

**Outward foreign direct investment by emerging economies: a
bibliometric study.**

by

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Bibliographical note

Sylvie Ferreira da Silva was born on 6th August 1991, in Esch-sur-Alzette (Luxembourg). Finished High School in 2010 and moved to Portugal the same year to compete for the “Concurso Nacional de Acesso ao Ensino Superior”.

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Abstract

The aim of this dissertation is to study outward foreign direct investment (OFDI) by emerging economies, through a thorough bibliometric analysis. The rise of emerging countries as global players in the foreign direct investment (FDI) scene is one of the issues that has recently attracted more attention by academics and policy-makers. Emerging market multinational enterprises (EMNEs) are gaining prominence in this regard, given their bold and aggressive investments. FDI originating in emerging countries has notoriously been increasing, targeting both developed and developing economies, notably with high profile acquisitions.

This dissertation includes two complementary parts: first, a thorough literature review is presented. This includes establishing a relevant theoretical background and a review of the main issues concerning OFDI by emerging economies (general characterization, geographical and sectorial patterns, the influence of state-owned enterprises (SOEs), among other topics). The second main part offers a bibliometric study of OFDI by emerging economies, focused on three main sections: (i) general description of the literature (main contributors, publication outlets, key themes, chronological evolution, among other aspects); (ii) roots of the literature; (iii) the influence or impact of this literature (analyzing thoroughly the citations of the works under scrutiny).

Keywords: emerging economies, outward foreign direct investment, state-owned enterprises, bibliometric analysis.

Resumo

O objetivo deste trabalho é estudar o investimento direto estrangeiro (IDE) proveniente das economias emergentes, através de uma análise bibliométrica exaustiva. A ascensão dos mercados emergentes como atores globais no panorama do IDE é uma das questões que tem atraído recentemente mais atenção por parte de académicos e decisores de políticas. As empresas multinacionais provenientes de economias emergentes estão a ganhar destaque, tendo em conta os investimentos ousados e agressivos realizados nos últimos anos. O IDE com origem nos países emergentes tem aumentado significativamente, tendo como alvo tanto países desenvolvidos como países em vias de desenvolvimento, nomeadamente através de aquisições de elevado perfil.

Esta dissertação compreende duas partes principais. Em primeiro lugar, é realizada uma revisão da literatura (após o estabelecimento de uma base teórica, apresenta-se uma caracterização geral da expansão internacional de empresas multinacionais com origem em países emergentes, padrões geográficos e setoriais, uma análise das principais motivações para o IDE, um escrutínio da influência de empresas estatais, entre outros). Na segunda parte é desenvolvido um estudo bibliométrico do IDE no exterior realizado por economias emergentes, focando três temas: (i) descrição geral da literatura (principais autores, tipo de publicações, temas mais relevantes, evolução cronológica, entre outros aspetos); (ii) análise das raízes, i.e., das origens da literatura pertinente; (iii) a influência ou impacto desta literatura (analisando as respetivas citações).

Palavras-chave: economias emergentes, investimento direto estrangeiro, empresas estatais, análise bibliométrica.

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List of Abbreviations

ASEAN: Association of Southeast Asian Nations

BRIC: Brazil, Russia, India, and China

CIS: Commonwealth of Independent States

EMNE: emerging multinational enterprise

FDI: foreign direct investment

GDP: Gross Domestic Product

IDE: Investimento direto estrangeiro

IDP: investment development path

IFDI: inward foreign direct investment

IMF: International Monetary Fund

M&A: merger and acquisition

MNE: multinational enterprises

OFDI: outward foreign direct investment

OLI: ownership-location-internalization

POE: private-owned enterprise

SCE: state-controlled enterprise

SOE: state-owned enterprise

SO-MNE: state-owned multinational enterprise

SWF: sovereign-wealth fund

TNC: transnational corporation

USA: United States of America

WEO: World Economic Outlook

Introduction

Foreign direct investment (FDI) is commonly accepted as a key driver of economic development, given its potential contribution to the transfer of capital, know-how, technology and other resources (OECD, 2008; 2013). Since the early 1980s, FDI flows have been rapidly increasing all over the world due factors such as economic growth and investment liberalization, and in later years such flows increased especially in developing and transition economies (Dunning and Narula, 1999; UNCTAD, 2014).

Emerging economies¹ established themselves in the last decades as key players in the world economy, notably as recipients of inward FDI (IFDI) and more recently as outward investors (Al-Sadig, 2013; UNCTAD, 2015). The growing importance of outward FDI (OFDI) by emerging markets through state-owned (SOEs), state-controlled (SCEs) or private-owned enterprises (POEs) raises highly relevant economic and geopolitical issues (Sauvant and Strauss, 2012). Thus, the emergence of developing economies among the leading investors all over the world is attracting considerable academic and policy-making interest. Moreover, multinational enterprises (MNEs) from advanced countries compete aggressively against emerging countries' MNEs (EMNEs), facing often great competitive threats from those emerging giants (Kothari, Kotabe and Murphy, 2013). Developed economies are losing ground in terms of their share of worldwide OFDI flows, as emerging economies are gaining importance, with their FDI outflows increasing from 12,7% in 2007, to 28% in 2011 and 39,2% in 2013 of the world total (UNCTAD, 2014).

The motivation for this dissertation comes thus from the considerable relevance of the topic and the lack of organized and comprehensive literature on the theme.

This dissertation contains two key parts, corresponding to two main and complementary objectives, and two key and relevant contributions of this work. The first part, after a brief theoretical background enabling to understand firms' outward FDI, consists of a comprehensive and thorough literature review on outward FDI from emerging economies. To the best of our knowledge, this is at least one of the most

¹ In this dissertation the terms country and economy are used to designate territories or areas.

complete literature reviews on the topic. The second part conducts a rigorous bibliometric analysis of the literature on OFDI by emerging economies, being also an innovative endeavor, as a bibliometric treatment of the literature of OFDI in emerging economies was never undertaken.

Characterizing in more detail the first part, it starts by presenting a synthetic theoretical background enabling to understand MNEs' international expansion, covering the motivations for international expansion and theories and frameworks such as the Uppsala framework (permitting to understand the internationalization process of each firm), the eclectic paradigm or ownership-location-internalization (OLI) framework (helping to establish under which conditions MNEs undertake FDI – or choose other entry modes) and the Investment Development Path (IDP) (allowing to understand the position of the country *vis-à-vis* inward and outward FDI). This is followed by a comprehensive review of the literature on OFDI by emerging economies, starting by providing a general characterization of the phenomenon, then presenting the motivations why EMNEs venture abroad, then the geographical patterns and sectors that characterize OFDI originating in emerging economies. The last point in this literature review refers to the support to OFDI by emerging countries' governments.

Beyond this thorough literature review, this dissertation includes a bibliometric analysis of all the literature that could be gathered through available bibliographic databases. Bibliometric techniques are employed to achieve three main aims:

- (i) to provide a general characterization of the literature (identifying the main authors writing about the topic, the main journals where publication took place, the main studied countries and a chronological evolution of the topic) ;
- (ii) to study the roots of the literature;
- (iii) to study the influence (or impact) of the literature, through an analysis of the respective citations.

This dissertation ends with the relevant concluding remarks, list of references and annexes.

Chapter 1: Literature Review

The first chapter (as just described) undertakes a thorough literature review concerning outward FDI by emerging economies, focusing on the main issues of the existing literature on that topic.

This chapter is organized as follows. The first section presents a theoretical background to understand the process of internationalization by firms, the choice of FDI, and the position of countries in terms of their inward and outward FDI flows, allowing thus to support the subsequent literature review specific to the topic chosen. The second section is dedicated to a general characterization of outward FDI from emerging markets. Section 3 highlights the main motivations for EMNEs' international expansion. Then, the subsequent section presents the main patterns in geographical terms. Furthermore, the main targeted sectors are analyzed in section 5 and finally the last section is devoted to the governmental support given to EMNEs.

1.1. Theoretical background

This background presents and discusses synthetically relevant theories concerning internationalization and motivations for international expansion, namely the Uppsala framework presented by Johanson and Wiedersheim-Paul (1995), the main motivations for international production presented by Dunning and Lundan (2008), the OLI paradigm proposed by Dunning (1977) and the Investment Development Path also introduced by Dunning (1981). These theories and frameworks help to frame the issue of OFDI in general and by EMNEs in particular.

1.1.1. Uppsala framework

The Uppsala framework aims to explain the internationalization process of a firm. This framework was developed in the second half of the 1970s at the University of Uppsala in Sweden (Johanson and Wiedersheim-Paul, 1975; Johanson and Vahlne, 1977), is

based on an empirical study on four Swedish enterprises and argues that firms take gradual steps when internationalizing. This framework explains the incremental process of internationalization, as well as the progressive commitment to foreign markets.

According to the Uppsala framework, firms go gradually abroad, starting usually with exports. In an initial phase, enterprises might have various motivations to venture abroad (proactive and/or reactive ones). Growth, profit, economies of scale and tax benefits are some of the proactive reasons to undertake OFDI. According to Deng and Yang (2014), firms may invest abroad to get access to economies of scale and scope, like the case of investors from India, China and Singapore (Park and Estrada, 2009; Kim and Park, 2014). On the other hand, competition and saturation in the domestic market, proximity to international customers and increase of production are considered reactive motives. A few firms decide to internationalize to escape their home countries' institutional environments, as the case of some Indian EMNEs (Witt and Lewin, 2007; Gammeltoft, 2008; Park and Estrada, 2009; Peng and Parente, 2012). Some authors believe that Chinese investments are interested in countries with weak institutional systems, particularly with high political risk (Buckley, Clegg, Cross, Liu, Voss and Zheng, 2007); others consider that Chinese multinationals are attracted to resource abundant countries (Cheung and Qian, 2009).

The Uppsala framework presents a gradual commitment to foreign markets, usually following a sequential and successive process divided in four steps: sporadic exports, exports through agents, commercial and productive subsidiaries (Figure 1).

Figure 1: Uppsala framework in four steps



Source: Own elaboration

Each step represents a growing commitment to the market, as well as a cumulative experience. Irregular exports barely have impact on the firms' strategy but represent the first contact with the foreign market. Furthermore, exports through agents

increase the amount of information about the foreign market, as well as the commitment to the market. The third step in the incremental internationalization process signifies an even higher commitment to the market, by controlling directly the source of information and increasing the decision taking of the firm. At this level there are already some risks and costs involved, given the higher involvement. The final step, creating a productive subsidiary, embodies the highest level of commitment from the firm to the foreign market. At this stage, the firm exercises total control of the foreign subsidiary and has completed the internationalization process, according to the Uppsala framework (Johanson and Wiedersheim-Paul, 1995; Johanson and Vahlne, 1977).

Following this succinct explanation concerning the Uppsala framework, it is imperative to present a comprehensive analysis of the various motivations and reasons that drive companies to venture abroad, be it through an incremental process (Uppsala framework) or aggressive internationalization. Subsequently, the next section is devoted to present the main motivations regarding EMNEs' international expansion.

1.1.2. Motivations for international expansion

As described in the previous section, firms can adopt various strategies to internationalize. MNEs can also embrace different motivations to venture abroad, sequentially or simultaneously. One firm can have distinct drivers to venture abroad and the latter can vary during the internationalization process. Subsequently, MNEs are not homogeneous and the motivations vary depending on the firms and the countries (Park and Estrada, 2009). According to Dunning and Lundan (2008), there are four main motivations for international production: market-seeking, resource-seeking, efficiency-seeking and strategic asset-seeking, presented in Figure 2.

Figure 2: Main motivations for international production



Source: Own elaboration

Enterprises have a market-seeking motivation when their aim is to explore new and/or larger markets. The selection of the markets relate to the sales potential, as well as the growth and dimension of the markets, presence of attractive customers and their demand. Furthermore, market-seeking might be suitable to avoid export barriers, to adapt products to the local markets and to get access to other national or regional markets. Dunning (1993) argues that government regulations and transportation costs are the principal motivations behind market-seeking. Consistent with Mowla, Hoque, Mamun and Uddin (2014), if this is the leading motivation, firms tend to invest in host markets that are large and with significant potential. For instance, it has been argued that Malaysian EMNEs are investing abroad to get access to larger markets, to have better access to host and neighboring countries (Goh and Wong, 2011). It has been also defended that “in addition, due to intense domestic competition and market dominance by some powerful players, EMFs² are often unable to obtain sufficient market shares at home” and therefore they might escape to avoid the market constraints at home (Deng and Yang, 2014: 170)

Resource-seeking is used to get easier access to cheaper or scarce resources – e.g. minerals, raw materials and agricultural products. Consistent with Dunning (1993), in the nineteenth century, resource-seeking was the most usual motivation, although many companies had already invested abroad with market-seeking drivers. Firms might

² Emerging market firms

be motivated by the close access to raw materials, as well as their constant supply. According to Kolstad and Wiig (2009), Chinese multinationals are targeting their investments to Africa to get easier access to raw materials. On the other hand, inexistent resources in the home country together with cheap labor costs are part of this motivation. According to the World Investment Report, Asian EMNEs focus their investments in Africa to get access and secure the supply of natural resources (UNCTAD, 2014).

As Dunning and Lundan (2008) emphasize, efficiency-seeking aims to reduce communication, transportation and coordination costs. So, firms seek to explore profits associated to economies of scale and scope, and diversify risks. Blomström and Kokko (1998) argue that EMNEs engage in OFDI to profit from economies of scope and scale, because they can grow better when shifting the production to several host countries, than it would be possible if the production was restricted to the home country. Following this, enterprises seek to optimize their overall efficiency by transferring their value-added activities to host countries with more advantageous conditions.

