

How to face with Anti-Globalization and the Unconstraint State?

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Avoiding Fight and Keeping Tolerant

1. Avoiding Fight

- Controlling **Incentive** to military action
- The Unconstrained State: Low legal stability
 1. Opportunity Cost : if **banned out of the globalization**
 2. Discipline **the State**, not the SOEs.
 3. “Multi” Rules and “Voluntary Group” are **complementary**, not substitute

2. Keep Tolerant

- Improving the technological/business capability to **make the Interdependence Safe**

3. Synchronizing EU and CPTPP to upgrade WTO

Disciplining the State

Rule is Not Fully Utilized Yet

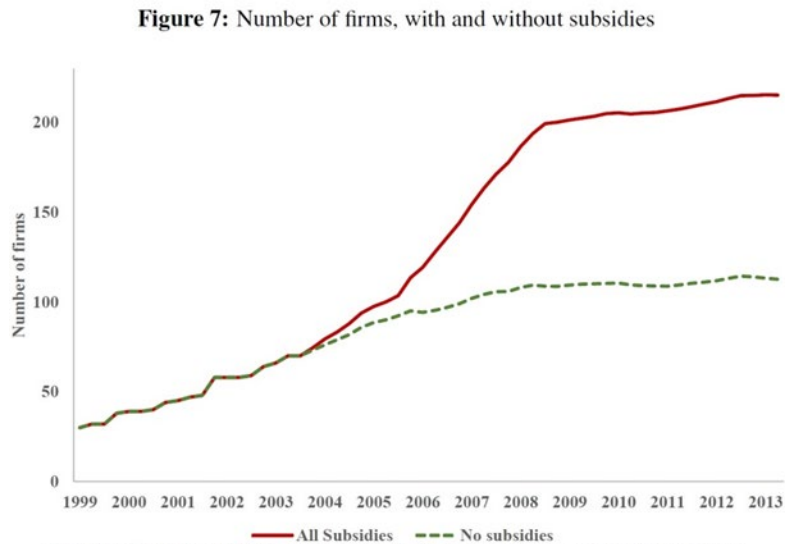
- WTO Rules
 - Subsidy and Countervailing Measures
 - Technical Barrier to Trade /SPS
 - Economic Coherence
 - Protocol on the Accession of the People's Republic of China, November 2001
 - SOE, subsidy, government procurement
 - Government Procurement Agreement
- Japan-China-Korea Investment Agreement
 - SSDS with China
 - CAI

Unregulated Arena

- Competition
 - Very reluctant to harmonize the regulation of the competition
 - Abusive Action in M&A, Competition regulation
- Data
 - Government Access
 - Ownership of Data

Economics is useful to identify “harms” of the state action

Shipbuilding (Jia-Barwick, et al 2019)



Note: Total number of firms in the case of all subsidies (as in the data) and a counterfactual case with no subsidies.

Steel (Watanabe, 2022)

