

THE CLASH OF CAPITALISMS?

Chinese Companies in the United States

Chinese foreign direct investment in the United States has generated intense debates. Some welcome it for the immediate benefits such as job creation; others view Chinese investments, especially those controlled by the Chinese government, as a critical threat. The debates have so far missed an important question: how do Chinese companies investing in the United States react to the host country's law? Ji Li formulates a novel analytical framework to examine the adaptation of Chinese companies to general U.S. institutions and their compliance with U.S. laws governing tax, employment equality, and national security review of foreign investments. The level of compliance varies, and this variation is examined in relation to company ownership, including state ownership. Li's analysis is based on interviews and a unique and comprehensive dataset about Chinese companies in the United States that has never been systematically explored.

Ji Li is Professor of Law and a member of the Associate Faculty of the Division of Global Affairs at Rutgers University.

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CHINESE COMPANIES IN THE UNITED STATES

J I L I

Rutgers University School of Law



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Abbreviations

ACFTU	All-China Federation of Trade Unions
CCP	Chinese Communist Party
CDIC	Central Discipline Inspection Committee (of the Chinese Communist Party)
CEO	chief executive officer
CFIUS	Committee on Foreign Investment in the United States
CGCC	China General Chamber of Commerce—USA
COD	Central Organization Department (of the Chinese Communist Party)
DPA	Defense Production Act (1950)
FCPA	Foreign Corrupt Practices Act (1977) (United States)
FDI	foreign direct investment
FINSA	Foreign Investment and National Security Act (2007) (United States)
GAO	Government Accountability Office (United States)
GDP	gross domestic product
HBV	hepatitis B virus
HRM	human resource management
IRS	Internal Revenue Service (United States)
LTB	Local Tax Bureau (China)
M & A	mergers and acquisitions
MNE	multinational enterprise
NGO	non-governmental organization
ODI	outbound foreign direct investment
PC	personal computer
SASAC	State-Owned Assets Supervision and Administration Commission
SAT	State Administration of Taxation (China)
SME	small and medium-sized enterprise
SOE	state-owned enterprise
STB	State Tax Bureau (China)
TVE	township and village enterprise
TWEA	Trading with the Enemy Act (United States)
VAT	value added tax

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