Additionally, firms might pursue a strategic asset-seeking motivation. They are motivated by the acquisition of important resources sometimes inexistent in the home market, as well as the exploitation of market imperfections. Acquisitions and joint ventures enable the access and acquisition of important resources, such as strategic assets, know-how and relevant information. Subsequently, it is believed that Chinese and Indian MNEs undertake international investments to acquire know-how and strategic assets, especially in developed countries (Luo and Tung, 2007; Lorenzen and Mudambi, 2012).

Besides those four main motivations to undertake OFDI, other reasons may be relevant, such as the escape from politically uncertain countries and the acquisition of higher profits (Kreinin, 2006; Witt and Lewin, 2007; Park and Estrada, 2009; Peng and Parente, 2012), Firms may have several motivations to venture abroad and they might vary along the internationalization process.

Subsequently, the firms' characteristics to venture abroad have to be studied. Some enterprises have intrinsic characteristics (or advantages) that allow them to internationalize and compete abroad. In other cases, they might not have specific advantages, which permit a successful internationalization process. The subsequent

section is dedicated to countries' and firms' characteristics, which should be taken into account simultaneously, in order to understand how firms approach and are competitive in international markets.

1.1.3. OLI

The Ownership-Location-Internalization (OLI) framework or eclectic paradigm of international production first developed by Dunning (1977) inspired a large amount of academic papers, being a leading framework in the FDI, MNEs and internationalization literature. This framework associates countries' characteristics to firms' competitive advantages, assuming that firms engage in FDI only if three conditions are simultaneously satisfied, notably the presence of three types of advantages: ownership (O), location (L) and internalization (I) advantages (Dunning, 2001; Dunning and Lundan, 2008). According to Dunning, three conditions have to be simultaneously fulfilled; the company must possess ownership advantages *vis-à-vis* firms from host countries, the firm has to benefit from the internalization of specific advantages rather than to rely on the market to pass them to host firms and there have to be location advantages when using the companies' ownership advantages in a host country.

Ownership (O) advantages are firm-specific advantages related to the holding of certain assets (such as privileged access to markets, resources, ownership of technology, scale economies, among others). The author distinguishes between two different kinds of ownership advantages. First, those arising from the proprietary ownership of particular assets of the company (asset-based ownership O_a), which can be internalized or not, depending on the firm's decision. Second, the transaction-based advantages (O_t), that arises due to the experience of the multinational in conducting international transactions and operations.

Secondly, there must be location (L) advantages associated to a specific location, compared to the country of origin (Dunning, 2001), like larger markets, less taxes, reduced transportation and communication costs, linguistic, political and cultural proximity and favorable governmental policies concerning FDI. Without these advantages, it is not desirable to venture abroad, since it is possible and more

advantageous to develop the activity of the MNE in its home country (Dunning, 2001; Fonseca, Mendonça and Passos, 2007).

Finally, the third condition that must be satisfied for a firm to engage in FDI according to the eclectic paradigm is the presence of internalization (I) advantages. The firm has to benefit from the internalization of those advantages, rather than relying on the market. The latter assumes that market imperfection is a driver for foreign investments. In this case, firms prefer investing abroad instead of relying on exports or licensing (Dunning, 2001).

If those three conditions are instantaneously satisfied, then a firm should venture abroad, in order to expand. However, the OLI advantages of the firms in a specific country might vary according to the country's development (Dunning, 2001). Consistent with Dunning (1981), countries go through different stages of development, which leads us to the Investment Development Path described in the following subsection.

1.1.4. Investment Development Path

According to the Investment Development Path (IDP) first introduced by Dunning (1981) and later refined by him and other authors, countries go through five stages of development. This framework associates the country's level of development, proxied by Gross Domestic Product (GDP) per capita, and the country's international investment position, defined as the net FDI, i.e., the difference between OFDI stock and IFDI stock (Dunning, 1981; Buckley and Castro, 1998; Fonseca *et al.*, 2007). The tendency for enterprises to internationalize depends on the characteristics of the firm's home country and the potential host country (Dunning, 1981). Following this, the IDP framework assumes that along the five stages the OLI paradigm changes, the country evolves from an inward recipient to an outward investor (Dunning, 1981; Fonseca *et al.*, 2007).

At stage 1, the country is at pre-industrialization phase and there is no significant inward and outward FDI because location and ownership advantages are limited (Buckley and Castro, 1998; Dunning, 2001; Fonseca *et al.*, 2007). At this stage, domestic markets are small, workforce is modest, infrastructures are inadequate and the

political and economic environment is unstable. At stage 1, only resource rich countries are able to attract FDI (Dunning 1981; Buckley and Castro, 1998; Fonseca *et al.*, 2007).

The increase of location advantages leads to the second stage, where inward FDI stock rises faster than GDP and exceeds outward FDI, since there is a lack of ownership advantages. At this stage, FDI targets mainly infrastructures and natural resources (Buckley and Castro, 1998; Fonseca *et al.*, 2007). As countries move up the development stages, firms' OLI advantages also change, i.e., MNEs might increase their advantages to venture abroad (Dunning, 1981).

The third stage of the IDP framework is characterized by an increase in outward FDI and a slowdown in inward FDI. Hence, it can be said that it concerns the current stage of several emerging economies. Furthermore, ownership advantages begin to rise and the domestic firms become more competitive. MNEs start to invest abroad in less developed economies seeking resources and in more developed countries seeking new markets and strategic assets (Buckley and Castro, 1998). In this intermediate stage, the government's role is still relevant, "promoting an increasing integration of local and foreign companies, which minimize the delocalization risks" and promoting fiscal incentives to attract FDI (Fonseca *et al.*, 2007: 6).

At stage four, outward FDI already exceeds inward FDI because of the rise of ownership advantages. Efficiency-seeking, strategic asset-seeking and market-seeking are the main motivations for outward investments (Dunning and Lundan, 2008). Location advantages are in this stage based on created assets (skilled labor, sophisticated markets, etc.). Moreover, the government "has to ensure competition among national and foreign companies and to suppress the existing market failures" (Fonseca *et al.*, 2007: 7). Finally, Dunning claims that the 5th stage of IDP framework is related to developed economies, where inward and outward FDI are equal and present high levels (Dunning, 2001). Following this, FDI will depend more on the location advantages and the created assets of MNEs.

Narula and Guimón (2010) related the IDP to the topic of evolving motivations of inward and across outward FDI, as presented in the Figure 3 below.

Figure 3. Evolving motivations of inward and outward FDI across the IDP

IDP stage	IFDI	OFDI
I	Little IFDI initially. As L advantages improve, resource based motives, and market seeking later.	Very little OFDI. Mainly minor strategic investments and capital flight.
II	Growing presence of market-seeking FDI, which may attract some labour-intensive manufacturing.	Little OFDI. Some resource- and market-seeking investment in other developing countries; some 'escape' investment to developed countries; mostly natural resource investment or light manufacturing employing established technologies.
III	Raising inward FDI, market-seeking and increasing efficiency-seeking FDI in manufacturing, even in activities supplying more sophisticated products for domestic markets, or requiring more skilled labour.	Growing OFDI. All kinds of investment including efficiency-seeking and some asset augmenting investment; mass-produced differentiated consumer goods, e.g. electrical products, clothing; more service investment, e.g. construction, banking.
IV & V	Increasingly market-seeking, efficiency-seeking and asset-augmenting investment	Increasingly efficiency-seeking and asset-augmenting investment; regional and global; more M&As and alliances; investment in knowledge-intensive sectors, e.g. ICT, biotechnology, and high value-added services, e.g. consultancy.

Source: Narula and Guimón, 2010

According to the main theories related to MNEs' internationalization, firms pass through different steps before investing abroad. They increase their interaction with the host countries by engaging in stronger commitments to the latter, according to the Uppsala framework. Moreover, the IDP framework explains how enterprises are developing over the time by augmenting their inward and outward investments. Over the years, they have been gaining firm specific advantages and using them to compete in a more global market (Buckley, Forsans and Munjal, 2012; Rugman and Nguyen, 2014). More frequently, EMNEs are becoming relevant in a global context and given their accelerated investments (Deng, 2012). Following this, and after having examined the Uppsala framework, the main motivations, the OLI and the IDP paradigm, which enabled the backing up of international expansion from developed and developing countries MNEs, a thorough literature review about emerging economies' OFDI is presented in the following sections. The next subsection, presents a general characterization of emerging economies and their bold investments in host countries.

1.2. OFDI by emerging economies: Characterization

1.2.1. Defining key concepts: FDI and emerging economies/countries

Before presenting this characterization, it is indispensable to define two crucial concepts: FDI and emerging countries.

According to the Organization for Economic Co-operation and Development (OECD, 2013)³,

“FDI is defined as cross-border investment by a resident entity in one economy with the objective of obtaining a lasting interest in an enterprise resident in another economy. The lasting interest implies the existence of a long-term relationship between the direct investor and the enterprise and a significant degree of influence by the direct investor on the management of the enterprise. Ownership of at least 10% of the voting power, representing the influence by the investor, is the basic criterion used.”

Regarding the definition of emerging economies, and the related differentiation between emerging and developing economies, it is difficult to find an exact and reliable definition. According to the Forbes Magazine (2010), definitions vary widely and they are called “emerging” because they are neither developing nor developed. Although we use often “emerging economies” in this dissertation, to be able to define them, we need to adopt the perspective of “emerging countries” to find a convincing definition.

Consistent with the World Bank (2015), emerging countries are transitioning from developing to advanced economies. Hence, as the term is not precisely defined, it is even harder to get a list of all emerging countries. The few available lists have different rankings, although most countries exhibit a common status. Following this, the World Economic Outlook (WEO) from the International Monetary Fund (IMF) of April 2015 seems to be the most reliable and clear source for this classification, thus being the one

³ Accessed on <http://www.oecd-ilibrary.org/sites/factbook-2013-en/04/02/01/index.html?itemId=/content/chapter/factbook-2013-34-en> (no page number available).

adopted in this dissertation. According to this report, 76 countries are classified as emerging markets (see Annex 1).

1.2.2. Characterization of OFDI flows by emerging economies

FDI flows have been massively increasing in the last decades, be it from developed economies or developing and emerging countries (UNCTAD, 2014; 2015). Advanced economies were until recently the major recipients of IFDI, but since 2012, investments towards developing economies exceeded the latter with 54,8% of the world total inflows (UNCTAD, 2014). It is noteworthy how inward flows in developed countries dropped suddenly from 51,8% in 2011 to 40,6% of the world total in 2014, whereas IFDI to developing and emerging economies has been growing remarkably in the same period (UNCTAD, 2014; 2015).

According to the World Investment Report (several issues published in recent years), outward flows originating in developing and transition countries have been growing dramatically whilst the ones in advanced economies have been dropping (UNCTAD, 2014; 2015). Following this, developing economies held only 3% of the OFDI world share in the period of 1978 to 1980, raising up to 12,7% in 2007 and counting for approximately one third (34,6%) in 2014 (UNCTAD, 2008; 2014; 2015). Considering also transition economies, together with the developing countries they account for 39,3% of the world FDI outflows in 2014. East and South-East Asia is the largest region of OFDI from developing economies with 28,3% and China as main origin, followed by Latin America (Brazil, Mexico and Chile as main origins) (UNCTAD, 2014; 2015).

Furthermore, OFDI from East Asian economies has been rising faster than their inward FDI, trade and economic growth (Dunning and Narula, 1999; Hill and Jongwanich, 2014). Following this, OFDI by emerging economies is not completely in line with the Investment Development Path presented by Dunning in 1981, since emerging countries' outward FDI is raising faster than IFDI, as for example the case of Malaysian OFDI (Goh and Wong, 2011). China is the main outward investor from emerging economies and the third largest investor in the world (Si, Liefner and Wand, 2013; Deng and Yang, 2014). The emergence of developing countries as important

global players is due to the increase of open outward and inward investment regimes in their home countries (Hill and Jongwanich, 2014). As for Malaysia, outward FDI began to increase considerably in the 1990s and since 2007 its OFDI is larger than its inward FDI, transforming Malaysia from a FDI recipient to an exporter (Goh and Wong, 2011). Subsequently, these emerging economies can be considered at the fourth stage of the IDP, given their huge OFDI levels and location advantages. OFDI has been growing faster than inward FDI, which can be explained by the fact that there are a lot of restricted sectors in developing and emerging economies regarding FDI (Hill and Jongwanich, 2014).

This recent phenomenon has been attracting an exponential amount of attention, due to the aggressive internationalization of EMNEs (Deng, 2012) and therefore concerns not only emerging economies but also the developed ones (Gammeltoft and Kokko, 2013). Unlike MNEs from developed countries, which, in a first wave, went through slow and incremental internationalizations, EMNEs have to act quickly since they are no more protected at home, due to market liberalization (Bonaglia, Goldstein and Mathews, 2007). Hence, EMNEs do not increase gradually their commitment to the host countries. So, their internationalizing process cannot be considered as incremental, like the Uppsala framework, in contrast to their advanced counterparts. According to Mathews (2006), companies from developing economies are not passive observers, i.e., they are shaping their own future thanks to the globalization and may be called as latecomer MNEs. Those latecomers capture other kinds of advantages, like those associated with the simple fact of being late, i.e., easier access to linkage and leverage of knowledge and the use of prior connections (Bonaglia *et al.*, 2007). Furthermore, EMNEs are believed to use the “gestalt switch”⁴, i.e., they change quickly from domestic companies to global key players, stepping automatically into the world with a global outlook (Bonaglia *et al.*, 2007).

EMNEs’ international expansion is different from the one of developed countries’ MNEs because the accelerated internationalization is made through organizational innovation and not that much through technological innovation (Mathews, 2006; Buckley *et al.*, 2007; Mathews and Zander, 2007; Deng, 2012; Kothari *et al.*, 2013).

