, ethical aspects and methodological reflections. At this point the reader will find herself at Chapter five were all of the empirical results that are connected to the problem statement i presented. The final chapter, chapter six is the conclusions and analysis chapter of this study. After that there is a table of references and appendixes.

1.5 Definitions

Middle class
The definition of the term “Chinese middle class” is purely an empirical term for the study, an empirical abstraction about a standard of living in a country which is closely connected to economic income and GDP. There are some problems with the definition of the term Chinese middle class. One example is how much income renders one an ‘middle class’? The term could also have some political baggage. Hopefully my points can be used even though there is some contradiction in the use of the term that the reader should be aware of. The important point I am trying to explain is that there is an impressive growth in nominal income for hundreds of millions of Chinese households, and in time these households are going to belong to one of the worlds most important consumer markets.

For instance in a study by the World Bank⁴, experts predict by the year of 2030, assuming income inequality development in China remains constant there will be around 361 million Chinese in the global middle class.

Wang Jianping who is an Chinese sociologist presented the following definition for the Chinese middle class in a series of papers that presented the latest Chinese sociological research on middle

class consumer behaviour. The definition could prove to be valuable for the readers of this thesis in order to get a better understanding of the term:

“The new middle class designates the section of the population that relies on knowledge, acquired skills and intelligence to achieve a stable standard of living as opposed to other sections of the population that rely either on physical strength, capital or assets to earn a living. They are educated to degree level and either already own a home and car or are in a position to be able to do so.”

Under-consumption

Under-consumption is an economical theory about consumption of less than is produced in a country or that the level of consumption is less than the “usual” amount, especially when you compare the level of consumption by other high-income economies. Last year Michael Pettis described the problem in this way:

“To say that the Chinese under-consume does not mean that Chinese households have failed to consume at a certain nominal level. It means that the consumption share of total production is very low. In that sense China most certainly has a serious under-consumption problem”

Another way in viewing it, is that the Chinese government has decided that the level of consumption is less than the “usual” amount compared to the level of western high-income countries, an imbalance. So the government has decided that if they increase domestic demand, it will be an important source of economic expansion to keep the economy in balance.

1.6 Limitations

Globalization, China, Sweden and economical relations between them is a huge and complex field to study, perhaps too big a field and too complex for this study alone. Also, from a Swedish sociological perspective the field of study lacks scientific research to some extent which is problematic. The purpose of the study is to contribute with qualitative research examples for further research. Hopefully this study will also shed some lights or give significant insights. Globalization is about the whole world but for this study I limited the study to an extent that I will just try to study and give qualitative examples of how contemporary and emerging relations between China and Sweden might influence Swedish society and culture. The main data for this study is the empirical data from the interviews I collected during this study.

I have chosen these above mentioned limitations for my study. But I am also aware that this field is a field that has been widely debated and discussed in the media. I have also knowingly delimited myself from engaging with this debate because I felt that I did not have the time to also take these news and debates into account for this study. A bachelor degree paper only has a limited amount of time which is important to consider.
Chapter 2: Previous research

This chapter is about previous research on the field and it is just a small selection that is relevant to the study. There is a considerable amount of research on how the Chinese economy and trade is having an impact on the economic world, which is a topic I am briefly going to discuss now. For example in 2008 the Swedish globalisation council released a report about how globalization had created unprecedented economic growth in the People's Republic of China, India and South East Asia. In the report the authors concluded that there is a huge potential for further economic growth in these countries. It is perhaps less obvious how this growth will impact the Swedish economy. The authors concluded that the “benefits of globalisation for a small open economy such as Sweden may be equivalent to a 25 per cent increase in GDP.”

I believe that the main focus for Swedish researchers has been on how the Chinese economy is having an impact on other countries economies, labour force, and consumption, but not really on how these globalization relations influence and may perhaps even change other countries societies in a very fundamental way.

2.1 The rise of the middle class in China.

There is an interesting development of concern here for a small, open, export dependent country such as Sweden. It has been argued that China today has a rapidly growing Chinese middle class which is strongly related to the structural transition to a modern consumer economy. There might be a connection between household consumption expenditure growth and the rise of the middle class in China, and that this can impact the Swedish society in more ways than just the economic in a globalization perspective.

The Chinese government has come to understand that in order for the Chinese economy to function in the long run, the economy must have a strong domestic consumption. In comparison to the world’s average in consumption rates the numbers for China’s own domestic consumption indicate the problem of “under-consumption”. The household consumption rate, which is defined as the ratio of total household consumption expenditure to the GDP was in 2009 merely 35,1%. While, by comparison the household consumption rates for the world, for the low and middle income economies, and the high income economies were 61%, 56% and 62% according to the World Bank.

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study in 2009. So the idea of “under-consumption” is problematized as a truth-discourse that the Chinese people are consuming less in comparison to the rest of the world, especially in comparison to western high income economies as for example, Sweden. Even though there may seem to be “under-consumption” in China, one of many things that is interesting is the speed of growth and the consequences that may follow. This is because there is an impressive growth rate which in turn may cause problems or opportunities along the road. For example, the total household consumption expenditure in China in 2009 was 12,1 trillion yuan, which is more than 69 times the level in 1978.

So for the government to address this “under-consumption” they are taking a series of initiatives to speed up the rate of growth even more. 2011 is the mark for China’s 12th five-year plan. One major theme of this five-year plan is for the government to boost domestic private consumption as an important economic driver. Another way of viewing it is that this plan is an important strategy for promoting domestic demand, as an important source of economic expansion to keep the economy in balance. This is where the middle class comes into play. It has been argued that there is a connection between household consumption expenditure growth and the rise of the middle class in China and huge foreign investment and transnational trade. In order for the domestic consumption market to keep growing there must be a growing “consumer”-base at the other end. There may be an important connection between wage increases in China over recent years and

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developments in retail trade.

Furthermore according to a study on Chinese household economy made by the the McKinsey Global Institute (posted in the McKinsey Quarterly in 2006\textsuperscript{14}): in 2005, 77 percent lived on less than 25,000 yuan\textsuperscript{15} a year and they estimate that by the year 2025 this figure will drop to 10 percent. So that means by 2025 the urban households in China will have one of the largest consumer markets in the world. The spending will be about 20 trillion yuan annually McKinsey Global Institute expects. 

At the same time, recent studies shows that the new policy and reforms scenario initialized by the government in the 5-year plan will affect the domestic consumption growth rate even further. The McKinsey report from 2009\textsuperscript{16} predicts that the consumption share will rise to between 45 and 50 percent of GDP by 2025, which is a big leap that will change the global market of today. For example in a study by the World Bank, experts predict that by the year of 2030, 38\% of the world’s middle class will come from China.\textsuperscript{17} Furthermore in a world perspective they predict the following:

“According to our baseline, in 2030, 16.1 percent of the world population will belong to what can be called a “global middle class,” up from 7.6 percent in 2000. That is, in 2030 more than a billion people in developing countries will buy cars, engage in international tourism, demand world-class products, and require international standards for higher education. Compare that with only 250 million people in developing countries who had access to these kinds of living standards in 2000. This large middle class will create rapidly growing markets for international products and service—and become a new force in domestic politics.”\textsuperscript{18}

\section*{2.2 Globalization and culture.}

In a recent study from the Swedish Institute for Growth Policy Studies, the researchers Anne Kolmodin (ed.), Johan Lagerkvist, Eva Hemmungs Wirtén, Margareta Dahlström released a report about globalization.\textsuperscript{19} Their theorizing and thoughts can prove to be a valuable contribution to shed some light in the following theoretical discussion about globalization and culture. Johan Lagerkvist in the previously mentioned study believes that the globalization process is contributing to the perception that the world is shrinking. The reason is the ever-increasing economic, political, cultural and social flows of people, ideas, goods, services, values, and information between countries.

\begin{thebibliography}{99}
\bibitem{15} 1 Chinese yuan is approximatively 1 Swedish SEK.
\bibitem{17} Maurizio Busso, Rafael E. De Hoyos, Denis Medvedev and Dominique van der Mensbrugge (2007). \textit{Global Growth and Distribution: Are China and India Reshaping the World?}. p.21
\bibitem{18} Bussolo Maurizio, De Hoyos Rafael E, Medvedev Denis and van der Mensbrugge Dominique (2007). p.19
\end{thebibliography}
Furthermore he believes that integration with the globalization process is uneven, because many countries are on the margins, or it is only apparent in some of them. So he sees one clear consequence which is that cultures are beginning to come closer to each other.\textsuperscript{20} He also discusses and problematizes that it is problematic that western culture, in various forms, permeates crowd out other cultural expressions. So in some senses he sums up a really important statement that I agree with and will take with me in this study:

“\textquote{In light of a changed cultural flow, originating elsewhere than in the West, it is necessary to critically reflect on the West as the world\textquotesingle s only centre for the dissemination of culture and values. It is increasingly important to analyse and understand the emergence of \textquote{alternative modernities} (Eisenstadt 1999)}”\textsuperscript{21}

The purpose of my study is to contribute with qualitative research examples for further research about Globalization effects. Hopefully this study will shed some light on or give significant insights into how contemporary and emerging relations between China and Sweden might influence Swedish society and culture.

