

University of Groningen

## Chinese influences in Sierra Leone

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*Published in:*  
Journal of Developmental Entrepreneurship

*DOI:*  
[10.1142/S1084946721500011](https://doi.org/10.1142/S1084946721500011)

**IMPORTANT NOTE: You are advised to consult the publisher's version (publisher's PDF) if you wish to cite from it. Please check the document version below.**

*Document Version*  
Publisher's PDF, also known as Version of record

*Publication date:*  
2021

[Link to publication in University of Groningen/UMCG research database](#)

*Citation for published version (APA):*

Eleveld, E., & Pennink, B. (2021). Chinese influences in Sierra Leone: alarming or inspiring? *Journal of Developmental Entrepreneurship*, 26(1), [2150001]. <https://doi.org/10.1142/S1084946721500011>

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## CHINESE INFLUENCES IN SIERRA LEONE: ALARMING OR INSPIRING?

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Received December 2020

Revised January 2021

Published March 2021

The evolution of China's international investment surge has been analyzed critically over the years, but we still know relatively little about its effect on developing countries. In turn, sub-Saharan African countries have a longstanding history of foreign influences that have had a deeply rooted effect on their people's sentiment. This research continues to fill the gap regarding how Chinese investment decisions and the underlying intentions are perceived at the local level in Western Africa. For this research, the focus lies on entrepreneurs from Sierra Leone, given the country's unique economic climate in Western Africa and the position of entrepreneurs as keystone actors toward local innovation, and thus, local economic development. This focus resulted in the following research question: How do entrepreneurs in Sierra Leone perceive Chinese influences regarding Sierra Leone's local economic development? To answer this open research question, rich data was collected by means of interviewing local entrepreneurs in Freetown, Sierra Leone. Altogether, both comparable and contrasting perceptions on Chinese influences regarding Sierra Leone's local economic development are presented, resulting in the expansion from an initial thinking model toward an extended thinking model.

*Keywords:* Entrepreneurship; Sierra Leone; local economic development; China.

### 1. Introduction

For more than 500 years, there have been economic and political relationships between China and the African mainland (Adisu *et al.*, 2010). Over the past years, China has been building on its 'project of the century' as it seeks new trade routes for its international investments (Tweed, 2019). Part of China's 'New Silk Road,' or 'One Belt, One Road,' is the constantly growing attention to the African continent. Already in 2006, Africa was

1 listed as the second favorite region for Chinese outward foreign direct investment (FDI)  
2 projects, after South and East Asia (Morck *et al.*, 2008). Over the years, this has led to  
3 several cases such as a 300 million USD loan from the Exim (Export-Import) Bank of  
4 China to invest in African manufacturing projects (Pilling, 2018) and the 400 million  
5 USD funding of Sierra Leone's new airport (Schumacher, 2018). However, the latter was  
6 cancelled because of corruption controversies regarding the former government in office  
7 (Fofana, 2018); however, these examples still illustrate the Chinese interest in Africa in  
8 general.

9 Out of all English speaking Western African countries, except The Gambia, Sierra Leone  
10 has seen the highest rise of trade with China as a percentage of the country's total trade  
11 (Pigato and Gourdon, 2014). As these authors explain, to most Western African countries,  
12 trading with China equals importing from China. Politically, the 'Sino-Sierra Leonean'  
13 relationship solidified when Sierra Leone was one of the six (out of 15) ECOWAS coun-  
14 tries that backed the Hong Kong security law in June 2006 (Lawler, 2020). According to  
15 Bräutigam and Tang (2013), these strong 'Sino-African' political ties are contested to be  
16 of great importance to China's global ambitions. But, how is it with the influence of 'the  
17 Chinese in the local situation?'

18 In this paper we focus on how entrepreneurs from Sierra Leone perceive macro-level  
19 Chinese influences to affect their own local situation and generalize our findings to be  
20 applicable to other (Western) African entrepreneurs with similarly increasing Chinese  
21 influences. Are they perceiving the Chinese as a threat, or are there more positive aspects  
22 included in their perceptions? The latter view might be contrasting to many recent publica-  
23 tions wherein the general sense is that the Chinese in the local situation do not contribute  
24 much to sustainable economic growth (Ado and Su, 2016). However, when scaling down  
25 from a macro-level perspective to local economic development, individual perceptions on  
26 Chinese influences might differ.

27 Explained by Trousdale (2005), 'local economic development' is "a participatory pro-  
28 cess in which local people from all sectors work together to stimulate local commercial  
29 activity, resulting in a resilient and sustainable economy." Here, a sustainable balance  
30 between the economy and society is crucial. For sub-Saharan African countries, local inno-  
31 vations by local entrepreneurs are one of the solutions toward such economic development  
32 (Christensen *et al.*, 2019). In Sierra Leone however, according to Kallon's 1996 research  
33 (cited in Kiggundu, 2002), public attitudes and societal values were not supportive for  
34 the underlying values of capitalism and entrepreneurship. Nevertheless, more than twenty  
35 years later, Sierra Leonean entrepreneurs have the challenge to uplift their country's eco-  
36 nomic development while resisting Chinese economies of scale. The micro-level perspec-  
37 tive of these entrepreneurs concerning both the macro- and micro-level effect of Chinese  
38 influences regards the scope of this research and questions what these entrepreneurs could  
39 learn from Chinese operations in their own community.

40 Within sub-Saharan Africa, deeply rooted skepticism toward foreign investments has  
41 manifested in people's sentiment (Moss *et al.*, 2004). After centuries of colonial capitalism,  
42 these authors state that "foreign companies in Africa are frequently thought of as agents

of imperialism and exploitation.” Henceforth, foreign influences from global powers with a colonial past are intuitively perceived to be a negative factor toward local economic development. On the other hand, alleged indirect benefits of foreign investments, such as increased employment, the transfer of technology and spillover effects on local firms are incentives to embrace foreign investments into Africa as the continent seeks to reap benefits from globalization (Markusen and Venables, 1999). So, what makes China’s influence different as opposed to that of classic Western influences?

Especially to entrepreneurs, who are keystone actors to local economic development in developing countries, foreign investments into their country result in mixed perceptions. Arguing that the understanding of local level perceptions regarding foreign influences starts at the perception of the individual, it is relevant to gather rich data on individual entrepreneurs from Sierra Leone. By studying these individual entrepreneurial perceptions regarding Chinese influences it is strongly suggested that Sierra Leone’s present and future local economic development can be understood better. Hence, the following research question is developed: ‘How do entrepreneurs in Sierra Leone perceive Chinese influences regarding Sierra Leone’s local economic development?’ To successfully answer this open question, a qualitative research method is applied. Studying how the pros and cons of Chinese influences balance in the perception of these local entrepreneurs regards the theoretical gap of this research.

Our research will focus on how Sierra Leonean entrepreneurs perceive the role of Chinese influences regarding Sierra Leone’s local economic development. By using a qualitative approach, we strive to increase our understanding of these local-level perceptions. To start with, section two outlines the formulation of sensitizing concepts as directions for research on these perceptions. In section three, we explain how our qualitative approach is executed. Section four displays the results from the interviews with Sierra Leonean entrepreneurs and explains how an initial sensitizing concept was developed into a new model. In sections five and six, we discuss our model and come to several conclusions and suggestions for future research.

## **2. Literature Review: The Search for Sensitizing Concepts**

Explained by Karnani (2008), an entrepreneur is not just someone who is self-employed; rather, an entrepreneur is a person of vision and creativity who is able to turn a new idea into a successful innovation or business model. Complementary, an innovation has multiple meanings. For this research, the following definition is used: the process and outcome of creation and commercialization of something new (Schumpeter, 2004).

Sub-Saharan Africa contains the highest number of individuals who engage in entrepreneurial activities (14.1 percent) in the world (Devine and Kiggundu, 2016). Reflecting on the importance of entrepreneurs to local economic development, studying how these entrepreneurs perceive foreign influences into their external environment, thereby impacting their entrepreneurial firm, is intuitively valuable in the understanding of the entrepreneurial role in sub-Saharan Africa. Given that since the year 2000, China has become

1 Africa's largest trading partner, and gradually increases its direct investments and lending  
2 to African countries (Chen *et al.*, 2018), the scope of our research focuses on Chinese influ-  
3 ences in Sierra Leone, all from the perception of individual Sierra Leonean entrepreneurs.  
4 Here, the meaning of the word 'perception' is described as "the way in which something  
5 is regarded, understood, or interpreted" (Lexico, 2020). Finally, Brooks (2018) describes  
6 it as a cognitive process wherein information from external stimuli is processed into the  
7 mind of the individual, which we consider a valuable description given that the theoretical  
8 gap addresses the perception of individual entrepreneurs on external (Chinese) influences.  
9 Whether these influences are perceived negatively, positively, or a combination of both,  
10 adds to the theoretical gap.

11 This part of our paper theorizes on the perception of entrepreneurs toward the follow-  
12 ing five themes and how these affect Sierra Leone's local economic development: infra-  
13 structure development, unemployment, the development of local innovations, institutional  
14 strength, and the concept of long- and short-term orientation.

## 16 **2.1. China's business in Africa**

17  
18 Over the past decades, changes in China's foreign policy and related shifts in the world  
19 economy led to various reasons why the African continent has received attention from  
20 Chinese investors (Bräutigam, 2003). Besides possibilities in terms of extracting raw mate-  
21 rials the African continent has plenty of (Adisu *et al.*, 2010), discrepancies of institutional  
22 development are a reason for Chinese firms' increased attention to African economies  
23 (Gadzala and Hanusch, 2010). Seeing Africa as an emerging region for future growth pos-  
24 sibilities, Chinese firms are expected to benefit from institutional development in African  
25 markets for two reasons. First, according to Guillén and García-Canal (2009), firms from  
26 emerging markets experience relatively less institutional uncertainty when doing business  
27 in similar or less developed markets. Tull (2006) explains this issue by stating that China  
28 experiences Western criticism regarding human rights and other international claims, thus  
29 seeking other possibilities in efforts of building international trade alliances. This view is  
30 actualized by Morck *et al.* (2008) who show that Africa has surpassed developed regions,  
31 such as Western Europe and Northern America, in terms of receiving Chinese FDI, thus  
32 emphasizing China's focus on less saturated markets. Second, in countries with lower  
33 levels of institutional development, greater growth possibilities emerge when multinational  
34 firms actively contribute to institutional development (Marquis and Raynard, 2015). Here,  
35 conflicting reasoning in terms of attitude emerges. On the positive side, Christensen *et al.*  
36 (2019) address 'pulling activities' as a method to overcome barriers in developing markets  
37 lacking functioning institutions. These pulling activities are explained as the creation of  
38 workarounds, such as improvement of infrastructure and institutions needed to deliver a  
39 product. On the negative side, lower institutional development may evoke increased lev-  
40 els of corruption when firms seek socially irresponsible opportunities from institutional  
41 voids (Surroca *et al.*, 2013). These two conflicting attitudes encourage a further in-depth  
42 approach that is discussed in the following sub-sections.

