



©iStock.com/studali

China's Great Wall and Cross-Cultural Paradox

Donning a rough cotton white-and-red headdress, I took a place in the line of her descendants, trudging in her funeral procession and kowtowing to her casket as we wound our way through her lakeside township to a mountainside burial site. And as I did, I was struck by the enduring power of ancestors in the lives of the Chinese. Spirituality and authority emanate from a church or temple; they reside with the elderly and one's family tree. People don't disgrace themselves in the eyes of God; they do so in the eyes of their forebears.

—John Pomfret, a *Washington Post* writer married to a Chinese woman, describing the funeral of the wife's grandmother (2003)

When Alphonso Zhu sauntered into the Paramount ballroom suit pressed, hair smoothed back with Yardley's Brilliantine the scion of one of Shanghai's richest families would often be greeted with a welcome fanfare from the band's trumpet section. One of the most eligible bachelors in town in the 1930s, Zhu courted Chinese, European and Eurasian girls with multilingual ease. In his spare time, and playboys in swinging Shanghai had plenty of it, he started up a jazz band with the sons of the Swedish consul general. The music stopped in 1949.

Under communism, Zhu's family home was confiscated, and he was assigned a menial job. The Paramount, once the hottest joint in town, became the Red Capital Theater, where workers were corralled to watch films on the glories of socialism. Recently, though, a man whose life has roller-coastered along with Shanghai stepped out for a most remarkable event: the grand reopening of the Paramount, where sequined Russian showgirls kicked up their heels and Chinese women swirled by in slinky cheongsams. "This is the greatest city in the world," says the 86-year-old Zhu, in his precise, courtly English. "And now, I feel, it's only getting better."

—Hannah Beech, 'Shanghai Swings,' *Time Magazine*, 2004

China is undergoing massive changes that began in the late 1970s, at which time a new Communist government stressing a mixture of communism and free enterprise replaced the disastrous **Mao Tse Tung** government. Mao and his associates ridiculed and decimated the middle class and attempted to stamp out Confucianism with its emphasis on traditions, relationships, and education. Starting in the late 1970s, the government began sequentially to emphasize free enterprise and infrastructure development in various regions of the nation. As a result, the economy grew rapidly, and China's gross national product (GNP) is projected to surpass that of the United States in the near future. In 2001, China joined the World Trade Organization and it further developed itself as a global economic player. China is now the world's largest exporter and manufacturer, and its second largest economy. Ironically, the Chinese government now honors Confucian teachings once again and emphasizes their value in promoting free enterprise. A large statue of Confucius stands in Tiannamen Square, and he is the only person so honored other than Mao Tse Tung. The government promotes the spread of Confucius Institutes both in China and worldwide, and there are now over 300 of them. There is even a Confucian Peace Prize whose supporters want it to rival the Nobel Peace Prize in terms of prestige and prize money.

While the standard of living rose, however, so did economic inequality. Regional governments own the land and began to move farmers off it, with the result that China is now undergoing the largest transition from having a rural to an urban population in history. By 2011, more than 250 million migrant workers and their families had relocated to urban areas in search of work. According to the World Bank, China's income inequality is now on a par with that of some Latin American and African nations. Agriculture still employs 37% of the working population, but it contributes only 10% of GNP. The population per square kilometer is 141, versus 34 for the United States, and the gross domestic product per head is US\$6,450 versus \$48,110 in the United States. On the 2014 Index of Economic Freedom, China ranks only 137th out of 178 nations. China and the United States lead the world as the greatest emitters of greenhouse gases. Less than 1% of China's 500 largest cities meet the World Health Organization's air quality standards according to an Asian Development Bank report issued in 2012. A U.S. American company now sells very large, self-enclosed, well-ventilated and air-conditioned grassy playing fields to schools, each equivalent in size to two U.S. American football fields, so the children will not have to inhale polluted air while playing outside.

China's demographics are problematic as a result of the one-child-per-family rule. The number of children born to a Chinese woman stands at 1.7, below the replacement level of 2.1 for population stability. This is occurring as life expectancy has increased dramatically, from 35 in 1949 to 75 years. Thus the population is aging, and most citizens are not protected by either a government or a private pension system (see Pomfret, 2008). To complicate matters, parents favor male children over female children and act accordingly, with the result that in the future, many more males than females will be seeking marriage partners and be unsuccessful in their quest. While the government has updated the policy to allow couples where one spouse is an only child to have two children, the implementation has proved problematic (Burkitt, 2014).

