CHINA’S RISE: HOW IT TOOK ON THE U.S. AT THE WTO

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This Article builds from original fieldwork to show what lies behind China’s remarkably successful use of international trade law to take on the United States and Europe. The World Trade Organization (“WTO”) is unique in China’s international relations as it is the only forum where China, with its anti-legalist traditions, has resolved its disputes through law and the use of third-party dispute settlement. After China acceded to the WTO in 2001, it invested massively in building trade law capacity to transform itself and defend itself externally. Through these investments and its increased market power, China became a serious rival to the United States and Europe in the development and enforcement of international trade law. This Article provides the most complete account of this important development, which has had significant political impacts within the United States and Europe. The Article first explains China’s significant trade law capacity-building efforts in government, academia, law firms, and business. It then assesses the broader implications for the international trade legal order. It shows that global economic order, itself, is at stake, affecting citizens around the globe. The Article builds from research involving over a decade of original fieldwork in China, Washington D.C., Brussels, and Geneva.

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I. INTRODUCTION

Much ink has been spilled on the trade threat of China, but there is little knowledge and appreciation of the remarkable institution building in China that led it to adapt to the World Trade Organization (“WTO”) and its rules, an international legal order created largely by the United States (“U.S.”) and the European Union (“E.U.”). China’s investment in WTO law and policy helped to dramatically move China toward a trade-liberal direction, integrate it into the global economy, and embed it in existing global economic-governance re-

regimes. Many commentators and scholars now challenge China for not abiding by international trade law norms. Yet, these commentators often underplay or fail to acknowledge the baseline from which China started when it was a closed economy disengaged from international economic law and institutions. They also fail to acknowledge the United States’ own contribution to its trade challenges with China.

Many commentators, in parallel, describe a turn away from the rule of law in China. In trade law, however, China massively invested in developing legal capacity to adjust to the WTO requirements that the U.S. pressed upon it. In the process, China learned how to defend its interests through the WTO
against the United States. Built on over a decade of fieldwork, this Article tells the original story of how China developed legal capacity to go head-to-head, lawyer-to-lawyer, in trade conflicts with the U.S. and Europe and became enmeshed in transnational legal processes. China, in short, took on the economic powers through investing in law, transforming its trade-related laws, institutions, and policies in the process. The U.S. and Europe had long called for China to invest in the rule of law.\textsuperscript{8} China answered that call regarding trade law. Our research provides the most thorough and empirically grounded assessment of such developments in China and their implications for the United States, Europe, and the international trade legal order.

These developments are remarkable. Economists explain China’s rise in terms of efficiency based on the combination of Western know-how and Chinese wages that triggered the Chinese “manufacturing miracle,” where China became a giant in manufacturing in a couple of decades.\textsuperscript{9} Political scientists, in turn, write of China’s rise in terms of its increased economic power.\textsuperscript{10} But what about law? After all, it is not just power and money that rule the world, but also law and legal institutions. The three are complementary, and the story of China’s rise and its implications for global trade governance needs a complementary assessment of law.

International relations scholars stress the importance of who designs and drafts international rules to place institutional constraints on others.\textsuperscript{11} In the WTO context, the U.S. and E.U. dominated the design and drafting of the WTO and its rules.\textsuperscript{12} China was not accepted into the WTO until seven years later, and, when it was, it appeared to get a terrible deal.\textsuperscript{13} China had to agree to China-specific rules that granted other WTO members greater rights against China, and China fewer rights against them, compared to the standard provisions of the WTO treaties.\textsuperscript{14} And yet, through China’s investment in legal capacity, it was able to become a legal rival to the U.S. and Europe, who now

\textsuperscript{8} See Wayne M. Morrison, Cong. Research Serv., IB91121, China-U.S. Trade Issues, at CRS-12 (2003) (“The Clinton Administration further maintained that China’s accession to the WTO would promote U.S. economic and strategic interests, namely by inducing China to deepen market reforms [and] promote the rule of law . . . .”), Paul Gewirtz, The U.S.-China Rule of Law Initiative, 11 WM. & MARY BILL RTS. J. 603, 604 (2003) (“As early as 1994, President Clinton had expressed ‘support for efforts underway in China to promote the rule of law’ . . . .”).


\textsuperscript{10} Gregory Chin, Two-Way Socialization: China, the World Bank, and Hegemonic Weakening, 19 Brown J. World Aff. 211, 212 (2012).


\textsuperscript{12} Ikenberry, After Victory, supra note 11, at 244–45.


\textsuperscript{14} See infra note 99.
suggest that the rules favor China.\textsuperscript{15} China successfully moved from being a “rule taker” to a “rule shaker” to a “rule maker.”\textsuperscript{16} How did this come to be?

The Article shows how trade law is a two-level game involving the interaction of domestic and international law and policy.\textsuperscript{17} The WTO and its rules create an institutional context that plays into law and policy developments within China, with actors using international legal norms as leverage to advance internal positions.\textsuperscript{18} China’s response, in turn, helps shape the international trade legal order. These developments affect U.S. and European domestic perceptions of the legal order and their responses to it, which in turn further shape, or erode, that legal order. Whether one views China’s investment in trade law cynically as a threat to U.S. and European interests or as welfare-enhancing for China and the world, these developments need to be understood.

This Article first assesses the transformations China made in government, academia, law firms, and business to build capacity in trade law. It finds that such investment embedded key parts of the Chinese government and Chinese stakeholders in transnational legal processes of international economic integration and cooperation. It rooted China in an international dispute settlement process through law and a third-party institution. In no other area of international relations has China agreed to resolve its foreign conflicts through decisions of an international court.\textsuperscript{19} In fact, China’s traditional response to binding third-party dispute settlements is illustrated by its rejection of the rulings of the Permanent Court of International Arbitration in the South China Sea dispute as “waste paper.”\textsuperscript{20}

\begin{itemize}
\item \textsuperscript{15} Henry Gao, \textit{China’s Ascent in Global Trade Governance: From Rule Taker to Rule Shaker, and Maybe Rule Maker?}, in \textit{MAKING GLOBAL TRADE GOVERNANCE WORK FOR DEVELOPMENT} 153, 162, 167–172 (Carolyn Deere-Birkbeck ed., 2011) [hereinafter Gao, \textit{China’s Ascent}].
\item \textsuperscript{16} Id. at 167–72.
\item \textsuperscript{18} Cf. \textit{Yves Dezalay & Bryant G. Garth, The Internationalization of Palace Wars: Lawyers, Economists, and the Contest to Transform Latin American States} 34 (2002) (referring to such contests as “palace wars” among competing elites); Margaret M. Pearson, \textit{The Case of China’s Accession to GATT/WTO, in The Making of Chinese Foreign and Security Policy in the Era of Reform, 1978–2000}, 337, 364 (David M. Lampton ed., 2001) (Premier Zhu Rongji finding that “the only way to break the hold of the ‘old’ economy and its champions was to force change on it via the stringent requirements imposed by WTO rules”).
\item \textsuperscript{19} Compare Gao, \textit{China’s Ascent}, supra note 15, 167–72, with Owen Bowcott et al., \textit{Beijing Rejects Tribunal’s Ruling in South China Sea Case}, \textsc{Guardian} (July 12, 2016, 1:21 PM), https://www.theguardian.com/world/2016/jul/12/philippines-wins-south-china-sea-case-against-china.
\item \textsuperscript{20} See Simon Denyer & Emily Rauhala, \textit{Beijing’s Claims to South China Sea Rejected By International Tribunal’s Ruling in South China Sea Case}, \textsc{Guardian} (July 12, 2016, 1:21 PM), https://www.theguardian.com/world/2016/jul/12/philippines-wins-south-china-sea-case-against-china; Simon Denyer & Emily Rauhala, \textit{Beijing’s Claims to South China Sea Rejected By International Tribunal’s Ruling in South China Sea Case}, \textsc{Washington Post} (July 12, 2016), https://www.washingtonpost.com/world/beijing-remains-angry-defiant-and-defensive-as-key-south-china-sea-tribunal-ruling-loomes/2016/07/12/11100648-4771-11ef6-8aad-0f8e4acec5b1_story.html?utm_term=.25cad7c3679c (“Foreign Minister Wang Yi was quoted as telling Secretary of State John F. Kerry last week that the case was a ‘farce.’ His ministry said it was delusional to think China would bow to diplomatic pressure to accept the ruling.”); Bowcott et al., supra note 19 (“Xinhua, [China]’s official news agency, hit out at what it described as an ‘ill-founded’ ruling that was ‘naturally null and void.’”); Jane Perlez, \textit{Panel Rejects China’s Claims in Sea Dispute}, \textsc{N.Y. Times} (July 13, 2016), https://www.nytimes.com/2016/07/13/world/asia/south-china-sea-hague-ruling-philippines.html (“In a tough speech in Washington last week, a former senior Chinese official, Dai Bingguo, said that the findings would amount to no more than ‘waste paper’ and that China would not back down from its activities in the South China Sea . . . .”).
\end{itemize}
Second, the Article assesses the implications of China’s ability to use international trade law against the U.S. and Europe for the multilateral trade system itself. The Article shows how domestic and international law and policy interact and cannot be understood in isolation from each other. Such interaction involves processes of transnational legal ordering and disordering. The Article shows how China invested in developing legal capacity to defend its interests, transform itself, and, in the process, become the rival of the U.S. and the E.U. before the WTO dispute settlement system. China’s investment, in turn, spurred reactions in the U.S. and Europe that could call into question the future of the international economic legal order.21 Much is at stake. Less than a century ago, during the inter-war period in the 1930s, the world experienced the dangers of unilateralism, protectionism, extremism, and great power rivalry unconstrained by international law and institutions.22 A return to great power economic rivalry and protectionist practices could bring dire consequences.

The remainder of this Article is in eight parts. Part II introduces the Article’s theoretical frame of transnational legal ordering and the Article’s methodology. Part III sets the background by reviewing the considerable challenges that China faced in adapting its laws, institutions, and practices upon joining the WTO. Part IV explains China’s initiatives within government to build trade-related legal capacity to comply with WTO law and represent China externally in negotiations, legal monitoring, and dispute settlement. Part V describes Chinese initiatives in academia, Part VI in law firms, and Part VII in companies and industry associations. Part VIII first analyzes the broader implications and limits of the WTO’s impact within China. It then assesses the implications of China’s rise, and the ensuing U.S. and European reaction, for the international trade legal order itself.


II. THEORETICAL FRAMING AND METHODOLOGY

A. Frame of Transnational Legal Ordering

This Article assesses the linkages between international and national trade law from the perspective of transnational legal ordering. By transnational legal ordering, we refer to the recursive interaction and impacts of international law, national law, and local practice on each other. These impacts involve law, institutions, professions, and professional practices conducted within particular normative frames. The processes involve both strategic action and social interaction because any strategic action takes place within existing institutional contexts, and socialization occurs within institutional frames shaped by, and reflecting the positions of, powerful actors.

This approach permits us to go beyond the study of the formal relation of treaties and national law in China and the study of Chinese compliance with...
international law. Its aim is to more deeply probe the impact of the international trade law regime on institutions and professions within China, including impacts within government, academia, law firms, business, and private trade associations. The approach provides a framework for our empirical investigation of how the development of transnational legal ordering depends on legal infrastructure that penetrates and permeates national institutions and professions. We aim to open the black box of the development of China’s international trade-related legal capacity by disaggregating the Chinese state.

We do not suggest that structural context and strategic exercise of power do not matter. Rather, we contend that developments in international regimes and domestic institutions interact, and we should analyze these interactions. Thus, our transnational framework calls for the reciprocal assessment of the implications of internal changes within China for the international trade legal order itself.

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27. See, e.g., Timothy Webster, China’s Implementation of WTO Decisions, in CHINA IN THE INTERNATIONAL ECONOMIC ORDER: NEW DIRECTIONS AND CHANGING PARADIGMS 98, 110 (Lisa Toohey et al. eds., 2015) [hereinafter Webster, China’s Implementation] (noting that China’s compliance record is better than that of the U.S. and the E.U. and further noting that “China has made major revisions to its domestic legal system in order to comply with the DSB rulings. Moreover, China has done so typically within the reasonable period of time in which it agreed to do so”); see also Guang Ma & Jiang Li, A Legalization Theory Based Response to Timothy Webster’s ‘Paper Compliance’ of China in WTO Dispute Settlement, 10 ASIAN J. WTO & INT’L HEALTH L. & POL’Y 541, 575 (2015); Timothy Webster, Paper Compliance: How China Implements WTO Decisions, 35 Mich. J. Int’l L. 525, 528 (2014) [hereinafter Webster, Paper Compliance].


29. See SUSAN L. SHIRK, CHINA: FRAGILE SUPERPOWER 5 (2007) (“Our best chance of avoiding antagonism with China is to open up the black box of Chinese domestic politics, look inside, and figure out what makes China act as it does on the world stage. We find a society drastically changed by economic reforms and opening to the world.”).

30. Cf. ANNE-MARIE SLAUGHTER, A NEW WORLD ORDER 5–6 (2004) (“Stop imagining the international system as a system of states—unitary entities like billiard balls. . . . Seeing the world through the lenses of disaggregated rather than unitary states allows leaders, policymakers, analysts, or simply concerned citizens to see features of the global political system that were previously hidden.”); KENNETH N. WALTZ, THEORY OF INTERNATIONAL POLITICS 180 (1979); Christopher Layne, Kant or Cant: The Myth of the Democratic Peace, 19 Int’l Secur. 5, 12 (1994) (“Realism takes the view that even if states change internally, the structure of the international political system remains the same. As systematic structure is the primary determinant of international political outcomes, structural constraints mean that similarly placed states will act similarly, regardless of their domestic political systems.”).

31. Cf. JOHN BRAITHWAITE & PETER DRAHOS, GLOBAL BUSINESS REGULATION 14 (2000) (“Micro-macro theory” attempts to build theory “by comprehending micro processes that constitute structural change, just as those micro processes are constituted and contained by the structural.”).
al trade law involves not just law at the international level, but dynamic interactions within states, between states, and with international organizations, implicating international, national, and local law and practice. These interactions drive transnational legal settlement, unsettlement, and change. In the case of China’s rise and the U.S. response to it, current developments in the U.S.-China relationship could put the international trade legal order at risk.

B. Methodology

This Article builds from over a decade of fieldwork and in-depth, semi-structured elite interviews with Chinese officials, Chinese academics, Chinese lawyers, and foreign lawyers, the latter respectively representing China, the U.S., the E.U., and companies implicated by Chinese practices, members of Chinese think tanks, and Chinese company and industry association representatives. We conducted forty formal interviews with over sixty individuals in Beijing, Shanghai, Shenzhen, Brussels, Geneva, and Washington D.C. The vast majority of the interviews were with one interviewee, but some interviews included small groups of colleagues in government, law firms, academia, and think tanks. The interviews lasted from one to two hours. We arranged them most frequently in the interviewee’s office, but we also held them in neutral fora like restaurants and cafes. We conducted the vast majority of the interviews together.

We began the interviews with open-ended questions regarding the interviewee’s background and experience, the challenges China faces, and the development of Chinese legal capacity. We did so to gain the interviewee’s trust and to obtain the interviewee’s perspectives without steering them with our questions.32 We also asked each interviewee a common set of questions to cross-check what we learned. We asked the questions to a diverse range of informants with different interests—such as in government, in the private sector, and from outside China—to check statements for consistency, complementarity, and contradiction. In a number of cases, we interviewed the same individual more than once, which allowed us to corroborate information, assess trends, and evaluate ideas raised over the project’s course.33

We also engaged in participant observation as we were each part of meetings with Chinese officials and other Chinese stakeholders. Shaffer worked with the nongovernmental organization, the International Center of Trade and Sustainable Development (“ICTSD”), on its WTO dispute settlement and de-
veloping countries project in which Chinese officials participated in Beijing, Geneva, and Jakarta. Gao worked as a dispute settlement lawyer in the WTO Secretariat, as a consultant to the Chinese government, and as a resource person in various technical assistance initiatives sponsored by the WTO, such as the Regional Trade Policy Course for Asia Pacific and the WTO Chairs program. This work enabled us to observe discussions among stakeholders, as well as to engage in informal discussions that supplemented our formal interviews.

Qualitative empirical studies such as this one enable us to unpack the processes and mechanisms through which legal ordering takes place, and, in this respect, complement and help orient quantitative empirical studies. As with all empirical studies, this study needs to be wary of biases. We have done our best to reduce those biases by cross-checking information obtained from informants with people who have different material interests, as well as by corroborating such information through a review of primary and secondary sources in Chinese and in English. In this way, we aimed to triangulate information from multiple sources.

As with any empirical study, there are limits to this one. The information we present captures predominantly one part of China’s government, which is that involved directly in trade policy, and predominantly one group of stakeholders, those whose profession or business is linked to international trade. The information we provide, about this part of China’s government and professions in relation to other parts, reflects our informants’ views. Nonetheless, our sources stressed the limits of their positions in the context of internal Chinese contests over the role of trade law and the directions of China’s economic policy, as our Article shows. Moreover, we combined our fieldwork with a review of primary and secondary sources in Chinese and English, and we tried to limit bias by asking questions to those with different interests in China and abroad. In any case, this research provides the most original, thorough, and empirically grounded analysis of China’s development of legal capacity in trade and that development’s implications within China, as well as for the international trade legal order itself.

34. The project gave rise to the book Dispute Settlement at the WTO: The Developing Country Experience (Gregory C. Shaffer & Ricardo Meléndez-Ortiz eds., 2010).

35. As with any study, there is the challenge of the writers’ backgrounds reflecting their experiences and presuppositions, which we acknowledge and have been transparent about. See, e.g., Pierre Bourdieu, Participant Observation, 9 J. ROYAL ANTHROPOLOGICAL INST. 281, 283–85 (2003). Empirical study nonetheless is vastly superior to the alternative of armchair theorizing provided it is sufficiently reflexive of its approach and findings, and thus Bourdieu grounded his social theory in empirical study. While empirical approaches are never entirely “correct” in the sense of finding truth, from a pragmatist perspective, they are “the best way for us to proceed toward a better understanding of the world in which law operates.” See Gregory C. Shaffer, New Legal Realism and International Law, in 2 STUDYING LAW GLOBALLY: NEW LEGAL REALIST PERSPECTIVES (Heinz Klug et al. eds., 2016); see also Joel Handler et al., A Roundtable on New Legal Realism, 2 WIS. L. REV. 482, 483–84 (2005) (“[T]he power of social science methodology [is] to push us beyond our personal politics or situations, to enforce a form of humility in which we must listen to voices other than our own.”).
III. CHINA’S CHALLENGES IN JOINING THE WTO

The WTO is conventionally viewed as a creation of the U.S. and the E.U., which harnessed the opportunities provided by greater ideological consensus at the end of the Cold War and the shift toward export-oriented development models to advance liberal trade norms. At the time that the WTO agreements were signed in 1994, the U.S. and E.U. collectively represented 56% of global gross domestic product (“GDP”) in real terms and 45% in terms of purchasing power parity. Because of the importance of their markets, they exercised considerable economic power and leverage during the Uruguay Round negotiations that led to the WTO’s creation. Commentators viewed the WTO as a victory of economic liberalism and described it in constitutional terms.

China was not an original WTO member. To join the organization, it agreed to a stringent accession protocol in November 2001 that granted greater rights to other WTO members against China, and reduced China’s rights against them, compared to standard WTO rules. China agreed to open its markets to eliminate state monopolies on imports and exports and to significantly change its laws, regulations, and practices. Scores of Chinese officials, judges, and scholars came to the U.S. for training in WTO law, and scores of experts went to China to teach WTO law under technical-assistance and capac-

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36. See, e.g., John H. Barton et al., The Evolution of the Trade Regime: Politics, Law, and Economics of the GATT and the WTO 56 (2006). Ikenberry views the Bretton Woods institutions as an example of the constitutional ordering of international relations in line with the interests of a hegemonic or leading state that, in turn, agrees to limits its power through these institutions. G. John Ikenberry, Constitutional Politics in International Relations, 4 EUR. J. INT’L REL. 147, 168 (1998); Gruber, supra note 11.


41. See infra notes 70–71 and accompanying text.

42. Henry Gao, China’s Participation in the WTO: A Lawyer’s Perspective, 11 SING. Y.B. INT’L 41, 49 (2007) [hereinafter Gao, China’s Participation].
ity-building initiatives. The U.S. and the E.U. hoped to use China’s accession to the WTO to transform China into a market economy and to encourage it to move towards a liberal democracy. It was a time of U.S. triumphalism.

