

# A Study Exploring the Belt and Road Initiative and the Impact on the Cultural Differences in Africa Cooperative Countries

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## Abstract

Africa is the fastest economic growing continent in the world and the most diverse continent, however different part from the cardinal may experience different cultural dimension, belief and values; and how they emphasize on the importance of foreign investment. This paper overlooks the relationship built between China and African countries. Given that China attaches great importance to the Belt and Road Initiative and the expanding scale of outbound investment, this paper explores the impact of cultural factors on the choices of outbound investment models by Chinese enterprises. There so, the paper has selected countries from a four cardinal directions representatives: Egypt (Northern Africa); Ghana (Western Africa); Kenya (Eastern Africa) and South Africa (Southern Africa). The methodology in this study includes phenomenological method with comparative analysis by using the Hofstede's culture dimension indicator and the data of Chinese OFDI flows and stocks in 2020. This study interprets the meaning of experiences of human life. The analysis of the main investment patterns of Chinese companies and the four representative countries shows that the cultural dimension has a greater influence on the choice of investment patterns, while the influence of the masculinity dimension is weaker. For countries with different cultural dimensional relationships, Chinese companies are more willing to invest in a way that has low cultural adaptation costs to facilitate the smooth implementation of investment. This paper has also incorporated a new culture dimension of self identity and awareness (Confucianism culture and Ubuntu culture as a dimension that have to be explored more, furthermore the author calls upon the revival of understanding the Ubuntu culture dimension that represents Africa have which was lost to be explored thoroughly from theoretical and policy contribution so as to understand African states values and norms originality. The study also puts out suggestions for smoother cooperation among

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Chinese direct investment in the BRI countries in Africa from the perspectives of enterprises and the government.

### Keywords

Belt and Road Initiative (BRI), Outward Foreign Direct Investment Models (OFDI), Cultural Factors, Oversea Investment and Economic Development

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## 1. Introduction

China's role in the world economy is becoming increasingly prominent and the pace of overseas investment is accelerating. In 2013, President Xi proposed the Belt and Road Initiative and in March 2015, the Chinese government released the Vision and Actions for Promoting the Construction of the Silk Road Economic Belt and the 21st Century Maritime Silk Road (VAPCSREB). The BRI is based on policy communication, facility connectivity, smooth trade flow, capital integration and people-to-people contact, with countries along the route having different resource endowments and strong economic complementarity, and huge potential and space for cooperation. The Chinese government created financial vehicles to facilitate the implementation of the initiative by setting up special lending plans, these instruments are in form of the Asia Infrastructure Investment Bank (AIIB), the Financial Centre for South-South Cooperation, the Silk Road Fund, China Development Bank, Export-Import Bank of China and the Forum on China-Africa Cooperation (FOCAC) (Anedo, 2018).

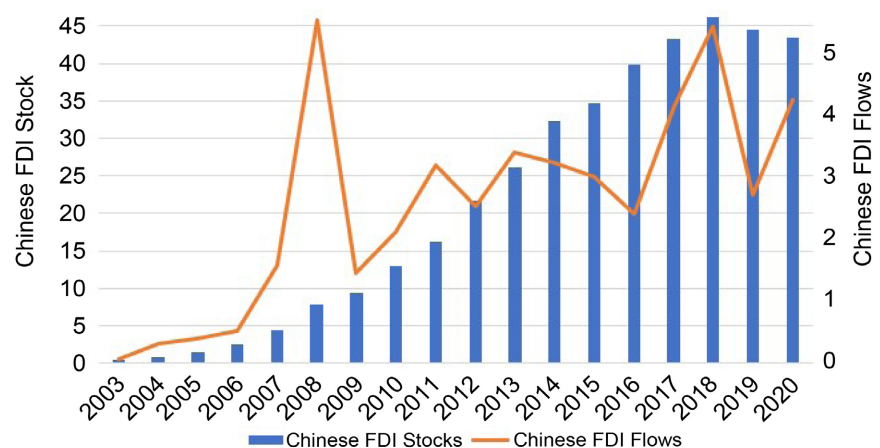
The strong interest in Chinese investment in Africa is very much related to the rise of China as a global power bringing hope to developing countries on one hand and able to challenge the leading position of the US and European companies on the African Continent (O'scawn, 2018). However, as impressive as this may look, Chinese OFDI represents a small share of FDI flows into Africa, a little more than 1% of Chinese total FDI flows. Moreover, when the BRI projects instated in Africa the FDI flow distribution was mainly the top three traditional industries namely construction industry, the mining industry, and the manufacturing industry. Spite of the continuous cooperation and partnership the BRI project begun to diversify in new industries such as telecommunications, scientific research and technological services, financial services, tourism, green energy home appliances as shown in **Figure 2**.