\textbf{2.3 Rationalistic excesses and myopic views on the social fabric.}

Now more than ever is there a need for new terms and theories with which to reflect on and oppose modern rationalistic excesses and myopic views on the social fabric. A need for concepts, terms and theories that can help us to explain or understand what is happening in contemporary society. I think that many Sociological scientists are truly perplexed about what is happening in contemporary society. Especially about the development of recent fast changing and turbulent societies in the middle-east, Africa and Asia.

In a Sociological view some would say that we stand in a new era, a new contemporary society that takes us away from modernity to something altogether different, beyond modernity. Maybe that we stand before the end of modernity and looking or observing into a new society. \textit{In the book Modern social theory: an introduction}\textsuperscript{22} you can read Barry Smart that argues that there has not been an rupture between modernity and postmodernity, and that postmodernity does not represent the passing of modernity, because modernity has not yet come to its ends. At the same time he argues that it is important to emphasize that the postmodern thoughts and analyses do not represents

\textsuperscript{20} Kolmodin Anne (ed.), Lagerkvist Johan, Hemmungs Wirten Eva and Dahlstrom Margareta (2008). p.11
\textsuperscript{21} Kolmodin Anne (ed.), Lagerkvist Johan, Hemmungs Wirten Eva and Dahlstrom Margareta (2008). p.12. This is a translation from Swedish. I have tried to translate the quote at the best of my abilities and especially tried to capture the meaning of what the researchers tried to express.
\textsuperscript{22} Harrington, Austin (2005). \textit{Modern social theory an introduction}. New York, United states: Oxford University Press.
alternatives to modernism but are more like attempts to establish a critically view of how the modern project has changed.  

A shortcoming of modern Sociological theorization about contemporary Society is, amongst other shortcomings, the lack of a consistent term to use or the complexity and variety of all the different terms that try to explain the previous mentioned change in society. In my readings in previous university courses, I have come to understand that what is called postmodernity and postmodern societies also can be called by other for the information age, late modernity, knowledge society, consumption society, post-industrial age or maybe post-fordism and so forth. Maybe a major problem we have in present day in the field of Sociology is that we are trying to find a useful definition for “post-modernity”, a definition on the society that comes after modernity. Most of the definitions are vague, has myopic views and are often inconsistent with each other and might not really at all grasp the social fabric of contemporary society outside the western world and the relations between. The need for new concepts, terms and theories with which to reflect on and oppose modern rationalistic excesses and myopic views on the social fabric is indeed in need in modern Sociology. Meanwhile this study are going to use the idea of globalization as a way to view and understand social change. Why globalization, as a term, matters to modern social theory is explained in the next chapter. There is a call for postmodern thinkers, just like me, to engage all over the world in international cross-disciplinary research to reformulate modern ideas and at the same time also construct new terms and theories with which to reflect on and oppose modern society.

Chapter 3: Theoretical framework

Globalization implies a world as a single place where many phenomena are gradually being internationalized and integrated all over the whole world. Globalization covers almost all parts of society, ranging from trade, communications, tourism, news reporting to culture. Technological development contributes to and pushes on the fast pace of globalization.24

Globalization could also be described as an insight, experience or as an awareness about events and developments that take place in the world in different places at the same time but seems to be connected or related to each other. Globalization as a concept is relatively new, but was established in large parts of the world in the 90's.25

We could understand the beginning of the concept globalization in a short historical context as a “third modernity”.26 After the cold war, which could be described as a confrontation between the two superpowers the Soviet Union and United States of America. And maybe also after the dissolution of the Soviet Union in the beginning of the 1990's, the world reached a turning point which led to developments of new networks and new interdependencies in the world. These changes could be understood as the rise of globalization as a concept. We could use the concept of globalization as a way to view and understand world-scale social change, even though I have limited myself to just China and Sweden in this thesis.

For this thesis it is crucially important to reflect upon globalization as a concept and the critics in the debates, mainly because there is no comprehensive universally accepted definition on globalization. The term globalization conjures a wide-ranging set of issues for most Sociological researchers, in some sense the critics of the term have argued whether the term has any consistent meaning or if it is only an umbrella for all kinds of ideas and social issues. Additionally, it is a term that could be contaminated with a lot of moral and political baggage.27 Critics also argue that the idea of globalization is nothing new. In an historical context the “movement of people, goods, and ideas across wide political and cultural borders have been taking place for centuries, if not millennia. Movement of population in search for food, land and freedom or trade between city-states and regions go back a long way in human history.”28 In the book Modern social theory: an

26 Thörn, Håkan (2004). pp.223-228
introduction\textsuperscript{29} by the sociologist Dr Austin Harrington you can read Robert Holton’s chapter about Globalization. Holton argues that we must ask ourselves whether these historical movements constitute meaningful instances for the terms and concepts of globalization. Holton argues that crucial indicators would appear to do not only with cross-border movements but also “belongs together with the closer independence between spatially social groups, together with a sense of the world as some kind of single place.”\textsuperscript{30}

The main argument Holton has for why globalization matters to modern social theory is that globalization raises many important core issues in social inquiry about the nature and direction of social change, power and inequality, mobility and settlement, conflict and order, culture, solidarity and identity, and the complexity of social organisation. But globalization also matters because it provides important examples of so called ‘middle-range’ theorizing which is in contrast with the more speculative forms of ‘grand theory’ aspirations.\textsuperscript{31} Another quite famous Sociologist that has been engaged in the theorisation about globalization is Anthony Giddens. I am also going to use his introduction book\textsuperscript{32} to the field of Sociology to describe some of the recent globalization theories and debates.

Anthony Giddens also describes the globalization process as something which adds to the perception that the world is shrinking. In some sense globalization gives the perception that we live in just one global world in which we all are mutually dependent on each other. He also argues that globalization is often described as an economical phenomenon which mostly includes large multinational cooperations doing transnational trading. Which in turn affects global production processes and the division of labour. Economical perspectives, factors and forces has been for a long time important parts of what conjures the term globalization.\textsuperscript{33}

In a historical perspective Giddens argue that the field of sociological studies has mainly been focused on the industrialized countries here in the western world. As a rhetorical comment he wonders if we should give up the studying of developing countries to such field as social Anthropology. This is a comment that in some way frames my own feelings, should we give up some parts of the society to other closely related scientific fields? In Giddens view, he believes that the relation between industrialized and developing countries are something that has progressed

\textsuperscript{29} Harrington, Austin (2005). pp.292-311  
\textsuperscript{30} Harrington, Austin (2005). p.308  
\textsuperscript{31} Ibid., p.310  
\textsuperscript{33} Giddens, Anthony (2007). p.61
mutually together and non-dependent from each other for a long time. And that they are more intimately linked now than ever before. Globalization could be viewed upon as an interdependence at the world level.34

The Globalization debate in Giddens view.35
As mentioned earlier there is an widespread debate about what ‘globalization’ conjures of, some of these view is to be found in Giddens writing in the previously mentioned book. Giddens believes that most people accept that there is important new changes in the world but you can also question if the changes can be derived and be explained as Globalization and if whether globalization exists at all. The debate about globalization could be split up into three broad categories or accounts which the nature and meaning of globalization can be identified: The hyperglobalist, the sceptical, and the transformationalist.

