

Anti-globalization and China's Response

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Abstract

With the emergence of Sino-U.S. Trade frictions and conflicts, various risks brought by political uncertainty have become increasingly prominent, and at the same time, people have further discussed anti-globalization and protectionism. Anti-globalization is against the tide of the times and is not conducive to the economic development of various countries. Even though some countries may benefit from it now, in the long run, the consequences of anti-globalization will be non-economic. For decades, globalization has always played an important role in promoting sustainable economic development and friendly exchanges among countries, but now it is facing the threat of counter-globalization. The essential reason is the issue of the distribution of benefits. Facing the tide of anti-globalization, China actively contributes Chinese wisdom and Chinese solutions to the international community. While maintaining stability and seeking development, China also participates in solving international problems.

Keywords

Counter-globalization; impact; cause; response.

1. INTRODUCTION

Since August 2017, Sino-U.S. Relations have been foggy and undercurrents. First, Trump signed an administrative memorandum authorizing trade representatives to conduct a 301 investigation into China, and then the escalating Sino-U.S. Trade frictions, turning peaks and loops, dazzling. China and the United States have confronted each other and refused to give up each other. The United States imposed tariffs on imported goods originating in China from 3 billion to 50 billion, soaring directly to 100 billion, even drawing allies to threaten China. The Chinese government also immediately responded by first ending tariff reductions on certain commodities originating in the United States, and then imposing 25% tariffs on 14 categories of 106 commodities such as soybeans, automobiles, and chemicals originating in the United States. Keep heating up. The war between the two big trading powers seems to be about to start, and the rise of protectionism has become a fact, once again triggering a global discussion on anti-globalization.

Anti-globalization means running counter to the process of globalization and re-empowering local and national thoughts. This trend of thought is not just emerging, but it is more common in recent years. In developed regions, the referendum on Brexit has frustrated the process of European integration, and the refugee crisis has brought about differences in immigration. The "U.S. priority" policy pursued by the Trump administration reflects Populism, protectionism and isolationism are intertwined; in emerging markets and developing regions, geopolitical conflicts in West Asia and North Africa continue, political stability in some South American countries is unstable, and national development and regional cooperation are constantly changing. The concept of the "global village" in some countries is being obscured by thoughts such as trade protection, border walls, and immigration control [1].

2. IMPACT OF ANTI-GLOBALIZATION

The impact of anti-globalization is mainly reflected in both political and economic aspects. On the economic front, anti-globalization will hinder global economic development; it is not conducive to the development of China's economic growth; triggering trade frictions, conflicts, and even trade wars; exchange rate fluctuations, and the risk of currency and financial crisis. In politics, it triggers conflicts among major powers; it fosters protectionist tendencies and xenophobia in developed countries; it is not conducive to the stability of the global structure [2].

2.1. Economic Aspect

Impeding global economic development. In terms of trade, since 2015, global merchandise trade has experienced negative growth for two consecutive years. The ratio of the actual growth rate of global trade to the growth rate of the global economy has repeatedly hit new lows after the financial crisis. In April 2017, the World Trade Organization (WTO) released the "Trade Statistics and Outlook" report, which showed that the total value of global exports of goods fell by 13.5% and 3.3% in 2015 and 2016 respectively; after deducting price factors, the world trade in goods in 2016 The volume has increased by only 1.3% compared with the previous year, and has been lower than the actual growth rate of the global economy for 5 consecutive years. In terms of investment, after the international financial crisis in 2008, global foreign direct investment (FDI) fell sharply, and growth was obviously weak. Data from the United Nations Conference on Trade and Development (UNCTAD) show that in the 10 years before the outbreak of the international financial crisis in 2008, the average annual growth rate of global FDI inflows was 20.2%, and from 2008 to 2015, the average annual growth rate of global FDI Only 0.8%. After the global FDI inflow in 2015 increased significantly by 38% from the previous year to US \$ 1.76 trillion, the global FDI inflow in 2016 fell by 2% year-on-year to US \$ 1.75 trillion.

