

China “Going Out” to Ecuador: Barriers of Communication

by

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Abstract

Encouraged by the Chinese government's "Going out" strategy. Chinese investment in Latin America has increased significantly over the past decade. In parallel, tensions between Chinese enterprises and the local communities in which they operate have also risen significantly. This study examines how two Chinese companies operating in Ecuador, interact, communicate and manage relationships between their Chinese employees and managers and their Ecuadorian counterparts and community groups. Both companies have experienced great difficulty in intercultural communication due to inherent differences such as language, habits and customs, social norm and value divergences, along with a sense of pride gained from an ethnocentric view of those differences. Moreover, heightened concerns revolving security, protection of state secrets, policies that do not encourage Chinese spouses and families to join employees have also contributed. Despite their shared culture, these two companies exhibit different intercultural communication approaches that stem largely from their differing economic and structural realities.

Keywords: China; Ecuador; Latin America; intercultural communication; cultural differences; corporate practices

*For a better understanding between China and Latin
America*

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List of Acronyms

CCDE	CNPC Chuanqing Drilling Engineering Co., Ltd.
CCS	Coca-codo Sinclair; the largest hydro project in Ecuador's history.
CNPC	China National Petroleum Corporation
ITT	Ishpingo-Tambococha-Tiputini; oil field within the Yasuní National Park, which is located on the eastern edge of Ecuador, encompasses a section of Ecuador's Amazon Rainforest and is recognized as one of the most bio diverse regions in the world.
SHSA	Salud Higiene Seguridad Ambiente; Office responsible for health and security at Sinohydro San Luis Camp

Glossary

Chaulafán	A rice-based typical Ecuadorian dish, which is believed a product of the first wave of Chinese immigration to Latin America in the nineteenth century.
Chifa	Chifa in Ecuador refers to Chinese cooking, and to restaurants where this type of food is offered. It was first brought to Peru by Chinese coolies in the late 19th century. It then expanded to Peru's neighbor countries, such as Ecuador and Bolivia.
Coolie	A term refers to the nineteenth century and early twentieth century locally sourced unskilled labourer hired by a company, mainly from China and India. The Chinese word 苦力, (pronounced as coolie) literally means "bitterly hard (use of) strength".
Danwei	The name given to a workplace in China. Up until recently, many danwei in China were still responsible for providing housing, health care, cooked food, vehicles and many other services.
Face	The term refers to one's own sense of prestige or dignity in social contexts. The concept of "face", "saving face", and "losing face" is one of the characteristics of Chinese culture, and was considered of Chinese origin.
Going Out	A strategic policy launched in 2000 by Chinese central government with the objective of encouraging Chinese companies to invest abroad in search for resources and new markets.
Guanxi	This term in the Chinese language literally means relationship. It stresses the importance of associating oneself with others in a hierarchical manner, and in a reciprocal nature, in order to maintain social and economic order.
The Cultural Revolution	A socio-political movement that took place in China from 1966 to 1976. The stated goal of this movement is to preserve true Communist ideologies by purging capitalist and Confucian thoughts from the country.

Chinese and Ecuadorians working together



Chapter 1.

Introduction

Over the past ten years, China has been heavily investing to Latin America. According to the finance database of Inter-American Dialogue, only through China's two major policy banks, China Development Bank and Export-Import Bank of China, the Asian country has already provided over \$125 billion in loan to Latin America since 2005¹. This number could mean an alarming external debt for some countries in the region, given their limited size and population.

For example, Ecuador, the country I visited for my field research, is the fourth largest Latin American country receiving Chinese loans. Up until December 2014, Ecuador owed China USD 8.89 billion², composed over half of Ecuador's total external debt³, and almost 9% of the country's GDP⁴. In 2015 an official visit to Beijing China promised to lend Ecuador another USD 7.53 billion. In January 2016, China's ICBC bank committed another USD 970 million to Ecuador at an interest rate of 6.2% (Orozco, M., 2016a), which made the total Chinese fund to Ecuador reach to USD 16.17 billion, 16% of the 2015 total GDP⁵.

1 Data retrieved on April 16, 2016. Source: China-Latin America Finance Database at Inter-American Dialogue http://www.thedialogue.org/map_list/

2 Source: China-Latin America Finance Database at Inter American Dialogue and own compilation. http://www.thedialogue.org/map_list/

3 In December 2014 Ecuador's total external debt was USD 17.58 billion. Source: The Economic and Commercial Counsellor's Office at Chinese Embassy in Ecuador. <http://ec.mofcom.gov.cn/article/ztdy/201505/20150500982367.shtml>

4 2014 Ecuador GDP was USD 100.9 billion. Source: Banco Central del Ecuador. <http://www.bce.fin.ec/index.php/component/k2/item/310-producto-interno-bruto>

5 2015 Ecuador GDP was predicted by the Banco Central del Ecuador at USD 99.068 billion Source: *ibid.*

The massive amount of money and the rapid growth of this investment not only have raised alarm, concerning the fiscal stability and economic dependency (Jenkins, R., 2009; 2012; Santiso, 2007; Blazquez-Lidoy et al.: 2007; Ellis, E., 2009; Gallagher, Irwin & Koleski, 2012; Escribano, G., 2013), but also opened debates over the conditions tied to these loans. One of the conditions for debate is that the loan receiving country must use Chinese companies and Chinese technologies in the Chinese loan backing projects.

In this way, the Chinese government paved the way for many of its companies into foreign markets, as part of China's "Going Out" policy, a strategic policy launched in 2000 with the objective of encouraging Chinese companies to invest abroad in search for resources and new markets. A good example is the hydroelectric project Coca-codo Sinclair I visited in Ecuador. The Chinese company Sinohydro was able to win this mega project is partially due to its ability of self-financing 85% of the project through loans with the Export-Import Bank of China (Koleski, 2011). Sinohydro is one of the many Chinese companies that flew into Latin America in recent years. Only in Ecuador, seventy five Chinese companies officially informed the Chinese embassy of their presence in the country in 2014⁶, and this number was forty two only two years earlier in 2012⁷.

Along with the rapidly growing number of Chinese companies in the region, it is everyday more visible the presence of Chinese expatriates who were sent to work by these companies. One would encounter Chinese businessmen in almost each and every office building in the central business district of Quito. It could be an overwhelming experience for the local Ecuadorians, who were not so used to see these many Asian faces ten years ago (see Chapter 2), yet it can also be a good opportunity for people of different cultures get to know and understand one another, and, learn one from another.

My personal experience has always been very positive in term of intercultural communication. I have lived in three different countries, and in every one of them I made very good local friends. With these friends of different cultures, I have had conflicts,

⁶ Data collected from the official website of Commercial Counselor's office of the Chinese Embassy in Ecuador, but officers from the embassy estimated much more Chinese companies in country without formally informed the embassy.
<http://ec.mofcom.gov.cn/article/zxhz/zzjg/201405/20140500590567.shtml>

⁷ *ibid.*

misunderstandings, and fights even, but at the end of the day, these experiences, made our friendship, and enriched my own culture. Very interestingly, many of my foreign friends say that we are good friends because I am not very Chinese.

On the other hand, I also know that my experience is not shared by many other Chinese. I have worked for several years as a Spanish instructor in China. Many of my students were sent to work in Latin America by Chinese companies. Although language is not a barrier for them, they always come back to me and complain about their life abroad. They say that they feel lonely and bored, and that they hope to get promoted so that they can be reassigned back to China. Their complaints made me wonder why our experiences are so different, and, whether there is something in the Chinese culture that discourages, or even impedes them from enjoying a different culture and people of a different culture.

With this idea in mind I undertook this research. I carried out a two-months fieldwork in Ecuador, and another two-months in China. The methodology I adopted for this research is ethnographic, which is consisted in semi-structured interviews, informal conversations and observation. I interviewed seven Chinese companies in various industries (two in petroleum, two in telecommunication, one in mining, one in construction and one in public security), as well as some local interested parties, such as NGOs, independent researchers, local communities where the Chinese backed projects are taking place. I also completed several on-site observations in two Chinese companies.

The theoretical approach I adopted for this research is intercultural communication theories in multinational corporation environment, partially because I come from a communication background and I already had this set of tools when I started this research. However, as I carried on further this research, I also started to question this set of tools, for the limited depth of reasoning it allows, although my research proved it quite right in many aspects.