The first account of the globalization debate is the Hyperglobalist’s view of the world as a world without nation borders. Hyperglobalist’s believes that globalization is indeed an very real process that effect us all and the effects from globalization could be seen everywhere we look. They believe that we live in an single global economy in which nation states are being subject to massive economic and political processes of change. The processes of globalization transcends nation borders which in, as a consequence, creates an new world order, an order where the economic market controls more than political governments. Furthermore as a consequence is that citizens loses faith the national-state and in existing forms of elected governance, because the citizens realise that the politicians does not have the real power to deal with contemporary problems of today. So when the national governments lose their importance, this where we enter the beginning of the “global era”. An era where globalisation could mean the end of the welfare state and even perhaps the democracy.

The second account of the globalization debate is the sceptical’s view of the world which holds the opposite view in comparison with the Hyperglobalist’s. They view the effects from globalization as considerably exaggerated and that the idea of contemporary global interdependence is an old idea. Transnational trading and cultural influences world wide has been around for as long as the history has been recorded. The only different now and in the past is the considerable intensification of international interdependencies. The sceptical’s also argue for that we doesn't really have an global

34 Giddens, Anthony (2007). p.70
35 Ibid., pp.67-70
economy because the geographical patterns of trading has not changed so much as the Hyperglobalist´s might led on to believe. Furthermore the sceptical´s reject the notion that globalization undermine the importance and power of the national-state and governments. They also dismisses the idea of a unified global economy and that the globalization process will lead to a new world order of some kind. Governments are still an strong driving force when it comes to international trading-agreements and economic liberalisation.

The last account of the globalization debate is the transformationalist´s views. The transformationalist´s occupies an intermediate position in the globalization debate. They acknowledge and perceive globalization as an important force in society and that the new global order is influencing and changing our modern societies. But they also believe that the global order is uncertain and something that is transforming, globalization is a dynamic and open process which can be altered and changed. Which is an major difference compared to the hyperglobalist´s view. Transformationalist´s also argue that we still are able to see many of the old patterns from the old world in contemporary society and the transformation from the old societies is not an one-way process, but it is rather a decentralized and reflexive two-way process of flows. Globalization implies a world in which developments in one society can come to shape another society in distant parts of the world. Anthony Giddens joins the views of the transformationalist´s and argues against the other accounts, for example he argues that the sceptical´s underestimates the speed of change in the modern world. And hyperglobalist´s perceives, incorrectly, the world in a too narrow minded economical perspective and views Globalisation as a one-way process.

As a brief conclusion to this chapter, the aim for this study is to do a social inquiry about the nature and direction of recent social change which in turn can manifest itself in perhaps expected and unexpected forms. Hopefully my study will raise and contribute knowledge and awareness to some important core issues on what is happening in the world because of globalization.
Chapter 4: Methodology

4.1 Method

I have chosen an exploratory approach with qualitative semi-structured expert interviews. The reason why I chose to do an exploratory study is because there has not really been any significant social research that I could find on the specific subject that I am interested in. Also the problem hasn't been clearly defined. Exploratory studies are meant to explore the field of research through data collection that is seen as exploring to its nature. Exploring is something we need to do to be able to capture information about cultural processes. With this method it should be noted that I should only draw definitive conclusions with caution.

4.2 Method of data analysis

I chose to make use of a tape recorder to tape every interview. Every interview was then transcribed as soon as possible after the interview was conducted. And then I concentrated on using the data analysis method “Content analysis” in the way described by Beverley Hancock. She describes the data analysis method “Content analysis” in the following way:

“Content analysis is a procedure for the categorisation of verbal or behavioural data, for purposes of classification, summarisation and tabulation. The content can be analysed on two levels. The basic level of analysis is a descriptive account of the data: this is what was actually said with nothing read into it and nothing assumed about it. Some texts refer to this as the manifest level or type of analysis. The higher level of analysis is interpretative: it is concerned with what was meant by the response, what was inferred or implied. It is sometimes called the latent level of analysis.”

Content analysis is a way of coding and classifying data in a methodological way. The main idea is to identify extracts of data, from the transcripts which “are informative in some way and to sort out the important messages hidden in the mass of each interview.” The method has a procedure that involves 10 steps on how concretely to do a Content analysis. There are also exercises for the readers/learners of the method in her text. I also used some parts of the tape analysis technique in a

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38 Hancock, Beverley (1998, updated 2002). An Introduction to Qualitative Research. pp.17-18
39 Hancock, Beverley (1998, updated 2002). p.17
way described by Jan Trost. In the analysis method it is important to do a playback of the tape recorded interview and while you listen to the tape you write down certain memory notes to help your memory. I can also take notes of sections that contain particularly useful information and key quotations and then later return to these sections of the tape for fuller analysis.

### 4.3 Methodological reflections

A good reason for why I have chosen this semi-structured interview format is because of the flexibility that this structure gives me. In semi-structured interviews I have room for spontaneous follow-up questions for a more detailed response from the informants than I would have with a more quantitative approach. So this is an approach that allows new questions to be brought up at any time during the interview especially as a result of what the interviewee says. In this qualitative study approach there is the possibility for the researcher to go beyond established questionnaires, a significant advantage because it is important to follow the informants own opinions and thoughts in the interview. The questionnaire includes the factors that I want to study, so each question is somehow linked to the problem area. The negative aspect of this approach is that I will have a hard time structuring the data later on because of the less rigid structure during the interview. I used the same questionnaire in all of the interviews, I also used a variety of follow-up questions for a more detailed response or to explore interesting aspects that the informant brought up, especially aspects that I thought was new and could bring better clarity.

See Appendix A: Questionnaire for the questions.

### 4.4 The interview situation and questions

I started the interview with two open questions about the issue which leaves room for the interviewee's own thoughts and room for further supplementary questions that were not covered by the questionnaire. The thesis has a hermeneutical approach that is consistent with the qualitative method based on the informant's subjective experiences. Based on this reasoning, I have identified three themes that focus on my problems. The three themes are: How can the rise of the Chinese middle class in China be understood, China and Sweden with a focus on the influence on Swedish society, and finally China - Sweden and the influence on Swedish culture.

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I also chose to make use of a tape recorder to tape the interviews. The reason for this is because in this way the note-taking during an interview did not interfere with the conversation as much as it would otherwise. Using a tape recorder or not, according to Jan Trost\textsuperscript{42} is a matter of taste with both pros and cons. He argues that this method has the following advantages for the researcher: 1) after the interview you can listen to the tones of the informants and what choice of words they use repeatedly: 2) you can also printout the interview and read word for word what has been said in the interview: 3) you can learn from your own mistakes when you listen to your own voice and you will also learn the things you did well at the interview: 4) you do not even have to make a lot of notes during the interview but instead can concentrate on the questions and answers, so it is important to go back a couple of times and listen to the tapes after the interviews: 5) it is also handy that if you have bad handwriting you avoid the problematic situation that can happen afterwards, where you try to figure out what might have been intended by the notes.

In order for the informants to feel safe, but also to see if they were willing to answer the questions, I contacted them in advance and informed them of what my work was about. This was in line with Kvale\textsuperscript{43} advice to inform the informant in advance what the purpose of the interview is and how it is supposed to be documented. They also had the option to choose in which language the interview was going to be conducted. This was important for the informants to feel safe and relaxed, but also because most of them did not think that they could express their thoughts well enough in English. All of the interviews were held in Swedish. Also see 4.6 for more ethical considerations in the study.

See Appendix A: Questionnaire for the questions and appendix B for the introduction letter.

### 4.5 The selection of interview informants

The selection of interview participants is based on an expert interview approach. I believe that there are certain people in Sweden who have a high level of insight in aggregated and/or specific knowledge in the field I am interested in. Some of them have a long history of scientific research in the field of China studies and/or other strong connections to and motivations in the development of

\textsuperscript{42} Trost, Jan (2010), pp.74-75 Also see Repstad (1999), pp.70-71

the field. These so called “experts” probably also have a wide network of contacts that could help me in finding more informants which hopefully would lead to other interviews. So there is also an element of the snowball principle,\(^{44}\) which means that I let every interviewee give suggestions of other persons who can be of help, which in turn can lead to new interviews with people who are of interest for this study. Names that were suggested are followed up in the next interview. Another reason why I have chosen this selection of interview participants is because I believe that it is quite difficult to explore my field of study through other methods.