In Africa, Djibouti is noted as the entry-point of the BRI, it presences an epitomizing and positive outcome of BRI project. China has listed 42 African countries out of 54 on the Belt and Road (BR) official website 2020 April, ranging geographically from Tunisia to South Africa. Countries that are provided with these opportunities exist within the geographical footprint of the Belt and Road, working with both the Chinese and their partners but also, with the countries failing outside of the "main road" maintains a mutually beneficial investment

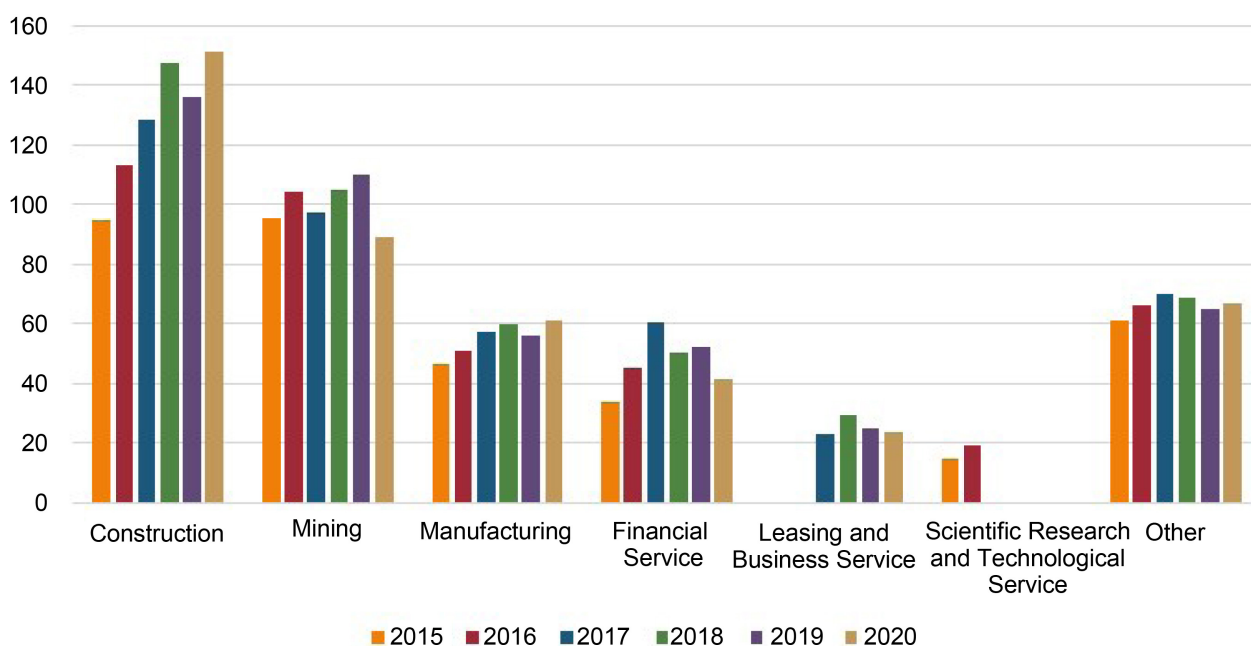
and trading opportunities (China Daily, 2018). Examining the projects in these Africa countries reveals a nuanced reality of how the initiative functions in the developing world, where infrastructure, connectivity and green energy is desperately needed (Miao et al., 2020). However, there is no official figure for total Chinese investment into Africa. The China Africa Research Initiative (CARI) at Johns Hopkins University 2018 (Acker & Brautigam, 2021) estimated the total loan is around \$5 billion per year while Forum on China-Africa Cooperation (FOCAC) 2019 (Anedo, 2018) on their website stated a decline in 2019 to \$2.7 billion per year and despite of the COVID-19 pandemic FDI flows swung up to \$4.2 billion per year in 2020. Indeed, Chinese OFDI in African countries has been growing at a very high speed, especially since the introduction of the BRI projects 2013 as shown in Figure 1.

Chinese model of OFDI in the belt road initiative plays a very vital role in smoothing the cooperation with the countries that are involved (Su et al., 2022, Ma, 2022). In this study the countries selected as references are all considered as highly collectivist society except for South Africa which is loosely-knit. By this stated, we can suggest that Hofstede's theory of cultural dimensions is one of the important elements in distinguishing different national cultural systems, which involves power distance, individualism/collectivism, uncertainty avoidance, masculinity, and long-term orientation, so this paper will draw on it for comparison, analysis and discussion. This paper will only focus on the current emphasis and the increasing scale in Africa countries by four selected African countries as the representative countries in the BRI projects as the subjects of the study, and uses theory and cases to analyze and explore (Figure 2).