⁴ According to Bonaglia *et al.* (2007), a firm executes a “gestalt switch” when it suddenly changes from a domestic to a global player. Such a firm makes its first step into the world and not into a foreign country. In order to do so, it needs to own a global perspective.

According to Gammeltoft *et al.* (2010), nowadays EMNEs are equipped with more sophisticated organizational structures that allow them to compete with MNEs. Consistent with Ribeiro, Miranda, Borini and Bernardes (2014), the few studies on accelerated internationalization are quite new. However certain factors seem to be crucial drivers and this comprises both internal and external factors (Zahra and George, 2002; Knight and Kim, 2009). As for the internal factors, it is believed that the ownership of distinctive assets accelerates the internationalization process of MNEs (Rialp, Rialp and Knight, 2005). Concerning external factors, the size of the host and the home country, as well as the State's support and existing relationships seem to have great influence and support the aggressive and accelerated investments of EMNEs abroad (Bloodgood, Sapienza and Almeida, 1996; Bell and McNaughton, 2000; Gabrielsson, Sasi and Darling, 2004; Coviello, 2006). Moreover, those aggressive investments originate not only from large economies such as the BRIC countries (Brazil, Russia, India and China), but also from smaller economies originating in Africa, Asia and Latin America (Goldstein, 2007).

Furthermore, it is believed that EMNEs are unique due to their country of origin (Cuervo-Cazurra and Genc, 2011; Ramamurti, 2012). In addition, companies from emerging markets tend to be involved in large and global acquisitions (Deng, 2012). According to Si, *et al.* (2013), EMNEs are involved in large investments all over the world and not only in developing countries. Acquisitions are the best, fastest and most common approach and enable the transfer of strategic assets, so this can be a major motivation for the prevalence of important acquisitions in OFDI of emerging economies (Gammeltoft, Pradhan and Goldstein, 2010; Deng, 2012). Moreover, acquisitions are one of the favorite entry modes of EMNEs in order "to overcome made-in [...] image, credibility issues and quality concern" (Si *et al.*, 2013; Mowla *et al.*, 2014: 148). In order to compete successfully with domestic firms, EMNEs should own some advantages to offset the liability of foreignness (Hymer, 1976; Zaheer, 1995; Kostova and Zaheer, 1999; Gammeltoft and Kokko, 2013). The latter can be explained as barriers like geographical, cultural, psychological, institutional distance (Berry, Guillen and Zhou, 2010; Chang, 2011), i.e., the disadvantages latecomers face and the costs of doing business that companies from emerging countries face when internationalizing (Zaheer, 1995). According to Johanson and Mattsson (1988), latecomer MNEs benefit

from existing networks and prior international connections, in order to get easier access to international markets and to internationalize faster.

Consistent with Si, *et al.* (2013), a considerable number of EMNEs are scarce on competitive advantages, such as technological and managerial ones, indispensable for the survival of EMNEs in advanced countries, i.e., some EMNEs are not equipped with firm-specific advantages. Some authors consider that firms from developing countries are mainly equipped with country-specific advantages, such as the access to resources or social networks (Si *et al.*, 2013). Additionally, it is believed that EMNEs are not as strong as developed countries' MNEs in technology-based ownership advantages, since the institutional environment is weaker in developing countries (Luo and Tung, 2007; Ramamurti, 2008; Rugman, 2010). Firms from emerging economies are also usually characterized by limited ownership assets, such as technology and know-how, and limited managerial and organizational capabilities (Rugman and Li, 2007; Ren, Liang and Zheng, 2012; Gammeltoft and Kokko, 2013).

EMNEs are at a disadvantage compared to their counterparts from more advanced countries, due to weaker bargaining power, lack of technological or brand name advantage and international experience (Hitt, Dacin, Levitas, Arregle, Borza, 2000; Hill and Kongwanich, 2014). For many years, EMNEs were manufacturing low-cost products to developed economies, “often repackaged with known international names”, though in recent years EMNEs are “investing in their own brands” (Kothari *et al.*, 2013: 294). Furthermore, some companies own limited skills and know-how before internationalizing and sometimes they are not close to major markets and lack social capital (Mathews, 2006). Moreover, EMNEs are in disadvantage over MNEs from advanced countries because of the “country of origin” effect (Amal, 2011). According to Thanasuta, Patoomsuwan, Chaimahawong and Chiaravutthi (2009), products originating in developed economies are seen with better technology and quality and are therefore superior.

Therefore, EMNEs need to catch up with firms from advanced countries by developing innovative capabilities, i.e., “via a series of aggressive, risk-taking measures by acquiring critical assets from mature MNCs⁵ to compensate for their competitive weakness or by organically building these resources in-house” (Kothari *et al.*, 2013:

⁵ Multinational corporations

278). On the other hand, they are better prepared to negotiate in developing countries because they have greater familiarity with their unregulated markets, culture, environment and ways of doing business (Bhaumik and Driffield, 2011). Furthermore, EMNEs investing in other developing economies are able to produce goods and services, which are appropriate to the customer's needs (Hassan and Masron, 2011). However, developing countries are not homogeneous, i.e., they have not on all occasions the same institutional and cultural patterns (Luo and Tung, 2007; Ramamurti, 2008; Amal, 2011).

Additionally, some EMNEs are believed to have easy access to natural resources at home (Amal, 2011). To be able to compete against multinational incumbents, EMNEs are developing capabilities such as the use of different motives, location advantages and entry strategies (Mowla *et al.*, 2014). Following this, EMNEs also lean on product and service differentiation, as well as on the increase of the scale of their operations, in order to grow and compete in a highly globalized and international environment (Kothari *et al.*, 2013). Given that EMNEs' advantages are slightly different from their developed countries' counterparts, it is imperative to analyze EMNEs' motivations to venture abroad in a highly competitive environment in order to discuss the similarities or differences. In this sequence, the issue of motivations or reasons for emerging markets MNEs' worldwide expansion is addressed in the next section. Are there any differences between EMNEs' objectives? Do they have the same motivations? Are there any variations along the years? These and other issues are addressed in the next subsection.

1.3. EMNEs' motivations for international expansion

The motivations driving EMNEs to internationalize can be numerous and can vary along the internationalization process (Deng and Yang, 2014). However, each firm or country has its own reasons (Park and Estrada, 2009). Resource-seeking, market-seeking, strategic asset-seeking and efficiency-seeking are the main motives for international production according to Dunning and Lundan (2008). Furthermore, Kim and Park (2014) argue that, in a first stage, market and resource-seeking motivated

EMNEs to venture abroad, but since 2000, an increase in strategic asset-seeking intentions is quite visible. Nevertheless, according to Ramaswamy *et al.* (2012), SOEs are believed to seek resource rich regions, whereas POEs are more attracted to market-seeking OFDI.

Natural resource-seeking might be a cause for international expansion where EMNEs are focused on resource rich countries to obtain a greater access to resources or to secure their supply (Gammeltoft *et al.*, 2010). This is the case of China's OFDI attracted to Africa (Kolstad and Wiig, 2009; Park and Estrada, 2009). In general, Asian MNEs have been attracted to Africa, in order to secure the access to natural resources and "to satisfy growing domestic demand" (UNCTAD, 2014: 8). The purchase of other resources, like cheap labor, is also a huge motivation for emerging economies' OFDI. Since the appreciation of the Japanese yen in September 1985, a significant number of Japanese MNEs shifted several activities to other neighboring countries where the costs are lower (Thorbecke and Salike, 2013). This search for lower production costs hit also Taiwanese, Korean, Singaporean and Chinese MNEs (Park and Estrada, 2009). Consistent with Kaplinsky and Morris (2009) and Kang and Jiang (2012), EMNEs venture in developed countries to seek strategic assets, whereas the reasons for OFDI in developing economies go through access to natural resources and cheap labor costs.

According to Deng (2012), very often, investments are oriented towards acquisitions of strategic assets such as brands, knowledge, technological and downstream assets. The acquisition of recognized brands is an imperative strategy to overcome the undesirable "made in" image from developing countries (Si *et al.*, 2013). Thus, in order to grow, EMNEs seek to acquire technology, management and marketing skills (Blomström and Kokko, 1998). However, MNEs from emerging economies not only seek to exploit assets, but also to augment those (Si *et al.*, 2013). So, most Chinese and Indian MNEs internationalize so as to acquire strategic assets and diminish their institutional and market constraints (Luo and Tung, 2007; Lorenzen and Mudambi, 2012). On top of that, EMNEs' investments target more and more foreign affiliates from developed countries to gain access to those strategic assets (UNCTAD, 2014).

In other cases, emerging countries' OFDI may be carried out to access large potential markets. Market-seeking is undertaken to maintain sustainable growth and to position MNEs in a globalized world (Mowla *et al.*, 2014). Likewise, EMNEs may

invest in large markets (countries or regions) to get access to economies of scale and scope (Deng and Yang, 2014) like the case of investors from India, China and Singapore (Park and Estrada, 2009; Kim and Park, 2014). Furthermore, some emerging economies such as Malaysia are moving their production activities abroad to obtain competitive advantages, have better access to host countries and neighboring countries and move up the value chain (Goh and Wong, 2011).

According to Ragayah (1999), Malaysian firms' main motivation to invest abroad is market-seeking and the favorite destinations are China, India and the Middle Eastern countries. On the other hand, Hiratsuka (2006) reports market and efficiency-seeking as main reasons (Hiratsuka, 2006 cited in Goh and Wong, 2011: 499). Efficiency-seeking is also one of the main drivers of OFDI originating in developing countries. It is believed that EMNEs engaging in OFDI benefit from economies of scope and scale, since "it allows [EMNEs] to grow larger than what would be possible if its production was restricted to a single country" (Blomström and Kokko, 1998: 252). Following this, efficiency-seeking is relevant in developing economies, whereas market-seeking can be applicable for advanced and emerging economies (Si *et al.*, 2013).

It has also been noted in the literature that there are some investments from emerging economies whose purpose is to escape their home countries' institutional environments, as in the case of Indian MNEs (Witt and Lewin, 2007; Gammeltoft, 2008; Park and Estrada, 2009; Peng and Parente, 2012). In emerging markets the institutional environment may be politically uncertain, the corruption rate may be high and sometimes the tax rates are also extremely unfavorable, so that EMNEs prefer to invest abroad rather than at home (Gammeltoft, Filatotchev and Hobdari, 2012). Additionally, some EMNEs undertake FDI to obtain higher profits than the ones they could realize in their home countries (Kreinin, 2006). Despite this, it is believed that psychic, geographic, economic and cultural distance do not influence that much EMNEs' decisions to internationalize, which is a contrasting finding relatively to their developed country counterparts (Mathews, 2006).

On the one hand, according to Buckley *et al.* (2007), Chinese investments are often attracted to countries with weak institutions, notably to countries with high political risk. Investing in markets with weak institutions reduces the liability of foreignness of Chinese enterprises due to similar institutional environments. Consistent

with Contractor (2013: 305),

“After all, emerging market multinationals (EMMs) suffer from a double disadvantage of ordinary ‘liability of foreignness’ (...) and also, in addition, the liabilities of a developing country home base”.

On the other hand, a study made by Cheung and Qian (2009) concludes that Chinese FDI is not attracted by weak institutions but by natural resources. Furthermore, some EMNEs may invest in neighboring countries where the information barriers are lower, so to reduce the transaction costs (Hill and Jongwanich, 2014).

According to Cuervo-Cazurra (2007) there are two types of MNEs. The ones that seek to explore ownership advantages acquired at home in foreign countries and the ones that want to develop those advantages abroad. On top of that, SOEs might pursue other motivations than the ones already mentioned. They are known to have a mix of interests such as social, strategic, political and economic motives to invest abroad (Ho and Young, 2013). In sum, we can assume that both developed and emerging economies own similar main drivers when venturing abroad (Hill and Jongwanich, 2014). Following this, it is imperative to analyze the geographical distribution or patterns of EMNEs’ OFDI all over the world. Since it is believed that EMNEs pursue similar motivations than MNEs from advanced economies, such as market-seeking, resource-seeking, strategic asset-seeking and efficiency-seeking, can we conclude that their investments pursue the same direction? Are they targeting the same regions or countries? So, the subsequent section will study EMNEs’ behavior on what concerns its OFDI distribution or destination.

1.4. Geographical patterns

Investments from emerging economies flow to both advanced and other developing/emerging countries, but for distinct reasons. As mentioned in the previous section, EMNEs might have different reasons to invest abroad, so their geographical distribution might also vary according their motivations. OFDI flows from and to

developing economies account for more than 60% of the world total and are therefore greater than those to developed countries (Chandra, Lin and Wang, 2013).

On the one hand, we can assume that OFDI flows to developed regions, such as the United States of America (USA) and Europe, have the intent to acquire and transfer technology and know-how to the home country (Bhaumik and Driffield, 2011). In the same vein, some Chinese companies undertake high-profile FDI in developed economies to acquire ownership advantages such as technology. Following this, one-third Chinese FDI is directed to advanced economies and the remaining goes to other developing neighboring countries (Morck, Yeung and Zhao, 2008). According to the World Investment Report, only 28% of the cross-border mergers and acquisitions (M&As) from developing and transition economies target developed countries (UNCTAD, 2014).

On the other hand, OFDI directed to emerging economies is related to the *relational competence* (Deng, 2012). EMNEs are attracted and keener on doing business in institutionally weak countries (Duanmu, 2014). Some Chinese EMNEs began investing in developing and emerging countries to access cheaper labor, maintain a certain proximity to the host country; be it geographically, politically or culturally (Hassan and Masron, 2011). Sometimes, OFDI from emerging economies can be influenced by the existing trade relations between the countries, increasing the firms' degree of commitment with the host markets (Duanmu, 2014). In this sequence, EMNEs tend to invest first in unregulated markets and secondly in regulated ones (Mowla *et al.*, 2014). Moreover, a huge part of the Association of Southeast Asian Nations (ASEAN) OFDI is attracted by other ASEAN neighboring countries.

