

ABSTRACTS

Economic and Trade Order and Governing Norms in the Age of Globalization

CHEN Deming

ABSTRACT: Based on a survey of the historic inevitability and future trajectory of economic globalization, an interpretation of trade frictions and governing norms, and an analysis of the restructuring of economic and trade rules, the article focuses on the current round of trade tension between Beijing and Washington and predicts its end results. The global economic governance architecture erected after the end of the Second World War has generated a wide range of international rules, norms, and regulations for the sustainable growth of the world economy and created a favorable framework for stable and predictable economic development. Despite the ebb and flow, globalization is an irreversible trend. While the dominant role of the rules-based multilateral trading system in promoting global free trade has not been challenged, in the effort to make viable economic and trade rules and norms, national governments and international bodies should accommodate and balance new and emerging aspirations of both developing countries and advanced economies. Reorganization of rules involves such areas as finance, trade statistics, trade in services, government procurement, investment, competitive neutrality and state-owned enterprises, and intellectual property. At present, the size of America's service industry accounts for one third of America's total GDP, making it more difficult for the traditional manufacturing sector to return. Blaming foreign trade for the current economic difficulties amounts to nothing. The duration of the bilateral trade dispute depends on the dynamics of U.S. domestic politics. Although China may suffer more from trade disputes in the short term, in the long run, trade tensions may force Beijing to accelerate the pace of supply-side reforms and the shift from high-speed growth to high-quality performance.

KEYWORDS: economic globalization, rule reorganization, U.S.-China trade friction, strategic competition

Adjustment in the Trump Administration's International Investment Policy and Its Impacts

WU Qisheng

ABSTRACT: Since coming to power, the Trump administration has launched a series of international investment policies that were different from previous administrations, including frequently intervening in outward FDI of U.S. manufacturing companies, strengthening national security scrutiny of inward FDI, emphasizing national economic sovereignty, and downplaying investment dispute settlement mechanisms. The adjustment of U.S. international investment policy is mainly rooted in the Trump White House's economic nationalism. The main purpose is to promote the return of manufacturing and consolidate the manufacturing base by intervening in the flow of transnational capital and commodities. The changes in the Trump administration's international investment policy will have wide-ranging impacts on the international investment environment, international investment rules, Sino-U.S. investment relations, and Chinese outward FDI. To alleviate the negative impacts caused by Trump administration's policies, China should further enhance its attractiveness to foreign investment by reducing corporate taxes and optimizing the business environment. China also should actively negotiate new trade and investment agreements with major economic partners, especially those along the "Belt and Road," to open up new markets for China's outward FDI.

KEYWORDS: Trump's economic new deal, FDI, foreign investment scrutiny, investment agreement

How to Stabilize Sino-U.S. Relations Amid Growing Strategic Competition: A Subnational, People-to-People Exchange Perspective

PAN Yaling

ABSTRACT: With strategic adjustment by the Trump administration and China-America trade war started, the Sino-U.S. relationship has entered a period of strategic uncertainty that may last for a relative long time. With increasingly

intense strategic competition, it is more important than ever to maintain and strengthen the role of bilateral people-to-people exchanges as a pioneer, a crawler, and a guardian in this bilateral relationship. Despite the deterioration of the overall operational environment, people-to-people exchanges are showing huge potential at the subnational level. The intensity of people-to-people exchanges at the community level remain low and thus has great potential. Differences in political system also mean that there are plenty policy room between Beijing and Washington. However, subnational people-to-people exchanges have profound weakness, as manifested in the lack of collaboration with local economic cooperation between two countries and understanding about transformation of American society. Therefore, China should fully exploit the social impacts of Sino-U.S. economic cooperation, especially trade, investment, and employment, on U.S. state and congressional districts, and make best use of the transformation of American community structure, for promoting innovations of strategy, means and institutions, on the basis of the existing exchanges, for laying down a solid social foundation for the sustained, healthy and stable development of Sino-American relations.

KEYWORDS: Sino-American relationship, people-to-people exchanges, economic cooperation, social transformation, electoral district and election.

The Dynamics of Transatlantic Relations and the Trump Administration: Changes, Motives, and Impacts

ZHANG Pei and SUN Chenghao

ABSTRACT: Under the slogan of American First, the Trump administration's policies have undermined U.S.-Europe relations, where Washington departs from its traditional policy positions on Europe by disrespecting European interests, disregarding European voices, and dismissing coordination with Europe in trade, security, and international affairs. In this context, a grand debate about transatlantic relations is on-going in Europe and a "two-fold compartmentation" policy is taking shape. The new round of changes in U.S.-Europe relations is the product of both historical trend and politics of the day, namely strategic adjustment under Trumpism with Jacksonism at its heart, diverging views from the United States and Europe of the world and of power, and declining strategic value of Europe in the context of rebalancing to Asia. This change reveals

significant divergences between Washington and Brussels in terms of the so-called “Liberal International Order,” and the impact will be extended longer than Trump’s presidency. The uncertainty in U.S.-Europe relations presents more challenges to the European project, and aggravates the crisis facing the “Liberal International Order.” While continuing to push for stabilization of China-U.S. relations, China should be aware of both the “two faces” and flexibility of European foreign policies, and continue to be the upholder and reformer of the current world order.