Moreover, understanding the Hofstede's theory of cultural dimensions is one of the important elements in distinguishing between different national cultural systems. Therefore, the authors' drew from this to explore and analyse the influence of culture on the choice of OFDI. Greet Hofstede the developer of the earliest and most popular framework for measuring cultural dimensions in global perspective and his theory contains five dimensions: initially the theory includes



**Figure 1.** Chinese FDI flows to African countries. Source: UNCTAD/Chinese statistical 2020.



**Figure 2.** Chinese FDI stock in African countries 2015-2020. Source: Chinese statistical 2020.

the power distance index, individualism or collectivism bias, uncertainty avoidance index, and masculinity index, which summarize the cross-cultural differences. Greets later adopted the theoretical additions of Michael Minkov and other scholars, adding long term orientation, indulgence or restraint index. He proposed that culture is a common mental process that people perceive in the same environment, and this common mental process can distinguish a group of people from others. Therefore, it is very meaningful to study the influence of such cultural dimension theory on the choice of OFDI mode in BRI project.

## 2. Literature Review

The Chinese enterprises choose the entry model of OFDI in the BRI, this is an important issue for the enterprises and the government that deserves attention. There are various models of OFDI, and each model is applied depending with various factor that are taken into consideration such as the host country economic environment, political factors, market environment, cultural differences, as well as exchange rate and country's currency (Risberg, 2019).

Chinese leadership contends that infrastructural development is a precursor to economic development and growth, which precisely explains the nature of the projects covered under the Initiative and from that reason it argued that African countries should reach out and tie-in with the BRI project. And it is observed that a country's location, plays a vital part in influencing investment and model which would ultimately culminate in the increase in foreign capital inflows into the country.

In Pan (2002) study of US, European and Japanese investment in China was found that when cultural differences between countries were large, firms were

more willing to achieve effective control by extending ownership. Shane also found similar findings in his study of investment in multinational production subsidiaries in the US. Looking at the uncertainty avoidance dimension alone, some scholars argue that the degree of uncertainty avoidance affects the choice of investment mode: Kim & Hwang (1992), using data from a questionnaire survey of 629 U.S. production sectors, suggest that firms try to reduce resource investment through joint ventures due to the uncertainty inherent in culturally diverse markets. Additionally, in a study of Japanese production firms in six European countries, Brouthers and Brouthers (2000) found that the higher the uncertainty aversion in the home country, the more firms preferred joint ventures. Brouthers and Brouthers (2000) stated on similar findings in a study of 8078 firms investing in China. While Pan (2002), Flores and Aguilera (2007) studied the investment activities of the top 100 U.S. multinationals in 149 countries and found that across indicators of cultural dimensions, individualism, masculinity and uncertainty avoidance have a weaker effect on OFDI, while power distance and self-indulgence have a stronger effect. Meanwhile, some scholars have also made studies on the negative impact of improving cultural differences on inter-country investment. Through their study, Hui Wang and Xin Zhong (2023) found that political interaction and cultural exchange played a positive role in increasing political mutual trust and reducing investment risks between the two countries, which helped to promote the development of OFDI.

However, most scholars believe that cultural differences play an important role in the choices of entry modes, but the existing empirical studies have no unified proposal of entry mode that is the best (Schellenberg, Harker, & Jafari, 2017). An enterprise enter a foreign market is not only important to the firm itself due to its strategic impact, its impact on profitability and long term success. Dunning (1981) suggests that in addition to location advantages factor endowments, psychological distance caused by language, culture, customs, and habits of the host country is also an important factor influencing firms' OFDI location-al choices. Ji, Junzhe & Dimitratos (2013) stated the multinational firms provide a sense that cultural distance can successful predict the choices of investment entry mode including its interaction with the trade-off theory of international production. While, P.N. Kayalvizhi and M. Thenmozhi (2018), drawn a conclusion that techno-cultural factors are the main aspect affecting OFDI. And in the study of Xue Ye et al. (2023), he explored the impact of cultural distance between the home country and the investor on OFDI, and concluded a significant negative correlation between the two business partners he continued to state the smaller the distance between the host country and investors culture in terms of cultural system, adaptation and adjustment of costs for investing firms and the more investing is required. When there is a greater cultural differences between host country and investor the OFDI entry mode of these investment will tend to focus on a joint venture mode (Xie & Yin, 2023); while Minkov, M. (2007) argued that the greater the cultural differences, the more investors tend to relay on

a wholly foreign-owned entry strategy. And Song, L. (2004) suggested that cultural differences negatively moderate the location choice of resource-seeking, positively moderate the location choice of market-seeking, and have no significant effect on the location choice of strategic asset-seeking OFDI. Qunxi Kong et al. (2020) declared that cultural differences have no significant effect on the location choice of strategic asset-seeking OFDI.

