

CHAPTER TWO

LITERATURE REVIEW

Due to overwhelming interest in China, many studies have been conducted by other researchers, but from different aspects. Few had little bearing on my study. Below mentioned are the summaries of some of their findings:

Hong Wei's "An Empirical Investigation of Trade and Growth in China" studied the effects of foreign trade, capital inflow and investment on China's economic growth.¹⁹ It also analysed the various reforms made by China to facilitate foreign investment. The results confirmed the positive impacts of international trade on economic growth in China as well as the positive effects of labour and capital growth on China's economic growth.

Pan Chih Min's "Essays on Foreign Trade and Foreign Direct Investment" covered specific issues pertaining to FDI in both China and Taiwan.²⁴ Meanwhile Lin Lian Lian²¹ in "Risk Analysis of International Business with and within China" was concerned with risks involved in both direct and indirect investment in China such as the external debt risk, expropriation risk, foreign exchange transfer risk and sovereign risk, which were discussed from financial, legal and policy points of view.

In "The Legal Protection of Foreign Investment in China", Gu Xiao-Yu¹⁸ provides an analysis for legal redress of foreign investors and the various laws that protect foreign investments.

Zhang Xiao Chuan⁴⁰, in "The Political Economy of Foreign Direct Investment in China", examines the impact of foreign investment laws on reforming the political process i.e. institutionalising the policy-making process.

Meanwhile in "Foreign Parent Investment Strategies and International Joint Venture Performance: Chinese Evidence", Luo Yadong²² examines empirically, the underlying relationship between a set of investment strategy variables of foreign parent firms and the multi-dimensional performances of international Joint Ventures.

However, since hardly any research study on Malaysian business involvement in China has been carried out, I am unfortunate in not being able to draw any comparison or contrast between my findings and same.