Besides, in the last decades the South-South flows have been growing faster than the North-South flows (Hassan and Masron, 2011). In the Chinese case, the investments target all continents, but there is a focus on South and East Asia and Latin America. Chinese investments are attracted to developing countries, tax havens (such as the Caribbean) and recently to Africa (Morck *et al.*, 2008). In terms of Chinese OFDI, tax havens endowed with large markets or natural resources are large recipient countries. A significant percentage of China's outward FDI goes to Hong Kong reflecting a "round-tripping" strategy, so that the investments can be re-invested in China benefitting from the advantages of foreign investors, i.e., foreign enterprises pay fewer taxes than

domestic firms (Morck *et al.*, 2008; Kolstad and Wiig, 2009). Another reason for investing in tax havens is because foreign investors benefit from confidentiality (Morck *et al.*, 2008).

Russia's OFDI targets mainly developed countries and starts mostly in neighboring ones, like the Commonwealth of Independent States (CIS) (Gammeltoft *et al.*, 2010). This is clearly another example of "round-tripping" FDI. However in recent years, OFDI from Russia has also been targeting emerging economies in the form of acquisitions, particularly in Asia and Africa (Kalotay and Sulstarova, 2010). Subsequently, the next section addresses in more detail the leading targeted sectors by emerging economies' investments.

1.5. OFDI by sectors

As EMNEs invest for different reasons and to distinct geographical locations, the target sectors might also vary. Consistent with Park and Estrada (2009), emerging economies' OFDI is mainly concentrated on the services sector. Moreover, according to the World Investment Report (2014), recent investments from East and South East Asia represented 20,7% of outflows and were mainly concentrated on services' sectors, such as business services, construction, electricity, gas and water, financial and insurance activities (Gammeltoft *et al.*, 2010; UNCTAD, 2014). The targets in service sector are increasing in the last years, with the telecommunications industry emerging as the most important sector (Kalotay and Sulstarova, 2010). Depending on the mode of entry, in 2013, greenfield projects targeted the manufacturing sector, whereas cross-border mergers and acquisitions (M&As) focused more on the primary sector, such as mining, gas and petroleum (Kalotay and Sulstarova, 2010; UNCTAD, 2014).

Indian OFDI is mainly concentrated in the software and pharmaceutical sectors (Gammeltoft, 2008). India's pharmaceutical industry has remarkably grown and is recognized as a high quality manufacturer with low prices in the world (Mowla *et al.*, 2014). This increasing wave of investments in the pharmaceuticals industry is due to the growth of opportunities in emerging economies and the growing demand for generic drugs all over the world (UNCTAD, 2014). For China, the industries attracting the most

OFDI flows in 2009 were leasing and business services finance, mining and wholesale and retailing (Chang, 2014). Furthermore, SOEs from China are highly interested in establishing partnerships with the USA and other international players in the oil and gas industry, in order to acquire know-how and technical expertise (UNCTAD, 2014).

In 2013, the main Latin American and Caribbean investments reached 8,1% of the world outflows, both through M&As or greenfield projects, targeting primarily the services sector, followed by the manufacturing and primary sector (UNCTAD, 2014). Energy, services and mining were the main targets for Brazilian investments. However, according to Nissan and Niroomand (2010), the Latin American and Caribbean countries are not so friendly to FDI, especially regarding the extractive industries and strategic industries. “For instance, stricter control of foreign ownership in extractive industries has reduced the access of SO-MNEs⁶ to mineral assets in a number of countries, for example in Latin America” (UNCTAD, 2015: 17). As for Russian firms, investments are mainly focused on the gas, oil and metals sectors and predominantly in neighboring countries (Gammeltoft *et al.*, 2010).

Finally, Africa’s OFDI is one of the lowest compared to the size of the continent and *vis-à-vis* other developing and emerging economies. In 2013, FDI outflows originating in Africa accounted for only 0,9% of the world total, counting South Africa as the main origin of flows. According to Gammeltoft (2008), resource extraction and finance sectors were the main targets of outward FDI. Despite this, the services and manufacturing sectors were the most selected for greenfield projects and for M&As (UNCTAD, 2014).

After having already argued the main characteristics of EMNEs’ outward investments, their central motivations for international venturing, their geographical patterns and their distribution by sectors, it is pertinent to discuss if those EMNEs are being supported in some special way, compared to their developed counterparts, in order to compete in international markets. The following section addresses the issue of the support: whether EMNEs are being supported in their international expansion, by whom and how.

⁶ state-owned multinational enterprises

1.6. Governmental Support

As mentioned earlier, EMNEs' OFDI is characterized by a pattern of accelerated and aggressive internationalization (Mathews, 2006; Buckley *et al.*, 2007; Mathews and Zander, 2007; Deng, 2012). This offensive and rapid approach is strengthened by emerging MNEs' bold investments and global reach. Given that most EMNEs have limited social capital, those huge investments must be supported (Deng, 2012). In this particular case, emerging countries are able to establish themselves as key players in the world economy given the support of their home countries' governments (Luo and Tung, 2007; Luo, Xue and Hang, 2010; Peng and Parente, 2012; Wu and Chen, 2014). Consistent with Ribeiro *et al.* (2014), the internationalization process for emerging countries can be characterized as accelerated because of the States' support. However, it is evident that there is a divergence between governments' and MNEs' objectives. While MNEs seek to increase the welfare of the shareholders, the State seeks to maximize the residents' welfare. Notwithstanding, it is in the interest of both entities to cooperate, in order to stimulate common interests (Dunning and Narula, 1999).

Close ties between home governments and business may support the internationalization of EMNEs, at least in certain countries, and more in some than in others. In many emerging economies, the governments provide technical support, access to finance and other privileges (Gammeltoft *et al.*, 2012). The rising OFDI originating in emerging economies is due to the liberalization policies adopted by the local governments (Dunning and Narula, 1999; Gammeltoft and Kokko, 2013). In particular, the SOEs, SCEs or sovereign wealth funds (SWFs)⁷ are pushed by emerging markets' governments to internationalize (Gammeltoft *et al.*, 2012; Sauvant and Strauss, 2012). According to the World Investment Report, "SWFs continue to grow, spread geographically, but their FDI is still small" (UNCTAD, 2014: 19), whereas "state owned TNCs⁸ (So-TNCs) represent a small part of the global TNC universe, but the number of their foreign affiliates and the scale of their foreign assets are significant" (UNCTAD, 2014: 20).

SOEs benefit from the State's financial and technological support, in order to

⁷ According to Park and Estrada (2009: 1), SWFs are "state owned institutions that use reserves to pursue commercial profits".

⁸ Transnational corporations

accelerate the internationalization process (Kothari *et al.*, 2013; Hill and Jongwanich, 2014). Notwithstanding, SOEs have to face huge challenges during their international venture, given that they have to submit to intricate approvals before and during the internationalization process (Cui and Jiang, 2010). It is notable that outward investments by SOEs reflect political objectives and so does OFDI by POEs, given that it is argued that they benefit from particular incentives/support when engaging in OFDI (Kolstad and Wiig, 2009). Yet, POEs have also the need to engage in OFDI due to the growth of competition in the home market (Liang, Lu and Wang 2012). Nevertheless, it is believed that SOEs incur in more risky investments than POEs, since they have access to more financial resources (Ramasamy *et al.*, 2012).

FDI from SOEs originating especially in the BRIC countries are expanding dramatically, contributing to the growth of OFDI from developing countries. Besides, SOEs tend to invest in capital-intensive industries, which demand monopolistic positions. In emerging economies, SOEs are particularly present in the extractive industry and financial services (UNCTAD, 2014). The Chinese government has been supporting OFDI, notably through the “Going Global” policy adopted in 1999 and the sovereign fund China Investment Corporation (Gammeltoft *et al.*, 2010; Hu and Cui, 2014). Following this, a huge increase in China’s outward FDI is observable since the government’s strategy adopted in 1999, making China the third largest emerging economy in terms of OFDI in 2006 (Kolstad and Wiig, 2009). Moreover, most of the Chinese outflows are carried out by SOEs (Wu and Ding, 2009; Luo *et al.*, 2010), given that the latter get faster approval to invest abroad (Gammeltoft and Kokko, 2013).

Consistent with Hu and Cui (2014), the Chinese “Going Global” policy serves two purposes. Firstly, the acquisition of knowledge and intensification of production (competitiveness) for SOEs. On the other hand, China’s international political and economic influence given the international expansion of Chinese firms (Morck *et al.*, 2008). In 2006, Chinese SOEs contributed to 82% of non-financial OFDI. An important part of Chinese OFDI by SOEs is due to natural resource security, illustrated by investments in the Australian mining industry (Hill and Jongwanich, 2014) and in Africa (Kolstad and Wiig, 2009). According to Zou and Ghauri (2010), Chinese firms profit from favorable governmental policies to invest in high-technology regions to access markets and strategic assets.

A clear distinction between Chinese and Indian firms is that the latter are predominantly POEs, whereas Chinese multinationals are often SOEs (Gammeltoft *et al.*, 2010). For many years, India's government restricted FDI flows, but since the introduction of the Foreign Exchange Management Act in 2000 and the liberalization of FDI, OFDI flows by Indian enterprises have been increasing. It is since the liberalization reforms in the 1990s that Indian enterprises began to spread all over the world (Chandra *et al.*, 2013). Moreover, the pharmaceutical industry in India has dramatically been increasing due to a favorable policy support of the government, being worldwide recognized as a high quality manufacturer at low cost (Mowla *et al.*, 2014).

In the case of Russia, OFDI flows are not growing as fast as in other emerging economies because the State still remains hesitant regarding FDI regime. Russian OFDI is believed to be mainly led by POEs (Gammeltoft *et al.*, 2010). For Brazil, there are little supportive OFDI policies, but the government tends to support the internationalization of Brazilian enterprises through SOEs and SCEs (Gammeltoft and Kokko, 2013). Consistent with Ribeiro *et al.* (2014), local Brazilian firms have been incited to internationalize by the latest governmental policies. In the case of the BRIC countries, the evolution of EMNEs can be explained by the home country policies considering OFDI. The latter are related to the shift from OFDI restrictions to supportive policies concerning international investments (Sauvant, Maschek and McAllister, 2010; Van Tulder, 2010).

In the case of Malaysia, governmental support and liberalization policies were crucial factors to encourage production activities abroad (Buckley *et al.*, 2007). According to Chan (2005), the Malaysian government was particularly supportive with Dr. Mahathir as Prime Minister, fostering both state-owned and private-owned firms to invest in host countries (Chan, 2005 cited in Goh and Wong, 2011: 498). Actually, the government provides various inducements, such as tax incentives, predominantly to Malaysian firms in no longer competitive industries (Sim, 2005; Tham, 2007).

After this thorough literature review and having covered the main aspects about outward foreign direct investment by emerging economies, the next chapter focuses on the methodology chosen for the empirical part of this dissertation.

Chapter 2: Methodology

This chapter aims to present the methodology employed in the empirical part of this dissertation. A thorough bibliometric analysis of the theme in study, i.e., outward FDI by emerging economies is conducted. The first section focuses on a succinct explanation of the methodology employed and the subsequent section concentrates on the analysis and application of bibliometric methods.

2.1. Methodological considerations

In order to present a thorough, comprehensive and a scientifically robust review of this recent and fast growing literature on outward FDI originating from emerging economies and to increase the scientific density of the dissertation, rigorous bibliometric methodologies were employed. The innovation of this dissertation consists of the implementation of organized and comprehensive literature review on the theme. Until today and to the best of my knowledge there has not been made such a systematized and structured analysis on this matter. Thus, the use of bibliometric techniques enables the presentation of quantitative results and graphical analysis (Teixeira, 2011; 2013). This methodology permits a study of the recent paths, contributors and contributions on OFDI by emerging economies (Teixeira, 2011; Du and Teixeira, 2012). According to the Organization for Economic Co-operation and Development (OECD, 2002: 204),

“Bibliometric analysis use data on numbers and authors of scientific publications and on articles and the citations therein (as well as the citations in patents) to measure the “output” of individuals/research teams, institutions, and countries, to identify national and international networks, and to map the development of new (multi-disciplinary) fields of science and technology”.

Furthermore, according to Pritchard (1969, pp. 348-349), bibliometrics is defined as “the application of mathematical and statistical methods to books and other means of communication”.

The purpose of this methodology is to measure the output of scientific literature, in order to study and understand the roots, the influence on other themes, as well as the evolution of the existing literature concerning outward investments by emerging economies (Teixeira, 2011; 2013). Bibliometric techniques permit the analysis of the paths the literature has been following. The counting of papers and citations is undertaken in order to measure the impact of the current literature (Okubo, 1997; Teixeira, 2013). Following this, the main contributions and contributors are analyzed, a chronological analysis of the existing literature is presented and the main journals where publication takes place or which quote the most articles related to the existing literature are reported. Finally, this methodology allows us to conduct a citation analysis in order to uncover the impact of this literature on others (Teixeira, 2013).

