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China's Posture for Protracted Struggle against the U.S. Viewed through the Lens of 2021 Two Sessions (兩會) and Its Implications

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2021 Two Sessions (兩會) reflected China's posture for a protracted struggle against the U.S. in preparation for the post-COVID-19 era and the trends of prolonged U.S.-China strategic competition. China set this year's economic growth target at 'over 6%' demonstrating its will for stable 'mid-speed growth,' and prepared itself for the U.S.-China competition over technological hegemony by emphasizing science and technological innovation for 'self-reliance and self-improvement.' It also appeared to brace for the possibility of the possible U.S.-China decoupling by setting a 'dual circulation strategy' as the new economic policy direction. Also, it sought to cut off the possibility of intervention of outside forces, including the U.S. by revising Hong Kong's election system and solidify Xi Jinping's leadership. China is bracing for U.S. multilateralism and the strengthening of the alliance by stressing the reinforced regional economic cooperation and the maintenance of the multilateral trade system. South Korea needs to enhance its strategic autonomy in preparation for the trends of protracted U.S.-China strategic competition. Moreover, the ROK needs to expand the horizon of its diplomacy to the EU and ASEAN countries via a 'middle-power diplomacy.' Furthermore, it is necessary to view the U.S.-China strategic competition separately from the Korean Peninsula so as not to make the Korean Peninsula become an area for a proxy war of the U.S.-China competition. It should prepare itself for the U.S.-China competition over technological hegemony by making efforts to develop independent state-of-the-art technology. In particular, the effects of the U.S.-China conflicts on the Korean Peninsula should be minimized via the progress in inter-Korean relations and the re-initiation of the peace process on the Korean Peninsula.

Evaluation on Chinese People's Political Consultative Conference and The National People's Congress of the People's Republic of China for 2021

Two of the most overarching annual political events in China, the Chinese People's Political Consultative Conference and the National People's Congress of the People's Republic of China were held from March 4 to 11 at the Great Hall Of The People in Beijing. The National People's Congress, the equivalent of Korea's National Assembly, evaluated China's economic and social policy of last year and laid out policy goals and directions of this year through a 'reporting of the government tasks' of Li Keqiang, premier of the State Council of the People's Republic of China.¹⁾ In particular, internal and external spotlight has been shone on the mid-to-long-term development strategy unveiled by China as the year 2021 marks the beginning of the China's '14th Five-Year Plan (2021-2025) for National Economic and Social Development' and countries world over are preparing for the post-COVID-19.

AS premier Li Keqiang pointed at the 'reporting of the government tasks,' the environment for China's internal and external policy implementation remains unstable and uncertain. China takes pride in itself that it had made an important accomplishment in addressing the COVID-19 last year and emphasized that it had recorded positive economic growth rate (GDP) at 2.3%. However, China still faces mounting challenges to be addressed to recover its economy and to stabilize society. The international public opinion is not favorable to China due to last year's coronavirus pandemic and the deepening U.S. strategic competition. The U.S. competition and conflicts are highly likely to remain even with the Biden administration taking office.

Chinese People's Political Consultative Conference and The National People's Congress in 2021 presented the policy goals and the direction after having reflected the internal and external situation. In other words, the economic growth target for this year was set 'above 6%,' and the implementation for 'Scientific and Technological Innovation 2030 Project' was decided on. Also, last October, the Chinese Community

1) 李克强, "政府工作报告: 2021年3月5日在第十三届全国人民代表大会第四次会议上," 中国政府网, 2021.3.5., <http://www.gov.cn/premier/2021-03/12/content_5592671.htm> (Accessed March 15, 2021).

Party evaluated and passed the ‘China’s 14th Five-Year Plan’ decided by ‘the 5th plenary session of the 19th Communist Party Central Committee,’²⁾ confirming the so-called ‘domestic and international dual circulation strategy to link the expansion of domestic demands with the global economy (双循环)’ as a new economic policy direction. In the foreign policy and security sectors, the defense budget for 2021 was expanded by 6.8% year-on-year (around \$209 billion). The possibility of external intervention was lessened by revising the electoral system in Hong Kong. Moreover, multilateral cooperation, regional economic cooperation, and the maintenance of a multilateral trade system were emphasized.

Internal and external policy goals and direction announced at the Two Sessions in 2021, were mostly similar in contents from last year or were fleshed out from policy devised a few years ago. What should be noted is that this year stressed distinct keywords, involving stability (稳定), innovation (创新), prospect (远景), continuity (连续性), sustainability (可持续性), self-reliance and self-improvement (自立自强).³⁾ In particular, it was the first time in 24 years since 1996 that the 2021 Two Sessions laid out simultaneously a ‘Five-Year Plan’ and ‘mid-to-long-term goal’ for 2035.⁴⁾ This indicates that the Chinese leadership judged that China entered an important turning point and reached a new level to realize national development goal—modernization of socialism. The premise of that judgment is the possibility of the structural changes in international political economy caused by COVID-19 and the trends of the U.S.-China strategic competition prolonging and structuralizing. The 2021 Two Sessions demonstrate well that China has transitioned to a long-term

2) “中国共产党第十九届中央委员会第五次全体会议公报,” 新华网, 2020.10.29., <<http://cpc.people.com.cn/big5/n1/2020/1029/c64094-31911510.html>> (Accessed March 11, 2021).

