

## *Original Paper*

# An Analysis of Trade Protectionism from the Perspective of the Community of Human Destiny

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### ***Abstract***

*With the continuous advancement of the process of trade globalization, free trade has become the dominant form of today's world economic system. However, it cannot be ignored that trade protectionism still exists and has gradually risen in recent years. The rise of trade protectionism, to a certain extent, has caused disorder in the international trade order and intensified trade frictions between countries, which fundamentally violates the objective law of the development of global economic integration. As a big country with a sense of responsibility, it is necessary for China to put forward China's plan to guide and resolve this problem in a targeted way from the perspective of the community of human destiny.*

### ***Keywords***

*community of human destiny, trade protectionism, chip industry, WTO*

## **1. Introduction**

The concept of the community of human destiny has been accepted by more and more countries in the world since it was proposed. In the face of the current trend of rising trade protectionism, the relevant concepts of the community of human destiny can be applied to solve the problem, and solutions can be formulated from a macro level, strengthen the cooperation and contact between countries and international organizations, and accelerate the process of economic integration (Xu, 2023).

## **2. Take the Chip Industry as an Example to Analyze the Current Trade Protectionism**

### *2.1 Analyze the Chip Industry Theoretically*

At present, the chip industry, as a globally focused innovative industry, has received high attention from countries around the world, which has promoted the continuous upgrading of the protection of the

domestic chip industry in order to seek a higher market share in the international market and enhance the market competitiveness of the domestic industry. First of all, some countries borrow the "compensatory principle" in the new welfare economics to continuously improve the welfare policy of the domestic chip industry, so as to achieve the purpose of implementing trade protection in their own territory; Secondly, a small number of countries adopt relatively restrictive trade liberalization. Compared with multilateral trade liberalism in the traditional sense, their free field is relatively fixed and narrow. Through agreements and other ways, they protect the monopoly of chip industry in this field and exclude the entry of chip industry outside the field, resulting in the acceleration of domestic industrial cycle and the slowdown of international industrial cycle to a certain extent. Thirdly, some countries are opposed to the free trade in the chip industry, and believe that new trade protection policies should be adopted, which will continuously reduce the economic income and living standards of their nationals from the perspective of the theory of equal prices of production factors. Finally, at present, the vast majority of countries in the world, for the development of the chip industry, still agree to adopt the multilateral form of trade liberalism theory, constantly build and enhance the industrial chain and innovation chain of the chip industry, and improve its value chain in the global scope (Cheng, 2023).

### *2.2 The Chip Industry Is Analyzed in Practice*

In practice, the global chip industry is analyzed. First of all, the upstream design enterprises are affected. The bottom-to-bottom competition in the chip industry and the introduction of some relevant laws have seriously affected foreign investment in the domestic chip industry, resulting in the disconnection between the design and manufacturing of the chip industry, and forming certain influences and obstacles to the subsequent development process of the domestic chip industry. In the global chip industry chain, innovation and advanced nature are important factors determining the development of the chip industry. The emergence of trade protectionism has blocked the opportunities for relevant technology exchange and introduction between countries, resulting in domestic chip manufacturing enterprises, unable to successfully catch up with other countries with advanced chip technology enterprises. It has weakened the competitiveness of domestic chip manufacturing enterprises in the world, resulting in the slowdown of the double cycle of international and domestic economy; Finally, chip application enterprises are also limited to a certain extent, after the previous series of shocks, chip application enterprises in the scope of choice gradually narrowed, reducing the core competitiveness of enterprises, but also will limit the application of relevant advanced manufacturing enterprises in the country (Xiao, 2023).

## **3. Trade Protectionism in the Chip Industry**

### *3.1 The Deterioration of the Race to the Bottom between Countries' Trade Protection Subsidies*

The chip industry as an important crystallization of the global level of science and technology, the production and manufacturing links are strict, the industrial chain is complex and refined, and the

technical level is cutting-edge. It is difficult for any country to rely on its own industrial development and innovation to construct the entire chain of the chip industry. Countries clearly know this problem, so they pay more attention to protecting their own chip industry on a global scale. Increase subsidies in chip and related high-tech industries, attract foreign investment in technology research and development in their own countries, encourage innovation in local industries, constantly empower the local chip industry, break the rules of other countries' industrial chains, reduce the competitiveness of other countries in the chip industry, so as to enhance the core competitiveness of their own chip industry, this kind of continuous competition of subsidies in various countries, As well as a series of differentiated industrial support policies, will lead to the disorder of the global chip industry market law, affect the economic order between countries, and then trigger a new round of global trade protectionism. Based on the worsening and intensifying competition of trade protection subsidies in the above countries, some countries have adopted legislation and promulgated a series of bills to construct trade protection for their own industries from the national level. In view of the above problems, it is necessary for us to effectively carry out legal regulation on a macro level and adopt effective countermeasures under the concept of a community of human destiny (Yang, Wu, Song, & Sun, 2019).

