

Index

agency hypothesis, 146 economic transformation of China since 1970s, 11 agency problem employment law, China absence of, 65, 66 All-China Federation of Trade Unions (ACFTU), 164 inherent, 138 multilayered, 140, 142, 157 employment practices of Chinese firms in triple, 64, 65 foreign countries, 160 employment practices of Chinese firms in All-China Federation of Trade Unions (ACFTU), 164 USA, 163 antidiscrimination. See employment law gender discrimination, 155 institutional distance from USA, 155, 180 Bank of China, investment in USA, 26 laws against employment discrimination, 151 employment law, US capitalism. See free-market capitalism; state academic studies of, 150, 180 analysis of, 112 capitalism CFIUS review regime. See national security review applicability to Chinese firms, 149 of foreign investments, US Chinese adaptibility to, 166 China, 14, 25, 30, 38–9, 42, 53, 60, 69, 89, 90 Chinese employment practices in USA, 163 changes in US-China relations, 217 Chinese expatriates in USA, 161, 162, 180 foreign currency control, 215 Chinese human resources management, institutional distance from USA, 58, 80, 82, 32, 165 84, 112 Chinese localization of workforce, 181 investment in USA. See outbound direct Chinese SOEs and, 172, 181 Chinese use of antidiscrimination measures, investment legal transplant from USA, 113 Chinese use of US employment law state capitalism. See state capitalism Civil Rights Act, Title VII (USA), 67, 155 professionals, 165 companies. See firms Chinese views on, 163, 172 compliance, 47, 117 discrimination disputes with Chinese current study. See survey and data employers, 149, 177 employment in Chinese firms, 150 data. See survey and data gender discrimination, 156 decision-making in-house counsel, advice from, 166 concept of decision-making power, 75 institutional distance from China, 112, 155, 180 job gains from Chinese investment, 148 empowerment of local management, 55, 75, 83, job losses from globalization, 148 100, 222 investment decisions, 206 labor unions, 164 discrimination. See employment law legal transplant to China, 113 due process, CFIUS regime and, 190, 195, 209, 214 survey contribution to research, 221



Index 225

survey findings, 180 theory of labor market discrimination, 170 Title VII of Civil Rights Act, 67, 155 expatriates, 161, 162, 180 firms, Chinese ability to adapt to US law and regulation, 74, 82, access and use of US professional knowledge, 77, 84, 106, 128, 165, 196, 223 agency problem. See agency problem Chinese expatriates in USA, 161, 162, 180 compliance with US law and regulation, 47 decision-making empowerment of US local management, 75, 83, 100, 222 desire to adapt to US law and regulation, 68, 82, 83,88 distinct features of, 145 employment law. See employment law examples of investment in USA, 24 human resources management, 32, 165 in-house counsel, use of, 77, 223 investment motives, 37, 68, 88 investment overview, 39 investment strategies, 217 national security review of investments. See national security review of foreign investments, US perceptions of US law and regulation, 57, 69, prospective/recent investors, advice for, 222 regard for US social, political, and economic systems, 71 SOEs. See state ownership; state-owned enterprises survey data about ODI in USA, 37, 43 surveys of Chinese firms in USA, 32 taxation in USA. See taxation, US and US business environment, 72 and US legal system, 73 variations in survey results. See inter-firm variations in survey results foreign-currency control, 215 foreign direct investment (FDI) outbound. See outbound direct investment taxation and, 117 foreign investors ability to adapt to host-country institutions, 55 access and use of local professional knowledge, 56 adaptation to host-state law and regulation, 4, 9,

desire to adapt to host-country institutions, 52 institutional distance between home state and host state, 48 investment motives, 53 perceptions of host-state institutions, 54 free-market capitalism, 9, 12, 19, 85, 95, 219, 223 future US policy, implications and challenges host-state law and regulation. See law and regulation Huawei (firm), investment in USA, 28 human resource management (HRM), 32, 165 in-house counsel Chinese firms' use of, 77, 223 domestic firms' use of, 74 employment law, 166 state ownership in relation to employment of. 108 institutional distance between China and USA concept of institutional distance, 48 employment law, 112, 180 general institutional distances, 58, 80, 82, 112 national security review of foreign investments, 112, 184, 212 and state ownership, 83, 84 survey findings, 79 taxation, 112, 119 variation across different subject matter areas, 7 inter-firm variations in survey results ability to adapt to US law and regulation, 100 adaptation to CFIUS regulation, 209, 213 adaptation to US employment law, 157, 180 adaptation to US law and regulation, 6, 80, 82, 216 adaptation to US tax system, 136, 145, 146 desire to adapt to US law and regulation, 52 employment discrimination, responses to, 174, 177, 179, 221 influence of state ownership, 8, 86, 97, 134, 146, 179, 213, 216, 220 institutional distance, 112 perceptions of US law and regulation, 95 use of US professional knowledge, 106 Internal Revenue Service (IRS). See taxation, US investment. See foreign investors; outbound direct investment

labor. See employment law law and regulation ability to adapt to host-country institutions, 55 access and use of local professional knowledge, 56

decision-making empowerment of local

48, 80, 82

management, 55



226 Index

law and regulation (cont.) adaptation to host state's, 48 Chinese firms and US. See firms, Chinese Chinese ODI and changes in, 217 decision-making empowerment of local management, 55, 75, 83, 100, 222 desire to adapt to host-country institutions, 52 foreign investors' adaptation to, analytical framework, 9, 48, 80, 82, 215 future US policymaking, 221 impact of Chinese ODI in USA, 47 institutional distance between home state and host state, 48 investment motives for adapting to host state's, 53 legal transplant from USA to China, 113 perceptions of host-state institutions, 54 survey findings, 54 lawyers. See in-house counsel; local professional knowledge Lenovo (firm), investment in USA, 25 local management, decision-making empowerment of, 55, 75, 83, 100, 222 local professional knowledge access and use of, 56, 77, 84, 106, 223 CFIUS specialist lawyers, 196 employment law professionals, 165

