Journal of Korea Trade Vol. 26, No. 5, August 2022, 1-22
https://doi.org/10.35611/jkt.2022.26.5.1
ISSN 1229-828X

The Influence of South Korea's OFDI under the Effects of Multinational Enterprises' Investment Motivations and Host Country Institutions*

JKT 26(5)

Received 11 March 2022
Revised 27 April 2022
Accepted 6 May 2022

Jie Gao
Department of Economics and Management, Yuncheng University, China
Lazaridis School of Business and Economics, Wilfrid Laurier University, Canada

Jianlin Li
Audit Office, Hebei University of Economics and Business, China

Ke Yuan
School of Business, Jeonju University, South Korea

Wanli Liu†
Finance Office, Hebei University of Economics and Business, China

Abstract

Purpose – This study aims to analyze the influence of South Korea's outward foreign direct investment (OFDI) under the effect of both multinational enterprises' (MNEs) investment motivation and host country institutions. Some suggestions are put forward with regard to South Korean MNEs participating in and integrating into the fierce and changeable world of international market competition.

Design/methodology – The basic hypotheses are that MNEs' investment motivations and the host country's superior institutions both boost South Korea's OFDI in those host countries. South Korea's OFDI is divided into investment choice stage and investment scale stage. A Heckman two-stage selection model is established for empirical analysis, using the panel data of South Korea's OFDI and related variables, from 2002 to 2019.

Findings – (1) The influence on the investment scale of South Korea's OFDI is more regular and noteworthy than the influence on investment choice. (2) In the investment scale stage, there are obvious motivations to seek markets, labor force and superior technology, but not natural resources. (3) In the investment scale stage, the South Korea's OFDI is more obviously attracted by the host country's superior political institutions, economic institutions and legal institutions, but not cultural institutions.

Originality/value – The choices of variables and uses of model expand the theoretical basis and empirical method of OFDI research. The results of the empirical study also provide some reference for the transnational investment of South Korean MNEs and the investment policy formulation of the South Korean government.

Keywords: Investment Motive, OFDI, Political Institution
JEL Classifications: C51, F14, F21

1. Introduction

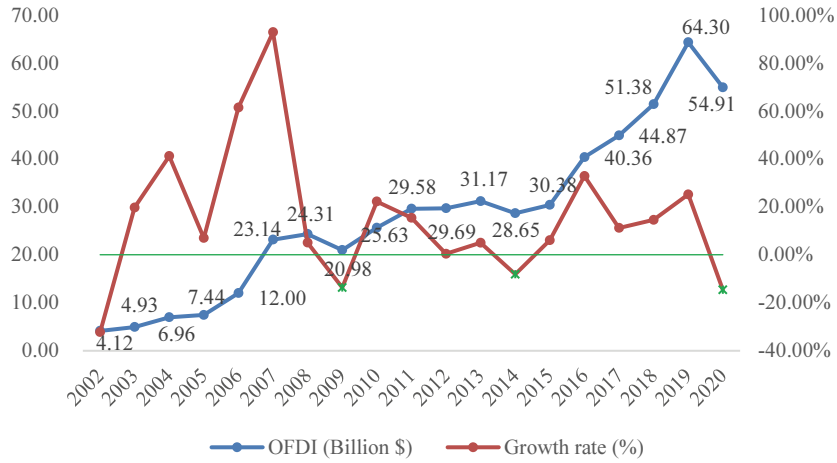
The progress of communication technology, the improvement of international logistics capacity and the liberalization of investment and trade are promoting the rapid development

* This work is supported by grants of China Scholarship Council and the key supported discipline projects of applied economics (Project No: Yuncheng University XK-2020014).
† **Corresponding author:** liuwanliabc@naver.com

of economic globalization. Outward foreign direct investment (OFDI), as an important means of participating in the international division of labor and enhancing comprehensive competitiveness, is an important force behind promoting the globalization of various countries' economic activities (Li, Park and Liu, 2020; Zhang, 2019).

Since 1980, South Korea has been accelerating its participation in the creation and competition of the global value chain. The total amount of OFDI has also grown rapidly, and distributed in 186 countries and regions (Ministry of Economy and Finance of Korea, 2020). Since 2002, the flow of South Korea's OFDI has increased almost continuously for 17 years (except for 2009, 2014 and 2020), as shown in Fig. 1.

Fig. 1. The Flow and Growth Rate of South Korea's OFDI

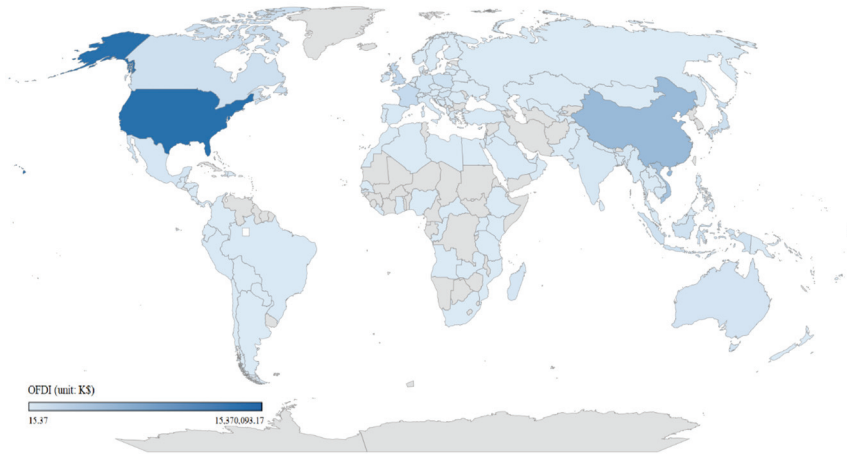


Source: Ministry of Economy and Finance of Korea (2020).

In 2019, South Korea's OFDI reached an all-time high of $64.3 billion, including $50.93 billion in net investment and covering 4,014 new corporations. The top five OFDI hosts in 2019 were the United States, the Cayman Islands, China, Vietnam and Luxembourg. The specific distribution of Korean OFDI in the host countries in 2019 is shown in Fig. 2.

Research on OFDI in recent years has mainly focused on two categories: an analysis of the motivation behind OFDI, and the linkage relationships between OFDI and related indicators. (1) The motivation analysis of OFDI can be divided into influencing factors: i) at the macro-level and micro-level (Megbowon, Mlambo and Adekunle, 2019; Li, 2014; Yang and Li, 2018), ii) the influencing factors of the home country and host country (Wang, 2016; Zhou, 2018), and iii) the influencing factors in developed countries, developing countries, emerging economies and low- and middle-income countries (Mazouz, Wood, Yin and Zhang, 2021; Cieślik and Tran, 2019; Behera, Tripathy and Mishra, 2021). (2) The linkage relationships between OFDI and related indicators are mainly embodied in the impacts of OFDI implementation on: i) economic growth, ii) imports and exports, iii) employment and human capital, iv) industrial structure adjustment, v) technological progress and vi) the innovation of the enterprise performance of the home country and host country (Mohanty and Sethi, 2019; Rao and Zhang, 2019; Bhasin and Kapoor, 2021; Piperopoulos, Wu and Wang, 2018).

Fig. 2. The Specific Distribution of Korean OFDI in 2019



Source: Ministry of Economy and Finance of Korea (2020).

