

Does Increasing the Supply of International Public Goods Reduce the Risk of WTO Complaints Against Member States?

-- A Case Study of China

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ABSTRACT

Kindleberger's "International Public Goods Theory" posits a positive correlation between a nation's power and its provision of international public goods. However, existing research does not address whether the supply of international public goods can reduce the risk of being sued in the WTO. This paper, through empirical analysis, concludes that increasing the supply of international public goods can reduce the risk of WTO complaints against member states. Conversely, reducing the supply of international public goods increases the risk of being sued in the WTO. China can reduce its risk of being sued in the WTO by increasing the supply of international public goods and building a consensus on international economic order.

KEYWORDS

International Public Goods; WTO; Trade Dispute Settlement Mechanism.

1. INTRODUCTION

Since China's accession to the World Trade Organization (WTO) in 2001, the country's economic growth has been accompanied by an increase in the number of disputes filed against it within the WTO framework. A review of existing literature reveals that research on China's involvement in the WTO dispute settlement mechanism has primarily focused on several aspects: China's legal responses within the WTO dispute settlement process, China's influence within this mechanism, and the interaction between the WTO dispute settlement mechanism and international politics. However, there appears to be a lack of dedicated literature addressing the factors that increase the risk of a member state being sued within the WTO. This paper introduces Kindleberger's "International Public Goods Theory" into the study of WTO dispute settlement, aiming to explore the relationship between the provision of international public goods by member states and the risk of being sued in the WTO. The ultimate goal is to offer recommendations for China to reduce the risk of being sued within the WTO framework.

2. THEORETICAL ANALYSIS AND RESEARCH HYPOTHESES

2.1. Literature Review

Research related to China and the WTO dispute settlement mechanism primarily includes the following perspectives: Jiang Zuoli (2020) argues that the WTO is a tool used by a minority of developed countries to further strengthen and manipulate their dominant positions through the WTO's

dispute settlement mechanism. These countries strive to enforce procedural justice that benefits the strong, maximizing their own interests. On the other hand, the majority of developing countries demand a leap towards substantive justice within the WTO, calling for reforms and adjustments in the distribution of benefits. In specific WTO dispute settlements, developed countries have consistently relied on their dominant positions to deny the legal legitimacy of the Special and Differential Treatment (SDT) mechanism, claiming that the SDT is merely an exception to the WTO's non-discrimination principle and a temporary concession by developed countries to developing nations. ^[1]Zeng Lingliang (2007) argues that the WTO has eroded much of the sovereignty of its members and continuously restricted their decision-making space, especially for developing countries, forcing them to follow a singular market liberalization order. This, in turn, deprives developing countries of the power to determine their own development paths and priority projects. In other words, the WTO dispute settlement mechanism is controlled by Western countries and is used to force China to implement trade policies that align with their interests. ^[2]Huang Maoqin (2019) points out that the primary cause of WTO trade disputes is essentially the balancing of political returns by interest groups. Diverging interests lead to constant pressure on national governments from different trade groups, making trade policy the result of the interplay between economics and politics. The conduct of WTO dispute settlements depends on the political situation and national bargaining, rather than being strictly based on international economic law. ^[3]Kenneth W. Abbott (1985) also notes that decision-making by Western countries within the WTO requires weighing domestic political interests. When a government chooses to close trade markets, it can gain short-term political returns from interest groups in the import-competing industry; however, implementing trade protectionism runs counter to the national interest and consumer interest. Long-term trade protectionism can result in the loss of consumer support and have serious negative impacts on the national economy. Therefore, Western countries' use of the WTO dispute settlement mechanism is largely influenced by domestic voters, with different policy orientations emerging before and after elections. ^[4]In summary, the initiation of the WTO dispute mechanism is not entirely based on international economic law and WTO's internal legal rules, but is more driven by the overseas and domestic interests of member states.