In Chapter 2, I will first trace the history of the interaction between China and Ecuador, from the first wave of Chinese immigration in the nineteenth century to the recent wave of Chinese companies. I will then explore the theories of “intercultural

communication” in socio-cultural and business realms. In this chapter I will also open debate for the very theories I adopted in this study by analyzing some of the critiques to them.

In Chapter 3 and 4, I will present my own field research conducted in Ecuador and China. In Chapter 3, I will examine the communication behaviors in the Chinese state-owned hydroelectric company Sinohydro Corporation Limited. In Chapter 4, I will present relevant data collected from another Chinese company China National Petroleum Corporation (CNPC) in Ecuador.

In Chapter 5, I will include some insights and reflections I drew from the fieldwork. I will also identify the major barriers of intercultural communication currently being presented in Chinese companies I have interviewed, with the objective that Chinese firms could learn lessons from the experiences of these interviewed companies, and push for improvement in their practices.

Chapter 2.

Intercultural Communication Between China and Ecuador

Chinese Community in Ecuador--Historic Context

The first wave of Chinese immigration to Latin America can be traced back to the mid-19th century. This first wave went primarily to Peru and Cuba to escape violence and famine in China (Samanamud, 2014) and went to Latin America largely because they were able to migrate there. Unfortunately, no hard evidence can be found regarding Chinese immigration to Ecuador during that time⁸. According to the Ecuadorian historian Rodolfo Pérez Pimentel, in 1860, Ecuadorian businessman Luis Bonnin Cuadros traveled between Ecuador and Macau, bringing Asian *coolies* to Ecuador, and among these Asians, there was more than likely Chinese *coolies* as well (retrieved from Fierro, J., 2010). In the 1880s, many Chinese immigrants left Peru and settled in Ecuador (Liu, H., 2006; Ellis, R. E., 2008). In that time, most Chinese were liberated from coolie labor and started getting involved in agriculture, fishing and small business (Li, C., & Yang, S., 1990).

In 1899, the Ecuadorian congress approved several decrees to prohibit the entry of Chinese nationals into the country. These decrees lasted almost fifty years, and were finally repealed in 1946. According to then president, Antonio Flores, "the immigration of Chinese citizens have taken alarming proportions and the influence that they exercise

⁸ Juan Jose Fierro, for his Master's thesis, has searched the database of Chinese Academy of Social Sciences, and that of the Chinese embassy in Ecuador, but no relevant date was found.

over the customs of the society, the industries and transactions being very pernicious.”⁹ These decrees were in line with the wave of discriminatory laws towards Chinese in North America (the Chinese Exclusion Act of 1882, 1892 and 1902 in the United States, the Chinese Immigration Act of 1885 and 1923 in Canada).

Despite these legal restrictions, the Chinese population in Ecuador increased slowly in the first half of the 20th century, from 1500 in the year 1918 (Li, C., & Yang, S., 1990), to 4171 in the year 1963 (Liu, H., 2006). These early Chinese immigrants were mostly from Guangdong province, and settled mainly in Ecuador’s coastal region, especially in Guayaquil, the commercial center of the country. Even today, there are large Chinese communities centered in Quevedo and Machala due to the Chinese immigrants’ involvement in agricultural and fishing activities (Ellis, R. E. 2008).

Despite their relatively small number, Chinese immigrants have had an important influence on the Ecuadorian society, especially in economic matters. In general, the Chinese communities of early immigrants have earned respect and are quite well integrated to the Ecuadorian society. In fact, many of them have decided to adopt Spanish last names and teach their children only Spanish (Ellis, E., 2008).

In 2008, a second wave of Chinese immigrants came to Ecuador motivated by economic opportunities and easing of immigration regulations. Then President, Rafael Correa signed a presidential decree to eliminate tourist visa requirements for citizens of all nationalities, effect since June 20th, 2008. In that year, 14,468 Chinese entered Ecuador and only 7314 left (Anuario de Migración Internacional. INEC. 2008. Retrieved from Fierro, J., 2010), which means that in one year the Chinese population in Ecuador increased 30%. This second wave of immigrants were quite different from their predecessors -- they came from many different regions rather than just Guangdong; they were entrepreneurs and traders; they had very strong ties to China through their

⁹ The original text in Spanish is “Habiendo tomado caracteres alarmantes, en estos últimos tiempos, la inmigración de chinos, y siendo perniciosísimo el influjo que éstos ejercen en las costumbres de la sociedad, y en las industrias y transacciones del país”. Retrieved from Juan José Fierro Granados (2010).

businesses; and they had little connection with the earlier established Chinese communities in Ecuador (Ellis, E., 2008).

Chinese Corporate Presence in Ecuador--Current Context

General Information

Chinese corporations entered Ecuador in the early 2000's. As I mentioned earlier in Chapter 1, under the state-initiated "Going Out" strategy, Chinese companies' presence in Ecuador has expanded at an extraordinary speed over the past few years. The fifteen largest Chinese companies are currently managing projects of over USD 6.27 billion in Ecuador (El Universo, 2012, June 18th). Most of these companies are state-owned enterprises (SOEs) either owned by the Chinese central government, or by Chinese local governments. Their business in Ecuador is primarily in petroleum, electrical power, mining, infrastructure construction and telecommunication ventures.

Petroleum

The major Chinese companies involved in petroleum are two state-owned companies CNPC and Sinopec (China Petroleum & Chemical Corporation). In 2005, CNPC and Sinopec jointly purchased oil and gas assets, development rights and interests from the Canadian company Encana, and established Andes Petroleum Ecuador Ltd. This company currently operates in the Tarapoa Blocks, Block 14 and 17, and the Lago Agrio Storage and Transfer Station in the province of Sucumbios¹⁰. The company also holds a 36.26% share in the company Heavy Crude Pipeline, making them a highly integrated operation spanning production, transport and development.

The two parent companies also pursue independent projects in Ecuador: CNPC operates block 11 and will take a share in the construction of the Pacific Refinery project

¹⁰ Gonzalez-Vicente (2013) in his study mentioned another two blocks (Shiripuno block and block 15) operated by Andes Petroleum that are not included in the company's official website.

and participate in the exploration and development of Ecuador's upstream resources; Sinopec is pursuing two blocks in Ishpingo-Tambococha-Tiputini (ITT) fields in Yasuni National Park. Incidentally, Yasuni National Park is considered one of the most ecologically diverse areas in the world, which has raised concerns from environmental groups and indigenous communities.

Apart from the two mega-companies, many smaller service companies also entered into Ecuadorian oil market for subcontracting projects, such as Greatwall Drilling Ltd., Shandong Kerui Petroleum Equipment Co., Hilong Oil Service & Engineering Ecuador Cia Ltd., Shengli Oilfield Highland Petroleum Equipment to name a few.

Electric power

Ecuador signed contracts with Chinese companies to build seven hydropower plants, a wind power station, which is intended to help the country's transition to 100% self-sustaining by 2016. Major actors are Sinohydro Corporation (together with several sibling companies under the same parent company) in the hydropower project Coca-codo Sinclair and Delsitanisagua; Harbin Electric International Engineering Co. Ltd. in Mazar Dudas and Quijos projects; China International Water & Electric Co. in Toachi Pilaton project; China Gezhoubu Group in Sopladora project, as well as Xinjiang Goldwind Science in the wind power project Eólico Villonaco.

Mining

In 2012, a Chinese joint venture, CRCC-Tongguan Investment, paid USD 100 million to the Ecuadorian government for the rights to the Mirador copper mine, with a commitment to invest USD 1.4 billion dollars over the following five years. Their jointly owned direct Ecuadorian subsidiary, Ecuacorriente, also operates copper and gold mines, in the northern province of Morona Santiago. The Hong Kong based private mining company Junefield is operating a gold mine project in Rio Blanco and Azuay.

Infrastructure

Chinese companies are also deeply involved in road and bridge construction. The above-mentioned company Sinohydro Corporation is rebuilding and modernizing several roads in the provinces of Azuay and Morona Santiago. Guangxi Road & Bridge Engineering Corporation built a two-kilometers four-lane bridge over the Babahoyo River, at a cost of over USD \$100 million.

Telecommunication

The Chinese telecommunications companies Huawei and ZTE main business in the country is to provide communication systems, mobile and Internet services to the Ecuadorian state-owned company CNT. These two companies were awarded more than USD 150 million in contracts in 2011 and 2012.