## 2.2. Infrastructure development

Having discussed how Chinese firms are expected to benefit from institutional developments in African markets, these African markets are influenced by Chinese investments on multiple levels, both positive and negative. On the positive side, the actual investments in infrastructure and key economic facilities improve local efficiency and productivity (Bräutigam, 2003) and may be perceived as a positive externality by entrepreneurs. Busse, Erdogan and Mühlen (2016) argue that creating a better environment for the private sector should be the focus of African governments and the upgrading of infrastructure plays an important role in achieving this. In an Ethiopian context, Chakrabarty (2016) notes that Chinese-built roads have helped in agrarian diversification, overall industrialization, and ultimately, poverty alleviation. However, when these often commodity-backed infrastructure loans take place, criticism toward local African government officials and Chinese investors' intentions increases (Ado and Su, 2016). Nevertheless, Sautman and Hairong (2009) critically argue that Chinese aid does not come with complicated World Bank requirements with 'conditional provisions;' instead, it supports initiatives by African states that are not solved by Western investments. Here, the contrast between Western bureaucratic decision-making and Chinese follow-through mechanisms becomes clear and this depicts what makes Chinese influences different from that of Western global powers. Hence, it is the Chinese package deal that focuses on trade, investments and market access that is often welcomed by African governments (Busse *et al.*, 2016).

Furthermore, criticism arises because Chinese infrastructure projects are mainly focused from urban areas to agriculture-rich areas, contested to be useful for agricultural commodity transportation (Bräutigam and Tang, 2013). How these projects are perceived by entrepreneurs depends on whether it can be utilized as a win-win situation. Given that Sierra Leone's exporting industry thrives on raw commodities and China is the country's largest trade partner (OEC, 2017), improved infrastructure for commodity exports are expected to increase Sierra Leone's efficiency and productivity. Therefore, dependent on the entrepreneur's industry (in the country's private sector), the following proposition is suggested:

**Proposition 1:** Sierra Leonean entrepreneurs perceive Chinese investments into Sierra Leone's infrastructure as an influential factor to the country's local economic development.

## 2.3. Unemployment

Discussing how Chinese investments negatively influence African markets, African producers cannot compete with Chinese companies in terms of production costs and market prices (Tull, 2006). This author states that African markets are being dominated by Chinese wholesale and retail shops; a trend enhanced by missing regulatory control. However, Sautman and Hairong (2007) trivialize this argument by arguing that relatively cheap Chinese products make a whole range of new products available to local buyers because these used to be unaffordable. Another negative aspect linked to Chinese investments in infrastructure projects is the Chinese preference to hire Chinese nationals for

1 large production projects (Anshan, 2007). Although this may result in greater quality, the  
2 perception that Chinese companies are not contributing to local employment rates is often  
3 not in favor of China's image.

4 Arguing how growing Chinese influences can aid a country's economic development by  
5 means of market creation, Ethiopia's agricultural industry export has proven to be an inter-  
6 esting case. Over the years, Ethiopia's exports of coffee have decreased from 53 percent in  
7 2000 to 31 percent in 2012 compared to the country's total exports (Chakrabarty, 2016).  
8 Over the same period however, Ethiopia's exports of sesame seeds grew from 0.1 percent to  
9 15 percent, mainly because of a growth in Chinese demand. Because of the two countries'  
10 increased bilateral trade agreements, accelerated by China's zero-tariff policy, Ethiopia  
11 has experienced an economic growth of over 1000 percent between 2000 and 2018 (World  
12 Bank, 2018). When taking Zafar's (2007) study into account who predicted that Ethiopia's  
13 coffee exports would relatively decrease because China only accounts for less than one per-  
14 cent of the global coffee consumption, Ethiopia's strategic change from coffee to sesame  
15 seeds seems a well-executed modular change to meet China's demand. Hence, using the  
16 demand and supply model of economics, Sierra Leonean entrepreneurs may benefit from  
17 changing markets, induced by China's global race for commodities. However, whereas  
18 African consumers are argued to benefit from low-cost imports of non-resource goods from  
19 China, Sierra Leonean entrepreneurs will be affected negatively when their services or  
20 products are replaced by cheaper or superior substitutes (Busse *et al.*, 2016). Especially in  
21 labor-intensive manufacturing, Sierra Leonean producers are expected to experience fierce  
22 competition from Chinese companies. Hence, the following proposition is suggested:

23  
24 **Proposition 2:** Sierra Leonean entrepreneurs perceive Chinese investments into Sierra  
25 Leone as an influential factor to the country's unemployment rates.

#### 26 27 **2.4. A need for the development of local innovations**

28 Besides the beforementioned investments in infrastructure, also more intangible influences  
29 are possible accelerators toward institutional development in African countries. From  
30 research on Chinese and South African work ethics by Slabbert and Ukpere (2011), it has  
31 become clear that differences in work ethics play a tremendous role in a country's inter-  
32 national competitiveness. Here, China's productivity rate, enhanced by level of education  
33 and a variety of cultural factors, is considered superior to that of South Africa. In response,  
34 South Africans are stressed to understand how Chinese migrants perceive long- and short-  
35 term incentives and how these incentives correlate to productivity. This is why Chakrabarty  
36 (2016) urges the need for sub-Saharan governments to bargain for joint ventures between  
37 Chinese and local professionals. When Chinese migrants and Sierra Leonean entrepreneurs  
38 manage to collaborate, such spillover effects from Chinese migrants are a possible source  
39 to positively influence the development of local innovations.

40  
41 Complementary, tangible spillover effects can arise from innovations. Inspired by  
42 Chinese craftsmanship and long-term strategies applied to local cases, local entrepreneurs

are key players to innovations that accelerate the country’s sustainable growth (Omoruyi *et al.*, 2017). Christensen *et al.* (2019) address this concept by stating: “When a country’s prosperity stalls out despite a lot of activity within its borders, that country might not have a development problem. It might have an innovation problem.” A necessary condition for the abovementioned spillover effect is the absence of segregation within societies given that Chinese migrants have a tendency to form communities dominated by Chinese heritage (Karreman *et al.*, 2017). When this is the case, less spillover effects will be possible. Hence, it is expected that the personal experience of an entrepreneur will affect his or her perception on whether Chinese knowledge spillover influences the development of Sierra Leonean innovations. Therefore, the following proposition is constructed:

**Proposition 3:** Sierra Leonean entrepreneurs perceive Chinese influences to be an influential factor toward the development of local innovations.

### 2.5. Institutional strength

According to North (1990), “institutions, together with the standard constraints of economic theory, determine the opportunities of society.” Throughout this research, institutional strength is used to thematize the topics corruption, governmental stability and the ease of doing business.

A country’s institutional condition is considered a key component to the development of a robust innovation ecosystem and therefore, the development of local innovations (Hoffecker, 2018). Hence, especially in developing countries such as Sierra Leone, entrepreneurs are dependent on the country’s institutional strength (Devine and Kiggundu, 2016). With Sierra Leone being ranked 129th out of 180 countries in Transparency International’s (2018) corruption index and being ranked 163rd out of 190 countries in terms of ‘ease of doing business’ (Trading Economics, 2019), the country’s business climate and interaction between its formal and informal institutions have room for improvement. Furthermore, with high levels of corruption throughout the African continent and numerous cases of firms that are exploiting these institutional weaknesses, the public’s trust in its government is often weak (Hutchinson and Johnson, 2011). To counter sentiments regarding local corruption, Julius Maada Bio, who became president of Sierra Leone in 2018, sees battling corruption as a key commitment of the new government (Thomas, 2019) and one of his first acts as president was the dismissal of a China-funded airport (Schumacher, 2018). This project, with estimated costs of 400 million USD, had been planned by the previous government, which the public deemed not only unnecessary, but also controversial, given the country’s mission to reduce corruption (Fofana, 2018).

Emphasizing the African continent’s value of natural resources and possible market capture (Bräutigam, 2003, Zweig and Jianhai, 2005), foreign investors have numerous reasons to invest in Africa. However, research on the determinants of FDI in Africa notes that corruption and political instability cause investors to refrain from investing in Africa (Asiedu, 2016). Although this research is performed from a western point of view and China has emerged as Africa’s largest trading partner twenty years ago (Morck *et al.*, 2008), it is



1 valuable to assess how Chinese investors perceive corruption and political instability when  
2 doing business on the African continent. Hence, an understanding of social structures in  
3 China and Sierra Leone is needed.

4 Studies on social structures have addressed the history and importance of kinship,  
5 both in China (Greif and Tabellini, 2010) and the African continent (George *et al.*, 2016).  
6 Explained as “a community its members identify with and are loyal to,” kinship addresses  
7 cooperation within the clan and is sustained by moral obligations that discourage cheating  
8 and free riding (Greif and Tabellini, 2010). However, these moral obligations often do not  
9 surpass the length of the clan, resulting in fading moral obligations elsewhere and may  
10 lead to an increase of corrupt practices, as long as it does not damage the clan’s reputation  
11 (Greif and Tabellini, 2010). Interesting to note is the perception of Chinese businessmen  
12 toward fellow Chinese and western business people. Greif and Tabellini’s (2010) study  
13 states that Chinese businesspeople consider their western associates to be more attractive  
14 partners given their respect for the law and keeping of promises. At this point, paradoxes  
15 in Chinese thinking emerge. Explained by Spijkman and De Jong (2020), Chinese values  
16 are often contradicting and very much depend on a given time, situation and context. Here,  
17 traditional values are frequently linked with Confucianism, which is concerned with the  
18 fostering of virtues and moral principles. On the other hand, modern values that resulted in  
19 globalization and modernization often oppose these traditional mindsets.

20 Naturally, how Chinese investors approach doing business in foreign countries should  
21 not be generalized. Therefore, how Chinese investors perceive and utilize the strength of  
22 Sierra Leonean institutions depends on their intentions. Whether Chinese investors come  
23 to Sierra Leone to reap benefits from its institutional flaws, or whether they do business in  
24 Sierra Leone and try to stabilize its institutions for their own benefit, depends on someone’s  
25 level of optimism/pessimism. Having explained how entrepreneurs depend on a country’s  
26 institutional strength and how Chinese intentions may result in a need for stability or the  
27 exploitation of instability results in the following proposition:

28  
29 **Proposition 4:** Sierra Leonean entrepreneurs perceive Chinese influences to be an influen-  
30 tial factor toward Sierra Leone’s institutional strength.