2.2. Selection of Research Samples

This paper selects data from the WTO official website and the Ministry of Commerce of China to ensure the authority and authenticity of the data. The samples were processed as follows: 1. The data on dispute resolution from the WTO website was summarized, and authoritative statistics from the Ministry of Commerce were referenced. Data on China's trade surpluses and deficits with European and American countries were combined, and changes in the number of WTO lawsuits filed by European and American countries against China during periods of trade surplus and deficit were analyzed as samples. 2. The data selection excluded extreme values, such as the zero-dispute cases in the first two years after China's accession to the WTO, to derive more objective results. 3. For indicators of international public goods provision, this paper used China's contributions to the United Nations budget as a reference for changes in China's provision of international public goods.

According to WTO statistics, as of June 30, 2023, China had filed 23 cases against other countries and had been the defendant in 49 cases. ^[5]

From 2001 to 2015, China filed 13 cases against other countries in the WTO: 1. DS252; 2. DS368; 3. DS379; 4. DS392; 5. DS397; 6. DS399; 7. DS405; 8. DS422; 9. DS437; 10. DS449; 11. DS452; 12. DS471; 13. DS492. ^[6]

From July 20, 2016, to the present, China filed 10 cases against other countries in the WTO (cases where the consultation request was made after July 20, 2016): 1. DS615; 2. DS603; 3. DS587; 4. DS565; 5. DS563; 6. DS562; 7. DS544; 8. DS543; 9. DS516; 10. DS515. ^[7]

From 2001 to 2015, China was the defendant in 36 cases (23 cases by measure): 1. DS309; 2. DS339, 340, 342; 3. DS358, 359; 4. DS362; 5. DS363; 6. DS372, 373, 378; 7. DS387, 388, 390; 8. DS394,

395, 398; 9. DS407; 10. DS413; 11. DS414; 12. DS419; 13. DS425; 14. DS427; 15. DS431, 432, 433; 16. DS440; 17. DS450; 18. DS451; 19. DS454, 460; 20. DS483; 21. DS489; 22. DS501; 23. DS508, 509.^[8]

Since 2016, China has been the defendant in 13 cases: 1. DS611; 2. DS610; 3. DS602; 4. DS601; 5. DS598; 6. DS589; 7. DS568; 8. DS558; 9. DS549; 10. DS542; 11. DS519; 12. DS517; 13. DS511. ^[9]

From 2001 to the present, China's share in global and outward direct investment increased from 2.49%, 0.92%, and 0.07% in 1980 to 15.95%, 11.78%, and 6.26% in 2018. Meanwhile, the United States' share of the world economy dropped from a peak of 32.25% in 1985 to 24.15% in 2018, and its share of global goods trade fell from a peak of 15.57% in 2000 to 10.9% in 2018. The U.S. share of global outward direct investment also dropped from a peak of 45.89% in 1986 to 20.9% in 2018. During the same period, the ratio of GDP and total factor productivity (TFP) between China and the U.S. also shifted from 10.61% in 1980.^[10]

Based on the above data, WTO disputes between China and the United States have increased correspondingly. From 2001 to 2015, China served as the complainant in 13 cases and the defendant in 36 cases. From July 20, 2016, to the present, China has filed 10 cases against other countries in the WTO (consultation requests made after July 20, 2016) and has been the defendant in 13 cases. ^[11]Based on the data of the Sino-US trade deficit since 2001, the above figures show that since 2016, China has been the defendant in only 13 cases, a 66% reduction compared to the 36 cases in which it was the defendant from 2001 to 2015.

2.3. Research Hypotheses

For European and American countries, although China committed to fulfilling its international obligations under the WTO upon its accession in 2001, the level of trust in China within the international economic and trade arena has been far lower compared to European countries with similar systems, due to ideological differences. With China's peaceful rise and economic boom, China has offered the world an alternative national economic system and a successful model of international economic governance. Therefore, European and American countries might use the WTO dispute settlement mechanism to impose trade sanctions on China.

Secondly, the global governance strategies of national leaders are closely related to the frequency with which member states participate in the WTO dispute settlement mechanism. After China proposed the "Belt and Road Initiative" in 2013, non-legal trade disputes involving China in the international economic and trade arena gradually increased compared to the early stages of China's reform and opening up, peaking during the Trump administration in the United States from 2016 onward.

Based on the above analysis, this paper proposes Hypothesis 1:

Hypothesis 1: As China's economic rise progresses and international power gradually shifts from the West to the East, European and American countries, driven by realism and ideological opposition, will increasingly initiate WTO lawsuits against China in response to the growing trade surplus between China and other member states.

