

Actuality Analysis of Anti-globalization and Countermeasures Study in China

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Abstract

In recent years, the anti-globalization trend has pointed its finger at China, which has had a certain impact on China's development. In the face of the changes in the international political and economic pattern brought by the tide of anti-globalization, it is of great practical significance for China, as an active participant and promoter of globalization, as well as the defender of the international order, to explore the current situation and inherent essence of anti-globalization, and analyze how to develop better under the drawbacks brought by the trend of anti-globalization. In contrast to existing research, this paper comprehensively and systematically analyzes the realistic impact of anti-globalization on the domestic and international environment, based on theoretical analysis and with the support of a large number of data. On this basis, it further puts forward the idea that China should deal with the tide of anti-globalization in different ways. It is hoped that China's wisdom and solutions can be put forward to better cope with anti-globalization.

Keywords

Anti-globalization; Globalization; Chinese Solution; Global Governance.

1. Introduction

After the outbreak of the international financial crisis, various global economic indicators declined and economic recovery was difficult, especially in developed countries (Wan Yaqin, 2017). Whenever the economy is in a downturn, the disadvantages of globalization will be magnified, which will seriously affect the lives of the bottom groups in developed countries and encourage their dissatisfaction with globalization, thus vigorously promoting anti-globalization. This coincides with the theory of the modern losers (Zheng Chunrong, 2017). Fundamentally, the anti-globalization trend is mainly dominated by Western countries which is a tool for maintaining their hegemonic position, bridging social contradictions, and permeating ideology. In the 1990s, it was nurtured and fermented in Western countries, and has swept the whole world until today when the anti-globalization trend is frustrated (Bi Qiu, 2017). With Trump's inauguration in 2016, the US has strongly supported anti-globalization through various selfish actions, such as encouraging the relocation of the US manufacturing industry, promoting the global value chain, short and broken chains of the industrial chain, etc., becoming the main force in promoting the process of anti-globalization. The emergence of social polarization within the EU and the growing forces of inequality are also contributing to the process of anti-globalization. The official implementation of the Inflation Reduction Act (IRA) in August 2022 indicated that the foreign trade policy of United States was further tilted towards trade protectionism. On March 15, 2023, the European Union proposed the Industrial Net Zero Act and the Key Raw Materials Act to counter the US IRA. However, under the influence of the strong contraction policies of Europe and the United States, many developed economies were forced to follow up the interest rate hike in order to curb inflation, stabilize the exchange rate of their currency, and prevent capital outflow, and the process of anti-globalization was intensified. In addition, the increasingly stringent principles and policies adopted by various countries on migration have

also driven the process of anti-globalization. The formation of relevant restrictive measures was mainly due to the fact that European natives do not accept immigrants in terms of "religious emotion", which is further manifested as "national emotion" and ultimately rises to "national will". (Liao Xiaoming, Liu Xiaofeng, 2018). At the time of the return of world trade, the outbreak of COVID-19 in 2019, the world economy was once again fragmented, and uncertainties in the global market increased again. Some countries took the opportunity to increase import trade restriction to promote the process of anti-globalization. Based on previous research results, it can be seen that the cause of anti-globalization is the result of multiple factors such as politics, economy, culture, etc.

This paper is mainly divided into four parts. Firstly, it summarizes the causes of anti-globalization, secondly, it analyzes the current situation of anti-globalization, and then analyzes the impact China has been affected in the tide of anti-globalization. Finally, it proposes how China should respond to this anti-globalization crisis. By continuing to expand the pattern of opening up to the outside world, deepening the construction of the Belt and Road and other measures, China has contributed its proposals to other developing countries. By helping improve global governance, China has added new impetus to the development of globalization.

2. Motivation of Anti-globalization

Some Western scholars attribute some acute problems exposed in the development of globalization to the economic globalization system. This idea is obviously unreasonable. Essentially, anti-globalization is mainly caused by the intensification of the basic contradictions of capitalism, coupled with the intervention of the US government and cultural conflicts caused by immigration.