### 31 32 **2.6. Long- versus short-term orientation**

33 Cultural effects on an individuals’ perception toward foreign influences are often aggre-  
34 gated on a national level with examples of Hofstede (2011), Schwartz (2006), and others.  
35 Although Hofstede’s country scores are widely criticized for good reasons (Beugelsdijk *et*  
36 *al.*, 2017), one of its strengths relates to making comparisons between countries. Given that  
37 countries’ cultural dimensions are fluid but generally move parallel from each other, this  
38 implicates relatively few changes when comparing (Beugelsdijk *et al.*, 2015). Therefore,  
39 providing a comparison between China and African countries is still valuable, dependent  
40 on its analysis. To assess China’s and Sierra Leone’s perspective on investments, Hofstede’s  
41 ‘long-versus short-term orientation’ dimensions seems most appropriate given its strong  
42

correlation with economic growth (Hofstede, 2011). Here, long-term orientation is partially explained by fast economic growth of countries that reach prosperity, stating that one's most important events in life will occur in the future and having large savings is desirable. In contrast, short-term orientation is linked to slow or no economic growth of poor countries, stating that one's most important events in life occurred in the past or take place now, and social spending and (short-term) consumption is desirable. Unfortunately for many African countries, including Sierra Leone, there is little information available regarding cultural dimensions. However, to provide a meaningful overview, Hofstede's long-term orientation scores of the following Western-African countries show a strong indication of the short-term side of the spectrum: Burkina Faso (27), Ghana (4), Nigeria (13) and Senegal (25) (Hofstede Insights, 2020). Compared to China (87), indicating a strong preference for long-term orientation, a clear difference between China and this selection of African countries is visible.

Rationalizing the significance of differences between long-term orientation is the Chinese model of investment and infrastructure loans, known as the 'Beijing Consensus.' Described as an approach that values "the political and international relations concept of multilateralism, consensus and peaceful co-existence" (Adisu *et al.*, 2010), it also receives skepticism regarding its 'no strings attached' label (Konings, 2007; Tull, 2006). Emerging from the Beijing Consensus are Chinese (state-owned) firms whom competitively bid for natural resource- and construction projects. Outbidding other parties is often successful based on repayment at low interest rates, access to natural resources or partial ownership of a countries' key infrastructure (Bräutigam, 2003). Especially the latter option has become a driver for China's long-term orientation over the short-term orientation of some African policy makers (Adisu *et al.*, 2010).

Evaluating the previous themes on infrastructure development, unemployment, the development of local innovations, and institutional strength, links were drawn that both reflected on Sierra Leone's perceived short-term orientation and China's perceived long-term orientation. Having proposed that Sierra Leonean entrepreneurs perceive Chinese influences to be influential regarding these themes, the following proposition is suggested:

**Proposition 5:** Sierra Leonean entrepreneurs view China's relative long-term orientation as opposed to Sierra Leone's short-term orientation to be an influential factor to the country's local economic development.

### 2.7. The initial thinking model: A sensitizing concept

Because of the open research style of our research, a sensitizing thinking model (Figure 1) is created to guide the process of understanding the perception of Sierra Leonean entrepreneurs through the Chinese influences they experience. The term sensitizing concept originated with Blumer (1954), who explained its functionality as follows: "whereas definitive concepts provide prescriptions of what to see, sensitizing concepts merely suggest directions along which to look." Hence, how Sierra Leonean entrepreneurs perceive Chinese

1 influences regarding Sierra Leone's local economic development is initially thematized by  
2 four propositions that arguably influence this perception. The fifth proposition is suggested  
3 to be the overarching theme the other four propositions are connected to.  
4

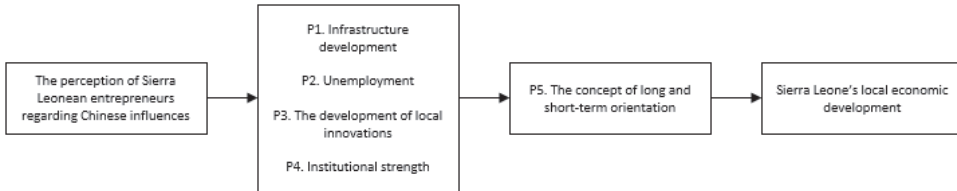


Figure 1. Initial thinking model.

11  
12  
13  
14  
15 Given that the above model is designed as an initial thinking model and the method  
16 of research is of qualitative nature, this model was expected to be further developed by  
17 means of this study's results. Hence, how the interviewee's perceptions have resulted in  
18 any changes to this model is explained in Section 4 and illustrated by means of Figure 2  
19 in Section 4.7.

### 20 21 3. Methodology

22 In this section, the methodology of our research is presented. Here, both the application of  
23 the research design and research methods are explained. The purpose is to explain why a  
24 multiple-case study is chosen to be most suitable for this research and why interviews were  
25 deemed the best way to gather relevant data.  
26

#### 27 3.1. Research design

28  
29 The aim of this research is to generate new data that explains how Sierra Leonean entrepre-  
30 neurs perceive Chinese influences. To successfully study how single entrepreneurs perceive  
31 to be affected and therefore, answer the open research question that belongs to this explor-  
32 atory research, Birkinshaw *et al.* (2011) argue for a qualitative research design by means  
33 of an inductive research approach in which the researcher seeks universal explanations  
34 of phenomena by analyzing and pursuing new data (Bryman and Bell, 2015). Resulting  
35 from inductive reasoning through systematic data collection and analysis comes grounded  
36 theory (Strauss and Corbin, 1990) which is used to conceptualize previous assumptions,  
37 derived from theoretical perspectives, into new theory (Charmaz, 2006). Given the explor-  
38 atory design, a multiple-case study on Sierra Leonean entrepreneurs is applied. This mul-  
39 tiple-case study on Sierra Leonean entrepreneurs is designed and conducted according to  
40 Kvale's (1983) seven stages of interviewing: thematizing, designing, interviewing, tran-  
41 scribing, analyzing, verifying and reporting. Here, both replication and contrasting percep-  
42 tions were expected, adding to the replicability and complexity of research.

**3.2. Research sample**

This study contributes to the knowledge of African perceptions on Chinese investments by focusing on entrepreneurs in the Western-African country Sierra Leone. Because entrepreneurs are dependent on their country’s institutional strength and are strongly linked to local economic development (Christensen *et al.*, 2019), entrepreneurs from Sierra Leone are the key participants. Hence, a purposively selected sample was chosen for theoretical reasons such as replication and extension of theory (Eisenhardt and Graebner, 2007), and for practical reasons, given that the interviewer had access to several entrepreneurial hubs in Freetown, Sierra Leone. In total, the sample contained ten interviewees, aging between 25 and 40. From this sample, seven interviewees were men and three were women, a distribution that seemed realistic to Sierra Leone given the country’s relatively low female labor participation rate in effective ventures (World Bank, 2016). In total, three entrepreneurs had a western educational background and seven had their education in Sierra Leone. From these seven, one had secondary school level education, one is still attending college, two have quit their college program along the way and three have completed college. Finally, the entrepreneurs are active in various industries such as manufacturing, transport, electronics, coffee, garments and one is the founder of an innovation hub for entrepreneurs in Freetown.

**3.3. Data collection**

Semi-structured interviews were held that allowed the interviewer to flexibly ask questions in an organized matter to collect relevant data and insights on the interviewee’s perceptions. These interviews consisted of different themes, such as Chinese influences in Sierra Leone, unemployment, innovation and institutional weaknesses, with the overarching theme: how Chinese influences are perceived by Sierra Leonean entrepreneurs. This method allowed us to accurately answer the open research question and proposed propositions (Bryman and Bell, 2015). Some concepts, such as Hofstede’s long-term orientation dimension, were explained to the interviewee prior to the question to optimize interpretations.

Given that the interviews aimed at receiving personal opinions on an often politically influenced theme, several interview techniques were applied. First, before each interview, ten to fifteen minutes of small talk were used to establish an informal setting. The aim of creating a setting as such was to increase levels of trust and optimizing the openness of the interviewee (Gabriel and Ulus, 2015). Second, eight interviews were held in a quiet office or meeting room to increase the abovementioned trust and openness of interviewees. In the other two cases, this was not feasible because of practical reasons on-site. These interviews were held in a relatively quiet corner of the interviewee’s store. Third, to acknowledge the difference in (international) education attainment between interviewer and interviewees, the interviewer applied levelling techniques concerning interviewee’s English proficiency, thereby decreasing the risk of a language barrier to optimize the value of the interviewee’s responses (Harzing and Pudelko, 2012). In practice, to interviewees with sufficient, but less than average, English proficiency, several questions and explanations were reformulated.

1 After the interviews took place, the interviews were transcribed using the recordings  
2 and exported onto coding software ATLAS.ti. As part of the coding process, first and sec-  
3 ond cycle coding were applied.

4 First cycle coding is described as processes that happen during the initial coding of  
5 data and are meant for researchers to become acquainted and take ownership of the data  
6 (Saldaña, 2013). In total, four methods of first cycle coding were applied. First, Charmaz  
7 (2006) recommends the use of memo-writing because it allows the researcher to concep-  
8 tualize his or her initial thoughts during the interviews itself, transcribing the first set of  
9 codes. Second, to analyze the transcripts at first hand, an initial coding list was created to  
10 codify the rough data. This initial coding list was practically made simultaneously with  
11 memo-writing and ultimately transformed in a list of open codes. Third, complemented  
12 by the initial codes, open coding ensured that every sentence in the interviews had been  
13 analyzed to construct an extensive set of codes. Fourth, simultaneous coding was applied,  
14 which allowed the researchers to study for links between the previously made set of open  
15 codes. According to Saldaña (2013), simultaneous coding is especially appropriate when  
16 data suggest that multiple meanings are justified for a specific or overlapping part of text.

17 By seeking for similarities and differences among the many codes, the data from the  
18 first cycle coding methods was reduced to a more manageable number of codes and catego-  
19 ries. For our research, four methods of second cycle coding are applied. First, the method  
20 of focused coding allowed us to identify the most prominent codes that display similarities  
21 between them. Relevant for constructing theories, focused coding leads to the acknowl-  
22 edgment of the previously set themes and displays new themes that have not emerged as  
23 being valuable yet. At the final stage of the coding process, the focused coding method led  
24 to the construction of categories. Second, magnitude coding is contested by Saldaña (2013)  
25 to be appropriate for qualitative studies that include basic statistical information such as  
26 frequencies or different outcomes. In practice, several questions linked to our previously  
27 set of themes have been answered by all interviewees. In these cases, concluding whether  
28 the interviewees agreed, disagreed or showed a neutral or mixed opinion was quantified  
29 as additional texture to an extensive amount of evaluative information. Third, a frequency  
30 analysis is used to portrait which noteworthy topics were recognized and mentioned by  
31 the interviewees, thereby adding to the quantifiable analysis within this qualitative study.  
32 Fourth, a cross-case analysis is applied for the researcher to contrast and compare results  
33 (Eisenhardt and Graebner, 2007). Here, both similar and contrasting perceptions were  
34 expected, adding to the replicability and complexity of research.