Tensions between Chinese Companies and Local Society

On paper, China's engagement in Ecuador is highly prosperous. From 2010 to today, the amount of total Chinese investment in the country has increased five times (USD 3.27 billion to 16.17 billion); the number of investors doubled from 2012 to 2014¹¹. However, every now and then tensions arise in the form of strikes and social protests. Tensions have arisen primarily over issues of **economic dependency**, **excessive debt**, **socio-environmental impacts**, and **labor relations**. The main actors are Chinese companies on the one hand, and on the other hand, Ecuadorians employed by Chinese companies, local communities affected by Chinese companies' projects, and NGOs.

Economic and financial dependency

As I stated earlier in Chapter 1, the rapid growth of Chinese investment has raised concerns in fiscal terms, and also around economic dependency, because China is viewed as an imperialist power that controls Ecuador's economic lifeline. Thirty-eight Chinese companies are operating in Ecuador's most important strategic sectors, across energy, infrastructure, telecommunication and public security (El Universo, 2012, June

¹¹ Catalogue of Chinese companies in Ecuador 2012 and 2014. Source: The Economic and Commercial Counsellor's Office at Chinese Embassy in Ecuador.

18th), which, together with the excessive debt, have raised concerns over the economic and financial dependency on China. In July 2015, the political organization Bloque Proletario led about fifty people protesting in front of the Chinese Embassy in Quito, against “Chinese capital’s interference” in the country¹².

Moreover, given that the majority of the Chinese investment went to natural resource extraction such as mining and petroleum, there are also concerns about these investments pulling Ecuador away from the long desired economic diversification. There are numerous research focused on China’s macroeconomic impact in Latin America region, but few of them are dedicated to Ecuador specifically.

Socio-environmental impacts

In March 8th, 2012, three days after the Chinese mining company Ecuacorriente signed the contract on Mirador copper mine, Ecuador’s largest indigenous organization CONAIE (Confederación de Nacionalidades Indígenas de Ecuador) organized a nationwide parade against mining. People from different provinces marched towards the capital city, and eventually joined the anti-Ecuacorriente and anti-China protest organized by environmentalists in Quito (El País, 2012, March 16).

Many Chinese projects in Ecuador are socio-environmentally controversial. For example, the ITT oil project managed by Sinopec is located in Yasuní, one of the most biodiverse places on Earth; the construction of Coca-codo Sinclair hydropower station will alter the ecosystem, and will require a relocation at large scale of many families in the area.

Labor relations

Almost all Chinese managed projects of large local workforce have experienced labor strikes, some have turned violent. The common demand from local labor organizations are: more local employment, and unfair labor practices (e.g. El Universo,

¹² To watch video <https://www.youtube.com/watch?v=KHFi1kzCaUE>

2006, November 11; El Universo, 2007, July 5; El Comercio, “Obreros de Ecuacorriente...” (El Comercio, 2010, November 5).

One incident is very interesting. In May 2013, over three hundred Ecuadorian workers in Gezhouba’s Sopladora project went on strike in protest of the company’s low wages and violation of the labor law on the forty-hour workweek¹³. At the time, Gezhouba labor workers worked twenty-two days non-stop and then got eight days off. They worked eight hours in the construction site every workday. For every shift they work they got paid five hours extra, because five months ago they won the strike claiming for a working time reduction, with the argument that they spent extra time on transportation (from the camp to construction sites), and that they took breaks inside construction tunnels. This incident lasted very long, even until February 2015, when 1200 workers of the same company launched another strike against the same work-hour violation, as well as the physical violation by the Chinese foremen and managers¹⁴.

For a Chinese observer like me, these strikes may seem like locals making a great fuss over a trifle. First, the Chinese Labor Law set the working hour standard on forty-four hours rather than forty hours¹⁵, which means the 22-8 work shift completely conforms with the law, and exactly what an employee should expect and accept. Second, there is a debate in China over the interpretation of the forty hours. Some say that forty hours should include lunch break and some say no, but nobody has claimed to include transportation time in the forty hours. Third, overwork is a widely accepted, and even encouraged, phenomenon in China¹⁶, which means very few Chinese would argue, even over the real violation of forty- hour law.

¹³ To watch interview on Youtube: <https://www.youtube.com/watch?v=Grth8xbkIo0>

¹⁴ To watch interview on Youtube: <https://www.youtube.com/watch?v=xlyO267Pqm8>

¹⁵ China’s Labor Law. Article 36 The State shall practise a working hour system under which labourers shall work for no more than eight hours a day and no more than 44 hours a week on the average.

¹⁶ China Banking Regulatory Commission (CBRC) released a statement to call all CPC party members to learn from Li Jianhua, a banking regulator of CBRC who just passed away from overworking. Source from CRBC official website: <http://www.cbrc.gov.cn/chinese/home/docView/7E20E0315F72477183E04498DF18C0AC.html>

It seems that the company adopted the Chinese rules of time management when operating in Ecuador, and these rules were not well accepted by the local employees.

Intercultural communication

The intercultural communication is minimum between Chinese and Ecuadorian employees. The local newspaper El Telégrafo (2015, February 4) published an article titled "*In Coca Codo, San Luis, Chinese and Ecuadorians live a separated life*"¹⁷. It illustrated how Chinese company Sinohydro interacts with the local community, and how Ecuadorian and Chinese employees of this company interact one with another in the mega hydro project Coca-codo Sinclair. Chinese and Ecuadorians have separate dining places, and the former have much more food diversity. As one can tell from the title, Chinese and Ecuadorian employees have very little interaction, despite the fact that their lives are physically tied together for years in a semi-enclosed construction camp. "The Chinese staff do not connect with Ecuadorians due to the language difficulty. They do join the football or volleyball inside the camp, but nothing else". The article did not explore why it is so, except for mentioning the language difficulty.

El Comercio (2011, October 23) interviewed staff in Sopladora, another hydro project managed by Gezhouba Group Corporation. This article adopted a more sympathetic view towards the Chinese employees by illustrating the hard life they live in the camp: language barrier (even for the translators), long time separation from their family in China, cultural differences such as work ethic conflict and the hard-to-change food preferences.

Other than cultural factors, some newspaper articles have also noted structural factors. Since the role of many Chinese oversea staff in Ecuador is to manage the Ecuadorians (foremen and workers, engineers and assistants, managers and employees), the relationship between the two nationals is intertwined with labor relations of employer-employee. Besides confirming the lack of communication reported by El Telégrafo (2015, February 4), New York Times (Krauss & Bradsher, 2015) added a

¹⁷ Translated from Spanish "En Coca Codo, San Luis, las vidas de los ecuatorianos y chinos van separados"

barrier of hierarchy to the interpersonal relationship in Coca-codo Sinclair. “The Chinese are arrogant,” the article cited Oscar Cedeno’s words, a twenty-years-old construction worker. “They think they are superior to us.”

On the other hand, communication with local communities is even less, and sometimes it can lead to more severe consequences than just a cold work environment. An insider of the mining company Ecuacorriente attributed the many violent conflicts between the company and the community to the lack of communication. “Projects like El Mirador would be much better off if they just talked a bit more with the locals,” said the insider, “Even if it was just a meeting once a week.” (China Dialogue, 2012, August 6).

Another interesting factor contributed to the tension is the fact that some of the Chinese projects were previously managed by Western companies, and in the communities where these projects are taking place the standards were already set up by the latter. For instance, Rubén González-Vicente (2013) noted that the local community had a more distant relationship with the Andes Petroleum than its predecessor, the Canadian oil company Encana. González-Vicente cited local agricultural settlers’ claims that Canadian expatriates used to help the community by providing free rides, toys and candies, and even small amount of money to villagers enduring temporary hardships, and in contrast, Chinese expatriates do not follow any of these Canadian traditions.

More interestingly, the lack of communication seems to happen also within Chinese staff themselves. The above referred Chinese independent journalist Huang Hongxiang (Huang, 2012) pointed out that communication was very lacking even among Chinese employees themselves, “A lot of our subsidiaries are working here, but there’s very little communication between Chinese people from different provinces.”, he cited a Chinese manager of the oil company Sinopec.

No existing research was found that has addressed issues of intercultural communication between Chinese sojourners and Latin Americans. Newspaper articles like the above mentioned ones often referred the lack of interaction to cultural differences without making further analysis. What do “cultural differences” mean? It seems to me the most convenient word to refer to everything happened between different cultures that are complex and hard to explain. The goal of this study is to break

down the term of “cultural differences”, and to articulate the main barriers (cultural and non-cultural) that impede intercultural communication. In order to do so, we should first think about consider the relationship between communication and culture; secondly consider the various elements of culture, and their influences on communication; and thirdly, the particular communication style each culture is inclined to (if there is one).