Existing research on South Korea's OFDI is mostly from the perspective of emerging markets, emerging economies and emerging market multinational enterprises (MNEs) (Cieślik et al., 2019; Tang, 2021; Behera et al., 2021). Few scholars have studied the influence of the driving force of a home country's investment motivation and the attraction of the host country's institutions on South Korea's OFDI at the same time. In addition, there has been scant analysis of the influence of these factors on the investment choice (whether to invest) and the investment scale (how much to invest) of South Korea's OFDI.

In this paper South Korea's OFDI is taken as an example. The influences of the investment choice and investment scale of South Korea's OFDI under the effect of both the diversified investment motivation of South Korea's MNEs and host country institutions are empirically analyzed. The findings are based on the panel data of South Korea and 93 host countries and regions, from 2002 to 2019, using a Heckman two-stage selection model.

2. Literature Review and Hypotheses

In the context of global economic integration, OFDI has become an important strategic decision for national development and the expansion of multinational enterprises. The phenomenon of OFDI has also inspired academic research. By comparing and summarizing OFDI literature, the investment motivations of MNEs in the home country have been found to be the internal driving force of OFDI. The institutions of the host country are also the external attraction of OFDI. Among them, the investment motivations of the MNEs of a home country mainly include four types: market seeking motivation, labor resource seeking motivation, high-tech seeking motivation and natural resource seeking motivation. The institutions of a host country also mainly include four types: political institutions, economic institutions, legal institutions and cultural institutions. In addition, the macro-economy and the trade openness of the home country, the geographical distance between the home country

and the host country, and the signing of relevant trade agreements also all affect OFDI. These are collectively referred to as the fundamental factors of OFDI.

2.1. The Fundamental Factors of OFDI

Chen, Chin, Law and Azman-Saini (2016) studied the influence of Malaysia's institutions on that country's OFDI. The empirical results show that the home country's GDP, exchange rate, trade openness and corporate tax rate were the main drivers of Malaysia's OFDI. Zheng (2012) believed that China's open economic development model gradually deepened, moving from the proposal of the "going out" strategy to China's accession to the WTO. As the largest developing country, China's OFDI is unique and has gradually formed an opening up pattern. Specifically, China has moved from being a big country with foreign trade, to being a big country attracting foreign investment, to becoming a big country with OFDI. China's OFDI depends to a certain extent on and will follow the bilateral trade between the home country and the host country. However, the empirical results on exports and OFDI of Brazil, Russia, India, China and South Africa (BRICS countries) show that no long-term causal relationship exists between OFDI and exports. Also, OFDI has a significant negative impact on the home country's exports, indicating that OFDI is a substitute for exports in BRICS countries (Bhasin et al., 2021). According to the application results of the gravity model in OFDI, the macro-economic development of the home country has a positive impact on OFDI. Meanwhile, the geographical distance between the home country and the host country has a negative impact on OFDI. As the distance increases, the OFDI from the home country to the host country decreases. Conversely, the smaller the distance between the two countries is, the greater the possibility of OFDI will be (Tolentino, 2010; Chen, 2016). Shah (2018) analyzed the impact of a bilateral investment treaty (BIT) on FDI absorption by developing countries in the Middle East and North Africa (MENA). The results highlighted the importance of market size, the economic and financial development level, macroeconomic stability, and BIT for overseas investors. Also, BIT that is in force has more influence than a BIT that is merely signed. This result is also verified in a previous study of the influence of BIT on India's attracting IFDI (Bhasin and Manocha, 2016). Therefore, the first set of hypotheses H1 is proposed.

H1: The fundamental factors of OFDI have positive effects on South Korea's OFDI investment choice (H1-1) and investment scale (H1-2) in the host country.

H1a: South Korea's much larger macro-economy has a positive effect on South Korea's OFDI investment choice (H1a-1) and investment scale (H1a-2) in the host country.

H1b: South Korea's trade openness has a positive effect on South Korea's OFDI investment choice (H1b-1) and investment scale (H1b-2) in the host country.

H1c: The geographical distance between South Korea and the host country has a negative effect on South Korea's OFDI investment choice (H1c-1) and investment scale (H1c-2) in the host country.

H1d: The signing of relevant trade agreements between South Korea and the host country has a positive impact on South Korea's OFDI investment choice (H1d-1) and investment scale (H1d-2) in the host country.

2.2. The Investment Motivations of South Korea's MNEs

The investment motivations are the subjective factor s and drivers of MNEs' OFDI. Xiang (2015) summarized eight investment motivations behind China's OFDI, including: i) market investment motivation, ii) natural resource investment motivation, iii) strategic resource investment motivation, iv) efficiency investment motivation, v) risk diversification investment motivation, vi) preferential policy investment motivation, vii) environmental pollution transfer investment motivation and viii) tax avoidance investment motivation. Behera et al. (2021) solved the problem of model uncertainty using Bayesian model averaging and the weighted average least square technique. The study was based on the OFDI data of eight emerging Asian source countries and 107 host countries, from 2009 to 2016. The results show that the orientation of the OFDI of emerging Asian countries is to seek markets and assets in developed countries, and to seek markets in emerging countries. The study also found that most of the emerging Asian countries seek resources in other developing countries. Based on the analysis of 18252 subsidiaries of Japanese MNES in 59 countries, from 1996 to 2010, Hong, Lee and Makino (2019) found that the OFDI motivations of Japanese MNEs are market seeking for scale and scope expansion or the decline in domestic demand. They are also seeking natural resources, strategic assets, and labor resources. Based on an empirical study of China's OFDI behavior and investment motivation panel data, Yan (2013) believed that a host country of China's OFDI will have strong location advantages, such as huge market demand, low labor cost, abundant natural resources and superior technology to the home country. Therefore, the second set of hypotheses H2 is proposed.

H2: The investment motivations of MNEs have positive effects on South Korea's OFDI investment choice (H2-1) and investment scale (H2-2) in the host country.

H2a: The market seeking motivation of MNEs has a positive effect on South Korea's OFDI investment choice (H2a-1) and investment scale (H2a-2) in the host country.

H2b: The labor resource seeking motivation of MNEs has a positive effect on South Korea's OFDI investment choice (H2b-1) and investment scale (H2b-2) in the host country.

H2c: The high-tech seeking motivation of MNEs has a positive effect on South Korea's OFDI investment choice (H2c-1) and investment scale (H2c-2) in the host country.

H2d: The natural resource seeking motivation of MNEs has a positive effect on South Korea's OFDI investment choice (H2d-1) and investment scale (H2d-2) in the host country.

2.3. The Institutions of Host Country

When analyzing the political institutions of the host country, Liu, Liu and Li (2016) studied the location selection of the OFDI of Chinese enterprises, using an investment gravity model and a Heckman selection model. The results show that OFDI with different investment motivations has different institutional preferences and path dependence. Technology-seeking MNEs prefer to invest on a larger scale in host countries with high political, economic and cultural institutions. Resource-seeking MNEs invest more in host countries with higher economic institutions, while market-seeking MNEs prefer to invest in countries with high economic institutions. In addition, the high cultural institution of a host country will increase the investment scale of Chinese MNEs. Miniesy and Elish (2016) found that China's OFDI will

not be deterred by the poor governance of the host countries, but rather will be attracted by poor governance. This is because an opaque institutional environment is conducive to rent-seeking for investors.