3) This year’s ‘reporting of the government tasks’ mentioned something related to ‘stability(稳)’ 6 5 times in various forms, including security (稳定), tranquility (平稳), pursuit of progress amidst security (稳中求进), faithful pursuit (稳步推进), faithful expansion (稳步增长), and careful pursuit (稳慎推进).

4) This year’s National People’s Congress simultaneously presented ‘China’s 14th Five-Year Plan’ and a ‘long-term goal for 2030.’ “中华人民共和国国民经济和社会发展第十四个五年规划和2035年远景目标纲要,” 中国政府网, 2021.3.13., <http://www.gov.cn/xinwen/2021-03/13/content_5592681.htm> (Accessed March 15, 2021). China also presented a ‘9·5 plan (1996~2000)’ and a long-term goal for 2010 in 1996. 李鹏, “关于国民经济和社会发展‘九五’计划和2010年远景目标纲要的报告: 1996年3月5日在第八届全国人民代表大会第四次会议上,” 中国政府网, 1996.3.18., <http://www.gov.cn/test/2008-04/21/content_950407.htm> (Accessed March 11, 2021).

external strategy, especially a strategy toward the U.S., to brace for the trends of prolonging U.S.-China strategic competition in the post-COVID-19 era.

How China Wage a Protracted Struggle against the U.S. and the Future Prospective

China has long sought to maintain a cooperative stance with the U.S. for the continuation of economic development ever since the U.S. and China established official diplomatic relations. Such a policy direction has been maintained until recently since Deng Xiaoping (鄧小平) advised restraining from full-blown confrontation and conflicts with the U.S. saying that ‘hide one’s talents, and bide one’s time for the right opportunity(韜光養晦).’ However, since the global financial crisis in 2008, the gap in national strength between the U.S. and China had been narrowed due to a ‘relative decline’ of the U.S. hegemony and China’s rapid rise. China started to emphasize the principle of no concession under any circumstances when it comes to its core interests while refraining itself from a full-blown confrontation or resistance. China had tried to avert a full-blown conflict with the U.S. in the process of the U.S.-China trade conflicts in 2018 and amidst escalating strategic competition of 2019-2020 ever since the rise of the Xi Jinping (習近平) leadership in 2012. It is mostly that there still exists a gap between the U.S. and China in terms of a ‘national strength aggregate’ including economic and military strength.

In particular, China is aware of the need for maintaining cooperative relations with the U.S. as it needs to focus on domestic economic and social issues after COVID-19. Against this backdrop, China has two strategic choices to make. First is to strengthen the stability of the Chinese community party system, nurture science technology innovation capacity, and expand the regional influence via the medium of economic cooperation, so that China could continue stable development of its economy and lessen the gap of the national strength compared to the U.S. Another option is to stick to its rule of “no concession” when it comes to its core interests (Taiwan, Hong Kong, and South China sea) and principle in the U.S.-China strategic competition and strongly respond to the matter of such principle.

China's posture for a long-term plan against the U.S. via its stable and sustainable development was revealed well in the 2021 Two Sessions. First, although many external organizations made a projection of China's economic growth rate for this year at around 7~8%, China laid out its economic goal at 'above 6%.' China demonstrated its willingness to bridge the gap in economic strength vis-a-vis the U.S. in the mid-to-long-term: it averted Western countries' balancing on China by announcing an excessively high economic growth rate amidst the uncertainty of the coronavirus pandemic while showing a sense of confidence that it could continue a stable 'mid-speed growth (中速).'

Second, the Two Sessions presented ways to improve science technology innovation capacity for 'self-reliance and self-improvement' and to lessen the reliance on other countries, such as the U.S. Premier Li Keqiang, in a reporting of the government tasks, declared to begin 'Scientific and Technological Innovation 2030 Project' to lead the science technology innovation and to increase the spending in basic research sectors by 10.6%. He also made it clear that he will provide support to calmly concentrate on one task as if 'sharpening a sword in ten years.' It could be interpreted as part of the strategic measures to brace for the long-term competition over technological hegemony with the U.S.

Third, the fact that 'China's 14th Five-Year Plan,' passed at the National People's Congress this year, contained the so-called 'dual circulation strategy' emphasized by China since last year demonstrates its willingness to respond to the trends of aggravating strategic competition between the U.S. and China and the post-COVID-19 era. Moreover, since 'China's 14th Five-Year Plan' laid out innovative growth as the primary task, it appears to respond to the possibility of the U.S.-China decoupling for the mid-to-long-term.

Fourth, the National People's Congress passed a 'national security law for Hong Kong' last June and a 'decision to reform the electoral system of Hong Kong' this year. As Western countries, including the U.S., worry about the possibility of Hong Kong's democratic institutions being damaged, it is also possible that China and Western country's conflicts might reoccur. However, China's revision of Hong Kong's electoral institutions this time has helped to lessen the possibility of intervention by external forces, including the U.S., and to strengthen the control over Hong Kong.