In order to collect the various publications about the topic under scrutiny, two bibliographic databases namely *Scopus* (Elsevier) and *Web of Science* (Thomson Reuters) are used. *Scopus* is an interdisciplinary and one of the greatest citation and abstract databases presenting publications such as scientific journals, conference proceedings and books. On top of that, this database provides a global overview covering several research fields such as social science, mathematics, science, arts and humanities, engineering and technology (Teixeira, 2013). Furthermore, in terms of journals, 57 million records are available in *Scopus*, with over 5,000 international publishers and over 21,000 titles (Teixeira, 2011; Elsevier, 2015). Concerning books and conference papers, more than 86,000 books and 6.8 million conference papers are available on this interdisciplinary database. As for social sciences, where economics and business take part, 7,684 titles are available for consulting.

The *Web of Science* is also a multidisciplinary database with a citation index offering a range of journals, books, publications, proceedings and patents. This database covers science, arts and humanities and social sciences and is known for more than “100 years of abstracts” (Thomson Reuters, 2015), over 800 million cited references and over 90 million records and 5,300 social sciences publications. Thus, the *Web of Science* was chosen for this analysis because of its antiquity and presentation of classical articles, in order to complement this study.

For both databases it was possible to obtain all the information required to conduct this bibliometric analysis. Those databases allow the download of reports

including author name, year of publication, publication source, citation number, references, document type, volume, issues, among others. In the subsequent sections, follows a detailed explanation of the use of both databases, the management and the application of bibliometric techniques, highlighting the main trends on OFDI by emerging economies, as well as the scientific roots and the influence of the present literature.

2.2. Bibliometric analysis

Bibliometric techniques are used to densify the scientific content of this dissertation. In this subsection the main trends on outward FDI by emerging economies based on the analysis of all the gathered publications on the theme are uncovered. Therefore, it is necessary to obtain a database able to be studied and to apply those techniques. In a first step, several keywords must be used in both databases, *Scopus* and *Web of Science*, to collect all possible publications concerning FDI by emerging economies. The keywords used for this analysis concern only the topic in study and are used with several combinations. Consequently, specific and general keywords are used, related to the main issues presented in the literature review to make sure that no publications are missing in our database. “Emerging economies”, “emerging markets”, “outward foreign direct investment”, “OFDI” and “outward FDI” are some of the main keywords used to obtain as much publications as possible. At the end, using all the selected keywords (85 in total) it is possible to obtain 474 combinations for each database (see Annex 2).

Following this, those 474 combinations were used in *Scopus* within the subject area “Social Sciences and Humanities” to acquire the report of publications. Every possible combination gives rise to a certain number of results, which are selected and afterwards exported to an Excel file. Before obtaining the results, when using the databases it is possible to choose a range of information such as name of the authors, year of publication, title of the document, abstract, source publication, which is the principal evidence needed for the analysis. However, it is conceivable to select other information such as the issue, volume, number of pages, citation number and references. It is noteworthy that these databases incorporate not only the first author but also all the

authors of the studies, as well as all types of sources in contrast to other literature (e.g., Cornelius, Landstrom and Persson, 2006; Schildt, Zahra and Sillanpaa, 2006). After downloading and exporting all the outcomes to a single file a total of 548 publications was obtained (see Annex 2). Those results had to be organized, so that only unique publications remain, i.e., all the duplicates had to be eliminated. After analyzing those outcomes and eliminating the duplicates, the original file of 548 results leads to a new outcome with 265 unique publications containing all the necessary information.

The same procedure was done for the *Web of Science*. The 474 possible combinations used in *Scopus* are used in this database to get all the publications concerning OFDI by emerging economies. This database allows us also to select the information to be downloaded (name of the authors, year of publication, document type, abstract, source publication, volume, issue, pages, among others). Consequently, the combinations used in *Web of Science* lead us to a total of 433 outcomes, which were downloaded and exported to another single Excel file. Again, those results had to be analyzed and all the duplicates had to be removed, leading to a unique database with 239 results.

Subsequently, both databases had to be merged, ending up with just one database with all the outcomes from *Scopus* and *Web of Science*. After coupling both Excel files we end up with just one database with 504 results including books, articles, reviews, drafts, book chapters and conference papers. As mentioned before, all those outcomes are accompanied by the information about the author, title, year of publication, source title, volume, issue, abstract, document type, citation number and many others. However, for this new-coupled Excel file the duplicates had again to be eliminated, in order to remain only with unique results to be able to organize and analyze those outcomes. Following this, a file containing 376 unique results remained to be analyzed.

After eliminating all the duplicates and keeping only unique results, all the outcomes had to be analyzed, so as to discard all the publications that do not fit into this study. In order to apply bibliometric techniques to this literature review, only the results concerning the topic in study, i.e., OFDI by emerging economies need to be analyzed. All the publications, which emphasis another theme had to be rejected from our file. Therefore, all the titles, abstracts and occasionally the full text had to be read with the

view to remove the items from our database that are not dealing with the theme under analysis. In some cases, it was indispensable to read the full text because the title and the abstract were not sufficient to understand their pertinence and relevance. After all this elimination process, a database with 308 unique publications regarding the topic under study remained.

The bibliometric analysis used in this dissertation requires the complete text of all the publications. Consequently, every publication had to be downloaded from the online databases provided by the Faculty of Economics – University of Porto. Since not all the texts were available for download it was also necessary to resort to the help of the Faculty’s library to get access to the full texts. After all this process of collecting the full articles, it was indispensable to discard some of them, because (for instance) they were written in Chinese or because we had only access to a draft of the text. After all these steps, a final database with 242 unique results was obtained, ready to be analyzed.

In Table 1, a summary of the evolution of the databases exported from *Scopus* and *Web of Knowledge* is presented. Shortly, the exported database began with 981 results (548+433) and afterwards reduced to 376 publications after eliminating the duplicates. After discarding the publications focusing on other themes than the one in study, 308 outcomes remained. Finally, the list of concerning results was cut to 242 publications with the full text.

Table 1: Data export and evolution

	<i>Scopus</i>	<i>Web of Knowledge</i>
Results	548	433
Results without duplicates	265	239
<i>Scopus + Web of Knowledge</i>	265 + 239 = 504	
Total results without duplicates	376	
Outcomes regarding the topic in study	308	
End results with full text	242	

Source: Own elaboration

This final database with 242 publications allows us to perform different kinds of analyses, within the chosen methodology, as developed subsequently. Since this

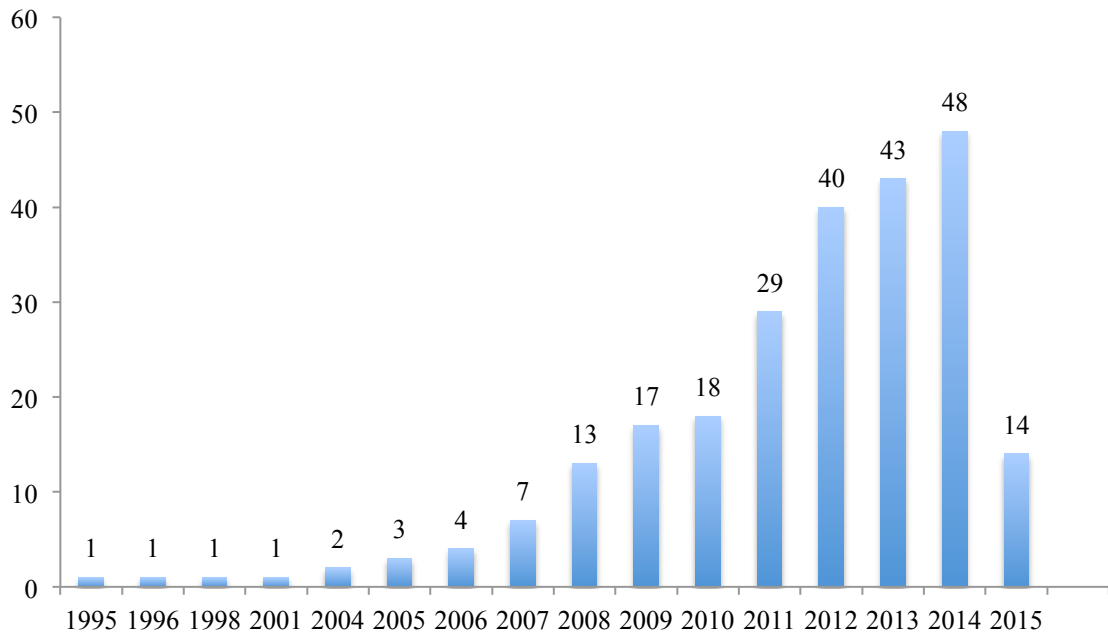
database already contains information about the author, title, year of publication, source, abstract, citation number and document type, some general analysis can already be considered. Therefore, a chronological analysis, the most influential authors and journals on the theme and the main countries in study are presented in the following section.

2.2.1. General analysis

As mentioned earlier, bibliometric techniques permit the increase of scientific content of this dissertation. This section highlights some general studies on the gathered publications from *Scopus* and *Web of Science*. The first database concerning the topic in study contains the information about the publication year, the publishing authors, the source publications, among others. Succeeding this, those 242 results can be analyzed by exposing a chronological evolution, by studying the main journals and the most important authors.

The first step is a chronological analysis. As the database provides information about the year of publication of each outcome, the evolution of the topic in study can be studied. According to Figure 4, it is noticeable that the subject in study has been gaining huge importance. The first article of our database is from Lin, A. and was published on the *Weltwirtschaftliches Archiv* and dates back to 1995, time where this subject was not being much discussed. Since the early 2000s, outward investments by emerging economies has been revealing certain significance, but it is only since 2008 that a boom of published articles is noticed (Gammeltoft *et al.*, 2010; Luo *et al.*, 2010; UNCTAD, 2014). From 2010 to 2014 an increase of 37,5% published papers can be observed, indicating an intensive growth of the subject. Figure 4 proves that the topic under study is still emerging and that it has been gaining importance in the last decade. In 2015 we have only 14 articles, which does not mean that the topic lost its importance. This result can be explained by the fact that the collection of the present data has been made on the 1st of June of 2015 and it can be expected that a considerable number of publications will still occur in 2015.

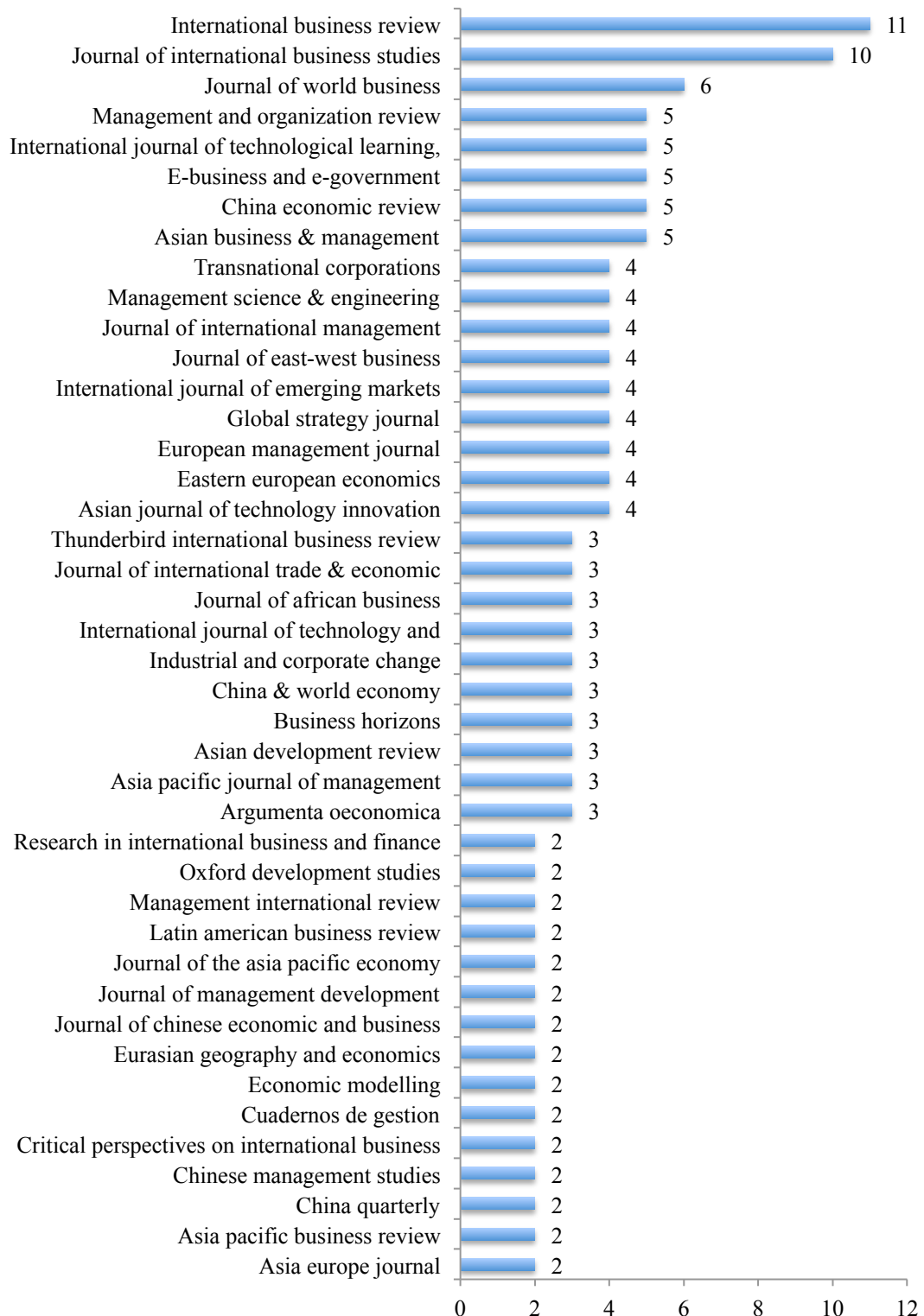
Figure 4: Chronological evolution of the published articles from 1995 to 2015 (by number of publications)



Source: Own elaboration

The second analysis focuses on the most influential journals. The journals of our sample of 242 outcomes were analyzed and a total of 135 different journals were gathered. From all those journals, 42 published at least twice and the remaining 93 only once. The subsequent analysis is conducted for the 42 journals, which published at least twice. Figure 5 presents a ranking of the most influential journals where publication on this topic has been more frequent so far. As can be seen, the most influential journals are the *International Business Review* with 11 publications and the *Journal of International Business Studies* with 10 publications. Moreover, analyzing the references used in this dissertation, the *International Business Review* is cited 7 times and the *Journal of International Business Studies* is mentioned 8 times.