With regard to the economic institutions of the host country, Ren and Yang (2016) found that if the host country has a better investment environment, higher investment freedom, higher trade freedom and higher international Internet coverage, this will be conducive to attracting Chinese enterprises' OFDI. Li, Park and Liu (2020) conducted an empirical analysis of the influence of the key factors of the China-US trade conflict on China's OFDI investment choice and investment scale, and the results showed that the lower the tariff and non-tariff barriers of host country, the more attractive it is to China's OFDI.

To examine the legal institutions of the host country, Papageorgiadis, McDonald, Wang and Konara (2020) divided the host country's intellectual property (IP) institutions into formal institutions and informal institutions, and studied how the two affect the location of the OFDI of the United States. The study found that the strength of the informal institutions of IP enforcement in host countries significantly attracts US's OFDI. In addition, positively moderating the influence of formal institutions of IP law also attracts US OFDI. Yang and Meng (2016), by using the Tobit cut-off model, verified that the risk of the expropriation and nationalization of foreign investors by host countries had a negative impact on the investment choice of China's OFDI. Hailu and Yihdego (2018) believed that the Ethiopian OFDI legal framework is consistent with the trends and foundational standards of international investment law (IIL). However, the OFDI laws and practices in Ethiopia are predominantly statist, with special emphasis placed by the Ethiopian government on entry and operation requirements. While this approach can indeed attract foreign investment and contribute to economic growth, these methods also lack transparency, accountability and strict adherence to local content rules and policies. Hence, host countries should address governance and other interpretative and technical challenges if they are to establish a healthy, sustainable and equitable (foreign) investment institution, not just for investors, but also for communities and the country.

To examine the cultural institution of the host country, Kayalvizhi and Thenmozhi (2018) studied the IFDI of 22 emerging economies. The study employed the Hofstede model of national culture, which consists of six dimensions, working from the perspective of inward FDI absorption by host countries. The scholars found that the interactions between power, distance and indulgence with country governance are positive; individualism has a negative impact. Meanwhile, the other three variables have a weak impact on the IFDI of emerging economies. Kristjánsdóttir and Karlsdóttir (2020) studied the influence of culture and geography on the UK's OFDI in the OECD. The study found that the UK's OFDI in other OECD countries was more influenced by geographical distance than by cultural distance. This may be because there is not much of a cultural difference between the UK and its main trading partners in the OECD. Therefore, the third set of hypotheses H3 is proposed.

H3: The institutions of a host country have positive effects on South Korea's OFDI investment choice (H3-1) and investment scale (H3-2) in the host country.

H3a: The political institutions of a host country have a positive effect on South Korea's OFDI investment choice (H3a-1) and investment scale (H3a-2) in the host country.

H3b: The economic institutions of a host country have a positive effect on South Korea's

OFDI investment choice (H3b-1) and investment scale (H3b-2) in the host country.

H3c: The legal institutions of a host country have a positive effect on South Korea's OFDI investment choice (H3c-1) and investment scale (H3c-2) in the host country.

H3d: The cultural institutions of a host country have a positive effect on South Korea's OFDI investment choice (H3d-1) and investment scale (H3d-2) in the host country.

2.4. Heckman Two-stage Selection Model

The Heckman two-stage selection model is a simple, consistent two-stage estimator. The model enables analysts to estimate behavioral functions utilizing simple regression methods by least squares methods (LSM) and to derive the asymptotic distribution of the estimator (Heckman, 1979). The main purpose of the Heckman two-stage selection model is to solve the problem of sample selection bias, which in turn comes from the bias caused by the sample not being randomly selected and the bias caused by the sample self-selection. The bias caused by the sample not being randomly selected means that the researcher draws the sample according to the rules he or she sets, rather than randomly drawing the sample. For example, some researchers have only collected listed companies as samples when studying companies' financial performance. The bias caused by the sample self-selection refers to the fact that the sample mentioned above is not representative of the population in the same proportion, because of the loss of randomness in the sampling process. As some economic individuals, families or enterprises have the ability to choose and judge, they are likely to adopt some behaviors that affect the sampling process. A typical example is the influence of women's education on women's salaries. Many highly educated women who do not work are not included in the sample, and these omissions cause the sample to lose randomness.

There are two mainstreams about applications of Heckman two-stage selection model in existing research. The model is used alone, and the model is used in combination with other models or methods by scholars. Jia and Qin (2015) used Heckman two-stage selection model to analyze the impact of R&D investment on the export of agricultural enterprises and the results showed that the R&D investment has a significant impact on the export of agricultural enterprises. In addition, convenient geographical location, enterprise scale, labor wages, etc., all promote the export of agricultural enterprises. He and Xu (2021) used Heckman two-stage model and extended investment gravity model to test the location distribution characteristics of China's OFDl in countries along the "One Belt and One Road". The results showed that the economic institutions of host country affects both investment choice and investment scale. China's OFDI tends to focus on countries and regions with better monetary freedom and investment freedom, and commercial freedom affects investment behavior in long term. Zhang, Wang and Wang (2022) based on Heckman two-stage selection model, combined with PSM-DID and intermediary effect method, systematically investigated the impact of blockchain enabling supply chain finance on farmers' financing behavior, and analyzed the role of information barrier in it. They found that blockchain enabling supply chain finance can significantly improve farmers' financing behavior, and significantly reduce the degree of information asymmetry of the supply chain. Lu, Sun and Feng (2022) used the Oaxaca-Blinder decomposition method combined with Heckman selection model to estimate and decompose the gender wage gap of urban married workers aged 25-49 in China, and the empirical research showed that the low labor force participation rate of low-skilled women

conceal the fact that the gender wage gap is too high.

3. Modeling and Data

3.1. Modeling

South Korea has conducted OFDI in 186 countries and regions since 1980. However, South Korea has still not conducted OFDI in some countries, or has not conducted OFDI in some host countries at some periods. In this paper, the study of the influence of South Korean MNEs' investment motivation and host countries' institutions on South Korean OFDI is also affected by bias, specifically that caused by the self-selection of samples. To solve this problem, the Heckman two-stage selection model is adopted, and South Korea's OFDI is divided into two stages: investment choice stage and investment scale stage. Combined with the hypotheses in Chapter 2, a Heckman two-stage selection model of Korea's OFDI combined with extended investment gravity model is established.

In this model, the first stage corresponds to the investment choice stage of South Korea's OFDI. The model of this stage is a sample selection model expressed by Formula (1), which explained variable $OFDI01_{i,t}$ is a binary variable, namely, whether South Korea carried out OFDI for a host country in a certain year. The second stage corresponds to the investment scale stage of South Korea's OFDI. The model of this stage is a treatment effect model expressed by Formula (2), which explained variable lnOFDIi,t is a continuous variable, namely the flow of South Korea's OFDI in the host country (Anderson, 1979).

$$P_r(OFDI01_{i,t})=\Phi[\alpha_0+\alpha_1 lnGDPK_t+\alpha_2 TR/GDPK_t+\alpha_3 lnDIS_i+\alpha_4 ifTA_{i,t}+\beta_1 lnpCGDPH_{i,t} +\beta_2 lnLQ_{i,t}+\beta_3 TECH_{i,t}+\beta_4 RES_{i,t}+\sum\gamma_j X_{i,j,t}+u_{i,t}] \quad (1)$$

$$lnOFDI_{i,t}=\alpha_0+\alpha_1 lnGDPK_t+\alpha_2 TR/GDPK_t+\alpha_3 lnDIS_i+\alpha_4 ifTA_{i,t}+\beta_1 lnpCGDPH_{i,t} +\beta_2 lnLQ_{i,t}+\beta_3 TECH_{i,t}+\beta_4 RES_{i,t}+\sum\gamma_j X_{i,j,t}+u_{i,t} \quad (2)$$

Above, $u_{i,t}$ in Formula (1) and Formula (2) is the random error, and the meanings of the relevant variables are shown in Section 3.2.