By 2009, however, following the global financial crisis, the continued rise of China as an economic power and the significant strengthening of China’s legal capacity to defend its interests in WTO dispute settlement and negotiations dramatically changed the situation. China increasingly asserted its rights as a rival to the U.S. and E.U. It had little to learn from them after their economic governance models lost credibility during the 2008 Great Recession. By 2010, China had become the world’s second largest economy, surpassing Japan. By 2013, it became the world’s largest trader in goods, surpassing the United States. Forecasts expect that China will surpass the U.S. as the world’s largest economy by 2028. In law and development circles, one heard of a new “Beijing consensus” as displacing, or at least rivaling, the neoliberal “Washington consensus.”

A. The WTO’s Significance for China

Economic development is critical for the Chinese government, which hopes to avoid being mired in a “middle-income trap” where the country is both less competitive in low-wage production (because wages have risen) and unable to compete in high-value-added markets. Trade (imports plus exports)
represents over 30% of China’s GDP, so international trade law has huge implications for the Chinese economy and the Chinese government.

Managing its trade relations is crucial not only for China’s economic development, but also for its political stability. China has a strong state under an authoritarian (formally Marxist) government. The Chinese state significantly invests in industrial policies, ranging from direct state ownership to state subsidization of economic sectors, including (as alleged by the U.S. and E.U.) through state bank financing at lower-than-market rates, state companies selling manufacturing inputs at less-than-market value, and a state innovation policy that promotes indigenous research and development to upgrade China’s economy. China’s state-owned enterprises still control over 38% of China’s industrial assets. At the same time, however, there is intense competition between firms. Even where the Chinese state controls an economic sector, it has tried to foster competition among different state-owned enterprises (“SOEs”) within that sector. Law and lawyers play increasingly important roles in this mixed economy, whether one views it as “socialist with Chinese characteristics” or “capitalist with Chinese characteristics.” Although many commenta-


53. See CHRISTENSEN, supra note 3, at xvii.


56. See Henry Gao, Telecommunications Reform in China: Fostering Competition Through State Intervention, in WTO DOMESTIC REGULATION AND SERVICES TRADE: PUTTING PRINCIPLES INTO PRACTICE 142, 142 (Aik Hoe Lim & Bart De Meoster eds., 2014) (noting how China deliberately created and reorganized the telecom firms to foster competition in the sector and promote its development); see also Angela Hueye Zhang, Antitrust Regulation of Chinese State-Owned Enterprises, in REGULATING THE VISIBLE HAND 85, 105–06 (Liebman & Milhaupt eds., 2015) (“Contrary to the popular perception that all SOEs are monopolies, the vast majority of SOEs operate in competitive sectors and compete head-to-head with nonstate firms.”). There is nonetheless some pressure to consolidate for purposes of international competitiveness.

57. The government’s official stance is “socialism with Chinese characteristics,” but some contend that “capitalism with Chinese characteristics” is a better label. See JOHN BRYAN STARR, UNDERSTANDING CHINA: A GUIDE TO CHINA’S ECONOMY, HISTORY AND POLITICAL CULTURE 116 (3d ed. 2010). There is some ambivalence in the government as well, as reflected in China’s contention that it has a “market economy” for purposes of anti-dumping cases abroad and before the WTO. Cf. YASHENG HUANG, CAPITALISM WITH CHINESE CHARACTERISTICS: ENTREPRENEURSHIP AND THE STATE (2008); Zheng Liang & Lan Xue, The Evolution of China’s IPR System and its Impact on the Innovative Performance of MNCs and Local Firms in China, in LAW AND ECONOMICS WITH CHINESE CHARACTERISTICS: INSTITUTIONS FOR PROMOTING DEVELOPMENT IN THE TWENTY-FIRST CENTURY (David Kennedy & Joseph Stiglitz eds., 2015); see also REGULATING THE VISIBLE HAND (Liebman & Milhaupt eds., 2015) (book on China’s “state capitalism” involving “the combination of capitalist institutions and state power”).
tors maintain there has been a turn away from law in general, business, investment, and trade law flourish, creating new career opportunities for lawyers.

The WTO system is more legalized and judicialized than any other area of international relations at the multilateral level. The WTO’s complex legal framework includes nineteen main agreements, the acquis developed under the General Agreement on Tariffs and Trade ("GATT") since 1948, and the decisions and understandings adopted by various WTO bodies since 1995. The WTO’s compulsory dispute settlement system has given rise to over 90,000 pages of jurisprudence developed by WTO dispute settlement panels and the Appellate Body in over three hundred decisions.

Given the extent of Chinese trade and the role of the state in China’s development, Chinese exports face close regulatory and legal scrutiny around the world. They have triggered far more anti-dumping, countervailing duty, and other import relief measures than products from any other country. By 2009, China “was the object of 40 percent of total anti-dumping investigations and 75 percent of countervailing duties (tariffs) in the world.” China also faces a growing number of international trade disputes regarding Chinese internal measures, particularly with the U.S. and E.U. Since joining the WTO, China has been a party in fifty-four WTO cases and a third party in an additional 136 cases. As a respondent, it has had to defend more cases than any other WTO member except the U.S. or the E.U., even though it only acceded to the WTO in late 2001, seven years after the WTO’s creation. In contrast, China has never agreed to be a party before any other international tribunal, such as the

59. In a book otherwise criticizing U.S. optimists about change in China, James Mann wrote, [T]he initiatives for rule of law in China appear to have made some progress when it comes to business disputes. The leadership knows that in order to continue to attract and retain foreign investment, it needs to show that there are courts, arbitration panels, or other mechanisms for resolving disputes about money. JAMES MANN, THE CHINA FANTASY 20–21 (2007); see also Sida Liu et al., Mapping the Ecology of China’s Corporate Legal Sector: Globalization and Its Impact on Lawyers and Society, ASIAN J.L. & SOC’Y 273, 273 (2016); see infra Part VI.
60. Shaffer et al., The Trials of Winning, supra note 28, at 388.
61. Id. at 406.
62. Shaffer, WTO Shapes Regulatory Governance, supra note 24, at 5.
63. Gao, China’s Participation, supra note 42, at 62.
66. Id.
International Court of Justice or the International Tribunal of the Law of the Sea, despite its many territorial disputes with other countries.\(^{67}\)

In the area of international trade, the U.S., the E.U., and China have confronted their differences and resolved their disputes through law before WTO dispute settlement panels.\(^{68}\) As a consequence, China has had to develop significant legal capacity to engage effectively with the WTO system; it has devoted significant resources to build that capacity within the government, academia, law firms, and business.\(^{69}\)

### B. China’s Challenges

On November 10, 2001, WTO members approved the terms of China’s accession to the WTO at the WTO Ministerial Conference in Doha.\(^{70}\) It was a momentous occasion for China, which had formally filed a request to resume its status as a contracting party to the GATT in July 1986, over fifteen years earlier, and nine years before the WTO’s creation.\(^{71}\) As a new WTO member, China could enjoy guaranteed access to other members’ markets on a most-favored-nation basis, backed by a quasi-automatic dispute settlement process.\(^{72}\) It could also participate in the creation of new WTO law through trade negotiations and the interpretation of existing WTO law through trade litigation.\(^{73}\)

Although the terms of China’s negotiations pitted rival factions within China against each other,\(^{74}\) there was huge enthusiasm in China once the country joined the WTO.\(^{75}\) The government sponsored numerous WTO-related ini-

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69. Id. at 144.


71. China was an original member of the GATT in 1948, but the Kuomintang government in Taiwan, which occupied the Chinese seat at that time, withdrew from the GATT in May 1950. For more details on the legal controversy surrounding the withdrawal and the history of the accession process, see Gao, *China’s Participation*, supra note 42, at 41–48.

72. Id. at 48.


74. SHIRK, supra note 29, at 228–30. For example, when the U.S. released a negotiating text, China’s Premier Zhu Rongji “was met by a firestorm of criticism from agriculture and industry, the Internet public, and other leaders. Zhu was attacked as a ‘national traitor’ . . . .” Id. at 230.

75. Guohua, *A Memoir*, supra note 43, at 3. Stories of common peoples’ interests in the WTO in China are legion. To give one other example, New Yorker writer Peter Hessler’s popular book *ORACLE BONES* frequently referred to the excitement regarding China’s joining the WTO among the people Hessler encountered. At one point, Hessler encountered a photographer on a bridge on the Yalu River in the town of Yabaolu across from North Korea who kept bringing up the WTO. I asked him why he was so interested. “The newspapers say that if we join the WTO, we’ll have more foreign visitors coming to China,” he explained. “And of course if China’s economy improves, then there will be more Chinese tourists coming here, too. So it has an effect on me.” PETER HESSLER, *ORACLE BONES: A JOURNEY THROUGH TIME IN CHINA* 67 (2006). This popular response was driven by government information campaigns. See Pearson, supra note 18, at 364–65.
tatives, such as the establishment of WTO centers around the country.\textsuperscript{76} Thousands of seminars were held and books published on WTO law, arguably constituting more publications on the WTO than the total published elsewhere in the world combined.\textsuperscript{77} In 2003, the government even organized a national contest regarding knowledge of the WTO in which over 5 million people reportedly participated.\textsuperscript{78} The final session broadcast like a game show on China Central Television, and the winner was flown to Geneva to visit the WTO and meet with its Director-General.\textsuperscript{79} Such popular participation in learning technical international law rules is unheard of and, we imagine, would be the envy of international law professors and international law enthusiasts around the world.

China faced daunting challenges in joining the WTO. It agreed to open its economy to competition and to overhaul its laws, regulations, procedures, and administrative and judicial institutions across all levels of government.\textsuperscript{80} It made deep tariff commitments for imports, and it agreed to significantly liberalize services.\textsuperscript{81} It agreed that all regulations affecting trade would be nondiscriminatory and that government standard-setting would be transparent and based on international standards.\textsuperscript{82} It committed to stringent intellectual property protection\textsuperscript{83} and independent review of all trade-related administrative actions by judicial or administrative tribunals.\textsuperscript{84}

China made deeper market access tariff commitments than any other emerging economy. For trade in goods, it agreed to reduce its average bound tariff to 10\% by 2008, with an average of 9.1\% for industrial products and 15.1\% for agricultural goods.\textsuperscript{85} In comparison, Brazil agreed to an average

\textsuperscript{76} See infra notes 175–92, 388–402.
\textsuperscript{77} Hanqin, Chinese Contemporary Perspectives, supra note 26, at 56 n.94 (citing Julia Qin, Trade, Investment and Beyond: The Impact of WTO Accession on China’s Legal System, 191 China Q. 720 (2007)).
\textsuperscript{78} Zhenyu Sun, China’s Experience of 10 Years in the WTO, in A DECADE IN THE WTO: IMPLICATIONS FOR CHINA AND GLOBAL TRADE GOVERNANCE 11, 12 (Ricardo Meléndez-Ortiz et al. eds., 2011).
\textsuperscript{79} Id.
\textsuperscript{80} Xiaozhun Yi, A Decade in the WTO, A Decade of Shared Development, in A DECADE IN THE WTO: IMPLICATIONS FOR CHINA AND TRADE GOVERNANCE 1 (Ricardo Meléndez-Ortiz et al. eds., 2011).
\textsuperscript{81} Gao, China’s Participation, supra note 42, at 52, 60.
\textsuperscript{84} World Trade Organization, Accession of the People’s Republic of China Ministerial Decision of 10 November 2001, art. 2[D](1), WTO Doc. WT/L/432 (2001) [hereinafter WTO China Accession Protocol].
\textsuperscript{85} Shi Guangsheng, Working Together for a Brighter Future Based on Mutual Benefit, in CHINA’S PARTICIPATION IN THE WTO 15 (Henry Gao & Don Lewis eds., 2005) [hereinafter Guangsheng, CHINA’S PARTICIPATION]. According to Nicholas Lardy, China’s average statutory tariff in 2001 was 15.3\%, and these tariff rates were not bound and so could be raised at any time. See NICHOLAS LARDY, INTEGRATING CHINA INTO THE GLOBAL ECONOMY 33–35 (2002) [hereinafter LARDY, INTEGRATING CHINA].
bound tariff of 31.4% (30.8% for industrial products and 35.4% for agricultural goods) and India an average bound tariff of 48.6% (41.6% for industrial and 113.5% for agricultural goods).\textsuperscript{86} China also made much broader and deeper commitments on services liberalization than any other emerging economy, covering such key sectors as financial, telecommunication, professional, and distribution services.\textsuperscript{87} China implemented its tariff commitments three years ahead of schedule\textsuperscript{88} and its services commitments largely on schedule.\textsuperscript{89}

The country started the complicated process of revising its laws before it formally joined the WTO, pursuant to a bilateral agreement with the U.S. on November 15, 1999.\textsuperscript{90} At the time, the U.S. wielded significant leverage since it was essentially the gatekeeper to China’s WTO accession.\textsuperscript{91} To implement the bilateral agreement and China’s subsequent WTO commitments, the Chinese government established an “Office for the Clean-up of Laws and Regulations” on December 1, 1999, under the auspices of the Ministry of Commerce (then named “MOFTEC,” or Ministry of Foreign Trade and Economic Cooperation).\textsuperscript{92} The “clean up” operation was immense, involving bureaucrats at all levels, from the central government to provincial and local ones.\textsuperscript{93} The Office first focused on the “clean up” of laws and regulations at the central level, starting with MOFTEC and expanding to other Ministries.\textsuperscript{94} It then turned to provincial and local regulations.\textsuperscript{95} It classified laws and regulations into one of four categories: regulations “to be kept,” “to be revised,” “to be abolished,” and “to be reenacted.”\textsuperscript{96} Overall, the Office reported that it oversaw the “cleaning up” of more than 3,000 laws and regulations, including around 1,150 at the central government level, in order for China to meet its WTO commitments.\textsuperscript{97} The Office completed its work in around two years,\textsuperscript{98} constituting arguably the largest condensed exercise of law-making and law revision in China’s (and perhaps the world’s) history.

As a condition of China’s accession, the U.S., the E.U., and other WTO members pressed China to agree to China-specific rules that granted other


\textsuperscript{87} LARDY, INTEGRATING CHINA, supra note 85, at 66–75.

\textsuperscript{88} It reduced its overall tariff to 9.9% percent in 2005, with an average tariff rate of 9% for industrial goods and 15.3% for agricultural products. Guangsheng, CHINA’S PARTICIPATION, supra note 85, at 15–16.

\textsuperscript{89} Shi Miaomiao, China’s Participation in the Doha Negotiations and Implementation of its Accession Commitments, in CHINA’S PARTICIPATION IN THE WTO 30–32 (Henry Gao & Don Lewis eds., 2005).

\textsuperscript{90} 8 THE LONDON-LEIDEN SERIES ON LAW, ADMINISTRATION AND DEVELOPMENT: IMPLEMENTATION OF LAW IN THE PEOPLE’S REPUBLIC OF CHINA vii–viii (Jianfu Chen et al. eds., 2002).

\textsuperscript{91} COMMUNICATIONS MEDIA GLOBALIZATION AND EMPIRE 103 (Oliver Boyd-Barrett ed., 2016).

\textsuperscript{92} Zhang Yuqing Interview, in Rushe Shinian Fazhi Zhongguo [10 Years in the WTO, Rule of Law in China] 6–7 (Lu Xiaojie et al. eds., 2011).

\textsuperscript{93} YU KEPing, GLOBALIZATION AND CHANGES IN CHINA’S GOVERNANCE 30 (2008).


\textsuperscript{95} Zhang Yuqing Interview, supra note 92, at 6–7.

\textsuperscript{96} Id.

\textsuperscript{97} Id. at 6–11.

\textsuperscript{98} KEPing, supra note 93.
WTO members greater rights against China than China had against them. All of these provisions constitute discrimination authorized by China’s accession protocol in violation of what is otherwise the core nondiscrimination norm in WTO law. These provisions are particularly controversial for China given the legacy of its being forced to sign “unequal treaties” with foreign imperialist powers during the nineteenth and early twentieth centuries.

C. China’s Participation in the WTO over Time

To participate effectively in the multilateral trading system, China invested in building legal capacity. Only then could it attempt to shape the interpretation of WTO law to better protect its access to foreign markets and defend its domestic trade-related policies. Most of its initial programs focused on building the capacity of government officials, but gradually, the government turned toward enhancing the capacity of nongovernmental actors since it realized that private actors play important roles at the WTO, particularly in dispute settlement. By 2006, within five years of its accession, China emerged from being a reluctant participant that tried to avoid WTO litigation to being an active and formidable player that used the system to defend its interests.

99. For a detailed discussion of these clauses, see Gao, China’s Participation, supra note 42, at 54–57; see also Julia Ya Qin, “WTO-Plus” Obligations and their Implications for the WTO Legal System: An Appraisal of the China Accession Protocol, 37 J. WORLD TRADE 483, 491–509 (2003). Examples of China’s WTO-plus obligations (those that exceed what is normally required of WTO members) include its obligation not to use export taxes except as scheduled, the expansion of its national treatment commitment to cover foreign individuals and enterprises in addition to foreign products (the latter being the WTO requirement for other members), its commitment to translate all “foreign trade laws” into one of the official languages of the WTO (which in practice means English), and a special enhanced trade policy review mechanism for the first decade after its accession. Examples of China’s WTO-minus rights (those that provide less protection than generally enjoyed by WTO members) include the grant to other members of the ability to categorize China as a non-market economy” in their anti-dumping investigations for a fifteen-year period (and thus making it easier to impose anti-dumping duties against Chinese products), to use alternative benchmarks in their subsidy and countervailing duty investigations of Chinese products (and thus making it easier to impose countervailing duties), and to apply special textile safeguards and a transitional product-specific safeguards for seven and twelve years respectively against Chinese products under criteria that are less demanding than for products from other WTO members (which enabled quotas and increased tariffs against Chinese goods). See WTO China Accession Protocol, supra note 84, ¶ 2(d), ¶ 11(3), ¶ 5(1), ¶ 15(a), ¶ 15(b), ¶ 16; see also World Trade Organization, Report of the Working Party on the Accession of China, WTO Doc. WT/ACC/CHN/49, ¶ 334 (Oct. 1, 2001). Most of the provisions in China’s accession protocol, and in particular the WTO-minus rights provisions, were time bound so that they expired by December 11, 2016, which was the fifteenth anniversary of China’s accession.

100. Gao, China’s Participation, supra note 42, at 15, 18.

101. See HANQIN, CHINESE CONTEMPORARY PERSPECTIVES, supra note 26, at 23; see also TEEMU RUSKOLA, LEGAL ORIENTALISM 127–30 (2013); Dong Wang, The Discourse of Unequal Treaties in Modern China, 76:3 PACIFIC AFF. 399, 399 (2003). After China joined the WTO, officials had to respond to domestic political backlash that China had “sold out” its interests by making such concessions. See Margaret M. Pearson, China in Geneva: Lessons from China’s Early Years in the World Trade Organization, in NEW DIRECTIONS IN THE STUDY OF CHINA’S FOREIGN POLICY 242, 246 (Alastair Iain Johnston & Robert Ross eds., 2006).


In WTO negotiations, China deliberately kept a low profile in its first years as a Member. During the Doha Round, China contended that it made such huge commitments in its accession protocol that its market access commitments already exceeded what other emerging economies were being asked to make. Initially, the major players left China alone as they bargained on agricultural commitments—an issue of little relevance to China. After a major breakthrough on agriculture in 2006, however, their focus shifted to non-agricultural market access (“NAMA”), and China, as the world’s largest exporter of industrial products, became the elephant in the room.

The major players invited China to join the G6 group of key WTO Members, which became the G7 at the July 2008 Mini-Ministerial in Geneva. They urged China to be “more responsible” in negotiations and to make greater concessions in such key sectors as industrial machinery, chemicals, and electronics. China responded by showing greater flexibility on some issues, but it resisted efforts by the U.S. and the E.U. to press it to make more concessions than other developing countries and linked itself to developing country positions. Over time, however, China moved away from simply supporting developing country positions, as it realized the role it would need to play to uphold the overall system.