WTO, as a global economic and trade cooperation organization, serves to provide conceptual, regulatory, and institutional public goods to facilitate international economic and trade cooperation and dispute resolution. WTO member states can be categorized into three types based on their role in the supply of international public goods: The first type consists of leaders in the provision of international public goods, who play a crucial role not only in the institutional development of the WTO and the improvement of WTO laws and regulations but also in conceptual leadership. These members possess strong economic power and are the primary beneficiaries of the WTO system. The second type includes participants in the supply of international public goods, who, while having a relatively strong willingness to provide such goods, may find their capacity mismatched with their

intentions. Typically, these members either have strong capabilities but low willingness or high willingness but weak capabilities. Such members generally have a certain level of political and economic influence and some degree of international discourse power. The third type consists of followers or "free riders" in the provision of international public goods. These members generally have lower levels of economic development, with weak willingness and capacity to provide international public goods, and their participation in the provision of WTO international public goods is minimal. In international practice, most developing countries in the WTO fall into this category. Therefore, based on the supply of international public goods, WTO members can be divided into three types, which reflect the distribution of international power and national strength. The presence of these three types of members inevitably leads to an imbalance in the supply of international public goods within the WTO. Moreover, the 2008 global financial crisis caused significant shifts in the comparative economic strengths of countries worldwide, and the outbreak of the COVID-19 pandemic further prolonged the global economic recession. Both developed and developing member states of the WTO experienced varying degrees of economic loss, leading to a decline in their willingness and capacity to supply international public goods. ^[12]Thirdly, as a global international economic organization, the WTO's actions follow the logic of collective action. In an anarchic international society, if there is a lack of consensus on the distribution of international public goods, some member states may become accustomed to "free-riding." In such an imbalanced supply situation, a collective action dilemma may arise due to the distribution of international public goods.

After joining the WTO, China adhered to the Protocol of Accession to the WTO and actively fulfilled its international legal obligations under the WTO. On one hand, China achieved alignment with WTO law by amending domestic laws. However, in areas such as its status as a developing country, its identity in the international market economy, and differences in WTO reforms, China has frequently faced criticism from European and American countries. On the one hand, China's positioning as a supporter of "non-alignment policies" and a defender of the interests of developing countries has led to its being perceived as an opponent of the "Western bloc" in international economic trade. Statistics from the WTO dispute settlement mechanism show a positive correlation between the number of lawsuits filed against China and the trade surplus between China and the United States and Europe. This paper systematically analyzes the causes of this phenomenon through quantitative and qualitative analysis. On the one hand, research has found that within the WTO, the influence of member states in international organizations depends on the provision of international public goods. ^[13]When the supply of international public goods is high, a member state's influence in international organizations shows a positive correlation; conversely, it diminishes if the supply is low, and the member state is viewed by others as a "free rider." The 2008 global financial crisis and the economic downturn caused by the COVID-19 pandemic from 2020 to 2023 led to a decline in the willingness and capacity of WTO members to provide international public goods. The capacity of European and American countries to supply international public goods to the WTO has diminished. To maintain their dominant role in the WTO, European and American countries have resorted to WTO lawsuits to pressure China to fulfill its commitments under the Protocol of Accession to the WTO ahead of schedule. Consequently, the number of lawsuits filed against China increased significantly from 2008 to 2022.

Based on the above analysis, this paper proposes Hypothesis 2:

Hypothesis 2: The variation in the number of cases brought against China in the WTO dispute settlement mechanism is related to China's provision of international public goods. When China increases its supply of international public goods to the WTO, the number of lawsuits initiated by WTO member states against China correspondingly decreases. Conversely, when China reduces its supply of international public goods to the WTO, the number of lawsuits initiated by WTO member states against China increases.