### 36 **3.4. Limitations**

37  
38 Theorizing that awareness regarding the limitations to a research design enhances the  
39 research's strength (Charmaz, 2006), several limitations must be taken into account.

40 First, given that the interviewer was born and raised in the Netherlands and aimed to  
41 increase his understanding on the perception of entrepreneurs in a completely different  
42 social, cultural and economic environment, cultural dissimilarities must not be neglected.

Because the interviewer (Eleveld) has previously lived in South Africa and Malawi and the other author (Pennink) has gained significant experience in Burkina Faso and Tanzania (visiting lecturer at IFM, Dar es Salaam), some sub-Saharan African cultural awareness was already present. However, given the heterogeneous cultures in sub-Saharan Africa, this prior experience was not perfectly comprehensive. To decrease the culture gap limitation, the interviewer travelled to Sierra Leone to conduct the interviews in person.

Second, given that the entrepreneurs are English-speaking and either live or work in Sierra Leone's capital Freetown, the selected entrepreneurs neither fully represent all Sierra Leonean entrepreneurs, nor Sierra Leoneans in general. Hence, referring to a study's external validity, no general inferences can be made.

Third, different from the previously described methods of interview bias, which can be consciously avoided, 'confirmation bias' refers to the researcher's unconscious point of view toward his or her own research. Gioia *et al.* (2012) explain confirmation bias as a result when the researcher is well aware of literature too early in the research process, which may lead to 'hypothesis bias;' when the researcher is trying to develop new insights in the topic central in the research.

#### 4. Results

The following section consists of an overview of the results derived from the ten interviews that took place in Freetown, Sierra Leone between the 28th of February and 5th of March 2020. The subsequent five themes that correspond with the propositions are used to analyze how Sierra Leonean entrepreneurs perceive Chinese influences regarding Sierra Leone's local economic development: infrastructure development, unemployment, the development of local innovations, institutional strength and the concept of long- and short-term orientation.

The aim of this section is to expand the previously created initial thinking model (Figure 1) by summarizing and illustrating the interview's results. Unsurprisingly, these results made clear that the initial model was too linear in trying to understand how Sierra Leonean entrepreneurs perceive Chinese influences. To connect the pieces that emerged from the interviews and influenced the interviewee's perception, letter combinations were made (e.g. F→N) which are aimed to guide the reader in understanding the links between topics. Combined, these links form the basis of this new model (Figure 2), which is illustrated in the concluding sub Section: 4.6.

Throughout this section, the transition from the first cycle coding process toward the second cycle coding process became clear. Especially by means of the simultaneous coding method, multiple combinations of open codes were used, increasing our awareness of being able to draw links between topics. Complementary, the open codes were often combined or renamed into a set of categories by means of focused coding. Here, the process of second cycle coding has been vital in understanding how these individual entrepreneurs perceive Chinese influences and which topics affect the entrepreneurs' perception. Furthermore, the cross-case analysis has been used to summarize the findings from previous coding methods

1 in both first and other second cycle coding methods. This allowed us to compare and con-  
2 trast earlier findings to decide whether certain links between topics were evident and/or  
3 needed further elaboration.

#### 4 **4.1. *The effect of infrastructure development***

6 To make the discussion revolving infrastructure development more tangible, two examples  
7 of Chinese involvement have been provided by the interviewer: the construction of the  
8 Masiaka-Yonibana highway and the accompanying tollgates, and the 2018 cancelled plans  
9 for the building of a new airport at Lungi, north of Freetown.

##### 11 *4.1.1. Transparency of toll gate revenues*

13 Mixed findings regarding the construction of the Masiaka-Yonibana highway were discov-  
14 ered with similarities between the positive-minded opinions and the more negative-minded  
15 opinions. On the positive side of the China built construction project, safety and increased  
16 productivity were the main reasons for optimism, as described by interviewee #9: “Because  
17 before, we used to have accidents happening there. Everyday accidents could be happening  
18 because the road was so narrow. [...] It is faster now. It is bringing more resources to people.  
19 Like for us, the transport people, it has helped us. Because now, you see our vehicles go faster  
20 and they arrive faster. Even though we are paying for the toll, it is better than it was before.”

21 As interviewee #9 described it, paying for the toll is justified given that the quality of  
22 the road has increased. Nonetheless, two re-emergent topics come to the surface when  
23 discussing the construction of the road by the China Railway Seventh Group. These topics  
24 are re-emergent throughout the interviews, without being pinned down to one theme such  
25 as infrastructure development. The first topic regards transparency. As depicted by inter-  
26 viewee #2, it should be fair for Sierra Leoneans to know how much the Chinese company  
27 earns every month by usage of the toll roads. Acknowledging the necessity to receive more  
28 information of this Chinese company’s business model, interviewee #4 stresses the need  
29 for more regulation by stating that “from the looks of things, it looks like they can just do  
30 what they want to do.” The second re-emergent topic seems to be the question regarding  
31 Chinese intentions. Here, both optimistic and pessimistic opinions are present and lead  
32 to a rather polarized set of opinions. According to interviewee #1, the reason the Chinese  
33 are still involved with the highway and tollgates is to collect money whereas interviewee  
34 #3 mentions that Sierra Leoneans are being employed, which helps battling unemploy-  
35 ment. Consequently, how this highway affects employment, and especially possibilities for  
36 knowledge transfer, are addressed in Section 4.2, whereas the Chinese long-term oriented  
37 business model and further intentions are addressed in Section 4.5.

##### 39 *4.1.2. Prioritizing the need of a new airport*

41 During the interviews it was asked whether it seemed justified that a new airport at the  
42 cost of 400 million USD was planned to be built. From the ten interviews, only two

interviewees were positive regarding the eventuality of a new airport. For example, interviewee #9 mentioned the intuitively correlated relation between infrastructure development, improved productivity and allure of Sierra Leone’s main airport. In total, six interviewees were against the new airport that was to be built and shared the comments that there were “simply other pressing needs” (interviewee #7). This interviewee also stated that the current Freetown (Lungi) International Airport “is a bit rusty, but it is manageable.” This view is complemented by interviewee #10 who jokingly said that the current airport looks like a car garage although it is immediately followed by a clear summary of how the airport can aid the country’s economic development: “And if we want to attract foreign investments these [infrastructure development projects] are some of the things that we need to start to operate. You know, to have a good hotel system, good airport system, good roads, and all that. A lot must be developed. [...] We need infrastructural development, but we need infrastructure and development that will benefit the people of this country in terms of job creation, learning and knowledge transfer.”

When contesting the priority of a new airport against other needs, interviewee #4 states that the eventual new airport would have been built because of political gains, but also skeptically questions whether the project would have been realized in the first place: “I believe it when I see it.” Here, similar to the interviewees’ responses regarding the highway and tollgates topic, re-emerging topics such as employment, knowledge transfer and institutional strength are present, which are addressed at later stages within this section.

#### 4.1.3. *Summary of infrastructure development perceptions*

Concluding from the interviewee’s responses, their general perception is that Chinese investments negatively affect Sierra Leone’s infrastructure development. What became clear is that Chinese investments in Sierra Leonean infrastructure is one of the backbone themes that re-emerges throughout this research as it links to various other themes such as unemployment, the development of local innovations and institutional strength. Linking these themes to infrastructure development exemplifies the later described differences between China’s perceived long-term orientation and Sierra Leone’s perceived short-term orientation, which turned out to be a vital concept in the understanding of the entrepreneurs’ perceptions. Finally, these tangible infrastructural changes onto Sierra Leone’s landscape illustrate what makes the Chinese influences different than that of often intangible western influences.

#### 4.2. *Unemployment*

The unemployment theme often was linked directly to the ability of Sierra Leoneans to compete with Chinese multinationals and their economies of scale. However, internal influences and different attitudes toward long-term orientation also came to light when discussing Sierra Leone’s unemployment issues.



1 4.2.1. *Local appreciation for locals*

2 The internal influences that affect the country's employment development became visi-  
3 ble by means of the applied simultaneous coding wherein both entrepreneurial respon-  
4 sibility for job creation and the missing preference for local products and local labor  
5 were prevailing. In total, nine interviewees mentioned they viewed entrepreneurship as  
6 a means for their own employment or saw it as their responsibility to create employ-  
7 ment for others. Interviewee #4 explained it as follows: "In the current climate of the  
8 economic state of Sierra Leone, I think it is more of a force, that you have to [employ  
9 yourself]." Taking matters in own hands is then said to be the overarching reason for  
10 entrepreneurship.

11 Consequently, a factor that troubles the emergence of aspiring entrepreneurs, and  
12 employment in Sierra Leone in general, is argued to be a missing preference for local  
13 products and local labor (F→N, F→O). Regarding local products, interviewee #8 shared  
14 a story wherein a customer came to his shop with imported notebooks for physical scrib-  
15 bling. This customer wanted to style these notebooks with a classic African print for locals  
16 to use. As interviewee #8 described, several locals did not appreciate the product for which  
17 he contested that Sierra Leone needs people with motivation to buy locally. A sense of  
18 national pride emerged when he expressed that "even if you do something locally, they  
19 will tell you it does not look like the American style." Stating this, he urged fellow locals  
20 to better appreciate homegrown products, otherwise foreign companies are incentivized  
21 to increase their imports to Sierra Leone (F→I). Complementary to an often-missing  
22 appreciation for local products is the missing preference for Sierra Leonean labor, which,  
23 logically, directly influences employment. Interviewee #9 addressed this topic by stating  
24 the following: "[...] if you protect your citizens, those people that are coming, they are  
25 coming to make money and take the money out. But if you protect the Sierra Leoneans  
26 and when we will make money, they money will stay in our country. And it can bring lots  
27 of development."

28 Emerging from this view is the topic 'capital flight' which is addressed by four other  
29 interviewees to be a problem when foreign investments are discussed (I→M). Also con-  
30 tested to be an important issue during the discussion on the Chinese long-term oriented  
31 business model (2.5), according to five interviewees, Chinese capital flight negatively  
32 affects the country's local economic development (M→Z).