China gradually played a more active role in making proposals in WTO negotiations. By February 2005, it had made over ten submissions. Less than three years later, by the end of December 2007, it had made sixty-seven submissions, and just seven months later, after the flourish of meetings in late July 2008 that gave rise to a “July 2008 package,” China had made more than 100 submissions. Its proposals covered a wide range of issues, including agriculture, NAMA, import relief rules, and dispute settlement. In parallel, the Chinese government negotiated bilateral and plurilateral trade agreements pursuant to which countries agreed to recognize China as a “market economy” so

105. Id. at 156–57.
107. For a detailed discussion of China’s growing role in the Doha Round, see Henry Gao, From the Doha Round to the China Round: China’s Growing Role in WTO Negotiations, in CHINA IN THE INTERNATIONAL ECONOMIC ORDER: NEW DIRECTIONS AND CHANGING PARADIGMS 79, 91 (Lisa Toohey et al. eds., 2015) [hereinafter Gao, From the Doha Round to the China Round].
108. Id. at 92.
109. Id.; see also HENRY M. PAULSON JR., DEALING WITH CHINA: AN INSIDER UNMASKS THE NEW ECONOMIC SUPERPOWER 398 (2015) (“We should want China to play a bigger, more responsible leadership role in international groups like the World Trade Organization . . . .”).
110. Gao, From the Doha Round to the China Round, supra note 107, at 90.
111. Interview with Anonymous (July 28, 2016) (Interview #32) [hereinafter Interview #32] (on file with authors); see also Gao, From the Doha Round to the China Round, supra note 107, at 92–93.
113. Gao, China’s Ascent, supra note 15, at 161.
114. Gao, From the Doha Round to the China Round, supra note 107, at 94.
115. Id.
as not to discriminate against it in anti-dumping investigations.\textsuperscript{116} Ninety-seven nations had granted China “market economy” status by 2009, but China made less headway with the world’s major economies.\textsuperscript{117}

Similarly, China began to participate more actively in the WTO’s web of over seventy councils, committees, working parties, and other groupings that involve over 1,000 meetings (and, according to one estimate, has reached over 5,000 meetings) each year.\textsuperscript{118} Through this monitoring and deliberative process, officials can place pressure on other WTO members to respect their legal commitments and are themselves pressed to justify or reconsider their own domestic policies. To give one example, “China has submitted over 850 TBT [technical barriers to trade] notifications, . . . in some years exceeding the more established Members. . . . [O]ther Members praised China for making many of its regulations and policies more transparent and predictable.”\textsuperscript{119} Over time, Chinese officials found that the committee system, coupled with the WTO’s trade policy review mechanism, was “helpful in placing pressure on officials” who “must come and explain” and “need to answer questions” so that officials “may think twice before adopting a measure,” and “protectionism” can be “combatted.”\textsuperscript{120}

In WTO dispute settlement, China started passively. In the first few years, it tried to avoid WTO litigation by settling every WTO complaint brought against it.\textsuperscript{121} As one of a series of proposals for “special and differential treatment” for developing countries, China formally proposed to limit the number of complaints that a developed country could bring against a developing-country Member in a calendar year to two.\textsuperscript{122} It contended that “the lack of human and financial resources as well as capacities and experiences of developing-country Members results in de facto imbalance in the participation in the dispute settlement mechanism.”\textsuperscript{123} As a Chinese official working on WTO matters confirmed in 2003, “China is uncertain about the [World Trade Organ-
ization’s Dispute Settlement Understanding[1]; “people in government do not like to bring cases,” and “they also fear the U.S. bringing cases against them.”[124] Thus, the official said that, in line with “Asian values,” “you negotiate over disputes; you do not litigate.”[125] After the U.S. filed two cases against China in 2007 regarding intellectual property protection and market access for audio-visual products, the Chinese government reacted vehemently that “the American decision . . . will seriously undermine cooperative relations.”[126] In the meantime, however, the government invested in learning about the dispute settlement process through attending proceedings as a third party before almost every WTO panel.[127] In the words of another official, China was learning from “the example of the United States and E.U.”[128] As a result, China has become the fourth most active WTO participant as a third party after the U.S., the E.U., and Japan, despite its late accession.[129]

After learning how the dispute settlement system operated, the government became more active as a litigant—first as a respondent and then as a complainant.[130] Starting with the China-Auto Parts case in 2006, China no longer favored settling claims over litigating them but, instead, strove to raise strong defenses in almost every case through substantive and procedural arguments.[131] In 2008, its litigation strategy became even more aggressive as it advanced creative interpretations of its accession protocol commitments to reduce asymmetries.[132] As an official told us, this change represented a “transformation for China from the perspective that litigation is not the goal” to one where “we now accept that multilateral dispute settlement process is an appropriate channel for resolving disputes. Although many in government feel shocked that we are a defendant in an international court, and still think that litigation is not good, which is a reflection of our heritage, our culture, we now accept it.”[133] The official thought “highly of the system” because it ultimately makes it “easier to settle” disputes thanks to the third-party ruling.[134]

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124. Interview with Anonymous (June 19, 2003) (Interview #20) [hereinafter Interview #20] (on file with authors).
125. Id. As another official remarked in a July 2005 interview, “it is contrary to Chinese philosophy and culture” to litigate. If you litigate against a friend, then they “will no longer be a friend.” Interview with Anonymous (June 12, 2005) (Interview #21) [hereinafter Interview #21] (on file with authors).
128. Interview #21, supra note 125.
129. Id.
130. Gao, China’s Ascent, supra note 15, at 167–72. Moreover, China also started to hold leadership roles in WTO committees. As noted proudly by former Chinese ambassador Sun Zhenyu, Chinese officials have been elected to chair the Committee on Technical Barriers to Trade and Working Party on State Trading Enterprises. Id. at 170–72.
131. Id. at 170.
132. Id. at 170–72.
133. Interview #19, supra note 120.
134. Id.
As a relatively new member of a legalistic regime, China’s record in the WTO is impressive. In terms of metrics of China’s success, one can start by looking at the number of WTO cases that China has won against the U.S. and the E.U., the amount of trade involved in these cases, and the number and importance of administrative law changes that the U.S. and the E.U. have made because of these losses. Since 2010, the U.S. and the E.U. have lost, in whole or in part, four important WTO cases brought by China, involving billions of dollars of imports.\textsuperscript{135} For example, just one of the products (rubber pneumatic tires) covered in one case (DS379) against the U.S. involved over $17 billion in imports.\textsuperscript{136} Similarly, just one case against the E.U. involving just steel fasteners (DS397) involved almost $5 billion of imports.\textsuperscript{137} These cases, moreover, created precedent regarding the legality of U.S. and E.U. anti-dumping and countervailing duty methodologies that potentially affect all trade from China, which respectively totaled $462.8 billion in imports to the U.S. and $368 billion in imports to the E.U. in 2016.\textsuperscript{138} Following these cases, the U.S. and the E.U. changed their administrative regulations, but these regulations too are subject to challenge.\textsuperscript{139} Daku and Pelc have created a statistical measure of parties’ influence in the development of WTO jurisprudence and have found that “across a single decade, China has effectively doubled its average influence over panel and [Appellate Body] rulings.”\textsuperscript{140} There is no single metric for measuring success, and simply counting disputes and the amount of affected trade is insufficient. But the extent of U.S. and European trade with China po-


\textsuperscript{136} See WTO DISPUTE DATA, http://www.wtoldisputedata.com/data (last visited Nov. 10, 2017) (follow the “Download” link under “Disputed Product Imports” to view the dataset using Stata) (listing bilateral imports of Chinese rubber pneumatic tires into the U.S. totaling $17,125,810,660 from 1996 to 2010—an average of $1,141,720,710 per year).

\textsuperscript{137} See id. (listing bilateral imports of Chinese steel fasteners into the E.U. totaling $4,945,502,110 from 1996 to 2010—an average of $329,700,140 per year).


tentially affected by anti-dumping and countervailing investigations, and U.S.-European reactions to these losses and the jurisprudence developed, especially compared to earlier losses in WTO disputes, highlight Europe’s and the United States’ sense of vulnerability to Chinese legal challenges.

Without building strong capacity in WTO law, China’s record would not have been possible. How did China, a country with an anti-legalist, Confucian tradition not known for lawyering, a country also facing considerable language barriers in an organization where English is the de facto governing language, build its trade law capacity? What broader effects might those efforts have in embedding international trade law in China? In the following sections, we explain the strategies that lie behind China’s success and their potential implications within China and for the international trading system.

IV. BUILDING TRADE LAW CAPACITY IN GOVERNMENT

Even before its accession to the WTO, the Chinese government realized that its lack of legal capacity could be a major challenge. For example, in early 2002, President Jiang Zemin stated that it was inevitable that China would suffer losses in WTO dispute settlement due to its unfamiliarity with WTO rules. To prepare China for its post-accession challenges, Jiang urged the government to prioritize the development of a team of professionals well-versed in WTO rules, including experts on international trade policy, trade law, trade negotiations, and anti-dumping investigations. Pursuant to the high-level exhortations, central, provincial, and local government departments significantly invested in WTO-related capacity-building initiatives, expanding the role for lawyers.

141. China is the largest trading partner of the U.S. and the second largest trading partner of the E.U. after the U.S.
142. See, e.g., Dispute Settlement Body, Minutes of Meeting, ¶¶ 46–50, WTO Doc. WT/DSB/M/322 (Nov. 23, 2012) (E.U. expressing disagreement with China on whether E.U. had fully implemented the DSB’s recommendations and rulings); Dispute Settlement Body, Minutes of Meeting, ¶¶ 92–102, WTO Doc. WT/DSB/M/294 (Jun. 9, 2011) (U.S. expressing concern over definition of several terms included in the Appellate Body Report in WT/DS379/R); Statement by the United States to the Dispute Settlement Body, United States–Definitive Anti-Dumping and Countervailing Duties on Certain Products from China, WTO Doc. WT/DS379 (Mar. 25, 2011), https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds379_e.htm (“The United States is deeply disappointed with the findings in the Appellate Body report related to the interpretation of the term ‘public body’ and China’s claims related to the concurrent application of CVs and NME ADs, and considers that the report’s reasoning is based on a number of problematic assertions and assumptions.”); WTO’s Appellate Body Reverses Ruling in China Challenge to U.S. AD/CVD Measures, BLOMBERG INT’L TRADE REP. (Mar. 17, 2011), https://www.bloomberg.com/search/results/a12c13f13d6f722338e538e0c6242e27/ document/XAMVGRRG55YG5LSk?search32=sLhR_SxS1E9ILkPMzmLQ==RDJNe5b4MzhKADYeA4pKq9RjQXg877LqGyoe6mMoHvXBlw3wywSkVhVLiBQk (“U.S. Trade Representative Ron Kirk said in a statement that he was ‘deeply troubled’ by the ruling. ‘It appears to be a clear case of overreach by the Appellate Body. We are reviewing the findings closely in order to understand fully their implications.’”)).
143. See PATRICK GLENN, LEGAL TRADITIONS OF THE WORLD: SUSTAINABLE DIVERSITY IN THE LAW Ch. 5 (5th ed. 2015).
145. Id.
In the central government, the State Council and the Central Committee of the Communist Party of China (“CPC”) issued a joint Notice on China’s WTO Accession to all Ministries and provincial governments on November 20, 2001, in which they called for Party organs and government organizations at all levels to strengthen the study of WTO rules and the training of WTO experts.146 Many ministries restructured their internal organization in preparation for the upcoming accession.147 They worked with MOFTEC to “clean up” laws and regulations to meet China’s new obligations and to ensure that new laws and regulations would comply with WTO rules.148

The government reorganized its lead ministry for international trade and renamed it the Ministry of Commerce (“MOFCOM”).149 MOFCOM has a Janus-faced role of looking inward and outward.150 Internally, MOFCOM oversees China’s compliance with its WTO obligations.151 Externally, MOFCOM protects China’s trading interests abroad, including before the WTO.152 Following China’s accession, MOFCOM (then named MOFTEC) established two new departments to address WTO matters, which, likewise, have Janus-faced missions: the Fair Trade Bureau and the Department of WTO Affairs.153 Internally, the Department of WTO Affairs reviews draft Chinese legislation and policy to ensure it is WTO consistent.154 Externally, it represents China in WTO negotiations, WTO trade policy reviews, and before WTO committees, where it is responsible for notifying the committees of new and amended Chinese regulations as required under the WTO agreements.155 This dual role enhances its sensitivity to the importance of China’s compliance with its WTO

148. Id. at 168.
151. Id.
152. Id.
154. Interview with Anonymous (July 22, 2016) (Interview #26) [hereinafter Interview # 26] (on file with authors); Interview with Anonymous (July 20, 2016) (Interview #25) [hereinafter Interview #25] (on file with authors); Zhuyao Zhize [Main Duties], MINISTRY COM. CHINA: DEP’T WTO AFF. (June 23, 2015), http://sms.mofcom.gov.cn/article/gywm/gywm/201506/2015060242546.shtml.
commitments since it needs credibility when pressing other countries to meet their commitments toward China.

MOFCOM’s Fair Trade Bureau, in parallel, has internal and external responsibilities regarding anti-dumping, subsidy, and safeguards law (collectively known as import relief law). Internally, it conducts import relief investigations of foreign products, administering these laws. Externally, it follows foreign import relief investigations of Chinese products. In this way, it differs from the U.S. Department of Commerce and the E.U. trade directorate that largely let companies fend for themselves in foreign anti-dumping and countervailing duty investigations. In contrast, MOFCOM’s Fair Trade Bureau spends much of its time helping Chinese exporters in foreign proceedings, including through bilateral bargaining. In particular, MOFCOM always pays the lawyers’ fees in foreign countervailing duty investigations to defend Chinese interests. Since most WTO disputes brought by China involve foreign import relief measures, the Fair Trade Bureau must keep abreast of WTO jurisprudence in this area. This dual internal-external role can socialize the Fair Trade Bureau in its application of China’s import relief laws.

MOFCOM has a separate Department of Treaty and Law (“DTL”) that is responsible for legal issues in China’s international economic relations and handles cases before the WTO dispute settlement system. In 2001, MOFCOM created a division on WTO law within DTL to handle WTO disputes. It established a second DTL division on WTO Law in 2009 when China faced a slew of new disputes. The total number of DTL officials dedicated to WTO litigation increased from five to nine. These officials work with China’s diplomats responsible for WTO dispute settlement in China’s WTO mission in Geneva, so that China has around a dozen officials specializing in WTO dispute settlement in total. Overall, the size of China’s WTO dispute settlement team doubled despite a wave of downsizing in the central government, enhancing lawyers’ roles in China’s international trade relations.

158. Zhuyao Zhize [Main Duties], supra note 154.
159. Interview with Anonymous (June 10, 2014) (Interview #3) [hereinafter Interview #3] (on file with authors).
160. Interview with Anonymous (June 8, 2014) (Interview #2) [hereinafter Interview #2] (on file with authors).
162. Chengang, Overview, supra note 155, at 15.
163. Id.
164. Id. at 27.
165. Id.
166. Id.
The GATT requires WTO members to take “reasonable measures” to ensure local compliance with GATT obligations.\textsuperscript{167} China’s central government has used this provision to try to assert greater control over local actors, which generally is a challenge.\textsuperscript{168} The central government aimed to spur local government officials to become familiar with WTO rules.\textsuperscript{169} In February 2002, two months after China’s formal WTO accession, the central government held a one-week training course for senior officials at the provincial and ministerial levels.\textsuperscript{170} The lecturers included President Jiang and Premier Zhu Rongji, as well as high-level officials from MOFCOM and other ministries, highlighting the political importance that the central government wished to convey. The training course explained the main rules in the WTO to senior officials and reminded them that all new laws and regulations needed to be consistent with WTO requirements.\textsuperscript{171}

After the training course, many provinces drafted Plans of Actions in response to China’s WTO accession.\textsuperscript{172} A key component was to strengthen trade law capacity.\textsuperscript{173} To achieve this objective, local governments established what they called “WTO Centers.”\textsuperscript{174} Funded by the local governments, these centers are semi-governmental institutions that conduct WTO-related training, research, and outreach activities.\textsuperscript{175} In the two-to-three years before and after China’s WTO accession, the centers were the favorite pet projects of ambitious local officials, who established centers across the country.\textsuperscript{176} In 2014, the Shanghai center employed about forty professionals and the Shenzhen center employed about thirty.\textsuperscript{177}

The centers have served important internal and external roles. Internally, when the local government passes a regulation, it is to consult with the local WTO center to confirm that the regulation is WTO consistent and amend it as needed.\textsuperscript{178} Externally, the centers are to provide information to companies to

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\item[168.] Pittman Potter, \textit{China and the International Legal System: Challenges of Participation, in CHINA’S LEGAL SYSTEM: NEW DEVELOPMENTS, NEW CHALLENGES} 145, 150 (Donald C. Clarke ed., 2008); see also HUNG, supra note 45, at 54–61 (regarding some of the challenges of decentralization in China for the central government). Hung noted “the central government’s weakening power vis-a-vis that of local governments in direct economic management.” \textit{Id.} at 57.
\item[169.] HUNG, supra note 45, at 54–61.
\item[170.] SUN ZHENYU, RINEIWA KONGZONG SUIYUE \textit{[BUSY YEARS IN GENEVA]} 37 (2011).
\item[171.] \textit{Id.}
\item[172.] See, e.g., ZHONGGUO JIARU SHIJIE MAOYI ZUZHI GUODUQI BEIJING XINGDONG JIHUA \textit{[ACTION PLAN FOR BEIJING DURING CHINA’S TRANSITION PERIOD IN THE WTO]} (Zhang Mao ed., 2003).
\item[173.] Hsieh, supra note 102, at 999.
\item[175.] Hsieh, supra note 102, at 1013–14.
\item[176.] \textit{Id.} at 1013–15.
\item[177.] Interview with Anonymous (June 12, 2014) (Interview #16) [hereinafter Interview #16] (on file with authors); Interview with Anonymous (June 13, 2014) (Interview #17) [hereinafter Interview #17] (on file with authors).
\item[178.] Interview #17, supra note 177. Cities like Shanghai and Shenzhen are reputed to be trade liberal in their orientation. As an example, an individual at the Shanghai center noted to us how the Shanghai govern-
\end{enumerate}
\end{footnotesize}
help them address trade barriers, such as anti-dumping and countervailing duty investigations and seizures of goods on intellectual property grounds.\textsuperscript{179} As Chinese companies move up the value chain and produce technology-intensive goods, intellectual property issues have become more salient, as when U.S. Customs seizes imported products that allegedly violate U.S. intellectual property rights under U.S. Section 337.\textsuperscript{180} The centers also help MOFCOM prepare an annual trade barriers report regarding measures that Chinese exporters face.\textsuperscript{181} It is modeled after the annual U.S. National Trade Estimates Report on Foreign Trade Barriers—once more illustrating the influence of U.S. models in transnational legal ordering.\textsuperscript{182}

When China first joined the WTO, WTO matters represented the cutting edge for policy, and the leadership spurred officials to exhibit WTO awareness.\textsuperscript{183} The WTO “craze” has since faded, in part because of the turn away from multilateral trade negotiations to bilateral and regional ones, and in part because of disenchantment with the WTO given the widespread use of anti-dumping and other measures against Chinese products.\textsuperscript{184} The U.S. election of President Trump may deepen these trends. Most provincial and local governments quietly abandoned their WTO centers so that, by 2014, only the WTO centers in Beijing, Shanghai, and Shenzhen remained active.\textsuperscript{185} These centers broadened their mandates to encompass bilateral and plurilateral trade and investment agreements. For example, in 2012, the Shanghai center established an Institute of Global Trade and Investment under its auspices,\textsuperscript{186} and it played an important supporting role in the creation of the China (Shanghai) Pilot Free Trade Zone.\textsuperscript{187} In addition, while in the early years, the majority of the Shanghai center’s staff had a legal background and focused on WTO implementation, a growing proportion of the staff now has an economic background and provides economic analysis to support bilateral and plurilateral trade and investment negotiations.\textsuperscript{188} Although the WTO has declined in importance in

\textsuperscript{179} Interview #17, supra note 177.
\textsuperscript{180} Id.
\textsuperscript{181} Interview #16, supra note 177.
\textsuperscript{182} Id.
\textsuperscript{183} Interview with Anonymous (June 12, 2014) (Interview #7) [hereinafter Interview #7] (on file with authors).
\textsuperscript{184} Interview #17, supra note 177.
\textsuperscript{185} Interview #16, supra note 177.
\textsuperscript{187} Id. The China (Shanghai) Pilot Free Trade Zone (“SPFTZ”) was first established in the Pudong area in Shanghai in September 2013. It aims to become China’s testing ground for new regulatory regimes on trade and investment. Initially covering only twenty-eight square kilometers, the SPFTZ quickly introduced many new regulatory reforms in a host of areas ranging from investment and financial liberalization to the shift of government functions. For more detailed analysis, see Henry Gao, TPP, Regulatory Coherence and China’s Free Trade Strategy from A to Z, EUR. Y.B. INT’L ECON. L. 507–14 (2016).
\textsuperscript{188} Interview #16, supra note 177.
China, a member of the Shenzhen center told us that, in the early years, China likely “was overheated about the WTO; right now it is overcooling.”

V. WTO LAW AND ACADEMIA

In addition to boosting WTO-related capacity within central, provincial, and local governments, the central government took steps to build the capacities of other actors and incentivize them to invest in developing expertise in WTO law. These capacity-building initiatives spanned academia, law firms, private businesses, and industry associations. We start with academia, which illustrates longer-term thinking about developing WTO-related legal capacity and the implications for legal study, research, and practice in international economic law in China.