### *3.2 Zero-sum Mentality and Rising Trade Protectionism*

First of all, some countries through the form of legislation, trying to actively decouple from the global chip industry chain, cut off the normal development and operation of the chip industry chain, so as to improve the production capacity in the global chip industry; Secondly, more countries have joined the global economic and technological game, and continue to strengthen their dominant position in the global chip industry through legislative means, in order to promote the rapid development of their own economy. This kind of game thinking and trade protectionism have a certain impact on the multilateral trade form advocated in the world, and also have an impact on the liberalization of multilateral trade. With the development of regional economic integration, the rise of trade protectionism is also an inevitable law. In order to effectively curb the development of this trend, through continuous analysis of the theory and practice of a new round of trade protectionism, based on the theory and logic, find out the development law of a new round of trade protectionism, formulate China's plan and take legal and effective measures. To respond positively (Liu, 2022).

### *3.3 Regional Trade Legal System Prevails in Trade Protectionism*

Due to the particularity and importance of the chip industry itself, the competition among countries in the chip industry is intensifying. The legal system of regional trade implemented by countries through bilateral or multilateral agreements has caused serious impact on international economic relations and international economic legal system to a certain extent. The development of regional trade has a long history, and it has developed more rapidly in recent years. Regional trade agreements have challenged the global international economic legal system both in terms of rules and principles, and intensified conflicts and contradictions, especially in the settlement of disputes, jurisdictional competition and other issues, which have increased frictions between countries. We should uphold the international

system with the United Nations at its core, build a new international economic order, inject the concept of a community with a shared future for mankind into the international economic and legal system, and achieve common prosperity of the global economy on the basis of upholding the basic principles of the World Trade Organization (Zhao & Chen, 2022).

#### **4. China's Solution to Trade Protectionism**

##### *4.1 File a Complaint before the WTO Dispute Settlement Body*

At the international level, China has signed bilateral agreements face-to-face to deal with trade protection through dialogue and consultation, and on the other hand, it has actively signed multilateral agreements and made full use of existing multilateral dispute settlement mechanisms to deal with trade disputes. In the face of the challenge of large-scale trade protection, with the help of the international community, trade disputes can get a relatively fair ruling. Among them, the WTO dispute settlement mechanism has played a key role in restricting the foreign trade policies of various countries, promoting the equal exchange of global economy and trade, and ensuring the foreign trade interests of all members. Therefore, in view of the current global trade protectionism disputes, the first consideration should be given to the settlement of disputes under the WTO framework. Countries should consistently maintain the WTO dispute settlement mechanism and actively appeal in the WTO dispute settlement mechanism when dealing with international trade issues. For example, some international bills related to the chip industry violate the cornerstone principles of the WTO, that is, the principle of most-favored-nation and national treatment, and also violate the principle of non-discrimination, using the advantages of chip research and development to introduce foreign investment in the form of subsidies. This violation of principles does not conform to WTO rules, has no international legal basis, and is not recognized in the international community. In the face of such incidents, China can cite the solution of relevant disputes, such as the case of EC-SEAL Products. The Appellate Body, by pointing out that the provisions of the General Agreement on Tariffs and Trade 1994 (GATT 1994) prohibit the content of a change in the conditions of competition for imports of the same type of product, which would cause an adverse competitive opportunity for imports of the same type of product of any member country and thus cause certain harm. China can appeal to the WTO dispute settlement body for the unfair treatment of such countries. At the same time, other countries in the world that have been similarly treated can also learn from China's plan and use the dispute settlement channels provided by the WTO to carry out legal and compliant dispute settlement (Guan, 2022; Wei, 2022).