Intercultural Communication

Defining Communication

Different scholars may define communication differently, focusing on distinct aspects and characteristics that the notion of communication might have. In the present study I adopted the definition of “process of behaving and interpreting of behaviors (verbal, nonverbal, mediated) between people” (Baldwin, Coleman, Gonzalez, & Shenoy-Packer, 2014, 51). This definition regards communication as a process rather than a simple exchange of message. Secondly, it considered both the intentional and unintentional effect of a message, as that not all messages emitted in communication is intentionally. Thirdly, it links communication to culture in the sense that culture has a strong influence on behavioral norms.

Relationship between Communication and Culture

Culture has a very close relationship with communication. Baldwin and his collaborators (Baldwin, Coleman, Gonzalez, & Shenoy-Packer, 2014, 51-52) summarized three common approaches to look at this relationship: 1) culture as an influencing force on communication; 2) culture as created through communication; 3) cultural change as a product of intergroup struggle through communication or other efforts like policy and law.

As the original question I wanted to address in this research is whether certain traits of the Chinese culture discourage communication with other cultures, I adopted the first approach to look at the possible influences that national culture has on communicational strategies and practices. Hence, I refer intercultural communication as

communication between people of different culture, when culture “impacts the communication enough to make a difference” (ibid, 5).

Defining Culture

The word “culture” is fuzzy. Its definition varies in different context as well as distinct academic disciplines, from the 160 definitions identified by Kroeber and Kluckhohn (1952) to the various historical permutations of the term “culture” in Ben Highmore’s (2016: 4) latest book. Highmore (ibid.) suggested that in anthropology and ethnography the most used meaning of this term was a way of life, referring to E. B. Tylor’s definition of the “complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society”.

Culture exists in different levels. It can be as small as family culture with only two people, or it can be as big as macro regional level like the Western culture. As this study intended to look at the barriers of intercultural communication between Chinese and Ecuadorian, the term “culture” is regarded to national cultures.

National culture is very a frequently studied topic in international business realm, because to a large extent, national cultural differences are shown in the different corporate and organizational practices, and many studies showed that the more culturally divergent are two countries, the more distant their corporate practices are expected to be (Bendix, 1956; Lincoln, Hanada and Olsen, 1981. Retrieved from Ralston et al., 1997: 414).

Aspects and Elements of Culture

Gary Weaver (1986, retrieved from Hanley, J. H., 1999) compared culture to an iceberg, with one tenth above water, and nine-tenth hidden under water. The surface layers of culture like language, cooking and music styles, which does not take much effort for an observer to notice. What is difficult is to detect the nine tenth of the so called “deep culture”, which includes but not limited to, the way language is used in different

context, conception of time, social class structure, relationship to deity, body language etc.

Some of these cultural elements are more universal, such as the facial expression of smile usually means happy across cultures. Some other elements can be very different from culture A to B. Failing to understand these differences can sometimes pose serious problems to the communicators. Some of the most relevant aspects to this study are presented below.

Language

Verbal language is an important tool for communication for people who share the meaning, yet it can also pose great challenge to people who don't share them. For example, when Chinese replies to a request with a sound of "mm", most of his/her compatriots understand that he means, "ok". However, it can be quite offensive to someone from another culture that is anxiously waiting for a yes-or-no answer. For some cultures "mm" is a sound rather than a word¹⁸, nevertheless, according to Xinhua dictionary, it is a word in Chinese language, with corresponding character and determined meanings.

We should note that even people who share the same language sometimes misunderstand one another. The Spanish word "*coger*" has sexual connotation in some Spanish speaking countries, but not in all. Frases with this word can be totally normal and in daily use while in others can be extremely offensive.

Nonverbal language, such as gestures, body movement, facial expressions, proxemics also differ dramatically from culture to culture. The Peace Corp filmed a series of videos about the various cultural mistakes that one can make¹⁹. Among them some gestures have completely opposite meaning in different cultural contexts, which could lead to misunderstanding and even conflict. For example, a nod of head means

¹⁸ Baldwin, Coleman, Gonzalez, & Shenoy-Packer (2014: 163) categorized the sound "mm" in Japanese as a paralinguistic case, instead of as a verbal language case.

¹⁹ See video: <http://www.peacecorps.gov/wvs/videos/home-and-abroad/>

yes and a shake of head means no in many cultures, but it is the other way around in Bulgaria and some other Eastern European countries.

Social Norms

Social norms are the rules of behavior that are expected or considered acceptable in a culture. Many of these norms are not universal. For example, in the Peace Corp videos, the authors noted that in Argentina, arriving on time to a meeting is considered arriving too early; in Middle East and Asia, having one's sole of shoe facing another person while sitting is an insult; it is considered very bad luck or even cursing sticking the chopsticks in a bowl of rice.

Social norms differ, because different societies have their own traditions, historical constraints and circumstances of the moment. They should not be judged on a bad-or-good basis, or related with the level of civilization or economic development of a society.

The above-mentioned cultural aspects are important things to consider when communicating with people from other cultures. Some of them are harder to be noticed, yet won't take too long for a culturally sensitive observer to notice.

Values and Worldviews

Cultural values and worldviews form part of the so-called "deep culture", which often times people are not conscious of. As Baldwin and his colleagues (Baldwin, Coleman, Gonzalez, & Shenoy-Packer, 2014, 5) put it, values and worldviews are the most enduring aspects of a culture, and the driver of our behavior.

In this field, two important theories are worth mentioning: Geert Hofstede's national cultural dimension theory, and Trompenaars and Hampden-Turner's model of national cultural differences. Both theories are attempted to show certain cultures are higher or lower than other cultures in some variables. With their limitations, the two theories provide a good framework to understand what Chinese are, and what

Ecuadorians are, which ultimately will help to answer my research question of whether Chinese culture discourages intercultural communication.

In their studies, China and Ecuador scored quite differently in the following two dimensions, which is supposed to indicate a large cultural difference in those dimensions:

Neutral versus Affective:

This dimension of Trompenaars and Hampden-Turner deals with expressions of emotions. People in Neutral societies tend to hold their emotions inside, and admire laid-back and self-possessed conduct, whereas people in Affective societies tend to openly express emotions, admire heated and vital expressions. Physical contact, gesturing and strong facial expressions are more commonly seen in Affective than in Neutral societies.

Trompenaars and Hampden-Turner located China and Latin American countries in the two far ends of this dimension. China is Neutral society, while all the five Latin American countries in the survey are Affective societies.

This dimension is strongly related to intercultural communication, because communication is essentially about “exchange of information, be it words, ideas or emotions” (Trompenaars & Hampden-Turner, 1997: 74). Affective and Neutral societies have different characteristics in communication. For example, people’s voice tone in Affective societies tends to have more ups and downs, while that in Neutral societies sounds more monotonous. Most importantly, these communication patterns may be perceived distinctively in other culture. For instance, in Neutral societies, waiting to speak until the other communicator finishes shows respect to the other, however, it could be understood as lack of interest in the conversation in Affective societies. Similar things happen in non-verbal communications like eye contact, private space and so on. And, amongst all factors, the spoken word is the most important one for to understand another culture.

Indulgence versus Restraint:

This newly added dimension to Hofstede's theory focuses on happiness. Indulgence stands for loose control on gratification and on one's desire for enjoying life, whereas restraint stands for strict control on gratification and such desire (Hofstede, 2011).

China and Latin American countries were placed at the two poles of this dimension. China's low score of 24 suggested a strong inclination towards Restraint, whereas Latin America is among the highest, ranging from Venezuela's full score (100) to Peru's 46²⁰. No available data was found for Ecuador in this dimension, but we could take scores of other Latin American countries as a reference, especially that of the neighbor countries Peru and Colombia, with which Ecuador shares many cultural traits.

In some other dimensions China and Ecuador scored quite similarly, but it is worth exploring more about the complex nature of each dimension. For example:

Power Distance and Achievement versus Ascription:

These two dimensions both address the conception of power and hierarchy. Hofstede's Power Distance is the extent to which the less powerful members of organizations and institutions (such as companies) accept and expect that power is distributed unequally. On the other hand, Trompenaars's dimension of Achievement versus Ascription explains based on what qualities a society gives certain members a higher status than other. Achieving societies tend to accord status based on achievements, whereas Ascriptive societies often do it based on someone's ascribed qualities, be it age, social class, work experience (not necessarily relevant to the current job), education (not necessarily related to the current career), etc.

