

International Trade and Environmental Protection: China's Coordination Strategy

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Abstract—Nowadays, the process of world economic integration is accelerating, the foreign trade of China is also developing rapidly, so the environmental protection is becoming increasingly important. In order to achieve sustainable development, it is very important to balance the relationship between environment and trade. International trade and environmental protection are not completely opposite, but interacted on each other, and both have their virtues and their faults. In order to achieve sustainable development, China must actively coordinate the relationship between international trade and environmental protection, and take relevant measures to reduce mutual friction, to ensure the orderly development of environment and trade.

Keywords—international trade; environmental protection; relationship; coordination strategy

I. INTRODUCTION

In the process of economic globalization, international trade promotes the development of global economy. With the continuous development of economy, since the 1980s, international environmental problems have emerged frequently, and problems such as climate change, environmental pollution and ozone hole need to be solved urgently. To solve environmental problems, some countries try to use trade measures to encourage other countries to improve their environmental policies. Therefore, environmental issues in the international trading system become more and more important.

In this context, various multilateral environmental treaties have been formulated by countries and international organizations, and environmental protection provisions have been added to multilateral international trade treaties. But some of the treaties are very unfavorable to the trade development of developing countries including China. How to coordinate the relationship between international trade and environmental protection has become an important issue for the Chinese government.

This paper aims to analyze the relationship between international trade and environmental protection, and put forward reasonable and effective countermeasures, and provide reference for the coordinated development of trade and environment. The literature review part analyzes the current domestic and foreign scholars' different views on the relationship between international trade and environmental

protection. The mutual influence between the two is discussed in the third chapter, and China's countermeasures are put forward in the fourth chapter.

II. LITERATURE REVIEW

Scholars have various views on the relationship between international trade and environmental protection.

Some scholars believe that there are many irreconcilable contradictions between international trade and environmental protection. Environmentalists argue that the international trading system is having a negative impact on the environment by lowering environmental standards to attract investment. However, trader liberals believe that the trade system itself does not contain unfavorable factors for environmental protection, and it is the unreasonable design of environmental policies that causes friction between environmental policies and trade policies [1]. In China, to some extent, the negative effect of economic growth caused by environmental pollution of export trade reduces the economic benefits brought by export trade [2].

Some scholars believe that international trade and environmental protection are mutually compatible. The international community has reached a consensus on environmental issues that environmental policies are aimed at maintaining and promoting sustained economic development [3]. The improvement of life quality can be achieved through more effective allocation of natural resources [4]. The environmental protection policies formulated by WTO are not inconsistent with the goals of WTO in essence [5]. It is not advisable to simply equate trade development with environmental development, ignoring the complexity of the relationship between trade and environmental protection [6].

To cope with the friction between international trade and environmental protection, international organizations are also trying to promote the integration of the two. The international trade organization addresses the friction between trade and environment by sorting out different perspectives through the multilateral trading system and calls for increased cooperation among member states, the public and non-governmental organizations [7].

III. THE RELATIONSHIP BETWEEN ENVIRONMENTAL PROTECTION AND INTERNATIONAL TRADE

Environmental protection and international trade influence each other and have their own advantages and disadvantages. To achieve sustainable development, the two cannot be put in opposition.

A. Environmental Protection Affects International Trade

Generally speaking, environmental protection has an impact on international trade in terms of international competitiveness, product access, economic structure, technology transfer and international standard setting.

1) *Environmental protection policy changes international competitiveness*: The environmental protection policy requires the product quality to meet the standard. In order to meet the standard, enterprises will inevitably increase the production cost, which will produce a series of chain reactions. The higher the environmental standards, the greater the corresponding economic pressure. The implementation of environmental protection policy indirectly changes the international competitiveness of the participating countries in international trade [8].

2) *Environmental protection promotes a new type of trade protectionism*: Some countries promote trade protectionism in the name of environmental protection, which produces a new type of trade protectionism with both legitimacy and concealment, such as non-tariff barriers and other green trade protection barriers. The form is various, and the system is relatively complete, tending to replace the traditional tariff.

