

## **W 2 – Liu Baocheng**

With China's open-door policy and export-driven growth pattern, China has been the largest recipient of foreign direct investment among all developing countries. Those investments, however, has been densely concentrated in the manufacturing sector. While it contributes significantly to the country's massive industrialization process, all syndromes of industrialization surface to a boiling point – pollution, sweatshops, consumerism, population concentration, housing, schooling, and healthcare.

On the international front, as the most aggressive exporter in the world, China has been increasingly accused of currency manipulation, massive dumping, and infringement of intellectual properties. In the past decade, China stepped up its pace acquiring primary resources around the world, alerting global competition, and in the same time causing tension in local communities.

While Chinese government begins to reassess its development strategy by converging onto domestic consumption as a main growth driver, Chinese businesses will have to inquire into innovative approach in view of more stakeholders' interest as compared with national and corporate interest shaping themselves as global citizens rather than predator.

Chinese companies are beginning to suffer diminishing returns on their exports due to the absence of brand equity and added value. Increased R&D input is one solution. In addition to improvement on product quality, effective communication with the global community is a critical element for their sustainable success. On the CSR side, improved workplace safety and labor relations, environmentally friendly operation, product safety and anti-graft efforts require consistent attention. It is worth noting that more and more Chinese companies are adopting international quality standards, seeking compliance with international norms such as World Trade Organization and UN Global Compact.