According to the survey result, both China and Latin American countries are inclined to be high in Power Distance and Ascription, however, it does not necessarily mean that they have the same opinion on what ascribed qualities are formed of. The survey (Trompenaars & Hampden-Turner, 1997: 106) showed China and Mexico scored

²⁰ Scores for each Latin American country: Uruguay 53, Argentina 62, Brazil 59, Chile 68, Colombia 83, Dominican Republic 54, El Salvador 89, Mexico 97, Peru 46, Venezuela, 100

much higher than Cuba, Argentina and Brazil in disagreeing to the question of “respect depend on family background”.

The relatively low value Chinese respondents put on family background could be mainly explained by two factors. One is that the civil service exam system that was carried out for about thirteen centuries historically allowed a certain degree of social mobility (Elman, B. A., 2000). Even people of poor family background had chance to climb the social ladder. The other factor is the total social deformation occurred in the mid 20th century. Starting from the anti-rightists movement in 1957, throughout the entire decade-long Cultural Revolution (1966-1976), the old social class system was completely overturned (Fairbank, J., 2006). The poorest scaled to the top of the power pyramid (although everyone was equally poor); bourgeois and intellectuals fell down to the bottom. Many of those nowadays on the top of the pyramid are from very poor resource-less families (e.g. the 2006 Forbes China’s richest man Huang Guangyu).

Since Trompenaars and Hampden-Turner’s research did not include Ecuador, we have little basis to assume whether or not the country would agree to the question about family background. Nevertheless, Gaviria and Dahan (2001) found out that the intergenerational mobility in Ecuador was relatively low compared to other Latin American countries. The study attributed up to 50% of the differences in socioeconomic performance in Latin America to merely to family background. Moreover, the Ecuadorian sociologist and the former president Osvaldo Hurtado (2010: 4-7) also described in his book, that the traditional Ecuadorian society was static, in which all opportunities were strictly reserved for white people and everyone’s destiny was predetermined at birth. Even nowadays, from people’s last name, one can sometimes tell which social class he/she belongs to. Hence, it is more likely than not that Ecuadorian society ascribe status dependent on family background, racial and ethnicity to a larger extent than the Chinese society.

Specific versus Diffuse:

This dimension looks at where to draw the line between people’s public sphere and private sphere. Specific cultures have small private space kept for family and very close friends, and a large public space divided into specific segmented areas ready to

share with acquaintances, such as car-pooling, going to gym, parenting classes etc. One being allowed into one specific area does not mean they are allowed into other areas, and even less into the private space. On the other hand, in Diffuse societies, people have large diffused private space and relatively small public space. It is much harder to get permission for private space, which means people in Diffuse societies get a car-pooling partner as easily as in Specific societies. But, once someone is allowed into the private space, he/she is allowed in for all areas.

China and Latin America were both categorized in the Diffuse end of this dimension. One of the characteristics of Diffuse culture is that people in Diffuse societies tend to take criticisms personally--a negative feedback to someone's work can be easily taken as an attack to the person him/herself--because it is a loss of face (ibid: 86).

The concept of “face” (面子) and “losing face” (丢脸) is one of the characteristics of Chinese culture (Bond, M. H., 1991), and was considered of Chinese origin (Ho, 1972). Its definition ranges from Goffman (1955)’s self-respect to Ho’s (1972: 139) “status plus something else, like dignity”. Nevertheless, this concept of “*perder la cara*” is also commonly used in Latin America. The behavior of “saving face” is extremely important to Latin Americans because it allows them to maintain pride (Triandis, 1981).

Moreover, another important characteristic is that in Diffuse societies titles and social status earned in professional career tend to be carried onto private life. For example, in China Zhang Liang is treated as CEO Zhang in his company by his subordinates, as well as in the twenty-year college reunion by those who are economically inferior to him. Similarly in Ecuador physician Rafael Febres Cordero is treated as Dr. Febres Cordero in his clinic and in the grocery store. On the contrary, in Specific cultures, a title is a “specific label for a specific job in a specific place” (Trompenaars & Hampden-Turner, 1997: 83). Professor Dawson will be introduced as Professor Dawson in work related activities, and will be introduced as Alexander, or Maia’s dad in the school of his kids.

Clearly, the dimensions presented above provided useful tools to break down the concept of “cultural differences”, however, the limitation of these dimension theories are quite obvious too. First of all, the scores in each dimension can only represent an

average of a country, which overlook the possible differences in social class, age, gender and many other categories, and is certainly not cannot predict individual's behaviors. Second, these dimensions are too simplified labels, which provide a good way to take a quick look at a culture, but lack of depth in understanding why and how certain group of people holds very different values from others.

Chinese communication style

Chen Ming Guo developed Harmony Theory of Chinese communication (2001), in which he argued that in the Chinese culture harmony is the ultimate goal, rather than the means of communication. This belief in harmony has an eminent influence on Chinese communication, which is to make all effort to avoid being involved in conflict (Chen, 2000). Based on the Harmony Theory, Chen (2000) developed five rules for Chinese communication:

Self-restraint/Self-discipline:

Chinese tend to hide their sentiment and avoid aggressive behaviors in the process of communication, especially in that of conflict.

Indirect Expression of Disapproval:

Instead of explicitly disagreeing, Chinese prefer giving an evasive answer or show the disagreement in a subtle and non-verbal way.

Saving or Making Face for Counterparts:

In the Chinese culture, losing face means losing the leverage in a negotiation, and an absolute denial of all upcoming offers. Given the importance of "face" in the Chinese culture, Chinese will make all effort to not to make their counterparts "lose face", even in conflict situations.

Reciprocity:

Reciprocity means returning favor. Going beyond the simple material exchange, the core of the reciprocity is, if one does not break the harmonious relationship, by practicing Self-discipline or Saving Face for his/her counterpart, the latter should appreciate this gesture and maintain the relationship by practicing the same rules.

Emphasis on Particularistic Relationships:

The Chinese particularistic relationship, also named as *guanxi*, is an “unequal and complementary bond based on geography, blood, work, classmate, sworn brotherhood, surname, teacher-student, economy, and public affairs” (Jacobs, 1979, retrieved from Chen, 2000: 16). Chinese communicators make specific communication behavior according to where, when, and to whom they are communicating to. Most importantly, Chinese consider people who have a particularistic relationship as in-group members, and less likely have a conflict with.

Therefore, people who understand and constantly practice the above listed five rules may get a better position in communicating with Chinese. Some of the rules appear to be in accordance with the national cultural traits of Latin American countries; others seem to go quite against. For example, Ecuadorians, as analyzed in Trompenaars’ research, like their Latin American neighbors, are perceived affective, but at the same time, not good emotion controllers. This runs contrary to the emotion control of the Chinese, and will be likely viewed as a threat to obtaining the goal of harmony.

Moreover, although Latin Americans are thought to have a certain degree of sensibility to the rules of particularistic relationship, since it scored high of Hofstede and Trompenaars’ theories of power distance and particularism, we should take into consideration that the two societies ascribe different qualities to higher social status (see 2.3.3. section e). Thus it is possible that Ecuadorians have a different view on who are in socially higher ranks and who are not.

Assessing intercultural communication

By reviewing all possible cultural differences the two countries might have, as well as the possible barriers these differences may create in terms of communication, I

am not intending to discourage intercultural communication, or to promote cultural assimilation, but rather, to quote Moran's (Moran et al., 2007: 73) words, "to learn how to move beyond the inherent conflict that arises when two different people interact, and ultimately create an environment where all divergent parties can find the common ground."

The question now is how to know whether or not the divergent parties have found the common ground, and this leads to the area of study on intercultural communication competence, which was defined as "the ability to effectively and appropriately execute communication behaviors that negotiate each other's cultural identity or identities in a culturally diverse environment" (Chen, M. G. & Starosta, 1999).

From different academic discipline, scholars have developed a handful approaches to assess intercultural communication, some focus on communicators' attitude, some on communication skills, others on intercultural awareness and sensitivity. Dearsorff (2009) reviewed some of the major works in this field and summarized some key components of intercultural communication competence that most scholar agreed on: 1) knowledge of the other culture, 2) intercultural sensitivity, 3) awareness of cultural differences, and 4) skills with which to accomplish tasks in intercultural environment.

Since the goal of this study is not to make a judgment on how competent Chinese companies are in comparison with other companies, but rather to articulate and understand the major communication barriers, I will not go in depth in this section.