### 4.6 Ethical aspects

Kvale\(^ {45}\) describes three ethical aspects to follow as guidelines: informed consent, confidentiality, and consequences. I have tried to follow these guidelines and given the informants anonymity when I conducted the study. For example, in the introduction letter I informed about these three ethical aspects, and before I started an interview I requested and received consent from the informants. Also at the beginning of an interview I briefly informed them about confidentiality and any possible consequences. I also requested and received consent from the informants after the interview about their background information in this thesis.

See appendix B for the introduction letter.

### 4.7 The informants

The people that I conducted the interviews with can be considered to be “experts” in the field. Before I started the search for informants my idea was that it would be certain people out there in Swedish society that had more specific information than other people in this specific field. I needed people with connections and relations, knowledge and experiences about the rise of the Chinese middle class and whether this could be strongly related to the structural transition to a modern consumer economy. These people also needed to have knowledge and experience about recent and past developments in China and in turn how this could impact Swedish society in more ways than just the economic in a globalization perspective.

So the people that I was interested in were those people who maybe would prove to have the most

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relevant and valuable knowledge and experiences for my study. The informants I interviewed are all native-born Swedish people with strong connections to both Swedish and Chinese society. The first and the third informant are researchers and lecturers in the field of Chinese studies. The second informant has Chinese parents, but was born and raised in Sweden and is an engineer whom has worked at the Swedish embassy in China. Another thing that they have in common is that they all have been in China for periods of time in the 80's, 90's and in the twenty-first century. Some of them have or had ongoing research projects in China and two of them have worked in China.

It is important to mention as a brief note that these experts do not necessarily give representative general knowledge and thoughts. Experts are also a part of the social debate and have a direct or indirect role in the definition process of social problems in the field of the study. These thoughts are important to reflect upon in the interviews, empirical results and in the conclusion and analysis. I also want to mention that in the beginning of this study I believed that there was a strong possibility that some of the informants were going to speak in English. This was also something that I had in mind when this study started, I wanted to have the possibility to interview non-native and non-swedish speaking people, that is why my thesis and questionnaire is in English. I also actively searched for informants that were not necessarily Swedish. Now afterwards it is interesting to note that all of the interviews were held in Swedish. I also felt satisfied with only three interviews. This is partly because the time available for this study was rather short, given more time, I certainly would like to do more interviews. But the other reason is that after the third interview I felt that I was getting the same information and lesser new information. So in some sense I felt that the empirical data which had been collected had enough content for me to fulfil the purpose of this study.

**Informant 1.**

Lecturer and predoctoral scientist in the field of Chinese studies at a Swedish university. Born and raised in Sweden. Educated in the Chinese language in China and Sweden. Has been in China for a long period of time in the 80's, 90's and in the twenty-first century.

**Informant 2.**

Born and raised in Sweden by Chinese parents. Educated in a Swedish university. Works as an
engineer. The informant has served as vice technical attaché at the Swedish embassy for the Swedish Ministry for Foreign Affairs for a couple of years in the 80's. Has visited China several times in the 90's and in the twenty-first century.

**Informant 3.**

Professor in the Chinese language at a Swedish university. Born and raised in Sweden. Educated in the Chinese language in China and Sweden. Has been in China for six years. For three of these years he worked as a diplomat. Has delivered lectures in Chinese for approximatively 15 years. Has followed Chinese development during the 80's, 90's and the twenty-first century.
Chapter 5: Empirical results

All the following quotations in this part of this thesis are extracted and translated from the transcripts of my interviews. All of the interviews were held in the Swedish language. The informants preferred to speak Swedish because they felt more conformable with Swedish than with English. I have tried to translate the quotes to the best of my abilities and especially tried to capture the meaning of what the informants tried to express. There could be some translation problems and hidden meanings that could get lost in this process. From the beginning of my study and in the questionnaire I have worked with three main themes. However, later on during the analysis of the empirical data I found other empirical results that I really did not expect to be so strong from the beginning. So I decided that the empirical results section will have four main themes:

• 5.1 Informants understanding of the Chinese middle class? - *How can the rise of the Chinese middle class in China be understood*
• 5.2 China in the middle of Swedish society?
• 5.3 China in the middle of Swedish culture?
• 5.4 Misgivings, doubts and fears about China.

5.1 Informants understanding of the Chinese middle class? - *How can the rise of the Chinese middle class in China be understood?*

All of the informants agreed with the idea that there is a Chinese middle class with an even greater spending power today than ever before in the past, and that this group of people have grown fast and are still growing. They also agreed that the prospects for the living standard of most people in China will continue to get better, especially in the big cities like Beijing and Shanghai. The first informant also pointed out in the following quote that this development could be connected to a structural transition to a modern consumer economy:

**What is your understanding of a possible fast growing middle class in China?**

“This I've seen, when I was in China, which was mainly in Beijing then. It is that there is a very strong spending power group... who are relatively satisfied with their existence in life and consume. In some small sense the reason why they consume is because they do not have the freedom to travel exactly where they want, so they instead spend their wealth on shopping. So they put their lives into buying things. The reason why
they can do this is because they have jobs and incomes. This is a thought about the rapidly growing middle class.”

Historically the second informant pointed out that you do not even have to go further back then the 1980’s to see that, in China, at that time period, there was only one big grey mass of people with the same living standard. In the 80’s there was not any middle class at all in comparison to today’s middle class. The third informant had a similar story. The informants also pointed out, in different ways, that the Chinese middle class with greater spending power could also be connected to different political reforms in China in the past. Informant two pointed out this and compared the past and the present for example the Cultural Revolution and other socio-political reforms in China in the late 50’s-60’s, when millions of people starved to death because of reforms of that time. Another example is housing reforms in the 90’s that privatized housing and other economic reforms that increased income from wages. The first informant explained this past development in China in these following quotes:

“When the economic reforms were carried out, this also for example led to much higher salaries, and there is also more rented houses on the private market at market prices. But the reason for this to some small extent is because of the incomes that had increased so much. That is why they can invest a little more [money] in their homes”.... “You now have the possibility to do things you couldn't have done 20-30 years ago [in China]. They can buy interior design furnitures, beautiful clothing and cars of course and large televisions, cell phones and so on. This is something that was impossible for the previous generations before them.”

This is also something that is true in the Swedish society, the previous generations that was living for 20-30 years ago in Sweden also did not have this high “quality” in living standard. The first and third informant also pointed out that the Chinese economy may not be as strong as we might think. They also pointed out that there is a wide social class inequality in China and that large parts of the Chinese society are dependent on this, and outside of the big cities, there are still a lot of poor people who has not kept in pace with the wealthier citizens in the big cities. All of the informants thought, in different ways, that social-class inequality is a problem in China.

5.2 China in the middle of Swedish society?

This category is about recent Chinese investments and other related topics to GDP between Sweden and China. One recent example is in 2011 when Chinese companies bought a couple of major Swedish companies that employ thousands of Swedish workers, which are perhaps an important
part of Swedish primary industry and Swedish society, for example, Volvo Car Corporation. In this thesis there is also mentions about another Swedish car company called Saab Automobile AB. Chinese investors has been negotiated to buy out Saab for a long time during the year of 2011.

The idea I wanted to study is; if the rise of the Chinese middle class has had and is going to have an impact on Swedish society? So I have asked all of the informants about the following major and minor topics: investments, exports, imports, consumption, tourism and the global Chinese citizen in relation to Sweden.

First of all, all of the informants had something to say or point out about the recent developments around Saab and Volvo, expressing some misgivings and some positive aspects. These are some quotations to illustrate this:

“It is little hard to believe that they will save Saab, I think that if they are to save Saab, they will pick out the best pieces from Saab, it is like picking out the goodies in a candy goodie bag and then they will eventually move the production to China, which costs less money and so on.”......

“They probably just want to make money, simply, actually. What it is about is that even though they may not be able to keep the company on its feet, they will at least acquire the equipment and technology. And they also have the best pick of some state-of-the-art competence on some other things to use for themselves later on.”