3) *Environmental protection affects the adjustment of industrial structure*: At present, the adjustment of industrial structure and the fundamental purpose of environmental protection tend to be the same, that is, through improving environmental quality to protect people's environmental rights and interests, so as to achieve industrial development. Environmental protection requires constant adjustment of industrial structure to the direction of high and new technology, no pollution or little pollution, which is conducive to the rational development of industrial structure.

4) *Environmental protection makes technology transfer more difficult*: There are some multilateral environmental treaties demand the developed countries should guarantee the favorable conditions when transfer environmental protection technology to developing countries, such as the 1992 The Framework Convention on Climate Change and Convention on Biological Diversity. But The Agreement on Trade-related Intellectual Property Rights strictly protects the intellectual property rights, which makes the private enterprises in developed countries that master environmental technology use the protection of intellectual property rights as an excuse, fix an unreasonable price of technology transfer for developing countries, hindering the transfer of technology.

5) *Environmental protection has both advantages and disadvantages for product market access*: The formation of new non-tariff trade barriers comes from some provisions of environmental protection laws and regulations. The trade friction caused by the market access problem is not conducive to the trade development of developing countries. However, in contrast, the improvement of the market access standards of products will promote the production of products to protect the environment and human health. In order to meet the standards, the quality of products will also be improved.

B. International Trade Affects Environmental Protection

1) *International trade benefits environmental protection*: International trade liberalization promotes rational allocation of resources worldwide, which is conducive to economic development and provides economic basis and material resources for environmental protection. International trade realizes the exchange of environmental protection technologies through international circulation of commodities. Developing countries introduce environmental protection products and technologies from developed countries to improve their environmental protection technologies. At the same time, the international exchanges also help people to improve the awareness of environmental protection.

2) *International trade is not conducive to environmental protection*

Unrestricted liberalization of international trade will cause international environmental pollution and environmental damage. For developing countries that depend on natural resources for survival, the exhaustion of resources will cause irreparable economic losses to the country. In order to improve their competitive advantages, some developing countries blindly pursue economic interests, constantly lower their own environmental standards and ignore the importance of environmental protection, resulting in excessive exploitation of natural resources, pollution and destruction of surface vegetation resources, air resources and water resources, and environment is worsening. In order to meet their own needs of economic development and production, developed countries will also rely on resource countries, blindly pursue economic interests and constantly improve the price of resources, making developing countries provide raw materials and energy for them, thus falling into a vicious circle.

According to the scale effect, international trade liberalization will also refine the international division of labor, and make industrial pollution worse. In order to avoid the deterioration of their own environment and reduce the cost of pollutant discharge, some developed countries will choose to invest in developing countries to set up factories and realize the transfer of pollutants. Improper treatment of pollutants will also increase the economic cost of developing countries and even cause burden on the local environment.

IV. THE WAYS TO COORDINATE THE RELATIONSHIP BETWEEN CHINA'S INTERNATIONAL TRADE AND ENVIRONMENT PROTECTION

China's traditional extensive foreign trade development model has not only caused waste of resources and environmental damage, but also seriously restricted the sustainable development of China's foreign trade. Environmental protection is not only an important part of sustainable development strategy, but also the only way to achieve sustainable development goals.

A. *Further Strengthening International Cooperation with Major Trading Partners in the Field of Environmental Protection and Trade*

As the largest developing country and a major environmental power, China should strengthen international cooperation on environmental protection and international trade, especially with major trading partners. First, China should respect each other, recognize each other's environmental protection systems, abide by laws and regulations, and strictly implement relevant standards. Second, efforts should be made to reduce disputes, seek reasonable and legal solutions to conflicts, make use of various mechanisms, seek peaceful coexistence, jointly commit to world environmental protection and promote the development of international trade.

B. *Actively Participating in International Discussions on Environmental Protection and Trade Relations*

China should give full play to its role as a big trading country, coordinate with other developing countries and jointly safeguard their interests. China should actively participate in the new round of multilateral trade negotiations on environmental protection to understand the purpose and dynamics of trade protectionism in the new situation, strive for a voice, and actively voice for developing countries in the negotiations. China should observe the trend of environmental protection legislation in the international community, adhere to the principle of preferential treatment for developing countries, and do the best to prevent developed countries from exercising trade protectionism in the name of environmental protection.