A. Teaching

China is an authoritarian regime in which the government exercises a heavy influence in academia. With the government’s promotion of the WTO’s importance for China, WTO law became a popular subject and discipline in Chinese universities. In 2000, the year before China joined the WTO, the government made International Economic Law (which includes WTO law) a mandatory subject on the national bar exam. China’s Ministry of Education included International Economic Law (and thus WTO law) as one of sixteen mandatory courses for all Chinese law schools. As a result, in most of the more than 600 law schools in China, there is at least one professor who claims to specialize in WTO law, a much greater number and percentage than in the U.S. where the study of WTO law has waned.

Because of the concentration of universities in major cities, the most reputable centers for WTO teaching and research are in cities such as Beijing, Shanghai, Guangzhou, Chongqing, and Xiamen. Many of the specialists teach in the traditional elite law schools, the so-called “Five Institutes and Four Departments,” which refers to the five independent law institutes and four law departments in comprehensive universities that resulted when the government

189. Interview #17, supra note 177.
190. Hsieh, supra note 102, at 1016.
191. Interview #2, supra note 160.
192. See, e.g., Interview with Anonymous (July 25, 2016) (Interview #28) [hereinafter Interview #28] (on file with authors) (“[E]ven WTO academics in China in chat rooms don’t use legal reasoning but rather only reason in terms of policy outcomes desired.”).
195. Interview #28, supra note 192.
restructured higher education institutions in 1952. In addition, the government established two main foreign trade institutes, in Beijing in 1951 and Shanghai in 1960 respectively, under the auspices of the trade ministry. These elite schools have multiple professors who teach international trade law, including specialized seminars on WTO law and specific topics such as WTO dispute settlement, trade in services, and Trade-Related Aspects of Intellectual Property Rights (“TRIPS”). These classes are offered as part of the upper-year undergraduate curriculum and as postgraduate courses.

Most WTO scholars in China are graduates from these elite law schools, and the leading ones couple their degrees with overseas experience. For example, Professor Zhang Naigen at Fudan University Law School, a senior figure in the field, conducted a year of study on WTO law under the supervision of Professor John Jackson at the University of Michigan Law School as a Fulbright Scholar in 1996–1997, and he spent time as a visiting scholar at the law schools of Columbia University (1989–1990) and George Washington University (1993–1994), and the Max Planck Institute of Comparative Public Law and International Law in Heidelberg, Germany (2000). He since founded, and is the director of, the Center for Intellectual Property Study, which involves the study of international, domestic, and comparative intellectual property law, and he became Vice President of the Shanghai Society for Intellectual Property Law. In light of the TRIPS Agreement and China’s innovation policies which seek to promote patents, Chinese law firms have developed strong intellectual property practices, and Chinese courts have applied the TRIPS Agreement in dozens of cases between private parties. The foreign study and experience of China’s WTO scholars exemplifies the transnational nature of

197. The five institutes specialized in legal education are the Beijing Institute of Politics and Law (upgraded to China University of Politics and Law or “CUPL” in 1983); the Eastern China Institute of Politics and Law in Shanghai (upgraded to Eastern China University of Politics and Law in 2007); the Southwest Institute of Politics and Law in Chongqing (upgraded to Southwest University of Political Sciences and Law in 1995); the Northwest Institute of Politics and Law in Xi’an (upgraded to Northwest University of Politics and Law in 2006); and the Zhongnan Institute of Politics and Law in Wuhan (merged with Zhongnan University of Finance and Economics to form the Zhongnan University of Economics and Law in 2000). The four elite law departments in elite universities are Peking University and People’s University in Beijing, Jilin University in Changchun, and Wuhan University in Wuhan. There are also well-established WTO programs in several other elite universities, such as Xiamen University in Fujian province, Fudan University and Shanghai Jiaotong University in Shanghai, and Tsinghua University in Beijing.

198. These institutes were later upgraded to universities and are now known as the University of International Business and Economics (“UIBE”) in Beijing, and Shanghai University of International Business and Economics (“SUIBE”). Both have strong WTO law and policy programs. Both authors have taught at UIBE in a program organized by its Institute for WTO Studies.

199. Hsieh, supra note 102, at 1009.

200. Interview with Anonymous (June 12, 2014) (Interview #13) [hereinafter Interview #13] (on file with authors).


202. See Zhang, Dispute Settlement, supra note 201, at 199.

203. Interview #13, supra note 200.

this legal field. Each of the eight Chinese academics on China’s Indicative List of WTO Panelists have either studied overseas or have been visiting scholars abroad.205

Given the role of studying abroad, some academics speak of a paternalistic relationship in academia in which U.S. and European academics hold privileged positions.206 They point to the hegemony of English and English-language journals for WTO law, as well as the strength of U.S. academic institutions. Over time, Chinese academics have developed their own perspectives on WTO law. Some Chinese law professors believe that, through developing their own expertise, they now have a more independent relationship with the Chinese government than in the past as well.207

Professors teaching WTO law in China have spearheaded the use of the case study method in China.208 China is a civil law country where judges do not create jurisprudence, and it has thus been difficult to adopt the case law method in Chinese law schools.209 The WTO legal field, however, is completely different. WTO panels and the Appellate Body have decided over 300 cases and built an elaborate, evolving jurisprudence.210 These decisions create de facto precedent that affects the interpretation and application of the law in future cases, so that Chinese students need to study them carefully.211 The students cannot simply study legal texts and general principles, as in other subject areas, to learn and appreciate WTO law. To teach WTO law, Chinese professors thus include cases in the advanced curriculum.212

In the beginning, most professors translated the WTO case reports into Chinese since the students lacked sufficient English language skills.213 Given the length of WTO reports, which can vary from over 100 to over 1,000 pages, the task of translation can be considerable. Gradually, some professors started to include excerpts in English and even publish entire books of cases in English. For example, in 2003, Professor Huang Dongli from China Academy of Social Sciences (“CASS”) published International Trade Law: Economic Theories, Law and Cases, which reflected the casebooks used in American law schools.214

206. Interview #13, supra note 200.
207. Id.
208. Interview with Anonymous (June 11, 2014) (Interview #11) [hereinafter Interview #11] (on file with authors).
209. Id.
211. Interview #11, supra note 208.
212. Hsieh, supra note 102, at 1011.
213. Prominent examples include three series of Case Commentaries published respectively by Zhu Lanye from ECUIPL, Han Liyu from Renmin University, and Gong Baihua from Fudan University. See GONG BAIHUA, WTO ANLI JI [COLLECTION OF WTO CASES] (2000); HAN LIYU, SHIJIE MAOYI ZUZHI GUOJI MAOYI JIUFEN ANLI PINGXI [ANALYSIS OF INTERNATIONAL TRADE DISPUTE SETTLEMENT CASES AT THE WTO] (2002).
In 2007, the Ministry of Education of China launched a comprehensive teaching reform plan to improve the teaching quality in Chinese universities. One important component of the plan is to develop “Bilingual Courses” that can “substantially improve the English levels of college students in their areas of studies and enhance their capacities to conduct research in English.” Among law school subjects, WTO law is considered one of the most suitable for teaching in English. Many law schools thus began to offer courses on WTO law in English to build students’ English language facility. In turn, this development helped professors and students become more familiar with foreign scholarship on WTO law.

To build students’ understanding of WTO rules, MOFCOM organizes the China WTO Moot Court Competition with two of China’s elite law schools, the China University of Politics and Law (“CUPL”) and the Southwest University of Political Science and Law (“SWUPL”). The competition, which is conducted in English and simulates WTO panel procedures, aims to “promote the training and selection of [China’s] personnel for WTO negotiations and dispute settlement.” The first competition was held at CUPL in Beijing in November 2012, and it drew teams from eight universities from four cities. The number of teams doubled to sixteen in 2013 and rose to eighteen in 2014. The panelists include Chinese trade lawyers, professors, and MOFCOM officials who handle WTO cases. The MOFCOM officials and private lawyers use the opportunity to identify and recruit young talent.

The study of WTO case law can have broad implications on the formation of legal professionals in China, especially those who will enter commercial practice but also for those who enter government or become judges.

217. Interview #11, supra note 208.
218. Id.
219. It is “the first Moot Court Competition officially sponsored by a Ministry” in China, revealing the importance that the government gives to WTO law and dispute settlement. Xie Yangjin, Nankai Daihiaodi Huode Shoujie Quanguo WTO Moni Fating Jingai Jijun [Nankai Team Won Third Place in the First National WTO Moot Court Competition], NANKAI NEWS NETWORK (Dec. 6, 2012, 5:33 PM), http://news.nankai.edu.cn/nyky/system/2012/12/06/000104613.shtml.
220. Id.
221. They were from CUPL, Central University of Finance and Economics, University of International Economics and Business (“UJBE”), Capital University of Economics and Business, Xiamen University, Nankai University, Zhongnan University of Economics and Law, and SWUPL. See Feng Xuewei Attends the First College WTO Moot Court Debate, ALL BRIGHT L. OFF. BEIJING (Mar. 24, 2013, 9:00 AM), http://www.allbrightlawbj.com/CN/NEW/201303241133.html.
223. Xie Yangjin, supra note 219.
224. Interview with Anonymous (June 11, 2014) (Interview #5) [hereinafter Interview #5] (on file with authors).
When graduates work in ministries outside of MOFCOM, not only does basic knowledge of WTO law diffuse through the government, MOFCOM also gains interlocutors in other ministries acquainted with WTO legal rules and principles. Such diffusion of expertise facilitates compliance with China’s WTO commitments and potentially deepens socialization processes regarding trade law principles and legal reasoning.

Some of these students and professors become judges in China, including at a high level. For example, Cao Jianmin, a well-known WTO scholar and former President of the East China University of Politics and Law, served as Deputy President of the Supreme People’s Court, starting in 1999. Similarly, in 2015, the government appointed WTO scholar Liu Jingdong from the Institute of Law at the China Academy of Social Sciences to be the Deputy Presiding Judge for the Fourth Division on Civil Cases of the Supreme People’s Court of China. They can bring their experiences to courts in China.

A senior MOFCOM official stressed to us how the judges of the Supreme People’s Court know WTO law. Although the Supreme People’s Court rejected proposals that WTO law should be directly applicable before Chinese courts, their rules provide that Chinese law is to be interpreted where possible to comply with WTO requirements. Chinese courts have referenced WTO law in several decisions.

China often includes Chinese law professors in its delegations to WTO hearings before panels and the Appellate Body, and they take these experiences back home with them. A law professor attending an Appellate Body hearing, for example, emphasized how quickly and repeatedly the legal issues arose, reflecting more of an “inquisitorial process” involving “common law” reasoning. From the experience of the hearing, he highlighted how “the training of our students should be harder, should be tougher.” Another law professor attending a WTO hearing noted that the experience gave him a com-

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225. Id.
228. Interview #25, supra note 154.
229. Article 9 of the Supreme People’s Court’s Regulations on Issues Concerning the Trial of Administrative Cases Relating to International Trade provides: If there are two or more reasonable interpretations for a provision of the law or administrative regulation applied by a people’s court in the hearing of an international trade administrative case, and among which one interpretation is consistent with the relevant provisions of the international treaty that the PRC concluded or entered into, such interpretation shall be chosen, unless China has made reservation to the provisions. See Cai, supra note 204, at 275–77.
230. Id. at 286–87.
231. Interview #11, supra note 208.
232. Id.
pletely new perspective of the WTO that he brings to his classroom. Now he gives factual scenarios to his students and lets them work through the facts while studying the WTO background rules on their own. Professor Yang Guohua, the former Deputy-Director of DTL, stressed how WTO reports provide “excellent teaching materials to help the students to develop a good sense of legal reasoning and rule of law.” He wrote of “the appeal of the legal reasoning in the Panel and Appellate Body reports which were very rare in [his] legal education” during the 1990s.

The experiences of Chinese trade law professors abroad can shape their teaching to assume more of a common-law approach to factual analysis and legal interpretation. As one law professor noted, “more and more professors in China are trained in the United States,” many of whom take a course in international trade law, and these experiences could have significant effects over the next ten to twenty years for teaching law in China. Many of these academics stress that much is at stake in the study of the WTO in China, both for the multilateral trading system and internally within China. The mandatory study of WTO law in Chinese law schools, in other words, has fostered transnational processes that affect legal training.

B. Research

After China’s accession to the WTO, Chinese scholars published thousands of books and articles on almost all aspects of the WTO and WTO law, exemplifying the remarkable enthusiasm within China regarding its accession, promoted by the government. The WTO books range from introductory textbooks to highly specialized treatises. Early publications tended to be in Chinese, given that the primary goal was to explain the basics of WTO law to Chinese readers, especially to officials, businessmen, and students. Gradually, however, as Chinese scholars improved their English language skills and as they pushed deeper in their research, some of them started to publish works in English, including in the main English language journals in the field, such as the Journal of World Trade and the Journal of International Economic Law.

233. Interview with Anonymous (June 11, 2014) (Interview #12) [hereinafter Interview #12] (on file with authors).

234. Id.

235. Id.


237. Interview #11, supra note 208.

238. Interview with Anonymous (July 27, 2016) (Interview #31) (on file with authors).

239. Guohua, A Memoir, supra note 43, at 1, 3; Interview #11, supra note 208.

240. Hsieh, supra note 102, at 1004 n. 23–24, 1008.

241. Id. at 1011.

These publications enable them to exchange ideas with non-Chinese scholars and bring Chinese perspectives to these journals’ broader readerships. They can help the Chinese government in two ways. First, these efforts help Chinese scholars become more proficient in WTO law in English so that they become useful as consultants to the government and law firms, as well as to the next generation of Chinese trade law specialists who they train. Second, they potentially help these scholars advance jurisprudential interpretations and arguments informed by a Chinese perspective and, thus, more favorable to China’s positions, such that this work may inform the broader WTO legal field, including the WTO secretariat and WTO panelists.243

To promote research on WTO issues, the government supported the creation of several WTO research associations. The oldest is the Chinese Society of International Economic Law (“CSIEL”), which was established in 1984 by Professor Yao Meizhen from Wuhan University244 and later led by Professor Chen An from Xiamen University.245 When China joined the WTO, the government established the WTO Law Research Society under the auspices of the China Law Society, and it appointed Sun Wanzhong, a former Director-General of the Office for Legislative Affairs at the State Council, as its first President.246 Two years later, MOFCOM established the China Society for World Trade Organization Studies.247 China’s first ambassador to the WTO, Sun Zhenyu, took the helm in 2011, and the Society became quite active, organizing many training courses and research projects.248

The annual meetings of these research associations provide a forum for WTO scholars and trade officials in China to exchange views. Starting with its 2010 Annual Meeting, the Chinese Society of International Economic Law has organized an annual Special Symposium on WTO Law jointly with MOFCOM’s Department of Treaty and Law, where DTL officials, private lawyers involved in China’s cases, and leading WTO scholars in China review and discuss WTO panel and Appellate Body reports.249 Senior MOFCOM offic-


Officials deliver keynote speeches at the meeting, where they update the academic community on the state of play of trade negotiations and disputes and the most important trade law issues that China faces. These interactions help spur Chinese researchers to focus on topics of practical relevance to the government.

In addition to the formal research societies, entrepreneurial individuals have established informal networks to exchange views on WTO law. Yang Guohua, now a law professor at Tsinghua University, established an email list entitled “Academic Circle on WTO” and a WeChat group named “Rule of Law Utopia” when he was Deputy Director-General in DTL. Most of China’s leading WTO scholars are members of these groups, and they often engage in heated discussions on cutting-edge issues in WTO law.

In 2010, the WTO Secretariat launched the WTO Chairs Programme, which aims to enhance knowledge of the WTO and the international trading system among academics and policy-makers in developing countries through curriculum development, research, and outreach by universities and research institutions. The secretariat announced a call for proposals in 2009 and selected the Shanghai Institute of Foreign Trade as one among fourteen centers worldwide. The Shanghai team, which has since changed its name to Shanghai University of International Business and Economics (“SUIBE”), includes three professors and around twenty researchers. The institute established initiatives on WTO dispute settlement and trade policy review, and it provides translation services for MOFCOM. It partners with the Geneva-based non-governmental organization International Centre on Trade and Development (“ICTSD”) to publish a Chinese language version of ICTSD’s periodical on trade law developments, Bridges. These initiatives illustrate the broad transnational ties of WTO researchers in China, linking with the WTO secretariat and other Geneva-based organizations.

250. Id.
254. The initiatives include the “China-WTO Dispute Settlement Mechanism Research Center” (in partnership with the Shanghai WTO Affairs Consultation Center), the “China-WTO Trade Policy Review Center,” the “WTO and the Research Center for the Internationalization of Chinese Enterprises” (in partnership with the City University of Hong Kong), and the “WTO Literature Translation Center.” Interview with Anonymous (June 12, 2014) (Interview #15) (on file with authors); see Study in China, supra note 253.
255. The translation programs exemplify the greater demands placed on countries that do not use a WTO official language (English, Spanish, and French) and want to participate meaningfully in the WTO. As one official quipped, “just imagine if the USTR had to defend itself in Chinese.” Interview #19, supra note 120.
256. Interview with Anonymous (July 20, 2016) (Interview #34) [hereinafter Interview #34] (on file with authors).
C. Interactions with Government and Law Firms

Chinese law firms and MOFCOM occasionally seek advice from Chinese law professors on international trade matters; they initially did so on an ad hoc basis where an individual official knew a law professor.\(^\text{257}\) This practice gradually became institutionalized after MOFCOM organized regular seminars on current WTO cases.\(^\text{258}\) The exchanges helped the government tap into academic expertise and helped the academics keep abreast of legal developments.\(^\text{259}\)

In addition to its consultations with academics, MOFCOM runs a formal secondment program for law professors, which it started in 2011.\(^\text{260}\) Under the program, MOFCOM selects young academics from elite law schools around the country and assigns them to the Department of Treaty and Law.\(^\text{261}\) During their one-year stay, the professors are treated as MOFCOM staff members and conduct research on legal issues and participate in all aspects of the WTO dispute settlement process.\(^\text{262}\) MOFCOM invites law professors to observe WTO hearings in Geneva as members of the Chinese delegation.\(^\text{263}\) It also invites them to hear presentations at MOFCOM by foreign lawyers who handle China’s WTO cases.\(^\text{264}\) These experiences help orient their research and pedagogy.

The government has nominated several Chinese academics to the Indicative List of Panelists maintained by the WTO secretariat.\(^\text{265}\) MOFCOM nominated three individuals in 2004, followed by two in 2006, six in 2010, and eight in 2011.\(^\text{266}\) By 2012, the government had nominated a total of nineteen individuals,\(^\text{267}\) of which eight were full-time academics, eight were sitting officials at MOFCOM at the Director or Director-General level, and the remaining three were former government officials who practiced as lawyers or teach part-time as professors.\(^\text{268}\)

\(^{257}\) Interview #11, supra note 208.
\(^{258}\) Interview #2, supra note 160.
\(^{260}\) Interview #12, supra note 233.
\(^{261}\) Interview #20, supra note 124.
\(^{262}\) Id.
\(^{263}\) Interview #34, supra note 256.
\(^{264}\) Interview with Anonymous (June 19, 2014) (Interview #6) [hereinafter Interview #6] (on file with authors).
\(^{265}\) Interview #16, supra note 177.
\(^{266}\) The initial nominees were Professor Zeng Lingliang from Wuhan University, Professor Zhu Lanye from East China University of Politics and Law, and Mr. Zhang Yuqing, then Director-General of the DTL at MOFCOM. See Chengang, Overview, supra note 155, at 18–19, 27.
\(^{267}\) Id. at 28.
\(^{268}\) Given the large number of cases in which China is a party, however, only one Chinese person has served on a panel, Mr. Zhang Yuqing who was a member of an EC-Bananas compliance panel. EC-Bananas Compliance Panel, Note by the Secretariat: European Communities–Regime for the Importation, Sale and Distribution of Bananas, Constitution of the Panel, WTO Doc. WT/DS27/84 (Aug. 13, 2007).
VI. ENGAGING LAW FIRMS

Litigation in the WTO is a highly specialized activity that has spurred governments to hire and work with legal professionals and, in particular, WTO law specialists in private law firms.\footnote{See Shaffer, Defending Interests, supra note 103, at 33.} Given the stakes for China’s development policy, the government developed a policy of hiring the world’s best trade lawyers to defend it, who were in U.S. and European law firms.\footnote{Tina Wang, China’s Coming of Age in the WTO War, FORBES (Apr. 20, 2009, 10:00 PM), https://www.forbes.com/2009/04/20/china-wto-trade-markets-economy-law.html.} In parallel, it worked to foster the development of internal expertise within Chinese law firms.\footnote{See Interview #3, supra note 159.} It did so by having a Chinese law firm work with a foreign law firm in all but one of the first twenty-eight cases that China faced before WTO panels.\footnote{For example, in the 2014 China—Rare Earths case, the government worked with the U.S. law firm Sidley Austin, together with the Chinese law firm AllBright. See, e.g., Relationships, SIDLEY: RELATIONSHIPS, https://www.sidley.com/en/relationships-clients (last visited Nov. 11, 2017) (“We represented MOFCOM in a WTO dispute involving China–Rare Earths, in defense of export restraints responding to claims made by the U.S., the EU, and Japan”); see also AllBright Lawyer Participates in 2014 China Rare Earth Forum, ALLBRIGHT (Dec. 9, 2014), http://www.allbrightlaw.com/info/7e3c60448c6e41a6a6f330be55a5a9dee (describing the lawyer’s role in the case).} As one U.S. lawyer working for China stated, China has been “smart” in its dual use of foreign and domestic lawyers, which facilitates “technology transfer.”\footnote{Interview #6, supra note 264.} Over time, lawyers in Chinese private law firms developed significant WTO law expertise.\footnote{Wang, supra note 270.}

The government worked along with Chinese law firms whenever China was a third party in a WTO case to help the government form its legal positions and, in the process, help train Chinese lawyers. For example, one Chinese lawyer now active in WTO cases worked with the government in about a dozen cases in which China was a third party between 2003 and 2008, including a number of subsidy cases involving the U.S., the E.U., Canada, and Korea, an area in which Chinese practices would subsequently be challenged before the WTO.\footnote{Interview #2, supra note 160.} He stressed how “being a third party was important for capacity building. I saw and studied how others would write submissions, develop arguments; in some cases I could see how a party participated in oral hearings, such as before the Appellate Body.”\footnote{Id.} As another attorney stated, “we copied, we learned, we pasted. As an entrepreneurial saying goes (in Chinese), creation starts from imitation.”\footnote{Id.} The lawyer “loved” to see how “legal” the WTO work was.\footnote{Interview #5, supra note 224.} Through these processes of public-private partnership in WTO litigation, the government helped build expertise to defend Chinese interests, as well as to bring international trade law home.