Chapter 3.

Fieldwork on Sinohydro, Coca-codo Sinclair Project, Ecuador

General Information on Sinohydro and Coca-codo Sinclair

Sinohydro Group is a Chinese state-owned enterprise focused primarily on development and construction of hydropower facilities. In response to the Chinese government's "Going-out" strategy, Sinohydro Group established Sinohydro Corporation Limited (中国水电建设集团国际有限公司, below shortened as Sinohydro) in 2004 in Beijing, with the objective of expanding the business abroad. It is the only subsidiary dedicated to international projects. During the past decade, it has aggressively pursued international dam-building opportunities and is now active in South-East Asia, South Asia, Africa, Latin America and Eastern Europe. In 2011, along with its parent company, it was merged with several other companies into the new company Power Construction Corporation of China (Powerchina).

Sinohydro provides management services for large infrastructure construction projects. It has 460 employees, with diversified operations in over 80 countries. Acting as a general contractor, the company coordinates and subcontracts various construction companies on elements of those projects. In Ecuador, the company is currently carrying out 3 major projects: Coca-codo Sinclair, Delsi-Tanisagua and Bolivar highway.

The CCS hydroelectric project was granted to the Sinohydro Corporation in 2009. Sinohydro awarded the execution of the project to Sinohydro Bureau 14 Corporation Ltd. (中国水利水电第十四工程局有限公司, below shortened as Bureau 14). Bureau 14 was founded in 1954, with its base and the majority of its initial projects in Yunnan province of China. It is a sibling company of Sinohydro Corporation Ltd., under the same

parent company Powerchina. It is important to note that although Sinohydro in CCS project appears as one sole company, it is actually formed by two different Chinese companies, with different workforce backgrounds, different organizational cultures and management mentalities.

Hence, in the following text, I will allude to this fact making a distinction between the two companies when necessary. I will use the term “CCS Project Department” to refer to the joint venture. I will use “Beijing office” to refer to Sinohydro Corporation Ltd. headquarter in Beijing. I will use “Quito Office” to refer to Sinohydro’s branch office in Quito. By “San Luis Camp” (SLC) I am referring to the construction camp where I carried out the on-site-observation, in Napo province, right besides the San Rafael waterfall and El Reventador volcano. It is the main construction camp of CCS project among the total four camps.

Obtaining Interview Permission

In 2015, I met a Chinese engineer of Sinohydro Corporation in Ecuador. I asked him to pass my interview request to the general manager, but he said:

We’d better not to do that, because I’d rather keep our friendship in secret. It might get me in trouble if they know it. (Sinohydro’s Chinese engineer)

Due to the shortage of time and frustration I experienced with a Chinese petroleum company in the same issue, I dropped this interview plan until April 2016 when I met Ms. Wang in Sinohydro Beijing office, the vice-director of Party Affairs Department. Every public institution in China has a department dedicated to party ideology studies and publicity. She supported my research objectives and put me in contact with the country representative of Sinohydro Corporation in Ecuador, Mr. Liu, who is also the chief officer of all Sinohydro projects in Ecuador.

Mr. Liu welcomed my proposal to visit the office in Quito, but had to confirm whether it would be ok for me to visit the camp with the project department, which, as I

mentioned earlier, is primarily formed by Bureau 14. Two days later, I contacted him again, and he told me the answer was “no”, because,

The CCS project department has received several (research groups) and it didn't turn out well. (Mr. Liu)

Their feelings were hurt. (Mr. Liu)

Fortunately enough, I happened to befriend a researcher working for the China Development Bank research center, one of the two financial institutions Sinohydro receives the majority of its foreign investment funding from. He provided the contact information of Mr. Song, the president of Sinohydro Corporation. Later on I secured three telephone interviews with three subordinates of Mr. Song, his secretary, the vice-president of the company, and the manager of Latin America division. At last, I was asked to have a face-to-face interview with the manager of Ecuador division. As luck would have it, this manager turned out to be alumni in the same bachelor program where I was educated. He said it was his duty to help his “*xuejie*” (senior sister-in-learning) in coordinating with their representative in Ecuador--Mr. Liu--, and with the coordinator of Bureau 14 in Ecuador. Everything went smoothly after that.

This experience can be interpreted as a simple story of the Chinese interpersonal network *guanxi*: I made my way through a personal connection. However, a couple of things behind the scene are worth mentioning.

First, the CCS project department rejected my visit request because they did not want any risk that my research would possibly bring to the project, nor did they want to take any responsibility for a research that they do not have any control over. Bureau 14, the major decision maker in the CCS project department, can only act as subcontractor in international projects, thus the company prioritizes above all the completion of the CCS project on time. Anything that may possibly affect this priority should be avoided. Researching on how to improve the long-term management in Ecuador is not their urgent concern. Thus, a simple “no” was the safest and most economic way to reach the goal. It saved them from investing time, money and personnel.

On the other hand, Sinohydro Corporation's priority in Ecuador is more complex. Besides managing the CCS and other construction projects, the company is also responsible for enhancing corporate and brand image. Actually Ms. Wang offered to help me partially because she needed firsthand information about the project for her publicity work. Mr. Liu agreed in the first place because he knew that, me being friend of Ms. Wang from the Party Affairs Department, I would not do anything that might harm the company. This is to say, the priority of the company, or that of one specific decision maker, might determine to a large extent one's communication experience.

Second, my professional status at Chinese public institution gave me credibility. When my bank friend introduced me to Mr. Song I was a Master student in Canada plus assistant researcher in a Chinese public university, plus co-founder of a NGO in China. Interestingly enough, the Beijing Office only told CCS project department in Ecuador about my second role in the Chinese university, omitting my two other roles.

Receiving interviews from western institutions or any NGO is very sensitive in China, because censorship is not applied as much to these institutions. An Ecuadorian researcher who works for a local NGO told me that she contacted many times several Chinese companies in Ecuador for interview permission, but had never got approved, and in some worst cases, never had got replies. And she said that her experience was not uncommon.

To a large extent, these companies' fear of western institutions and NGOs is due to China's interaction with the West in modern times on the one hand, and its different understanding of civil society on the other hand. From 1840, when China lost the Opium War to the end of the Second World War, also called "the century of humiliation", the West was viewed as invaders and humiliators. More recently, since 1999, when NATO aircraft bombed the Chinese embassy in Belgrade to today's South China Sea conflict, suspicions over the West's motives towards China resurfaced (Gries, P. H., 2001; Xu, G., 2001; 2012).

NGOs, whether foreign or domestic, are the subject of great suspicion in China. In 2005, China drafted Foreign NGO Management Law, which requires foreign NGOs to find a Chinese-government-backed agency to regulate their activities in the country. The

legal process that my own NGO has gone through is long and difficult enough to write another paper.

As many scholars now agreed on (e.g. Brook, T. & Frolic, B. M., 1997; Chamberlain, 1993, 1997), Chinese auto-organizations or NGOs historically have always stood on the side of the state, serving as “complements rather than counterweight, handmaidens rather than pressure groups” (Chamberlain, 1997: 71). Therefore, Chinese institutions and most citizens lack of knowledge on how to deal with NGOs who do not act in the Chinese way, and regrettably, they sometimes associate these NGOs, rightly or wrongly, with the above mentioned suspicions on the West’s attempt to subvert China.

Third, one’s age and position in the civil service ranking system matter in Chinese *guanxi* network. When my university alumni knew that I was four years older than him, he started to call me “*xuejie*” rather than Ms. Huang, which indicates closeness, as well as respect to people older in age. Confucian doctrines explicitly suggest younger brothers should obey older brothers, as being one of the Confucian Five Bonds²¹. Being only a few years younger made him feel “obligated to help”.

Fourth, the fact that CDB being an important financial source to Sinohydro helped me in obtaining permission. Ms. Wang told me that Mr. Song, who is normally quite condescending to subordinates and young fellows, once was smiling and bowing to a low-level much younger man in CDB.

In summary, the complicated interview request process I went through suggested a lack of interaction between Chinese enterprises and research communities. To some extent, the lack of interaction does keep Chinese enterprises away from some troubles in the short term. However, in the long term these companies may repeat their wrongdoings due to the lack of available case studies to draw from. Furthermore, the experience of the Ecuadorian researcher revealed a even more alienated relationship between Chinese companies and the local civil society, which could lead to worse consequences such as strikes, revolts and other social movements.

