

An Exploration of Chinese Foreign Direct Investment in Africa from Ethical and Cultural Perspectives

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Abstract : This study explores the perceptions and conducts of Chinese foreign direct investment (FDI) in Africa from ethical and cultural perspectives. It offers a better understanding of how ethical and cultural factors affect Chinese investment in Africa and how the investment projects performed in Africa from both Chinese investors and African stakeholders' perceptions. It adopted a grounded theory approach and conducted 30 in-depth interviews with corporate managers. Grounded theory models are developed to link the ethical and cultural factors, actions, and consequences. Results reveal that some ethical concepts like the unity of humans and nature, benevolence, virtue and responsibility, and cultural traits including propriety, righteousness, sincerity, equilibrium, long-term orientation, and principles affect Chinese investors when making investments in Africa. Most Chinese investors harmonize with local managers, cooperate with each other, and are gentle and courteous to partners. They take stable and steady actions and invest in infrastructure and agriculture projects and adopt a virtue governance system in the organization. This study finds that consequently, Chinese investors and local partners take complementary advantages, make achievements sequentially, and therefore both sides can win. They recognize great potentials and make sustainable development in Africa to achieve the Great Together in the future. This study proposes a Chinese ethics and governance system including economic, social, and political perspectives and compares it with alternative systems. It makes implications to the world island theory and propose suggestions to solve the Clash of Civilizations problem.

Keywords : foreign direct investment, ethics, national culture, China, Africa

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