3.2. Variables

3.2.1. Explained Variables

The explained variables include $OFDI01_{i,t}$, which represents the investment choice of South Korea's OFDI for a host country in a certain year, and $lnOFDI_{i,t}$, which represents the investment scale stage of South Korea's OFDI in host country i in year t. Note that $OFDI01_{i,t}$ is a binary variable, namely, whether South Korea carried out OFDI for a host country in a certain year; 1 means there is an investment OFDI for the host country in the certain year, and 0 means there is no investment. Next, $lnOFDI_{i,t}$ represents the flow of South Korea's OFDI in host country i in year t. Its data has four negative values and 184 missing values. The negative values may be caused by the host country's investors investing in South Korean domestic companies. Therefore, $OFDI01_{i,t}$, corresponding to the negative flow of South Kore's OFDI, is assigned as 1, and the corresponding $lnOFDI_{i,t}$ is assigned as a missing value.

That is, investment is happening, but the investment is only negative. The missing value means that no OFDI is happening. In this case, the corresponding $OFDI01_{i,t}$ value is assigned as 0, and the corresponding $lnOFDI_{i,t}$ is assigned as a missing value; that is, there is no investment.

3.2.2. Explanatory Variables

Explanatory variables include the investment motivations of South Korea's MNEs and the institutions of the host country.

(1) The investment motivations of South Korea's MNEs include four variables in four dimensions, e.g., market seeking motivation, labor resource seeking motivation, high-tech seeking motivation and natural resource seeking motivation. Market seeking motivation ($lnGDPH_{i,t}$) is expressed as the market size of the host country; labor resource seeking motivation ($lnLQ_{i,t}$) is expressed as the total labor force of the host country, and high-tech seeking motivation ($TECH_{i,t}$) is expressed as the percentage of information and communication technology (ICT) exports in the total product exports of the host country. Finally, the natural resource seeking motivation ($RES_{i,t}$) is expressed as the percentage of the total rents of all natural resources in the GDP of the host country.

(2) The institutions of a host country mainly include four indicators and 16 sub-indicators in four dimensions, e.g., political institutions, economic institutions, legal institutions and cultural institutions. Among them, the political institutions of the host country (PI) include political stability and the absence of violence/terrorism (P.PS), government effectiveness (P.GE), regulatory quality (P.RQ), control of corruption (P.CC), and voice and accountability (P.VA). The economic institutions (EI) include the size of the government (E.SG), sound money (E.SM), and freedom of international trade (E.FIT). The legal institutions of the host country (LI) include legal system and property rights (L.LP) and regulations (L.RG). The cultural institutions (CI) include the power distance index (C.PDI), individualism versus collectivism (C.IDV), masculinity versus feminism (C.MAS), an uncertainty avoidance index (C.UAI), long term orientation versus short term normative orientation (C.LTO), and indulgence versus restraint (C.IVR).

3.2.3. Control Variables

The control variable refers to the fundamental factors of Korea's OFDI, which include four indicators in four dimensions, such as Korea's macroeconomic development ($lnGDPC_t$), Korea's international trade openness ($lnTRAD_i$), geographical distance between South Korea and the host country ($lnDIS_i$), and the signing of relevant trade agreements ($ifTA_{i,t}$).

3.3. Data Sources and Characteristics

This sample covers the relevant panel data of South Korea and 93 host countries and regions, from 2002 to 2019. All the data from 2002 to 2019 are chosen for the following two reasons. (1) The data about some important indicators in this model are recorded from 2002, such as political institutions. (2) The global economy after 2019 has been severely affected by the covid-19 outbreak, which data do not reflect the general regularity of South Korea's OFDI. The data sources of each variable are shown in Table 1, and the descriptive statistics of each variable are shown in Table 2.

Table 1. The Description and Data Source of Each Variable

Var	Description	Source
$OFDI01_{i,t}$	Whether South Korea carried out OFDI in country i in year t	MOEF of Korea
$lnOFDI_{i,t}$	The flow of South Korea's OFDI in country i in year t	MOEF of Korea
$lnpCGDPH_{i,t}$	The domestic market demand of country i in year t, GDP per capita	World Bank
$lnLQ_{i,t}$	The labor force quantity of country i in year t	World Bank
$TECH_{i,t}$	The percentage of information and communication technology (ICT) exports in total product exports in country i in year t	World Bank
$RES_{i,t}$	The percentage of the total rents of all natural resources in GDP in country i in year t	World Bank
$PI_{i,t}$	The overall level of political institutions in country i in year t	World Bank
$P.PS_{i,t}$	The status of political stability in country i in year t	World Bank
$P.GE_{i,t}$	The status of government effectiveness in country i in year t	World Bank
$P.RQ_{i,t}$	The status of regulatory quality in country i in year t	World Bank
$P.CC_{i,t}$	The status of control of corruption in country i in year t	World Bank
$P.VA_{i,t}$	The status of voice and accountability in country i in year t	World Bank
$EI_{i,t}$	The overall level of economic institutions in country i in year t	Fraser Institute
$E.SG_{i,t}$	The status of size of government in country i in year t	Fraser Institute
$E.SM_{i,t}$	The status of sound currency in country i in year t	Fraser Institute
$E.FIT_{i,t}$	The status of freedom of international trade in country i in year t	Fraser Institute
$LI_{i,t}$	The overall level of legal institutions in country i in year t	Fraser Institute
$L.LP_{i,t}$	The status of legal system and property rights in country i in year t	Fraser Institute
$L.RG_{i,t}$	The status of regulation in country i in year t	Fraser Institute
$CI_{i,t}$	The overall level of cultural institutions in country i in year t	Hofstede Insights
$C.PDI_i$	The status of power distance index in country i	Hofstede Insights
$C.IDV_i$	The status of individualism versus collectivism in country i	Hofstede Insights
$C.MAS_i$	The status of masculinity versus feminism in country i	Hofstede Insights
$C.UAI_i$	The status of uncertainty avoidance index in country i	Hofstede Insights
$C.LTO_i$	The status of long term orientation versus short term normative orientation in country i	Hofstede Insights
$C.IVR_i$	The status of indulgence versus restraint in country i	Hofstede Insights
$lnGDPK_t$	South Korea's GDP in year t	World Bank
$TR/GDPK_t$	South Korea's trade openness in year t	World Bank
$lnDIS_i$	The geographical distance between South Korea and country i	CEPII
$ifTA_{i,t}$	Whether relevant trade agreements between Korea and country i was signed	Korea Ministry of Trade, Industry and Energy