"I've heard a lot of people that value both Volvo and Saab highly. Firstly, it is a fact that you [Chinese people] value all foreign cars highly. There is still quite bad faith in Chinese cars or for Chinese vehicles in general.”

Another view from the first informant is that if China where to buy Saab, the Chinese government hopes to be spared from hearing anything about Chinese human right activists or any of the other major dissidents. There could be things like that. Sweden and Saab could agree upon this because they are so scared about the Swedish economy, Saab’s finances and of course all of the Saab workers. The meaning in its context is that the informant fears that the Swedish and Chinese will agree upon a tacit understanding that is about keeping silent about some dissents and activists campaigning about human rights in China.

Other Chinese investments that were mentioned were for example that China is buying Swedish shopping malls, iron mines, technology companies, scrap iron and so on. The second informant pointed out that this development is probably all for the best for Sweden but it does not necessarily solve all of the unemployment issues in Sweden:

“They wanted to buy sailing boat companies, for example. But he would just buy the technology and then send
everything back to China. When the company is up and running, then he says that he will kick out these persons and bring in people from China instead. It will be much cheaper, better, and they are more obedient and so on. So in some extent on this front, I think that this will not solve our unemployment issue.”

The first informant had similar stories about investments in Africa. The countries in Africa had high hopes about recent big investments and establishments of Chinese companies in Africa. The positive aspects and outcomes from this was that the investment did lead to new investments in infrastructures, roads, increases in GDP and so on. But on the other hand they thought that the Chinese companies would hire local Africans to a greater extent than they actually did. Instead it was fairly common that they almost only employed Chinese employees. The third informant discussed this in similar terms, but he did not think that Chinese companies only gave employments to Chinese, he rather thought that the reason behind why Chinese companies maybe preferred Chinese employees was because of social and cultural reasons. The example the informant brought up was about Chinese investments in Sudan, Africa. In some sense the Chinese companies had built there whole copies of Chinese cities, the cities were almost identical to real Chinese cities in China. They simply moved out their own environmental habitat into other parts of the world. So if you want to work in these cities you also have to adapt to the Chinese lifestyle and everything that comes with that, for example Chinese food, Chinese work culture, work conditions and so on. It is probably easier for Chinese workers to adapt in these cities than it is for local workers, this is why Chinese companies maybe prefer to hire Chinese workers rather than locals the third informant thought. I will continue on this topic about work issues later on in the results report. The third informant also gave the following clue about how a rise of the middle class in China is related to the structural transition to a modern consumer economy and that this in turn can have an impact on Swedish economy and society:

“How it will affect Swedish society? Socially I don’t know but financially the development can of course influence Swedish society, because there may come a higher demand for international products, including Swedish products. In a growing middle class there are those who can afford to consume significantly more than the poor, rural peasants.”

All of the informant's also believed that China is going to continue investing in Sweden in the future.

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46 When I write ‘he’ in the text, I could just as well refer to a “she”. The word choosing is just a stylistic simplification.
5.2.1 How Chinese investments influence the Swedish society

The first informant problematized the idea that the Chinese market is for everyone, the idea that this new Chinese market is going to be important for all small or big Swedish companies, and the idea that this will certainly have influences on parts of Swedish society:

“Among the discussions there is clearly, of course an influence of China, in Swedish Society and Swedish culture also perhaps, but not that it is an direct Chinese influence but that you want to go there and you want to find a niche market with the hope that this will lead to better [outcomes] for Sweden, over there in places in China.”

The informant told me about how there are a lot of Swedish companies and even the government, both the state and local governments, that hope to get a foot inside China, an opening, and one way to do this is by helping Chinese investments in Sweden. For example the “Dragon Gate” project just outside the small Swedish town Älvkarleby and other big Chinese trading-centre building projects. Most of these projects have failed or come to a halt in construction. At the beginning of these projects the local governments were really happy about them. The idea was that these big projects would lead to Swedish employment opportunities, the investments would be be centres for trading and culture and this would also lead to business opportunities for local Swedish companies in China. You can hear the same story in many parts of Sweden. So the informants believe that there are a lot of people in Swedish society that put their trust in China and in the Chinese market. Maybe they are a bit too well-disposed; a lot of other countries in the world would probably not be given these opportunities so easily as the Chinese companies. The third informant had similar stories and stated that there is a naive Swedish overconfidence about Chinese investments.

5.2.2 Chinese consumption of foreign products

I will also briefly present the results about some views about how the Chinese people view foreign products. All of the informants believe that there is a demand for foreign products in China, in other words, that there is a demand inside China to buy products that are not produced in China, and that this is something that is going to grow in their own domestic market. The informants foremost discussed two factors that have made this possible, the increase in quality of living standards and the higher incomes for millions of Chinese inhabitants. But this is also connected to the following beliefs: First of all, some believe that foreign products may be of better quality than Chinese products. The second belief is that there is a higher social status in buying foreign products, so that if you can afford to consume foreign products you will almost automatically be getting a higher
social status from your surroundings, so foreign products have become social status symbols in the modern domestic market. If you are rich it is important to show this, and one way of showing how rich you are, is by buying foreign products. The third belief is the distrust against Chinese products. A lot of Chinese citizens have lost their trust in especially food products like, for example, milk. The informants believed that these beliefs mainly come from previous scandals about tainted products made with contaminated milk in China. BBC news reported about that: “The use of melamine in milk in 2008 killed six babies and made 300,000 ill.”

The third informant had a different view upon the topic. He thought that this was something that was going to fade out. He agreed upon the idea that there is a high awareness about brands and especially foreign brands, but many of these products with foreign brands are produced in China, nowadays the products that are produced in China are of higher quality than before and therefore there is no point in buying foreign products. Furthermore the informant believed that when it comes to the Chinese domestic market, it will be mostly Chinese products that are going to be consumed in China and that this is also something that the Chinese government are striving for.

I also asked the informants about what they thought was maybe important for Sweden to export in their view. A short summarization of what they thought will be important as to export is: music, clothes, Swedish design, Swedish craftsmanship, Swedish interior design furnitures. Additionally, informants mentioned environmental knowledge and equipment: many Chinese delegations are in Sweden and looking for companies and products which can solve environmental problems in China. They also suggested animal body parts that could be exported as normal food or as ingredients for traditional Chinese medicine. Cultivated sea creatures. Many Chinese businessmen are in Sweden to look for "sea food" which they are so fond off. There are a lot of crops in China, but due to contamination and spread of infections, it is easier to import crops. Different kinds of berries for Chinese dietary supplements. Consultants to provide Chinese businessmen with information about different products. The informants also noted that Sweden is beginning to get tourists from China. Informant two said that the Chinese tourists are looking for the calm Swedish cabin environment or Arctic Circle environment and so on. They all believed that the Chinese people will travel more and more around the world, and that this can benefit Sweden greatly in the future. They also pointed out that there are still some difficulties around visa papers and that it is still quite expensive for most Chinese citizens to travel, and there are also some strict governmental controls around travel that

restricts their travelling arrangements. They also believe that tourism to China from Sweden is going to sky-rocket in the future.

5.3 China in the middle of Swedish culture?

Do you think that the development in China is going to have an impact on the Swedish educational system, for example in what we teach students in subject such as; language, history, social science, geography and so on?

The following quotations are extracted and translated from the transcripts of the interviews on this question. The quotes also touch on some of the ideas behind globalization:

“Yes I think so. Absolutely. Well maybe not, I do not think that the Chinese language will become the next world language. But I do think that we will learn more about this and more about the whole world, yes, the whole world in general really. And there is very strong pressure now that you should have the Chinese language as a second or as a third language in [Swedish] schools. There are many who pushes for this, especially parents.”..... “Parents would like their children to learn more about China, and to learn Chinese, and to learn that the world is bigger than just Sweden, the United States and Europe. And then I also believe that Japan, Korea and South Korea will as well come along in the same way. So it’s not only China.”.... “So there is a call for [a desire], and I think it probably is a bit similar in several different Swedish schools, the idea that you do know that the world is bigger. And I think I hear more and more news on China in newspapers, and on television every day.”