Still, visiting modern-day China is a shock for anyone who has not been there since 1978, when the major mode of transportation was the bicycle. People resided primarily in the countryside and were poor, even if there was paradoxically more equal income distribution. Mao's ideology emphasized the importance of the "**iron rice bowl**" from which all would eat, but unfortunately at least 50 million starved because of his ill-conceived policies, such as deliberately

killing almost all the birds in major cities by having the entire populace clang pots and pans, thus forcing the birds to stay aloft until they dropped dead. Reportedly the government viewed the birds as “dirty” and wanted to clean up the cities. An unforeseen consequence of this policy was that the dead birds could not eat parasites and other carriers of germs, and disease spread. Similarly, Mao wanted to create a modern steel industry and to that end confiscated the steel woks of the peasants, which were melted down for supposedly other, more modern uses. However, the peasants had only the woks, many centuries old, to cook food. As a result, many died. Ironically at the time Mao's dream of a modern steel industry came to naught. Today, Baosteel (a state-owned steel and iron company out of Shanghai) is the second-largest steel producer in the world.

Currently China is an automobile-clogged, fast-moving nation that is consuming vast amounts of resources such as steel and oil. China's population of 1.35 billion is the largest among the world's nations, although demographers estimate that India will surpass it, probably by 2050. There is a great emphasis on consumerism and satisfying one's own needs and desires, even at the expense of short-changing aging parents, long revered in the Chinese culture and its Confucian tradition. Public shaming of grown children who have abandoned their parents is common, and in the past it was not unusual for them to be sent to jail for this violation of traditional Confucian practice.

The emphasis on consumerism is very evident in modern China, especially in the area of the luxury business. One only has to take a stroll down West Nanking Road, Huaihai Road, and the Bund to come across the new Squares of luxury where young and old congregate to investigate the latest offerings from Chanel, Louis Vuitton, Bvlgari Gucci, Prada, Cartier, or Hermes. Not too long ago they came to these places to hear a political speech or a new government initiative being put into place, but now the tide has turned. However, it is not all about apparel, watches, and jewelry. The technology companies such as Apple and Virtu are very much in evidence, especially at business meetings to illustrate sophistication and wealth. The purchase of luxury items from exotic locations such as Paris, Milan, Rome and New York illustrates to friends and family (and the world) that the individual has “arrived.” The obsession with luxury goods whether it is a bag, watch, or jewelry is all about proving one's wealth so as to distinguish oneself from the masses. For years the Chinese were denied the luxury to stand out in a crowd and now the door has been opened like never before. It is estimated that China will overtake Japan in the coming years as the number one purchaser of luxury goods in the world. This phenomenon is not only happening in the first tier cities such as Shanghai, Beijing, and Guangzhou but also in second tier cities such as Nanjing, Xiamen, Qingdao and third tier cities such as Zhongshan and Shantou.

The luxury business is a global phenomenon that is not only evident in China. One only has to walk around New York City during the Chinese New Year celebrations where department stores display luxury wares with horse motifs. From Melbourne to Paris to Dubai and London, this business is very aware of its ever increasing customer base.

Luxury in China is not new. Since ancient times, precious materials and objects have been used to signify status. In ancient times, Guanzi, a 7th century Chinese influential thinker, stated that “luxury consumption could increase employment, flourish the market and promote economic development.” The door to a luxurious life style and all its offerings had been closed to the mainland Chinese until the opening up of China and this slow trickle has now become the Niagara Falls of luxury. For example, the Ferrari company sells more Ferraris out of its Beijing showroom than any other showroom in the world. The rapid urbanization and increasing wealth

beyond China's largest cities is creating a number of geographic markets with large groups of people who are insatiable for luxury goods and luxurious experiences. As we might expect, the sales of Tiffany & Co., Coach, Salvatore Ferragamo, and other brands are expected to triple in the next few years in cities such as Wuxi and Qingdao.

China has its own luxury brands such as Shanghai Tang, a company that reinvented traditional Chinese fashion such as the red cipao and blue and white ginger jars. Their competitive advantage was to take traditional items and make them contemporary; suddenly the cipao is lime green and the jars are fluorescent yellow. The company has been so successful that it was recently purchased by the LVMH group.

Luxury experiences in China are also part of the new order. Families go out to an ice cream salon such as Häagen Dazs, have coffee at Starbucks in the Xintiandi lanes, or congregate for a family celebration at Pizza Hut (Pizza Hut in China is a luxury restaurant with a *maitre d'* and delivers a fine dining experience with napery and sophisticated flatware and crockery). The successful Chinese business person is at this time just as sophisticated about wines, imported beer, gourmet food, cigars, and holidays in St. Moritz or Cortina D'Ampezzo as his or her Western counterparts.