2.1. Political and Economic Reasons

2.1.1. The Intensification of Basic Contradictions of Capitalism

In the globalization mechanism dominated by capitalist countries, international economic institutions pursue the interests of transnational capitalists rather than the interests of a certain country, which has led to the intensification of the basic contradictions of capitalism, such as the decline of the dominant position of Western capitalist powers and the widening gap between rich and poor in China.

With the improvement of the global economic level and the reduction of trade and investment barriers, many developing countries learn from the successful experience of developed countries to develop rapidly and participate in the production of global markets with their own advantages. For the Western nationalistic elites, the rise of emerging economies brought about by globalization is the last thing they want to see, which changes and threatens their voice on the international stage.

Globalization has brought not only development opportunities to all countries around the world, but also is full of fierce competition and challenges. In order to seek greater profits, Western developed countries have transferred a large number of technology and service centers to the outside, which has led to the emptying of central industries within the country. It has not only damaged the manufacturing structure of some western economies, but also made their economies too dependent on the outside world, which has exacerbated domestic market turbulence and unrest. Saturated labor and the hollowing out of industries within the countries have led to a scarcity of domestic job opportunities. Advances in science and technology has also led to a decreasing demand for unskilled workers in various companies. The middle and lower classes, such as unskilled workers and traditional industrial workers, felt deeply marginalized. with the decline of their status and reputation, long-term unemployment,

and the huge dividend earned by multinational corporations, their anti-globalization emotion was aroused.

2.1.2. Intervention by the US Government

The anti-globalization tide has lasted for such a long time, and its intensification is inseparable from the promotion behind the US government. Trump became the main promoter of anti-globalization after he took office, and then Biden also expressed his support for anti-globalization and continued to promote its progress.

1) The promotion of the Trump administration

Since Trump took office, the United States has threatened to make a large number of "withdrawal" behaviors for various reasons, including withdrawing from UNESCO and the Trans-Pacific Partnership Agreement. At the same time, Trump vigorously promotes trade protectionism, conducts anti-dumping investigations on goods entering the US market, and restricts the inflow of foreign goods into the United States by increasing tariffs, changing domestic tax rates, or directly "shouting" to force most US enterprises to stay at home. Promulgating mandatory immigration policies such as the "Mu Ban Order" and the "Zero Tolerance" policy, and reform the immigration policies that have been used for nearly half a century. In addition, the United States constantly launched a trade war against China, suppressed the development of China, and attempted to decouple from China. The above measures taken by Trump will have a significant impact on the international economic system and promote the development of "anti-globalization".

2) The Continued support of the Biden administration

Although Biden's measures are different from Trump's, they are also obviously different from the foreign policies of the United States in the past. The Biden administration is withdrawing the United States from the wave of globalization in its own way.

The most obvious performance is that Biden still shows hostile attitude towards China. After Biden took office, he did not stop the containment and suppression of China. Unlike Trump's direct trade war with China, Biden hopes to boycott China through measures of a composite alliance, that is, through the repair of relations with European allies. In terms of ideology, after Biden took office, he actively repaired the relations with countries in Europe and North America that had been destroyed by Trump, and further tied the military relationship between the United States and NATO by using the Russia-Ukraine crisis, hoping to call on allies around the world to fight against China.