2.4. Model Design

2.4.1. Variable Definitions

The main variables are shown in Table 1:

Table 1. Variable names and definitions

Variable Type	Variable Symbol	Variable Definition
Dependent Variable	y	Number of WTO lawsuits against China
Independent Variables	x_1	China's contributions to the United Nations (in hundreds of millions of USD)
	x_2	Trade surplus with the United States (in hundreds of millions of USD)
Control Variables	Fcp	China: Contract value of overseas engineering projects (in hundreds of millions of USD)
	Fdi	China: Outward direct investment stock (in hundreds of millions of USD)
	$Fdi-America$	China: Outward direct investment stock in North America: United States (in hundreds of millions of USD)
	$Fdi-UE$	China: Outward direct investment stock in the European Union (in hundreds of millions of USD)
	$Fdi-ASEAN$	China: Outward direct investment stock in ASEAN (in hundreds of millions of USD)

2.4.2. Descriptive Statistics

Table 2. Descriptive Statistical Analysis

Variable	Obs	Mean	Std. Dev.	Min	Max
y	22	1.5909	1.4027	0	5
$\ln x_1$	22	-0.1259	1.0336	-1.8971	1.5748
$\ln x_2$	22	7.8981	0.2331	7.5606	8.2504
$\ln Fdi$	16	8.8120	1.1183	6.8094	10.2346
$\ln Fcp$	21	6.9039	1.0362	4.8705	7.8834
$\ln Fdi-America$	20	13.9517	1.8599	10.8244	15.8956
$\ln Fdi-UE$	18	14.6372	1.6283	11.24897	16.1299
$\ln Fdi-ASEAN$	18	14.8391	1.5245	11.7410	16.5542

2.4.3. Correlation Test

To avoid empirical bias caused by excessive correlation between variables, which could affect the reliability of the regression results, a correlation analysis of the main variables was conducted prior to the empirical regression of the model. This was done to prevent multicollinearity among the variables. The results of the analysis are shown in Table 3. The correlation results indicate:

Table 3. Correlation Analysis

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(1) <i>y</i>	1.000							
(2) <i>lnx1</i>	-0.253	1.000						
(3) <i>lnx2</i>	0.182	0.672	1.000					
(4) <i>lnFdi</i>	-0.110	0.960	0.670	1.000				
(5) <i>lnFcp</i>	-0.107	0.913	0.590	0.983	1.000			
(6) <i>lnFdi-America</i>	-0.104	0.935	0.618	0.986	0.977	1.000		
(7) <i>lnFdi-UE</i>	-0.046	0.890	0.612	0.969	0.978	0.984	1.000	
(8) <i>lnFdi-ASEAN</i>	-0.069	0.927	0.658	0.991	0.991	0.985	0.988	1.000

2.4.4. Regression Analysis

The study was conducted using Stata 15.0, and the regression results with control variables are presented in Tables 4 and 5. The results in Table 4 show that the regression coefficient between *lnx2* and *y* is 4.1514, which is significant at the 10% level. This indicates that WTO lawsuits initiated against China tend to increase as China's trade surplus with other member states grows, thereby confirming Hypothesis 1. The results in Table 5 show that the regression coefficient between *lnx1* and *y* is -5.0015, which is significant at the 10% level. This suggests that the more China contributes to the United Nations, the fewer WTO lawsuits are brought against China, meaning that China's provision of public goods to the WTO is related to the number of lawsuits initiated by WTO members, thus confirming Hypothesis 2.

Table 4. Regression Analysis 1

	(1)
	<i>y</i>
<i>lnx2</i>	4.1514*
	(1.8192)
<i>Fcp</i>	0.0007
	(0.7195)
<i>Fdi-America</i>	-0.0000
	(-1.4581)
<i>_cons</i>	-31.1713*
	(-1.7943)
<i>N</i>	19
<i>R</i> ²	0.300

Note: t statistics in parentheses * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 5. Regression Analysis 2

	(1)
	y
<i>lnx1</i>	-5.0015*
	(-2.1724)
<i>lnFdi</i>	6.0637
	(1.0956)
<i>lnFcp</i>	-9.6281
	(-1.6651)
<i>lnFdi-America</i>	-0.9412
	(-0.3995)
<i>lnFdi-UE</i>	0.5681
	(0.1971)
<i>lnFdi-ASEAN</i>	1.0094
	(0.2099)
<i>_cons</i>	11.1037
	(0.5362)
<i>N</i>	16
<i>R</i> ²	0.464

Note: t statistics in parentheses * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

2.5. Conclusion

1) As China's economy rises, international power is gradually shifting from the West to the East. Due to reasons rooted in realism and ideological opposition, WTO lawsuits initiated by Western countries against China are expected to increase as China's trade surplus with other member states grows.

