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Executive Summary

China's recognition and response to the U.S.-China strategic competition

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*This article is written based on the author's personal opinions
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Executive Summary

- The inauguration of the Biden administration and the intensifying U.S.-China strategic competition
- The Biden administration described that its China policy will be "competitive when it should be, collaborative when it can be, and adversarial when it must be".
- The Biden administration's China policy is based on the QUAD of the Indo-Pacific Strategy. Biden indicated that it will strengthen the Japan-U.S. alliance, the QUAD, security cooperation between South Korea-U.S.-Japan, NATO relations with Europe, and the D-10 democratic alliance.
- The Biden administration's China policy has partly inherited that of the Obama administration. It aims to restore U.S. leadership by improving U.S. relations with its allies through adhering to the Obama administration's Rebalancing strategy and democratic values.
- The Biden administration indicated that it will inherit the Trump administration's Indo-Pacific strategy and the QUAD, unlike domestic policy, and that it will further expand its encircling of China by allying with countries that share democratic values
- The U.S. and China held their first high-level strategic dialogue in Alaska in March 2021. Although there was a clear difference between their positions on core interests, there was an agreement that they need to communicate

- How Xi Jinping recognizes the U.S.-China strategic competition
- President Xi Jinping announced that China will become a Xiaokang society by 2049 and celebrate the 100th anniversary of the founding of the People's Republic of China as one, rich, socialist, happy China under the Two

Centenaries (兩個一百年) strategy.

- President Xi emphasized dispelling corruption through the Four Comprehensives and promoting China's own socialist development model through its unique system, values, and norms to achieve the Chinese Dream and become a powerful socialist country by 2049.
- President Xi understands that the U.S.-China relations cannot be restored after the arrest of Meng Wanzhou of Huawei in December 2018, the U.S. involvement in the 2019 Hong Kong protests in June, and the U.S. ideological attack of the Chinese Communist Party in July 2020 during the U.S.-China strategic competition
- President Xi announced that China will not compromise its sovereignty and/or yield Taiwan, Hong Kong, Xinjiang, or Xizang at any cost but will deal with the U.S. through an "eye for eye, tooth for tooth" strategy.
- President Xi understands a mid-to long term U.S.-China strategic competition is inevitable. Therefore, he introduced a new path to achieve China's socialist modernization and economically outrun the U.S. by 2035 as one, Xi Jinping-centered Chinese Communist Party.

■ China's response to the U.S.-China strategic competition

- Upon taking power, President Xi announced to transform China from a developing country to big power, expand its influence by being able to compete with the U.S., achieve socialist modernization by 2035, and become a powerful socialist country by 2049.
- At a press conference held in March 2021 on the theme of China's Foreign Policy and Foreign Relations, it was stressed that China will protect and not accept the U.S. intervention or interference in China's domestic core interests, such as issues regarding the Xinjiang/Xizang minorities, the South China Sea, Hong Kong, and Taiwan as the U.S. and China should adhere to the basic prin-

ciple of not interfering with each other's internal affairs.

- As the U.S.-China trade conflict intensified in July 2019, the Chinese Communist Party held its Central Economic Work Conference and outlined its six-stability policy of job stability, financial stability, external trade stability, foreign investment stability, investment stability, and expectation stability.
- After President Xi took power and the U.S.-China strategic competition intensified, the Belt and Road Initiative was promoted to enter a new global market and connect with Europe, Russia, Central Asia, Southwest Asia, Middle East, Africa, and East Asia in order to extend China's international influence.
- At the 19th plenary session of the 5th Central Committee that ended on October 29, 2020, China proposed to pursue a "double-cycle" strategy centered on transforming China's national development strategy based on traditional export-oriented growth to one based on developing its domestic economy so that China can strengthen its durability and respond to the U.S.-China strategic competition.
- Through the 19th plenary session of the 5th Central Committee, President Xi expressed his intent to modernize the Chinese military by 2027, the 100th anniversary of the founding of the army. The politburo of the Party said in a press release that "the military should abide by the fundamental principle of absolute Party leadership over the armed forces" and will modernize defense and military forces by 2027. Unlike in the past, the military plan was finalized first and then announced at home and abroad.
- China has taken a firm stance that it will achieve socialist modernization by 2035 and become a powerful socialist country by 2049 and therefore has no intention of making concessions or compromises on core interests, including Hong Kong and Taiwan.
- Premier Li Keqiang issued about 1 trillion yuan worth of special government bonds to secure large-scale funds for the revitalization of the economy in the midst of the recent intensification of the U.S.-China strategic competition and

the COVID-19 pandemic and foster the growth of e-commerce, online mobile, smart manufacturing, 5G, IoT, AI, big data, and other 4th industrial revolution-related agenda.

- President Xi has repeatedly shown a strong will to maintain the Communist Party-led system and protect its core interests and has clearly defined the Communist Party-led socialist value line as China's national identity. There seems no possibility of compromising with the U.S. over important interests such as the Communist Party system.
- The successful 100th anniversary of the founding of the Communist Party of China highlighted the strong leadership and efficiency of President Xi's Communist Party of China. It is expected that the party and the people will unite under the Communist Party of China and Xi's system to become a socialist power with Chinese characteristics by 2049.

■ Key implications

- In order to comprehend China's recognition and response to the U.S.-China strategic competition, it is necessary to understand Chinese history. In 1978, China began to develop its through a historic transformation of socialist modernization. Such will continue until 2049-until China becomes a powerful socialist country.
- Despite the continuation of the COVID-19 pandemic and the intensification of the U.S.-China strategic competition, China has strengthened its Xi-centered system and showed sustainable economic development with its goal of becoming a socialist power by 2049. Although China does not want to prolong its dispute with the U.S., it has no intention of unilaterally surrendering or compromising with the U.S. Unlike in the past, China may respond rather actively with its own initiatives.
- If the U.S.-China relations continue to deteriorate, there will be a direct impact

on South Korea-China relations. China is carefully monitoring whether South Korea supports the Indo-Pacific Strategy and the QUAD of the U.S. Therefore, it is necessary to carefully revitalize other multilateral security system (six-party talks and four-party talks), keeping South Korea-China relations in mind.

- South Korea must abandon choosing one side in the U.S.-China strategic competition. Instead, it needs to build a new regional order by both promoting the denuclearization peace process on the Korean Peninsula and establishing the Northeast Asia Peace Economic Community.

※ Translator's note: This is a third party's unofficial translation of the original paper which was written in Korean. All references should be made to the original paper.