2.2. Cultural Reasons

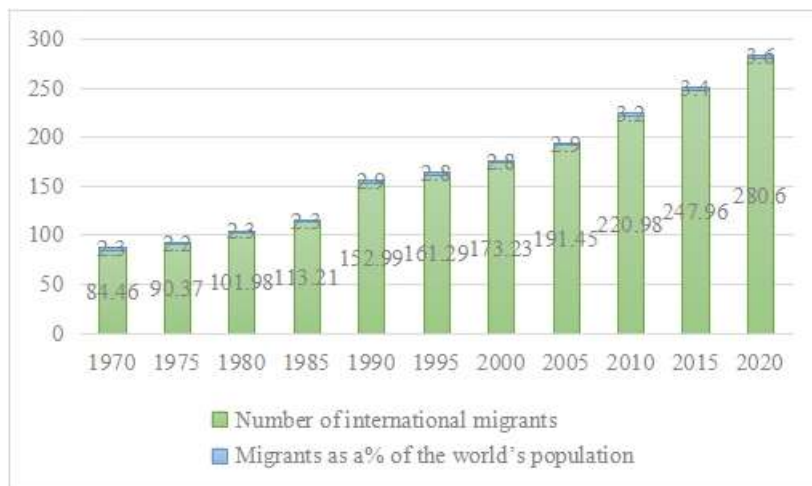


Figure 1. Statistics of global migration from 1970 to 2020 (data sourced from the United Nations Immigration Office)

Among the many factors that promote the process of anti-globalization, cultural factors are also an indispensable reason for developed countries to promote the wave of "anti -globalization", which is mainly reflected in the influence of a large number of immigrants on western developed countries.

The number of international migrants is increasing day by day with the opening up of countries all over the world. According to the statistical data in the World Migration Report 2022 issued by the United Nations Immigration Office, even though the COVID-19 broken out in the world, the number of migrants only increased. In 2020, the most serious year of the COVID-19, the number of global migrants still increased by 9 million.

The influx of a large number of immigrants from foreign countries will have a huge impact on the culture of the host country. The transnational culture brought by immigrants will make some people in western countries have an extreme sense of cultural identity and social belonging. At the same time, because immigrants are a special group who immigrate to their own countries, the local people will largely discriminate against immigrants to a great extent, which will also lead to the decline of social trust in developed countries and make populism more prevalent.

In addition, some countries with poor geographical position have been ruled by dictators in the past. They think that international enterprises are tools of imperialist rule. This long-standing wrong economic management and cognition has led them reject globalization. Even though the government intends to guide the trend of globalization at present, there are also enormous risks associated with development, making it difficult to ensure that this trend can be sustained.

Therefore, the problems of cross-cultural communication brought by immigration have also led some people in developed countries start to promote the process of "anti -globalization".

3. Analysis of the Current Situation of Anti-globalization

The impact of anti-globalization on the world is multifaceted, mainly manifested in the escalating of trade protectionism. Trade protectionism has led to an increase in global import trade restrictions and a relative decline in trade growth rate. The latest data released by the WTO in mid-August, 2022 shows that the world's commodity trade volume has stagnated and slowed down by 2.5% compared with the fourth quarter of 2021. The data revealed by the WTO show that global trade restrictions have been rising in recent years, with trade coverage far greater than import incentives, which has played a certain role in restricting global trade flow. In addition, with the increasing number of global anti-dumping and countervailing cases, developed countries, relying on their strong economic strength and advanced technology, have begun to introduce policies to formulate some high-threshold rules to restrict the entry of goods from other countries to protect their own markets and manufacturing industries, and the technological barriers have also been strengthened. This has also had a great impact on China's economy.

4. The Impact of Anti-Globalization on China

With the advance of globalization, the China's economy has been advancing by leaps and bounds. The evolution of the anti-globalization tide has brought great influence on China's economic level, which has both positive and negative effects.

4.1. Changes in Foreign Trade and Investment Policies

The sluggish global economic recovery and the outbreak of the COVID-19 have a certain impact on the foreign trade and foreign investment of China enterprises.

Firstly, anti-globalization has directly affected the favorable environment of international trade, which may have a significant impact on the total volume and quantity of China's foreign trade, and is prone to the reduction of foreign trade orders, resulting in the oversupply of goods by domestic enterprises, thus leading to overcapacity in China. According to the statistical data of China Statistical Yearbook, it can be seen that since 2018, the growth rate of China's total import and export of goods has slowed down compared with previous years, and even showed a short-term downward trend in 2019 and 2020. The growth rate of total import and export of services has also shown a slowing trend since 2018.

