Analysis of the Unilateral Economic Law Based on the Guangdong-Hong Kong-Macao Greater Bay Area

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Abstract. The system of international law has entered a new phase of reassertion. To progress domestic and international law, a new kind of "unilateralism" is becoming more critical. In the context of international economic law, this article discusses the development and importance of the Guangdong-Hong Kong-Macao Greater Bay Area as a new unilateral economic law. The Guangdong-Hong Kong-Macao Greater Bay Area introduced a new form of the particular economic area like the special economic zone, which will be a perfect example of demonstrating unilateralism under one sovereignty.

1 Introduction

IEL, or international economic law, is evolving quickly. Due to the pandemic and several morally dubious nations, there is some confusion inside the World Trade Organization (WTO) system, leading to a multiformity of designed zones. Unilateral economic law, the subject of this discussion, refers to the systematic application of IEL values and principles, such as promoting international trade and investment, through domestic legal means. While any act of a nation may appear to be against globalization in terms of international law, this is not the case. Also, the objection to "exceptionalism" in international law differs from the economic unilateralism displayed here. The relationship between domestic and international law is viewed in this article as a separate stratum of international economic law, and domestic law plays a unilateralist economic law role.

2 Unilateralism

The importance of investment law has prompted the creation of additional legislative and regulatory measures meant to replace or supplement IEL. In addition, opposition to globalization and trade policy has grown due to multilateralism's overreach and intrusion. The Guangdong-Hong Kong-Macao Greater Bay Area (GHM) will illustrate how local (or regional) law can be explicitly applied rather than in parallel with IEL to advance international trade and draw in foreign investment while also protecting foreign investors.

2.1 International to regional

International trade multilateral negotiations have been at a standstill for a long because the US is dismantling the WTO's dispute settlement mechanism for their reasons. As a result, recently reached agreements like the EU-China Comprehensive Agreement on Investment prove that regional policies are now preferred to multilateral ones for advancing trade and development. A parallel and alternative strategy to increase trade and investment has been developed for domestic approaches [1]. Most nations have implemented new domestic legislative frameworks, including new special economic zone regulations, investment legislation [2], and other specialized areas, to manage economic globalization.

Unlike other streams of international law, which are dominated by legislatures and regulators, international investment law has a contractual basis. International investment law creates a bilateral layer of international law, whereas other rules, like arbitration, draw on conventional sources. The international community has long dismissed the idea of worldwide investment law, notwithstanding the tendency toward multilateralism that emerged after World War II. Thus, the most current investment and commercial law developments indicate a general tendency toward regionalization [3]. The opposition to international trade law is focused on an active multilateralism process. However, due to imperfect multilateralization, domestic legislation is now more crucial than ever for promoting and regulating international commerce and investment.

2.2 Unilateral layer of IEL

The previous analysis clarified that different types of unilateralism today constitute a distinguishing feature of contemporary international trade and investment law. As a descriptive and normative phrase, globalization poses substantial issues to international law. One of the first academic fields to see this response in both national practice and academic discussion was IEL. For instance, States are now in charge of creating plans for regional cooperation and are starting to withdraw from international agreements

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and treaties. The utilization of domestic legal tools, such as domestic investment legislation, has increased recently. The simultaneous efforts of nations to withdraw from international accords while controlling how much, to what extent, and in what sectors of globalization are more broadly indicative of the trend toward unilateralism in IEL. This article claims that unilateral economic law is the institutionalization of IEL principles and concepts, such as using domestic legal instruments to promote foreign investment and trade by giving preferential treatment to the most favoured nation. We will use this vantage point to observe places like GHM. The increased importance of dedicated areas, their laws, and their inclusion as a unilateral layer in the overall framework of the IEL is the development of local-global economic management approaches and the deglobalization of the economy. [4].

