

An Analysis of American Silk Trade Protectionism under the Background of Anti-Globalization

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Abstract: The United States is a major consumer of textiles. As an important part of textile products, silk is a frequent visitor to the US "list of US trade protection". From the perspective of cases, measures and characteristics, the US silk trade protectionism is summarized and summarized. It also analyzes the economic and political reasons of American silk trade protectionism. The results show that: first, the US silk trade protectionism may disrupt the silk industry chain of the United States and disrupt the supply and marketing of domestic silk products. Second, US silk trade protectionism will not solve the trade deficit and will lead to retaliation from trade rivals. Second, us silk trade protectionism easily leads to imported inflation of trade objects and intensifies the domestic unemployment problem of trade objects.

Keywords: The United States; Silk; Trade Protectionism

Introduction

Since President Trump officially took office in January 2017, the United States has fully implemented the "global contraction, America First" policy, protecting local industries by imposing retaliatory tariffs and setting up trade barriers. Its trade protectionism is full of anti-globalization and unilateralism. This protectionism is particularly prominent in the field of silk.

Silk trade protection is a part of the implementation of foreign trade protectionism in the United States. There are many studies on trade protectionism in China, but specific articles in the field of silk are not common. Feng Cen ^[1] (2009) summarized the types of silk trade protection and believed that silk protectionism should be handled from the level of the government, industry and enterprises. Zhang Qing ^[2] (2018) pointed out that domestic general imported inflation may pose a threat to the international competitiveness of the cocoon and silk industry. Shu Zirui ^[3] (2019) analyzed the impact of US silk trade protectionism on China's international competitiveness of silk from the perspective of capital investment and export changes. Qi Lin ^[4] (2009) believes that the new trade protectionism represented by innovative technological barriers and differential technological barriers is the main form of the current silk trade protectionism. To sum up, scholars can see that they tend to examine trade protectionism from a certain level, mainly focusing on the theoretical comparison of trade protectionism and free trade. This paper takes the US silk trade as the research object, and examines the US silk trade protectionism from the aspects of cases, causes, characteristics, influence, and provides the theoretical significance for improving the efficiency of China's cocoon export silk to the United States.

1. Cases, measures and characteristics of US silk trade protectionis

1.1 Related cases

Trade protectionism in the US has a long history. After the outbreak of the international financial crisis in 2007, trade protectionism became increasingly obvious and reached its peak after Trump took office. The United States is a major consumer of textiles. As an important part of textile products, silk is a regular visitor on the "list" of US trade protection. This paper lists the major US trade protection cases in the silk field in the past 40 years.

On January 1, 1987, the United States terminated the deductible treatment of import according to the value of silk products as stipulated in the Chinese "main value silk" regulation, stipulating that silk products with less than 80% of the silk content will no longer enjoy the treatment of the import free quota.

From 1994 to 1998, the United States implemented quota management for imported Chinese silk products. The American Consumer Product Safety Commission has imposed mandatory textile and garment flame retardant standards since February 2010, which includes silk products in its flame retardant test program. All textile and clothing products imported from the United States after February 2010 must provide relevant flame retardant performance reports, and heavy penalties will be imposed if violations are found.

It should be noted that this trade protectionism has a certain concealment. Silk products are different from the general textile products, silk products and wool products are natural protein fiber, its flame retardant performance is relatively similar, so silk products should be the same as wool products, do not need to conduct flame retardant test. According to the new standards, many European countries have conducted flame retardant tests on silk products, and the test results showed that all silk products can reach Class1 level. Some Chinese silk enterprises have also conducted flame retardant tests before export, and the results showed that more than 95% of the silk fabrics had flame retardant properties, except for a very few light and light fabrics. This situation is completely consistent with the European test results. Therefore, it is completely unnecessary to test the flame retardant performance of the silk fabric with a thickness above 30g / m². The standard imposed by the United States is purely trade protectionism.

The Office of the U. S. Trade Representative (USTR) announced that starting from October 2018, the United States will impose a 10 percent import tariff on 25 eight-digit HS-coded silk cocoons in China.