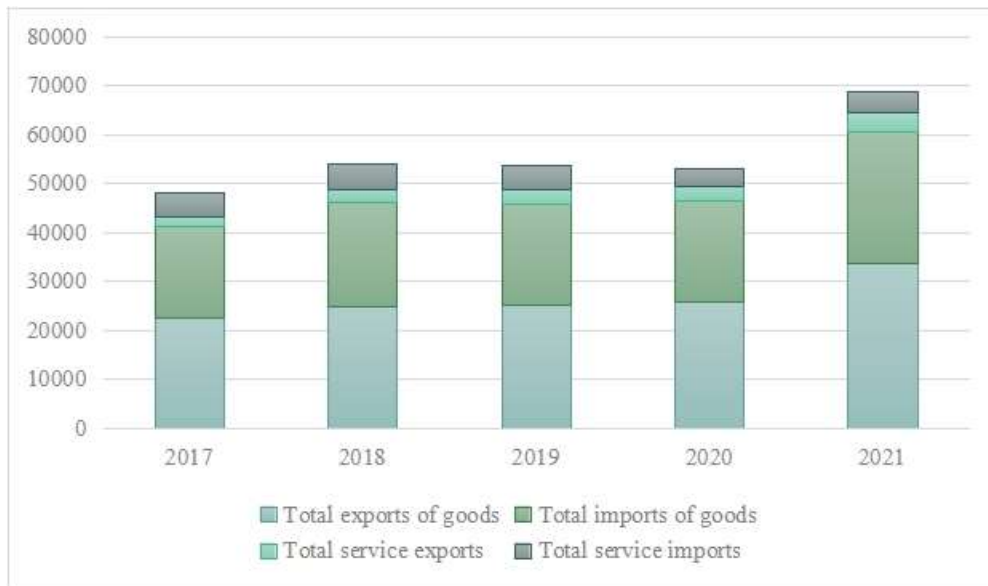


Figure 2. Overview of China's Import and Export Trade from 2017 to 2021 (Data Source: China Statistical Yearbook)

In addition, the United States continues to launch trade wars against China, and the trend against China in the process of anti-globalization has strengthened. According to WTO statistics, from 1995 to 2023, China has been the country with the most anti-dumping and countervailing investigations in the world, far exceeding the number encountered by other countries. Anti-globalization has led to the restrengthening of trade barriers, and the COVID-19 has swept the world, which will bring great difficulties to the transportation of China's export commodities, which is likely to lead to the rising cost of domestic export products, and the reduction of export profits, which will bring certain difficulties to China's export commodities.

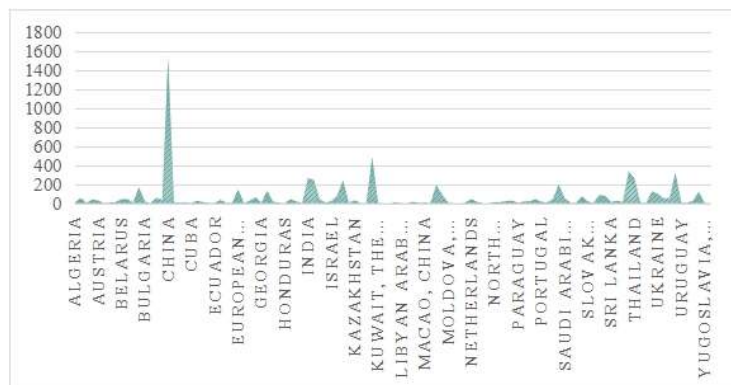


Figure 3. Statistics of global anti-Dumping from 1995 to 2021(Data Source: World Trade Organization)

Secondly, China's foreign investment will also be affected. Investment activities themselves are vulnerable to a variety of factors, and the continued COVID-19 has exacerbated the risk of investment. Under the global background, China cannot escape the impact of anti-globalization on investment. China's outward investment flow has shown a short-term downward trend since 2016, reflecting the impact of anti-globalization on the foreign investment of Chinese listed companies to a certain extent.