\footnote{Id.}
A. The Development of China’s Trade Bar

The development of the international trade and business law fields in China is a phenomenon that flourished after the WTO’s creation. Between 1997 and China’s WTO accession in late 2001, the government launched a dozen anti-dumping cases. The trade bar, however, still remained underdeveloped. As the *China Youth Daily*, a major national newspaper, lamented in late 2001, “Chinese lawyers familiar with international law, international trade law and WTO rules are extremely rare.” For China to effectively engage with WTO law, including for the preparation and defense of its own regulations, it needed Chinese legal professionals to enhance their competency in English and in trade law.

China’s accession to the WTO was a catalyst for developing the Chinese legal profession more generally, thereby facilitating transnational legal ordering in trade and business law. To promote such development, the Ministry of Justice issued an Opinion on “Accelerating the Reform and Development of the Legal Profession after China’s Accession to the WTO” in August 2001. The ministry noted, “Chinese lawyers are weak in handling international legal business, and China lack talents who can excellently handle foreign-involved legal services, and the lawyers’ competitive capacity in the international legal service market are weak.”

We should improve the continuing education of the practicing lawyers, strengthen the education and training of the lawyers in respect of newly arising economic and legal knowledge, scientific and technological knowledge, and foreign language ability. We should open various training avenues, select excellent talents to accept trainings abroad, and meanwhile take corresponding measures to guarantee those lawyers selected for overseas studies will come back to China to provide services. We should do our utmost to make the quantity and quality of China’s foreign-involved lawyers reach a level in line with the demand of China’s market economic construction and development by the year 2010.

In the area of trade law, MOFTEC and its Department of Treaty and Law took the lead in building the trade bar’s capacity. In June 2000, the DTL organized a delegation to attend a training course in Washington D.C.

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280. Yang Lushi, *Qiangtan Zhongguo Zhan Bentu Lushi: Shuilai Da WTO Guansi* [Foreign Lawyers Entering China to Compete with Local Lawyers: Who will Litigate the WTO Cases?], *Zhongguo Qingnian Bao* [China Youth Daily] (Dec. 10, 2001) (lamenting that “there are only about 2,000 lawyers in the whole country who can use English fluently to negotiate deals and sign contracts with foreign clients”).

281. Wang, supra note 270.


283. Id. (translation by LawinfoChina, a legal database run by Peking University).

284. Id.

islative bodies, scholars from universities and research institutes, and practicing lawyers, all selected by DTL. Professor John Jackson, widely referenced in China as the “father of the WTO,” taught the course at Georgetown University Law Center. The course was a great success and many participants became leading figures on WTO law issues in China, such as Dr. Yang Guohua who would become lead counsel in many of China’s WTO cases as Deputy General-Counsel at DTL.

Since no Chinese law firm had any experience in WTO dispute settlement, MOFCOM turned to foreign law firms for representation when China began to fully litigate disputes before the WTO rather than settle them. While the Chinese government is generally wary of involving foreign lawyers in other areas, and although there initially was some internal debate, the government continues to hire foreign law firms for WTO litigation. Li Chengang, Director-General of DTL, justifies the decision by noting that WTO litigation is a highly specialized activity that requires significant legal skills and that this strategy has proven effective for long-time General Agreement on Tariffs and Trade (“GATT”)/WTO Members such as Japan, India, and Brazil. In response to concerns that foreign lawyers might be untrustworthy, his former colleague Yang Guohua noted, the “lawyers provide professional legal services. They will do their best no matter which country they work for. As a client, all we care about is their capabilities to provide professional services.” In the process, they also facilitate legal technology transfer.

Such transfer has particularly thrived in the area of import relief law. Although China has been the target of trade remedy cases abroad since the 1980s, it only launched its first trade remedy case in 1997 when Chinese lawyers submitted a petition to MOFTEC to commence an anti-dumping investigation on behalf of a group of Chinese newsprint manufacturers. The case heralded

286. Id.
288. Interview with Anonymous (June 9, 2014) (Interview #9) [hereinafter Interview #9] (on file with authors).
290. Interview with Anonymous (June 9, 2014) (Interview #4) [hereinafter Interview #4] (on file with authors).
291. Chengang, Overview, supra note 155, at 27.
293. When the newsprint producers first approached lawyers Wang Xuehua, He Jinghua, and Huang Tao at the Huanzhong Law Firm in Beijing in 1996, there were no anti-dumping regulations in China, but only a vague clause in the 1994 Foreign Trade Law that allowed the state to take action against dumping. See He Jinghua, Fanqingsxiao Shensu Xietiao Bihu Keshao [Coordination of Antidumping Petitions Needed], FAZHI RIBAO [LEGAL DAILY] (June 26, 2007) [hereinafter Coordination of Antidumping Petitions Needed]; Wang Xuehua, Shensu Lushi Yicuo Change Daibaooren [Petitioners’ Lawyer Should Represent the Industry], FAZHI RIBAO [LEGAL DAILY] (June 24, 2007) [hereinafter Petitioners’ Lawyer Should Represent the Industry]. As nobody in China knew how to submit an anti-dumping petition and conduct an anti-dumping investigation, the law firm went to officials in MOFCOM’s Department of Treaty and Law, where Wang used to work, to discuss the matter. Coordination of Antidumping Petitions Needed, supra; Petitioners’ Lawyer Should Represent the Industry, supra. The Department reported the case to the Minister and asked the Huanzhong Law Firm
the legalization of Chinese import-relief administration and the development of China’s import-relief bar. 294 The government official, Mr. Wu Xiaochen, later became a leading private trade lawyer at the Hylands Law Firm and wrote a book, *Antidumping Law and Practice of China*. 295 The practice has since flourished in China, which has become one of the world’s largest users of anti-dumping measures. 296 China now uses anti-dumping law frequently against the U.S. and Europe, often in a tit-for-tat fashion in response to U.S. and E.U. investigations. 297

B. Who Are the Government’s Chinese Trade Lawyers?

Although the government hired foreign lawyers to be best represented in WTO cases, it also wished to build the capacity of Chinese law firms. 298 From its very first case, the government deliberately hired domestic law firms to work with the foreign firms. 299 In the early years, the government selected ten Chinese law firms and tried to groom them for WTO work by having them provide support to the foreign law firms and work along with the government on third-party submissions. 300 For example, in its first case, the *US-Steel Safeguard* case initiated in 2002, China hired the French law firm Gide Loyerette as its counsel, together with four domestic law firms to assist in the back-to-start preparing for the case after the Minister approved it in February 1997. *Coordination of Antidumping Petitions Needed*, supra; *Petitioners’ Lawyer Should Represent the Industry*, supra. In March, the State Council issued The Regulation on Anti-dumping and Subsidy Countervailing Measures; in November, Huanzhong filed the formal petition on behalf of the domestic producers; and in December, MOFTEC formally launched the investigation. *Coordination of Antidumping Petitions Needed*, supra; *Petitioners’ Lawyer Should Represent the Industry*, supra. The official handling the investigation was Wu Xiaochen, a student of Wang at UIBE. *Coordination of Antidumping Petitions Needed*, supra; *Petitioners’ Lawyer Should Represent the Industry*, supra. The investigation targeted exporters from the U.S., Canada, and Korea, which hired other Chinese law firms such as King and Wood, Zhong Lun, and T&D Associates to prepare their defenses. See also Peng Wu Peng, ZHONG LUN, http://www.zhonglun.com/Content/2016/10-14/1642323112.html (last visited Nov. 11, 2017); Ning Xuanfeng, Zhongguo “Shuangfan” Lingyu Linjun Lushi [Ning Xuanfeng: China’s Leading “Double Reverse” Lawyer], LEGAL DAILY (July 19, 2014), http://epaper.legaldaily.com.cn/fzrb/content/20140719/Article05008GN.htm; World and News, T&D, http://www.tdlawyers.com (last visited Nov. 11, 2017).


296. See infra notes 312–318 and accompanying text.


299. Interview #4, supra note 290.

300. Interview with Anonymous (Dec. 2013) (Interview #22) [hereinafter Interview #22] (on files with author).
Most of these Chinese firms were boutique law firms with trade remedies practices.302 Over the past decade, however, all but one of the original ten discontinued their WTO litigation practices, although domestic trade remedies practices continued to grow.303 In 2016, only King & Wood Mallesons (“KWM”), among the original firms, continued to handle WTO dispute settlement for the government, along with four other firms: Zhong Lun; Jincheng, Tongda & Neal (“JTN”); AllBright; and Gaopeng & Partners.304 When one compares these two groups of law firms, the following differences in firm size, practice areas, location, and lawyer profiles become salient:

1. **Firm size.** While most of the firms on the initial list were boutique firms, among the five firms in the current group, three (KWM, Zhong Lun, and AllBright) are among the largest law firms in China, each having over 900 lawyers, while the other two are among the largest of the medium-sized Chinese firms, having about 200 lawyers each.

2. **Practice areas.** As boutique firms, those in the initial list tended to specialize in a few related areas, such as trade remedies. In contrast, those in the current group are “full-service” law firms that cover almost all areas of business law, including corporate law, intellectual property law, competition law, and arbitration, in addition to international trade law.

3. **Location.** The initial list included law firms based in Shanghai and Guangzhou. In contrast, all of the firms in the current group are based in Beijing.305

4. **Lawyers’ profiles.** The lawyers in the initial list tended to be older with no significant overseas experiences, while the lawyers in the current group are younger and have significant experiences abroad, including practice in U.S. and European law firms. Most of the trade lawyers in the initial list had strong MOFCOM connections. In contrast, with the exception of two trade lawyers at Gaopeng, to our knowledge, no lawyer in the current group has worked as an official in MOFCOM.

These comparisons reflect the evolution and maturation of China’s trade bar. The initial decision by MOFCOM to cultivate WTO practices among boutique firms with trade remedy practices made sense in 2002 since these firms had some expertise on trade law issues regarding dumping. After China’s first WTO case (*US-Steel Safeguard*) ended in 2003, however, China did not have another major WTO case litigated before a panel until 2006 when the U.S.

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302. Interview with Anonymous (July 29, 2016) (Interview #33) [hereinafter Interview #33] (on file with authors).
303. See Interview #2, supra note 160.
304. See Interview #3, supra note 159.
brought the China-Auto Parts and China-Intellectual Property Rights cases.\textsuperscript{306} During the three-year dry spell, the boutique law firms had little incentive to continue investing in their WTO practice; they chose to turn to more lucrative practice areas.

In contrast, larger law firms have the resources to support a WTO legal practice, and these practices have grown.\textsuperscript{307} Although WTO work remains much less lucrative than these firms’ other practice areas, maintaining a WTO practice can greatly enhance the prestige of a firm since it involves representing the Chinese government, which every Chinese person has been taught since their youth to be sacred and infallible. On the practical side, working on these cases helps the big law firms maintain “guanxi” (personal connections) with MOFCOM, which in addition to its jurisdiction on trade issues is entrusted with regulatory powers over commercially important areas such as the approval of foreign investment and the enforcement of China’s competition laws. While different divisions within MOFCOM handle these issues, building “guanxi” with DTL officials through WTO cases makes it easier for the law firms to contact officials in other divisions.

These Chinese law firms have also generated work related to WTO law that has broader implications within China, as well as for the international trading system. As the former DTL Deputy Director-General Yang Guohua wrote, “Chinese lawyers have grown up to provide WTO legal services not only to MOFCOM in [WTO disputes], but also to other government agencies and companies.”\textsuperscript{308} The most clearly linked area is trade remedy practices, which reflect a legalization of Chinese import-relief practices. Chinese law firms represent both the Chinese petitioner and the foreign companies in these cases. From 2003 to 2010, China implemented 122 anti-dumping measures and was the world’s largest user of these policies, second to India.\textsuperscript{309} Since 2010, although the number of anti-dumping measures initiated by China dropped, the country still remained one of the main users of these measures, along with India and Brazil.\textsuperscript{310}

As Chinese law firms build expertise in this area, they increasingly represent Chinese companies and trade associations in foreign anti-dumping and

\textsuperscript{306}. Although China participated as a third party in many WTO cases during this period, the legal fees that the government paid were too low to provide sufficient incentives for the firms. Interview with Anonymous (June 9, 2014) (Interview #1) [hereinafter Interview #1] (on file with authors). According to a senior lawyer, the legal fees for law firms to represent China in third-party cases are only two-to-three hundred thousand RMB, around thirty to fifty thousand USD. Id. The only other case where China was a main party during this period—the 2004 China-VAT on Integrated Circuits case—failed to create significant revenue for the two Chinese law firms hired since China settled the case within four months and no WTO panel was formed. For a detailed discussion of this case, see Henry Gao, Aggressive Legalism, supra note 121, at 329–34. The government did not even hire a foreign law firm in that case. Interview #1, supra.

\textsuperscript{307}. Other factors include Chinese patriotism (“it’s good to help my country,” noted one interviewee) and the career reputational opportunities for young ambitious lawyers with English proficiency and greater facility with common-law reasoning. Interview #5, supra note 224.

\textsuperscript{308}. Guohua, A Memoir, supra note 43, at 11.

\textsuperscript{309}. Wu, Antidumping, supra note 297, at 104.

other import-relief investigations as well.\footnote{311} They often work closely with 
MOFCOM and industry associations to help overcome collective action prob-
lems.\footnote{312} Often they work with foreign law firms, but sometimes they do the 
work alone.\footnote{313} Most notably, one of the leading practitioners, Mr. Pu Ling-
chen of Zhong Lun law firm, returned to Beijing after over twenty years in 
Brussels, where he had received a law degree at Free University of Brussels, 
interned for the European Commission, and practiced anti-dumping work with 
law firms from the U.S. and the U.K.\footnote{314} He often defends Chinese clients di-
rectly before E.U. administrative bodies in import-relief investigations.\footnote{315}

In addition, these law firms have been able to expand into other areas, 
such as foreign investment law and bilateral and plurilateral trade agree-
ments.\footnote{316} For example, the professionals in China that work on Bilateral 
Investment Treaty ("BIT") negotiations also work on trade matters, and they 
build from their trade experiences, exemplifying the interpenetration of these 
two fields in China.\footnote{317} Those in MOFCOM who work on the BIT negotia-
tions come from the WTO department, and they work with outside Chinese law 
firms with significant experience in WTO disputes.\footnote{318} The government is har-
nesing these individuals’ knowledge to form public-private partnerships in the 
negotiation of bilateral investment agreements with the U.S., the E.U., and oth-
ers.\footnote{319} If agreements are reached, these same law firms hope to work on inves-
tor-state cases under the resulting rules.\footnote{320} As one lawyer noted, “these law 
firms can help with the drafting of BIT language because they understand how 
judicial interpretation works before an international tribunal.”\footnote{321}

Overall, the increased number of WTO cases involving China has gener-
ated sufficient work for these five firms to create specialized WTO law prac-
tices.\footnote{322} As one leading Chinese lawyer on WTO matters told us, “I spend

\footnotesize{311. One practitioner noted that the firm had represented Chinese firms in anti-dumping proceedings in 
the U.S., E.U., Argentina, Brazil, Egypt, India, Mexico, South Africa, and Turkey. Interview with Anonymous 
(July 26, 2016) (Interview #30) (on file with authors).}
\footnotesize{312. Interview #7, supra note 183.}
\footnotesize{313. Interview #1, supra note 306.}
\footnotesize{314. Interview #9, supra note 288.}
\footnotesize{315. Similarly, another Chinese attorney told us he was about to go to India for an optical company to 
represent it in an anti-dumping case there. Interview #5, supra note 224.}
\footnotesize{316. Interview with Anonymous (July 27, 2016) (Interview #35) [hereinafter Interview #35] (on file with 
authors).}
\footnotesize{317. Interview with Anonymous (July 23, 2016) (Interview #27) [hereinafter Interview #27] (on file with 
authors).}
\footnotesize{318. Interview #5, supra note 224; Interview #27, supra note 317; Interview with Anonymous (July 25, 
2016) (Interview #29) [hereinafter Interview #29] (on file with authors).}
\footnotesize{319. Interview #29, supra note 318.}
\footnotesize{320. Interview #27, supra note 317.}
\footnotesize{321. Interview #29, supra note 318. From its international trade law experience, some Chinese trade spe-
cialists believe that China could look favorably on an appellate process for investor-state dispute settlement. 
Id. As one interviewee noted, in NAFTA investor-state dispute settlement, the U.S. has never lost before ad 
hoc panels, and in the WTO context, China has often fared better on U.S. import relief measures before the 
Appellate Body than before ad hoc panels. Interview #27, supra note 317. In short, it appears that the U.S. 
would prefer a less court-like process for investment disputes than would China. Id.}
\footnotesize{322. Interview #2, supra note 160.}
eighty percent of my time on WTO cases.”323 The firms employ five to ten lawyers, complemented by four to five interns, to work on trade law matters.324

C. Procedure of a Typical Case

The WTO dispute settlement process combines lawyering and diplomacy at two levels: the domestic and the international. When asked what is the greatest challenge that Chinese officials face regarding WTO dispute settlement, a high-level official responded that it is managing “Chinese nationalism.”325 In a subsequent discussion, that same official emphasized the broader importance of the WTO globally to “maintain peace and prosperity.”326 In an economically interdependent world, these domestic and international diplomatic tasks mesh, facilitating trans-national legal ordering.

Parties use WTO law to press countries to settle disputes under the threat of litigation.327 Even after a formal WTO legal ruling, they also negotiate over what action suffices to resolve the dispute.328 The WTO dispute settlement process, as a result, is never purely legal, but always combines law and diplomacy.