²¹ The Five Bonds are: ruler to ruled, father to son, husband to wife, elder brother to younger brother, friend to friend

Quito Office Visit

On August 3rd, I started my on-site observation at Sinohydro's Ecuador headquarters located in Quito. The Quito office is an eight-floor building owned by Sinohydro Corporation located in a quiet residential neighbourhood of Quito. Floor one to four of the building was rented to Bureau 14 and floor five and six were rented to Bureau 10, another subcontractor company under the same parent company. Typical working hours are from 8:30am to 5:30pm, Monday to Saturday for Chinese staff, and Monday to Friday for local staff. I was located at Mr. Gao's office, an individual room inside the bigger administration office. Six out of the eight staff that work there are local employees, of the two Chinese employees, one is a Chinese translator, and the other one is a second generation Chinese immigrant.

Mr. Gao, employed by Bureau 14, is the director in charge of CCS administration. He started his career 6 years ago in Bureau 14 as a hydro engineer and was assigned to Ecuador CCS project at the very beginning of the project. After living in Ecuador for five years he understands very basic Spanish and some frequently used specialized words. Every once in a while local staff came in to ask for his signature. Although Mr. Gao's Spanish is very limited, he does not need translators in most cases. During my visit in the office, his secretary, a Chinese-Ecuadorian woman, occasionally came in to translate for him.

Lunch break is from 12:00pm to 1:30pm. A lunch buffet is provided to Chinese staff in the office. Chinese chefs cook it in the residence house and bring it to the office. It is a time for informal chatting among Chinese staff of the same company. Bureau 10, Bureau 14 and Sinohydro Corporation all have their own kitchens, chefs, and dining rooms, and they dine separately. Lunch is not provided for Ecuadorian staff. They either bring their own lunch or go out to dine in nearby restaurants.

Work finishes at 5:30pm and I did not see anyone working extra hours during my two days visit. Bureau 14 drivers wait downstairs to shuttle Chinese staff back to the collective residence. Bureau 14 rented several residences in town, located within ten minutes drive away from one to another. If for personal reasons someone wants to stay out, such as for a dinner appointment, he/she is required to seek approval from the

person in charge of the residence. There is little chance that Chinese staff hangs out with their local counterparts after work.

Quito Residence Visit

The company's Chinese staff all lives collectively in the residential houses and condos. After my first day of on-site observation I was invited to Bureau 14's main residence in Quito. The two-floor house is located in Quito Tennis, the most expensive and privileged neighborhood in Quito. Like almost all other houses in this neighborhood, the entrance is heavily guarded by security personnel, an electronic control system, a big German shepherd dog and two geese (this is what they told me).

About sixty employees live in the house. Rooms are usually shared among two to four staff that is based in Quito. Twelve people can fit in the biggest room. It serves as a transit hub for visitors. The house is decorated with pictures of CCS construction sites or those of the company's high-ranking managers. Entertainment facilities include a TV connected to internet streaming media player giving access to all Chinese TV programs, a billiard table, and a home exercise fitness equipment.

Figure 3. 1. Chinese employees playing billiard in Quito Residence



Around 6:00pm, Chinese employees begin to trickle in for dinner. Bureau 14 staff all has dinner in this house. On that day, I saw over thirty people there self serving. Five or six people were sitting on the round table in the dining room, while the majority preferred to finish up quickly standing or to sit in the living room watching TV. After dinner, drivers took back home people who live in other residences. Some of who live in the same residence took a walk on the 100 meters long pathway at the back gate. Employees are discouraged from going out after dinner. Going out after 8:00pm is prohibited without authorization.

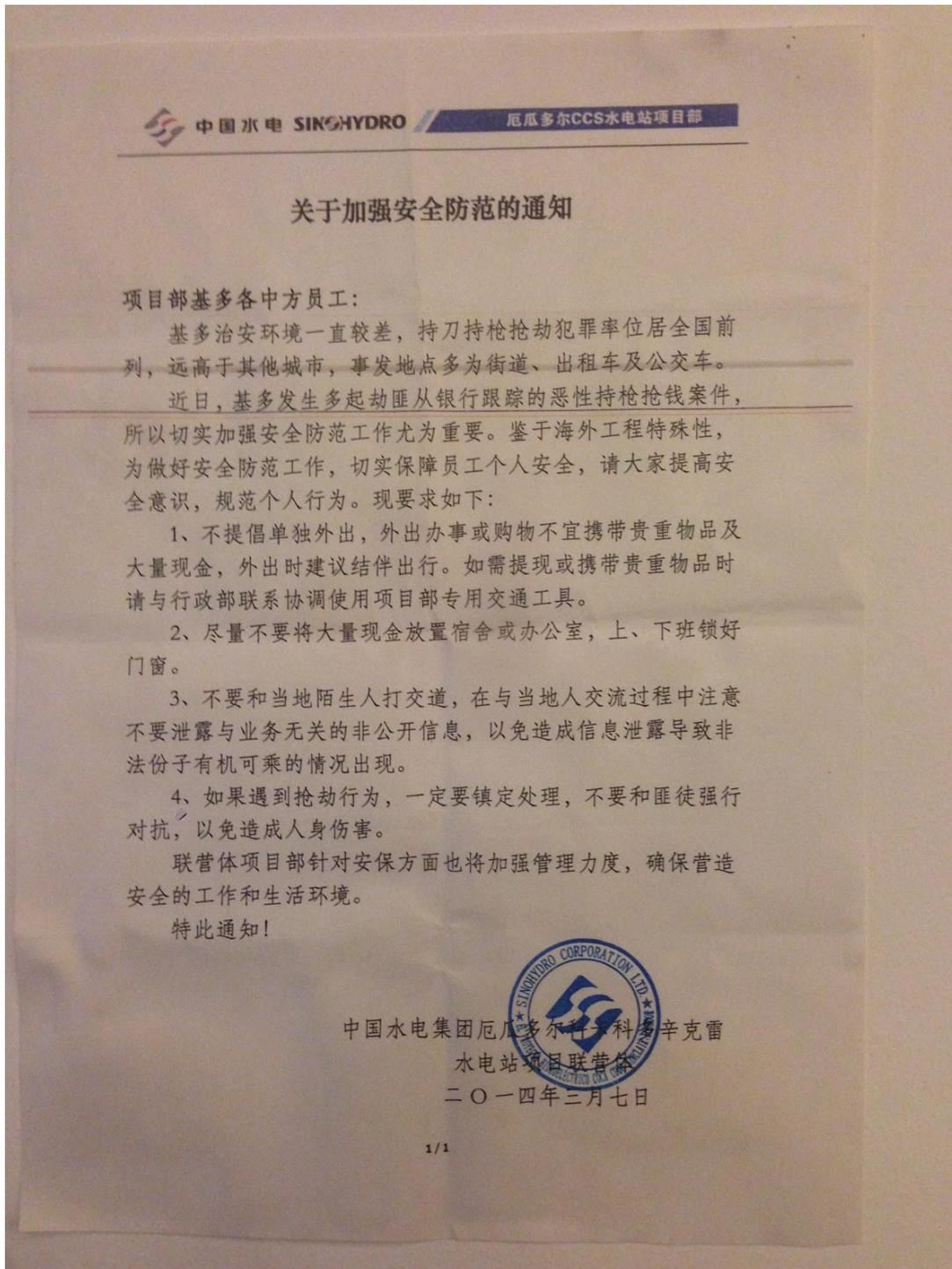
Figure 3. 2. Chinese employees having dinner standing in the kitchen



A notice on the wall warns against the high criminal rate in Quito and instructs employees to:

1. Do not go out alone. Do not carry large quantity of cash or valuables. It is recommended to have companion when go out. In case of carrying cash please contact CCS administration office for vehicle reservation.
2. Do not leave cash in the dormitory. Lock the door and window when you leave.
3. Do not talk to local strangers. Do not leak company information when communicating with locals.
4. If you are a victim of a robbery, be calm and do not confront criminals.

Figure 3.3. Notice for strengthening the security



San Luis Camp Visit

The CCS project is divided into five main construction sites: *Obra de Captación*, *Túnel de Conducción*, *Embalse Compensador*, *Tuberías de Presión*, and *Casa de Máquinas*. *Obra de Captación* is the closest to Quito, and *Casa de Máquinas* is the farthest. The others are in the middle. On August 4th, Mr. Gao arranged a car to take me to the main construction camp in the Amazon region, a four hours drive away from Quito. A week before my visit, a very heavy and long-lasting rain collapsed the road from in the construction area. Only two days prior to the visit, the part to from *Obra de Captación* to San Luis Camp was repaired.

