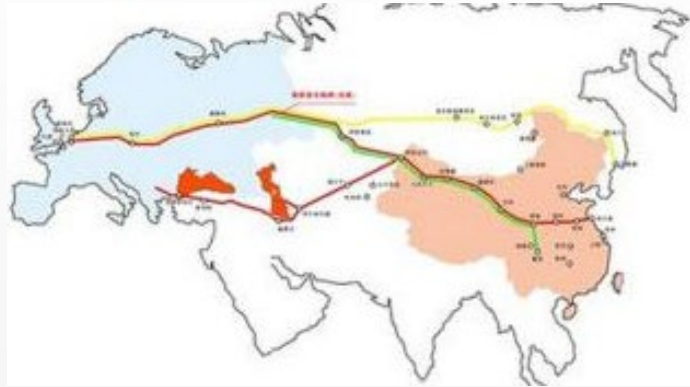


China's Accommodation to International Rules and the Implications for Global Economic Governance

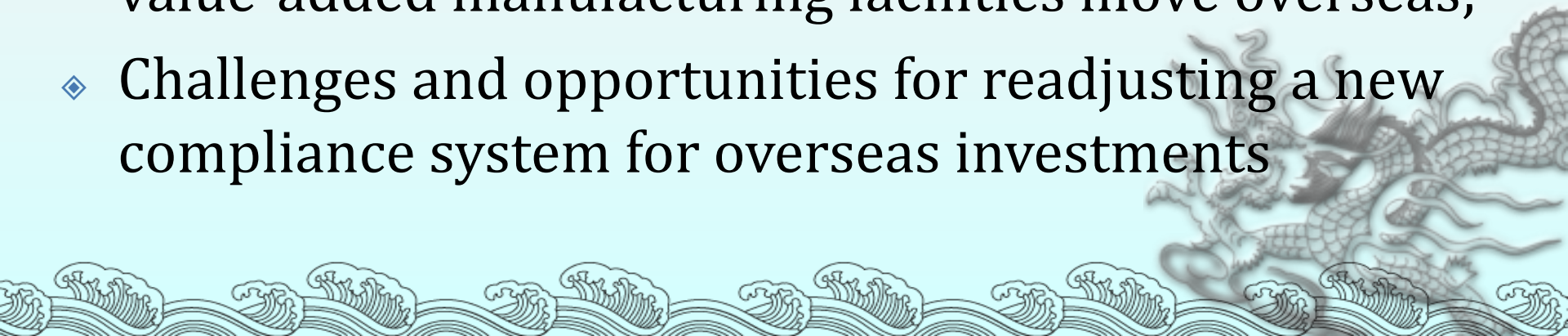
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The Belt and Silk Road Initiatives



- ◆ Challenges of overproduction and overcapacity, particularly in infrastructures, steel and manufacturing sectors;
- ◆ Labor costs worries cause labor-intensive and low value-added manufacturing facilities move overseas;
- ◆ Challenges and opportunities for readjusting a new compliance system for overseas investments



Sore Tolls of China's Economic Surges

- ◆ the old development model is unlikely to continue, and the transition to high-quality development is evitable;
- ◆ A kaleidoscope of world's all classes of industries: from the most primitive to the finest;
- ◆ Sore Tolls:
 - ◆ Environment and natural resources have been severely damaged and sacrificed
 - ◆ Enlarged wealth gaps among different social classes
 - ◆ Unprecedented measures taken for controlling and punishing corruption
 - ◆ Control of overseas investment by Chinese capitalists



A New Round of Opening Up

- ◆ Economic Structural Reform: challenges from over-reliance on quantitative expansion, exhaustion of natural resources, and ageing society
- ◆ Assurance of foreign investments and elevation for private and social capital in China (with updated legislations on investments and IP)



A New Round of Opening Up

- ◆ Innovation and tech promotion in various fields: materials, energy, AI, life science, MIS
- ◆ Labor rights protection and working condition improvement
- ◆ Chinese investors and China-based multinationals seek to proactively establish effective compliance and ethics programs



Global Economic Governance

- ◆ Distribution of interests between states, and conflicts and cooperation therefrom;
- ◆ Determination of state power, and
- ◆ Problems and issues arising from international order restructuring



Implications for Global Economic Governance (I)

- ◆ International Trade Governance – WTO
 - ◆ “learning mode” is off;
 - ◆ “dual track” strategy is twisted;
 - ◆ US-China trade disputes deadlock;
- ◆ Regional trade/economic integration might fail
- ◆ International technology transfer and IP rights protection
- ◆ Dispute resolution to guarantee protection and operation of foreign direct investment



Implications for Global Economic Governance (II)

- ◆ Int'l Finance and Monetary Governance
 - ◆ Internationalization of RMB
 - ◆ RMB International settlement and clearing system
- ◆ Cross-border capital movement and foreign trade zone promotion
- ◆ RMB internationalization for supporting overseas investment of Chinese capitals



Implications for Global Economic Governance (III)

- ◆ Int'l Tax Governance
 - ◆ capital receiver to capital exporter
 - ◆ changed views on treaty positions
- ◆ BEPS and LSA
- ◆ International tax evasion



Implications for Global Economic Governance (IV)

- ◆ Int'l Investment Governance
 - ◆ Investment liberation and protection
 - ◆ Balancing host state and investor state
 - ◆ Legitimate government policy-making
 - ◆ Dispute resolution



Implications for Global Economic Governance (V)

- ◆ Int'l Environmental Sustainability and Justices
- ◆ International Labor Rights Protection
 - ◆ Monitor and Audit Compliance for Effectiveness
 - ◆ Ensure Consistent Promotion and Enforcement of Violations
 - ◆ Ability to collect, store, and collaborate on compliance-related incident information and track the progress of investigations



Thank You!