The formal process starts with consultations.329 In practice, the consultations typically involve lawyers who use them to gather information to help prepare a case or defense.330 MOFCOM thus involves lawyers from the very beginning. Once MOFCOM determines that a WTO complaint will be litigated,331 it starts the process of selecting outside law firms by asking firms to submit bids. In formulating their bid, the firm provides, along with its fee schedule, a twenty-to-fifty page memorandum analyzing the legal issues.332 In deciding who to select, MOFCOM considers both the quality of the memorandum and the fees.333

For WTO complaints that do not proceed to litigation before a panel, the government hires only Chinese law firms.334 It, likewise, hires only Chinese law firms when China is only a third party before a WTO panel, except in rare

323. Id.
324. Interview #5, supra note 224.
325. Interview #19, supra note 120 (including both WTO and work on bilateral and plurilateral trade agreements).
326. Interview with Anonymous (June 10, 2014) (Interview #18) [hereinafter Interview #18] (on file with authors).
327. Interview with Anonymous (June 13, 2014) (Interview #14) [hereinafter Interview #14] (on file with authors).
328. Interview #18, supra note 326.
330. Id.
331. Under the WTO’s “negative consensus” rule a panel will be formed unless all WTO Members (including the complainant) agree that it not be. See id. art. 6.1.
332. Interview #2, supra note 160; Interview #35, supra note 316.
333. One participating lawyer stressed, “the government picks on the strength of the analysis, not just on the price.” Interview #2, supra note 160.
334. Interview #1, supra note 306.
cases involving systemic issues.335 Even in cases where it is a third party, however, the government may be quite demanding; to submit a bid to represent China in such cases, a Chinese law firm may again write up to thirty to fifty pages of legal analysis.336 The government’s actual third-party submissions, in turn, can fall within that range.337 The case *EU-Antidumping Measures on Biodiesel* brought by Argentina, for example, was of systemic importance because it involved the use of surrogate prices from third countries in anti-dumping calculations.338 This practice can favor the finding of dumping and, where dumping is found, inflate anti-dumping margins.339 It is often used against Chinese imports.340 China submitted a fifty-page submission in support of Argentina’s arguments.341 Because of the case’s systemic importance, the government hired a U.S. law firm (Sidley Austin) and a Chinese law firm (Zhong Lun) for the third-party submission and the WTO hearings.342 Argentina won the case, establishing precedent to China’s benefit.343

In contrast, if a case is argued before a panel where China is a party, MOFCOM has always hired a foreign law firm together with a Chinese law firm, with each selected in a separate bidding process.344 The first thirteen WTO cases China filed were all against the U.S. (nine cases) or the E.U. (four cases).345 In these cases, MOFCOM used American and European law firms because they better understand the trade laws and practices in their home jurisdictions.346

When WTO members bring complaints against China,347 China also relies primarily on foreign counsel for its defense because of their greater familiarity with WTO jurisprudence and courtroom advocacy.348 The foreign law firm takes primary responsibility for the legal analysis while the Chinese firm assists primarily with the factual presentation of the relevant Chinese measures.349 A Chinese lawyer quipped, “the Chinese law firm collects the in-

335. Interview #21, supra note 125.
336. Interview #35, supra note 316.
337. Id.
338. Id.
340. Id. at 25.
341. Interview #35, supra note 316.
342. Id.
343. The case is of systemic importance for China because Article 15 of China’s Accession Protocol permitted countries to use third-country cost data in place of prices in China for anti-dumping determinations based on China’s nonmarket economy status, but the relevant provision expired in December 2016. See infra note 548. The U.S. was also a third party in the case and not surprisingly supported the E.U.’s position; Argentina prevailed before the panel and the Appellate Body. See Appellate Body Report, *EU-Antidumping Measures on Biodiesel from Argentina*, WTO Doc. WT/DS473/R (Oct. 26, 2016).
344. Interview #21, supra note 125.
345. Interview #35, supra note 316.
346. As explained by a senior MOFCOM official, “we hire Washington DC lawyers in cases against the U.S. and Brussels lawyers in cases against the E.U.” Interview #22, supra note 300.
347. Only the U.S., the E.U., Canada, Mexico, Guatemala, and Japan had filed complaints against China as of November 2017. See Disputes by Member, supra note 65.
348. Interview #2, supra note 160.
349. Interview #5, supra note 224.
ingredients, while the foreign law firm cooks them into a dish.”

The foreign law firms can (and often do) hire and pay higher salaries to employ Chinese lawyers to do this analysis in parallel, but the government insists that a Chinese law firm be included. In the process, the foreign law firms grant the Chinese lawyers access to their WTO databases and the WTO submissions that they used in previous cases. From this experience, Chinese lawyers learn significant legal skills involved in building and defending WTO cases. Although the foreign law firms draft China’s submissions, the Chinese law firms can assist and comment on them. For example, in the China-IPR case, the U.S. challenged the Chinese threshold for criminal prosecution as too high. The Chinese lawyers helped gather information about how Chinese cases operate in practice so that the panel could see the issue in broader context, and the panel found that the U.S. failed to make a prima facie case.

To help them understand the Chinese measures at issue, the foreign law firms sometimes request meetings with the relevant government agencies responsible for the measure, which MOFCOM helps to arrange and coordinate. Initially, many ministry officials were annoyed by the meetings and regarded the foreign law firms as troublemakers. After MOFCOM explained to them that the meetings helped the law firms better understand and defend the Chinese measures before the WTO, however, ministry officials softened their attitude and became more welcoming. In the China-IPR case, for example, lawyers met with the Ministry of Public Security, as well as the Supreme People’s Court because the U.S. challenge raised issues of judicial interpretation of Chinese law and judicial practice.

For the panel hearings in Geneva, MOFCOM typically sends the largest delegations of any WTO Member. The Chinese delegation includes MOFCOM officials, lawyers from both foreign and domestic law firms, representatives from the relevant ministries, and possibly also industry association representatives and academics. Unlike some WTO Members such as Japan, which always keep the private lawyers outside of the panel hearing room, MOFCOM had no reservations about bringing the foreign lawyers into the hearing and having them make China’s oral arguments and answer the panel’s questions.

Although foreign lawyers generally handle the oral proceedings, Chinese lawyers and officials inform us that, more recently, the Chinese lawyers have

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351. Interview #5, supra note 224.
352. Interview #2, supra note 160.
353. Interview #5, supra note 224.
354. Interview #2, supra note 160.
355. Id.
356. Id.; Interview #27, supra note 317.
357. Interview #2, supra note 160.
358. Id.
359. Interview #6, supra note 264.
360. Interview #2, supra note 160.
361. Interview #1, supra note 306.
contributed to a greater extent.\footnote{362} MOFCOM officials refer to the increased substantive role of Chinese lawyers in stages.\footnote{363} The “first stage” was for Chinese lawyers to learn about the process, while the “second” was for them to engage more substantively.\footnote{364} In 2014, in the case \textit{China-Measures Imposing Anti-Dumping Duties on High-Performance Stainless Steel Seamless Tubes ("HP-SSST")}, a Chinese lawyer made the oral argument on an important factual issue in the panel hearing.\footnote{365} Both the foreign lawyers and MOFCOM officials who were at the hearing praised his performance.\footnote{366}

Chinese officials and lawyers talk about a potential “third stage” in which Chinese firms become solely responsible for China’s WTO cases.\footnote{367} In the 2012 case of \textit{US-Antidumping Measures on Shrimp and Diamond Sawblades from China}, a Chinese law firm assumed the role of lead counsel, but the U.S. did not defend itself because the case involved Appellate Body precedent that the U.S. no longer challenged.\footnote{368} It may be just a matter of time. In any case, lawyers in China have gained substantial expertise to advise the Chinese government and companies on trade law matters.

\section*{VII. Chinese Companies’ and Trade Associations’ Engagement with Trade Law}

Thirty years ago, most Chinese companies were not only state owned, they were arms of Chinese ministries and local governments.\footnote{369} Today, state-owned enterprises have become corporatized, and many have shares listed on stock exchanges.\footnote{370} Although private companies now represent around 54\% of the country’s GDP, the larger ones all have Communist Party representatives and committees within them, designed to exercise oversight.\footnote{371} Chinese companies are thus generally much more deferential to state officials than their...
U.S. and European counterparts. Many private Chinese companies find that government officials are difficult to approach. They, thus, have not developed a habit of hiring law firms to lobby and work with the government on trade disputes, and they have been further reluctant on account of the firms’ fees. In anti-dumping cases, many Chinese companies, in addition, face collective action problems to organize and defend themselves.

The 2000s showed signs of change, as large Chinese companies and independent trade associations became more willing to hire trade lawyers and to defend their interests as partners with the government. First, larger Chinese companies increasingly hired in-house counsel, and many hired trade lawyers. Second, some small- and medium-sized companies created industry associations independent of the Chinese state to work with private law firms on foreign and domestic anti-dumping investigations that eventually can (and did) lead to WTO cases. Both initiatives represent major changes in China and reflect a relative turn of Chinese companies to engage trade lawyers, thus supporting transnational legal ordering.

A. Chinese Companies and International Trade Law

Before China’s accession to the WTO, Chinese companies also faced significant trade barriers abroad. Most of them chose to abandon the foreign market rather than fight in a foreign legal procedure. Following China’s accession, in order to help Chinese companies understand and benefit from WTO rules, the government launched extensive education campaigns, which were conducted by WTO Centers established around the country. It was a paternalistic endeavor. For example, in July 2001, the Shanghai WTO Center launched the “50/100 Senior WTO Affairs Experts Training Project.” Under it, the center selected one hundred participants from fifty organizations, including government departments, state-owned enterprises, professional service organizations, and government-formed industry associations. The program lasted one year and was in three parts. Phase One provided a three-month

372. Milhaupt and Zheng contended that “state capitalism as practiced in China today is largely synonymous with state capture. . . . Large firms in China—whether SOEs, privately owned enterprises (POEs), or ambiguous mixtures of state and private ownership—survive and prosper precisely because they have fostered connections to state power.” Milhaupt & Zheng, supra note 369, at 175, 181.
374. Id. at 46.
375. Id. at 84.
377. See id.
378. See id.
381. Id.
introductory course,\(^{382}\) and Phase Two provided a three-month course on more advanced topics.\(^{383}\) Phase Three offered an overseas internship for participants to work in the U.S., the E.U., Japan, and other countries.\(^{384}\) The government launched the project with great fanfare and the response was overwhelming; the first morning after the announcement, the Shanghai WTO Center received more applications than places available.\(^{385}\) Hundreds of these programs mushroomed around the country, and the WTO centers trained thousands of Chinese officials and other stakeholders.

Larger Chinese companies independently saw the need to develop WTO knowledge from their experience with foreign anti-dumping and other measures, and built in-house expertise.\(^{386}\) Since import-relief investigations often target Chinese companies, the companies hire specialized employees to respond to them.\(^{387}\) Baosteel, one of the largest steel manufacturers in China, has an anti-dumping task force that coordinates over 110 people from twenty-two internal departments.\(^{388}\) Combining internal expertise with assistance from external legal counsel, Baosteel learned to defend itself successfully in anti-dumping investigations.\(^{389}\) In the WTO case *China-Certain Measures Affecting Electronic Payment Services*, the banking association China UnionPay directly hired a Chinese law firm that MOFCOM included in its WTO delegation, together with the Chinese law firm that MOFCOM hired separately.\(^{390}\)

Larger Chinese companies have built internal legal expertise on many trade-related issues, including intellectual property, import relief, customs, trade facilitation, and investment law.\(^{391}\) For example, the Chinese technology giant Huawei has over one hundred in-house counsel.\(^{392}\) In 2013, Huawei hired international trade lawyer James Lockett as its Vice-President and Head of Trade Facilitation and Market Access.\(^{393}\) Before he joined Huawei, Lockett

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\(^{382}\) The subjects included: the WTO and China in economic globalization; WTO and regional economic cooperation; WTO and special and differential treatment for developing countries; the basic principles, legal framework, and organizational structure of the WTO; the transparency principle and the shifting of government functions; the non-discrimination principle and the establishment of fair market practices; the WTO dispute settlement system; and the WTO trade policy review mechanism. *Id.*

\(^{383}\) The topics included: the GATT and specialized agreements; the GATS and specialized agreements; the TRIPS Agreement; and the Doha Round Agenda. *Id.*

\(^{384}\) *Id.*


\(^{387}\) Interview #32, supra note 111.


\(^{389}\) *Id.*

\(^{390}\) Interview #5, supra note 224; Interview #6, supra note 264; Interview #29, supra note 318.

\(^{391}\) Interview #9, supra note 288.

\(^{392}\) *Id.*

had worked for the U.S. Department of Commerce, served as the Chairman of the American Chamber of Commerce in Brussels, and had been a lawyer for U.S. law firms in Brussels and Vietnam. He was thus highly familiar with U.S. and E.U. regulatory systems. His hiring indicates that leading Chinese companies like Huawei are looking beyond their defensive interests in foreign trade remedies cases and increasingly lobby proactively to open foreign markets.

During our discussion, Lockett maintained that Huawei plays an important role in developing international standards on telecommunication equipment and reducing tariffs in information technology products. For example, Huawei lobbied for the expansion of the WTO Information Technology Agreement (“ITA”) to include Latin American countries such as Brazil and Mexico, and its position on the ITA publicly differed from that of the Chinese government. Huawei’s taking such a public position exhibits a growth in confidence of a large firm to advance its views before state officials.

Building in-house trade law expertise takes time and resources that most Chinese small- and medium-sized enterprises cannot afford. To encourage more Chinese companies to bring their problems to the government, MOFCOM introduced a Foreign Trade Barrier Investigation mechanism in 2002, which was modeled after U.S. Section 301 legislation and the E.U.’s Trade Barrier Regulation. The mechanism allows private companies to petition MOFCOM to launch an investigation and take necessary action when the companies encounter foreign trade barriers, whether through bilateral consultation or WTO litigation. The government introduced the mechanism with great fanfare. Companies, however, only formally invoked it in two cases in the first twelve years—the first involving a 2004 investigation regarding Japanese import quotas on laver (seaweed) that was successfully settled, and the second regarding U.S. subsidies in the renewable-energy sector initiated in 2012. As Gao argues, a main reason Chinese private companies do not use it is that, traditionally, they have lacked access to the government. Thus, when

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395. Interview #14, supra note 327.
396. Huawei Urges Brazil, Mexico to Sign IT Trade Agreement, LATIN AM. HERALD TRIB., http://www.lah.com/article.asp?ArticleId=1903450&CategoryId=13936 (last visited Nov. 11, 2017). The ITA was concluded at the WTO’s Tenth Ministerial Conference on December 16, 2015. Id.
397. Id.
399. For a detailed discussion of the mechanism, see Henry S. Gao, Taking Justice into Your Own Hand: The Trade Barrier Investigation Mechanism in China, 44 J. WORLD TRADE 633, 651 (2010).
400. Id. at 638–42.
402. Id.
403. Gao, Taking Justice, supra note 399, at 649.
they encountered trade barriers, they preferred to resolve the problem by shifting their exports elsewhere or by switching to other products.404

Because the formal Foreign Trade Barrier Investigation mechanism was rarely used, MOFCOM introduced an informal alternative around 2005.405 This new approach—nicknamed the “Quadrilateral Coordination” mechanism—involves the cooperation of four parties: the central government, local government, industry association, and individual companies.406 Under it, industry associations play a key role as the bridge between private companies and the government, thus resolving private companies’ concerns about access.407 But to act effectively, industry associations would have to enhance their trade law capacity and their independence.

B. Chinese Industry Associations and International Trade Law

Historically, industry associations have not been independent of the government in China. Rather, they were established by and affiliated with functional Ministries in particular domains, which were separate from MOFTEC (MOFCOM’s predecessor). These associations more-over had no expertise on foreign trade issues. To address this problem, MOFTEC, in the late 1980s, created seven trade associations for importers and exporters of products, divided into broadly defined sectors.408

Although these trade associations have closer links with MOFCOM, they still are ineffective in assisting most Chinese companies for multiple reasons. First, their scope of coverage is extremely broad, so that companies within the trade associations do not share the same concerns. To address a problem involving a specific product, a company must work through many levels of bureaucracy within the trade association.409 Second, these associations are typically based in Beijing and do not have branch offices in the provinces. Companies facing trade remedies cases are often located in distant provinces like Guangdong, Fujian, and Zhejiang, and they are not engaged with these trade associations.410

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404. Id. at 649–50.
406. For a detailed discussion of the mechanism, see id. at 986–89.
407. Id. at 986–88.
408. Id. (“They are: China Chamber of Commerce for Import and Export of Textiles and Apparel (CCCT), China Chamber of Commerce for Import and Export of Light Industrial Products and Arts-Crafts (CCCLA), China Chamber of Commerce of Metals Minerals & Chemicals Importers & Exporters (CCCMC), China Chamber of Commerce for Import and Export of Machinery and Electronic Products (CCCME), China Chamber of Commerce of Foodstuffs and Native Produce (CFNA), China Chamber of Commerce for Import & Export of Medicines & Health Products (CCCMHPIE), and China International Contractors Association (CHINCA).”).
409. To give an example, steel fasteners, along with many other products such as ball bearings and chains, are under the jurisdiction of the Machinery Components Branch, which is one of twelve different branches under the Department of Machinery Industry, which, in turn, is one of three departments in the China Chamber of Commerce for Import and Export of Machinery and Electronic Products (“CCCME”). Id. at 997–98.
410. Id. at 998.
Third, since the associations target trading firms, their memberships are typically limited to companies granted foreign trading rights by the government. Until the revision of the Foreign Trade Law in 2004, MOFCOM granted trading rights only after careful examination and subject to particular criteria. The high procedural threshold effectively limited trading rights as a privilege for state-owned enterprises and large companies. Because most small- and medium-sized companies did not enjoy trading rights, they could not join the associations.

Fourth, these trade associations are established by the government, and not by the companies themselves. They tend to be rather bureaucratic and irresponsible to the companies’ needs and demands. Many companies rarely turn to the trade associations for help since the companies view them as associations that govern them, rather than serve them. As one lawyer told us, “the trade association is a second government. . . . This is central planning.” The lawyer suggested that the formation of independent trade associations will finally signal that China has become a market economy.

In the last decade, more independent industry associations have emerged, which represents a significant development in China resulting from its integration in the global economy. These private associations respond better to company interests. First, their scope of coverage is very narrow and tends to cover just a single product or several closely related products. For example, there are associations for fasteners, for parasols, and for cigarette lighters. Such a high degree of product specialization facilitates their ability to identify specific trade measures affecting the industry, such as anti-dumping investigations. Second, the new industry associations are located in the cities and counties where the industry operates, as in provinces such as Zhejiang and Guangdong. Third, these local associations accept both exporters and manufacturers as members and are more representative of the interests of the industry as a whole. Fourth, because these industry associations are formed on the companies’ own initiatives, they are more responsive to the companies’ needs and demands, and the companies are more comfortable approaching them when the companies encounter trade barriers.

To help their members address trade barriers, the private industry associations hire personnel with trade law expertise, train existing staff, and work with government trade departments and private law firms in individual cases. The E.U.’s 2007 anti-dumping investigation of Chinese iron and steel fastener imports illustrates the proactive role that local industry associations can play. In that case, the Jiaxing Fasteners Export and Import Industry Association

411. Id. at 986.
412. Interview #3, supra note 159; see also Milhaupt & Zheng, supra note 369, at 196 (“The industrial associations actively supervise the operations of firms in their respective industries and have retained much, if not all, of the power exercised by their state predecessors.”).
413. Interview #3, supra note 159.
416. Id.
helped fight the E.U. investigation at every step of the process. It helped complete the E.U. questionnaires and worked with lawyers to challenge the E.U. measures before E.U. courts, a WTO panel, and the Appellate Body.\footnote{Id.}

The association engaged in extensive lobbying efforts. Its representatives went to Brussels to meet with Commission officials and work with other stakeholders, such as European importers, distributors, and downstream industries, to lobby against the E.U. investigation. After the Commission imposed anti-dumping duties, the association pressed MOFCOM to initiate an anti-dumping investigation against E.U. producers as retaliation and to file a WTO complaint that led to the Appellate Body ruling against the European Union. It also convinced the government to challenge the E.U.’s compliance with the Appellate Body’s findings.\footnote{Id. at 995–96.}

This arrangement involved public-private coordination comprised of the central government, local government, industry association, individual companies, and private lawyers.\footnote{Id. at 986–87.} As one Chinese lawyer told us, he learned how U.S. trade associations operate when he worked in Washington D.C. with a U.S. law firm.\footnote{Interview #7, supra note 183.} Now, in China, he advises his clients to form industry-developed coalitions with a secretariat to defend themselves against foreign anti-dumping proceedings.\footnote{Id. (stating that Taiwanese and Chinese associations often are small and medium-sized companies that produce consumer items, such as footwear and bedroom furniture).} Such arrangements once more represent learning from U.S. practice.

In addition to assisting companies in individual cases, new industry associations provide other trade-related services, such as the creation of Foreign Trade Pre-Warning Centers.\footnote{Gao, Public-Private Partnership, supra note 401, at 1002–03.} These Centers monitor trade data in a particular sector and alert companies when they identify risks of impending trade barriers. First pioneered in Zhejiang Province, more than 100 pre-warning centers sprouted around the province by late 2011. “Linking more than 6,000 [companies] in sectors ranging from textiles and clothing, to steel, consumer electronics, and agricultural products, the centers cover every major regional economic block in the province.”\footnote{Id. at 1003.} “On average, every center has two full-time staff.”\footnote{Id.} “They distribute pre-warning information to [companies] through newsletters, websites, bulk text message broadcasts, and instant messaging programs.”\footnote{Id. at 1002–03.} In 2010, the centers in Zhejiang sent more than half a million pre-warning messages through websites and text messages. Based on the experience in Zhejiang, associations in other provinces established similar pre-warning centers.\footnote{Id.}
It remains a much greater challenge to form independent industry associations in China than in the U.S. or Europe. A Chinese lawyer who earlier worked for a law firm in the U.S. noted three particular challenges. First, he found that “the mentality in China” differs because the firms are so focused on competing against each other in foreign markets they have trouble cooperating in foreign anti-dumping investigations. Second, the firms now lack faith that WTO law can help them gain real market access following a WTO case. Third, creating ad hoc coalitions is much more difficult in China because they invite closer scrutiny by the Chinese government. There is thus less of a bottom-up push from Chinese industries to organize collectively, hire lawyers, bring matters to MOFCOM, and challenge foreign measures. Nonetheless, the development of independent industry associations for trade matters represents a significant development in China, constituting both an offshoot of, and further conduit for, transnational legal ordering.