33  
34 4.2.2. *Chinese competition affecting local employment*

35  
36 Regarding external influences, it is argued by five interviewees that Chinese influences  
37 negatively affect Sierra Leone's unemployment problems. Oftentimes directly linked to  
38 the previously discussed topic of infrastructure development is Chinese competition. The  
39 much-contested economies of scale argument, that Chinese companies are able to produce  
40 relatively cheap products in large quantities, is acknowledged by the interviewees, and  
41 further elaborated in Section 4.3. When further discussing this theme during the inter-  
42 views, some interviewees acknowledged the fact the Chinese are just in Sierra Leone to

do business. Exemplary is interviewee #7's view: "So the problem is, I'm not blaming the Chinese that much on that area, I'm blaming my government. Because they had [...] to advocate for their citizens, for employment in most of these infrastructure projects." This view is complemented by interviewee #8 who asks himself why the government does not ensure a certain quota for locals to be involved in a company or project: "I don't have any issue with anyone investing in Sierra Leone. But the point blank is that we should have a limit of people investing."

However, there are also more positive thoughts regarding Chinese involvement in Sierra Leone's infrastructure industry. For example, interviewee #3 states that nobody forced the Chinese to include Sierra Leoneans in the construction of the Masiaka-Yonibana highway in the first place. Instead, employment is provided. Also, interviewee #9 addressed the unemployment issue by focusing on youths in Sierra Leone. Given that the Sierra Leonean labor that is used for these construction projects is mostly done by young men, youth unemployment will be battled when Chinese projects into Sierra Leone are realized. Emphasizing the different opinions, interviewee #5 questioned the employment contracts by stating that these projects only create short-term employment. Especially when it concerns infrastructure projects, there is little stability to provide for Sierra Leonean workers. Highlighting the uncertainty for manual workers, interviewee #2 portrayed the current situation as: "We are not given like five- or six-year contracts, it is maybe just for five or six months, and then we are out jobs."

Furthermore, four interviewees addressed the fact that it is mainly cheap, manual local labor that is being used by the Chinese, thereby eliminating the possibilities for knowledge transfer ( $K \rightarrow N$ ). "They have been criticized a lot for importing their entire skill set" is what concerns interviewee #6. Complementary to this statement, interviewee #10 directly states that there are no employment opportunities for high level university graduates when these infrastructure projects are there to be built. When debating possible solutions to tackle the combination of unemployment and missing knowledge spillover opportunities, interviewee #5 offered the following solution: "If our government gives a contract to a Chinese company, they should not just give 100% to a Chinese company. Think of a way to bring in a local to work with the Chinese as a joint venture in turn to learn when there are things to be learnt." Here, not only problems of knowledge spillover ( $H \rightarrow K$ ) and unemployment ( $K \rightarrow N$ ,  $L \rightarrow N$ ) were addressed, also short-term mindedness of Sierra Leonean politics plays a role ( $C \rightarrow N$ ). Importantly mentioned, this solution lies in the hands of both the Sierra Leonean government and companies such as the China Railway Seventh Group. Both parties, of which the majority of interviewees are rather skeptical of that they will come with a proper solution and change the current status quo.

#### 4.2.3. Summary of unemployment perceptions

It can be concluded that both internal and external influences seemed to affect the entrepreneur's perceptions on employment development. The comments made clear that the country's internal challenges itself have complications regarding employment, but that this

1 effect is strengthened by Chinese competition, their economies of scale and the ineffective-  
2 ness of knowledge spillover. Also, differences in long-term orientation seemed to emerge  
3 from the interviewee's perceptions.  
4

### 5 **4.3. How Chinese influences affect the development of Sierra** 6 ***Leonean innovations***

7 Closely linked with the previous theme of unemployment, the topic on how Chinese  
8 influences affect the development of Sierra Leonean innovations is more closely linked  
9 to personal experiences from the interviewees instead of country-level developments  
10 such as infrastructure projects. Here, similar to the unemployment theme, the interview-  
11 ees described that both internal and external influences affect the development of Sierra  
12 Leonean innovations.  
13

#### 14 4.3.1. *Missing platform for entrepreneurs*

15 What became clear from the interviews is that a missing platform for entrepreneurs is  
16 holding back the development of Sierra Leonean innovations. Six interviewees addressed  
17 this topic and interestingly enough, the missing platform for entrepreneurs was often  
18 linked to an underdeveloped educational system. Considering this combination of topics,  
19 interviewee #6 stated that over time, with the improvement of education, also more inno-  
20 vators will emerge and play a role in Sierra Leone's economic development. According  
21 to interviewee #4 however, the possibilities of entrepreneurship are not well transferred  
22 to students. She states: "Because like I said, a lot of people are not exposed to the whole  
23 idea of entrepreneurship, or even basic [business] administration. You would be surprised.  
24 I feel like schools in Sierra Leone are only shown, maybe like three career paths: doc-  
25 tor, lawyer and engineer." Hence, the creative possibilities are not well known, whereas  
26 in a country with high unemployment among youths, this interviewee also emphasized  
27 the importance of job creation by entrepreneurship, an opinion shared by eight other  
28 interviewees.  
29

30 When the interviews were almost complete, the interviewees were asked whether there  
31 were other topics that were not addressed but noteworthy to mention in the China —  
32 Sierra Leone discussion. Here, taxes and price control were mentioned by four interview-  
33 ees, again, both from an internal and external point of view. Regarding internal taxes and  
34 price control, interviewee #10 argues that "this is also a ripple effect, that if you pay more  
35 taxes, government spending will go up, the infrastructure will improve, productivity will  
36 improve." Relevant for the development of local innovations, it was argued that foreign  
37 (Chinese) investors have low exporting costs, thus weakening the position of local manu-  
38 facturers (D→F). This is what interviewee #8 explained and what he believed is another  
39 reason for why there is a missing preference for local products. Also, interviewee #10  
40 questioned this and asked himself: "So as a local [...] what is my incentive? Once there is  
41 a manufacturer doing something locally, [...] importation of that same product should be  
42 made very difficult."

Concerning price control, interviewee #7 experiences high fluctuations in prices. This interviewee, CEO of one of the largest electronics companies in Sierra Leone, encounters difficulties in being able to offer stable prices. Acknowledging the fact Sierra Leone misses several stable links in the global supply chain of a variety of products, large differences between supply and demand are present. Regarding external taxes and price control, interviewee #6 emphasizes that local entrepreneurs and businesspeople in general have to pay the standard set of taxes whereas multinationals, both western and Chinese, have finance structures where they end up contributing less to Sierra Leone's tax system. He stated: "All the taxes that you made from doing business in Africa. If you paid them correctly, then you don't have to ringfence 90 million, which is chicken change from what you've exploited in just one month." Here, interviewee #6 addressed his own business opportunities compared to those of large multinationals and concluded that business opportunities between Sierra Leoneans and multinationals are skewed.

What was contested to be another reason for skewed business opportunities is the ability of Chinese companies to mass produce and cheaply import products. In total, two interviewees, business owners in the garments and electronics industry, mentioned that Chinese mass produced (imitated) products negatively affect their own sales. As explained by interviewee #3, "[...] they have their equipment. They have the finance, the capital." During the interview, she and several other interviewees have expressed that they do not experience direct Chinese competition yet, but when the interview proceeded toward the interviewees' supply chain, it became apparent that competition from Chinese economies of scale is emerging. Discussing this, the strength of China's exporting industry was acknowledged by the majority of interviewees ( $I \rightarrow L$ ), as well as the less developed exporting industry of Sierra Leone ( $E \rightarrow N$ ,  $E \rightarrow O$ ). Here, interviewee #1 stressed the need for Sierra Leone to enter the international trading community as a supplying entity instead of a demanding entity: "[...] you have to create billions of dollars to ship out of Sierra Leone instead of into Sierra Leone." Accomplishing this is contested not to be straightforward according to interviewee #5: "Because the truth is, most economies do not value things that are from here. So the ability for them [Sierra Leonean entrepreneurs] to get the impact is really difficult because people always think that because a product is made in Sierra Leone, it doesn't have much value."

As ten out of ten interviewees agree that entrepreneurs play an important role toward Sierra Leone's economic development and directly, or indirectly, acknowledge the need for the development of the country's private sector, interviewee #5's abovementioned quote displayed a rather negative spiral for Sierra Leone's economic development.

#### 4.3.2. *Chinese competition accelerating local innovations*

Addressing the current status of Sierra Leonean innovations and discussing whether Chinese competition influences this, interviewee #6 said that the Chinese "do [negatively influence the development of innovations], because they like the things to be the same way." Here, interviewee #6 refers to whether Chinese investors are actually promoting the development

1 of new innovations in which he claims that Chinese investors prefer the situation wherein  
2 Sierra Leonean innovations stagnate ( $I \rightarrow J$ ) and knowledge spillover is not encouraged  
3 ( $J \rightarrow K$ ,  $K \rightarrow O$ ). Indirectly, China's long-term orientation toward the development of Sierra  
4 Leonean innovations is mentioned ( $C \rightarrow O$ ). However, Chinese influences are also argued to  
5 accelerate the development of local innovations, and thus, Sierra Leone's private sector. To  
6 illustrate this, interviewee #8 stated that Sierra Leonean producers gain access to affordable  
7 Chinese products that can be used for business ( $L \rightarrow O$ ). Although interviewee #7 questions  
8 the safety and durability of these products, interviewee #8 acknowledged that China opens  
9 up part of the world's economy to Sierra Leoneans looking to import products such as  
10 machineries. On an important side note, interviewee #7 did stress the fact this optimistic  
11 view can only be realized if Chinese importers only act as wholesale suppliers to Sierra  
12 Leoneans. If this is not the case and Chinese importers seriously start penetrating the Sierra  
13 Leonean retail market, he anxiously expects that it will negatively affect his business.  
14 Contemplating the pros and cons, interviewee #4 asked herself: "What is there to lose? It  
15 is a barter system where we both gain. I think it [Chinese—Sierra Leonean collaboration]  
16 could potentially work." This view is complemented by interviewee #9, who, in general,  
17 was more optimistic than the majority of interviewees. This interviewee acknowledged that  
18 Chinese influences are emerging but stated that competition can be beneficial to the Sierra  
19 Leonean working mentality. When the interviewees were asked what they think is the rea-  
20 son for China's development over the past 60 to 70 years, seven out of ten interviewees  
21 concluded it was hard work, consistency and having the right mentality. Throughout the ten  
22 interviews, criticism regarding the Chinese was present, but when the Chinese mentality  
23 and how the Chinese alleviated a large portion of their country out of poverty was dis-  
24 cussed, a sense of admiration emerged. Even interviewee #6, who made several passionate  
25 statements that mostly were not in favor of either foreign or Chinese influences expressed  
26 the following: "They [the Chinese] learned as a nation and their leaders learned as well.  
27 [...] There's always lessons to be learned from the Chinese, for example, their manufactur-  
28 ing ability [...]. I respect them so much, I respect the way their country works. I respect the  
29 daringness that is involved in the individual entrepreneurs. I respect the ethics and the way  
30 they do business." Here, China's tangible and intangible capabilities were acknowledged  
31 and indirectly linked to China's long-term oriented vision.

