

Research on the Reform of Multilateral Trade System and its Countermeasures From the Perspective of Regulatory Economics

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Abstract: At present, the research on the world trade system is mainly based on the perspective of international law. As one of the three directions of international trade research, the international trade system should be consistent with the traditional research framework of international economics. At the end of the 19th century, the economic research paradigm of the multilateral trade system was put forward, which made the research of the world trade system return to the framework of international economic research and realized the integration of the original economics and international law. Based on the above understanding of the theory and practice of the multilateral trading system, I believe that with the basic end of China's transformation, China should have the right to participate in the development of the multilateral trading system. Our own position and action must, on the premise of safeguarding China's sovereignty and national interests, further open up the market, promote reform, actively promote the reform and development of the multilateral trading system, enjoy the results of multilateral trade liberalization, put forward relevant countermeasures, promote economic cooperation for development and three aspects of domestic trade reform.

1. Introduction

There have been different views on the nature, characteristics, operation mechanism, game characteristics, political and economic interaction of member governments, future development direction and other core issues. For example, some developing countries or regions regard it as a "club of the rich", even as a "tool of international exploitation" during the cold war, while some countries with planned economies regard the multilateral trading system as a "club of capitalism". The cornerstone of an unfair and irrational international economic order. Some small and medium-sized developed members believe that the international police department is the monopoly of several major trading powers. Some famous economists regard puppets as "talk clubs". Some international laws. At home, it is seen as an economic forum that "only retreats and does not seek truth".

2. The Economic Research Paradigm of Multilateral Trade System

The research paradigm of the political economy of the multilateral trading system is mainly "how can the world political and economic cooperation be organized in the time of common interests", which is the research paradigm of international politics. Using the theory of international mechanism, through the change mode of international mechanism, this paper analyzes the emergence, change way and development trend of the trading system in various aspects. International mechanism is a series of implicit or explicit principles, norms, rules and decision-making procedures that converge the wishes of actors in specific areas of international relations. It is a system with clear rules established by the government in specific areas of international relations. Regardless of the international mechanism, its purpose is to promote international welfare and improve communication efficiency through authoritative or integrated institutional arrangements[1]. In this way, despite the anarchy of the international community, the interdependence of

international actors and the international mechanisms they set up can reduce disputes and antagonism based on common interests. Therefore, the international mechanism reflects the mode of cooperation and debate among international actors, that is, whether the policies of international actors are adjusted and the degree of their convergence. Coordination and confrontation should coexist in international institutions[2]. Cooperation is a reflection of contradiction or potential contradiction. There is no need to resolve disputes, no need to cooperate. International institutions will also evolve and strengthen in confrontation and cooperation.

Table 1 China's scores under the evaluation system of the world bank's Government Governance Index

	PVA	PSV	PGE	PRQ	PRL	PCC
2012	-1.66	-0.35	0.04	0.20	-0.20	-0.20
2013	-1.38	-0.16	-0.33	-0.26	-0.37	-0.26
2014	-1.29	-0.22	-0.13	-0.28	-0.44	-0.23
2015	-1.58	-0.18	-0.05	-0.49	-0.34	-0.47
2016	-1.53	-0.38	-0.10	-0.35	-0.43	-0.38
2017	-1.46	-0.21	-0.05	-0.24	-0.35	-0.62
2018	-1.52	-0.36	-0.21	-0.20	-0.42	-0.74

3. The Economic Research Paradigm of Multilateral Trade System

3.1. Traditional Economic Methods

The traditional economic research method of multilateral trading system is not strictly the western economic analysis paradigm. They have many similarities and many fundamental differences. It is called the traditional economic method because it comes from the traditional theory. First, the general equilibrium model of two countries or two commodities used in the analysis of the world trade system is directly derived from the western traditional economic theory[3]. Second, this theoretical analysis borrows the concept of terms of trade inherent in western international trade theories. The third is to use the basic analysis method of maximization under the constraint of western economics. There is no fundamental conflict between the optimal tariff conclusion and the traditional free trade policy.

3.2. Political and Economic Methods

In the political economic method, the choice of government tariff policy includes not only the economic efficiency result of traditional economic method, but also the political result. This method divides the impact of tariff changes into cost transfer effect and terms of trade improvement effect. Therefore, a country can cut off the relationship between the price change in the international market and the price change in the domestic market through policy means[4]. When the domestic market price remains unchanged and the international market price changes, the domestic welfare level can also be improved. In addition, in the presence of tariff transfer, the external effect of one country's trade policy has become the source of market price distortion of another country, and the externality caused by market price distortion policy can not solve the domestic policy of one country, which needs to establish a coordination mechanism in the field of international economy and trade. Although the tariff concessions of the two countries overcome the external influence of one country's tariff policy on another country's economy, at the same time, the benefits of changing the terms of trade brought by tariff increases will disappear[5]. Therefore, the political economy method emphasizes that the world trade system only brings the mutual benefit of free trade.