Table 2. The Descriptive Statistics of Variables

Var		N	Mean	SD	Min	Max
Explained Variables	OFDI01	1,674	0.890	0.313	0	1
	lnOFDI	1,490	9.531	3.000	-2.303	16.55
Explanatory Variables	lnpCGDPH	1,638	8.859	1.581	4.718	11.951
	lnLQ	1,656	2.128	1.500	-1.803	6.676
	TECH	1,530	5.716	9.516	1.23e-07	56.65
	RES	1,655	6.311	9.661	0.000168	58.98
	PI	1,674	54.973	26.315	3.326	99.708
	P.PS	1,674	48.78	28.75	0.470	100
	P.PS	1,674	48.78	28.75	0.470	100
	P.GE	1,674	58.81	27.51	0.960	100
	P.RQ	1,674	59.03	27.61	0	100
	P.CC	1,674	54.68	29.86	0	100
	P.VA	1,674	53.56	29.08	0	100
	EI	1544	7.194	0.948	4.331	9.383
	E.SG	1,575	7.392	2.173	1.940	10
	E.SM	1,603	6.774	1.151	3.297	9.443
	E.FIT	1,621	7.337	1.296	1.507	9.661
	LI	1621	61.320	17.295	23.790	93.183
	L.LP	1,621	5.700	1.646	2.313	8.998
	L.RG	1,621	7.108	1.019	3.880	9.429
	CI	1152	52.106	7.465	38.5	71.093
	C.PDI	1,386	63.44	21.57	11	100
	C.IDV	1,386	39.75	23.59	6	91
	C.MAS	1,386	48.86	17.99	5	100
	C.UAI	1,386	65.94	21.71	8	100
	C.LTO	1,224	44.75	23.49	4	93
	C.IVR	1,224	47.50	20.54	0	97.32
Control Variables	lnGDPK	1,674	13.97	0.289	13.35	14.36
	TR/GDPK	1,638	67.716	10.327	50.155	86.148
	lnDIS	1,674	8.944	0.604	6.738	9.881
	ifTA	1,674	0.633	0.482	0	1

4. Empirical Results

4.1. Regression Results of OFDI's Fundamental Factors

Before investigating the influence of the investment motivations and host country systems on the investment choice and scale of South Korea's OFDI, the fundamental factors of South Korea's OFDI are used as explanatory variables for regression. Based on the Heckman two-stage selection model, the fundamental factors of South Korea's OFDI are analyzed. In Heckman's first stage, $OFDI01_{i,t}$ is the explained variable, and a probit model is used for

regression. In Heckman's second stage, $lnOFDI_{i,t}$ is the explained variable, and a Heckman MLE model is used for regression (Zhou, Zhang and Ge, 2015). The regression results of the fundamental factors of South Korea's OFDI are shown in Table 3.

Table 3. The Regression Results of Korea's OFDI Fundamental Factors

Var	Investment choice (OFDI01)	Investment scale (lnOFDI)
lnGDPK	0.910***	1.434***
	(5.00)	(4.73)
TR/GDPK	0.00734	0.0226***
	(1.45)	(2.92)
lnDIS	-0.617***	-1.732***
	(-6.10)	(-12.74)
ifTA	0.603***	0.870***
	(6.58)	(4.92)
_cons	-6.625***	2.711
	(-2.72)	(0.66)
/mills lambda	4.050**	
	(2.01)	
/athrho	0.211	
	(1.19)	
lnsigma	1.026***	
	(49.86)	
rho	0.208	
N	1638	

Notes: *t* statistics in parentheses; * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

According to the results in Table 3, the Mills coefficient is not 0, and is statistically significant at the 0.05 level. This finding proves that there is a bias caused by sample self-selection. Therefore, using the Heckman two-stage selection model for regression is reasonable (Kang, Zhu and Li, 2019).

Comparing the regression results of the first and second stages shows that, other than the investment selection stage of South Korea's OFDI, the additional investment scale of South Korea's OFDI is more significantly affected by the fundamental factors of South Korea's OFDI. (1) Both South Korea's macro-economy and the trade agreements with the host country have positive impact on South Korea's OFDI in two stages. However, the coefficient of the second stage is larger than that of the first stage. (2) The distance between South Korea and the host country significantly negatively affects the two stages of South Korea's OFDI. However, the absolute value of the coefficient in the second stage is larger than that in the first stage. (3) South Korea's trade openness positively affects the two stages of South Korea's OFDI. However, the significance level of the second stage is higher than that of the first stage, and the coefficient is larger.

4.2. Regression Results of the Investment Motivations

When investigating the influence of South Korea's OFDI investment motivations on the

investment choice and investment scale of South Korea's OFDI, the investment motivations of South Korea's MNEs are taken as explanatory variables. The fundamental factors of South Korea's OFDI are taken as control variables. The regression method is the same as in Section 4.1, and the regression results of the investment motivations are shown in Table 4.

Table 4. The Regression Results of Investment Motivations of South Korea's MNEs

Var	Investment choice (OFDI01)	Investment scale (lnOFDI)
lnpCGDPH	0.110***	0.554***
	(3.17)	(11.03)
lnLQ	0.0945**	0.728***
	(2.42)	(14.81)
TECH	-0.0102	0.0724***
	(-1.20)	(9.55)
RES	-0.0152***	0.00653
	(-3.03)	(0.79)
_cons	-5.928**	2.903***
	(-2.48)	(5.70)
lnGDPK	0.801***	
	(4.67)	
TR/GDPK	0.00969**	
	(2.09)	
lnDIS	-0.640***	
	(-6.44)	
ifTA	0.330***	
	(3.78)	
/mills lambda	-2.569***	
	(-4.45)	
/athrho	-1.295***	
	(-8.29)	
lnsigma	0.972***	
	(42.92)	
rho	-0.860	
N	1512	

Notes: *t* statistics in parentheses; * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

According to the results in Table 4, the Mills coefficient is not 0, and is statistically significant at the 0.10 level. This finding proves that there is bias caused by sample self-selection. Therefore, using the Heckman two-stage selection model for regression is once again reasonable.

Comparing the regression results of the first and second stages, the investment scale stage of South Korea's OFDI is found to be more significantly influenced by the investment motivation of South Korea's MNEs than in the investment choice stage. (1) Market seeking motivation and labor resource seeking motivation both have a positive impact on the two stages of South Korea's OFDI. However, the coefficient of the second stage is larger than that of the first stage. (2) The high-tech seeking motivation has a positive influence on the two stages of

Korea's OFDI. However, the significance level of the second stage is higher than that of the first stage, and the coefficient is larger. (3) The natural resource seeking motivation negatively affected the two stages of South Korea's OFDI. However, the absolute value of the coefficient in the second stage was smaller than that in the first stage, and the significance level was reduced.

In addition, the regression results where the fundamental factors are used as control variables are basically the same as the regression results when the fundamental factors are used as explanatory variables on the second stage. However, the coefficients are reduced. This finding indicates that the addition of investment motivations makes the regression model in Section 4.1 more reasonable and robust.