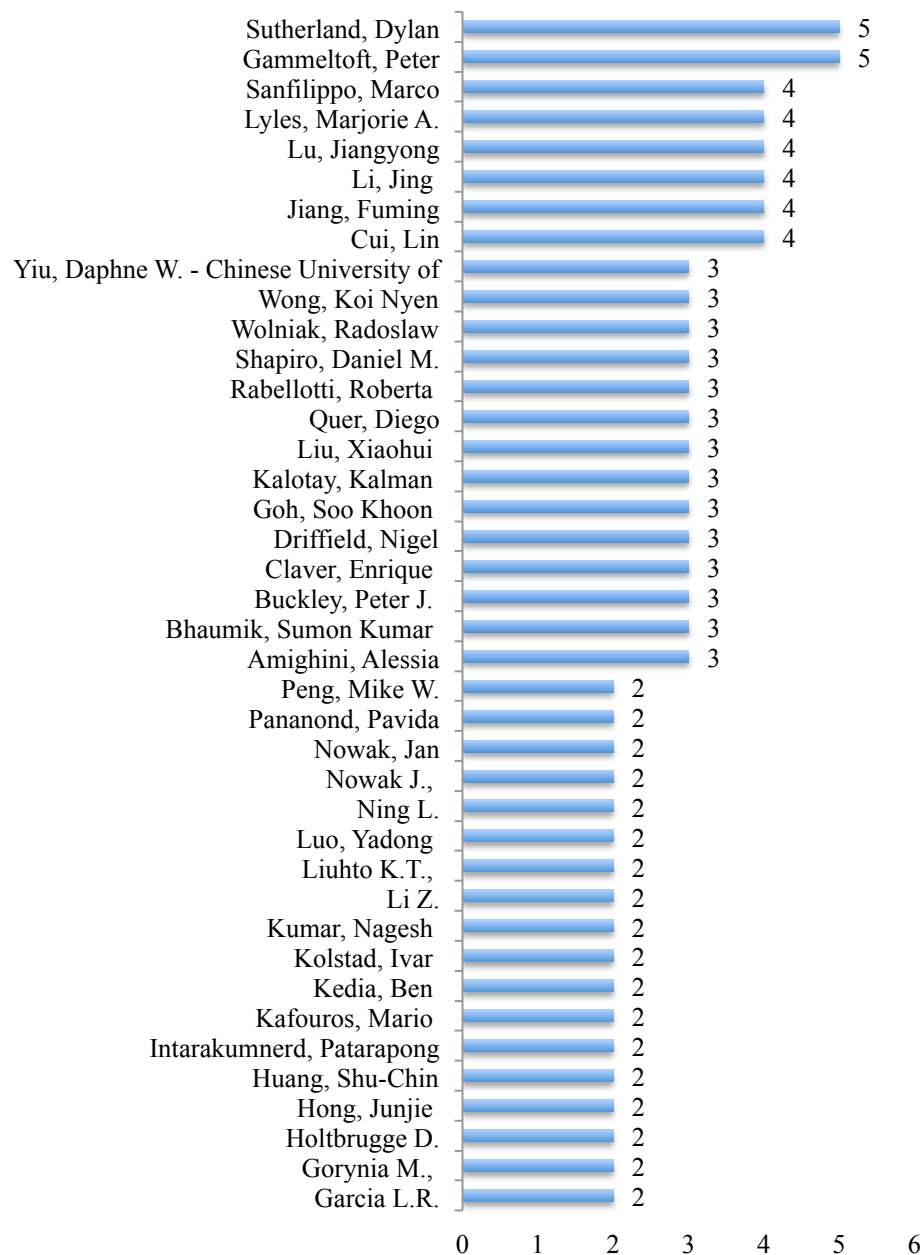
Figure 5: Most influent journals with at least 2 publications



Source: Own elaboration

As the information about the authors is also available, the study of the most publishing authors is conducted. From the sample of 242 publications, 440 different authors are highlighted, whereas some of them published only once and others several times. From the total of 440 authors, 376 published once, representing approximately 85,45% of the total results. On the other hand, the remaining 64 authors from 440, published at least twice and represent circa 14,55% of the entire outcomes.

Figure 6: Top 40 publishing authors (by number of publications)



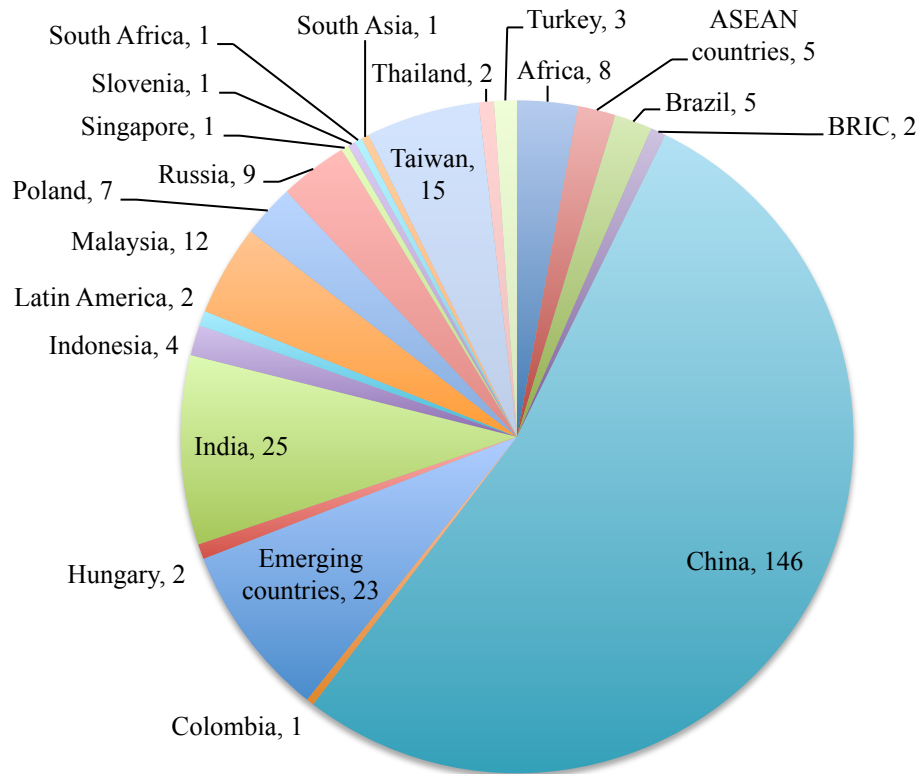
Source: Own elaboration

Figure 6 demonstrates all the authors who published at least twice (64 authors). Peter Gammeltoft and Dylan Sutherland are represented as the most publishing authors for the topic in study, with 5 published items and turn out to be one of the most influential authors on the topic in study. Lin Cui, Fuming Jiang, Jing Li, Jiangyong Lu, Marjorie A. Lyles and Marco Sanfilippo follow the latter with 4 publications for each of them.

Moreover, from the initial database a classification of the 242 outcomes by the country in study is presented. Given that the topic concerns outward investments by emerging economies, for most of the publications it was possible to find out which countries in particular have been studied. This information was obtained by reading the abstract of every publication and sometimes the full text. Subsequently, for all the publications the country or countries in concern were gathered and the following classification was obtained.

According to Figure 7, China is the most studied country with 53% of the total publications, followed by India with 9% and Taiwan with 5%. In other words, 146 articles of the database concentrate the study on China's OFDI all around the world. On the other side, 8% of the total, i.e., 23 articles do not focus any country specifically, but analyze outward FDI from emerging countries in general. This classification shows that most of the publications study China as an outward investor, which leads us to the conclusion that China has been gaining its prominence in terms of OFDI.

Figure 7: Classification by countries in analysis (by number of publications)



Source: Own elaboration

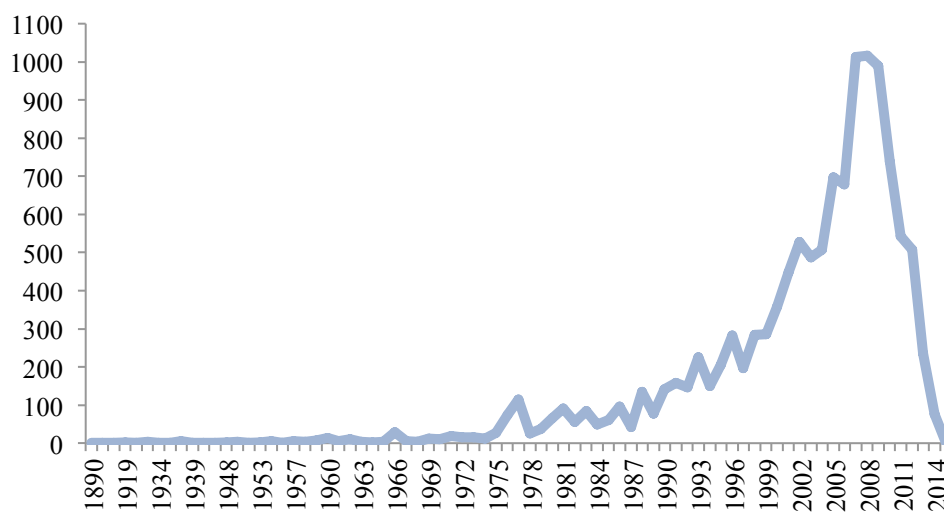
After having presented a general analysis of the most influent authors, the main source publications, the chronological evolution and the chief countries in study, it is conceivable to gather the roots of the literature and to analyze them. The citation analysis enables the discovering of the roots, i.e., the first authors publishing on the theme, the first sources where publication took place, as well as the evolution over the time. This analysis is useful to understand how the topic evolved over the years and how much impact did it have over the time. In the following section, the evolution of the topic is highlighted and the first publications on the theme are presented.

2.2.2. The roots of the literature

From the 242 publications extracted from *Scopus* and *Web of Science*, more than 12,000 references were gathered. More precisely, the initial database of outward FDI by emerging economies cited 12,141 publications. However, the gathering of those references involved a rigorous manual process. It was not always possible to download the references from *Scopus* and *Web of Science*, since they were not always available or complete. Hence, for each article, the references (citations) had to be copied and pasted into an Excel file and formatted in order to treat them. The 12,142 publications were not equally structured, so they had to be uniformly organized, which involved thorough manual work. Following this, the authors, the year of publication and the sources were organized and isolated in columns to be analyzed.

Figure 8 demonstrates that the bulk of citations refer to studies published between 1890 and 2015. So, it can be concluded that the roots of OFDI by emerging economies date back to 1890. Moreover, the citations start to increase dramatically in the beginning of the 1990s and reach a peak of published studies in 2007 (with 1013 citations) and in 2008 (with 1016 publications), confirming that the study in topic has been gaining a lot of importance in the last years. Subsequently, Figure 8 shows that the initial database of 242 publications focuses on the citation of more recently published works, without discarding elder publications.

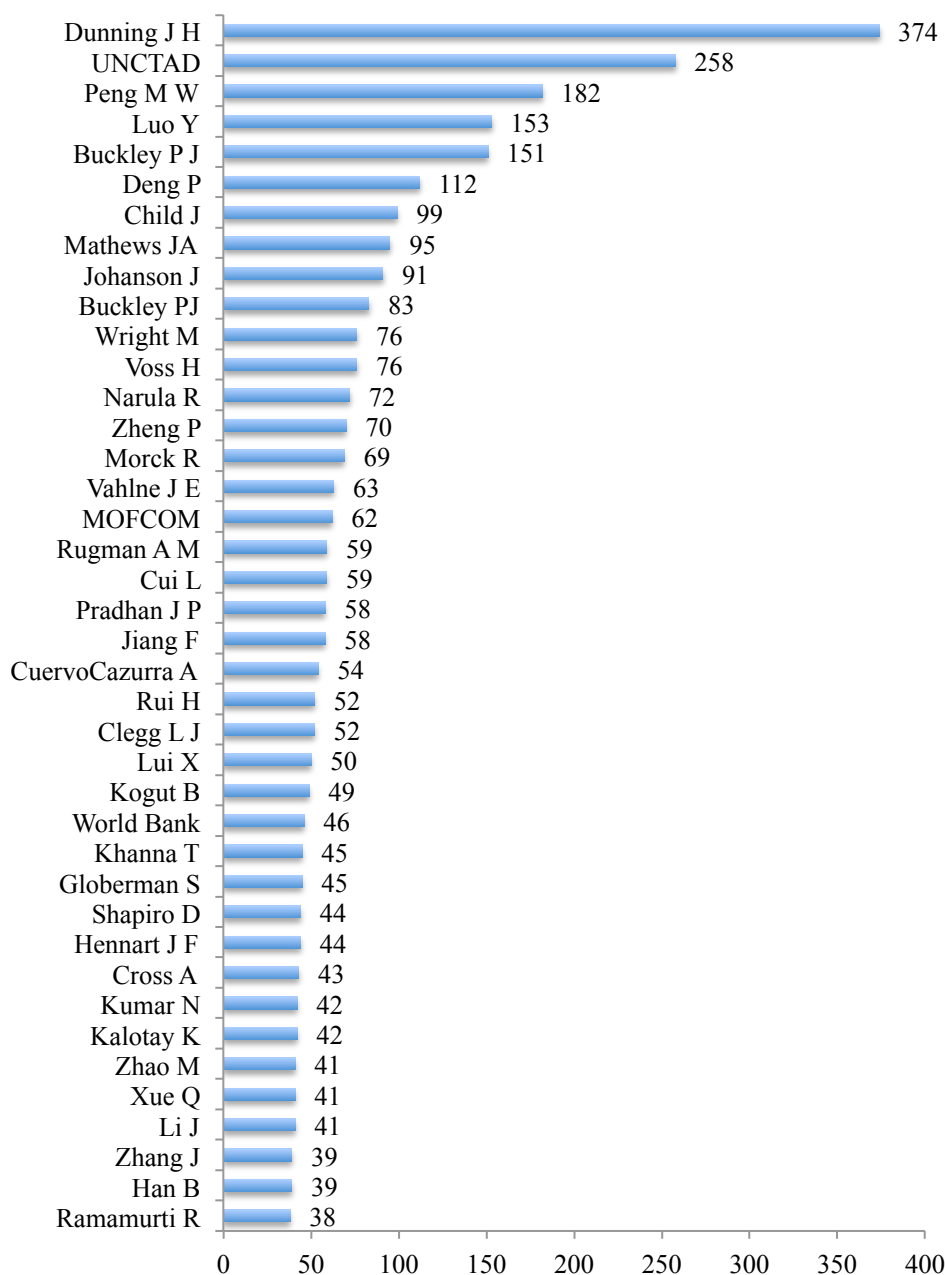
Figure 8: Chronological evolution of the roots (by number of publications)



Source: Own elaboration

A second analysis of the roots of the literature involves the study of the most important contributors. The authors were also organized and isolated so to consider the most influent contributors of the literature. Given this, the 242 publications extracted from *Scopus* and *Web of Science* cited 7757 different authors among the 12,141 references. Approximately 25,25% of the authors were cited at least twice and the remaining only once.