Even cash-strapped workers and students favor American fast-food chains such as McDonalds. When McDonalds first opened its doors in China, it cost \$1 for a Big Mac, which was then the average daily wage of the Chinese worker. Many Chinese businesspeople thought the price excessive and believed that McDonalds would fail, but just the opposite happened, and throngs greeted the opening of the first McDonalds outlets. Martin Gannon once confided to a Chinese graduate student that he could not understand why the Chinese students liked McDonalds so much; he very rarely eats at a McDonald's in the United States. The student, in turn, said:

Have you ever eaten at a greasy, noisy, hot, and unairconditioned Chinese restaurant where the service is terrible? McDonald's is air-conditioned; the quality of the food, in comparison to the Chinese restaurants that students can afford, is superior; the service is great; waiters don't try to rush you so that someone else can be seated in your place; you can bring a date to McDonald's and study there for hours if you want. Who wouldn't like McDonald's under such circumstances?

Still, people value the past and tradition. Yu Dan, a relatively unknown professor of communications, has become famous as the author of a best-selling book on Confucius, and there are now schools for children stressing Confucian thought (Fan, 2007; Ni, 2007). Adults seeking to relate to Confucian tradition will devote a weekend or week to studying and practicing Confucianism.

Attempting to describe and explain any cultural group is a daunting task, and this is doubly true of the Chinese, who have been and continue to be stereotyped in various guises, such as the shifty-eyed Chinese, the unfathomable Chinese, and so forth. Ironically, the Chinese have difficulty explaining themselves, in part because they tend to be **high-context communicators**; they also have faced exclusion and discrimination in various nations and tend to play things close to the vest. Almost all the countless books and articles on the Chinese focus on "dos and taboos" or obvious facets of Chinese culture, such as that it is an authority-ranking and high-context culture and that the color red is a sign of good fortune. However, as we will see in Chapter 25, "The Singapore Hawker Centers," even this generalization about high-context communication must be qualified.

To understand the Chinese, it is helpful to focus on both the paradox that Fang (1999), an expert in Chinese negotiation, identifies and a cultural metaphor unique to China, its Great Wall. When we use the visible Great Wall as our cultural metaphor, we employ it to understand the invisible Great Wall of Chinese values, attitudes, and behaviors. **Various types of walls**, not just the Great Wall, are prevalent in Chinese life. This can be seen in the architecture, in the way business is conducted, and in the way technology is blocked.

Paradox is central to Chinese thought. Essentially **paradox** represents the concept of interdependent opposites or the existence of two opposite states of reality simultaneously. For example, *many* and *few* combine to mean *how much* in the Chinese language, and *inside* and *outside* together mean *everywhere*. Paradoxical thinking represents “both-and” rather than “either-or”; that is, it is a nuanced or gray perspective rather than a black-and-white perspective.

As in previous chapters, each subdivision of this chapter represents a dimension or aspect of the cultural metaphor. In this chapter, we use the three related explanations that Fang (1999) proposes to answer his paradox as the distinctive features of our cultural metaphor: China's long, tortuous, and complex history; the influence of Confucian thought on Chinese behavior; and the Chinese perspective on war and the marketplace, particularly as enunciated in the writings of Sun Tzu and applied to the marketplace in terms of six principles of Sun Tzu (McNeilly, 2012). As suggested, we have also included a discussion of the modern interpretations of the “Great Wall” and its many varieties of walls that make communication complex and difficult.

The Great Wall: Long, Tortuous, and Complex History

Anyone who has ever visited the Great Wall of China tends to be overwhelmed by its scope, magnitude, and majesty. The Wall is 7,200 kilometers or 4,474 miles in length. It is frequently said that **the first Emperor of China, Qin Shi Huang**, began the construction project in 221 BCE by restoring the ruins of older walls and linking them with new construction; the result was a 3,000-mile wall. The intention underlying the construction was to ward off marauding warriors and tribes. Frequently marauders settled near the Wall after being repulsed, traded with the Chinese, and in many cases, intermarried with them and eventually were allowed to enter China. Unfortunately, however, the first emperor was repressive, harsh, and autocratic—even to the extent of outlawing Confucianism. As in the case of many such autocrats and individuals seeking to demonstrate that they are superior to others, Emperor Qin also constructed a Great Tomb for himself, on which 700,000 workers labored for 34 years. The well-known 7,000 terra-cotta warriors found in his tomb are a popular tourist attraction as well as a stark reminder of the futility of such efforts; the Qin Dynasty fell in a peasant revolt in 209 BCE, a year after the emperor's death.