4.3. Regression Results of Host Country's Institutions

When investigating the influence of the host country's institutions on the investment choice and investment scale of South Korea's OFDI, the host country institutions are taken as the explanatory variables. The fundamental factors and investment motivation of South Korea's OFDI are taken as the control variables. Here, three aspects need to be properly processed and explained. (1) In order to more fairly represent the impact of each institutional indicator on South Korea's OFDI, the indicator values of economic institutions and legal institutions are multiplied by 10, in advance. This is because the value ranges of political institutions' indicators and cultural institutions' indicators are [0,100], while the value ranges of the indicators related to economic institutions' indicators and institutions' indicators are [0,10]. (2) In order to avoid multicollinearity among the variables of the host country's political institutions, economic institutions, legal institutions and cultural institutions, each explanatory variable of each host country's institutions is added separately in the Heckman two-stage selection model. (3) The results of the control variables are omitted, and only the regression results of the explanatory variables are reported in Table 5. This is because there is little difference between the regression results of the fundamental factors used as control variables in Section 4.2, and those of the fundamental factors used as explanatory variables in Section 4.2.

In the regression process of separately adding each explanatory variable, all Mills' coefficients are not 0, and all are statistically significant at the 0.10 level. This finding indicates that there is bias caused by sample self-selection. Therefore, using the Heckman two-stage selection model for regression is once again reasonable.

Table 5. The Regression Results of Host Country's Institutions

Var	Investment choice (OFDI01)	Investment scale (lnOFDI)
PI	-0.00143	0.0233***
	(-0.39)	-7.21
EI	0.0210***	0.0477***
	-3.25	-4.38
LI	-0.0204***	0.0515***
	(-2.98)	-7.52
CI	0.0432***	0.0035
	-3.8	-0.08

Notes: *t* statistics in parentheses; * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

According to the results of Table 5, in general, in the first stage, the economic institutions (EI) and cultural institutions (CI) of the host country are significantly attracting the investment choice of South Korea's OFDI. The legal institutions of the host country (LI) significantly negatively affect the investment choice of OFDI in South Korea. The political institutions (PI) of the host country have no significant impact on the investment choice of South Korea's OFDI. In the second stage, the political institutions (PI), economic institutions (EI) and legal institutions (LI) of the host country are all significantly attracting the investment scale of South Korea's OFDI. The cultural institutions of the host country (CI) have no significant impact on the investment scale of South Korea's OFDI.

Meanwhile, comparing the regression results of the first and second stages, this study finds that: (1) compared with the investment choice stage, the investment scale stage of South Korea's OFDI is more obviously attracted by the host country's political institutions (PI), economic institutions (EI) and legal institutions (LI). This is reflected in the larger coefficient and higher significance of the three categories of variables in the second stage, compared to the first stage. (2) However, the influence of cultural institutions (CI) on the investment scale stage of South Korea's OFDI is far less than the influence of cultural institutions (CI) on the investment choice stage. This is reflected in the coefficient of the indicators in the second stage being much smaller than in the first stage, and coefficient's significance decreases. The smaller coefficient and lower significance of the variables occur in the second stage, compared to the first stage.

4.3.1. Sub-indicators' Regression Results of Host Country's Political Institutions

Specifically, the host country's political institutions have five sub-indicators, political stability and absence of violence/Terrorism (P.PS), government effectiveness (P.GE), regulatory quality (P.RQ), control of corruption (P.CC), voice and accountability (P.VA), and which regression results are shown as Table 6.

Table 6. The Sub-indicators' Regression Results of Host Country's Political Institutions

Var	Investment choice (OFDI01)	Investment scale (lnOFDI)
PI	-0.00143	0.0233***
	(-0.39)	-7.21
P.PS	-0.00118	0.0158***
	(-0.46)	-5.42
P.GE	-0.0145***	0.0292***
	(-3.99)	-9.44
P.RQ	0.00235	0.0255***
	-0.87	-8.25
P.CC	-0.00167	0.0196***
	(-0.72)	-6.87
P.VA	-0.00131	0.0104***
	(-0.37)	-3.55

Notes: *t* statistics in parentheses; * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Among the five sub-indicators of the host country's political institutions, the coefficients of political stability (P.PS), government effectiveness (P.GE), control of corruption (P.CC), and voice and accountability (P.VA) of the political institutions of the host country are negative. The coefficient of regulatory quality (P.RQ) is positive in the first stage of South Korea's OFDI. However, all coefficients of the sub-indicators of the political institutions of the host country are positive in the second stage of South Korea's OFDI, and are statistically significant at the 0.01 level. The results signify that, the more stable the host country's policies are, the more efficient the government, the fairer the regulatory system, the greater the control of corruption, and the greater the power of voice and accountability will be. Such host countries can also attract and promote the continuous investment of South Korea's OFDI.

4.3.2. Sub-indicators' Regression Results of Host Country's Economic Institutions

The host country's economic institutions have three sub-indicators, size of government (E.SG), sound money (E.SM), freedom of international trade (E.FIT), and which regression results are shown as Table 7.

Table 7. The Sub-indicators' Regression Results of Host Country's Economic Institutions

Var	Investment choice (OFDI01)	Investment scale (lnOFDI)
EI	0.0210***	0.0477***
	-3.25	-4.38
E.SG	0.0169***	-0.00597
	-3.57	(-0.82)
E.SM	-0.00243	0.0243***
	(-0.81)	-4.23
E.FIT	0.00870**	0.0320***
	-1.98	-4.54

Notes: *t* statistics in parentheses; * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Among the three sub-indicators of the host country's economic institutions, on the second stage, the coefficients of sound money (E.SM) and freedom of international trade (E.FIT) are positive, statistically significant at the 0.01 level, and bigger than on the first stage. The coefficient of size of government (E.SG) significantly positively affects the investment choice of South Korean OFDI, while having no significant impact on the investment scale. The results signify that the host country's freedom of international trade (E.FIT) attracts both the investment choice and continuous investment from South Korea's OFDI. However, the sound money (E.SM) of the host country can only attract continuous investment from South Korea, but not the choice of investment. Meanwhile, the government size (E.SG) can only attract the choice of investment from South Korea, but not continuous investment.

4.3.3. Sub-indicators' Regression Results of Host Country's Legal Institutions

The host country's legal institutions have two sub-indicators, legal system and property rights (L.LP), regulations (L.RG), and which regression results are shown as Table 8.

Among the two sub-indicators of the host country's legal institutions, the coefficients of legal system and property rights (L.LP) and regulation (L.RG) are negative in the first stage. However, both are positive in the second stage and are statistically significant at the 0.01 level. This finding indicates that, the clearer the legal system, property rights protection and regulations are, and the higher the enforcement of the host country is, the more that country can attract and promote the continuous investment of South Korea's OFDI.

Table 8. The Sub-indicators' Regression Results of Host Country's Legal Institutions

Var	Investment choice (OFDI01)	Investment scale (lnOFDI)
LI	-0.0204***	0.0515***
	(-2.98)	(7.52)
L.LP	-0.0259***	0.0396***
	(-4.68)	(7.80)
L.RG	-0.00749	0.0443***
	(-1.53)	(5.35)

Notes: *t* statistics in parentheses; * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

4.3.4. Sub-indicators' Regression Results of Host Country's Cultural Institutions

The host country's cultural institutions include six sub-indicators, power distance index (C.PDI), individualism versus collectivism (C.IDV), masculinity versus feminism (C.MAS), uncertainty avoidance index (C.UAI), long term orientation versus short term normative orientation (C.LTO), indulgence versus restraint (C.IVR), and which regression results are shown as Table 9.