C. *Improving Environmental Protection Laws and Regulations to Achieve Effective Supervision*

The state should strengthen legislation, formulate laws and regulations on environmental marks that are compatible with the international environmental system and conform to China's national conditions, and strengthen law enforcement to achieve effective supervision. China should create a good legal environment for the sustainable development of China's foreign trade enterprises. To protect China's environment, China need to strengthen regulation and reduce or even stop the transfer of high-polluting industries and hazardous wastes from developed countries to China.

D. *Promoting Industrial Restructuring and Promoting the Development of Low-carbon Industries*

Low-carbon industry is dominated by new energy and other industries with low energy consumption and low pollution. Its development conforms to the social situation and has become one of the rapidly developing industries in China [9]. Under the background of global warming, the industries with high energy consumption and high pollution cause high harm to the environment and human health, and the coal resources are increasingly exhausted. The low carbon economy comes along with the trend, which is bound to become an important industry to promote economic development and has a broad development prospect.

The traditional extensive development model of "high capital input, high resource consumption and high pollution discharge" is no longer suitable for China's basic national conditions. China should resolutely implement the strategy of sustainable development and establish a "resource-saving" and "environment-friendly" national economic system. This requires that the industrial structure must change from high energy consumption and high pollution to low energy consumption and low pollution, vigorously develop high-tech industries and low-carbon industries, and adjust the coal-based energy consumption structure.

E. *Changing the Way Foreign Capital Is Utilized*

China should reduce foreign investment in industries with high pollution and energy consumption, guide foreign investment into high-tech, technology-intensive and other low-carbon industries, promote foreign investment in the primary industry based on science and technology, and increase foreign investment in the tertiary industry, so as to realize the development of environment-friendly economy.

F. *Establishing a Modern Enterprise System in Accordance with International Environmental Standards*

Enterprises should strictly follow international environmental standards and develop green production in the process of production and transportation. From raw materials to waste treatment, every link should comply with the requirements of green production. Use low-pollution and low-energy raw materials as far as possible, update production technology to reduce energy consumption, develop and introduce harmless equipment, adopt clean technology to produce, strictly control waste discharge, and minimize pollution and damage to the environment.

G. *Intensifying Publicity Efforts and Coordinating the Relationship Between International Trade and Environmental Protection from the Perspective of Social Culture*

The state should intensify the publicity of environmental protection, formulate multi-channel publicity means, improve the level of environmental protection education and enhance people's awareness of environmental protection. To advocate economic development, China must thoroughly implement the scientific outlook on development and implement the strategy of sustainable development. In the

process of economic development, we attach importance to environmental protection and pursue the balance between the two. Instead of focusing on immediate interests, China should consider long-term interests, coordinate the relationship between international trade and environmental protection, and solve the conflicts between them [10].

V. CONCLUSION

International trade and environmental protection are not incompatible. The mutual influence between the two sides has both advantages and disadvantages. The influence of environmental protection on international trade is dialectical, which is manifested in five aspects: international competitiveness, product market access, economic structure, technology transfer and trade protectionism. Meanwhile, the impact of international trade on the environment can be divided into positive impact and negative impact. On the positive side, normative international free trade will inevitably promote the improvement of social welfare and economic development in the traditional sense, bring about the diffusion of environmental protection technology, and enhance the public awareness of environmental protection, thus contribute to the development of the environment. But at the same time, international trade will also cause excessive exploitation of natural resources and environmental degradation to a certain extent, and some industries also have indirect resource plunder phenomenon.

In order to coordinate the relations between international trade and environmental protection, China should actively participate in the negotiations on international environmental protection and trade relations and further strengthen international cooperation in the field of environmental protection and trade. At the same time, the government should give full play to its functions, change the way of using foreign capital to adjust and guide the existing industrial structure, and promote the development of low-carbon industry. In terms of supervision and legislation, we should improve environmental protection laws and regulations, establish a modern enterprise system, and carry out effective supervision, so as to promote the social and cultural coordination between international trade and environmental protection.

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