1.2 Measures

In the arrangement of US trade protectionism measures in the past five decades, US trade protectionism measures can be divided into two categories. The first category is transitional trade protectionism, including "absolute quota", "transitional guarantee mechanism for specific products" and "special safeguard measures for textiles". After the abolition of the world textile quota in 2005, the United States is unlikely to adopt the "absolute quota" in the silk sector. The "Transitional safeguard mechanism for specific products" and the "special textile safeguard measures" are especially aimed at China's entry into the WTO. Cancelled after 2013. The second type is non-transitional trade protectionism, including "tariff", "tariff quota", "automatic limited agreement", "import license and license", "anti-dumping", "countervailing", "orderly sales agreement", "presidential executive order", "technical compulsory management measures", "foreign trade management", "SA 8000 social responsibility standard" 11 kinds. Among them, temporary tariff allowance, anti-dumping and countervailing investigation are the customary trade protectionist measures of the United States in the silk field.

With the change of the international situation, the current US silk trade presents a certain concealment, that is, abandoning the traditional means, and trade protection from the fields of technology and environmental protection. Such measures have a certain threshold effect, and often stand on the so-called moral high ground to blackmail, making trade objects headache. "Such as technical compulsory management measures", "foreign trade management" and "SA 8000 social responsibility standards". Take the "SA 8000 Social Responsibility Standard" as an example, the trade protection measure binds the social responsibility and management system together, setting nine minimum requirements, including child labor, mandatory employment, differential treatment and working hours, covering three areas: human rights, labor standards and the environment. Its set up has its reasonable side, however, due to some historical reasons and cultural differences, in such as child labor use, working hours, as the developing countries we compared with western developed countries have a significant gap, although this gap has been gradually weakened, but to complete eliminate still must consume a lot of our financial resources and energy, and need to start from the top design step by step, gradually optimize, the process is long. If the United States links labor standards or working hours under the SA8000 to silk imports, it will be disastrous to export China's silk products today, and, as a party against social responsibility, our countermeasures will pale in^[5].

1.3 Characteristics

Through sorting out and summarizing the specific cases of US silk trade protectionism in the past 30 years, combined with the measures of US trade protectionism, it is found that the current characteristics of silk trade protectionism in the United States are mainly aimed at economically underdeveloped countries and regions. This may be related to the international division of labor, the current international division of labor shows a trend of gradually replacing vertical division of labor. That is, the main division of labor object of the United States is other developed countries (regions) in the world, that is to say, the main trading partners of the United States are some western developed countries, usually the strategic Allies of the United States, such as the European Union, Japan, etc. This can also be seen from the import tariffs of the United States, whose special maximum-benefit countries of the United States are all developed countries except for a few developing countries such as Mexico. Since the United States has these relatively close trading partners, it is bound to implement trade protectionism against other countries and regions (mainly developing countries) in order to ensure the optimal trade interests of both sides.

However, after Trump took office, in addition to implementing trade protection against developing countries, he also frequently attacked developed countries and former Allies. For example, in July and October 2019, the US imposed large punitive tariffs on the European Union and South Korea respectively. This creates global discontent. This new change in trade protectionism cannot be explained by this view. With the Biden administration in office, Mr.Trump's policies continue somewhat, but they are relatively moderate to his former Allies. Its remarkable feature is that it is only aimed at China. Through continuous "withdrawal", the US government hopes to establish a trade alliance excluding China "and" building the group " to achieve trade suppression against China and expand it to military, economic, trade, cultural and other fields. It is also unclear whether this new change in trade protectionism will possibly be extended to the silk sector.

2. The reasons for the US silk trade protectionism

2.1 Economic reasons

2.1.1 Trade imbalance

As a trading power, the current trade deficit of the United States is huge, and the trend is more and more intense. In 2020, the total export amount of US goods was us \$1431.64 billion, imports were \$2407.55 billion, and the deficit of US \$975.91 billion increased by 41.4% compared with 2010. The United States is heavily influenced by Keynesian new mercantilist, and believes that a country's economic source mainly depends on trade surplus. The huge trade deficit has put great public opinion pressure on the US government, which has to make trade protectionism in response to the increasingly serious domestic pressure.

2.1.2 Unemployment is serious

Due to the financial crisis and the COVID-19 pandemic, the unemployment rate is rising, and the current employment situation is very grim. According to the International Monetary Fund database, the proportion of unemployed people accounting for 8.1% in 2020 has increased by 118.9% year on year. That is well above Japan's 2.7 percent and China's 4.2 percent. In order to boost the US economy, support local industries and increase job opportunities, continuing trade protectionism has also become the immediate national policy of the current US government.

2.1.3 Import country influence

At present, the US economy is too dependent on service industries and serious industrial hollowing out, this phenomenon is particularly prominent in the cocoon and silk field. Some major silk trading countries, represented by China and India, show an extensive type of silk products exported to the United States, with mainly quantity growth, and occupy an absolute share of the US market. This has undoubtedly worsened the already difficult silk industry in the United States, prompting the United States to launch a trade war to restrict the import of silk products from other countries.

