



Chinese Business Ethics and CPEEC

By Samra Naz

Ethical culture in business includes following some moral values in the business activities. Chinese are deeply swayed by the traditional Confucian values which defines the role of person within a community and also gives guidance about doing business which has significant impact on company or employees' behavior. China is an enormously collectivist society where people prefer the interests of the group over their own interest. The emergence of China

as one of the world's largest economies is based on long history of economic struggle with continuous learning and adopting modern ways for improvement. In China 'Shang de' is official word for business ethics and observing it is considered as path to prosperity. While the people devoted to business are identified as 'Ru Shang' or 'Confucian Trader'. The roots of Shang de are based on 'Guanxi' and 'Mianzi' which are central to Chinese business life.

Guanxi basically describes the nature, method and network of personal acquaintances, contacts and relationships made during business or employment. Guanxi develops on the basis of higher trust and brings many competitive advantages to the companies as they do business with relying on entrepreneurs on basis of Guanxi. Beginning of Guanxi, between two parties describes hope that both parties will get some benefits from the relationship with a key of deepened trust and mutual interest. It is that kind

of business model or strategy which guarantees a long term relationship between companies, customers, employees and investors. It sometimes depends on geography or the nature of the industry and trade. Guanxi in China can be observed at three levels: first, personal (between distributor and customer), second, corporate (between business groups) and third governmental level (between foreign firms and local corporations) on basis of mutual profits. The mandatory Chinese rituals for making Guanxi are based on tools like reciprocity, exchange of gifts and joint meals according to culture and geography. According to Chinese customs if one is in Guanxi relationship he/she must agree to fulfill his/her obligations in form of social exchanges and favors which increases the depth of their relationship.

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In this respect, it is a resource and one should remain sensitive about it so it could not be shattered and demands to complete one's responsibility are taken very seriously, because failure to reciprocate could be correspondent to not giving a monetary obligation. For instance, if someone cannot carry out specific task in Guanxi relationship, one must compensate in another way like sending a gift to make other realize about your regret of not

helping and also for convincing that you want to keep the relationship alive. Additionally, if someone demonstrates unworthy actions in such relationship, he/she will smudge his/her company's reputation. So many Chinese remain hesitant to begin Guanxi with someone they do not know. In brief, it's a kind of compromising association like any other strong relation from which it is difficult to withdraw and one remains accountable for it.

On the other hand, Mianzi is another Chinese business ethic and a kind of social status that is highly cherished by Chinese in daily matters. It refers to maintenance of the pride and self-respect of others. It is the kind of rank that has been consciously achieved by showing morality in Confucian Society. In order to reach this kind of status, one is depending on the social settings and needs recognition and affirmation from other people to have high morals. In this regard, Lian is the term used for social respect given by a group to a person with high morality. A person entitled to have Lian would try to do proper things and will keep moral values of social behavior and honesty in all kinds of difficulties and will preserve public trust in the individual's morality. Lian also acts as a social constraint and self-restriction for sustaining moral standards.

Moreover, in case of China Pakistan Economic Corridor (CPEC) these Chinese ethics can play a significant role in developing durable Chinese business relationships with Pakistani counterparts who also

follow the Pakistani business ethics based on Islamic and social values.

As Pakistani business ethics culture is based on moral values like responsibility, honesty, respect, integrity, fairness, trust, openness and transparency. Many of such values are identical to Chinese business ethics of Mianzi and the attitude about social networking in Pakistan is somehow similar to Guanxi.

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In case of China -Pakistan Guanxi relationship, there are many instances which show it and we see it almost at all levels; may it be personal, corporate and government, due to historical all-weather and time-tested friendship between China and Pakistan. Furthermore, the Guanxi association can help in expanding business and employment opportunities for both Chinese and Pakistanis in CPEC project and will increase people to people contacts. Consequently, following or practicing these business ethics will enable us to make more reliable code of conducts for business contracts and that will raise mutual trust, reverence and profits for both sides ■



The writer is a PhD scholar and a visiting faculty member at Quaid-i-Azam University Islamabad.