The first informant described how schools are changing because off demands for it and that there is an strong pressure from the parents that their children need to learn more about China and even learn the Chinese language as a second or as a third language. The third informant had also seen this development in Sweden, that there is more education about China and the Chinese language, but at the same time the third informant was not impressed about the results. He also thought that there is a lot of talk about China and education, but it was just that, “talk” and not much more. He emphasized further that there is a lack of concrete results. He also believed that the increased demands for education in the Chinese language is going to be a huge problem in the future because there are not enough qualified Chinese teachers in Sweden and young people do not want to educate themselves to become qualified Chinese language teachers.

All of the informants also talked about the Chinese erections of Confucius Institutes in Sweden and around the world. These institutes teach the Chinese language and hold lectures in Chinese culture, inform about China and so on. This is a way of spreading culture into other cultures and societies.
5.3.1 The Chinese culture and signs of influences on the Swedish society.

The first informant gave a clue about why, for example Japanese culture is more prominent and influential in the Swedish society than the Chinese culture has been in the past. A reason for this can be that the western world has had strong relations with Japanese culture for a much longer time than with China, historically.

“If the Chinese were accustomed to Westerners, it started in the early 90’s, and only probably in Beijing and Shanghai and a few more cities. So it has been easier for Japanese culture to spread, and we may have found it easier to assimilate it to our own. Partly because the culture has been there for a long time. During the 70’s and 80’s China was not open to Westerners at all.”

The informants discussed the subtle signs and tendencies of Chinese cultural influences, instead of discussions about assimilation or huge influences on the Swedish culture in the same way as American culture has. They only saw subtle signs. A couple of examples of these subtle signs and tendencies are specific Chinese design patterns on Swedish cloths, bags, cups and plates, they have also noticed that there is more and more real Chinese restaurants that serves real Chinese food. What they meant by the use of “real” Chinese food in these restaurants is that in the past most of the so-called “Chinese” and “Asian” food-places served dishes that were mostly influenced by the Thai, Vietnamese and Japanese kitchens. Despite this, all of the informants shared the same view that it was the Chinese food culture and concepts, for example, eating with chopsticks, China inspired restaurants, ginger flavour and so on that has influenced Swedish culture the most.

5.3.2 What are the possibilities for the future?

The second informant believes that the Swedish culture will be more influenced by food and traditional Chinese martial arts. The informant also pointed out that he did not believe that the Swedish culture would be influenced by Chinese thoughts and ways of thinking. Furthermore the informant expressed the opinion that it is very hard to influence another culture, even for another county to accept other cultures is problematic and is not something that comes easily. All of the informants shared the same view that Swedish culture will be more and more influenced by Chinese culture in the future. For example, it will be Chinese foods that are going to influence Swedish culture the most. Other things could be Chinese design, films, books and music. Chinese work culture is also perhaps something that is going to have an impact on Swedish work culture.
5.4 Misgivings, doubts and fears about China

The informants also expressed strong misgivings and even fears in similar ways about China and globalization so I decided to show these results as well.

5.4.1 China at the bottom of the pecking order

The first informant had a theory about China in the past that can explain certain plans and ambitions for China now and in the future. This is also connected to fear. The informants believe that China for a long time has seen itself as an underdeveloped country in comparison to western countries. China perceives itself as a little brother to the Western world, the country has for a long time always struggled to catch up with the richer and much more developed Western world. China also perceives itself as a “bullied” chicken at the bottom of the pecking order in the world hierarchy, especially after the Second World War. But nowadays when China has caught up with the Western world, especially economically, China wants to perceive itself as the brother that has grown up, and it is this they want to show the world. They want to explain and show the world that China is a country to reckon with, someone that is not underdeveloped any more. But the informants did not believe that this is only for the good. There could be come some positive and negative aspects from this. The second informant explained the possibility that this could in fact be only about China wants more power in the world. The first informant had the following to say that is connected to fear and the previous results:

“With the risk of sounding a little bit paranoid, I wonder if the Chinese are taking over the world completely. They are buying in and giving loans to countries that are going bankrupt here in the old world [Western world]. I find it a little hard to believe that they will save Saab, I think that if they are to save Saab, they will pick out the best pieces from Saab, it is like picking out the goodies in a candy goodie bag and then they will eventually move the production to China, which costs less money and so on.”….. “They probably just want to make money, simply, actually. What it is about is that even though they may not be able to keep the company on its feet, they will at least acquire the equipment and technology. And they also have the best pick of some state-of-the-art competence on some other things to use for themselves later on.”

The informants also expressed that there are some feelings of fear, doubts and misgivings in the Swedish society and other countries. This is especially something that is being expressed in other countries. This concern has something to do with Chinese investments. Some examples of concerns are that Chinese companies have a strong tendency to only employ Chinese workers and not the local workers in the country where they have bought companies. Part of the reason for this the informants believes is because of culture and that Chinese workers cost much less and are more
obedient. So it is more cost-efficient to bring over Chinese workers to other countries from China to work rather than to employ local workers. There are also opinions that China is beginning too become to powerful and influential around the whole world. These tendencies could become a major area of conflict in the future, because many countries hope that Chinese investments is the solution to the underemployment issues and financial crises that many countries suffer from, maybe in some sense because of globalization effects. In many of these cases, the societies in these western and African countries are being told by the Chinese investment companies that the investment is for the best for the country, with all of their best interests at heart. The investments are almost preconceived as if China is helping out friends in need. The informants think that these tendencies are something we are going to see more and more of in Sweden in the future.

The third informant made the comparison with the old Swedish fear of the Soviet Union but the magnitude of fear is not even close, although some Swedish people may make the connection because of communism. Furthermore the informant had not seen any real fear of Chinese people or of the country, China in Sweden. He also discussed how Chinese people in Sweden have not really been fully integrated in the Swedish society but neither have they created any conflicts, and the Chinese image in the media has not shown any negative sides or conflicts related to Chinese inhabitants in Sweden.

5.4.2 China may force a change to Swedish working conditions and legislations

The informant talked about the possibility that China might influence and even force a change in Swedish working conditions and legislations. The Swedish model regarding working legislation could, rather soon, clash with traditional Chinese working conditions. For example:

“If we discuss the big picture, I think in the long run, China is going to affect our working conditions. This is what I think, that is. I think they will cut away a lot of things. One reason for this change is partially you work very hard, almost inhumanly hard in China. Not in terms of results, but it must look as if you work a lot.”

The informant discussed during the interview how workers in Sweden worked in comparison to the Chinese worker. A few highlights are that Swedish workers work very few hours, have long breaks during the workday, have long paid vacations, get time off, even paid, for long periods of time when they have children, have high salaries and they are not obedient enough to their employer.

“This means that the Chinese employer can not understand how a Swedish office-worker is working. As soon as the Swedish office worker gets to work, he starts the day with a break from work. He takes a coffee and
biscuit and discusses nothing for a while in the dining room. And then a little bit later after the lunch break, he takes a break again with some coffee and biscuits. Admittedly, the Chinese think they do exchange opinions on things, but in the long run, I think it's very hard to keep these strange workdays.”

So the Swedish workers are taking a lot of breaks and get paid for it. They get off work early, complain about the work, take long vacations and expect to get a high salary. The third informant also discussed this, that Chinese companies has a different view upon work and working conditions. He said that this is something that has already led to conflicts between the Swedish labour union and Chinese companies. For example, Chinese companies wanted to bring Chinese construction workers to Sweden and let them work for salaries that were far below standard Swedish wages. The Swedish labour unions hindered this. These different views upon work could possibly become a cultural clash between two different traditional models on how work should be carried out. There is also some other factors which the third informant previously mentioned in his example in Sudan, Africa, that can contribute to the tendencies for Chinese companies yo prefer to employ Chinese workers and not the locals.