3 Guangdong-Hong Kong-Macao Greater Bay Area and unilateral economic law

With a total area of 56,000 square kilometres (twice the size of Belgium) and a population of about 70 million as of the end of 2017, the Guangdong-Hong Kong-Macao Greater Bay Area (GHM) includes the cities of Guangdong Province, the Hong Kong Special Administrative Region, the Macao Special Administrative Region, and the former Portuguese colony of Hong Kong. One of China's most open and vibrant areas, it plays a crucial strategic role in the nation's overall growth. The creation of the GHM represents not only a new effort to further the cause of "one nation, two systems" but also a new method of comprehensive opening-up in the modern period. To fully execute the 19 Big Ideas of the Party, to accurately apply the "one nation, two systems" policy, and to fully use the comparative advantages of Hong Kong and Macao. Expanding partnerships and improving the country's bay area to maintain its leading position in economic growth and globalization. The GHM will be guided by this Plan's programmatic framework both now and in the future. Two thousand twenty-two soon and 2035 in the long future.

3.1 Evolution and variety

The Roman Empire was the first to think of opening a section of territory to encourage trade. From around 166 BC to 69 BC, the Greek island of Delos served as the site of the first special economic zone as a free trade zone (FTZ) [5]. A Trade port is the modern equivalent of a special economic zone. Initially, treaty ports were built because of bilateral agreements negotiated on Chinese soil by the British Empire and the Qing Dynasty [6]. The concept of trade ports spread geographically and politically when they were constructed outside of China. All the Western nations at the time followed it, and the final trading ports were abolished at the end of World War II. Export Processing Zones (EPZs) and Special Economic Zones (SEZs) were established after World War II to aid the growth of the then-emerging "export-oriented" economic policy. Since then, other states and the Chinese government have used SEZs to accomplish various economic and social objectives. China has been a post-economic zone development leader since World War II's end [7].

Since the 1980s, much more trade and investment zones have followed different regulations, and this trend is still going strong in the twenty-first century. SEZs have been around for a while, but over their lengthy history, they have undergone several unique phases, each with implications for economic policies and meanings. The late 20th-century phenomenon of globalization has been the subject of debate for the past 15 years because of numerous financial, political, economic, and health concerns. Following the global monetary crisis of 2008, it has been a decline in economic globalization. Deglobalization is the process of undoing economic globalization. The special economic zones have changed qualitatively, which is the cause of their growing significance. The range of businesses covered by special economic zones is growing in an environment of intense competition for limited capital resources. As a result, it is accepted that SEZ development has changed. SEZs are employed to encourage inward investment in financial services and services other than the two traditionally used forms of SEZs, accessible ports and EPZ, which were used for trade-in products. The free ports are different from FTZ, and it is not under supervision by the free trade agreement between countries. In this case, foreign enterprises will not suffer from the policy changes when countries are in an unfriendly relationship and sign out of the agreement.

SEZs are enclosed zones typically found at or close to airports or seaports, established an "offshore" area on the nation's territory where they were constituted. Domestic law is partially distinct from the rest of the domestic district in these physically and legally restricted locations, and its goal is to boost international trade and investment. Laws governing investments and commerce, taxes, labour, customs, and other restrictions are subject to change. Fiscal incentives, such as duty-free imports, tax cuts, and tax holidays (a short-term tax reductions), sometimes accompany the creation of zones to promote investment in them [8]. In addition to being more kind to investors, these standard law-based regulations typically try to be more understandable to foreign investors. They are also regulated by free zone authorities, who have substantial operational and regulatory responsibility in the relevant industries.

3.2 Conceptualizing GHM as unilateral economic law

These regions exist alongside customary domestic legal systems and other strategies IEL provides to advance trade and draw FDI, like negotiating free trade agreements and engaging in bilateral trade. In terms of international law, these territories cannot merely be seen as unilateral actions. To be more aligned with free trade and investment in nations that do so, the SZEs added a new concept to the overall IEL system. By implementing this new form of unilateral economic law, nations encourage foreign investment and trade by modifying domestic legislation rather than rigidly enforcing international trade and investment law. These nations, who continue to be governed by their sovereign governments, have enacted national laws and are exploring the value that geographic space might provide to international trade and investment. Unilateral trade and investment liberalization in GHM is distinct from other unilateralism because it targets a single district within a larger national district rather than the entire country. As a result, it reflects a nuanced balance between economic sovereignty protection and liberalization, as well as other structural aspects of the relationship between the State and the market. Like the traditional IEL instruments, the unilateralism of GHM is, for China, an alternate liberalization strategy.