Not conducive to the development of China's economic growth. Data on trade and investment show that the cold winter of the global economy has not yet passed, and the rise of trade protectionism has added haze to the global economy, trade and development, and in this process no one is affected the most by developing countries. The economic development of developing countries is mostly driven by exports in international trade. However, under the tide of globalization, the pulling effect of trade and investment on the economies of developing countries is unsustainable, which seriously affects the development of developing countries.

Trigger trade frictions, conflicts, and even trade wars. Anti-globalization hinders the scale and scope of transnational product flow, and protectionism further exacerbates such obstacles and restrictions, which in turn leads to trade frictions and conflicts between different countries or regions. The Sino-US trade war reflects this fact in some ways.

Exchange rate fluctuations, currency and financial crisis risks. Anti-globalization has brought many aspects of uncertainty to the international currency and financial markets, which has directly led to severe shocks in the capital and foreign exchange markets. The impact of emerging protectionist policies on international currencies and financial markets will produce systemic risks, especially the global exchange rate fluctuations caused by improper intervention of international currencies and financial markets in the western countries. Under certain conditions, currencies may even appear And financial crisis.

2.2. Political Aspects

Great power conflict. For international relations, especially the relations between big nations, the problems brought about by the uneven development of globalization will not exist in isolation, but will be intertwined with and interact with various contradictions that have emerged in international geopolitics. Once a vicious circle is formed, the risk of great-power conflicts will rise sharply. When systemic and structural contradictions arise in the

development interests and security interests of large powers at the same time, conflict-prone and high-incidence periods will come. At present, there are a series of structural contradictions in security interests between some developed countries and emerging powers, which are difficult to resolve over a long period of time. If the contradictions in development interests continue to increase, it will only become more and more difficult for both sides to crack the so-called "Thucydides trap". The conflict between great powers must ring the death knell of globalization.

Protectionist tendencies. After the financial crisis, protectionist measures introduced by the world's major economies have continued to increase, seriously threatening the liberalization of international trade and investment and the integration of the global economy. The Global Trade Alert issued by the UK Centre for Economic Policy Research (CEPR) in July 2017 shows that between November 2008 and June 2017, 19 members of the G20 (excluding the European Union)) A total of 6,616 trade and investment restrictions were introduced, compared with only 2,254 trade and investment liberalization measures. Among them, the United States has become the main promoter of global protectionist measures. Data show that after the financial crisis, the United States introduced a total of 1191 measures on trade and investment restrictions, ranking first in the world, accounting for 18% of the total protectionist measures in G20 member countries, 462 more than India, which is second, and 4.5 times more than China.

Xenophobia. Along with globalization, a large number of immigrants from developing countries have entered the developed countries, which has also brought about competition for employment while making up for the shortage of local labor. Westerners, on the one hand, want immigrants to do jobs they do not want to do, and on the other hand they fear that immigrants will steal their jobs. Coupled with the problem of social order caused by immigration, some people are inciting xenophobia. Some far-right forces even threatened immigration with force, leaving immigrants with no sense of security there. In view of social pressure, many developed country governments have adopted austerity policies on immigration, which is also very unfavorable to developing countries.

An unstable global landscape. In the face of the impact of anti-globalization, the risk of globalization becoming distorted and distorted is further increasing. Although it seems too early to say that globalization has broken down, the distorted and loose signs of globalization are really constantly emerging. With the distortion of the globalization pattern, global political, economic, and trade frictions and conflicts must There will be more conflicts and problems. If countries do not take measures to actively face and solve problems, hostile international relations will exacerbate the breakdown of globalization and disrupt a stable global structure.

In the long run, there is no winner in the face of anti-globalization policies. Although some countries are keen to implement protectionist measures in order to create favorable terms of trade for themselves, these neighborly measures are bound to cause other relevant countries to adopt similar introverted responses and form an international economic policy that only looks at their own interests. The environment and ultimately the interests of all parties will be damaged. In the process of globalization, trade and investment growth will inevitably encounter various obstacles and withstand various challenges. As a result, economic globalization will have twists and turns, but the trend of globalization's in-depth development will not reverse.