VII. THE IMPLICATIONS FOR CHINA AND THE INTERNATIONAL TRADE LEGAL ORDER

A. The Implications within China

Bringing China into the WTO was more than just about opening China’s markets and foreign markets to Chinese goods. It involved processes of transnational legal ordering that have broader implications for government institutions, the role of markets, the development of professions, and normative frames in which government accountability is assessed. It involved internal Chinese contests over the direction of China’s economic policy conducted within the context of an international legal regime. Some even view the WTO in quasi-constitutional terms regarding its impact on Chinese public law. As Tom Ginsburg noted: “The WTO became, in essence, an amendment to the Chinese constitution. Internal forces wished to ‘lock in’ commitments before they could be whittled away at the local level, and third-party monitoring, locked in by international agreements, provided the mechanism.”

427. Interview #7, supra note 183.
428. Id.
429. Shaffer, WTO Shapes Regulatory Governance, supra note 24, at 5.
430. As Mark Wu wrote, “[e]conomic reformers, led by Premier Zhu, utilized the WTO accession process to push their agendas. WTO commitments served as a means to lock in desired reforms of China’s economic structure.” Wu, The WTO and China’s Unique Economic Structure, supra note 371, at 313, 344–45; see also Steinfield, Playing Our Game, supra note 2, at 29 (explaining that, ultimately, Zhu Rongji “used the WTO accession agreement as a lever to downsize the state bureaucracy and drive out ministerial resistance to reform. Tying China to external rules served the production needs of export processors. It also served the political needs of a reformist premier”); Zemin, supra note 144, at 454 (“The accession to the WTO demands major changes in the ways the economy is managed by our governments at all levels. We shall further adjust and improve our modus operandi and legal system to meet the demands of the socialist market economy in accordance with the general rules of the market economy.”) (quoting from President Jiang Zemin’s speech he gave at the WTO Seminar for Provincial-level Officials on Feb. 25, 2002).
431. Tom Ginsburg, The Judicialization of Administrative Governance: Causes, Consequences and Limits, in ADMINISTRATIVE LAW AND GOVERNANCE IN ASIA 10 (Tom Ginsburg & Albert H.Y. Chen eds., 2009). One Chinese academic went so far as to affirm
in other words, was more than just about international law and compliance with it; it was about transnational legal ordering.

The Chinese government significantly invested in developing trade law expertise at the central and provincial levels. It took complementary initiatives to foster the development of trade-related legal capacity in academia, private law firms, companies, and trade associations. What started as top-down government paternalism, over time, turned organically toward partnerships, as the government increasingly relied on these actors to defend its view of China’s interests. In the process, these actors pursued their own career and business interests and worked with the government where their interests coincided. As in the U.S., many government officials were tempted to leave for more lucrative careers in the private sector and developed trade law practices within companies and law firms.

As with any country, there are divisions within China about how to approach WTO law and litigation. There are those who see the WTO as a force for liberalization and the rule of law in China’s domestic governance, and others who see WTO law and litigation as a force that must be contained for China to pursue its development goals through state planning. These divisions are reflected in struggles “between pro-trade departments such as MOFCOM and more conservative ministries . . . .” The divisions explain why MOFCOM has those ministries’ officials involved in WTO hearings—because it believes their participation will help facilitate eventual acceptance and com-

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I was optimistic about China’s joining the WTO . . . and the impact of legal reasoning [from engaging with the WTO]—that once the skill was mastered it would teach people to be rational, and once rational, they would manage their rights and obligations, . . . and this is the beginning of the rule of law.

Interview #28, supra note 192.

433. Id. at 1005.
434. Id. at 1028.
435. STEINFELD, PLAYING OUR GAME, supra note 2, at 31.
436. Interview #19, supra note 120; cf. SHAFFER, DEFENDING INTERESTS, supra note 103; Interview with Anonymous (July 24, 2016) (Interview #38) (on file with authors). The government’s WTO and international trade departments face continuity challenges since officials often rotate out of WTO work into different government positions after they develop WTO expertise—a challenge common to many countries.

437. As Steinfeld wrote:
In a pattern that would spread across government, academia, and industry, the senior management team, so to speak, would increasingly be drawn from people who had been trained abroad, often in the United States. These individuals not only spoke English, but they spoke and fully absorbed the language of modern market systems. They valued such systems, realized professional status from prior experience in those systems, and saw as their personal mission the fostering of China’s modernization through adoption of those systems.

STEINFELD, PLAYING OUR GAME, supra note 2, at 31.

438. As an E.U. official stated, “There is no one China. It’s not one country,” noting that central agencies vary, as do provincial and local governments. Interview with Anonymous (July 30, 2017) (Interview #36) [hereinafter Interview #36] (on file with authors).
439. Interview #29, supra note 318.
In engaging in capacity-building efforts, MOFCOM simultaneously engages in constituency building.

MOFCOM is the key intermediary between the WTO and national ministries engaged in domestic policy. Its WTO departments are the “watch dogs” for China’s compliance. A routine part of MOFCOM’s work, in the words of a former Deputy Director-General of its Treaty and Law Department, is “to check the WTO consistencies of the draft documents from both the other departments of MOFCOM and different ministries . . . . Normally my colleagues and I would send back our feedbacks to the drafters and meetings would be held when necessary.” MOFCOM’s authority is thus critical for China’s implementation of WTO law and, more deeply, for the permeation of WTO legal norms in the mentalities and practices of Chinese government officials and private actors.

MOFCOM’s handling of WTO cases helped it build a professional reputation among China’s ministries and thus enhanced its relative authority in inter-ministerial discussions. As one senior official noted, “during their meeting with other ministries, they [MOFCOM officials] will explain why a measure is inconsistent with WTO rules. When their view is affirmed by the WTO, the MOFCOM gains more respect from the other ministries.” As a leading private lawyer confirmed, MOFCOM involves affected ministries from the start of a WTO case so that, when China loses a WTO case, “the affected ministry will understand the fact that the measure is not WTO consistent.” Especially in the early days, “China brought huge delegations to Geneva because it brought in the agencies to show the process is fair and that China is going to lose, which would make acceptance of the rule of law and compliance easier.” Chinese lawyers see a positive effect in that ministry officials “start to care about WTO rules because once they [are] being sued in the WTO they start to think that ‘this is for real!’” As one lawyer stated, “my observation is that through the experiences gained from these years, people become more and

441. Interview with Anonymous (July 21, 2016) (Interview #24) (on file with authors). When asked about the most difficult challenge that the Chinese mission faces, one Chinese diplomat in Geneva responded, “We don’t wish to arouse anxieties at home; we thus prepare information for the media; we give a view of the positive side of dispute outcomes; we try to mitigate so it does not become a difficult political issue.” Interview #18, supra note 326.
442. We thank Jacques de Lisle for this point.
443. Interview #25, supra note 154; see Shaffer, WTO Shapes Regulatory Governance, supra note 24, at 4.
445. Id.
446. As a Chinese lawyer noted, “MOFCOM has built up a reputation as a professional in this area.” Interview #2, supra note 160.
447. Interview #22, supra note 300.
448. Interview #2, supra note 160.
449. Interview #6, supra note 264.
450. Interview #2, supra note 160.
more serious about WTO law when they formulate the measures or policies.”

This experience spans across government ministries. For example, the China-Raw Materials case involved the Ministry of Land and Resources, the Ministry of Environmental Protection, and the powerful National Development and Reform Commission (“NDRC”). A lawyer noted that MOFCOM also works with local governments regarding their subsidy policies. If local subsidies are found to be WTO-inconsistent and the local government does not comply, the policies “can escalate to the State Council.” Different ministries now call the lawyer “periodically to ask random questions to see if an initiative is ok under WTO rules.” The value of WTO litigation, in other words, is not just winning a case, but also socializing a ministry to take account of WTO law.

The use and acceptance of WTO law and litigation has become somewhat normalized within China, as reflected in the 195 cases in which China has participated. China has changed laws and regulations to comply with WTO decisions, although the required changes have generally not been fundamental. For example, following the China-Intellectual Property Rights decision, China amended its copyright laws. An official told us that MOFCOM simply prepared the amendment, and the State Council passed it without question. The former Deputy Director-General of MOFCOM’s Treaty & Law Department underscored how this “was unprecedented in [China’s] legislative history in the sense of amending its laws according to international rules” following an international court ruling. Similarly, China complied with the China-Raw Materials and China-Rare Earths decisions because, in a Chinese official’s words, “the Ministries see the WTO as a just process.” The official contended, “that is such an important progress”; it helps one “envisage[] the rule of law in China.” Another MOFCOM official thus contended that the WTO has

451. Id. Another practitioner spoke of being consulted by a Chinese ministry as to whether its proposed new regulations were valid under WTO law, which constitutes “a different language” in China. Interview #29, supra note 318.
452. Interview #2, supra note 160.
453. Id.
454. Id.
455. Interview #29, supra note 318.
456. Disputes by Member, supra note 65.
458. Interview #1, supra note 306.
459. Id.
460. Guohua, A Memoir, supra note 43, at 11–12. The U.S., however, lost on its key enforcement claims, which made it much easier for China to comply. See Cui Huang & Wenhua Ji, Understanding China’s Recent Active Moves on WTO Litigation: Rising Legalism and/or Reluctant Response?, 46 J. WORLD TRADE 1281, 1303 (2012); cf. Webster, Paper Compliance, supra note 27, at 557–62 (noting that the changes China made had no significant impact on copyright protection in China). Even though the case arguably did not significantly affect China’s enforcement of copyright protection, China did comply with the legal rulings. Webster, Paper Compliance, supra note 27, at 557–62.
461. Interview #1, supra note 306.
462. Id. Other interviewees noted how the WTO has helped to discipline the government’s application of anti-dumping law in China. See, e.g., Interview #5, supra note 224.
been a “pioneering area in China for the rule of law.”\footnote{463} Similarly, one legal academic speculated that among the reasons MOFCOM created secondment programs for Chinese law professors to assist it on WTO matters is that the professors can become supporters of MOFCOM’s efforts on WTO-related matters in China, thereby helping China’s compliance with its WTO commitments.\footnote{464}

Many of the Chinese practitioners we met said that they are trade liberals and believers in the WTO.\footnote{465} They thus have clear predilections. Their hope is that WTO law can seep into the practices of local governments and firms. They stress how far China has come in relation to its past. One told us that he “can’t believe how much freer is China today, where one can be sarcastic, ironic, and criticize the government on trade law issues, at least privately.” China still has much to learn regarding the WTO, he said, but things are getting better. Regarding trade law and policy, he emphasized:

I am a person who lived through the time of the Cultural Revolution. I was in China from the worst time and now, and I can say that it’s not easy progress to become what China is today. . . . We went through lots of ups and downs, suffered a lot. And now I see the people, news, criticism, comments, journalists. It’s unbelievable. From your perspective it might be normal, but for me it’s really unbelievable. . . . Now we can criticize the government, comment on the policies, talk about WTO law. It really changed a lot.\footnote{466}

As time passed, nonetheless, more Chinese officials and stakeholders have become skeptical and disillusioned.\footnote{467} Regarding the rule of WTO law in international trade relations, some disenchantment stems from China learning how to play the system and limit the impact of losses in WTO cases. Thus, when scholars such as Timothy Webster write of China’s “paper compliance” with WTO rulings in ways that do not increase actual market access, he, as well as others, suggests that China has followed U.S. examples of how to play the legal game.\footnote{468} As MOFCOM official Ji Wenhua noted after watching the tactics of others at the WTO, “we should try to employ some [such] strategies, including resorting to sophistry and delay tactics.”\footnote{469}
For example, after the Appellate Body’s 2011 ruling in *US-Definitive Antidumping Duties and Countervailing Duties Against Certain Products from China* (DS379), China was hopeful that many of the findings could rein in U.S. countervailing duty practices against China. 470 A key issue in the case was whether Chinese state-owned enterprises should be deemed “public bodies,” in which case they would be subject to subsidy rules under the WTO Agreement on Subsidies and Countervailing Measures (“SCM Agreement”). 471 The U.S. maintained that the state-owned enterprises were “public bodies” because they were owned and controlled by the state. 472 On this ground, the U.S. imposed countervailing duties on Chinese products that included inputs from Chinese state-owned enterprises allegedly sold at less than market value. 473 A WTO panel found in favor of the U.S. position and declared that, “on its own, majority government ownership is clear and highly indicative evidence of government control, and thus whether an entity is a public body for purposes of the SCM Agreement.” 474

Before the Appellate Body, China countered that ownership alone is not determinative, and that the key criterion should be whether the entity exercises governmental authority. 475 The Appellate Body largely sided with China and ruled against the United States. 476 It maintained that in order to find that a state-owned enterprise is a “public body” under the SCM Agreement, the U.S. Department of Commerce must show that such enterprise exercises “government functions.” 477 This threshold requirement creates legal constraints on U.S. countervailing duty practice against Chinese imports. 478 The Office of the United States Trade Representative bitterly protested the ruling. 479

The U.S. Commerce Department nonetheless responded by almost immediately writing a memorandum to find that the Chinese state-owned enterprises indeed “possess, exercise, or are vested with governmental authority” so that they are public bodies under the new criteria. 480 It accordingly maintained

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470. Id. at 171.
472. Id. at ¶ 150; see Gao, *China’s Ascent*, supra note 15, at 169.
476. Id. at ¶ 611.
477. Id. at ¶ 318.
478. Id. at ¶ 543.
480. Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance (June 22, 2015), http://enforcement.trade.gov/frn/summary/prc/2015-15891-1.pdf (“The GOC [government of China] exercises meaningful control over these entities and uses them to effectuate its goals of upholding the socialist market economy, allocating resources, and maintaining the predominant role of the state sector.”); see also Memorandum for Paul Piquado, Assistant Secretary for Enforcement and Compliance, Section 129 Determination of the
the duties. One U.S. trade lawyer concluded, “it is the U.S. that teaches China how to do facial implementation without concrete results. . . . If the U.S. is doing this, it is losing its credibility and it will hurt itself when China implements WTO decisions. . . . At the end of the day, if everyone is gaming the system, then why play at all.”

These experiences lead to legal cynicism. A U.S. trade lawyer representing China thus contended, “[t]he U.S. is doing a disservice to the rule of law in China. It is sending a message to China that this is just a game. It is so short sighted. Instead of taking the high road so that we fully comply, the U.S. turns it into a game.” He gave the example of another U.S. action—this one involving U.S. retroactive legislation against Chinese products. Following a U.S. Federal Circuit ruling which held that existing U.S. countervailing duty law does not apply to nonmarket economies like China, the U.S. Congress passed new legislation that U.S. countervailing duty law indeed applies to China, and does so with retroactive effect going back six years. The lawyer shrugged, “This business about retroactive legislation. Can you imagine if it involved China and the National People’s Congress retroactively changed law and forced courts to go back six years to enforce it?” He lamented, “early on China was very focused on WTO compliance,” but now one gets a sense of legal cynicism. The U.S., in particular, has turned to “mutually agreed solutions” (“MAS”) to resolve disputes against it, which led a former Chinese official to question the utility of WTO dispute settlement. In his words, “MAS is a big basket. You can put anything into it. Or you could see it as a black hole.”

Similarly, in the early years, China knew nothing about internal WTO processes and took the Trade Policy Review Mechanism (“TPRM”) quite seriously. But, over time, the government saw that other WTO Members took little heed of the TPRM process. For reformers in China, this realization adversely affects attitudes and decision-making within China’s ministries. For example, China has export restrictions on around 200 products. When it lost the China-Raw Materials case regarding export restrictions on ten raw materials, the U.S. asked China to remove all of China’s restrictions. Instead, the

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Countervailing Duty Investigations of Circular Welded Carbon Quality Steel Pipe; Light-Walled Rectangular Pipe and Tube; Laminated Woven Sacks; and Off-the-Road Tires from the People’s Republic of China: An Analysis of Public Bodies in the People’s Republic of China in Accordance with the WTO Appellate Body’s Findings in WTO DS379 (May 18, 2012).

481. Interview #2, supra note 160.
482. Interview #6, supra note 264.
483. 19 U.S.C. § 1671(q)(1) (2012); see Interview #6, supra note 264.
484. Interview #6, supra note 264.
485. Id.
486. Interview #4, supra note 290.
487. Id.
488. Interview #32, supra note 111.
489. Id.
491. Interview #32, supra note 111.
Chinese government removed only those restrictions that the WTO decision specifically enumerated, and it waited to be sued, possibly after full WTO litigation, before removing others.492 In other words, it engaged in second-order compliance with the specific Appellate Body ruling, and not first-order compliance with the rules as applied to Chinese measures.

WTO law is perceived as less important in China today,493 whether because the dispute settlement system is gamed and viewed as less constraining, because trade negotiations turn to other venues, or because foreign political leaders espouse economic nationalism and target China. A leading Chinese WTO law academic noted that, as a result, “fewer students are interested in the WTO than in earlier years.”494 This attitudinal change poses a challenge for reform advocates using WTO law to foster domestic change in China. Since “each national and local agency must know WTO law” in order to “know if a violation might occur,” if WTO law is deemed less important to study, such knowledge will diminish within functional ministries and local administrative bureaucracies in adopting and implementing new regulations.495 Even though the WTO somewhat empowered MOFCOM in inter-ministerial relations, MOFCOM is a much less powerful ministry than others, such as the Ministry of Finance and the NDRC, and WTO divisions within MOFCOM are now viewed as lower in the MOFCOM hierarchy.496 With the consolidation of power of President Xi, most commentators view China as moving backwards, retaining or even enhancing state-owned enterprises as central pillars for China’s economic strategy while cracking down on and imprisoning rights-oriented lawyers.497 Surveys of U.S. and European businesses operating in China find that they feel less welcome in China in recent years.498

493. See Interview #4, supra note 290 (asserting that few agencies within China “care about WTO”); Interview #11, supra note 208 (explaining that learning about the WTO is not widely required in undergraduate education).
494. Interview #11, supra note 208.
495. Interview #4, supra note 290.
496. Interview #32, supra note 111.
497. As a Chinese lawyer euphemistically concluded, “the atmosphere in China on the WTO is not as good as when China joined.” Interview #4, supra note 290. Another said, “[I]t has been a difficult time.” Interview #33, supra note 302. In a similar vein, another stated, “I think it is a really hard and dark moment.” Id.; see also Mahboubi et al., supra note 58; Minzner, supra note 6, at 936–40; Youwei, The End of Reform in China, FOREIGN AFF., May/June 2015, at 2, 4 (“[R]eform in China has now stagnated and may even be moving backward.”). See generally DAVID SHAMBAUGH, CHINA’S FUTURE (2016). But cf. NICHOLAS R. LARDY, MARKETS OVER MAO: THE RISE OF PRIVATE BUSINESS IN CHINA 1 (2014) (for a more optimistic view, although written before President Xi took power).
At the same time, the WTO has served as a catalyst for reformers within China in the development of legal institutions and the disciplining of central, regional, and local decision-makers to be more responsive to the WTO’s legal constraints, including WTO requirements for transparency, judicial review, and nondiscrimination.\textsuperscript{499} Efforts continue. In 2014, the State Council again passed a notice calling on all Chinese ministries to ensure that new Chinese trade-related laws and regulations, including those passed at the sub-central level, comply with WTO requirements through adherence to a procedure administered by MOFCOM’s Department of WTO Affairs.\textsuperscript{500} Differing views and responses to the WTO continue to compete in China, and it is too early to tell which will prevail—a continued turn toward the rule of law for trade matters, a turn to legal cynicism, or both. In any case, lawyers are needed. And those lawyers have worked with the Chinese government and Chinese enterprises, facilitating transnational legal ordering and China’s ability to take on the U.S. and the E.U. before the WTO.