From the above brief analysis of existing findings from different scholars research, it is firstly noted that most of the research have been conducted and focused in the perspective and environment of Asia, Europe and America and little if not a single research focus on Africa countries and it is there so the authors interest to underpin the terms of specific investment mode choice of BRI projects in Africa. The author is also interested to reveal the impact and influence of culture and its cultural dimensions on investment mode in very different ways. Therefore, it is of practical and theoretical significance to study the influence of cultural differences on the choice of overseas investment entry mode of Chinese government and its enterprises as the initiator and the implementer of BRI when overseeing projects in Africa.

### 3. Africa and the BRI OFDI Choices

The BRI has been one of the witnessed of classical examples of China's shift of the global strategic narratives on the regional and global economic governance affairs (Du & Zhang, 2018). The primary objective of the BRI was to improve the market-based and economically motivated cross-border investment of China through structural transformation, exploring new regional and global economic cooperation in the vast geographical area (Shahriar et al., 2019). The BRI was not only to meet the domestic demands to sustain China's economy but also played a more proactive role as an alternative system to re-balancing the world economic system (Wang et al., 2019). Moreover, it also offered future diplomatic routes, political understanding, mutual trust, the strength of communication, government support and provide information about the so-called China's wealth of development model to developing economy across the road (Du & Zhang, 2018; Huang, 2016).

According to the statistics of investment flows between China and African countries in 2020, the countries selected in this research are listed with the largest investment flows as seen in **Table 1**, as well as this country's geographic position aligned on the contract that support and cooperation with China under the BRI were selected. The cases chosen for this research was due to the scale of investment is large and representative; and it represented and went according to the requirement of the BRI which is in line with the subject of this paper and the research context.

#### *Case 1: The Greenfield investment in Egypt*

Greenfield investment, also known as creation investment, this type of investment establishes enterprise in the host country by an investment entity such

**Table 1.** China Africa research initiative at Johns Hopkins University's School of Advanced International Studies (SAIS-CARI). Data source: Statistical Bulletin of China's OFDI in 2013-2020.

The screened and identified of the four African countries				
Region	Names of the Countries	Number of projects	Hundred Millions dollars	% of Chinese OFDI
Northern	Egypt	197	1200	28%
Western	Ghana	192	715	4%
Southern	South Africa	280	5400	13%
Eastern	Kenya	137	630	5%
	Total	806	7945	50%

as a multinational corporation, in which part or all the assets are owned by the foreign investor in accordance with the laws of the host country. For the investing company, this type of foreign direct investment allows it to build up the maximum number of branches that meet the requirements of the company and to have full right of decision and control over its day-to-day operations.

This paper analyzes and views the situation of greenhouse joint project of Ismailia province where in May 2017 Egypt and China signed a contract worth 400 million U.S. dollars for the modern agricultural greenhouse joint project. It should be also noted Egypt is the first African country which entered into a BRI agreement with in 2015. And in 2017 Whilst there proposed a deal of 2350 greenhouses which is currently being constructed on an area of 3900 hectares. The Green energy project in Egypt represents modern greenhouse technologies and is currently boosting the development of Egypt's modern agriculture. A Chinese company Sinomach-HI is using these technologies in a large joint project of 600 greenhouses northeast of Cairo. For over the past years, the greenhouses turned 1000 hectares of desert land into a world of fresh fruits and vegetables to produce tomatoes, cucumbers, peppers and beans which are exported to neighboring countries. The project can provide about 6000 job opportunities. It also goes in line with China's BRI.

#### *Case 2: The Turnkey Project in Kenya*

Turnkey project refers to the multinational corporation for the host country to build a factory or other engineering projects, once the design and construction works are completed, including equipment installation, commissioning and initial operation after smooth operation, the factory or project ownership and management of the "key" in accordance with the contract intact handed over, by the host party to start operating (Brautigam et al., 2022). There is a time limit for completion of the project. Therefore, to a large extent, turnkey projects will take place where there is a large gap in strength between the two countries, providing a mutually reinforcing and beneficial effect (Herrero & Xu, 2017). For the host country, a turnkey project provides quick access to ready-made high-technology results and a significant short-term advance in productivity. The most successful

project between China and Kenya, the construction of the Monet Railway, is a representative and successful turnkey project which was signed in 2014 as our sample case.

This paper affirms with the details of the 472 kilometer of the Mombasa-Nairobi Standard Gauge Railway (SGR), built by China Road and Bridge Engineering Co Ltd, the largest port in East Africa. The railway is an early harvest of the BRI in Africa, and a bright brand of Sino-Kenyan cooperation in the new era. The railway is intended to be the main transport route, and is therefore known as the “choke point” of the entire East African railway network (Huang, 2016).

#### *Case 3: The merge and acquisition project in South Africa*

M&A takes many forms and generally refers to mergers and acquisitions. In this research we are going to focus on the cross-border merger and acquisition (CBMA) and what are the reasons for the Chinese enterprises to opt this strategy. From the case of the Hengtong Group a Chinese enterprise, which has been sending South African students to China for skill training and providing them with jobs back in SA after its acquisition of Aberdare Cables located in Ekurhuleni, Gauteng Province, which created 1500 jobs for local communities as well as committed to socioeconomic transformation and progress of South Africa, making active contributions to the economic growth, unemployment alleviation and employment opportunities reservation.