In that same year, **the Han dynasty** arose. Today, about 90% of the Chinese are classified as Han, although China is home to about **400 ethnic groups** (some as small as a few thousand in number) and **56** spoken languages. China is much more culturally integrated because of the Han association than most nations, as evidenced by the fact that there are only about **400** Chinese family names. It is easy for the Chinese to categorize one another because of such uniformity.

The Han conquered central Asia; extended the Wall for another 300 miles into the Gobi Desert; and provided protection for the legendary Silk Road, which linked traders from distant points. It was impossible for traders to reach their destination without passing through the

Great Wall. The Han also added beacon towers to the Wall and used a sophisticated system of smoke signals to warn of impending invaders and their approximate numbers.

The Ming dynasty, which arose in 1368 CE, extended the Wall to its current length and is responsible for the structure we see today, although it is based on earlier work. Ming walls were bigger, more ornate, and more impressive. During this dynasty, China was at the height of its power, and the nation was increasingly referenced as “**the Middle Kingdom**,” that is, the center of Earth. **Geographic maps** were drawn to show that China was in the middle of everything. There was good reason for this perception, as China was far ahead of the West during this period, which lasted until the Industrial Revolution in the West.

As this discussion suggests, China has experienced a long and complex history extending over thousands of years. There have been periods of tranquility, sometimes lasting hundreds of years, but there have also been periods of extreme social unrest. Throughout these eras, the Wall has served the Chinese well and preserved their culture.

U.S. Americans who are at all familiar with Europeans quickly notice that they have a grasp of their respective nation’s history that far exceeds the time perspective of many, if not most, U.S. Americans; Europeans talk easily about 10th-century kings and queens, for example, such as King John III or King John IX. In the case of the Chinese, the time horizon is much, much longer. It is frequently said that U.S. strategic planners think in terms of 3-year or 5-year plans, whereas Chinese strategic planners focus on plans extending 100 or more years into the future. Zhang Lan (2012), a controversial restaurant entrepreneur, states in a documentary film that “like McDonalds and KFC I believe that, in 100 years, the South Beauty brand will be known around the World and will rank at No 1.” This long-term perspective is associated with tradition and ancestors, as many firms are controlled by one family and frequently by the patriarch. In Asia, with its emphasis on the family and the past, approximately two thirds of publicly traded companies are controlled by a single shareholder, compared with just 4% in the United States, according to the World Bank (McBride, 2003). China follows this pattern.

Furthermore, China exemplifies a **torn culture**, having been ripped from its cultural roots several times. Since 1900, China has experienced a dizzying array of governmental arrangements, including the disastrous Mao Communist era starting in 1949, which effectively blocked China’s entry into the global economic market. In the late 1970s, a newer group of more enlightened Chinese Communist rulers emerged who fostered China’s integration with the global marketplace. As indicated previously, they introduced economic development **in phases**, developing specific areas of the nation before others to use scarce resources effectively. This approach, in sharp contrast to the approach used in Russia (see Chapter 31), has proved to be successful, and development economists uniformly praise it (see Stiglitz, 2002).

A visitor to Shanghai—which seems to combine the best of U.S., Asian, and European architecture—is immediately impressed by the skyline, and this positive impression is constantly reinforced when one talks with governmental officials and business executives, who exhibit a cultural uniformity of purpose. Shanghai is frequently called “the city of the future,” and it and other Chinese cities are being built in the manner that guided the Great Wall’s construction: with patience, hard work, a long time horizon, and a systematic approach integrating major cities and regions. Shanghai is projected to become the world’s most economically powerful city in the next two decades. According to the Brookings Institution the city’s GDP is growing faster than any other city in the world. The McKinsey Global Institute projects that Shanghai by 2025 will grow faster than every other city, overtaking London to become the third richest metro in the world.

China remains a country of walls even in the fast-paced, futuristic cities of today. The curved glass and elevated skylines of the industrialized cities are juxtaposed against the walled cities of yesterday. The physical location of imperial architecture within the modern cities shows deference to the past, a respect that is reflected in the way that business is conducted. Relationships and *guanxi* are at the core of business (discussed further in the chapter), which by its nature create walls. Chen and Pitt (2013) discuss the concept of *Quanzi* in conducting business with China. **Quanzi** is a circle of trust, separating “insiders” and “outsiders” in business dealings. These circles or communities create a separation between those inside and outside. This reliance on relationship-based or trust-based personal networks is an ongoing challenge for any business not within the inner wall or circle and particularly for overseas businesses that have no solid relationship.