3.3. Contact of Different Research Paradigms in Multilateral Trade System

Fundamentally speaking, there are essential differences between the economic research paradigm and the legal and political research paradigm of the multilateral trading system. With the progress of law, economics and political economy, various research paradigms are gradually merging. One of

the important structural examples is the tool of game theory. The integration of economic research paradigm and legal research paradigm of multilateral trade system is the "consistency" between WTO legal system and world economic development, and the analysis of the impact of WTO economic regulations on world economy. An integrated tool is game theory, which believes that active cooperation is the best way to achieve efficiency, but many factors make active cooperation difficult. The economic theory of promoting cooperation and overcoming obstacles to cooperation under the framework of multilateral trade system constitutes the theoretical basis of WTO rules, unifying the economic analysis of WTO rules under the theme of "efficiency"[6]. The analysis of WTO game rules, under the legal rules, depends on the Countermeasures between it and its members as the focus, giving up the concept of "market advantage", in order to hold the channel, the rule system of the system itself, understanding becomes possible

4. China's Strategy Under the Multilateral Trade System

By analyzing the mechanism and characteristics of the multilateral trading system, we can see that the multilateral trading system is a trading system that pursues the rule orientation of win-win cooperation. A healthy, open, fair and restricted multi party trading system is good for members. It is an important way for all countries to explore common development to actively promote the multilateral trading system and actively participate in it[7]. The post-war development of the transnational trade system from GATT to WTO has gone through the process from hegemony to revival of the United States, and has achieved success as an international mechanism. At present, this system is in the stage of rejuvenation, and China has provided the opportunity to participate in the construction of this mechanism. The development history of developing countries in the world trade system tells us that for a big country like China, it will not wait for the beneficiaries or let the existing economic forces participate in the reconstruction of China's health organization. As a member of developing countries, China should have its own position and action in promoting the development of the multilateral trading system. While safeguarding China's sovereignty and national interests, it is necessary to actively promote the reform of the multilateral trade system. Opening up and development, carrying out more open market and domestic reform, and enjoying the fruits of multilateral trade liberalization[8]. At the same time, in the face of the new external environment of the multilateral trade system, we will make the most of the characteristics of multilateral trade negotiations, promote strengths, avoid weaknesses and meet the new challenges brought by the development of foreign trade.

4.1. Strategies for Participation in the Multilateral Trading System

China's attitude towards the multilateral trading system has gone through a process from exclusion to identification, to substantive construction, and in order to pursue victory, the actual focus of interest has been excluded from the identification process. From "Challenger" to "builder", the basic reason for China's transformation is China's own national interests and strategic choice. China's accession to the world trade organization is an inevitable result of China's advocacy of basic opening-up and an opportunity to promote opening-up. For developing countries like China, the existing multilateral trading system still has structural defects such as "corruption", maintaining domestic sovereignty, opposition and "differences"[9]. However, the integration of this system is of great significance to China's efforts to promote domestic reform through greater openness and external constraints.

4.2. Actively Promote the Construction of Multilateral Trade System

The multilateral trading system must be the best international coordinating body of the world trade system. The Doha development project has brought many difficulties to the development of the multilateral trading system, but from the perspective of the history of multilateral trade negotiations, the negotiations are not smooth[10]. Therefore, we have reason to think that its predicament is temporary, because it is the concern of all members to establish a sound multilateral trading system. This requires not only the reform and improvement of the multilateral trading

system itself, but also the joint efforts of all countries in the world.

5. Conclusion

Under the multilateral trade system, China's response strategies mainly include how to participate in the multilateral trade system and how to adjust trade policies under the constraints of WTO rules. Based on the analysis of the theory and practice of the multilateral trade system, this paper puts forward the Countermeasures of China under the multilateral trade system in combination with the practice and development of China's participation in the multilateral trade system. We are committed to fulfilling our obligations, properly handling trade disputes, improving multilateral negotiation capacity, and achieving win-win cooperation and other cooperation strategies. The adjustment of trade policy is mainly to make full use of the multilateral trade system, realize the balance of overall interests, effectively promote regional economic cooperation, achieve balanced, orderly and gradual development, actively and steadily carry out trade reform, and promote the sound and rapid development of foreign trade.

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