2.2 Political reasons

2.2.1 Political system

Ballot politics is the most distinctive feature of the American political system, the ^[6]. The direction of government decision-making is generally consistent with the overall wishes of the voters. The textile industry is a traditional industry in the United States, and it is widely distributed, and plays a pivotal role in the manufacturing industry. Various textile and garment enterprises often work together to influence government decisions for their own interests, and the United States is now reintroducing the slogan of "revitalizing manufacturing". It provides the soil for the trade protection demands of these clothing enterprises.

2.2.2 Encirclement and suppression of China

China's rise poses a threat to the US's global dominance. The crackdown on China, a consensus among some top brass in the US, is often concentrated in the trade sector. Exports as the main way of China, of course was pushed to the forefront, the us government at all costs momentum comprehensive suppression of Chinese exports, even at the expense of the American interests, under the idea on the one hand, urged its Allies to resist the advantage of Chinese exports, on the other hand try to slander and block Chinese products into the American market.

3. The impact of trade protectionism on the US silk industry and its trading partners

3.1 Impact on the U. S. silk industry and its trading partners

3.1.1 US silk trade protectionism may disrupt the US silk industry chain

The foreign silk trade restrictions of the US may disrupt the US industrial chain and harm the interests of the silk industry. Since there is no raw silk production in China, the United States has been reprocessing raw silk or raw materials, which has formed a stable industrial chain over the years. In this case, trade protectionism has restricted the import of corresponding products, making domestic manufacturers without raw material processing, which will inevitably destroy the industrial chain of the silk industry.

3.1.2 American silk trade protectionism may disrupt the supply and marketing of domestic silk products

3.1.3 Trade protectionism does not solve the trade deficit

As mentioned above, one of the fundamental reasons for the US trade protectionism is the US trade deficit, which hopes to curb imports through protectionism in various industries, including silk trade protectionism, but trade protectionism is not the fundamental way to solve the US economic deficit. One view is that trade protectionism causes imports to shrink, and then the dollar flowing into the world decreases, leading to the appreciation of the dollar. American imports are bad for exports, and the difference between imports and exports does not decrease. Solving the industrial hollowing out; improving the international competitiveness of American goods; reforming the international monetary system is the best way to solve the American trade deficit.

3.1.4 American silk trade protectionism will invite retaliation from trade

rivals

Throughout global economic history, protectionism often invites retaliation from trade rivals. If the protectorate is alone on trade issues, it could trigger its rivals to impose export restrictions on their industries and create a vicious circle, such as the trade war between China and the United States. If opponents escalate this "retaliation" and strictly restrict their exports of necessities to protectorates (usually scarce energy goods), it will be even more catastrophic to protectorates, and trade protectionism is highly likely to eventually turn into regional conflicts or even wars. This is the case with the European energy crisis triggered by the Russo-Ukraine war in 2022.

3.2 Impact on the trading partners

First, silk trade protectionism greatly reduces the silk exports of trading partners, suppresses the export capacity to earn foreign exchange, and thus affects the domestic income level of trading partners. Second, under the background of silk trade protection, will inevitably increase trading countries, especially for countries with high silk export dependence, exchange rate decline indeed to improve the international competitiveness of exports, expand non-trade protectionism regional exports has certain benefits, but also can't ignore, exchange rate downward will restrict trading imports, especially for some necessities and advanced technology, equipment imports will become quite troublesome, while the falling exchange rate also increases the possibility of imported inflation. Third, the silk trade protectionism destroyed the employment balance of trade countries, silk trade protectionism raised the operating costs, in order to ensure the normal profits of the trade countries of silk export enterprises, many enterprises will reduce the scale of production, this is bound to increase the unemployment rate, especially for labor-intensive enterprises will produce a great blow.

Conclusion

This paper sorts out and summarizes the American silk trade protectionism from the perspective of cases, measures and characteristics. It also analyzes the economic and political reasons of American silk trade protectionism. The results show that: first, the US silk trade protectionism may disrupt the silk industry chain of the United States and disrupt the supply and marketing of domestic silk products. Second, US silk trade protectionism will not solve the trade deficit and will lead to retaliation from trade rivals. Second, us silk trade protectionism will easily cause imported inflation of trade objects and intensify the domestic unemployment of trade objects.

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