



Quantitative and qualitative aspects of the U.S.-China economic dispute: to focus on qualitative technology competition and pressure

Kim Kisoo

kskim@sejong.org

Senior Research Fellow, the Sejong Institute

Abstract

An economic dispute between the U.S. and China that began as a quantitative conflict intensified over an issue of China's unfair economic practices, or the entire economic system of China. The quantitative aspect of the conflict has waned, yet the qualitative aspect of the conflict shows no compromise. As the Chinese system itself is the point in dispute, it is difficult to seek compromise. Opportunely, the U.S. has narrowed down the elements of the qualitative dispute to focus on its technology-related sanctions or blockades-the biggest weakness of the Chinese economy. Perhaps, the quantitative conflict or the economic dispute were mere steps to approach the important variable, technology.

Analyzing the quantitative conflict between the two countries shows that the U.S. has decoupled from China's economy to some extent. In the future, it will be clearer what the trend is. Recent studies have shown that quantitative decoupling is an irreversible trend. Similarly, the U.S. technology blockade against China shows a strong decoupling characteristic. This may be due to short-term constraints that have been visible since the second half of the Trump administration, but there is no evidence that supports the effectiveness of the technology blockade. Over time, there will be analyses similar to the quantitative analysis.

In short, it is difficult to find a compromise over the qualitative dispute. In partic-

ular, various technology-related arguments and the characteristics of technology variables show how serious the U.S. and China consider this problem. The U.S. and China believe that the future of their countries depends on technology that they coined a term, technology hegemony competition. In the near future, the U.S. technology blockade against China will show its effect. It is not unreasonable to say that China's response has been inadequate.

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

** This article is written based on the author's personal opinions and does not reflect the views of the Sejong Institute.*