In the same way that ancient cities created walls to keep out raiding hordes, today the government seeks to build virtual walls around China to keep out the flood of Internet traffic. **The Great firewall** of China is the colloquial name given to the technology barriers that have been created in China. The Internet is highly regulated and monitored by the government, forming internal and external walls between citizens and corporations. World famous and ubiquitous social media applications such as Facebook and Twitter are banned in China. The Chinese have created their own versions of these social network sites with RenRen, Sino Weibo, and WeChat being at the forefront. The Global Web Index in 2014 indicated that 98% of Chinese Internet users are using some kind of social network.

In 2008, President Hu Jintao, as quoted in Wines, LaFraniere, and Ansfield (2010), said, “Whether we can cope with the Internet is a matter that affects the development of socialist culture, the security of information, and the stability of the state.” According to the World Bank, even prior to 2003, the Chinese government began to monitor and censor Internet cafés, news sites, chat rooms, and blocked websites. The most recent addition to these programs is **the Golden Shield**, which is a \$700 million project that monitors, filters, and blocks online content that is deemed to be sensitive. In 2012, Freedom House, an American organization that tracks global trends in political freedom, ranked China as the third most restrictive country in the world when it comes to Internet access, after Iran and Cuba (the report does not include North Korea where all Internet access is denied). In extreme cases the government has cut off the Internet, as occurred in 2009 after riots in Xinjiang. Google left China in 2010 amid controversy over censorship and monitoring.

China's standards for censoring the Internet are based on the political norms of protecting social stability, discouraging the organization of protests and real-world political activity, and eliminating any threats to the party. Attacks on the senior leadership are quickly removed, although criticism of mid-ranking officials is tolerated. Internet users have become creative in the ways that they share information and discuss the government by using pseudonyms and homophones (words spelled the same but with different meanings). For example, citizens who had claimed to be censored started posting online that they had been “harmonized” (in reference to the President's calls for a “harmonious society”). This was identified and added to the banned list of words. MacKinnon, as quoted in Wiseman (2008), states that “the Chinese term for ‘harmonized’ is *he xie*—which sounds the same as the Chinese term for ‘river crabs’ but with a slightly different intonation. Now, Chinese online chatter frequently includes references to river crabs.”

The virtual wall of Internet censorship and monitoring illustrates the role of government in the everyday lives of Chinese people. The dominance of home-grown technologies such as

Sina Weibo and Tencent also shows the ingenuity of Chinese people and the desire to remain at the cutting edge of technology regardless of government intervention. Given this context, it is not surprising that a recent investigation by the BBC suggests that the next Silicon Valley will be in China.

Confucianism and Taoism

It is impossible to understand China's culture without understanding Confucian thought. **Confucius** died in 479 BCE, frustrated that he was never able to become a major advisor to any of China's regional rulers. However, his ideas took hold in large part because of the vicious warfare that was occurring among these rulers, and his emphasis on forming, and permanently and deliberately maintaining, tradition in accordance with China's idealized past period of Great Harmony had wide appeal.

Confucian thought is encapsulated in **five terms**, the first of which is **Jen**, meaning human-heartedness or the simultaneous feeling of humanity toward others and respect for oneself (see Smith, 1991). Second, **Chuntzu**, "the Superior Man," is someone fully adequate and poised to accommodate others as much as possible rather than to acquire all he can selfishly. At all times he should be sincere with others, which accounts for the sincerity of Chinese negotiators that Fang (1999) highlights. Third is **Li** or propriety, which refers to the way things should be done. For example, **the Five Relationships** involve the appropriate conduct that should occur between father and son, older and younger siblings, husband and wife, older and younger friend, and ruler and subject. The Five Relationships are central in the Confucian system and clearly encourage the creation of an authority-ranking culture.

More specifically, Li reflects the importance that Confucius attached to the family. This idea evolved from the earlier era of ancestor worship to include the concepts of filial piety and veneration of age. From the Chinese perspective, a person exists only in relation to others, particularly but not exclusively members of the family. There is a **second meaning of Li, ritual**, which is envisioned as encompassing all of a person's activities during his or her whole life.

Te is the fourth term, and it refers to the power by which people should be ruled, not by force but by moral example. Finally, there is **Wen**, which accords a place of prominence to the arts as a means of achieving peace and as an instrument of moral education.

