



Governance, Growth, and Geopolitics: Insights from China's

Two Sessions

Ji-han Lim



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Governance, Growth, and Geopolitics: Insights from China's Two Sessions

by Ji-han Lim*

The National People's Congress (NPC) of China functions as the paramount organ of state authority, operating as a single-chamber legislature endowed with extensive capabilities, including amending the Constitution, legislating, supervising governmental activities, and selecting principal officials for significant institutions such as the National Supervisory Commission, the Supreme People's Court, and the Supreme People's Procuratorate. The NPC is instrumental in supervising government operations and appointing key officials, representing the legislative power within [China's political system](#).

Since its inception in 1954, the NPC has transitioned from being viewed as a mere rubber stamp of decisions during Mao Zedong's Cultural Revolution to a more significant participant in legislative and policy formulation within the People's Republic of China. Comprising nearly 3,000 representatives elected for five-year periods via provincial and People's Liberation Army (PLA) elections, the NPC annually convenes to undertake its duties, which encompass constitutional amendments, legislation enactment, official confirmations, state budget administration, and others.

Additionally, the NPC selects members for its Standing Committee, a permanent body that oversees NPC sessions and directs the policy agenda. Despite attempts to incorporate external advice in legislative drafting, public engagement in the NPC's internal processes remains limited. The NPC's operations are fundamental to the governance framework of China, playing a key role in defining the nation's legislative and policy direction.

2024 NPC alongside the Chinese Political Consultative Conference, collectively known as the "Two Sessions," are of critical importance in the political and legislative context of the People's Republic of China. Conducted against a backdrop of significant domestic and global changes, this year's sessions highlight China's strategic priorities and governance models under the leadership of President Xi Jinping and Premier Li Qiang.

Amidst complex challenges, the Chinese leadership has set ambitious economic goals and policy orientations to steer through internal and external challenges. Premier Li Qiang, in his first work report, set a [growth target](#) of approximately 5% for 2024, a target reflecting China's dedication to maintaining economic momentum amidst worldwide uncertainties and post-COVID-19 pandemic recovery. This goal indicates a focus on economic stability and expansion rather than swift reform.

These sessions also brought to light China's stance on national defense and security, with Premier Li indicating a rise in defense expenditures. This continuation of a decade-long trend in increased military spending demonstrates China's strategic intentions and readiness amid regional conflicts, particularly regarding [Taiwan](#).

Moreover, the "Two Sessions" emphasized China's commitment to addressing the structural imbalances impairing its economic framework, highlighting a shift towards a more sustainable and high-quality growth model. These structural reforms aim to mitigate the impacts of a disparate recovery post-COVID, deflationary pressures, and the issues arising from a heavily indebted property sector and local governments.

China's leadership has also laid out a vision for technological innovation and autonomy, stressing advancements in manufacturing, quantum computing, big data, and artificial intelligence. This ambition to lead in the technological sphere may intensify trade tensions and contribute to industrial overcapacity.

Policy Directions and Legislative Priorities

In the 2024 sessions of the NPC and its Standing Committee, the Chinese government has articulated a clear vision for the country's future through its policy directions and legislative priorities. [Premier Li Qiang](#), in his work report, highlighted the government's ambitious goal to achieve around a 5% economic growth target for the year. This target underscores a commitment to maintaining robust economic performance despite the challenges of transitioning to a post-COVID recovery phase. The emphasis on transforming China's growth model indicates a strategic pivot towards enhancing the quality and sustainability of economic development, addressing structural imbalances such as weak household consumption and lower returns on investment.

The government's legislative agenda for the year reflects a nuanced approach to addressing complex domestic and international challenges. For instance, Li's announcement to [increase defense spending](#) signifies a more assertive stance on national security and defense capabilities, resonating with concerns over Taiwan and regional

* Researcher at Beyond the Horizon ISSG

stability. The omission of the term “[peaceful reunification](#)” concerning Taiwan from Li’s report signals a hardened rhetoric, reflecting a potentially shifting approach towards cross-strait.

Furthermore, the NPC and its Standing Committee’s focus extend to social and [demographic challenges](#), with initiatives aimed at supporting childbirth and improving conditions for China’s elderly population. The commitment to financing justified property projects and providing more social housing is a response to the ongoing real estate sector’s challenges, aiming to stabilize the market and address the concerns of homebuyers.

Technological innovation and industrial policy also feature prominently in this year’s legislative priorities. By pledging to lift all foreign investment restrictions in the manufacturing sector and formulating development plans for cutting-edge technologies such as quantum computing, big data, and artificial intelligence, China seeks to position itself as [a leader in global technological advancement](#) while striving for technological self-sufficiency.

