



## US Companies: A Positive Force in China

American companies do not go to China to be role models or missionaries of change, but by their very presence they *do* offer a model for Chinese enterprises that are new to the world of modern global commerce.

This is particularly true on issues related to food and product safety, where US companies have the experience of operating under effective safety regimes. In fact, some in the consumer protection field have estimated that new safety requirements by major US companies over the past year have contributed more to the 46 percent decline in toy recalls than government action.

By simply being there, American companies and employees bring new ideas, new ways of doing things, new experiences, the best of company human resource practices, and proper environmental practices. They bring a day-to-day, working-level, unplanned, uncontrolled, but pervasive example of better ways to do things. It is not always perfect, and no doubt there are examples to the contrary, but the American company presence in China has been overwhelmingly positive.

A recent Manpower, Inc. poll showed that 75 percent of Chinese workers preferred to work for a wholly foreign-owned employer, rather than a Chinese company or joint venture. In general, the experiences of USCBC member companies have shown that the

more China becomes integrated into the international economy, the more likely China will continue to move along a path of reform and development. That is good for the Chinese people and good for us.

We should support a greater presence by US companies in China, if we want to help bring improvements to workplace labor and environmental practices and improve consumer safety.

### Action Plan

- Support rule-of-law programs within China.
- Continue top-level and working-level government programs to increase China's capabilities on the food and product safety front.
- Encourage the PRC government to view US companies as part of the solution on food and product safety issues through education, training, and best practices programs.
- Allow US companies to test products sold in China for safety and compliance, not just those destined for export, to help Chinese consumers regain confidence in the products they buy.