Figure 9: Top 40 cited authors on OFDI by emerging economies (by number of publications)



Source: Own elaboration

Figure 9 shows the top 40 cited authors concerning outward FDI by emerging economies with John H. Dunning, UNCTAD, Mike W. Peng, Yadong Luo, Peter J. Buckley and Ping Deng as the most cited authors with more than 100 publications each one. Consequently, the most cited contributors can be considered as the roots of the literature, given that a lot of studies are citing their publications.

Furthermore, the roots of the literature can also be measured by the sources where publication takes place. It is possible to gather and analyze all the journals where the articles were published. The sources from 12,141 were organized in an Excel File and 998 is the number of different publication sources among the 12,141 references. Amongst all those sources, some are emphasized through a huge number of citations. Figure 10 illustrates the 40 most influent sources highlighting the *Journal of International Business Studies* as the most cited source, followed by the *Journal of Management*, *Journal of World Business* and the *Strategic Management Journal* with more than 300 citations. Given the amount of citations concerning the publication sources, it can be concluded that those journals are within those the main roots.

Figure 10: Top 40 cited journals (by number of publications)



Source: Own elaboration

The analysis of the roots goes through the study of the evolution of the literature. The publication years are analyzed to discover to when the literature dates back. Furthermore, the most cited authors and sources are organized and afterwards analyzed. This technique enables the presentation of the first authors and sources publishing the topic in study. After discovering the roots, it is possible to analyze the impact and influence of the present literature on other literature. So, the following section focuses on the citations of our initial database and their impact on other literature.

2.2.3. Citation analysis: Evaluating the impact of the analyzed literature

This subsection emphasizes the citation analysis, in order to measure the impact of the topic in study on the literature of other themes (Teixeira, 2013). Subsequently, this section aims to assess the impact of the citations on the literature, which can be done by performing a detailed citation analysis. According to Ravallion and Wagstaff (2011), citations can be considered as an indicator of “scholarly influence” or “scientific impact”. According to the latter, the principal indicator of an author’s scientific impact is the citation report. On the other hand, Zuccala and Van den Besselaar (2009) argue that researchers who are highly cited and well-published can be described as “stars”.

The influence of the literature on OFDI by emerging economies is measured by the analyses of the journals and the authors that cited the latter. Therefore all the citations from our initial database are analyzed and, as mentioned earlier, when exporting the information from the 242 publications the number of citations was included. 2431 is the number of publications that cited our initial sample. Furthermore, from the 242 outcomes published on outward FDI by emerging economies from 1995 until 2015, 58,68% were cited at least once by other publications.

Table 2 illustrates the top 20 most cited publications and shows that the authors and the journals below can be described as influent considering their number of citations. In other words, those publications turn out to be important since they are being quoted, *a posteriori*, by other authors in their papers. Table 2 shows that the top 20 cited publications on OFDI by emerging economies are quite recent studies, since

none of them dates before the 2000s. Among the publication outlets, the *Journal of International Business Studies* is the most cited (6 times) among the top 20 citations.

Table 2: Top 20 cited publications (by number of citations)

Author	Title	Year	Source	Citations
Buckley, P. J.; Zheng, P.; Voss, H.; Liu, X.; Cross, A. R.; Clegg, L. J.	The determinants of Chinese outward foreign direct investment	2007	Journal of International Business Studies	401
Morck, R.; Zhao, M.; Yeung, B.	Perspectives on China's outward foreign direct investment	2008	Journal of International Business Studies	180
Yiu, D. W.; Bruton, G. D.; Lau, C.	International venturing by emerging economy firms: the effects of firm capabilities, home country networks, and corporate entrepreneurship	2007	Journal of International Business Studies	169
Luo, Y.; Han, B.; Xue, Q.	How emerging market governments promote outward FDI: Experience from China	2010	Journal of World Business	114
Liu, X.H.; Shu, C.; Buck, T.	Chinese economic development, the next stage: outward FDI?	2005	International Business Review	69
Kolstad, I.; Wiig, A.	What determines Chinese outward FDI?	2012	Journal of World Business	51
Cui, L.; Jiang, F.	State ownership effect on firms' FDI ownership decisions under institutional pressure: a study of Chinese outward-investing firms	2012	Journal of International Business Studies	50
Yeung, H. W.-C.; Liu, W.	Globalizing China: The rise of mainland firms in the global economy	2008	Eurasian Geography and Economics	48
Ramasamy, B.; Laforet, S.; Yeung, M.	China's outward foreign direct investment: Location choice and firm ownership	2012	Journal of World Business	48
Bhaumik, S. K.; Pal, S.; Driffield, N.	Does ownership structure of emerging-market firms affect their outward FDI? The case of the Indian automotive and pharmaceutical sectors	2010	Journal of International Business Studies	47
Hong, E.; Sun, L.	Dynamics of internationalization and outward investment: Chinese corporations' strategies	2006	China Quarterly	45

Yang, X.; Ke, Y.; Kang, R.; Jiang, Y.	A comparative analysis of the internationalization of Chinese and Japanese firms	2009	Asia Pacific Journal of Management	44
Wu, H.-L.; Chen, C.-H.	An assessment of outward foreign direct investment from China's transitional economy	2001	Europe - Asia Studies	43
Lu, J.; Wang, H.; Liu, X.	Motives for outward FDI of Chinese private firms: Firm resources, industry dynamics, and government policies	2011	Management and Organization Review	37
Cui, L.; Jiang, F.	Behind ownership decision of Chinese outward FDI: Resources and institutions	2010	Asia Pacific Journal of Management	33
Gammeltoft, P.	Emerging multinationals: outward FDI from the BRICS countries	2008	International Journal of Technology and Globalisation	33
Wang, C.; Wright, M.; Kafouros, M.; Hong, J.	Exploring the role of government involvement in outward FDI from emerging economies	2012	Journal of International Business Studies	32
Athreye, S.; Kapur, S.	Introduction: The internationalization of Chinese and Indian firms, trends, motivations and strategy	2009	Industrial and Corporate Change	32
Wang, C.; Boateng, A.; Kafouros, M.; Hong, J.	What drives outward FDI of Chinese firms? Testing the explanatory power of three theoretical frameworks	2012	International Business Review	31
Peng, M. W.	The global strategy of emerging multinationals from China	2012	Global Strategy Journal	31

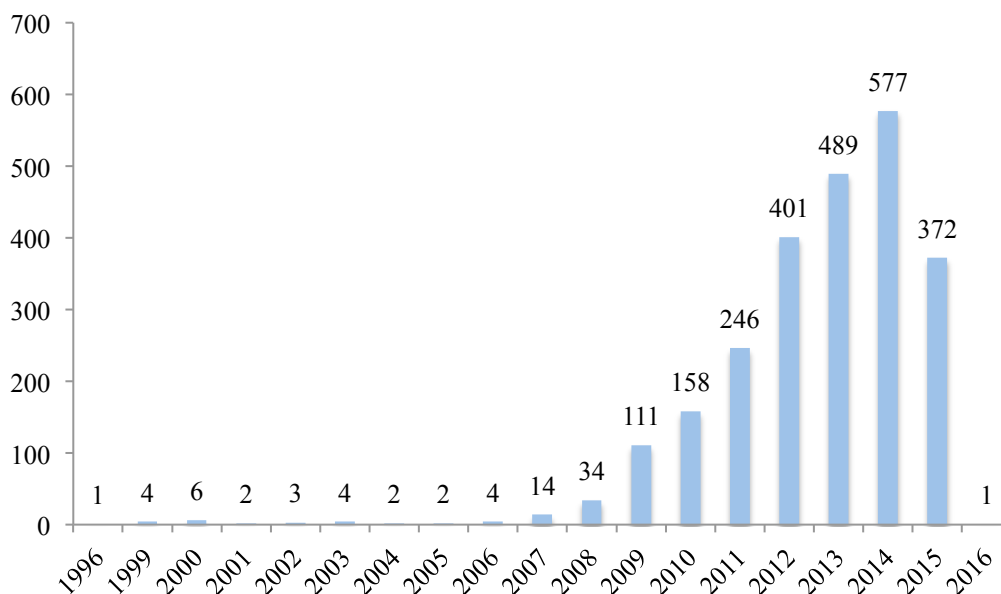
Source: Own elaboration

However, to be able to conduct a detailed citation analysis it is necessary to obtain the information about the authors, journals, year of publication and title of all the publications (2431) that cited our initial database. Therefore, it was necessary to look at all the 242 outcomes in *Scopus* and *Web of Science* in a very detailed manner in order to retrieve this information. Since most of the publications are available in both databases, the cited works from the database where citations took more place were retrieved. So, every publication in both databases was looked up and the whole information available under the category “cited by” was downloaded. This category allows us to retrieve information about the publications that cited the first database of 242 outcomes. After

downloading and exporting the available information, an Excel file with 2431 outcomes remained, including the name of the authors, journals, titles and the year of publication.

Subsequently, we are able to conduct further analyses based on our sample of 2431 results. In a first step, a chronological analysis from our cited publications can be presented. Figure 11 shows that the 242 publications concerning OFDI by emerging economies have been cited particularly by recent studies. Only after 2007 a boom of published papers, which are cited by the topic in study, is noticed. In 2015 we have only 372 articles, which does not mean that the topic is less cited. This result can be explained by the fact it can be expected that a considerable number of citations will still occur in 2015. As for 2016, we have already one publication that is citing our topic on study.

Figure 11: Citation evolution (number of publications per year)



Source: Own elaboration

The impact of OFDI by emerging economies on other studies can also be evaluated by the most influent journals. Therefore, the journals that cited the initial 242 outcomes are analyzed and 497 different journals are obtained. From those outcomes the top 40 publishing journals are represented in Figure 12, which embody 55,77% of the total citations (1356 citations from a total of 2431). As seen below, the *International*

Business Review and the *Journal of World Business* are the most citing journals with more than a hundred citations.