China's investment in manufacturing industry in developed countries has been significantly hindered. China's investment in manufacturing in developed countries from \$16.8 billion in 2017 to \$13.43 billion in 2018, there was a further significant decline in 2019, dropping to \$7.24 billion. China's investment in the US manufacturing industry has also continued to decline, from \$5.22 billion in 2017 to \$2.46 billion in 2018.

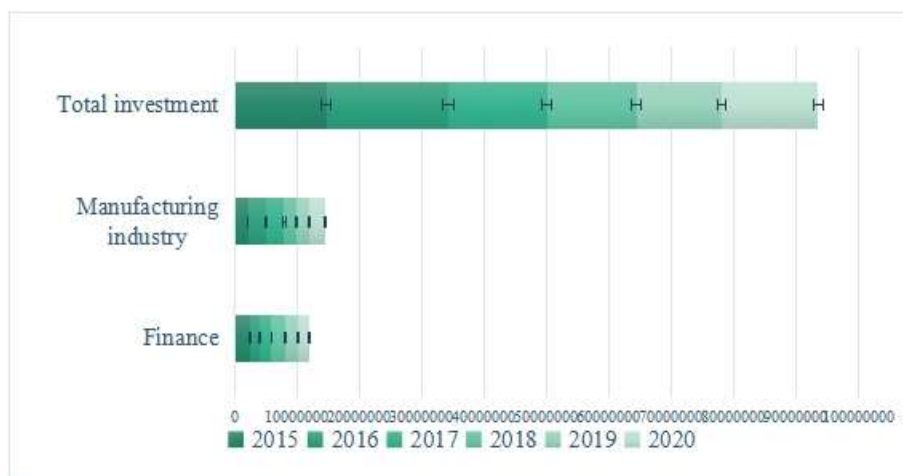


Figure 4. Overview of Foreign Investment in China's Manufacturing Industry (Data Source: China Statistical Yearbook)

But at the same time, with the contraction of the US globalization strategy and the weakening of trade between the UK and EU member states. This has led EU member states looking for strong partners for external cooperation to focus more on China. First, there is no geographical conflict between China and European countries, which coincides with the fact that the end of the "the Belt and Road" initiative is also Europe. The geographical advantages of China-EU cooperation are prominent; Furthermore, China has been adhering to the cooperative concept of harmony, friendship, and common development since its opening to the outside world, which has also attracted more and more countries to cooperate with China. In 2020, China's foreign investment flows also experienced a small rebound, increasing by \$16.8 billion compared to the previous year. Therefore, anti-globalization may also bring new investment opportunities and more investment opportunities to China. At the same time, the reduction of the United States' mandatory control over some regions, such as Central Asia and West Asia, may make the rights of these regions empty, leading to rampant extremism and terrorist organizations. The risks faced by China in cooperation with these regions are uncertain, so this may affect China's opening-up policy to these regions. However, due to the weakening political influence of the United States on a global scale, it has also created opportunities for some countries to cooperate with China.

4.2. High-tech R&D Rate

With the development of global network technology, although science and technology are shared globally, advanced technology has always been in the hands of developed countries. In

recent years, some domestic enterprises in China have made remarkable achievements in science and technology, which has led to economic growth, especially the development of 5G technology, which has increased the sense of crisis in developed countries. In order to seek greater profits, developed countries may begin to leverage their solid economic strength to raise technological barriers and take measures to suppress China's advanced technology in an attempt to hinder China's research and development of more advanced technologies.

At the same time, it is precisely because developed countries have continuously strengthened their technical barriers to Chinese enterprises in recent years, which has prompted domestic enterprises to continuously improve their innovation capabilities, to accelerate industrial structure reform, and to enhance their overall capabilities in order to survive in the international market. Although technical barriers will inhibit the development of Chinese enterprises and weaken the quantity of export trade in the short term, but in the long run, technological restrictions will stimulate domestic enterprises to deepen reform, continuously improve their technological level, and lead to a re-expansion of trade flow, which is beneficial for China's commercial trade exports.