management

tax professionals, 128

benefit from state capitalism, 95
Chinese expatriates in USA, 161, 162, 180
Chinese familiarity with US law and regulation, 113
Chinese perceptions of US law and regulation, 95
decision-making empowerment of local management, 55, 75, 83, 100, 222
motives for investment
Chinese firms in USA, 37, 68, 88
foreign investors, 53
multilayered agency problem. See agency problem multinational enterprises (MNEs). See firms,
Chinese

national security review of foreign investments, US academic studies of, 213 analysis of, 112 CFIUS regime, 184 Chinese CFIUS filings, 198, 209 and Chinese investment decision-making, 206 Chinese investments under, 193 Chinese opinions of, 194, 201 Chinese reactions to, 183, 213

Chinese SOEs and, 183, 200
Chinese unfamiliarity with, 113
Chinese use of US lawyers, 196
due process, 190, 195, 209, 214
institutional distance from China, 112, 184, 212
likelihood of review, 182
potential for future conflicts, 214
presidential veto, 191, 194, 206, 214, 222
Ralls Corporation v. CFIUS, 189, 203, 209,
210, 213
reform of, 221
security risk concerns about FDI, 183
survey contribution to research, 213, 221
survey findings, 212
nomenklatura system, state ownership and, 61
nondiscrimination. See employment law

outbound direct investment (ODI) and changes in US law, 217 changes in US-China relations, 217 China's shift to USA, 12, 42 Chinese firms in USA. See firms, Chinese debate on impact of Chinese ODI, 2, 9, 12, 16, 42 distinct features of Chinese ODI, 116 foreign-currency control by China, 215 future US policymaking, 221 growth of Chinese ODI, 1, 12, 42, 215 investment strategies of Chinese firms, 217 investors. See foreign investors main sectors of Chinese investment, 22 overview of Chinese ODI in USA, 22 survey approach to, 5 survey contribution to research, 4, 9 survey data about Chinese ODI in USA, 37, 43 survey of Chinese ODI in USA, 32 US perceptions of threats from Chinese ODI, 12, 43, 47, 79 US review of. See national security review of

professional knowledge. See local professional knowledge

foreign investments, US

Ralls Corporation v. CFIUS, 189, 203, 209, 210, 213

Sany (firm), 189, 190, 195
state capitalism
definition of, 3
and free-market capitalism, 9, 12, 19
future policy implications and challenges for
USA, 218
and investment motives, 53, 54
management benefit from, 87
manifestation of, 11, 74, 82



> Index 227

no clash with free-market capitalism, 223 ODI and, 19, 35 and state ownership, 83, 84, 85, 87 survey contribution to research, 9, 219 state ownership, 2, 3, 117, 134 and ability to adapt to US law and regulation, 83, 100 academic studies of, 3, 82 and access to and use of US professional knowledge, 84, 106 Chinese SOEs. See firms, Chinese and decision-making empowerment of US local management, 82, 100 and desire to adapt to US law and regulation, 83,88 distinctive feature of Chinese ODI, 83 employment of in-house counsel in relation to. 108 enhancement of, 217 and free-market capitalism, 85 influence on Chinese adaptation to US law and regulation, 82 and institutional distance, 83, 84 inter-firm variations in influence of, 8, 86, 97, 134, 146, 179, 213, 216, 220 nomenklatura system, 61 and state capitalism, 83, 84, 85, 87 survey contribution to research, 9, 83, 219 and US employment law, 172, 181 and US national security review of foreign investments, 183, 200 and US tax system, 134 survey and data applicability to future policymaking, 221 applicability to future research, 215 Chinese ability to adapt to US institutions, 80, 112 Chinese adaptability to CFIUS, 212, 221 Chinese adaptability to US employment law, Chinese adaptability to US tax system, 145, 220 Chinese desire to adapt to US institutions, 80, 112 Chinese firms in USA, 32 Chinese ODI in USA, 32, 82 contribution to research, 4, 9, 215 empirical findings, 216 empirical tests, 84 influence of state ownership, 9, 83, 219 institutional distance between China and USA, 80, 112

inter-firm variations. See inter-firm variations in survey results investment motives of Chinese firms, 37 new directions for research, 217 overview of Chinese firms' investment in USA, 39 prospective/recent investors, advice for, 222 qualitative and quantitative methods, 5 state capitalism, 219 taxation, and foreign direct investment, 117 taxation, US academic studies of, 116 analysis of, 112 avoidance by Chinese firms, 130, 136 Chinese adaptibility to, 124 Chinese opinions of, 135 Chinese perceptions of, 124 Chinese reaction to, 116, 130 Chinese SOEs and, 134 Chinese use of US tax professionals, 128 compliance challenges for Chinese, 117 institutional distance from China, 112, 115, 119 IRS tax audit disputes with Chinese firms, 132, 140 legal transplant to China, 113 survey contribution to research, 220 survey findings, 145 trade unions. See employment law triple-agency problem. See agency problem

United States

business environment, 72 CFIUS review regime. See national security review of foreign investments, US changes in US-China relations, 217 Chinese firms in. See firms, Chinese Chinese investment in. See outbound direct investment Civil Rights Act, Title VII, 67, 155 future policy, implications and challenges for, 215 future US policymaking, 221 institutional distance from China, 58, 80, 82, 84, 112 law and regulation, Chinese compliance with. See firms, Chinese political changes under Trump administration, 217 tax system. See taxation, US