5.4.3 The Swedish silence about human rights in relations with China and investments

Another fear is the fear of silence. If Swedish politicians and companies have relations with China my first informant fears that they will force themselves to keep silent and will not criticize China about human rights and dissidents because of their own fear of losing Chinese investments. If they criticizes or even bring the human rights topic to the table, they believe that this maybe will lead to bad relations or even withdrawals of Chinese investments. Chinese investments in Sweden are so economically and politically important for Sweden that it is better to keep quiet. The informant fears that they keep silent because this suits Chinese and Swedish companies better:

“If Swedish companies get a share of the Chinese market because of the Swedish silence on embarrassing questions, then I believe that this it is no good because then we have already given in to China's oppression in some way.”
Chapter 6: Summary

My Sociological study shows that there might be a connection between the growth of household consumption expenditure and the rise of the middle class in China which in turn is related to the structural transition to a modern consumer economy. The study might also show that this in turn have already and perhaps will impact the Swedish society in more ways than just the economic in a globalization perspective. Without doubts these Sociological conclusions need more scientific research than, only this study to really confirm these results. Hopefully the study results, conclusions and analysis will shed some light on or give insights into how relations between China and Sweden influence Swedish society and culture. The goal of my study was to learn 'what is going on here?' and to investigate these social phenomenon without explicit expectations. I also believe that the main focus for Swedish researchers in the past has been on how the Chinese economy is having an impact on other countries economies, labour forces and consumption, but not really on the possibility of how these globalization relations influence and may perhaps even change other countries societies in a very fundamental way. This is something that I will present and discuss in this chapter.

The informants shared the view that there is a rising Chinese middle class with a even greater spending power today than ever before in the past. And that this group of people have grown fast and are still growing, especially in the big cities in China. They also believed and gave examples of how the standard of living in China has increased greatly and that this is something that is connected to socio-political reforms made by the government in the past. In the past certain socio-political reforms could force million of people into starvation and even death, but at the same time socio-political reforms could bring about and, according to the informants, have brought about a rise of the Chinese middle class.\(^{48}\) They also pointed out that there is a pattern of wide social class inequality in China and that large parts of Chinese society are dependent on these patterns of social class inequality, especially outside of the big cities, there are still a lot of poor people who have not kept pace with the wealthier citizens in the big cities. There is also a strong social hierarchy in Chinese society, this in turn, for example, influences views on working conditions and how a society should be.

To relate to the previous chapters, in modern China the Chinese government has come to the

\(^{48}\) One example is socio-political reforms in China in the late 50's, 60's, when millions of people starved to death because of the reforms of that time. Another example is housing reforms in the 90's that privatized housing and other economic reforms that increased wage earnings.
understanding that in order for the Chinese economy to function in the long run, the economy must have a strong domestic consumption. So that is why one major theme in the five-year plan is for the government to boost domestic private consumption as an important economic driver.\footnote{Allianz Global Investors Europe GmbH (2011). \textit{Analysis & Trends. China's new age of growth.}} Another way of viewing it is that this plan is an important strategy for promoting domestic demand as an important source of economic expansion to keep the economy in balance. This is where the middle class comes into play. Based on the empirical data I conclude that it might just as well be that there is a connection between growth in household consumption expenditure and the rise of the middle class in China and foreign investment and transnational trade. In order for domestic consumption to keep growing there must be a growing ‘consumer’-base at the other end. The Chinese government probably share this view and have basically decided that if they increase the domestic demand in China, a strategy for this is for example to increase wages\footnote{For example you can see signs for this strategy in the following news article and quote. “Yin said the Chinese government has stipulated that monthly minimum wages must increase by 13% every year during the 12th five-year plan period ending in 2015” Want China Times (28 July 2011). \textit{Minimum wage increases in 18 Chinese cities and provinces.} Retrieved September 23, 2011 from <www.wantChinatimes.com/news-subclass-cnt.aspx?id=20110728000004&cid=1102 >}, this will be an important source of economic expansion to keep the economy in balance, this is something that is already having and is going to have much more of an impact on Sweden in the future both directly and indirectly.

A number of direct influences on Swedish society are for example, Chinese investments, tourism, imports and Swedish exports to China which in turn could improve the Swedish GDP. For further examples on the empirical results and examples see section 5.2 in this paper. On the one hand, the first and second informants thought that there is great potential for Swedish export to China because of the Chinese people’s own distrusts of Chinese made products and social demand for foreign products and brands. But on the other hand there is a belief in China that at present the products that are produced in China are of higher quality then before, and therefore there is no point in buying foreign products. Furthermore, the third informant believed that when it comes to the Chinese domestic market, it will be mostly Chinese products that are going to be consumed in China. This is also something that the Chinese government are striving for as mentioned earlier in this thesis. The government wants to increase the domestic demand, because this will be an important source of economic expansion to keep the economy in balance. But this will only work, the third informant believes, if Chinese households consume Chinese-made products first and foremost. So the increasing domestic marked spending in China is not necessarily a process that could have an impact on Swedish export. The third informant pointed out that the demand for foreign products is something that maybe are going to fade out and that there is not really any “real” reason for Chinese
people to buy foreign products in their own domestic market. This is something that is connected to the five year plan; The government wants to increase domestic demand, because this will be an important source of economic expansion to keep the economy in balance. But this will only work if the Chinese households consume Chinese-made products.

When it comes to investments and their possible influences on Swedish society there are examples from the empirical data that there is an intense interest from Chinese investors looking to invest in Sweden, and the informants thought that this is something that we are going to see more and more of in the near future. China is acquiring Swedish shopping malls, iron mines, technology companies, scrap iron, and so on. One recent example is in 2011 when Chinese companies bought a couple of major Swedish companies that employ thousands of Swedish workers, which are an important part of Swedish primary industry and Swedish society, for example Volvo Car Corporation and the negotiations about the Chinese wanted to acquire Saab Automobile AB. There are also examples of constructions as investments in Älvkarleby and Kalmar. The third informant had similar stories and stated that there is a naive Swedish overconfidence towards Chinese investments. The second informant pointed out that these investments are probably all for the best for Sweden but they do not necessarily solve all of the unemployment issues in Sweden. It is here that indirect influences come into play.

Besides the financial and economic issues, my informants said that there is an awareness of China in Swedish society that ranges from pressure from parents that their children need to learn more about China and even learn the Chinese language as a second or as a third language, all the way to work culture. This demand for China could lead up to a educational problem in the future. Because the increased demands for education in the Chinese language might in the future become a problem because there are not enough qualified Chinese teachers in Sweden and there are not enough young people that wants to educate themselves to become qualified Chinese language teachers. Especially if the Chinese language popularity trend is holding up.

All of the informants shared the same view that it was the Chinese food culture and concepts, for example, eating with chopsticks, China inspired restaurants, ginger flavour and so on that has influenced and will continue to influence Swedish culture the most. But, aside from food on the cultural aspects of this study, they could only see some small subtle signs of Chinese cultural
influences on Swedish society. For example, the informant gave a clue about why, for instance, Japanese culture is more prominent and influential in Swedish society than the Chinese culture has been in the past. One reason for this might be that, historically, the Western world has had strong relations with Japanese culture for a much longer time than with China. Given this, it is a bit contradictory that they all thought that Swedish culture will be more influenced by Chinese culture in the future. It is also important to note here, that it is generally very hard to influence another culture, even for another country to accept other cultures is problematic, and it is not something that happens easily. But this is something that will occur more and more frequently when different cultures come in contact with each other to an ever greater extent.

I am now going to discuss some more of these issues, or tendencies, in what will possibly come in the future based on the empirical observations made by my informants. The informants reported that there are some feelings of fear, as well as doubts and misgivings in the Swedish society and other countries. This is something that is being expressed especially in other countries but is something that is coming more and more to Sweden. This concern has something to do with Chinese investments and the awareness of China. Some examples of concerns are that Chinese companies have a strong tendency to only employ Chinese workers and not the local workers in the country where they have bought companies. Part of the reason for this the informants believe is because of culture and because Chinese workers cost much less and are more obedient. Another reason for this is also connected to views and opinions on working conditions and culture. The third informant observed that it was fairly common that Chinese companies simply moved out their own environmental habitat into other parts of the world. The example the informant brought up was about Chinese investments in Sudan, Africa. In some sense the Chinese companies had built there whole copies of Chinese cities, the cities were almost identical to real Chinese cities in China. They also brought the whole Chinese lifestyle and way of life to these cities. So if you want to work in these cities you also have to adapt to the Chinese lifestyle and everything that comes with that, for example, Chinese food, Chinese work culture, work conditions, and so on. It is probably easier for Chinese workers to adapt in these cities than it is for local workers, this is why Chinese companies may prefer to hire Chinese workers rather than locals the third informant thought.