Table 9. The Sub-indicators' Regression Results of Host Country's Cultural Institutions

Var	Investment choice (OFDI01)	Investment scale (lnOFDI)
CI	0.0432***	0.0035
	-3.8	-0.08
C.PDI	0.0158***	-0.00767
	-4.16	(-0.54)
C.IDV	-0.00802*	0.0159
	(-1.88)	-1.29
C.MAS	0.00805**	0.017
	-2.28	-1.06
C.UAI	0.0022	-0.0256**
	-0.72	(-1.97)
C.LTO	0.000255	0.0274***
	-0.07	-6.71
C.IVR	-0.00163	0.00809
	(-0.40)	-0.63

Notes: *t* statistics in parentheses; * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

The coefficients of the power distance (C.PDI) and masculinity (C.MAS) of the host country significantly positively affect the investment choice of South Korean OFDI, while neither has a significant impact on the investment scale. This finding shows that, the more centralized the power, the more masculine the society, and the fiercer the competition is in a host country, the more likely that country is to attract the choice of South Korea's OFDI, but not the continuous investment.

The coefficient of the uncertainty avoidance index (C.UAI) of the host country significantly inhibits the investment scale of South Korean OFDI, but has no significant impact on the investment choice. This finding shows that, the higher the degree of the uncertainty avoidance index (UAI) in host countries is, the more likely that country is to inhibit continuous investment in South Korea's ODFI. However, this does not affect the selection scale of South Korea's OFDI. Conversely, a weak UAI society that maintains a more relaxed attitude, and one in which practice counts more than principles, can attract the occurrence of OFDI from South Korea. However, this sub-indicator does not affect the choice investment.

The coefficient of long term orientation (C.LTO) versus short term normative orientation of the host country significantly attracts the investment scale of South Korean OFDI. However, there is no significant impact on the investment choice. This finding shows that, the more future-oriented the host country is, the more the host country attaches importance to reform, and the more the society encourages thrift and makes efforts to prepare for the future, the more the continuous investment of South Korea's ODFI can be promoted. However, this sub-indicator does not affect the choice investment.

The coefficient of individualism versus collectivism (C.IDV) of the host country significantly inhibits the investment choice of South Korean OFDI but has no significant impact on the investment scale. This finding indicates that, in the host country, the stronger individualism is and the weaker the collectivism is, the more these factors will inhibit the occurrence of OFDI from South Korea. Conversely, the stronger the collectivism is and the more that looser social structures are preferred, the more the occurrence of OFDI from South Korea will be attracted. However, this sub-indicator does not affect the continuous investment of South Korea's OFDI.

The coefficients of indulgence versus restraint (C.IVR) of the host country in both stages are not significant. This finding shows that, regardless of whether the host country's society relatively freely allows people's gratification in terms of basic and natural human drives, or the satisfaction of people's needs are repressed through strict social norms, the investment choice and investment scale of South Korea's OFDI are not affected.

4.4. The Verification Results of the Hypotheses

According to the above empirical results, the verification results of hypotheses can be concluded, as shown in Table 10.

Table 10. The Verification Results of Hypotheses

No.	Validation result	No.	Validation result
H1		Partially Support	
H1-1	Partially Support	H1-2	Support
H1a-1	Support	H1a-2	Support
H1b-1	Not Support	H1b-2	Support
H1c-1	Support	H1c-2	Support
H1d-1	Support	H1d-2	Support
H2		Partially Support	
H2-1	Partially Support	H2-2	Partially Support
H2a-1	Support	H2a-2	Accepted
H2b-1	Support	H2b-2	Accepted
H2c-1	Not Support	H2c-2	Accepted
H2d-1	Not Support	H2d-2	Not Support
H3		Partially Support	
H3-1	Partially Support	H3-2	Partially Support
H3a-1	Not Support	H3a-2	Support
H3b-1	Support	H3b-2	Support
H3c-1	Support	H3c-2	Support
H3d-1	Support	H3d-2	Not Support

5. Conclusion

This study investigates the influences of MNEs' investment motivations and host countries' institutions on the investment choice and investment scale of South Korea's OFDI. According to the analysis results, the influence on the investment scale of South Korea's OFDI is more regular and noteworthy than the influence on investment choice.

The fundamental factors of OFDI significantly affect the investment scale of South Korea's OFDI to the host country. The higher South Korea's macroeconomic level, the higher the trade openness of South Korea, the closer the distance between South Korea and the host country, and when relevant trade agreements are signed with the host country, the stronger the continuous investment capacity of South Korea to the host country will be. Therefore, South Korea should accelerate the development of its own economy, adhere to the opening up to the outside world, and actively sign mutually beneficial trade agreements with host countries. Efforts should also be made to reduce the time and transportation costs of international trade, in order to reduce the negative impact of geographical distance.

The continuous OFDI of South Korea has obvious motivations to seek markets, labor force and superior technology, but there are no obvious motivations to seek natural resources. In fact, South Korea is relatively scarce in natural resources, and many natural resources are only available through imports. In the future, the South Korea's OFDI motivated by natural resources should be strengthened, specifically to alleviate the shortage of domestic resources, to a certain extent.

In reality, OFDI is a transnational economic activity with huge sunk costs. The superior political institutions, economic institutions and legal institutions of host countries signifi-

cantly promote the continuous OFDI of South Korea. Conversely, poor institutions can increase the investment costs and risks of South Korea's OFDI. Therefore, South Korea's OFDI should choose host countries with superior political, economic and legal institutions, while avoiding host countries with inferior institutions.

In addition, the influences of host countries' cultural institutions on South Korea's OFDI are not consistent, possibly because there is no absolute good or bad cultural institution. However, to be specific, South Korea's MNEs still tend to continuously invest in host countries with a high tolerance of future uncertainty, as well as those that are future-oriented and which place an emphasis on reform. It should be noted that if the host country has a culture centralized power, masculinity and fierce competition, that country is likely to attract South Korea's OFDI, but these factors are not beneficial to South Korea's long-term continuous investment.

Due to the constraints of time and personal ability, there are some deficiencies in this study. (1) There are only 93 countries and regions in the sample of this study, due to the lack of some host countries' relevant data. (2) Only the influencing factors of the OFDI of South Korea (a developed country) are discussed in this paper. Discovering whether the conclusions are consistent with other countries and whether the suggestions can be matched with all countries will require further research.

References

Anderson, J. E. (1979), "A Theoretical Foundation for the Gravity Equation", *The American Economic Review*, 69(1), 106-116.

Behera, P., P. Tripathy and B. R. Mishra (2021), "The Directionality of Outward FDI and Its Determinants: Findings from Asian Emerging Countries", *Asian Economics Letters, 3(Early View),* 25378.

Bhasin, N. and K. Kapoor (2021), "Impact of Outward FDI on Home Country Exports", *International Journal of Emerging Markets*, 16(6), 1150-1175.

Bhasin, N. and R. Manocha (2016), "Do Bilateral Investment Treaties Promote FDI Inflows? Evidence from India", *Vikalpa,* 41(4), 275-287.