The device for developing tradition deliberately was extreme social sensitivity, and this is still reflected in the Chinese concept of face. As discussed in Chapter 3, "The Japanese Garden," **face** is an unwritten set of rules by which people in society cooperate to avoid unduly damaging one another's prestige and self-respect. In bargaining, for example, the winner should allow the loser some minor tactical reward, especially when all the observers can ascertain the identity of the vanquished. If a father's business becomes bankrupt and he dies suddenly, frequently his sons will work for years to pay off the debt to maintain face for the family. When an individual loses face, he or she tends to adopt a stony or blank expression as if nothing has happened; generally face is forfeited through loss of self-control or a display of frustration and anger (Bonavia, 1989).

Of course, individuals in all cultures want to protect their face or honor. As a general rule, people do not enjoy losing, being humiliated, or experiencing any related outcome. **However, the Chinese added a unique dimension to the concept of face, as it is incumbent on everyone in**

a transaction not only to preserve face but also to give face, saving themselves and everyone else from embarrassment. This is how a Superior Man should behave.

Some experts have argued that **Confucianism is not a traditional religion**, because it has no concept of a personal god and only an amorphous concept of heaven or a shadowy netherworld in which ancestors live and help to guide the living. Thus the Chinese tend to focus on this world and not the next. David Bonavia (1989) aptly captures the essence of being Chinese in the following description, although he was primarily discussing modern China:

The most determining feature of the Chinese people's attitude to the world around them is their total commitment to life as it is. . . . In this world view, all human activity—religion, sex, war—consists of functional acts aimed at achieving something. Only the arts are considered to have intrinsic value, and they are chiefly reflections of the real world or an imagined world, not abstract patterns. . . . Action must have a purpose, the Chinese feel; there is nothing ennobling about pain, and death is an infernal nuisance. . . . Most Chinese, seeing a Hindu holy man stick a knife through his cheeks or walk on coals, would conclude that he was either a fool or a fraud. . . . **The central concept of Chinese society is functionality.** (pp. 56–57)

Taoism is usually considered the primary religion among the Chinese, while Confucianism relates to the manner in which an individual is to behave in society. Taoism, pronounced Daoism, was supposedly created by **Lao Tzu**, who was born in 604 BCE, and its main tenets were outlined in one small book, *Tao Te Ching* or “The Way and the Power.” *Tao*, or the way, has **three** overlapping meanings, the first of which is that it can be known only through mystical insight. In the second sense, *tao* refers to the ordering principle behind the universe or all life, and it represents the rhythm and driving force of nature. The third sense of *tao* is the way humans should order their lives to be in balance with the universe.

The Nature of Power

Power, the second part of the title of this influential book, refers to the belief that a person gains power by leading a life that is in harmony with the dictates of the universe. This approach continues to shape the Chinese character and is manifested in the desire to achieve a state of serenity and grace. The basic approach to life that is consonant with the universe is **wu wei** or creative quietude. Paradoxically, *wu wei* is simultaneous action and relaxation and letting behavior flow spontaneously. Creative quietude is never forcing or straining, but rather, seeking the empty spaces in life and nature and moving quietly and without confrontation through the avenues of least resistance.

Taoists reject all forms of self-assertiveness and competition and seek union with nature and simplicity of life more than materialistic possessions. Their extreme aversion to violence verges on pacifism. Taoism also includes the traditional Chinese symbols of **yin and yang**, which connote that there are no clear dichotomies but rather all values and concepts are relative to the mind that entertains them; that is, values and concepts are by definition paradoxes representing nuanced “both-and” thinking. Thinking in yin-yang terms means analyzing the universe in terms of pairs of interacting opposites, such as shadowed and bright, decaying and growing, moonlit and sunlit, earthly and heavenly, and feminine and masculine. Whether something is classified

as yin or yang depends not on its intrinsic nature but on the roles it plays in relation to other things, which is consistent with the relation-based system of the Chinese. Clayre (1985) expands on these ideas as follows:

In relation to Heaven man may be classified as yin, but when paired with Earth he would be seen as yang. Heaven itself is the supreme embodiment of the yang aspects of the cosmos: ethereal, bright, active, generative, initiatory and masculine. Earth is seen as deeply yin: solid, dark, cool, quiescent, growth-sustaining, responsive and feminine. (p. 201)

Men and women are not seen as exclusively yang or yin: Each has a predominance of one aspect or the other, and the balance within them and between them may change. The relation of the two elements is always changing, a continuous cycle where each may dominate in responsive sequence. This idea may have evolved from the annual cycle of growth and decay found in agricultural China and in the rotation of day and night and seasons of the year.