In this case of cross-border cooperation, an enterprise acquires a controlling stake in an existing subsidiary in the host country in order to obtain certain operating rights. In general, M&A can be very flexible as it can be evident the Chinese investors being more attracted to African natural resources, and increase for natural resources provides impetus for Chinese enterprises to choose CBMAs and have the majority ownership to exercise control (Li & Wan, 2016).

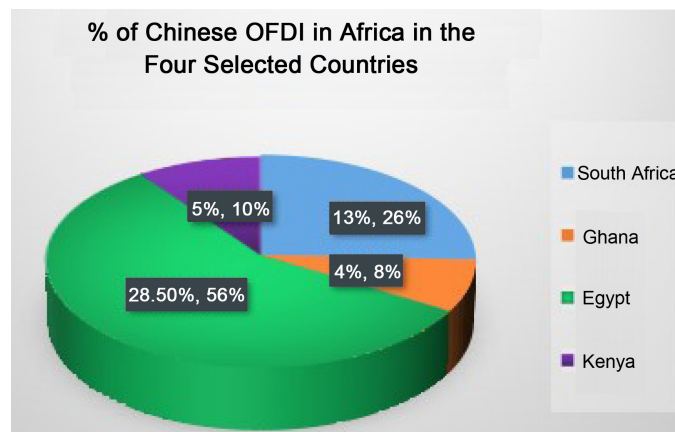
#### *Case 4: The Government-Social Capital Cooperation in Ghana*

A government-social capital partnership, also known as public-private partnership (PPP), is a model of project operation in public infrastructure. Under this model, private enterprises and capital are encouraged to cooperate with the government and participate in the construction of public infrastructure. In the field of public services, the government adopts a competitive approach to select social capital with investment and operation management capabilities, and both parties reach a concession agreement in accordance with the principle of equal negotiation, whereby the social capital provides public services and the government pays consideration to the social capital based on the results of public service performance evaluation, forming a partnership with shared benefits, shared risks and full cooperation. There are various modes of cooperation, such as build-transfer (BT), build-operation-transfer (BOT), build-ownership-operation (BOO), etc. The government and social capital can flexibly choose the mode of cooperation according to the specific situation. For the investing company, this investment model offers the opportunity for long-term cooperation and more investment with the host country government. With the government on board,

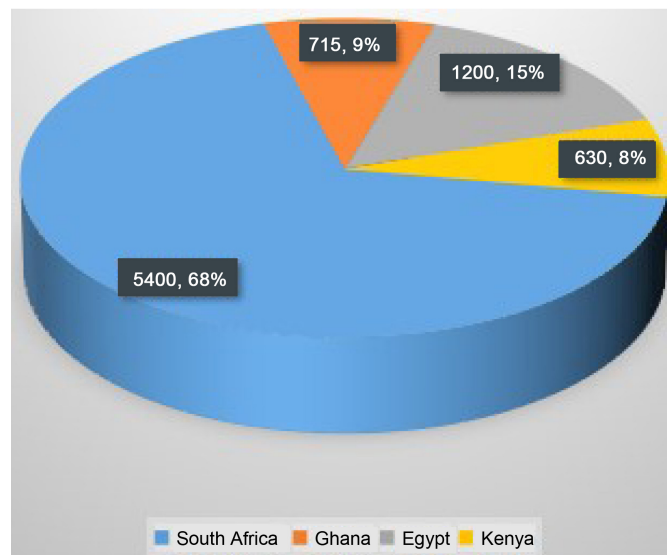


it will be much less difficult for the company to finance the project and will mitigate much of the risk for the company. However, as it is a public project in the host country, there needs to be a good partnership with the host country personnel during the construction period, and the management and the managed parties should have similar philosophies to facilitate the smooth start and implementation of the project.

There so in this part, we view the interaction between Chinese investors and local Ghanaian on the construction of 100 km Kumasi inner city roads. Kumasi with a history and regarded as the commercial capital of Ghana is located in Ashanti Region is the second largest city. This project is undertaken by Sinohydro Corporation Limited, which will include drainage work, earthwork and bituminous surfacing the road. The project is expected to bring improvement to the road networks and facilitate transportation within the city.



Investment flow by Chinese Enterprises 2013-2019. Source: SAIS-CARI Data



Investment flow by Chinese Enterprises 2013-2019, Source: SAIS-CARI Data

## 4. Different Cultural Dimensions on the Choice of Investment Models

Hofstede's theory of cultural dimensions is one of the important elements in distinguishing between different national cultural systems. Therefore, it was in this interest this study will draw on this theory to explore and analyse the influence of culture on the choice of direct investment modes of Chinese enterprises to African countries cooperating in BRI.