Chen, J. E., L. Chin, S. H. Law and W. N. W. Azman-Saini (2016), "Outward FDI and Institutional Factors: Malaysian Experience", *Journal of Emerging Economies and Islamic Research,* 4(3), 37-48.

Cieślik, A. and G. H. Tran (2019), "Determinants of Outward FDI from Emerging Economies", Equilibrium, *Quarterly Journal of Economics and Economic Policy,* 14(2), 209-231.

Hailu, M. B. and Z. Yihdego (2018), "The Law and Policy of Foreign Investment Promotion and Protection in Ethiopia: An Appraisal of Theories, Practices and Challenges", *Ethiopian Yearbook of International Law,* Springer, Cham, 2017, 13-47,

Heckman, J. J. (1979), "Sample Selection Bias as a Specification Error", *Econometrica: Journal of the Econometric Society,* 47(1), 153-161.

He Y. and K. Xu (2018), "Study on the Effect of the Economic Institutions of Countries Along the Belt and Road on Chinese Outward Foreign Direct Investment", *Journal of International Trade*, 1, 92-100.

Hofstede, G. (1993), "Cultural Constraints in Management Theories", *Academy of Management Perspectives*, 7(1), 81-94.

Hong, E., I. H. I. Lee and S. Makino (2019), "Outbound Foreign Direct Investment (FDI) Motivation and Domestic Employment by Multinational Enterprises (MNEs)", *Journal of International Management*, 25(2), 100657.

Jia, W. and F. Qin (2015), "The Impact of R&D Investment on the Export of Agricultural Enterprises: An Analysis Based on Micro Data", *International Economic and Trade Research*, 10, 28-38.

Kang, Y. M., X. Q. Zhu and X. L. Li (2019), "The Analysis of Threshold Effect on Institutional Quality and China's the Foreign Trade: Based on the Panel Data of Countries Along 'the Belt and Road'", *On Economic Problems,* 4, 117-122.

Kristjánsdóttir, H. and F. B. Karlsdóttir (2020), "UK Foreign Direct Investment in the OECD", *Culture and Geography. Baltic Journal of Economic Studies*, 6(5), 8-14.

Kayalvizhi, P. N. and M. Thenmozhi (2018), "Does quality of Innovation, Culture and Governance Drive FDI?: Evidence from Emerging Markets", *Emerging Markets Review*, 34, 175-191.

Li, J. L., S. Park and W. L. Liu (2020), "Research of the Impact on Chinese FDI from China-US Trade Conflict's Key Factors: Based on Heckman Two-stage Selection Model", *Korea Research Association of Global Trade & Management*, 20, 43-68.

Li, J. X. (2014), *The Research on Effects of Chinese Enterprises' OFID on Macro-economy in Home Country*, Doctoral dissertation, Nankai University.

Liu, M., J. S. Liu and P. S. Li (2016), "Investment Motivations of Home Country, Institutions of Host Country and Location Choice of Enterprises' OFDI", *Inquiry Economic Issues,* (8), 100-112.

Lu, J. L., J. D. Sun and S. Z. Feng (2022). "Sample Selection Bias and Gender Wage Gap", *China Journal of Econometrics*, 2(2), 341-361.

Mazouz, K., G. Wood, S. Yin and M. Zhang (2021), "Comprehending the Outward FDI from Latin America and OCED: A Comparative Perspective", *International Business Review,* 30(5), 101853.

Megbowon, E., C. Mlambo and B. Adekunle (2019), "Impact of China's Outward FDI on Sub-Saharan Africa's Industrialization: Evidence from 26 Countries", *Cogent Economics & Finance*, 7(1), 1681054.

Miniesy, R. S. and E. Elish (2016), "Is MENA Different? An Investigation of the Host Country Determinants of Chinese Outward Foreign Direct Investment", In *Economic Research Forum Working Papers* (No. 1024).

Mohanty, S. and N. Sethi (2019), "Outward FDI, Human Capital and Economic Growth in BRICS Countries: An Empirical Insight", *Transnational Corporations Review*, 11(3), 235-249.

Papageorgiadis, N., F. McDonald, C. Wang and P. Konara (2020), "The Characteristics of Intellectual Property Rights Regimes: How Formal and Informal Institutions Affect Outward FDI Location", *International Business Review,* 29(1), 101620.

Piperopoulos, P., J. Wu and C. Wang (2018), "Outward FDI, Location Choices and Innovation Performance of Emerging Market Enterprises, *Research Policy*, 47(1), 232-240.

Rao, S. and Q. Zhang (2019), "Macro-economic Effects of Inward and Outward FDI in Canada", *Transnational Corporations Review*, 11(1), 80-96.

Ren, X. Y. and S. L. Yang (2016), "Empirical Research on Factors Affecting Outward Foreign Direct Investment Location Choice—Based on the Perspective of Investment Motivation", *Forecasting,* 35(3), 32-37.

Shah, M. H. (2018), "Bilateral Investment Treaties and Multinational Investors: Evidence from FDI in the MENA States", *Paradigms,* 12(1), 94-102.

Tang, R. W. (2021), "Pro-market Institutions and Outward FDI of Emerging Market Firms: An Institutional Arbitrage Logic", *International Business Review*, 30(3), 101814.

Tolentino, P. E. (2010), Home Country Macroeconomic Factors and Outward FDI of China and India,

Journal of International Management, 16(2), 102-120.

Wang, W. J. (2016), *Analysis of Chinese Logistics Industry's Outward Foreign Direct Investment Location Layout,* Doctoral dissertation, University of International business and Economics.

Zhang, T., J. J. Wang and Y. Wang (2022). "The Impact of Blockchain Enabling Supply Chain Finance on Farmers' Financing Behavior: A PSM-DID Analysis based on Heckman Model", *Finance Economy*, 05, 63-76.

Zheng, Z. P. (2012), "Literature Review Found in Research on Chinese Foreign Direct Investment", *Journal of Capital University of Economic and Business*, 6, 97-103.

Xiang, J. J. (2015), *A Study on the Determinants and Effects of China's OFDI -- From the Perspective of Investment Motivation,* Doctoral dissertation, Wuhan University.

Yan, D. Y. (2013), "Location Choice of China's Outward FDI Firms and the Decisive Factors", *Journal of International Trade,* 7, 128-135.

Yang, Y. P. and T. T. Li (2018), "Business Environment and Outward FDI Location Selection of Chinese Enterprises", *Industrial Economic Review,* 9(3), 127-147.

Yang, Z. and Q. Q. Meng (2016), "The Effect of BIT on Chinese Outward Foreign Direct Investment —An Empirical Study based on China OFDI Data in 2005-2014", *Journal of Guangxi University of Finance and economics,* 29(6), 39-48.

Zhang, H. (2019) Institutional Distance, Investment Motivation and OFDI Location—Taking the Countries along the "Belt and Road" as an Example. *Open Journal of Social Sciences*, 7, 118-131.

Zhou, Q. (2018), *A Study on the Impact of Business Environment on Chinese Enterprises OFDI: Based on the Perspective of Investment Motivations*, Master's thesis, Nanjing Audit University.

Zhou, J., L. M. Zhang and Y. Ge (2015), "Impact of Institutional Environment on China's OFDI: A Study from Perspective of Heckman Two Stage Model Analysis", *International Business*, (1), 104-113.