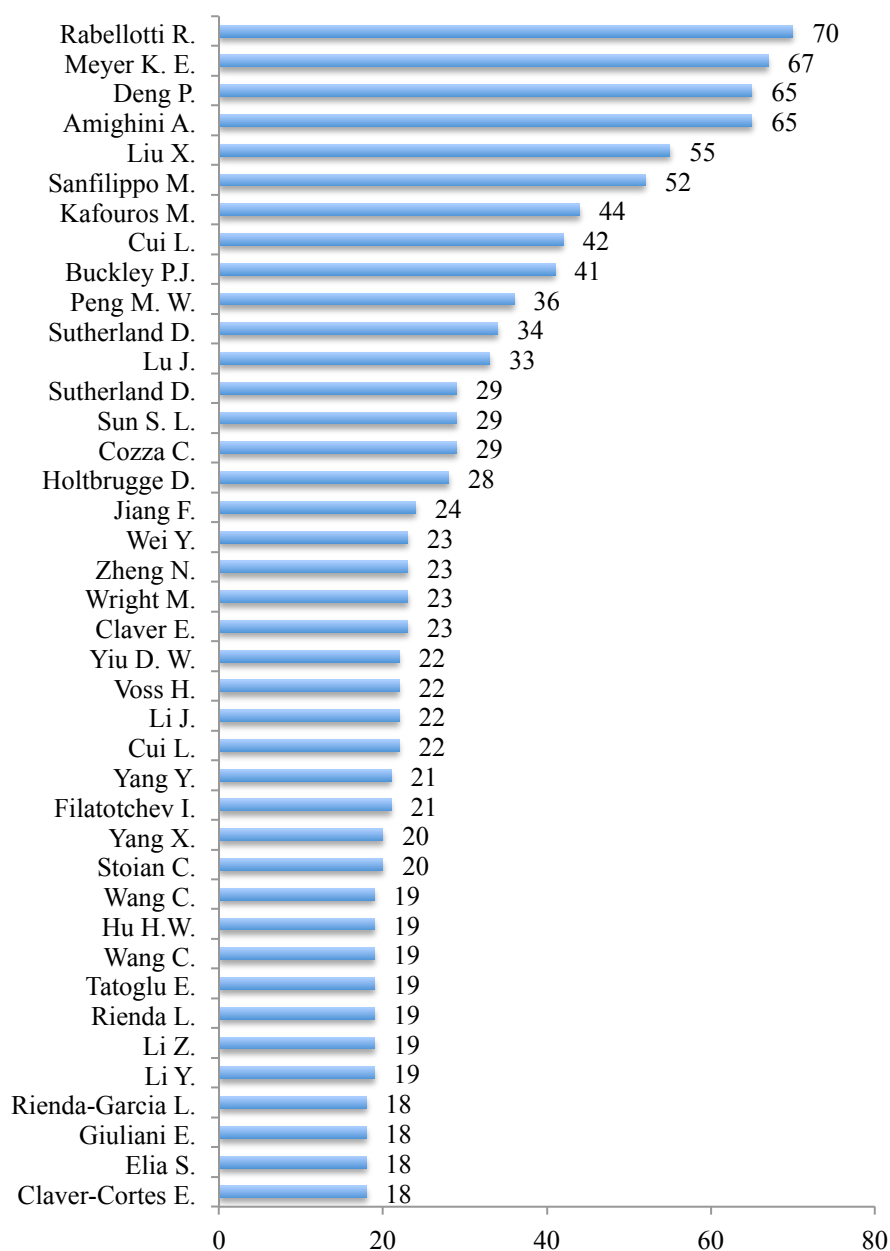
Figure 12: Top 40 publishing journals by number of citations



Source: Own elaboration

Finally it is possible to present a third analysis, i.e., the most influent authors citing OFDI by emerging economies. As mentioned earlier, the topic in study has been cited 2431 times. On top of that, the latter include the citation of 5470 contributors. Among those authors, 1930 different authors involved in the citation analysis are highlighted, whereas 1078 authors were once cited. In Figure 13, the 40 most citing authors can be observed, equivalent to approximately 50% of the total citations.

Figure 13: Top 40 citing authors by number of citations



Source: Own elaboration

Rabellotti R., Meyer K. E., Deng P. and Amighini A. can be considered as the most influent authors, given that they were cited more than 60 times. It can be concluded that those are the authors on whom the literature had more impact. Those contributors, as well as the *International Business Review* are the most influenced by the literature, given the amount of citations.

Hence, bibliometric techniques enable the presentation of structured and organized results. In a first step, the contributors and contributions were analyzed in order to increase the scientific content of the present literature. This first analysis enabled the discovering of the main authors and journals and to determine the key countries and the chronological evolution in a first place. In a second step, the roots of those initial contributions were analyzed, so to uncover the first authors publishing on OFDI by emerging markets, as well as the principal source publications (journals). Moreover, a chronological evolution of the roots was determined to discover the first contributions to the topic in study. A final step was to analyze the impact of the present literature on this and other topics. Subsequently the more influenced authors and publication sources were determined as well as a chronological evolution of the influenced outcomes. Following this, this methodology enabled a structured presentation of the whole evolution of the topic, from 1890 (date of the first publication) to 2015.

Conclusion

After presenting a structured and comprehensive bibliometric analysis, preceded by a thorough literature review, we were able to determine the recent paths, the evolution and the impact of this recently growing topic concerning outward foreign direct investment by emerging countries. As mentioned by many authors, the importance of the theme under study has been rising dramatically and gaining its prominence in an increasingly globalized world. The growing relevance of numerous EMNEs all over the world has been raising high political issues and concerns also several academics.

The results of the application of bibliometric techniques indicate that the topic emerged in the 1800s for the first time and has been “sleeping” until the 1990s. From then on, more and more authors started to publish on the theme and began to realize its importance. A boom of published papers existed in the 2000s indicating its increasing importance. In 2015, OFDI by emerging economies is no longer news and innovative, but seems to continue rising. Moreover, the counting of the papers also reveals the importance of the topic, through the growing number of publications on the theme.

Consistent with the literature review, the “application of mathematical and statistical methods” (Pritchard, 1969, pp. 348-349) in this literature proves that China is by far the most contested country regarding OFDI by emerging markets. Most of the gathered publications concentrate on Chinese outward investments, demonstrating its influence all over the world and the importance of Chinese EMNEs.

Furthermore, the publication sources highlighted as the most influent sources are represented by the *International Business Review*, the *Journal of International Business Studies* and the *Journal of World Business*, known as important international journals and very renowned. Those journals are also mentioned several times in the present literature review through the citation of other publications.

Through the citation analysis it was possible to underline the influence and the impact of the most cited publications of the literature. So, the top cited studies are considered as the most influenced and turn out to be more recent studies. Moreover, the impact on the literature is mainly noticed since 2007, where a boom of cited publications was experienced.

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Annex 1 – List of emerging economies (IMF, 2015)

Emerging countries

Algeria	Hungary	Philippines
Antigua and Barbuda	India	Poland
Argentina	Indonesia	Qatar
The Bahamas	Islamic Republic of Iran	Romania
Bahrain	Iraq	Russia
Barbados	Jamaica	Saudi Arabia
Belarus	Jordan	Serbia
Belize	Kazakhstan	Seychelles
Bosnia and Herzegovina	Kosovo	South Africa
Botswana	Kuwait	South Sudan
Brazil	Lebanon	St. Kitts and Nevis
Brunei Darussalam	Libya	Suriname
Bulgaria	FYR Macedonia	Swaziland
Chile	Malaysia	Syria
China	Marshall Islands	Thailand
Colombia	Mauritius	Trinidad and Tobago
Costa Rica	Mexico	Tunisia
Croatia	Micronesia	Turkey
Dominican Republic	Montenegro	Turkmenistan
Ecuador	Morocco	Tuvalu
Egypt	Namibia	Ukraine
El Salvador	Oman	United Arab Emirates
Equatorial Guinea	Palau	Uruguay
Fiji	Panama	Venezuela
Gabon	Paraguay	
Guatemala	Peru	

Source: IMF, 2015

Annex 2 – List of combinations of selected keywords in *Scopus*

Combinations	outward		outward direct investment	foreign	outbound fdi	outward investors	outflows fdi
	ofdi	fdi					
emerging economies	11	15	23		1	3	0
emerging countries	3	3	7		0	1	0
emerging markets	11	21	25		0	0	0
Algeria	0	0	0		0	0	0
Antigua and Barbuda	0	0	0		0	0	0
Argentina	1	1	0		0	0	0
The Bahamas	0	0	0		0	0	0
Bahrain	0	0	0		0	0	0
Barbados	0	0	0		0	0	0
Belarus	0	0	0		0	0	0
Belize	0	0	0		0	0	0
Bosnia and Herzegovina	0	0	0		0	0	0
Botswana	0	0	0		0	0	0
Brazil	3	8	7		0	1	0
Brunei Darussalam	0	0	0		0	0	0
Bulgaria	0	0	0		0	0	0
Chile	0	1	1		0	0	0
China	45	74	102		2	4	1
Colombia	0	0	2		0	0	0
Costa Rica	0	0	0		0	0	0
Croatia	0	0	0		0	0	0
Dominican Republic	0	0	0		0	0	0
Ecuador	0	0	0		0	0	0
Egypt	0	0	0		0	0	0
El Salvador	0	0	0		0	0	0
Equatorial Guinea	0	0	0		0	0	0
Fiji	0	0	0		0	0	0

Gabon	0	0	0	0	0	0
Guatemala	0	0	0	0	0	0
Hungary	4	3	4	0	0	0
India	13	17	28	1	4	1
Indonesia	0	3	3	0	0	0
Islamic Republic of						
Iran	0	0	0	0	0	0
Iraq	0	0	1	0	0	0
Jamaica	0	0	0	0	0	0
Jordan	0	0	0	0	0	0
Kazakhstan	0	0	0	0	0	0
Kosovo	0	0	0	0	0	0
Kuwait	0	0	0	0	0	0
Lebanon	0	0	0	0	0	0
Libya	0	0	0	0	0	0
FYR Macedonia	0	0	0	0	0	0
Malaysia	5	9	5	0	0	1
Marshall Islands	0	0	0	0	0	0
Mauritius	0	0	0	0	0	0
Mexico	0	2	1	0	0	0
Micronesia	0	0	0	0	0	0
Montenegro	0	0	0	0	0	0
Morocco	0	0	0	0	0	0
Namibia	0	0	0	0	0	0
Oman	0	0	0	0	0	0
Palau	0	0	0	0	0	0
Panama	0	0	0	0	0	0
Paraguay	0	0	0	0	0	0
Peru	0	0	0	0	0	0
Philippines	0	2	0	0	0	0
Poland	5	5	5	0	0	0
Qatar	0	0	0	0	0	0

Romania	0	1	0	0	0	0
Russia	3	10	10	0	0	0
Saudi Arabia	0	0	0	0	0	0
Serbia	0	0	0	0	0	0
Seychelles	0	0	0	0	0	0
South Africa	1	3	2	0	0	0
South Sudan	0	0	0	0	0	0
St. Kitts and Nevis	0	0	0	0	0	0
Suriname	0	0	0	0	0	0
Swaziland	0	0	0	0	0	0
Syria	0	0	0	0	0	0
Thailand	1	4	3	0	0	0
Trinidad and Tobago	0	0	0	0	0	0
Tunisia	0	0	0	0	0	0
Turkey	2	4	5	0	0	0
Turkmenistan	0	0	0	0	0	0
Tuvalu	0	0	0	0	0	0
Ukraine	0	0	0	0	0	0
United Arab Emirates	0	0	0	0	0	0
Uruguay	0	0	0	0	0	0
Venezuela	0	0	0	0	0	0
Total	108	186	234	4	13	3

Source: Own elaboration

Annex 3 – List of combinations of selected keywords in *Web of Science*

Combinations	"ofdi"	"outward fdi"	"outward foreign direct investment"	"outbound fdi"	"outward investors"	"outflows fdi"
emerging economies	11	30	23	1	1	0
emerging countries	2	1	3	0	1	0
emerging markets	4	11	7	0	0	0
Algeria	0	0	0	0	0	0
Antigua and Barbuda	0	0	0	0	0	0
Argentina	0	1	0	0	0	0
The Bahamas	0	0	0	0	0	0
Bahrain	0	0	0	0	0	0
Barbados	0	0	0	0	0	0
Belarus	0	0	0	0	0	0
Belize	0	0	0	0	0	0
Bosnia and Herzegovina	0	0	0	0	0	0
Botswana	0	0	0	0	0	0
Brazil	2	4	2	0	0	0
Brunei Darussalam	0	0	0	0	0	0
Bulgaria	0	1	0	0	0	0
Chile	0	0	0	0	0	0
China	62	91	93	4	2	0
Colombia	0	0	0	0	0	0
Costa Rica	0	0	0	0	0	0
Croatia	0	0	0	0	0	0

Dominican Republic	0	0	0	0	0	0
Ecuador	0	0	0	0	0	0
Egypt	0	0	0	0	0	0
El Salvador	0	0	0	0	0	0
Equatorial Guinea	0	0	0	0	0	0
Fiji	0	0	0	0	0	0
Gabon	0	0	0	0	0	0
Guatemala	0	0	0	0	0	0
Hungary	4	3	4	0	0	0
India	6	9	11	0	0	0
Indonesia	0	2	2	0	0	0
Islamic Republic of Iran	0	0	0	0	0	0
Iraq	0	0	0	0	0	0
Jamaica	0	0	0	0	0	0
Jordan	0	0	0	0	0	0
Kazakhstan	0	0	0	0	0	0
Kosovo	0	0	0	0	0	0
Kuwait	0	0	0	0	0	0
Lebanon	0	0	0	0	0	0
Libya	0	0	0	0	0	0
FYR Macedonia	0	0	0	0	0	0
Malaysia	5	8	5	0	0	1
Marshall Islands	0	0	0	0	0	0
Mauritius	0	0	0	0	0	0

Mexico	0	1	1	0	0	0
Micronesia	0	0	0	0	0	0
Montenegro	0	0	0	0	0	0
Morocco	0	0	0	0	0	0
Namibia	0	0	0	0	0	0
Oman	0	0	0	0	0	0
Palau	0	0	0	0	0	0
Panama	0	0	0	0	0	0
Paraguay	0	0	0	0	0	0
Peru	0	0	0	0	0	0
Philippines	0	0	0	0	0	0
Poland	0	0	0	0	0	0
Qatar	0	0	0	0	0	0
Romania	0	0	0	0	0	0
Russia	2	2	1	0	0	0
Saudi Arabia	0	0	0	0	0	0
Serbia	0	0	0	0	0	0
Seychelles	0	0	0	0	0	0
South Africa	0	0	0	0	0	0
South Sudan	0	0	0	0	0	0
St. Kitts and Nevis	0	0	0	0	0	0
Suriname	0	0	0	0	0	0
Swaziland	0	0	0	0	0	0
Syria	0	0	0	0	0	0

Thailand	1	2	2	0	0	0
Trinidad and Tobago	0	0	0	0	0	0
Tunisia	0	0	0	0	0	0
Turkey	0	2	1	0	0	0
Turkmenistan	0	0	0	0	0	0
Tuvalu	0	0	0	0	0	0
Ukraine	0	0	1	0	0	0
United Arab Emirates	0	0	0	0	0	0
Uruguay	0	0	0	0	0	0
Venezuela	0	0	0	0	0	0
Total	99	168	156	5	4	1

Source: Own elaboration