In that sense, it could contribute to the reinforcement of internal solidarity and the stability of the regime and reduce the possibility in the mid-to-long-term that the U.S. may choose the so-called ‘Hong Kong card.’

Fifth, China emphasizes multilateral cooperation, regional economic cooperation, and the maintenance of a multilateral trade system in terms of external relations. This Two Sessions stressed the need for China-led Regional Comprehensive Economic Partnership (RCEP) taking effect early and the speedy implementation of the South Korea-China-Japan trade agreement. They also announced that China positively considered joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which is expected to be implemented by the Biden administration. China’s such an active move aims to enhance its regional influence in the mid-to-long-term via the medium of ‘economic cooperation,’ which is China’s upper-hand, and to respond to multilateralism and the alliance emphasized by the Biden administration.

As such, China is expected to proceed with “stable, independent, and sustainable” internal and external policy for the time being so that it could be prepared for the trends of prolonged strategic competition between the U.S. and China and the post-COVID-19 era as revealed in the Two Sessions of 2021. In the process, China probably would have sought to emphasize the independent technological development separately from the U.S. via the innovation of science and technology, be prepared for the possibility of the possible U.S.-China decoupling through a ‘dual circulation strategy’ and to position itself as a superpower that exceeds the strength of the U.S. for the mid-to-long-term by engaging in the competition over the influence to make regional countries be on China’s sphere of the influence.

Whether China’s preparation for a protracted struggle against the U.S. will succeed will depend on how the U.S. would react. The U.S. will not go for an immediate full-blown confrontation or conflict against China when it needs to focus on addressing the coronavirus pandemic and resolve economic and social issues in the early phase of the Biden administration. However, ‘Interim National Security Strategic Guidance’ recently published by the Biden administration defined China as “the only contender capable of contiguously challenging the stable and open international system.”⁵⁾ Therefore, the Biden administration is expected to set the

goal of delaying or deterring ‘China’s rise’ as much as possible just like the Trump administration and to deploy a strategic approach to achieve that goal, through an emphasis on multilateralism and the realignment of the alliance.

Implications and Lessons Learned

South Korea could consider the following options when the U.S.–China strategic competition becomes prolonged and structuralized and when China is increasingly likely to maintain the posture for a protracted struggle against the U.S. First, South Korea needs to come up with a mid-to-long-term response measure via an objective evaluation on the prospect of the G2 relations between the U.S. and China. It is necessary to make a comprehensive evaluation and make a projection not only on the U.S. and China’s hard power (economic and military strength) but also soft power (diplomatic strength, cultural strength, and international normative strength) and brace for an era of military, technology, and norm competition that will unfold in the future.

Second, the Republic of Korea (ROK) needs to consider mid-to-long-term strategy to expand its strategic autonomy rather than wavering amidst two super powers’ competition and conflict. South Korea needs to set the priority of its national interests via an objective and comprehensive evaluation of the strategic competition facing South Korea and to consistently apply that priority to external policy. In particular, core values sought by a ‘peaceful and prosperous Korean Peninsula’—peace, prosperity, cooperation, embrace, liberal democracy, and integration—should be reflected in the goals for external and North Korean policy, mid-to-long-term roadmap, and detailed implementation plan.

Third, it is necessary to view the U.S.–China strategic competition separately from the Korean Peninsula so as not to make the Korean Peninsula become an area for the proxy war of the U.S.–China competition by going beyond a ‘dichotomous way of thinking—security for the U.S. and economy for China (安美經中).’ To that end,

5) The White House, “Interim National Security Strategic Guidance,” March 3, 2021., <<https://www.whitehouse.gov/wp-content/uploads/2021/03/NSC-1v2.pdf>> (Accessed March 15, 2021).

South Korea needs to simultaneously respond to the trends of prolonged strategic competition between the U.S. and China and to develop independent inter-Korean relations. In particular, the ROK needs to persuade both the U.S. and China on how the easing of tensions on the Korean Peninsula via the improvement of inter-Korean relations and the efforts for establishing a peace regime will resolve North Korea's nuclear issues and moderate the U.S.-China strategic competition in East Asia.

Fourth, it is necessary to seek diplomatic diversification including the improvement of relations with neighboring countries to brace for the trends of the prolonged U.S.-China competition. Based on the consensus for the need of the ROK-U.S. alliance and South Korea-U.S.-Japan cooperation, it needs to strengthen Korea's standing as a middle power via the improvement of relations with neighboring countries, including Japan and EU countries, and to emphasize the principle of a 'Korean Peninsula with a priority put on peace.' It is also necessary to make ROK's 'New Southern Policy and New Northern Policy' in line with the global values and norms based on its mid-to-long-term national vision and the national interests and to strengthen cooperation in the direction that will contribute to laying the foundation for peaceful cooperation on the Korean Peninsula.

Fifth, South Korea needs to improve its global competitiveness by developing independent cutting-edge technology and proceeding with pro-environment policy in a bid to brace for China's enhanced capability in science and technological innovation. At the same time, it needs to preemptively prepare itself for the U.S.-China competition over technological hegemony. ©KINU 2021

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