

## The Post-National Economy and International Trade — The Case of the Semiconductor Industry

*Hong-zen Wang*

### Abstract

This paper tries to examine the dilemma of a 'nation' state in the post-national economy. On the one hand it must implement domestic industrial and social policies to protect 'national' interests, and on the other hand it must face the globalization forces driven by multinationals and foreign countries, which try to level out all differences caused by national policies. High-tech industries are the most obvious case in illustrating the dilemma. The huge cost of R&D and sunk cost makes it hard for late-comers to compete with technologically advanced countries. When the nation state tries to intervene in the industrial development, it will inevitably cause trade friction, which is mainly centered around the problems of market access and market presence. It seems that the new WTO disputes settlement mechanism has been the best institutional design to avoid trade war up to now. However, agreement on high-tech and other social issues has not yet been reached between developed and less developed countries, especially between the OECD and the Asian countries.

**Key Words:** post-national economy, globalization, market access, market presence, semiconductor industry