China now becomes Africa's second largest trading partner after U.S. as a result of this, bilateral trade with Africa the Chinese FDI stocks in Africa grew double within a period of 17 years from \$490 million in 2003 to \$434 billion in 2020, peaking in 2018 at \$461 billion (The Diplomat, 2021). This was made possible by the government of china for the result of "going global policy and the BRI cooperation", which encouraged Chinese companies to become multinationals, and therefore supported a rise in China's foreign direct investment (FDI) in Africa. However, business setbacks that appear between the Chinese investors and their African employees or counterparts are mainly linked to be cultural related differences which need to be studied for greater common ground and explore the connection between culture and business strategies, conflict management, decision making, risk taking/avoidance work group characteristic and reasonable standard motivation system (Anedo, 2018). This part will put forward and clarify the differences between China and Africa by focusing on Hofstede's four cultural dimensions: power distance index, individualism/collectivism index, masculinity/femininity index, and uncertainty avoidance index and long-term/short-term orientation index and also a preview of Confucianism with Ubuntu dimension and how they contribute in understanding the culture.

According to Dimmock and Walker (2000), culture means "the values, customs, traditions, and ways of living which distinguish one group of people from another". This definition aligns with that of Hofstede (1991), who "proposed that culture is a common mental process that people perceive in the same environment, and this common mental process can distinguish a group of people from others". Therefore, it is from this recourse to the aforementioned, it is evident that the majority of studies have mainly aimed at examining the impact of the BRI on the economic development of the countries concerned with limited studies on cultural differences with African states.

### 4.1. The Power Distance Index

China and the four selected countries differ greatly with regard to their social value, political system economic systems and legal system, China have passed through tremendous speed of changes for the past 50 years and from that China is being regarded as the fastest growing economic in the world however the four selected African states have also substantial improved and undertaken reforms to modernize their economy and developed its economy from least developed to

middle income country. The power distance in China is classified as centralized though due to the development it have undergone, China now shows some tendency toward decentralized power while in these four African countries, the power distance is highly centralized. In high power distance cultures, authority is inherent in one's position within a hierarchy (Mbigi, 1994). There are strong dependency relationships between superiors and subordinates and a significant social distance between superiors and subordinates. Unlike Western culture where individuals assess authority given its perceived rightness, in Eastern cultures, authority is respected and obeyed regardless of its rightness. This difference in attitude can lead to misunderstandings, as subordinates may not challenge authority even when it is wrong. This can lead to ineffective decision-making and a communication breakdown. Add how FDI plays a vital role in bridging the communication gap between different cultures by providing a platform for people from different countries to interact and learn from each other. This can lead to a greater understanding of different cultural norms and values, which can help to bridge any communication gaps.

#### **4.2. Individualism/Collectivism Culture**

China and all selected countries in the study proves to shows a strong collectivism cultural characteristic. These countries show there is little emphasis put on the interests of the individual versus the interests of the group. In these countries the interests of the group take precedence over individual interests (Lauring, 2011). People see themselves as part of in-groups and the in-groups look after them in exchange for their loyalty. As to these African countries societal cultural plays a prominent role in individuals life, as it demonstrate loyalty and express pride (Elsaid & Elsaid, 2012).

#### **4.3. Masculinity/Femininity Culture**

These four selected African countries represent highly of other African countries in terms of gender role in the society (Hussein, 2005). African still have a traditions view of gender role everyday life. Men and boys are often raised to be view as the dominant force and provider in the household amid from this ideology African societies tends to value masculinity in workplace the aggressive goal behaviour type, value material possessions, money, and assertiveness. In contrast to Chinese culture where, harmony is a fundamental characteristic essential in their community (Hinsbergh, 2017), the Chinese are disciplined and educated to sacrifice their personal well-being for the benefit of group or society this clearly go line with tends of nurturing, caring for other and interpersonal orientation which is a femininity cultural characteristic (Taylor, 2014).

#### **4.4. Uncertainty Avoidance**

This is the degree of threatened by ambiguous situation or new situation, not all African states respond and encourage uncertainties of the future the same way

(Shahriar, Kea, & Qian, 2019). Egypt among the four countries have the lowest uncertainty acceptance while the remaining three countries have moderate low uncertainty culture. This culture of low acceptance of uncertainty in African states is influenced by the mentality that work or employment is a necessary survival tool and therefore they become satisfied with however big or small the work maybe, and this tends to make people rigid and intolerant of change due to the fear of loss of job (Anedo, 2018). African states may even resist innovation and development if it seems to bring uncertain future outcome of their work or community they live (Nana Yaw Oppong, 2013). Meanwhile for the Chinese uncertainty culture in relation to OFDI is directly linked to the impact of inflation, seek of efficiency, location and economic factors, these factors may increase the uncertainty avoidance attribute of the Chinese enterprises as known the Chinese business culture that tends to emphasize on alliance plan and partnership and if these factors can't guarantee safe guard of prosper future then there is highly uncertainty avoidance.