5. China's Response Measures

Anti-globalization is only a reflection of the continuous accumulation of negative impacts in the development of globalization, and will not become the mainstream trend of historical development. In a more open and inclusive global environment, globalization remains the mainstream of world development. China has fully realized the inevitability of building a new global governance system, and is actively participating in the construction of a fairer global governance environment. The emergence of anti-globalization trends does not always have a negative impact on China. From the perspective of China's long-term development, anti-globalization is both a challenge and an opportunity. China can take reasonable countermeasures based on a global vision, a regional national vision, and a domestic market vision.

5.1. Based on a Global Vision

5.1.1. Continue to Expand the Pattern of Opening to the Outside World

Building a high-level and institutional opening to the outside world; Connect domestic and international markets, share factor resources, speed up the breaking of market monopoly and line monopoly of service industries, promote the opening of the original monopoly industries to social capital, strengthen the relevant institutional arrangements for free and convenient service trade, form service trade standards that are in line with international standards, continue to give full play to the role of the government, issue relevant policies and regulations, establish people-oriented incentive policies for scientific and technological innovation, and reform the talent management mechanism. The state fully utilizes its subjective initiative to help domestic enterprises export their products to the international market and increase their attraction to foreign investment. Establish regular business associations, organize key economic and trade activities and large-scale exhibitions, and promote the construction of "digital trade promotion".

5.1.2. Actively Participate in WTO Governance

Actively participate in improving the operational mechanism of WTO in the face of international disputes and express support for the operation of the WTO's appeal and arbitration mechanism during the meeting. Formally put forward the concept of "emerging economies" to assist WTO in introducing measures to clearly distinguish developed countries from developing countries. Relevant departments will continue to formulate and modify relevant regulations to cancel or

relax the restrictions on foreign-funded shares ratio and liberalize the business scope of foreign-funded insurance brokerage companies.

5.1.3. Actively Practice Multilateralism

China can firmly uphold the need for a multilateral economic and trade system, and relax domestic market access conditions to consolidate the platform construction of multilateralism. Advocate new globalization, and actively carry out international exhibitions to promote friendly cooperation with all participating countries. Assist developing countries in building more livelihood projects in terms of capital, experience, and technology. Create a pioneer area for "Silk Road E-commerce" cooperation and build a national service trade innovation and development demonstration. Actively participate in the designation and amendment of relevant laws at international conferences and international organizations. Introduce relevant news to promote countries around the world to participate in multilateral governance. Actively provide material assistance to countries in need.

5.2. Based on Regional and National Vision

5.2.1. Deepen the Construction of the "The Belt and Road" Initiative

China can deepen and expand the resilience of their connections by conducting relevant exchange meetings or jointly establishing relevant organizations with cooperating member countries. Relevant personnel continue to promote the existing cooperation projects between China and partner countries, and always pay attention to the information of other neighboring countries through the internet platforms to seek a new cooperation opportunities. Set up Confucius Institutes in countries along the "the Belt and Road", organize and participate in international conferences with the theme of Chinese issues to reduce cultural differences. Incorporate chinese cultural elements into international language vocabulary in the form of symbols and expressions. Strengthen the management and construction of overseas migration networks through regular online seminars and other means.

5.2.2. Enhance the Role and Status of the AIIB(Asian Infrastructure Investment Bank)

Before financing, China should make a good risk assessment by selecting appropriate and detailed indicators to stabilize the financial market. Actively contribute to the improvement of relevant legal systems for the AIIB through China program. Use the AIIB platform to find other Asian countries that want to accelerate the construction of domestic infrastructure and provide them with technical and financial assistance. Always pay attention to the trends among other members of the AIIB and actively cooperate with them. Establish an expert committee to inspect ASEAN countries and gain a deeper understanding of their opinions on the construction of the AIIB.

Conduct in-depth research and analysis around RCEP, and strive to promote deeper cooperation with other countries in investment, trade, and financial markets. Establish pilot areas in China and implement successful experiences between regions in domestic free trade zones.