2) The variation in the number of cases brought against China in the WTO dispute settlement mechanism is related to China's provision of international public goods. When China increases its supply of international public goods to the WTO, the number of lawsuits initiated by WTO member states against China correspondingly decreases. Conversely, when China reduces its supply of international public goods to the WTO, the number of lawsuits initiated by WTO member states against China increases.

As mentioned earlier, the WTO dispute settlement mechanism is not solely activated by international economic law; rather, the balancing of overseas and domestic interests by member states and the mutual strategic interactions between them are the primary driving forces. To better validate the above hypotheses, this paper further analyzes and verifies these issues in conjunction with China's major concerns in the WTO.

3. EMPIRICAL STUDY ON CHINA'S PARTICIPATION IN THE WTO DISPUTE SETTLEMENT MECHANISM

3.1. Major Concerns of China's Participation in the WTO

Based on the above quantitative analysis, this paper also integrates an analysis of the number of issues China has addressed at various stages of the WTO, as reported in the People's Daily Database. By focusing on China's concerns, this section aims to analyze the patterns of China's participation in the WTO dispute settlement mechanism.

According to statistics from the People's Daily Database, China has reported 11 diplomatic issues, 3 legal issues, and 18 dispute resolution issues related to the WTO from 2011 to the present. In contrast, from 2000 to 2010, there were 27 reports on diplomatic issues, 17 on legal issues, and 27 on judicial resolution of trade disputes. China's major concerns in the WTO have shifted from an emphasis on both legal issues and the judicial resolution of trade disputes to a focus on the judicial resolution of trade disputes.^[14]

China's primary goal in joining the WTO was to escape the predicament caused by the power imbalance in Sino-U.S. bilateral negotiations and to gain permanent, unconditional most-favored-nation status from the United States and other countries through a more rule-based and fair multilateral trade system. Additionally, China's international trade and investment are concentrated in a few WTO members, such as the United States, the European Union, and Japan, where major economic interests and related trade disputes are also concentrated. Although China has consistently emphasized market diversification, its economic structure and scale are not easily changed in the short term. After joining the WTO, China's main trading partners have remained the aforementioned countries, necessitating the signing of bilateral agreements with countries like the U.S. and Japan to safeguard China's legal rights within the WTO.^[15] From 2001 to 2016, the Bush and Obama administrations, proponents of economic primacy, believed that although China was ideologically opposed to the United States, the constraints on China's rise should be addressed within the framework of international economic and trade relations, following the theory of mutual dependence. As a result, despite some conflicts between China and the U.S. during this period, the situation remained one of "struggle without breaking." However, the Trump administration, beginning in 2016, epitomized realism and advocated "America First," using U.S. extraterritorial jurisdiction to engage in a "trade war" against China, in violation of WTO law. Under pressure from the Trump administration, China responded with large-scale legal actions. Consequently, during this period, issues related to trade dispute resolution dominated China's concerns.

3.2. Analysis of the Causes of This Phenomenon

Based on the above analysis, this paper posits that the supply of international public goods can be used as a point of entry to explain the phenomenon. International public goods are characterized by universality; if a member state continuously provides such goods, other member states of the international organization can also enjoy these "universal benefits," thereby enhancing recognition of the member state providing the public goods.^[16] As a global economic and trade cooperation organization, the WTO provides conceptual, regulatory, and institutional public goods for global economic and trade cooperation and the dispute resolution mechanism. WTO member states can be classified into three types based on their role as providers of international public goods: The first type is the leaders in providing international public goods. These members play a crucial role in institutional development, improving WTO regulations, and leading WTO concepts. At the same time, these members have strong economic power and are the primary beneficiaries of the WTO system. The second type comprises participants in the provision of international public goods. Although these members have a strong desire to provide public goods, their willingness and ability are not always aligned. They generally have strong capabilities but low willingness to provide, or