#### 4.5. Long Short Term Orientation

African states are classified as short term oriented a culture that looks forward to maximize the present rewards and are relatively less prone to saving or anticipating long term rewards (Ma et al., 2019). While China starts to plan today for the next young generation and that means 30 to 50 years ahead (Anedo, 2011). And the Chinese enterprises are well known for their attitudes toward avoidance of unexpected contingencies, they prefer to choose "existing market knowledge" instead of "exploration of contingency" (Singer et al., 2014). The compromise of present for the future; avoid risk; goal oriented; using the resources according to plan in this type of context where people view, behave and act differently may bring significant impact on the project in which people interact.

#### 4.6. Confucianism and Ubuntu Cultural

Confucian started as a doctrine where it evolved to be a life style and by being accommodated as a life style it automatic became a custom, behavior and taught for generation to generation and this unconsciously pattern can be valued and view as culture. Confucianism is a system that advocates being good to others and not harming others, it states that you can only be happy if you're good to others and don't harm them this put pressure on individuals to behave positively when there are no negative consequences for their actions and is helpful to society because it provides a strong sense of morality, respect and maintain harmony within the society. Confucianism emphasis on nurturing, the care for others culture characteristic. While the Ubuntu philosophy which started way back 250BC but being intercepted by the colonial system it has now gained back momentum in African states. This philosophy emphasized on harmony in community, strongly teaches community to care and nurture each other, encourage extended family in other word collectivism way of living, working or life style (Mwipikeni, 2018).

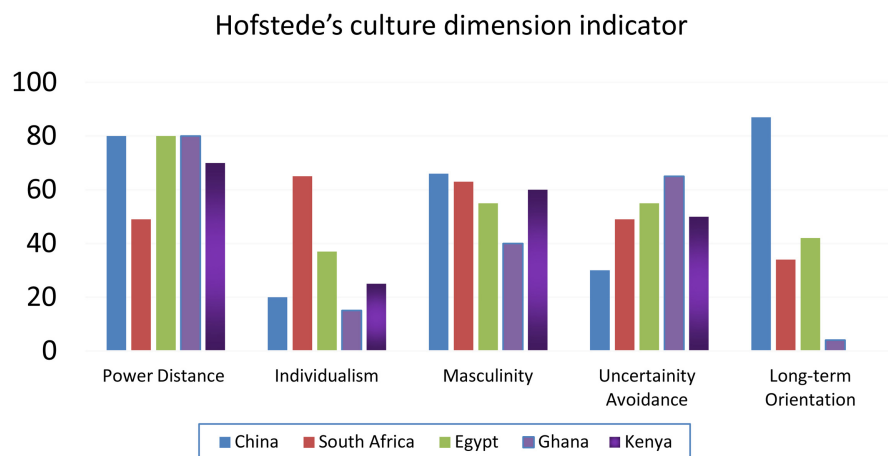
From this perspective the author decided to overlook at the philosophy of Confucianism and Ubuntu as a culture dimension. It is based on the teaching of the life of Confucius.

## 5. Conclusion and Discussion

The current research is an exploratory one because it took the first step to examine four African countries which is in Northern Egypt, Southern South Africa, Eastern Kenya and Western Ghana, all these countries though located in one continent but have different languages, histories, cultures and different on how they interact with foreign investors. However, there is very little research done on exploring and comparing African countries due to the scarcity of data. In the same way, the light of the “One Belt One Road Initiative” which was initially initiated in 2013, it was therefore essential to explore and understand the diversity of African countries. Our study’s findings are a small step towards universally exploring the cultural dimension of different African countries.

The conceptual and methodological aspects of the study have been guided by the Hofstede cultural dimension comparison theory. The purpose of the study was to examine the differences that arise in business due to culture and location differences in Africa in relation to the OFDI poured by Chinese enterprises (Er-ramilli, 1996). It also reported and elaborated on the dimensions of these African countries’ cultures using Hofstede dimension where the four countries were examined and compared using the 5 dimension and 1 culture philosophy.

Egypt appeared to have relatively lower scores on uncertainty avoidance or future orientation however on the other hand, Egypt had high score on in-group collectivism, a performance orientation and power distance similar as their business counterpart the Chinese investors as seen from **Figure 3** below. In terms of the development and innovation still Egypt is struggling with the culture of limitation of woman to participate in economic opportunity. This adheres to the principle of toughness against tenderness and hence exhibits a strong preference of society for achievement, masculinity attitude and importance of



**Figure 3.** Hofstede cultural dimension Comparison.

material achievement.