The NPC and its Standing Committee, with the Legislative Affairs Commission playing a crucial role in the legislative process, underscore the government’s commitment to a legal and procedural framework that supports these priorities. This includes drafting important bills, conducting public consultations, and proposing amendments to ensure that legislative activities align with the strategic goals set forth by the leadership.

These policy directions and legislative priorities reflect China’s strategic adaptation to contemporary challenges, aiming to secure long-term stability, prosperity, and a competitive edge on the global stage.

Economic Goals and Challenges

In 2024, China’s economic strategy is defined by its dedication to achieving significant growth and tackling major economic issues, as underscored in the NPC meetings. The declaration by Premier Li Qiang of a 5% growth aim is a testament to the ambition for a resilient economic policy that elevates growth, while also indicating a move towards sustainable and high-quality advancement. This goal reflects the complexity of fostering growth amidst the recovery from the pandemic, underlining the importance of extensive policy support and structural economic adjustments.

The outlined challenges involve mitigating the [volatility of the real estate market](#) and the broader issues associated with debt-laden local governments. These concerns underscore the need for strategic measures to stabilize and boost the economy, guaranteeing pathways to sustainable development. The governmental strategy encompasses a measured stimulus, planning for a fiscal deficit of 3% of the economic output, and issuing significant special treasury bonds for local government financing. This indicates a proactive fiscal approach aimed at rejuvenating the economy.

Additionally, the government is concentrating on bolstering China’s defense capabilities, reflecting a wider strategic outlook that considers economic stability a key element of national security. [A 7.2% increase in defense expenditure](#) over the previous year highlights the emphasis on sustaining a formidable defense posture amidst regional and international uncertainties.

Defense and Security Posture

During the 2024 sessions of the NPC, China emphasized its defense and security strategy through notable policy declarations and strategic adaptations, illustrating the nation’s defensive stance and its broader security outlook.

In his speech, Premier Li Qiang announced an uptick in defense expenditure, continuing the trend of reinforcing China’s military strength. This development, consistent with a decade of increased defense budgets under President Xi Jinping, demonstrates China’s determination to boost its strategic and military preparedness. This year’s augmentation in the defense budget continues a pattern of significant growth since Xi came to power, highlighting a focus on enhancing military capability and readiness amidst regional and global challenges.

The discussions in 2024 also marked a significant change in tone concerning Taiwan, notably omitting the phrase “peaceful reunification.” This adjustment hints at a potential shift in China’s approach towards Taiwan, signifying evolving strategic perspectives against the backdrop of China’s national security policies and regional geopolitical tensions.

From an international perspective, the elevation in defense expenditure and a refined approach towards Taiwan, as underscored in Premier Li’s speech, indicate a bolder security stance with potential repercussions for regional equilibrium and global diplomatic relations. The focus on military preparedness highlights China’s determination to defend its sovereignty and protect its interests amid escalating geopolitical tensions. Moreover, China’s pledge to [technological independence](#) and innovation, by easing restrictions on foreign investments and promoting progress in quantum computing, big data, and AI, might shift the balance in global economic and technological arenas, influencing international commerce and technology collaboration frameworks.

Conclusion

The 2024 sessions of the NPC, unfolding against a backdrop of considerable internal and international challenges, have articulated a detailed agenda indicative of China's strategic objectives and administrative methodologies. The NPC, being the paramount legislative institution in China, together with the Chinese People's Political Consultative Conference, constitute the "Two Sessions," a critical juncture in China's political timeline facilitating the establishment of policy directions and legislative undertakings.

In the current year's meetings, spearheaded by Premier Li Qiang, China has put forward ambitious economic goals and measures designed to revolutionize its developmental blueprint. This aims at rectifying structural discrepancies and propelling a trajectory of high-quality growth. Efforts to mitigate the fiscal vulnerabilities of municipalities and the housing market, the emphasis on technological breakthroughs, and strategies to combat demographic hurdles and bolster social cohesion have been highlighted.

Furthermore, the escalation of defense expenditure and a nuanced approach towards Taiwan underscore a strategic stance focused on protecting national sovereignty, aligning with wider security concerns. These initiatives are integral to China's strategy to maneuver through intricate regional and international geopolitical landscapes.

The legislative endeavors and the operations of various commissions and committees within the NPC showcase a methodical and all-encompassing approach to policy formulation and governance enhancement. This spans the creation of legislative agendas, the facilitation of public consultations, and the drafting and passing of laws, aiming collectively at catering to the dynamic requirements of the country and its populace.

At its core, the resolutions of the 2024 "Two Sessions" demonstrate China's dedication to a harmonized strategy encompassing economic growth, national defense, and societal well-being. The focus on technological progress, demographic strategies, and economic adjustments reflects the leadership's aspiration for a robust and sustainable development model. As China advances through the intricacies of a post-pandemic reality, its policy choices and legislative actions are poised to significantly impact its domestic administration and its stance in international affairs.