high willingness but weak capacity. These members typically have certain political and economic influence and some international discourse power.^[17] The third type includes followers or "free riders" in the provision of international public goods. These members usually have low levels of economic development, weak willingness, and capacity to provide international public goods, and minimal participation in the provision of WTO international public goods. In practice, most developing country members of the WTO fall into this category. Therefore, based on the provision of international public goods, the WTO can be divided into three types of member states. The distribution of international public goods among these types reflects the international power structure and national strength. The existence of these three types of members inevitably leads to an imbalance in the provision of international public goods within the WTO. Secondly, the 2008 global financial crisis significantly altered the balance of economic power worldwide, and the outbreak of the COVID-19 pandemic brought long-term economic recession to an already sluggish global economy. Both developed and developing country members of the WTO experienced varying degrees of economic loss, leading to a contraction in both the capacity and willingness to provide international public goods. Thirdly, as a global international economic organization, the WTO's actions follow the logic of collective action. In the anarchic international society, if there is a lack of consensus on the distribution of international public goods, some member states may become accustomed to "free riding." This imbalance in provision can lead to a collective action dilemma due to the distribution of international public goods. Drawing on Kindleberger's theory of international public goods, this paper argues that the fluctuation in China's risk of being sued in the WTO dispute settlement mechanism from 2001 to the present is primarily based on the following reasons:

First, after joining the WTO in 2001, China committed to fulfilling its obligations under the Accession Protocol, including aligning tariffs, domestic economic laws, and its market economy status with WTO law. The United States and the European Union expected China to quickly provide institutional and material public goods to the WTO. However, economic reforms are objective processes that cannot be completed in the short term according to subjective will. The 2008 global financial crisis led to varying degrees of economic decline in Western countries due to their social systems, which in turn led to a reduction in their provision of international public goods to the WTO. In this context, Western countries urgently demanded that China fulfill its Accession Protocol commitments ahead of schedule to fill the gap in WTO international public goods, which explains the sharp increase in cases brought against China in the WTO after 2008.

Secondly, the original purpose of Western countries in establishing the WTO was to maintain their international economic dominance. However, as the international economic and trade system has improved and the Third Industrial Revolution has begun, the Western countries' international economic and trade advantages have gradually diminished. There is a positive correlation between international public goods provision and international power. As Western countries' capacity to provide international public goods has declined, their international power and status have also gradually diminished. Developed countries, represented by the European Union and Japan, and emerging economies, such as the BRICS countries, have seen a growing demand for institutional, conceptual, and regulatory public goods provided by the WTO, but their willingness to provide these goods has declined. Consequently, Western developed countries believe that developing country members of the WTO are "free riding" by taking up too many WTO resources, and they demand that emerging economies like the BRICS countries increase their contributions to WTO public goods. In response to the trade frictions and threats to withdraw from the WTO imposed by Western developed countries over the issue of WTO public goods, China and other developing countries advocate for maintaining the status quo under the existing WTO framework and insist that Western countries adhere to WTO-related legal systems. At the level of providing and distributing international public goods, they aim to maintain the original state. As a result, China, as a defender of the interests of Third World and developing countries, naturally opposes the excessive demands of Western countries under international law. This has led to a significant increase in the number of WTO dispute cases involving China since 2008.

Thirdly, the conflict between "regional international public goods provision" and "global international public goods" has triggered a contradiction between multilateralism and unilateralism. As previously mentioned, the provision of international public goods is positively correlated with the growth of international power. The provision of regional international public goods can enhance a country's influence within a region, while global international public goods focus on enhancing a country's global influence. After World War II, the United States, as the initial leader of the WTO, tied its national development strategy to the provision of global international public goods to further sustain its hegemony, thereby consolidating its economic advantage. In other words, the current international economic and trade interests of Western countries are based on a multilateral national policy that provides global international public goods. In the 21st century, the emergence of regional international economic and trade organizations has, to some extent, replaced certain functions of the WTO. This phenomenon is particularly evident in the disparities between the Global North and South and within groups like the Group of 77. Changes in the economic landscape inevitably alter the existing international political environment. For instance, the implementation of the Regional Comprehensive Economic Partnership (RCEP) marks the birth of the world's largest free trade zone in terms of population, diversity of membership, and development potential. Besides surpassing existing multilateral and regional free trade agreements in terms of substantive rules, RCEP has also established an international trade dispute settlement mechanism to address the current challenges faced by the WTO dispute settlement mechanism, thereby showing a trend toward replacing some of the WTO's functions.^[18]China's dominant position in some regional international economic organizations has raised concerns among Western countries, particularly the United States. Driven by a zero-sum game mentality, Western countries have frequently initiated lawsuits against China using the WTO dispute settlement mechanism.

