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## *The CHIPS and Science Act of US and Analysis of Its Impacts*

*Xue Lan, Wei Shaojun, Li Yan, He Jun, Luo Changyuan, Yu Zhen and Yang Rongzhen* 9

*The Creating Helpful Incentives to Produce Semiconductors for America Act, or the CHIPS and Science Act*, signed into law by the United States in August, 2022, aims to reconstruct the global integrated circuit industry chain and innovation system, and try to push the global semiconductor industry chain and innovation network to support the US playing a central role in the game and minimize China's influence. This law has put pressure on global chip companies, forcing them to take sides, and the high-tech industry chain, represented by chip-making industry, is moving from a globalized and integrated division of labor and collaboration network to localization, regionalization, and parallelization. The act has also changed the traditional "social contract" of the US' technology policy, with significant implications for technological innovation in the US and around the world. Facing the extreme pressure from the United States, China should always adhere to the direction of independent open and high-level scientific and technological development, go beyond traditional way of thinking when it makes industrial policies, establish and implement a new-type system for mobilizing resources nationwide for the purpose of chip-making, improve the independent and open information technology industry ecology, and increase investment in innovation under the socialist market-oriented economy conditions.

## Risks and Regulatory Implications of Fintech Development in China

*Gong Qiang, Ma Jie and Ban Mingyuan*

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Fintech is leading the new pattern of global financial industry and becoming the commanding point of global financial competition for the future. Compared with traditional financial services, fintech plays an important role in optimizing the allocation of financial resources and promoting the development of inclusive finance. But at the same time, technology-driven financial innovation also has had higher requirements for China's fintech regulation. Specifically, at the early stage of fintech, financial fraud was rampant, and the protection of small and medium-sized investors was the top priority of regulation. As the industry enters the stage of growth, digital technology and financial services become deeply integrated, and regulatory arbitrage may accumulate systemic financial risks; as a result, preventing and resolving financial risks becomes the main part of regulation. At present, the problem of data abuse and platform monopoly has become increasingly serious, which not only seriously infringes on the legitimate rights and interests of consumers, but also undermines efforts to create a market environment of inclusive innovation and fair competition. The protection of consumer rights and interests and promotion of market fairness have become an important part of current regulation. Therefore, in the face of the new situation and new challenges in the development of fintech, China should adopt a new all-dimensional, multi-level, and three-dimensional mode of fintech regulation; that is, it should take inclusiveness, stability, fairness and consumer protection as its regulatory objectives, continue to improve the data and platform governance system, and promote the steady and long-term development of fintech.

## Characteristics of Financial Structure and Development of Financial System — A Comparison of Major Powers

*Liu Lei, Shao Xingyu and Wang Yu*

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The financial structure and development paths differ significantly among different countries. Detection of these differences and analysis of the factors leading to these differences would contribute to the understanding of the logic behind China's financial development paths in the past 30 years and provide reference for future financial system designing. Throughout history, an efficient financial structure is inevitably the adaptive choice of the objective law of financial evolution at a specific stage of economic development, and the differences of financial structures in various countries generally come from their different stages of development and economic characteristics. This article, through comparative study, analyzes the characteristics of financial structure between China and several major developed countries from the perspective of financial balance sheet, and summarizes the similarities and differences of these economies and their underlying determinants. First, from an overall perspective, the financial systems of major countries generally follow the trend of increasing scale, diversification, and association; although China is still dominated by banks, its financial structure complexity has also greatly improved. Second, from a sectoral perspective, there are huge differences in the structure of financial assets and liabilities among different countries, and these differences are often rooted in the development stages and institutional characteristics of those countries. China is the only sample country that has a positive government net financial assets, which is its most prominent characteristic. Third, from the perspective of instrument, China's financial sector is obviously insufficient to support non-financial sectors through equity financing, while the instrument of bonds have been excessively concentrated in the financial sector. China's financial system must adapt to its national conditions and development stage, and it still needs to further strengthen instrumental and organizational diversity of its financial structure, while narrowing the gap between final financial resource users and suppliers, prevent excessive association within its financial system, and strengthen the ability of its financial system to serve the real economy.

## Analysis of Promotion of China's Cross-border Service Trade Negative List

*Hu Mei, Zhang Juan and Li Jiguang*

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China has strengthened exploration of the negative list management mode of cross-border service trade; it is an important measure for the country to integrate with high-standard international economic and trade rules and promote high-level institutional opening-up, which plays an important role in its high-quality economic development. Through comparative study, we find that the negative lists of cross-border service trade adopted by major member countries in typical regional and bilateral trade agreements have the following characteristics: they are both rigorous and flexible in terms of format; the sectoral lists share some commonalities but have their respective national features; and the sectoral restriction methods are different despite some commonalities. Behind those characteristics are factors such as a country's economic development level, its economic scale, legal system maturity, and the contracting parties. Compared with negative lists of cross-border trade in services implemented by other countries, China's negative lists of cross-border trade in services in Hainan and Shanghai have such problems as lack of clarity, blurred sectoral categorization, excessively large numbers of restrictive measures, overly general description of restrictive measures, and low transparency. The main reasons for the gap are the weak foundation of China's services industry, the gap in service trade statistics, imperfect legal system, among others. This article also puts forward some suggestions for promoting the negative list of cross-border service trade in China.

## China's Consumer Goods Import Ratio — International Comparison, Problems and Solutions

*Wei Hao and Feng Qiyangfan*

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Import of consumer goods is an important way for a country to meet domestic consumption upgrading demand and enhance domestic consumer well-being. Since 2004, although China's import of consumer goods has been increasing in terms of both size and proportion, horizontal comparison, vertical comparison, and historical comparison all point to a low proportion of consumer goods import. The high import tariffs on some consumer goods, the low share of final consumption expenditure in GDP, the large amount of consumer goods consumed outside China, and the domestic distribution costs and sales channels of imported consumer goods are the main reasons for the low import ratio of consumer goods in China. To further raise the proportion of consumer goods import, China should further reduce the import tariffs on some consumer goods, accelerate building of major international consumption cities, vigorously develop cross-border e-commerce, reduce domestic distribution costs of imported consumer goods, build demonstration zones for innovation promotion of import trade, and unleash domestic consumers' demand for imported consumer goods.

## The Economization of International Politics

*Lu Lingyu and Gu Baomi*

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Economization, defined as the predominance of economic considerations in the foreign policy of sovereign states, leading to the increasing evolution of international politics into international economic relations, is a fundamental feature of contemporary international politics. It consists of two dimensions, and one is the economization of low level politics. This means that traditional low level political issues, such as environmental protection, human rights, and ideology, are transformed into economic issues, and economic statecraft has become the principal solution. The other is the economization of high politics. It means political disputes tend to be resolved by economic means, while armed conflicts are arguably intended to procure or safeguard economic benefits. The external causes of the change are diverse, including the United Nations Institutions that guarantee and protect the territorial integrity of sovereign states, the development of nuclear weapons, the disintegration of the bipolar structure, and the spread of consumerism. Internally, it is because of the shift of political legitimization to merit legitimization. Economization is a double-edged sword for international politics: whereas it civilizes international politics so much that resolving international disputes by force has been abandoned in many instances, economization has been eroding and crowding out non-economic values of world politics and causing substantive changes in interpersonal, intrastate, and international relations.