\textbf{B. Implications for the International Trade Legal Order}

As a result of its investments in developing trade law expertise, China has become a formidable opponent of the U.S. and the E.U. in WTO litigation and a critical player in the WTO system. By 2006, China started asserting its status by not only using WTO rules vigorously to defend its trade policies as a respondent, but also by bringing cases against the U.S. and the E.U. as a complainant.\textsuperscript{501} As an E.U. official stated, “China now knows how the WTO works. It does not hesitate to threaten bringing a WTO case. For the Commission, it creates more challenges in the relationship. They know, and they know we know they know.”\textsuperscript{502}

China has started to shape WTO jurisprudence to constrain U.S. and E.U. discretion in imposing protection against Chinese imports. U.S. and European perceptions of the WTO legal order have correspondingly changed. Within a decade of its accession, China established itself as a “repeat player” in WTO litigation.\textsuperscript{503} As a repeat player, it can strategize to “play for rules,” shaping the


\textsuperscript{500} The rules provide:

\textit{Any regulations and documents related to trade in goods, trade in services and trade-related intellectual property, either by ministries under the State Council or by local governments . . . must be in compliance with the WTO Agreement, its Annexes and subsequent agreements, and China Accession Protocol and Working Party Report.}

\textit{See State Council, Guowuyuan Bangongting Guanyu Jinyibu Jiaqiang Maoyi Zhengce Hegui Gongzuo de Tongzhi [State Council Rules on Further Strengthening Trade Policy Compliance Practice], June 17, 2014. A Chinese official claimed that this shows China’s commitment to WTO compliance through transforming decision-making by central and sub-central government units in China so as to conform with WTO law. Interview #25, supra note 154; see Guohua, \textit{WTO and Rule of Law in China}, supra note 475.}

\textsuperscript{501} See Huang & Ji, supra note 460, at 1283–88.

\textsuperscript{502} Interview #36, supra note 438. The official also noted that “the level of discussions” has improved and that the rules can be a framework for the discussions.” Id.

international trade legal order. Chinese engagement in WTO litigation, in particular, pushed back on the U.S. and the E.U.’s practice of protecting against imports by using anti-dumping and countervailing duty investigations. The litigation resulted in tightened legal constraints on these practices, affecting U.S. and European import-competing industries. Notably, China twice successfully challenged the U.S. practice of double-counting injuries to U.S. industries by combining relief from anti-dumping and subsidy investigations to increase duties. Similarly, China successfully challenged the U.S. definition of a public body that the U.S. Commerce Department had used to find that Chinese state-owned enterprises subsidized other Chinese producers, thereby increasing duties against Chinese products. China also successfully challenged E.U. and U.S. practices of using surrogate third-country data in import relief cases to inflate anti-dumping duties.

These cases are relevant to a major issue affecting the U.S. and Europe: China’s “market economy” status for purposes of their anti-dumping calculations. The U.S. and the E.U. apply the nonmarket economy label to justify using third-country prices in assessing whether China dumps products in their markets so that they can then raise tariffs to counter China’s alleged dumping. If the U.S. and the E.U. use prices from Singapore, for example, they can more easily find lower-priced or below-cost sales in the U.S. and Europe. The U.S. and the E.U. use these methodologies to raise anti-dumping duties to prohibitive levels (such as over 500%) and effectively block market access to Chinese products. In December 2016, China launched systemic claims


505. See Huang & Ji, supra note 460, at 1292–301.

506. Appellate Body Report DS379, supra note 136, at ¶¶ 611–12; Appellate Body Report DS449, supra note 136, at 91; Interview #27, supra note 317 (referencing these challenges as Chinese contributions to WTO jurisprudence).

507. See supra note 54 and accompanying text. This decision was of great importance for China since Chinese SOEs monopolize key utilities such as electricity, oil, and water, and control key sectors such as banking, telecommunications, and steel. See Gabriel Wildau, China’s State-Owned Enterprise Reform Plans Face Compromise, FIN. TIMES (Sept. 14, 2015), https://www.ft.com/content/5eeeb84a-5aaa-11e5-97e9-7f0bf5e7177b.


509. Shannon Donnan et al., China Challenges EU and US Over Market Economy Status, FIN. TIMES (Dec. 12, 2016), https://www.ft.com/content/6a8daa2-bf5d-11e6-9bca-2b03a6856354.


511. For examples of exorbitant U.S. anti-dumping duties imposed against Chinese products through using third country prices, see Len Bracken, U.S. Hits Chinese Melamine With 500 Percent Tariffs, 33 BLOOMBERG INT’L TRADE REP. 1, 24 (Jan. 7, 2016) (“The U.S. is imposing antidumping duties and counter-
against the U.S. and the E.U. concerning provisions of their laws “pertaining to
the determination of normal value for ‘non-market economy’ countries in anti-
dumping proceedings involving products from China.”512 This litigation will
take years and will place considerable strain on the WTO dispute settlement
system, potentially undercutting perceptions of its legitimacy within the side
that loses. Yet already, through the above WTO cases, China has built a base to
successfully challenge U.S. and E.U. administrative practices that increase pro-
tection against Chinese imports.513

While some argue that China simply follows U.S. practices in responding
to Appellate Body rulings, many in the U.S. now view China’s joining the
WTO as a bad bargain.514 As a result, the U.S. appears less committed to up-
holding the international trade legal order. China’s successful adaptation to
WTO law, in other words, paradoxically has called into question U.S. com-
mitments to the trade legal order itself.

Complaints center on how WTO rules asymmetrically help China.515 On
the one hand, China has learned to use the WTO legal regime to effectively
challenge U.S. trade remedy measures.516 On the other hand, the U.S. has
found it increasingly difficult to use WTO rules to address trade barriers within

vailing duties on melamine exports from China that add up to at least 507.65 percent.”); Brian Flood, Chinese
Roadbuilding Products to Face Stiff Duties, 34 BLOOMBERG INT’L TRADE REP. 243, 252 (Feb. 9, 2017) (“The
decision means that the imports will face antidumping duties of up to 372.81 percent and anti-subsidy duties of
up to 152.50 percent, based on a previous Commerce Department ruling.”); Brian Flood, Chinese Fertilizer
Will Face Massive Duties, 34 BLOOMBERG INT’L TRADE REP. 275, 282 (Feb. 16, 2017) (“The imports will
face antidumping duties of 493.46 percent, and anti-subsidy duties of 206.72 percent, in line with rates previ-
ously calculated by the Commerce Department.”); Brian Flood & Rossella Brevetti, Commerce Assigns Duties
on Cold-Rolled Steel, BLOOMBERG INT’L TRADE REP. (May 19, 2016) (“Commerce found dumping margins of
71.35 percent for Japan and 265.79 percent for China. It found a subsidy rate of 256.44 percent for China.”).

512. See United States—Measures Related to Price Comparison Methodologies, WTO Doc.
WT/DS515/1 (request for consultations received Dec. 21, 2016), https://www.wto.org/english/tratop_e/
dispu_e/cases_e/ds515_e.htm; European Union—Measures Related to Price Comparison Methodologies,
WTO Doc. WT/DS516/2 (request for consultations received Dec. 21, 2016), https://www.wto.org/english/
tratop_e/dispu_e/cases_e/ds516_e.htm. These cases involve Article 15(a)(ii) of China’s Protocol of Accession,
which permits WTO Members to treat China as a “non-market economy” and thus use prices from surrogate
third countries for the determination of normal value for a fifteen-year period. That provision expired on De-
cember 11, 2016 pursuant to Article 15(d) of the Accession Protocol. Article 15(a)(ii) provides: “The import-
ing WTO Member may use a methodology that is not based on a strict comparison with domestic prices or
costs in China if the producers under investigation cannot clearly show that market economy conditions prevail
in the industry producing the like product with regard to manufacture, production and sale of that product.”
Accession of the People’s Republic of China, WTO Doc. WT/L/432 (Nov. 23, 2001). The second sentence of
Article 15(d) provides: “In any event, the provisions of subparagraph (a)(ii) shall expire 15 years after the date
of accession.” Id. Some commentators contend that WTO Members may continue to treat China after the expi-
ration of this provision on the basis of a de facto finding of its status, whether on a case-by-case basis or oth-
erwise. Id.

12, 2016, 8:54 PM), https://www.wsj.com/articles/china-challenges-u-s-eu-over-wto-antidumping-duty-
1481548883.

514. See, e.g., Wu, The WTO and China’s Unique Economic Structure, supra note 371, at 350 (“The Party-
state’s desire to preserve its unique political economy is threatening to shatter the liberal [WTO] project of
building a strong multilateral trading regime. In the end, both cannot stand.”); Wu, The End of an Era for
Global Trade, supra note 25.

515. Keith Bradsher & Paul Mozur, As Washington Tries to Protect Tech, China Could Fight Back, N.Y.

516. Id.
China because of the lack of transparency in China regarding the state’s role in the economy. The WTO rules, Mark Wu argued, are designed mainly for countries with market economies, but in China, the government intervenes significantly through formal and informal state command. Thus, he found, WTO rules are inadequate. Consider, for example, the question of whether state-owned enterprises shall be deemed “public bodies” under the SCM Agreement. In a country like China, even SOEs without explicit governmental authority are often required to exercise various state functions such as providing loans and promoting the development of particular economic sectors. Indeed, the 2015 Guiding Opinions on Deepening SOE Reform provided that SOEs shall “serve the national strategy and implement national industrial policy.” In many cases, however, the lack of government transparency could make it difficult to prove SOEs are acting as public bodies.

In addition, the U.S. contends that China violates basic rule-of-law norms by filing tit-for-tat anti-dumping investigations against U.S. firms whenever the U.S. brings a WTO complaint against China. Going further, officials contend that China punishes firms that cooperate with the U.S. or the E.U. in bringing WTO cases. The Chinese government’s aim, they contend, is to undermine enforcement of WTO rules against it. By retaliating directly against innocent individual companies, China undermines rule-of-law norms. The Chinese government denies such practices, but others, such as Stephen Kho, a former United States Trade Representative attorney for China enforcement, have claimed that China’s actions violate the spirit of WTO law and risk sparking a trade war.

Finally, many find that WTO rules do not adequately address new technologies important for U.S. trade. For example, when China introduced regulations requiring Internet companies to use local servers and hand over the

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519. Id.
520. Id. at 274.
524. Shaffer Informal Discussions with U.S. and European Officials and Practicing Lawyers (on file with authors).
525. Freedman, supra note 297.
526. Id. at 305.
527. China’s Control over Internet Map Services, INTERNET GOVERNANCE PROJECT (June 11, 2010), http://www.internetgovernance.org/2010/06/11/chinas-control-over-internet-map-service/.
source code\textsuperscript{528} to provide services, the U.S. found that existing WTO rules were unhelpful to deal with these restrictions.\textsuperscript{529} The U.S. thus would like to modify existing WTO rules or introduce new rules to constrain China, including in response to Appellate Body rulings.\textsuperscript{530} The U.S. has been unable to make headway in the WTO, however, and it thus turned to fora where China and other rival emerging economies do not participate in the negotiations.\textsuperscript{531}

The United States’ turn to these bilateral and plurilateral negotiating venues has called into question the WTO’s relevance and fragmented the international trade legal order.\textsuperscript{532} The Obama administration, in particular, tried to ratchet up rules through two regional initiatives, the Transpacific Partnership (“TPP”) with Asia and the Transatlantic Trade and Investment Partnership (“TTIP”) with Europe.\textsuperscript{533} Many of the negotiated rules were tailor-made for China and directly responded to existing WTO jurisprudence favoring China.\textsuperscript{534} For example, the TPP chapter on SOEs defined SOEs according to their ownership, rather than in terms of the “exercise of government functions.”\textsuperscript{535} The TPP chapter explicitly prohibited SOEs from providing or receiving subsidies in relation to their commercial activities.\textsuperscript{536} The rules aimed to update trade rules regarding e-commerce.\textsuperscript{537} In particular, the TPP included provisions prohibiting forced localization requirements and transfers of source code.\textsuperscript{538}

The Obama administration hoped that the TPP would create a competitive negotiating environment that would draw other countries to join the TPP on the U.S.’s terms so that their products would receive nondiscriminatory U.S. market access.\textsuperscript{539} Because Vietnam would benefit through the TPP, the Philippines would feel pressure from Philippine enterprises to join, so as to


\textsuperscript{533} China’s \textit{WTO Updates}, CHINA.ORG.CN (July 11, 2002), http://www.china.org.cn/english/36714.htm.

\textsuperscript{534} Trans-Pacific Partnership, art. 17.1, Jan. 26, 2016 [hereinafter TPP].

\textsuperscript{535} Id. art. 17.6.

\textsuperscript{536} Id. art. 14.2.

\textsuperscript{537} Id. art. 14.13 & 14.17.

level the playing field for their products. Similarly, if Malaysia and other Southeast Asian countries would benefit, Thailand would feel pressure from Thai constituencies to accede. And if the Philippines and Thailand joined, the Indonesian government would feel constrained. In each case, these countries would have to agree to TPP rules they did not participate in negotiating. Over time, to the extent that the TPP created significant benefits for members in discriminating against China, China would feel pressure to join.

Most dramatically, were the U.S. able to complete both the TPP and TTIP, then it could merge the two agreements and withdraw from the WTO. It would thereby force China and the rest of the world to join the new organization if they wished to avoid discrimination against their products. It is through such processes that the Obama administration hoped to shape the global legal order for trade. In President Obama’s words, “America should write the rules.” Once more, as with its accession to the WTO, China would have to accept rules that the U.S. made and negotiate an accession protocol, possibly on discriminatory terms, to benefit from them.

It was a risky strategy since it was not clear that China would join the TPP, and China, in parallel, responded by leading negotiations for a rival mega-regional agreement called the Regional Comprehensive Economic Partnership (“RCEP”) with the Association of Southeast Asian Nation’s ten members and five other Asian countries. China also led parallel economic initiatives that do not include the U.S., such as the Asian Infrastructure Investment

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544 Barack Obama, President Obama: The TPP Would Let American, Not China, Lead the Way on Global Trade, WASH. POST (May 2, 2016), https://www.washingtonpost.com/opinions/president-obama-the-tpp-would-let-america-not-china-lead-the-way-on-global-trade/2016/05/02/680540e4-0fd0-11e6-93ae-5092172116d_story.html?utm_term=.7736c5a35356 (“America should write the rules. America should call the shots. Other countries should play by the rules that America and our partners set, and not the other way around. That’s what the TPP gives us the power to do. . . . The world has changed. The rules are changing with it. The United States, not countries like China, should write them.”); see also Michael Froman, The Strategic Logic of Trade: New Rules of the Road for the Global Market, 93 FOREIGN AFF. 111, 111 (Nov./Dec. 2014).
545. The aim was to press for change in the role of the Chinese state and state industrial policy. As former Secretary of Treasury Henry Paulson wrote, “China is more likely to make the reforms necessary to join the TPP when it recognizes the danger of being excluded from it.” PAULSON, supra note 110, at 399.
546. The five other countries are Japan, Korea, India, Australia, and New Zealand. See Factsheet: What You Need to Know About Regional Comprehensive Economic Partnership (RCEP), MINISTRY TRADE & INDUS.: SING. (June 18, 2014), https://www.mti.gov.sg/MTIInsights/SiteAssets/Pages/FACTSHEET-WHAT-YOU-NEED-TO-KNOW-ABOUT/Factsheet%20on%20RCEP%20(June%202014).pdf. If the RCEP is signed and ratified, it could create pressure on the U.S. Congress to ratify the TPP so that U.S. companies do not face discriminatory trade barriers in relation to Chinese exports. In this sense, the RCEP and TPP could have a symbiotic relationship such that the U.S. could subsequently return to the TPP.
Bank ("AIIB") and the Belt and Road Initiative with Eurasian economies. The result could be rival trading blocs. Now that the Trump administration has abandoned the TPP, however, China is positioned to take the lead in negotiating trade agreements governing Asian economic integration, ironically by excluding the United States. While some have criticized China’s initiatives for their lack of imagination regarding new rules, these rules create fewer constraints on China’s internal practices while guaranteeing market access. China has attracted many followers through these initiatives because of its promises of access to its huge market and its grant of other benefits to countries that sign. So far, there is little evidence that China has aimed to be revisionist to change the existing international trade legal order. Rather, China, through its investment in trade law could become the new upholder of the international trade legal order initially created by the U.S. and Europe. Without U.S. support and engagement, however, the existing legal order for the global economy could erode from within, even if the Trump administration does not formally withdraw from the WTO as it has threatened.

VIII. CONCLUSION

This Article illustrates the enmeshment of international and national trade law in a major emerging economic power, China, and the implications of developments in China for the international trade legal order itself. International trade law and Chinese law and policy mutually implicate each other in complex processes of transnational legal ordering and disordering. Developments in one cannot be understood without attending to the other.

Internally, China’s engagement with the WTO started as a top-down initiative of the Chinese government to boost its trade-related legal capacity both internally (for compliance) and externally (to defend its legal rights) through

548. Jason Scott & David Rowman, Trump Trade Snub Set to Boost China’s Bid for its Own Asian Pact, 33 INT’L TRADE REP. 1638 (Nov. 17, 2016) (noting that RCEP would give China “greater prestige in a region where it is seeking to displace U.S. influence”).
549. Id. at 1637.
550. Id. at 1615.
553. As a candidate, President Trump threatened to pull the U.S. out of the WTO if the WTO ruled against his plan to massively increase tariffs on Chinese products. Geoff Dyer, Donald Trump Threatens to Pull US Out of WTO, FIN. TIMES (July 24, 2016), https://www.ft.com/content/d97b97ba-51d8-11e6-9664-e0bdc13c3be; see also John Brinkley, Trump May Withdraw U.S. from WTO, Outside Advisor Says, FORBES (Feb. 13, 2017, 2:06 PM), https://www.forbes.com/sites/johnbrinkley/2017/02/13/trump-may-withdraw-u-s-from-wto-outside-advisor-says/#286938c93bb.
engaging with nongovernmental actors. With time, government officials and private actors began working in public-private partnerships, involving academia, law firms, companies, and trade associations, thereby conveying WTO legal norms more broadly within China and enabling deeper transnational legal ordering. What started as a strategic, top-down initiative became a more organic process. As a result, China developed significant legal capacity in terms of breadth and depth. In terms of depth, China still does not have the internal expertise of the U.S. and Europe. Yet, China readily taps into U.S. and European expertise by hiring the world’s leading professionals in Washington, Brussels, and Geneva to work with Chinese counterparts.

Through these processes, the WTO helped advance the position of trade legal norms in China’s economic governance, increasing the role of law and lawyers. Compared to the baseline where China started, the country has opened its economy, integrated in the global economy, and invested in the diffusion of trade law norms. In our view, these developments should give pause to bold claims that China is undermining the global trade legal order.

Externally, at the time of China’s accession to the WTO, the U.S. and the E.U. remained economically dominant and pressed China to adopt requirements that would transform its economy and its governance of trade. Over time, by investing in human capital to build legal capacity, China became a rival to the U.S. and Europe in WTO dispute settlement and other trade fora. As a result, the U.S. and the E.U. would have to work with China if the WTO were to remain a meaningful multilateral institution for fostering global legal order and prosperity. With China’s rise, the WTO helped China, the U.S., and the E.U. resolve their trade disputes through law and the use of a third-party dispute settlement mechanism. Political disputes were turned over to lawyers. There is no other area of international relations where one can speak of such a turn to law and legal proceedings to resolve disputes between China, the U.S., and the E.U.

Yet, pessimism now builds regarding the multilateral trade legal order and China, especially with the rise of economic nationalism in the U.S. and Europe punctuated by the withdrawal of the United Kingdom from the European Union and the election of U.S. President Trump. That pessimism feeds off of, and back into, domestic policy choices. It undercuts those advancing rule of

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554. As a government official maintained, “the WTO dispute settlement system helps to solve problems politically. The Chinese president talked with [U.S. President] Obama about trade disputes. But once a WTO case was filed, all the talk about this disappeared. It became a legal issue instead of a political one.” Interview #1, supra note 306; see also Interview #26, supra note 154 (referring to the U.S.-tire special safeguards case and contrasting it to the South China Sea dispute—the interviewee noted that in the tires case, “China lost the case and that settled it.”).

555. Similarly, in the four years after the Russian Federation joined the WTO on August 22, 2012, it was a complainant in four cases, a respondent in seven cases, and a third party in twenty-eight cases. See Chronological List of Disputes Cases, WORLD TRADE ORG., https://www.wto.org/english/tratop_e/dispu_e/dispu_status_e.htm (last visited Nov. 11, 2017).
law reforms in China. It reflects and supports the rise of populism, nationalism, demagogy, and xenophobia in politics around the world. 556

Ironically, China could become the upholder of a multilateral trade legal order that the U.S. and Europe created. Yet, if the U.S. indeed withdraws its support, the WTO would hollow out as an authoritative organization for trade governance and dispute settlement. The trans-national legal order for trade, erected through U.S. and European initiative following World War II and deepened after the collapse of the Soviet Union, would decline and fall. 557

To maintain the WTO as a multilateral organization to foster economic order, stabilize growth, and encourage the peaceful settlement of disputes through law, the U.S., Europe, and China would need to join efforts. Prospects are dimming. The WTO is no nirvana (no institution is), but the alternative of unchecked economic nationalism could be dire. The world has experienced the implications of U.S. abandonment of an international institution, the League of Nations, especially when economic crises break. 558 Will post-Cold War institutions show resilience? Are current trends so strong that they will catalyze international regime change? Will the world fall into darker times? Time will tell. To paraphrase Peng from this Article’s epigraph, we are in the history and make the history with the choices we make today.

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