Fourthly, the economic competition between China and Western countries at the geopolitical level. China's reform and opening up have led to significant impacts in the trade and investment fields at the geopolitical level. The growth of China's economy has largely been achieved through the expansion of import and export trade. One of the prominent externalities of the Chinese economy is the impact of its products. Chinese products have not only impacted developed countries but also developing countries, putting immense pressure on foreign manufacturers of similar goods, even as they meet the consumption needs of residents in various countries. At the same time, China, as one of the most attractive investment destinations in the world, is also one of the largest recipients of foreign direct investment. However, the intensifying competition for resources between China and other economies, coupled with China's resource-intensive growth model, has led to increasing resource conflicts between China and other world economies. In this context, energy-intensive enterprises from Western countries have increasingly relocated to China, leading to comprehensive competition in the energy sector between China and the United States and the European Union.^[19]Western countries find it challenging to compete with China through normal market means, so they resort to using the WTO dispute settlement mechanism to apply pressure on China.

4. RECOMMENDATIONS FOR REDUCING THE RISK OF CHINA BEING SUED IN THE WTO

4.1. Increasing the Supply of International Public Goods

International public goods can be categorized into institutional public goods, ideational public goods, and material public goods. In terms of institutional public goods, China should strictly adhere to WTO regulations and actively and promptly align domestic laws with WTO norms through legislative revisions, repeals, or re-enactments, thereby supporting the establishment of international economic systems/orders under the WTO. For material public goods, China should, based on its national conditions, increase its contributions in areas such as United Nations dues and funding for WTO-related activities, thereby providing material public goods for the construction of the WTO system.

As for ideational public goods, constructivism argues that consistency in identity and norms promotes the formation of consensus, effectively enhancing member states' positive influence within international organizations.^[20] The risk of China being sued in the WTO has increased along with the development of China's economy and the growing trade deficit between China and the United States. According to different perspectives and positions within the United States, these views can be categorized into six main schools of thought. Realist cooperation advocates argue that the U.S. should cooperate with China to maintain regional balance; realist confrontation advocates suggest that the U.S. should support other "hostile countries toward China" and employ various means to curb China's economic growth. Economic primacy cooperation advocates believe that the U.S. should integrate China into the WTO system and use the WTO to encourage China to "identify with" the Western-dominated international economic order; economic primacy confrontation advocates believe that international organizations like the WTO should be used, along with economic sanctions and other measures, to compel China to comply with the Western-dominated international economic order. Constructivist cooperation advocates propose maintaining long-term high-level dialogues with Chinese leaders and "educating" the next generation of Chinese leaders to ensure their recognition of the Western-dominated international economic order; constructivist confrontation advocates suggest pressuring the Chinese government through issues like human rights by rallying Western allies and employing "moral condemnation" to force China to submit to public opinion pressure and respond to the Western-led international economic order.^[21] Therefore, providing innovative theories of international economic law for the WTO can build consensus and reduce the risk of China being sued in the WTO.

4.2. Skillfully Leveraging International Non-Governmental Organizations and Regional Intergovernmental Organizations for Active Consultations

Although the WTO covers all aspects of global economic trade, its dispute resolution mechanism still exhibits strong political tendencies. This is reflected in issues like "anti-dumping standards" and "the criteria for defining developing and developed countries." Due to internal disagreements among WTO members, no official standards have been established for these issues. The absence of such official standards is a significant reason for the heightened risk of China being sued in the WTO. Therefore, this article suggests that China should actively engage in consultations on these "standard" issues through international non-governmental organizations and regional intergovernmental organizations, striving to establish relatively objective "anti-dumping" standards within regional frameworks, thereby reducing the risk of China being sued in the WTO.

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