Taoists traditionally had **little empathy** for Confucians, whom they viewed as pompous and ritualistic. A more fundamental difference is summarized by the Chinese themselves, who say that “Confucius roams within society; Lao Tzu wanders beyond.” However, in many ways Taoism, Confucianism, and Buddhism are complementary, and it is commonly said that they are “the Three Faiths in One.” Thus many Chinese accept Confucianism as a guide to daily living, have recourse to Taoist practitioners for ritual purifications and exorcisms, and employ Buddhist priests for funerals.

We have sketched some of the major concepts and values that make up the Chinese value system. Note that there are wide divergences from it in many situations. Still, this value system has not been stamped out or radically changed for thousands of years, as Mao Tse Tung and others would have liked. Rather, it has evolved slowly over time. Ambrose King (as quoted in Kotkin, 1993) has pointed out that many of the approximately 60 million expatriate or overseas Chinese have developed a culture of “rationalistic traditionalism, a combination of traditional filial and group virtues with a pragmatism shaped by the conditions of a new competitive environment” (p. 177). Like the Italian Catholics who attend church only irregularly, these expatriate Chinese and even many living within the confines of China are more culturally than spiritually **influenced** by their Three Faiths.

Many Languages

In a similar manner, the Chinese culture is closely linked to language. People in China’s various regions are of diverse ethnic origins who speak mutually unintelligible dialects. Many inhabitants of southeastern China, where Cantonese is the primary dialect, find it difficult if not impossible to understand the dialect of northern China, which is Mandarin. Spoken Mandarin is very formal, whereas Cantonese includes many more slang words and is spoken more loudly, even to the extent that two people expressing love to one another can sound to outsiders as if they are quarrelling (Pierson, 2006). Remarkably, all dialects of spoken Chinese are written in the same way and can be understood by anyone, regardless of the pronunciation of words. Whereas the English language employs only 26 letters to represent all spoken sounds and written words, the Chinese language is a storehouse with more than 50,000 different symbols or **logograms**, each standing for a different word. Amazing feats of memory are required to master such a language, which

tends to reinforce cultural values. This generalization is also valid for the Japanese language, which was derived from the Chinese (see De Mente, 1990).

As this discussion suggests, English is a **low-context** language that is direct and understandable, and this has facilitated the use of English worldwide, especially in business. However, both the Chinese language and the Japanese language are **high context**, and the writer must choose words carefully, because complex meanings may be inferred from the context in which words are spoken or written. Norman Fu, a well-known Chinese journalist with the *China Times*, once remarked that he much preferred to write in English than in Chinese because of this fact (see Chen, 2001).

When a visitor treks along part of the Great Wall, it is easy to imagine not only the repulsion of invaders but also the long and complex development of the Chinese perspective, thought systems, and language. Like the Wall, Confucianism and Taoism did not happen overnight, and although the Chinese have adopted other perspectives such as Buddhism, they retain the best of their own systems. Chinese thought is **conservative**, but it does allow for **change**, a topic to be explored in depth in the next chapter.

Sun Tzu, War, and the Marketplace

Around 400 BCE, one of the greatest, if not the greatest, treatises on war and the manner in which it should be conducted successfully was written by **Sun Tzu**, a Chinese general. It is impossible to do justice to this great work in a short summary, and readers should form their own judgment by reading the original, which is reprinted fully in McNeilly's 2012 *Sun Tzu and the Art of Business*. McNeilly derives six principles from Sun Tzu's work and applies them specifically to business and the marketplace. In this section, we describe these six principles and relate them to the paradox that Fang (1999) identifies, namely that Chinese negotiators are both sincere and deceptive simultaneously.

As both Fang (1999) and Chen (2001) point out, Sun Tzu's book should have really been called *The Art of Peace*, as **the very first principle** that Sun Tzu postulates is that war should be avoided if at all possible, as it necessarily results in the destruction of resources and people. McNeilly (2012) phrases this principle as follows: Win all without fighting; that is, capture the market without destroying it. In the airline industry, for example, about half the strategic and tactical moves that companies make are price reductions, which tend to result in vicious price wars and frequently excessive losses for all companies involved (Smith, Grimm, & Gannon, 1992). Part of Cisco's success, by comparison, was based on acquiring competitors through stock swaps that greatly benefited all parties. To alleviate anxiety among employees in the newly purchased subsidiary, Cisco also established the principle that the CEO of Cisco and the CEO of the subsidiary would need to agree before a major downsizing of the subsidiary's workforce would occur.

