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The Proximity Paradox: Culturally Aligned AI Alliances in Emerging Markets

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Abstract

This study identifies the defining cultural dimensions, macro-institutional variables, and structural compatibility vectors dictating the success of international artificial intelligence (AI) partnerships in emerging markets. The authors used a multi-method comparative case design to derive meta-inferences from the concurrent integration of longitudinal quantitative macro-indices from 2018 to 2024 and qualitative national innovation system case studies. Hofstede's cultural dimensions framework acts as the analytical bridge to evaluate localized socio-technical alignments across four distinct country-level operational models, using Bosnia and Herzegovina as the anchor case for Chile, India, Mozambique, and Serbia. The analysis reveals two findings: a soft proximity paradox and an investment-corruption friction. The findings are useful for managers and business owners in their efforts to enhance the resilience of their strategic alliances, which will rely on the potential of AI. Recommendations for the formulation of AI partnerships in under-resourced regions, based on cultural compatibility rather than technical size, are provided.

Keywords: Artificial Intelligence; Emerging Markets; Hofstede; Innovation; National Culture