32

#### 33 4.3.3. *Summary of local innovation perceptions*

34

35 Concluding that seven out of ten interviewees respect the Chinese hard-working mentality  
36 is not seen as contradicting to the beforementioned discussion on knowledge spillover.  
37 Rather, it is seen as complementary. The combination between knowledge spillover and the  
38 development of Sierra Leonean innovations was discussed by five interviewees, which led  
39 to mixed notions: two interviewees saw possibilities and three interviewees concluded it  
40 was not possible given the current status quo. According to these interviewees, possibilities  
41 for knowledge spillover depend on Chinese intentions, the Sierra Leonean government to  
42 improve the country's exporting industry, and the Sierra Leonean peoples' mentality to

absorb business skills. Finally, several interviewees perceived that an increased preference for local products is contested to improve Sierra Leone's private sector, exporting industry, and the development of local innovations, resulting in overall economic development.

#### 4.4. Whether Chinese influences affect institutional strength

The theme of institutional strength, that includes Sierra Leone's levels of corruption, political stability and the ease of doing business, was a logical conversation topic, unfortunately. In a few cases, deriving from the interview guide was necessary given that the interviewee started expressing his or her concern regarding Sierra Leone's institutional strength before the theme officially began. By itself, this already indicates how the theme connects to other themes.

##### 4.4.1. How harmful is turning a blind eye toward corruption?

When this theme commenced, the interviewees were shown several corruption statistics on Sierra Leone, collected by Afrobarometer and asked whether these statistics came as a surprise to them. In total, eight interviewees claimed the statistics either did not come as a surprise or the statistics are still considered an understatement of the current corruption situation in Sierra Leone. Interestingly, the other two interviewees were rather neutral and evasive in their opinion and questioned either the way the questionnaire of Afrobarometer took place (interviewee #5), or did not want to question the outcome, stating these are simply other people's opinion (interviewee #9). Not focusing on relatively minor corrupt practices, but focusing on institutional corruption, the majority of interviewees had personal experiences or were even personally victimized. This varied from an interviewee being out-leveraged by a government official, to an interviewee also sympathizing for others in the community that feel they do not have a choice but to engage in corrupt practices. Continuing the conversation on institutional strength during the interview and linking this to Chinese influences, seven interviewees claimed that Chinese influences negatively influence corruption in Sierra Leone (L→P). An important side note must be mentioned, given that four out of the seven interviewees nuance their opinion by stating that Chinese influences do not actively, but more passively, influence corruption in Sierra Leone. To illustrate this, interviewee #1 explained it as follows: "For me, it [Chinese influences] enhances the corruption. It has enhanced the corruption because them coming in Sierra Leone and seeing [...] how things are going. They are not saying anything and are just going with the flow." Here, interviewee #1 addressed the passiveness of Chinese business in Sierra Leone toward corruption and claimed that turning a blind eye keeps corruption in place and thus enhances corruption.

##### 4.4.2. How political (in-)stability is perceived to be useful to Chinese investors

According to interviewee #5, it is not only the Chinese who either engage in or enhance corruption in Sierra Leone. It is also the Lebanese, Indians and western countries such

1 as the United States and United Kingdom who benefit from corruption in Sierra Leone.  
2 This was the point in the interviews where several interviewees also reflected on their  
3 own country's political stability and where, by means of simultaneous coding, a clear link  
4 between 'political skepticism' and corruption-related codes is present. Other clear links  
5 can be drawn toward how the interviewees perceived the Sierra Leonean mentality. Further  
6 described in Section 4.5 regarding long- versus short-term orientation, interviewee #7  
7 describes that both his government and fellow people are very selfish and describes corrup-  
8 tion as something that is immersed in all layers of the country.

9 Throughout the corruption theme, several nuances were present. On the one hand there  
10 are several statements such as from interviewee #5 who stated that "they [the Chinese] are  
11 actually using some of our corrupt leaders, they understand that, they know its unstable."  
12 Whereas on the other hand, interviewee #6 compared Chinese investors with other foreign  
13 investors who have already been present for numerous generations and dominate several  
14 industries. "China can't function like that. In Sierra Leone, the Lebanese investors and  
15 Arab compatriots, they function on instability, they function on crisis," is how interviewee  
16 #6 compared the different investors. Linking how Chinese business and governmental sta-  
17 bility function in the context of natural resources, this interviewee also stated: "Because  
18 they want to take 500 tons of iron ore in three, four months without fluctuations with your  
19 entry and your borders. They want their miners to work [...] without them being shut down  
20 because there's an Ebola virus or there is a war going on. [...] They want stability. When  
21 there is stability, they see that the people are aspirational. They tap on the aspirations of  
22 these leaders. They see that the leader wants to build bridges, they see that a leader wants  
23 to build roads. That's where they come in." Here, China's long-term vision toward Sierra  
24 Leone's stability is mentioned and perceived as important regarding Chinese commitment  
25 (C→P).

26 Evaluating this statement and the discussion above, the key differences between corrup-  
27 tion and political stability, but also on how these affect the ease of doing business in Sierra  
28 Leone for both local entrepreneurs and Chinese investors, needs to be taken in mind when  
29 making concluding comments.

#### 31 4.4.3. *Summary of institutional strength perceptions*

32 To conclude the sub-section on institutional strength and how the interviewees per-  
33 ceived Chinese influences that affect this, it is mainly Sierra Leonean short-term self-  
34 ishness that keeps corruption in place. This effect is described by interviewees as being  
35 strengthened by Chinese passiveness, which in contrary to western efforts to battle cor-  
36 ruption in African nations, emerges as a clear difference of what makes the Chinese  
37 influence different as opposed to western influences. Whether this is done intentionally  
38 or not is difficult to conclude and out of scope for this research. Furthermore, mixed  
39 perceptions regarding Sierra Leone's perceived governmental instability and Chinese  
40 investors' involvement are noted, adding to the heterogeneous elements of institutional  
41 strength.  
42

#### 4.5. The difference in long-term orientation between China and Sierra Leone

With this topic being the last theme of the interview, several combinations between codes by means of the simultaneous coding method became clear. Here, long-term orientation was often linked to China's reason for development, Chinese intentions, state-owned support, Sierra Leonean mentality, and others. Throughout this theme, the interviewees were provided an explanation of Hofstede's long-term orientation dimension and were asked to evaluate both Sierra Leone's and China's long-term orientation, concluding with an answer to the following question: "Do you think that China's long-term orientation as opposed to Sierra Leone's short-term orientation is a threat to Sierra Leone's economic development?"

In total, ten out of ten interviewees agreed both on the statement that, in general, the Chinese are long-term oriented, and that Sierra Leoneans are more on the short-term oriented side of Hofstede's spectrum. Hence, three subtopics were addressed: China's long-term orientation, Sierra Leone's short-term orientation, and whether the two combined form a threat to Sierra Leone's economic development.

##### 4.5.1. China's long-term orientation

As was discussed in Section 4.3, seven out of ten interviewees concluded that the Chinese alleviated a large portion of their population from poverty by sheer hard work, consistency and having the right mentality. Interviewee #10 expressed this as follows: "They [the Chinese] have become an army working towards a common goal. [...] And that common goal is to uplift themselves from poverty." Here, it is argued that the Chinese consistency, in combination with a country-wide belief in the common goal, is a reason why the country developed. Furthermore, interviewee #8 declared: "[...] the first the Chinese did was put the people first. That's the number one thing you do in a country. If you want your people to grow, you help them to grow. Now at one point I realized that the Chinese company that built the tollgates, where do they get the money from? [...] These guys [Chinese investors], their people empower them. Now you have the ideas, you have the capacity to do this, that's fine. Write a business plan, go to the bank, you ask them for a loan, they help you with the loan, then you start your business." Here, 'state-owned support' is addressed and interviewee #8 recognizes that the China Railway Seventh Group, a Chinese state-owned company, is empowered to do business in Sierra Leone (G→H, H→I). This interviewee also mentioned how Chinese investors acquire the capital needed to engage in international ventures. Although it is not specified which bank is mentioned, interviewee #10 addressed the Exim Bank of China: "In the construction industry, mostly what I understand is, these people can get easy loans from Exim Bank of China to push construction projects, which they can extend their loans to the government. [...] The Chinese will bring the money. And then that's what they've been doing in Africa. They'll give you the money to put the job, you become indebted. [...] So last time I was here, they were doing the One Belt, One Road project, and I was biting my nails and I'm like, this is Chinese colonization at the beginning." Here, the Exim Bank of China, a Chinese



1 state-owned company with a focus on foreign trade and investments, is mentioned as a  
2 key link for Chinese investors to accelerate their exporting business in countries such as  
3 Sierra Leone.  
4

#### 5 6 4.5.2. *Sierra Leone's short-term orientation*

7 From the simultaneous coding method, several topics are linked to Sierra Leone's per-  
8 ceived short-term orientation: political skepticism, Sierra Leonean mentality and 'entre-  
9 preneurship and job creation.' Starting with the latter, job creation by entrepreneurship was  
10 contested to play a large role in Sierra Leone's development by nine interviewees; hence,  
11 the two-way link between unemployment (N) and the development of local innovations  
12 (O). However, political skepticism toward the government's vision is, both directly and  
13 indirectly, mentioned by seven interviewees to be a restraining factor toward Sierra Leone's  
14 long-term development. Missing clarity, transparency and political populism are argued by  
15 the interviewees to lead to skepticism toward Sierra Leone's government.