3. THE CAUSES OF ANTI-GLOBALIZATION

In the past few decades, the tide of economic integration and globalization has basically swept all corners of the globe. Deepening openness and cooperation to promote the process of globalization has constituted an important driving force for the rapid development of the global economy. Many countries have promoted opening up to national strategies. The world looks forward to promoting the global flow of production factors through open cooperation and

improving the efficiency of resource allocation in various countries; looking forward to increasing the level of international division of labor and promoting the development of national productive forces through open cooperation; looking forward to promoting the rapid development of international trade and investment through open cooperation and extending and expanding the market boundaries of countries. However, in recent years, black swan incidents have occurred frequently, trade protectionism has risen, and globalization seems to have become less certain. The reasons are mainly reflected in the following aspects:

3.1. Global Disparity Between the Rich and the Poor Widens

Globalization has brought some tangible benefits to countries around the world, and everyone is a beneficiary of globalization. However, in a certain historical period, some countries, regions and people have benefited far more from globalization than other countries, regions and people. The uneven distribution of domestic interests and the wide disparity between the rich and the poor in various countries. It enjoys with the elite class, and the disadvantaged groups such as small and medium-sized enterprises and the lower and middle groups of society receive less benefits, resulting in anti-distribution injustice and anti-wealth divide. Winners of globalization ignore the demands of low- and middle-income groups, leading to the prevailing trend of "populism" in China. "Brexit" and the "Trump phenomenon" in the US elections are populist counterattacks on globalization.

3.2. Unemployment Issues Highlighted in Various Countries

Due to the division of labor in the global industrial chain and value chain, the establishment of a global production and outsourcing system, and labor-intensive manufacturing industries are mainly distributed in developing countries. The main groups, in particular, oppose the free movement of people in the "four freedoms" of goods, people, services, and capital.

3.3. National Nationalism Resurgence

Globalization, as a transfer of state sovereignty, and denationalization from an economic perspective, will cause dissatisfaction with the national government. Especially in the debt crisis, immigration failure, refugee crisis, terrorist attacks and other problems with the globalization process, the developed countries are more inclined to turn to the familiar "nation-state", or even ethnic identity, religious identity, making the political whole It tends to be conservative and the economy as a whole tends to be inward [3].

3.4. Leadership Deficit

Northern countries have become the main birthplace of "anti-globalization" and have spread to the world. The United States and the West not only did not take the lead in globalization, but took the lead in implementing protectionism. As a result, China became the biggest target of public criticism in the South, and global governance faces a "leadership deficit."

4. HOW CHINA RESPONDS TO COUNTER-GLOBALIZATION

After the financial crisis, despite the prevalence of protectionism, efforts by the international community to respond to protectionism have not stopped. For example, during the 2016 G20 Hangzhou Summit, with the active promotion of China, G20 members reached broad consensus on promoting global trade and investment, and approved the G20 Global Trade Growth Strategy and the G20 Global Investment Guiding Principles. As a programmatic document to promote global trade growth, the G20 Global Trade Growth Strategy covers seven strategic goals including reducing trade costs, strengthening trade and investment policy coordination, and promoting trade in services, creating new momentum for revitalizing global trade. . The summit established the four themes of "innovation, vitality, linkage, and inclusiveness," and put forward

five major measures to promote the strong, sustainable, balanced and inclusive growth of the global economy. The concept of win-win cooperation has been fully integrated into the global economic governance system. China not only attaches importance to promoting more robust growth of the global economy, but also looks forward to promoting the inclusive development of all countries in the world to benefit from global cooperation through inclusive development [4].

Facing the tide of anti-globalization, China actively contributes Chinese wisdom and Chinese solutions to the international community-building a "community of human destiny" to make the process of economic globalization more dynamic, inclusive and sustainable. Although the win-win cooperation "China Plan" has the potential to solve the problem of counter-globalization, it does not mean that China can be a global leader. The implementation of the "China Plan" must rely on the coordination among all countries in the world, especially the major powers, to build consensus among all parties, and jointly promote the construction of relevant systems and promote innovation in global economic governance to curb the problem of anti-globalization. It has become a concern of governments and industries around the world important topic.