KEYWORDS: Europe-America relations, Transatlanticism, Trump doctrine, international order

EU Policy Adjustments and Sino-EU Relations in the Face of Multiple Crises

FENG Cunwan

ABSTRACT: Since the dawn of the twenty-first century, crises have popped up one after another in the European Union, casting doubt on the Union’s legitimacy, retarding its further integration, and complicating its relations with the rest of the world. To overcome the multiple crises, the Union has launched a comprehensive campaign of strategic adjustment in terms of internal governance and external action. After the United Kingdom voted to exit from the Union, Brussels have released a series of strategic documents and political reports, not only illustrating the Union’s achievements over the past decades but also charting its future courses; reached a number of free trade agreements with other parts of the world with the aim of consolidating its position in the multilateral trading system; and reexamined and rebalanced its relationships with the United States and China. Whereas Brussels and Washington are diverging on a growing number of issues, Brussels has been making serious efforts to recalibrate its China policy and strengthen ties with Beijing at the national, regional, and global levels. At the same time, Brussels is also suspicious of Beijing’s strategic intentions hidden behind the “16+1 cooperation model.” As China continues to emphasize the

growing strategic importance of closer China-EU cooperation, the development and dynamics of Brussels's China policy will be one of the decisive factors in the future of bilateral relations.

KEYWORDS: Brexit, European integration, multi-speed Europe, Sino-EU Relations

Analysis of the Strategic Rationale behind the EU-Japan Economic Partnership Agreement

XIN Hua

ABSTRACT: Even as the European Union is stepping up trade protection against China, it is also building up a framework of EU-Japan economic partnership. Adopting the “synthesized sets of two-level game” perspective, the article argues that: at the bilateral level, the EU accommodates Japanese core interests and demands far more than Japan accommodates the Union's core interests and aspirations; and within the Union, there are conflict of interests among the social interest groups, business communities, and political parties of diverse ideological stripes. The Union is more eager to strengthen cooperation than Japan is because Europe is facing a triple policy dilemma at the bilateral, regional, and global levels. Progress toward a full-fledged EU-Japan economic partnership will depend on Japan's economic performance and the evolution of the U.S.-led global alliance system. The full establishment of the framework of EU-Japan economic partnership will lead to differences in EU's policy orientation and general attitudes with respect to Japan and China and thus exert a long-term structural impact on the Sino-EU relationship.

KEYWORDS: European Union, EU-Japan EPA, strategic rational, Japanese attitude, Sino-EU relationship

Paths and Promotional Strategy for Asian Economic Integration: A BRI Perspective

ZHANG Tiangui

ABSTRACT: Intricate FTA networks have been established in Asia, making the path toward regional economic integration a multi-directional one full of

competing visions. China's Belt and Road Initiative is a new model of economic cooperation based on openness and inclusiveness, giving priority to infrastructure building and trade and investment with the aim of promoting deeper regional integration. Advancement of the Belt and Road Initiative and progress toward further regional integration require greater political resolution, collective awareness, and a stronger sense of common identity on the part of all regional players. More new models of economic cooperation are also needed to strengthen the positive role of greater interconnectivity in boosting economic integration. Existing FTA networks have to be expanded to play a more institutional role at the subregional level and institutional alignment has first to be strengthened before economic integration can be elevated to a new height.

KEYWORDS: Asian economic integration, path, strategy, the Belt and Road Initiative

The Complexity of Climate Governance and China's Response

TANG Wei

ABSTRACT: The regime complex has been a prominent phenomenon in today's global governance reality, especially in the global climate governance landscape. The complexity of regimes can be classified into three categories, namely, a regime complex centered on the Paris accord, a two-dimensional (vertical and horizontal) regime cluster, and a regime nexus revolving around specific issues. On the positive side, the regime complex is capable of mobilizing multiple resources and producing new norms and rules. But on the negative side, it may also generate red tapes, malicious competition, and offsetting effects among different institutions. Current international effort to strengthen coordination among the three categories include enhanced international leadership, agreement linkages, and institutional associations. China's active participation in the regime complex must give priority to issues such as fund efficiency and carbon statistical capacity. China needs to work with the West to enhance international leadership on the one hand, and take targeted measures to promote greater coordination among the three categories in an incremental manner on the other.

KEYWORDS: international regime, climate change, complex, cluster, nexus