16 When discussing the need for Sierra Leoneans themselves to develop a long-term  
17 vision, interviewee #5 mentioned that this is not something that can be developed easily or  
18 is even possible for everyone in the society to adopt: "[...] for countries that are actually hit  
19 by poverty, of course it is possible for people to have long-term goals. But it is also difficult  
20 here in Sierra Leone because you can only think of a long-term goal if you're able to sort  
21 your immediate needs." By stating this, a clear example of a poverty trap becomes visible.  
22 Nevertheless, some optimism is present when evaluating chances for local economic devel-  
23 opment. Looking for best practices, three interviewees autonomously mentioned Ghana to  
24 be a country for Sierra Leone to look up to. Interviewee #9 stated that Ghana has grown  
25 rapidly over the last twenty years and directly acknowledges the country's long-term ori-  
26 entation: "It is because they were having people that were looking at the future." This  
27 interviewee also contributes Ghana's development to better governance and stability. In  
28 contrast, interviewee #2 stated: "And every time you go to Ghana, you see a difference,  
29 there's development and things going on. [...] In Ghana, I wake up at five o'clock and when  
30 you are outside at five o'clock in the morning, people are already busy. [...] So that's why  
31 I say, you know, we have to push ourselves to work harder. It is not magic, because Ghana  
32 was not like this before." Here, work ethics between the two countries are compared, and  
33 the interviewee acknowledged that, from her experience, Ghanaians are more hardworking  
34 and Sierra Leoneans can learn something from that mentality.  
35

#### 36 4.5.3. *Can China pose a threat to Sierra Leone's development?*

37 Whether China's long-term orientation opposed to Sierra Leone's short-term orientation is  
38 a threat to Sierra Leone's economic development has been evaluated by the interviewees.  
39 Here, a nuanced discussion is present because all interviewees agree upon the statement  
40 that Sierra Leone's short-term mindedness is a threat to the country by itself. However,  
41 seven out of ten interviewees agree that this effect is strengthened by China's long-term  
42

orientation and the country's investment-vision toward African countries such as Sierra Leone (C→Z). What becomes clear from the simultaneous coding method is that a difference in mentality and the interaction between Chinese state-owned support and Sierra Leone's missing preference for locals and local products play a large role. In turn, this leads to the beforementioned skewed business opportunities.

However, interesting to highlight is the single one interviewee that does not see the long-term oriented Chinese mindset as a threat. Interviewee #3 mentions the following: "So as a Sierra Leonean, it is not a threat for us. We have to learn that. [...] you have to stick to the business and then try to work harder on that business and see where your weaknesses are. You have to use it as an opportunity and then you work very hard on that business." Complementary to interviewee #2's view on work ethics, interviewee #3 stressed that acknowledgement of the problem does not help solving it and that the solution should be looked for from within. Whether this can be realized has led to mixed opinions among the interviewees; however, the role of the entrepreneur and the entrepreneur's responsibility to job creation emerged once more as a means toward economic development.

#### 4.5.4. *Summary of long- and short-term orientation perceptions*

Concluding whether China's perceived long-term orientation can pose a threat to Sierra Leone's perceived short-term orientation has led to mixed perceptions. Here, the two countries' political differences appeared to connect but much seemed to depend on Chinese investors' intentions. From the interviewee's perceptions came to light that other themes such as infrastructure development, unemployment, the development of local innovations and institutional strength are all dependent on the differences between the two countries' long-term orientation. Especially referring to infrastructure projects and political skepticism, determining whether it is politics that lead to short-term Sierra Leonean gains and long-term Chinese gains, will be addressed in the fifth section, the discussion.

#### 4.6. *How the initial thinking model evolved by means of the interviews*

It was theorized in section two that Sierra Leonean entrepreneurs perceive that Chinese influences affect Sierra Leone's local economic development through infrastructure development, unemployment, the development of local innovations, institutional strength and by differences in long-term orientation. In all five themes, mixed perceptions came to light, but the overall perception was that Chinese influences negatively affect these themes.

Furthermore, from the interviews emerged that it is not only external (Chinese) influences that directly affect the perception of entrepreneurs. Internal influences from within Sierra Leone seemed to affect the perception of entrepreneurs in a significant way as well. Hence, resulting from the previously made initial thinking model, we have made a new model (Figure 2) that includes the findings from the interviews. Similar to the initial thinking model, this extended thinking model is not a definitive concept. Rather, its sensitizing

1 nature is meant to give a more general sense of which topics occur in what place (Blumer,  
 2 1954). Also similar to the initial thinking model, the extended thinking model is meant to  
 3 be analyzed from left to right and includes the previous set of five propositions. However,  
 4 given that the model evolved from having three arrows to twenty, we encourage different  
 5 starting points for analysis, adding to the complexity of how the entrepreneurs' percep-  
 6 tion was affected. For word count purposes, only the largest and most influential links are  
 7 discussed.

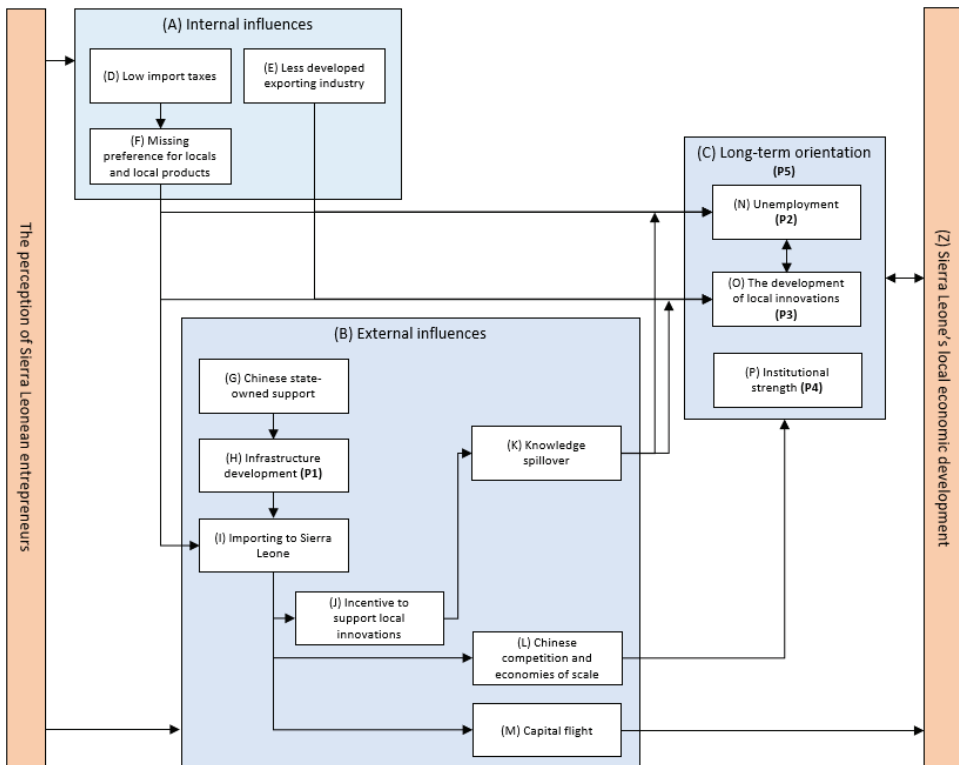


Figure 2. Extended thinking model: how Sierra Leonean entrepreneurs perceive Chinese influences regarding Sierra Leone's local economic development.

35 In the above model, all textboxes and arrows between them represent the perception  
 36 of the Sierra Leonean entrepreneurs from our research and came to light by means of  
 37 the interviews. From these interviews, three labels emerged that affected the interviewees  
 38 opinion on other topics. These labels are internal (Sierra Leonean) influences (A), external  
 39 (Chinese) influences (B), and the concept of long- and short-term orientation (C).

40 As previously theorized, the concept of long- and short-term orientation turned out to  
 41 be a vital influencing factor to the interviewee's perception because this concept seemed to  
 42 influence other themes such as unemployment (N), the development of local innovations

(O) and Sierra Leone's institutional strength (P). Here, the entrepreneurs acknowledged that their perceptions depend on both China's perceived long-term orientation and on Sierra Leone's short-term orientation. Especially, the difference between these two opposite sides of Hofstede's (2011) dimension is recognized as a potential threat to both the entrepreneur's enterprises and Sierra Leone's local economic development.

Furthermore, it became clear from the interviews that Chinese involvement in Sierra Leone's infrastructure development (H) played a key role in the process in which the interviewee's formed their perceptions. Although it was theorized as a theme by itself that would be influenced by the concept of long- and short-term orientation, infrastructure development was placed in the label of Chinese influences (B) given that it had multiple (in-) direct links to other 'Chinese topics' such as Chinese state-owned support (G) and Chinese competition and economies of scale (L). Nevertheless, infrastructure development had a considerable link to the concept of long- and short-term orientation (C), but only through (a lack of) knowledge spillover (K) and Chinese competition and economies of scale (L).

Finally, Sierra Leone's local economic development (Z), the main research question's focus of how Sierra Leonean entrepreneurs perceive Chinese influences, became the model's resulting theme that had a back and forth link with the concept of long- and short-term orientation (C).

## 5. Discussion

This section's aim is to explain how the initial thinking model has evolved by means of the interview's results and discusses four topics: the internal and external influences, the current status quo between China and Sierra Leone, knowledge spillover and differences in long-term orientation.

### 5.1. How internal influences attract external influences

The main reason for including internal (Sierra Leonean) influences as a prime topic in our second thinking model is the importance of Sierra Leone's private sector. The interviews made clear that employment in general, the private sector and the exporting industry are three elements that are suggested to be inferior to China's exporting capacity. According to Moss *et al.* (2004) who are able to generalize these findings to the entire African continent, this has been the status quo for decades, if not centuries, and industrial dependency is still relevant. Furthermore, much debate has risen on China's political negotiations with African governments and how this effected into Chinese products having little to no import taxes (Bräutigam, 2003). Especially to entrepreneurs in specific industries such as manufacturing, these low import taxes on Chinese products have resulted in unfair competition. According to Bräutigam (2003), Chinese companies are incentivized to export products to Sierra Leone because of these low import quotas. In response, several interviewees mentioned that competing with Chinese economies of scale has resulted into a missing preference for local products. Subsequently, when Chinese competition causes Sierra Leone's private sector to stagnate, and thus, Sierra Leone's exporting industry does

1 not develop because of this stagnating private sector, a negative spiral emerges. To break  
2 this spiral, both Karnani (2008) and Klasen (2015) suggest that developing countries' gov-  
3 ernments should focus on supporting its private sector. However, when the Chinese state  
4 effectively supports exporting activities (Bräutigam, 2003), and African countries welcome  
5 foreign investments by means of tax exemptions (Moss *et al.*, 2004), a state of dependency  
6 may occur. This nation-wide dependency became clear as several entrepreneurs felt that  
7 they either already experienced severe competition from Chinese economies of scale or  
8 expected this in the future.