##### *4.2 Take Countermeasures in Accordance with the Law and Curb Trade Protectionism*

At the same time of dispute settlement in the WTO dispute settlement mechanism through the above-mentioned means of complaint, effective countermeasures should also be taken at home to form international and domestic dual guarantees to ensure the effective settlement of international trade disputes. In 2020, China issued a list of unreliable entities, in which Article 2, paragraph 1, clearly

stipulates that other countries take discriminatory measures against Chinese enterprises, individuals and other organizations, causing serious damage to relevant Chinese entities, and China should take corresponding countermeasures, which is also a means for China to quickly safeguard its own rights and security. The relevant provisions in the bills of some countries are fully in line with the provisions of China's Unreliable Entity List Rules, and China has both the right and the basis to take countermeasures against the discriminatory principles adopted by China. By taking countermeasures, we can quickly exert pressure on them and effectively curb their unreasonable and non-compliant practices against China.

To counter trade protectionism in accordance with the law, we should not only be good at quoting the relevant foreign legislation, but also further improve the relevant domestic legislation, such as the further improvement of the Rules on the List of Unreliable Entities. First of all, we should clarify the legal basis for the formulation of the rules, clarify its legal sources, and achieve a perfect connection with the legal sources. Secondly, the list rules are further distinguished from similar control lists to prevent the repetition and redundancy of legal provisions. Third, it should achieve the purpose of practical application, in the process of reference, to achieve efficient connection and matching, play its purpose; Finally, learning from the relevant regulations of other countries on the entity list, for example, in the process of formulating its own entity list, the United States endows its relevant departments with a large amount of discretion, which helps to improve the efficiency of the implementation of the list, but at the same time, there is also the possibility of abuse of discretion. China can partially learn from and quote, and modify it in light of China's national conditions. Improve the adaptation in the process of reference, improve the flexibility of our entity list in practical application. In addition, it should be noted that China, as a responsible big country, should take into account the relevant entities that may be included in the entity list when formulating the list of similar entities, allowing them to have the right to appeal and defend. At the same time, the formulation and implementation of the list should adopt a prudent attitude, clarify the relevant supervision mechanism, and regulate the use of the list to a certain extent. We will effectively protect the rights and interests of our people. In the face of surging trade protection measures, China has been summing up coping experience, improving coping strategies, especially constantly enriching the legal basis, using laws to arm themselves so as to achieve legal basis in response. Among them, the more representative are anti-dumping, countervailing regulations and the Foreign Trade Law of the People's Republic of China. In the face of the new situation of the continuous development of world trade protection, China's Foreign Trade Law has also been constantly modified and improved with The Times, forming today's Foreign Trade Law of the People's Republic of China (Chen, 2022; Xu & Zhao, 2022).

#### *4.3 Uphold Common Prosperity and Promote Multilateral Negotiations*

In economic terms, the concept of a community with a shared future for mankind calls for "adhering to the spirit of openness, promoting mutual assistance and mutual benefit, pursuing the new concept of win-win, all-win and win-win, and abandoning the old thinking of "I win you lose "and" winner takes

all." In the process of economic exchanges between countries in the world, there will inevitably be some trade frictions. The first thing we do is not to sanction other countries through laws, but laws are only the last backstop measures. In numerous economic frictions, countries have negotiated and negotiated with each other many times to solve problems, which has greatly eased the contradictions and frictions between countries. Further friendly exchanges in trade, promote the integrated development of the global economy, achieve common prosperity, and lay a good foundation. For example, in 2019, China and the United States successfully reached the first phase of the economic and trade Association through multiple negotiations and consultations, and made an official announcement in January of the following year. Shortly after the announcement of the agreement, the United States removed sanctions against a Chinese company, preventing further development of the situation and easing trade frictions and contradictions between China and the United States. Thus, it can be seen that it is feasible and scientific to deal with economic and trade issues between countries through consultation and negotiation, which is conducive to reducing contradictions between countries, strengthening cooperation between countries, enhancing trust, expanding trade scope, and forming common prosperity in the concept of a community with a shared future for mankind (Cui, 2021; Liu, 2022).

## 5. Conclusions

To sum up, we can see that in the face of trade protectionism, the governments and enterprises of relevant countries should resolve disputes under the framework of the concept of a community with a shared future for mankind. The concept of a community with a shared future for mankind is a Chinese plan and a Chinese method that conform to the development of The Times, and shows China's responsibility and image as a major country. We have always insisted on and advocated that in the international economic system, we should distinguish right from wrong, adhere to common prosperity, adhere to joint construction and sharing, jointly safeguard the multilateral trading system, maintain the stability of the global industrial chain and supply chain, and safeguard the basic principles and authority of the WTO, so as to conform to the global development trend and be more accepted by countries around the world. In the face of the rise of trade protectionism, through learning from relevant industry cases, we can effectively contain and further promote the process and development of globalization and trade liberalization.

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