

development due to their non-renewability. Many nations take protective measures against mining industry in order to defend their own economic interests. Meanwhile a few countries with rich mineral resources and a sparse population will maintain a high opening-up level to convert resource advantages into economic benefits by foreign capital. In which case, mining investors should be concerned about the opening-up level of the target country in investment location so that businesses may go into the country smoothly.

V. Social Factors

Social Factors mainly refer to the fundamental conditions of the host countries in social and cultural environment. They contain social order and structure, population quality, domestic infrastructure projects, national language, religious belief, mood of the country and social customs and habits etc. Social environment will affect the investment location of foreign investors directly and indirectly. Because various historical and development conditions result in great differences in overall national strength and cultural background, causing differences in nation building, values and mode of thinking. Investors always choose the countries which have good infrastructures and tiny differences from mother country in language to make successful investments. The article will analyze the effect of investment location from social factors in the infrastructures and cultural differences of host countries.

A Infrastructure

Mines productive activities are usually under way in the mountain or remote areas, which requires host countries to provide more sophisticated infrastructure, especially in transportation and energy supply because these factors can ensure the mines projects to go on smoothly to some degree. Taking South Africa as an example, the most concerned for investors is its poor infrastructure. But investors are very worried about the local social environment and transport costs in spite of other ventures. Many mines are far away from coastal terminals and railway construction is under poor condition so that in peak season local mine owners fight hard for railway transportation, which brings adverse effects for every investor.

B Language Culture

Language culture is equally important to any kind of investment enterprise. Due to various languages and social cultures, there are different psychological distances among investors. Language plays an important role in communication as a tool. Many investors tend to make investments in the area which has similar geographical features and language culture backgrounds. Then we will make a brief analysis of this phenomenon.

First, people with strong senses of cultural identity have the similar social consciousness, social customs and life values with people in the investors' mother country. Investors can recruit workers by comparing and evaluating some characteristics depending on mother country's work force to reduce risks in unbalanced employment market. Second, government departments have the similar work style because of the similar social consciousness. Investors have to abide by the process and invest in the country with cultural identity so that they can form rational expectation in the operation process, rules, and unwritten rules and reduce transaction costs. Last, apart from economic reasons, culture itself, as an important factor of national identity and international communication, can promote economic integration. As an aspect of economic interchange, transnational investment is liable to develop with cultural exchange^[4].

References

- [1] Jiaqu Wang, Xiaofeng Zhang, *Mining Resource and National Security*[M]. Beijing : Geological Publishing House, 2000. vol. 2, 102~103
- [2] Xin Lv, *On the Location choice in the Association of Southeast Asian Nations* [D]. Shandong : Qingdao University of Science and Technology , Master's Thesis, 2010,
- [3] San Liu, *A Quantitative Analysis On the Relationship Between Foreign Direct Investment of foreign tradesman and economic growth* [J]. China Business Circles, 2010, 6 (1) : 101~102
- [4] Guoda Gu, Zhengrong Zhang, *The Function of Cultural Identity in foreign enterprise investing directly* [J]. Zhejiang Social Science 2007, 1 (1) : 16~21