There are beliefs supported by examples that it is more cost-efficient and that there are some social and cultural benefits in bringing over Chinese workers to other countries from China to work rather than to employing local workers. There are also opinions that China is beginning to become too
powerful and influential around the whole world. These tendencies could become a cause of major conflict in the future, because many countries, including some parts of Sweden hope that Chinese investments is the solution to the underemployment issues and financial crises that many countries suffer from, maybe in some sense because of globalization’s effects. In many of these cases, the societies in these western and African countries are being told by Chinese investment companies that the investments are for the best for the country, with all of their best interests at heart. The investments are almost perceived as if China was helping out friends in need. The informants thinks that these tendencies are something we are going to see more and more of in Sweden in the future. These tendencies and concerns are connected to Swedish society. The second informant talked about the possibility that China might influence and even force a change to in Swedish working conditions and legislations. The Swedish model regarding working legislations and conditions could, rather soon, clash with traditional Chinese working conditions because of different cultural views on society and work the second informant thought. One example:

“If we discuss the big picture. I think in the long run, China is going to affect our working conditions. This is what I think, that is. I think they will cut away a lot of things. One reason for this change is partially that you work very hard, almost inhumanly hard in China. Not in terms of results, but it must look as if you work a lot.”

The third informant also reported that Chinese companies have a different view about work and working conditions. He said that this is something that has already led to conflicts between the Swedish labour unions and Chinese companies. One example from the past which the second informant presented is that there have been Chinese companies that wanted to bring Chinese construction workers to Sweden and let them work for salaries that were far below Swedish standard wages. The Swedish labour union hindered this. These different views upon society and work could possibly become a cultural clash between two different traditional models on how work should be carried out. I believe that it is the people, or in some cases societies, that are dependent, in this case economically dependent, will have has to yield in the long run. There is a very real possibility that Chinese influence could force a change to Swedish working conditions in an very different way than suggested by current trends, current trends regarding Swedish working conditions and legislations, for instance about shorter workdays, (six hours working days as the norm), longer parental leave and higher salaries. All these ideas could stand in direct opposition to Chinese working interests. These connections concerning work are areas that need more research.
Another example is when it comes to the subject of fear in my study, a fear of silence. The first informant expressed the following concern: if Swedish politicians and companies have relations with China the first informant fears that they will force themselves to keep silent and do not criticize China about human rights and dissidents because of their own fear of losing Chinese investments. If they criticize or even bring the human rights topic to the table, they believe that this may lead to bad relations or even withdrawals of Chinese investments. Chinese investments in Sweden are so economically and politically important for Sweden that it is better to keep quiet. The informant fears that they keep silent because this suits Chinese and Swedish companies better:

“If Swedish companies get a share of the Chinese market because of the Swedish silence on embarrassing questions, then I believe that this it is no good because then we have already given in to China's oppression in some way.”

This is a real possibility, and maybe we can extend the grasp of this concern even further? What if this fear that leads to silence because of economic and political interests could even be applied to other areas when it comes to other aspects of Chinese influence on Swedish society? This is also a Sociological concern that needs more research, especially in the fields of the social sciences.

Furthermore do I agree with Anthony Giddens views about the accounts of transformationalist’s when it comes to my study. Globalization is a reflexive two-way process of flows. This thesis empirical data shows examples of how developments, geographical and cultural far away in the Chinese society could very well influence Swedish society in the future. Just as it is conceivable to think that Swedish society might be influenced by the Chinese society now and in the future. But at the same time I could conclude that the global order about China is uncertain. Just like one of my informant’s thought, it is uncertain, even if the economical projections point at this. It is uncertain if China are able to keep up the economical rise or if they are going to end up just as the Soviet Union did in the end. The dissolution of Soviet Union was for large parts of the world something unthinkable, and yet, it did happen. Globalization is a transforming process, it is a dynamic process which can be altered and changed.

My study shows with Sociologically qualitative examples that globalization is a very real contemporary phenomenon and that globalization could influence the Swedish society in more ways than just the economic. Globalization between China and Sweden could have implications for
society, for example, new Chinese company owners could indirectly and directly influence all the workers, their families and even Swedish society in perhaps unexpected ways. Recent acquisitions of Swedish companies and other examples in this study show that the processes of globalization, in different ways, have an impact on politicians, infrastructure, education, work and even the culture in societies. It can even have an impact on the mentality of a people and it can even go as far as when different societies and cultures collide and some parts of the society, often the dependent part, might have too yield and change, perhaps in a very fundamental way or just by small changes. Globalization integration is a complex field but as a whole, globalization will probably have significant effects on the Swedish economy and society – and by and large, positive ones I believe. The globalization effects from China and India into the world economy have already benefited Sweden and will continue to do so on an even larger scale in the decades ahead.  

How, when, and with what implications and positive effects globalization will in the long run affect Sweden is something that definitely needs more attention and a closer eye from Swedish cross-disciplinary researchers.

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Appendix

Appendix A: Questionnaire

Semi-structured questionnaire which allows for supplementary questions during the interview.

Theme areas:
How can the rise of the Chinese middle class in China be understood.
Globalization, China and Sweden and the influence on Swedish society.
Globalization, China and Sweden and the influence on Swedish culture.

Open question:
What is your understanding of a possible fast growing middle class in China? And what is your view about the possibility that this will have an impact on the Swedish society in some way?

Questions

Background data.
1. Background, education, work experience, profession, relation to China.

How can the rise of the Chinese middle class in China be understood.
2. What is your understanding of a recent social change that more and more households in China is getting a higher income and a better standard of living?
3. What is your view upon the possibility that when a much larger part of China has the economical means to be a middle class citizen, will it mean that they also will have the economical means to consume foreign products in much larger quantities?
4. Do you view that this development, if there is such a development are going to have an impact on how Chinese citizens travel, live, study and work around the world? And if so, in what way?
5. Do you think that Sweden is going to export more to China in the future? And if so, what do you think is important to export in your view?
Globalization, China and Sweden and the influence on Swedish society.

6. Do you think that China are influencing the Swedish society in some way. And if so, how?

7. What is your understanding of recent Chinese investments in Sweden? Do you view any negative or positive changes from this?

8. Do you think that the development in China is going to have an impact on the Swedish educational system. For example in what we learn students in subject such as; language, history, social science, geography?

9. What impact or influence do you think that China is going to have on Sweden as a whole in the future?

Globalization, China and Sweden and the influence on Swedish culture.

10. What is your understanding of Chinese influences on the Swedish culture? Do you view any negative or positive changes from this?

11. Do you think that the Swedish culture are in time going to change in some way because of Chinese influences? Do you view any negative or positive changes from this?

12. What impact or influence do you think China is going to have on Swedish culture as a whole in the future?

Ending questions:

13. Do you have any suggestions for me whom or where I could find a suitable person to interview next?

14. Is there anything else you would like to say that wasn’t covered in these questions?
Appendix B: Introduction letter

To xxx

My name is Stefan Flod and I am a student of the Sociology department at Uppsala University. I’m writing on my bachelor graduation paper about connections and relations between household consumption expenditure growth and the rise of the middle class in China. And if this in turn can impact the Swedish society in more ways than just economical in a globalization perspective. I have chosen this subject because of my deep interest in Chinese and Swedish development, society and culture issues.

Now for the study, I need to find Swedish “Chinese experts” willing to be interviewed about their thoughts about Globalization connections and relations between China and Sweden and the influences on Swedish society. I would very much appreciate if you would share your thoughts and views. The interviews will be in English or in Swedish, dependent on what language you prefer and will take about one hour. All of your answers will be confidential and unidentified in the report. And I will share the final results with you.

If you'd like to participate in the study please write me an email, if possible with a telephone number where I can get in touch with you. If you have any further questions about the study please don’t hesitate to write to me about it. If you know other people who could be of help for this study, I'd be delighted if you could forward this message to them.

My supervisor is professor Karin Barron at the Department of Sociology, Uppsala University. You can contact her at 018- 471 15 06 or karin.barron@soc.uu.se.

Best regards // Stefan Flod