The South Africans from the south display a culture of highly individualist cultural orientation compared to any of the African country discussed in this study as it can be seen on the figure below. Moreover, it also shows a high score in masculinity dimension and moderate score of uncertainty avoidance this means they embrace ambiguity and new ideas for the sake of future development however low score in long term orientation this is proven by how they encourage and respect the traditional ways and hence the success or gratification emphasis on the present for quick results.

The Ghana which represents the western part of Africa have preserved codes of behavior and belief that are sensitive to unusual way or customs and this maybe due to the history it went through. Ghana shows extremely low score of long term orientation honoring traditional rules and rulers hence looking up for quick rewards and result consequently due to this the communal value towards local chief and family shows an unfavorable encouragement in individualism culture and highly score in power distance and a moderate masculinity culture as it focus is on people value equality in their working lives, solidarity and work considered as a necessity in order to live. There so it can be considered as a femininity culture with relatively highly acceptance avoidance as shown in the figure above.

In the east part we are represented with Kenya. Kenya is a highly cultural value country were embraces hierarchical in society this is shown in the relatively high score in power distance and people in the society take care of each other in exchange of loyalty this is a purely collectivist culture displayed however they are moderate in accepting uncertainty outcome and relatively high in encouraging competition, achievement and success in working environment. Last but not least with unfortunate there is no data information on long term orientation and this was a shortcoming for the author as they could not conclude on the status of Kenya (**Figure 3**).

In respect to, understanding other cultures in business is a vital part that cant be ignored as there have appeared so many cases in misunderstanding, poor communication, local ability to convey the Chinese investors intention and meaning in projects. Appreciating the difference in culture and willing to accommodate the difference and ambiguity is an objective priority and expectation of business partners.

Ubuntu and Confucianism represent the main philosophical visions of the Afro-Chinese world. *Xing et al. (2016)* showed that the cultural proximity between Ubuntu and Confucianism significantly influences Chinese and African managerial practices especially with now the BRI many Chinese enterprises are seeking market in Africa. These visions, although humanistic or philosophical, provide useful information for management practices in Africa and China. They contrast most of the firm theories developed in the West (profit-seeking) and emphasis the social dimension of firms (*Manning, Kannothra, & Wiss-*

man-Weber, 2016).

As for the similarity of both Confucianism and Ubuntu culture philosophy emphasizes on centrality of community where it encourages person hood as the identities of the people in a society are shaped by the social relation that exist in the society. Ubuntu and Confucianism both encourage engagement with others and doing well in the society and to the society. Leadership style in both cultures favors the horizontal leadership style where leader and people empower one another within a community.

And as for the differences in two culture philosophy, the Ubuntu lifestyle is focused on the now, whilst the Confucianism focuses aiming at the future. The African approach is therefore process oriented, and not goals oriented like our Chinese partners. Ubuntu, however, is based on different values, in which a belief in the spiritual world precedes the material; cosmic unity and interdependence is a given; and collective interests while Confucianism-inspired social critics, encourages unity, humility, loyalty and serving one superior return and pay back the society.

Despite the cultural differences between China and the stated African states, the two counterparts can gain from the managerial practices that could constitute and flourish as source of managerial wisdom that could help African economies (Horwitz, Heng, Quazi, Nonkwelo, Roditi, & Eck, 2006). Moreover, several scholars also recognise a common philosophical, moral, and cultural character through the concepts of Ubuntu (Horwitz, 2013) and Confucius (Björkman, Budhwar, Smale, & Sumelius, 2008; Xing, Liu, Tarba, & Cooper, 2016).

By stating so, we could conclude Confucian tradition is generally cited as the main, if not the only source of the Chinese culture. Likewise Ubuntu strongly represent Africans ways and culture and with these important idealism pin pointed the shared important similarities, especially, with regard to the moral importance of community, the role of partiality in moral thinking, and the heightened respect accorded to elders, clearly interprets the enriched and strengths of these two idealism. The challenges brought by the misunderstanding and the differences are overlook from the western perceptive however in project management between these two parties can actually be smoother because of the proximity it presents (Xing et al., 2016).

Therefore, from the references of this study the official launch of the BRI framework, results showed the rise of Chinese OFDI in Africa and has brought a positive significant impact on the trade volume, increase of market size in both China and Africa exhibits a positive impact on both parties in the cooperation as well as getting something concrete between Africa states and China.

Recognizing the hindrance factors in their cooperation is very important, encouraging more research in cultural differences and management style from both parties. It should also be stated the true extent of the Africa-China economic relationship has been poorly understood because the data in the field is patchy and scarce, and often inaccurate. As was discussed earlier, the current literature is mainly applicable on the selected African countries and their culture

focusing at individual states as each state have a different demographic structure; different major religion and the local beliefs; and the different economic structure and needs there so, future research should extend this study by developing more unique and deeply researched profile of different African states countries such as Tanzania, Madagascar and so forth.

## Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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