In the new situation, China plays a very crucial role. In the case of actively proposing the "China plan" and using Chinese wisdom to solve international problems, it is also necessary to prevent the risks brought by counter-globalization. Specifically, in order to cope with the rise of anti-globalization and protectionism on a global scale, China should start from the following aspects, while maintaining stability and development, actively using Chinese wisdom and participating in solving international problems.

First, develop steadily and create a good economic environment.

Maintaining stable growth and accelerating the development of the world economy are fundamental ways to counter the trend of counter-globalization. Over the past decade or so, China's rapid economic development has made tremendous contributions to the growth of the world economy. In recent years, China has always adhered to the implementation of a prudent monetary policy and active fiscal policy, unswervingly promoted supply-side structural reforms, and effectively maintained regional peace and stability. These measures and actions have provided examples for other countries and promoted Positive energy for international economic development and the establishment of a new order. Nowadays, with the rise of protectionism and the threat of anti-globalization, China should accelerate the transformation of its economic structure and shift from export-oriented to domestic demand-led in order to resolve the economic friction between the outside world, especially developed countries and China[5].

Second, to further open up and participate in the formulation of international rules.

With the rapid improvement of China's economic strength and the continuous integration with the world economy, the direction of global governance and its rules directly affects China's vital interests. Countries all have expectations and play a role in China's greater role. In this regard, on the one hand, China must dare to assume the responsibility of a major country that matches its international status, on the other hand, it should be seen that the formulation of rules is consistent with the focus of China's market opening and the long-term goals of reform. Therefore, we need to participate in global governance and rule-making with a more active and open attitude. We must not only adhere to the "promote reform with opening up", but also work hard to promote domestic reforms to provide the necessary conditions for a higher level of opening up.

Third, build the "Belt and Road" strategy and build a new type of globalization.

In 2013, President Xi Jinping proposed a major "Belt and Road" initiative. The "Belt and Road" strategy is a new layout of China's opening up to the outside world under the new situation, and

it is also an important entry point for China to participate in the construction of a new world economic structure. Docking the fundamental requirements of globalization with an open concept, consolidating the solid foundation of globalization with interconnection, revitalizing the power resources of globalization with a market orientation, and eliminating the negative effects of globalization with mutual benefit and win-win results. Effect.

The "Belt and Road" initiative focuses on promoting the development of countries along the route and widely benefiting the people along the route. Through deeper cooperation with more countries, we will promote economic development, improve people's livelihood, and reduce poverty in the countries along the route. Development in a balanced and inclusive direction. The "Belt and Road" construction focuses on the "five links", namely policy communication, facility connectivity, unimpeded trade, financing, and people's aspirations. By leveraging the comparative advantages of all parties and encouraging all parties to innovate and cooperate, they strive to build a new engine for world economic development. Unlike previous economic globalization, which often required a compulsory, hard-constrained unified arrangement to require other participants, the "Belt and Road" initiative seeks to establish a connection between different countries, different cultures, and different systems. To achieve mutual benefit and win-win while discussing, building and sharing together, it permeates the philosophical wisdom of integration and transformation in traditional Chinese culture.

Fourth, strengthen risk control and deal with counter-globalization.

The warming of anti-globalization may suppress trade activities and affect the global economy. The risks cannot be underestimated. In the 1980s, under the influence of the anti-globalization trend, the United States adopted large-scale trade protection measures against Japan, which severely hit Japan's export-oriented economy and dragged down economic growth. This round of global economic recovery has benefited to a certain extent from the repair of the trade chain. Considering that the economic growth of the United States and Europe has significantly increased their dependence on trade, the impact of rising globalization on the global economy should not be underestimated. The impact of the anti-globalization events represented by the Brexit referendum and the US trade protection, etc., continues to evolve on the economy, and we must be alert to the long-term risks that anti-globalization may bring.

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