The other five principles are avoiding strength and attacking weakness, or striking where competitors least expect it; deception and foreknowledge, or maximizing the power of market information; speed and preparation, or moving swiftly to overcome your competitors; shaping your opponent, or employing strategy to master the competition; and character-based leadership, or providing effective leadership in turbulent times. In addition to Sun Tzu, an anonymous writer penned **36 famous stratagems** somewhere between 1368 and 1600—for example, clamor in the East but attack in the West—which tend to be consistent with Sun Tzu's principles.

Fang (1999) profiles the differences in Chinese and Western thought by **comparing *The Art of War* (Sun Tzu, 1963) to Karl von Clausewitz's (1832/1989) classic *On War***. Both generals agree that war should be used for political purposes. However, whereas Sun Tzu emphasizes winning without fighting and related principles, **von Clausewitz promotes the use of maximum force** to overwhelm the enemy. World Wars I and II and their extreme devastation of populations, land, and cities are examples of the use of von Clausewitz's principles.

Fang (1999) proposes that an invisible Great Wall separates Western and Chinese negotiators; he also points out that many other Asian negotiators have been heavily influenced by the Chinese and exhibit many of the same patterns of behavior, thought, and high-context communication. While Chinese negotiators are hospitable to Western negotiators and take them as a matter of courtesy to visit the Great Wall, they protect their invisible fortresses as much as possible.

Three Forces

For Fang (1999), three forces have molded the Chinese personality or negotiating style. The **first** is **China's long history** and particularly its recent history since 1949, when Mao came to power. The Chinese are acutely aware of the damage that Mao inflicted on the nation and want to avoid it in the future. Around 1990 two Carnegie Mellon professors completed a video on business in China, but many of the interviewed executives demanded that their faces be unidentifiable on the videotape because of fear that their interviews would come back to haunt them. Such fears are justified, because having worked for a Western company in China in the 1920s was grounds for arrest under Mao after 1949. Capitalism and "capitalist roaders" or sympathizers were personified as intrinsically evil. Today the Chinese government monitors and controls the Internet closely and shuts down websites that are too anti-government in tone. Arrests and imprisonment of violators are not uncommon. Even Western companies such as Google and Yahoo! must abide by restrictions in China that are not imposed elsewhere. Thus Chinese negotiators in many ways tend to be conservative, although business executives in China typically do not mask their identities as they did in 1990.

Fang's (1999) **second** force is the Chinese perception of the marketplace. Chinese negotiators have been heavily influenced by Sun Tzu, and they view **the marketplace as a place of war** in which the goal is to win all without fighting. They employ all sorts of ruses, subterfuges, strategies, and stratagems (including the famous 36) in their interactions with Western negotiators, whom they frequently regard as marauders seeking to penetrate the invisible Great Wall. U.S. negotiators, for example, get down to business as soon as possible and quickly establish an opening position from which they bargain. Chinese negotiators, however, tend to focus on establishing a relationship, trying to understand the other party, and allowing a position to be established naturally over a long period of time. They are accustomed to extended haggling, which tends to bother many U.S. negotiators. These patterns represent the "both-and" perspective that is often associated with high-context communication.

Fang's (1999) **third force** is the Chinese personality or negotiating style, which has been molded in large part by Confucianism and its concept of the Superior Man who is sincere. Thus Western negotiators confront a conservative negotiator who is well prepared, kind, and sensitive to the needs of the other party but also deceptive because the marketplace is a place of ongoing war.

China is a large nation, about equal in geographic size to the United States, and its citizens constitute about one out of every five people in the world. As Western and Chinese negotiators learn more about one another, their perspectives will probably begin to overlap. Still, the long, convoluted, and complex history of China, plus its simultaneous emphasis on both deception and sincerity, will continue to support the invisible Great Wall that must be patiently addressed if it is to be scaled. It is not an impossible task, as Western companies have learned. After years of complaining that Western investment in China was not profitable, economic reports suggest that many Western companies are now beginning to make a return on their investments. Still, the message of this experience, and the tripartite model that Fang has developed to explain the Chinese perspective, suggest that the task will be long and involving—but ultimately rewarding both in personal relationships and market success.

As an outsider doing business in China there are many walls to be scaled and negotiations are complex and delicate, but it is important to understand the historical and cultural significance of the Great Wall and its many modern varieties. There are, in effect, two Chinas that exist side-by-side, the traditional China and the modern China that operates in a global context, and understanding its history, values, and beliefs through the metaphor of the Great Wall should help to minimize conflict and maximize relationships and outcomes.