At the same time, China should take itself as an example to reduce domestic industrial pollution so as to continue to promote green governance of CPTPP. Practice the principle of trying first, and establish policies and systems that are in line with the high-level rules of CPTPP in free trade ports such as Hainan. Actively participate in CPTPP and other related negotiations, and provide relevant construction schemes with Chinese wisdom.

5.2.3. Strengthen the Construction of the Asia-Pacific Free Trade Area

In the future, China can hold relevant meetings and actively build the member countries of the Asia-Pacific Free Trade Area. At the same time, through communication, guide the Asia-Pacific region to participate in regional governance on an equal footing. Using chinese cases to assist countries in the Asia-Pacific region in forming the concept of building a unified market. Through

capital investment to help weaken the trend of regional economic development differentiation. In addition, China can hold a forum to actively share some experiences of developing countries in international development with other countries.

5.3. Based on the Domestic Market Perspective

5.3.1. Take the Path of Socialism with Chinese Characteristics

The country can continue to strengthen the construction of rural areas, and provide a platform for direct advice to the people by setting up relevant suggestion websites. Promote the rule of law and strengthen the supervision and management of society by regularly collecting regional governance reports from local governments. Establish strict assessment standards to strengthen the control of state officials. Provide relevant ideological and political courses in addition to youth studies to strengthen ideological and moral education for young people.

5.3.2. Deepen Supply-side Structural Reform

Firstly, the government management departments should further decentralize power, simplify political power, and improve the credit system of the capital market. By establishing laws and regulations to reform China's current land system and improving the existing land transaction rules in rural areas. The government has increased investment in technological capabilities. In the case of partial overcapacity, in accordance with market laws and environmental laws and regulations, eliminate relevant industries that are not suitable for market development or backward in development. Introduce strict environmental protection mechanisms to strengthen the binding force on the low-end of the supply chain. The government has increased market attention and made timely adjustments to the imbalance in market development through macroeconomic policies. Activate the withdrawal of idle social funds and invest them in the physical construction of the country and society.

5.3.3. Enhance Domestic Scientific Research and Creativity

In order to enhance China's high-tech, we can start from the following two aspects: one is through self-help innovation, and the other is to absorb advanced foreign technologies to achieve re-innovation.

The national government should continue to introduce relevant incentive measures to provide entrepreneurial sponsorship funds for individuals with ideas, abilities, and innovation awareness. Increase investment in innovation and entrepreneurship. By increasing the attention and publicity of innovation and entrepreneurship competitions in universities and colleges, and selecting outstanding college students with innovative ideas, ideas, and abilities through competitions to help improve China's scientific research capabilities.

In addition, China can also carry out imitative learning and innovate advanced technology and experience through exchanges and cooperation with foreign enterprises. Conduct relevant international seminars or forums to expand the areas of attracting foreign investment. Accelerate the ability to absorb and learn new technologies by increasing the frequency of academic exchange conferences and practical cases, and shorten the time for absorbing and innovating technologies.

5.3.4. Build a Unified National Market

Increase the investment in the infrastructure construction of domestic interregional mobile distribution and transmission devices, and the construction of digital circulation network systems. Mobilize social forces to provide assistance to economically underdeveloped areas. Introduce policies to build the infrastructure of the circulation system in the northwest and central regions. Make full use of the internet and media to carry out publicity, and promote the leading role of circulation, production, and consumption with the help of modern information technology.

China should improve the registered residence system and speed up the establishment of a dual registered residence system. Create a more fair and competitive market environment by establishing relevant supervision organizations. Select competent regions to carry out pilot projects, completely liberalize population mobility, cancel the registered residence system, track, observe and study various social operation indicators, and slowly implement them nationwide if feasible, and make timely modifications and revisions if not feasible. Increase funding for cultivating versatile talents. Based on the actual situation in our country, we should invest more manpower and technology to build cross-regional transportation facilities. We will continue to increase the opening of high-speed rail-way lines, and reform the toll system of highways through the government and establish specialized highways between short-distance cities.

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