## 9 10 **5.2. Changing the present status quo**

11 Some debate on how to change this existing state of affairs has occurred during the  
12 interviews. Here, a solution was opted wherein the Sierra Leonean government should  
13 enforce that Sierra Leonean companies would be included by means of joint ven-  
14 ture structures. By incorporating joint venture structures between Chinese and Sierra  
15 Leonean companies, more knowledge spillover is possible because of more narrow col-  
16 laboration and more (meaningful) employment will be provided (Chakrabarty, 2016).  
17 Surprisingly though, it became clear from the interviews that improvements to Sierra  
18 Leone's unemployment issues were contested to be minimal given that knowledge spill-  
19 over hardly takes place. Here, several interviewees mentioned that knowledge spillover  
20 is less frequent when Chinese companies do not include local graduates and higher-level  
21 labor. When these local graduates are excluded from vital roles in infrastructure, or any  
22 other industry in Sierra Leone for that matter, no long-term benefits of increasing local  
23 knowledge is acquired.

24 Acknowledging that some political leverage is needed to enforce these collaborative  
25 structures, a possible solution is offered by Rönnbäck (2008), who addresses the role of  
26 the Economic Community of West African States (ECOWAS). With its stated goal, 'col-  
27 lective self-sufficiency,' ECOWAS aims to create a large trading bloc that acts to increase  
28 and simplify trade between member states, but also acts as an influential entity regard-  
29 ing globalization pressures (ECOWAS, 2020). When ECOWAS countries bundle their  
30 political leverage, they are better able to establish favorable negotiations that protect the  
31 strategic position of single economies (Rönnbäck, 2008), such as that of Sierra Leone  
32 against Chinese companies. Then, when joint venture structures between Sierra Leonean  
33 and Chinese companies are realized, in theory, knowledge spillover could go both ways  
34 (Tong *et al.*, 2008).

## 35 36 **5.3. Could knowledge spillover lead to inspiration?**

37 Although several entrepreneurs were rather pessimistic concerning Chinese influences, pos-  
38 sitive notes regarding possible future collaboration with Chinese companies were expressed  
39 as well. Whereas one entrepreneur considered Sierra Leonean and Chinese collaboration  
40 as a barter system wherein parties from both countries could benefit, others respected the  
41 Chinese way of working. Acknowledging that knowledge spillover could go both ways,  
42

Chinese companies could learn from Sierra Leoneans and even turn this into competitive advantages as they increase their knowledge on Sierra Leonean markets. Complementary, according to Porter and Kramer (2011), Chinese companies could benefit when they increase their local knowledge and create a positive cycle of company and community prosperity. As these authors call it ‘the next evolution in capitalism,’ Chinese companies are expected to increase their economic opportunities by creating shared value with local communities. However, whether Chinese companies are actually stimulating the creation of shared value, Sierra Leone’s local economic development and/or the development of local innovations was negatively contested by the majority of entrepreneurs. The argument that missing knowledge spillover from Chinese influences is not possible because Sierra Leoneans are not involved in decision making processes is a reason why Chinese intentions are often distrusted by the entrepreneurs from this research. Therefore, if either ECOWAS ensures or Chinese companies allow proper collaboration that includes knowledge spillover, shared value can be created both for Chinese companies and Sierra Leonean entrepreneurs.

#### **5.4. Are differences in long-term orientation perceived to be alarming?**

One of the greatest surprises that emerged from the interviews was the level of respect and admiration, not just for China’s long-term vision and mentality, but also toward development in Ghana. In both cases, the entrepreneurs recognized that hard work and entrepreneurial daringness, backed by governmental stability or even support, are important to create success in the long run. Here, Ghana’s case is exceptionally interesting because multiple interviewees autonomously mentioned Ghana to be a country for Sierra Leone to look up to. Complementary, research on local economic development in Ghana has concluded that by means of aligning interests of the public authorities and the private sector, Ghana developed a functioning local economic development strategy (Mensah *et al.*, 2017). However, it is interesting to note that Ghana only scored a four on Hofstede’s long-term orientation spectrum (Hofstede Insights, 2020), indicating a strong preference toward being short-term oriented. Acknowledging that Ghana was added to the long-term orientation dimension in 2010 (Beugelsdijk *et al.*, 2015) and the interviewees’ perception is presumed to be formed during these years, several interviewee’s perspectives are not in line with the world value survey data that has been used for this country comparison. Either way, the interviewees in our sample unanimously agreed that their country’s level of short-term orientation is not just alarming when it is compared to China’s long-term vision, it is also a threat to its own development.

#### **5.5. Summary: The new directions of thinking**

It became apparent that internal influences from Sierra Leone, such as import taxes and a general appreciation of the country’s private sector, increase Chinese involvement. Furthermore, Chinese state-supported foreign business is suggested to influence the perception of Sierra Leonean entrepreneurs because these entrepreneurs experience skewed

1 business opportunities. In response, literature suggests a solution wherein regional support  
2 and collaboration increase the leverage of autonomous Western-African states in negotiat-  
3 ing with foreign businesses to protect the business rights of local producers. Here, a joint  
4 venture structure between Chinese and Sierra Leonean businesses is proposed to increase  
5 two-way knowledge spillover. However, differences in long-term orientation between  
6 China and Sierra Leone can determine how this will be executed. Finally and surprisingly,  
7 Chinese influences in Sierra Leone are not just perceived as alarming, they are also per-  
8 ceived to be inspiring.

## 10 **6. Conclusion**

11 At first, an initial thinking model based on existing literature on Chinese influences in Sierra  
12 Leone was created. By interviewing entrepreneurs in Sierra Leone, it was possible to obtain  
13 in-depth and first-hand information on a topic these entrepreneurs perceived to affect their  
14 daily business. Hence, these entrepreneurial perceptions were treated as the main contributor  
15 toward our research's theoretical gap. Given the relatively recent commitment of China to the  
16 African continent, these experiences have led to an increased understanding of how Chinese  
17 influences are perceived by individual entrepreneurs who are contested to be important to a  
18 developing country's local economic development. Hence, by analyzing the interviews, the  
19 initial thinking model evolved into an extended thinking model that illustrates the numerous  
20 links involved in understanding this phenomenon. Consequently, this section's main aim  
21 is to reflect upon this research's open research question: 'How do entrepreneurs in Sierra  
22 Leone perceive Chinese influences regarding Sierra Leone's local economic development?'  
23 Furthermore, suggestions for much needed future research are provided.

24 Besides the expected argument that Chinese economies of scale outperforms local  
25 producers, also influences from within Sierra Leone seemed to affect the possibilities for  
26 increasing local economic development. Especially, the low import taxes of Chinese prod-  
27 ucts were perceived by entrepreneurs as a leading cause of unfair competition. Furthermore,  
28 possibilities of knowledge spillover were suggested as an important factor regarding the  
29 acceptance of Chinese investments. Especially in the case of infrastructure development,  
30 which turned out to be an exclusive environment to Sierra Leonean graduates and engineers,  
31 little knowledge spillover was possible because of a lack of local involvement. Surprisingly,  
32 a general sense of acceptance and respect regarding Chinese work ethics emerged when  
33 interviewing the entrepreneurs. However, admiration for the Chinese long-term oriented  
34 vision was often accompanied by frustration toward the short-term mindedness of the  
35 Sierra Leonean government. This difference has been recognized by our interviewees as a  
36 possible threat to Sierra Leone's local economic development and highlights this research's  
37 relevance for entrepreneurs affected by Chinese economies of scale on a global level.

### 39 **6.1. Recommendations: How to turn Chinese influences into a win-win situation**

41 Looking for recommendations based on this research's findings, Sierra Leone is advised  
42 to adopt a similar recommendation to Chakrabarty's (2016) study. This author concluded

the following: “The [Ethiopian] government should encourage the development of efficient supply chain systems in Ethiopia to reduce Chinese imports, encourage domestic production and create more employment opportunities for Ethiopians. Moreover, Chinese-funded projects should be evaluated to ensure good quality and the Ethiopian government should bargain hard for joint ventures to hasten technology transfer and employment of local professionals.” Here, the recognition of China’s influence, possibilities for knowledge transfer by means of joint ventures, and increasing local employment and domestic production are summarized to conclude how Chinese influences can be turned into a win-win situation. When this is the case, greater possibilities for local economic development can be achieved, which are generalizable to all countries influenced by Chinese business.

Expanding the above recommendation to a local level and entrepreneur-oriented context leads to similar advice. Here, Sierra Leonean entrepreneurs are recommended to bargain for joint venture structures wherein local knowledge and foreign expertise and economies of scale can lead to a win-win situation for both themselves and Chinese investors. Although Sierra Leone’s institutional weaknesses may exhaust one’s motivation, emphasizing the success of being long-term oriented is recommended to entrepreneurs operating on a local level. Given China’s large and increasing influence on the African continent, this recommendation can be generalized to all African entrepreneurs.

## 6.2. Suggestions for future research

Finally, given that both Sierra Leone itself is still rather data poor and China’s involvement in African countries intuitively has not yet matured, we posit five suggestions for future research.

First and foremost, future research is suggested to further conceptualize the links made in our extended thinking model. For example, whether Chinese investors perceive there is an existing urgency to actively promote knowledge spillover to local entrepreneurs. Here, Chinese investing can be linked to the concept of shared value creation, as explained by Porter and Kramer (2011).

Second, given the exporting capabilities of Chinese (state-owned) companies and their focus on African economies, future research should focus on the growing effect of Chinese exports on the African private sector. Subsequently, our research has touched upon the perceived effect on how Chinese exports affect the development of local innovations in Sierra Leone and beyond this scope. Linking this trend to the need for local innovations to boost local economic development, future research is suggested to focus on this relationship.

Third, making concluding remarks regarding Sierra Leone’s perceived short-term orientation is not straightforward given that the country has not been selected in Hofstede’s country comparison framework. Although there are reasons not to use Hofstede’s dimensions (Beugelsdijk *et al.*, 2017), this dimension correlates to economic development (Hofstede, 2011). Therefore, carefully evaluating Sierra Leone’s long-term orientation in comparison to its local economic development is intuitively relevant for future research on the country’s macro-economic development.



1 Fourth, when accepting the usability of Hofstede's concept of long- and short-term  
2 orientation, future research might focus on whether entrepreneurs in short-term oriented  
3 countries have a different perception regarding this concept than entrepreneurs in long-  
4 term oriented countries. Especially when theorizing that entrepreneurs are important to a  
5 developing country's local economic development, studying this is intuitively relevant on a  
6 broader level than just Sierra Leone.

7 Finally, assessing how Chinese influences on the African continent have accelerated  
8 over the past twenty years, a continuous flow of future research is suggested to capture both  
9 the possibilities and threats to local economic development in Africa, both from a qualita-  
10 tive and a quantitative point of view. When this is properly done, a fair judgment whether  
11 Chinese influences are alarming and/or inspiring can be provided. Our research suggests  
12 that both alarming and inspiring perceptions are subject to future research.

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