3.2.1 Market

Depending on their level of independence from the national and municipal administrations, these countries may also serve varying degrees of autonomy over SEZ development, operation, and regulation. Sze is an example of a one-sided agreement between the government and the market [9]. SEZs may be viewed as advocates for trade and investment liberalization, but they are only permitted to do so for a short time under the stringent control of vital government agencies in many countries [10]. In contrast to the presumptions of IEL, GHM is founded on various economic perspectives. According to IEL, the market is what drives liberalization. Therefore, the government takes a back seat. International trade and investment agreements already have a structure that reflects this. For example, state interventions in safeguarding the environment are represented as exceptions to the norms of the WTO agreements [11].

In contrast, the WTO's standards for the most favoured nation and national treatment principles are formalized [12]. Special economic zones require active government action, on the one hand. Special economic zones in Europe are always administered by solid governmental bodies separate from traditional domestic institutions.

3.2.2 Space

They both contribute to and result from the global trade and investment rise. Promoting trade and investment through SEZs has a distinct spatial nature from traditional SEZs. The geographic world order SEZ model converges and diverges from the Westphalian model. Its similarity to the paradigm of economic globalization developed in the 20th century is that it relies on the sovereign power of governments to stimulate trade and investment. However, SEZs' performance also relies on a nation's capacity to adjust to shifting economic conditions. There are a few limitations on the kind of economic activities that SEZs can carry out; however, such latitude could be granted if the activity generated export revenues. The expansion of special economic zones is caused by national sovereignty, producing them as a byproduct. This shows that the economic region is moving toward the Westphalian interpretation of the global spatial order. Sze, though, are "specifically crafted space instruments." Governments have taken on the responsibility of closing the gap because this is still desirable on a global scale. Building high-quality infrastructure within the boundaries of special economic zones is an alternate strategy used by developing nations, emerging economies, and more developed markets. SEZs have been effective in developing nations due to the low cost of construction and development of this closed type of infrastructure development. Special economic zones have emerged as de facto substitutes for international treaties for emerging markets.

On top of that, China's government has already enacted policies targeting GHM to entice international investment. For instance, there are FTZs inside the area, bonded zone, and EPZ under supervision and promotion. Giving the speech that this kind of area combined different characters' cities into a city cluster so that it can absorb more benefits from it. To expand Guangdong's role as a national pilot region for reform and opening and as a critical driver of economic growth, and to establish a hub for research, technology, and industrial innovation as well as a foundation for advanced manufacturing and contemporary service sectors. To boost Hong Kong's status as worldwide asset management and offshore renminbi business, a centre for international trade, shipping, and finance; and to create a regional hub for international legal and dispute resolution services. Establishing an interaction and cooperation hub where Chinese culture predominates and many cultures coexist, as well as a service platform for economic collaboration between China and Portuguese-speaking countries, are all goals that will help Macao develop into a global tourism and leisure hub and further the appropriate diversification and sustainable development of the local economy.

4 Conclusion

Like IEL institutions, the GHM is a new tool to encourage commerce and draw foreign direct investment. There has been a recent qualitative and quantitative change in favour of SEZs and would require diverse forms of the devoted area. This is a response to the deglobalization of politics, law, and economy. We hope to show that legal deglobalization should not entail a break from IEL. Instead, it denotes a change in pace. For SEZs to flourish numerically and qualitatively, IEL must be reevaluated, especially since present global trade and investment conditions suggest that unilateral IEL is here to stay. Comparing unilateral IEL with muscle improves the following (in terms of extent and shape): This problem would be the first to be extensively addressed using a robust conceptual framework since the GHM would add weight, making it (along with more considerable unilateral law) a possible fracture line for IEL.

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