Figure 3.4. The three kitchens at San Luis Camp



Accommodation

San Luis camp (SLC) provides accommodation and food for about 1900 workers, of these, about 1500 are local workers mainly from a nearby town called Chaco, and 350 are Chinese mostly from southeastern provinces of China Yunnan and Sichuan. The camp is open seven days a week. Staff works in shifts. Local employees work on a ten-day-schedule of and get four days rest, while all Chinese staff (labor workers and office staff) work on a six-day-schedule and one day off, with an one month vacation annually. Since many Ecuadorian workers were recruited from the nearby town, some of them commute to work daily. Other local workers either live on campus or have rented a room in San Luis town outside the camp gate. Chinese staff all lives on campus. CCS construction camps are not open to the public. There are armed security guards at each camp entrance. Gates close at 11:00 pm.

I stayed in a white house, Casa No. 3. The room is usually reserved for the director of human resources, Myriam, who is based in Quito, but visits the camp every month. There are four white houses of the same style; each of them is divided into eight individual apartments, with bathroom inside. These apartments are assigned to high-ranking managers, some of which are based in SLC, others travel back and forth between SLC and Quito office. My neighbor is Ivan, the sub-general engineer and six other high-level Chinese managers.

Three types of accommodation can be found in San Luis Camp. A yellow house of two floors in the center of campus was built for the general manager of the project, Engineer Hong. He is based in Quito office and visits the camp once in awhile.

The orange color one-floor accommodations were designed for the majority of staff. Ecuadorian male employees, except for Ivan who live in the white houses, share a room of eight, regardless if he is a labor worker, technician or engineer. For Chinese employees, profession and position levels does matter: the same room may be shared among five manual labors, three manual foremen, two engineers, or entirely allocated to one head of department (e.g. the chief chef Mr. Zhao). These accommodations do not provide toilet or shower inside the room. People have to share the very few toilets built outside. Shower rooms are even less, four showers are shared amongst 100 people.

Both Chinese and Ecuadorian staff I interviewed recognized the organizational hierarchy in the company; the difference lies on how they perceive such hierarchy.

I think it's very normal. They are managers. It's the same in other companies. And to be honest, ours (living standard for non-managers) is not too bad. (Jing, a Chinese translator)

However, Ecuadorian staff, especially those professionals, was not happy with this arrangement:

There's much more hierarchy among Chinese bosses than among us (Ecuadorian managers). We (Ecuadorian bosses and workers) eat and sleep under the same condition. Sometimes we feel unfair. (Eva, an Ecuadorian engineer assistant)

Jing and Eva are in their early twentieth, both in the middle level of the company hierarchical scale. This very distinct perception of hierarchy does not lay so much on the different degree to which a society accept hierarchy, as defined in Hofstede's dimension of Power Distance (see section 2.3.4.4), but in fact, on who is in power and who is not.

Chinese traditional values make special emphasis on the importance of order of rank and the subordination to such order. Confucianism established the "Three Guiding Principles" (三纲) for Chinese society, which requires the absolute subordination of the minister to the ruler (君为臣纲); that of a son to the father (父为子纲); that of a wife to the husband (夫为妻纲). "Let the ruler be a ruler, the minister be minister, the father be a father, and the son be a son." (君君、臣臣、父父、子子)²². Everyone should "stay in his place" (不失其伦). Chinese sociologist Fei Xiaotong (1992: 65) referred these hierarchical differentiations as the basic character of traditional Chinese social structure.

However, "stay in his place" does not necessarily mean that the hierarchy is static. Chinese society has always allowed everyone a certain degree of social mobility through civil service examinations or natural aging (Yue. Y., 2006: 207). One could move

²² It should be noted that Confucianism teaches people that if a ruler cannot be a good ruler, we cannot expect the minister to be a good minister, which means the hierarchical structure that Confucian endorses is not a total authoritarian system.

“his place” upwards through efforts, but if one is not able to do so, one should not complain about “his place”.

Moreover, in the second half of the 20th century, social classes in China were completely reconstructed. The old upper class was beaten to the bottom and the lower class jumped to the summit in the Mao era. In 1980s, the economic reform gave birth to a new upper class. Everyone had to start all over again. Thus, there lacks the notion of “glory of the past”. To a certain extent, one’s social status in today’s society is somewhat reflected in one’s job position and bank savings. As it is to Jing, she did not complain primarily because she is in the place she believes that deserves, and she should “stay in her place”, and when she moves upwards socially she will defend the new order, as well as the additional benefits that come along with it.

On the other hand, the traditional Ecuadorian society, especially in the Andean region, is also highly stratified and exclusive (Hurtado, O., 2010). It is deeply rooted in the Spanish feudalism of the 15th century, the authoritarian Inca social structure, and with strong influence from Catholicism. All these three cultures stand for hierarchy, which led to a pyramidal shaped society in which the whites occupied the top of the pyramid, leaving the massive number of mestizos, colored, and non-white at the bottom.

Further, as I explained in Chapter 2 (see section 2.3.3, e), the social hierarchy in Ecuador is more closely tied to family background than that in China. Therefore, I would tentatively argue that, based on family background, Ecuadorians have a notion of “the place where one should stay” which does not always conform to “the place where one currently stays”.

Therefore, I would argue, Eva’s feeling of unfairness has two layers: one is that her compatriots’ living condition is much worse than that of the Chinese staff; the other is that she did not receive a better treatment than those socially below her, more specifically, professionals should not live in the same condition as that of manual workers. What she claimed is not an equal treatment to all, but an adjustment on where to draw the line between elites and plebs.

The first layer precisely explains one of the major reasons for the lack of communication between the two nationals. As many Ecuadorian staff who work for Chinese companies echoed, it is due to the strict organizational hierarchy. Under this rigid hierarchical structure, locals can hardly treat their Chinese colleagues as equal friends, but bosses to whom they have to obey. The accommodation arrangement unintentionally but happens to serve as a reminder of the organizational hierarchy in leisure times.

The second layer reflected the complexity of the resentment. Going back to Hofstede's theory, although the two countries both appear to be high in power distance, and both are thought to have high tolerance to social hierarchy and inequality, their understanding on how the hierarchy is composed differs. Failing to understand this difference may cause unexpected resentment.

Dining

To save transit time for workers, lunch is normally brought to the construction site at noon. Dinner and breakfast are always in the camp. The company built three dining halls that are meant to serve different needs of different groups: one for Ecuadorian employees with local food; one for Chinese employees with authentic Chinese food; one for manager level and up with food cooked by the same kitchen but with more options.

At the end of each day's work, all group leaders (all Chinese) go to Director of Logistics for coupons and distribute them among their Ecuadorian group members. Each Ecuadorian receives three coupons for the three coming meals (dinner, next day's breakfast and next day's lunch). Since it is run by a third party, a local *Chifa* restaurant, whose owner is an early Chinese immigrant, coupons are required in exchange for food. Typical Ecuadorian meals are provided in the camp with unlimited rice and juice, a bowl of soup, and one portion of meat for lunch and dinner. According to Chef Zhao, the former chief chef, dining standard for Ecuadorian staff is USD 2.00 per meal.

Chinese employees do not need coupons for the Chinese dining hall. They are provided an open unlimited buffet with five different dishes plus three or four staples.

Chefs are specialized in Southeastern Chinese cuisine in order to satisfy the taste of the majority of the Chinese workforce. Chinese staff rarely goes to off-campus restaurants for meals, but sometimes they go there to have a beer and/or snacks. For them, Ecuadorian food does not taste good and lacks variety.

Managers usually dine in a smaller room connected to the Chinese big dining hall but with a separate entrance. Food here is made by the same chefs as in the second hall, but with two to three more options every meal. In this room, there are two round tables instead of long dining tables. One is covered by a plastic cloth, and the other by red table linen. According to Ivan, the former is for middle level managers, whereas the latter for sub-general manager level and up. Moreover, the chair right next to window is reserved for the general manager of CCS, which means, if he is on vacation, this chair will be kept empty.

Figure 3.5. Managers' dining hall at San Luis Camp



The arrangement of the small dining hall clearly showed the same logic of hierarchy as I suggested in the accommodation section. But my focus in this section is the arrangement to separate Ecuadorian staff from their Chinese counterparts. It does not take much to notice the importance of sharing food and dining together for establishing off work interpersonal relationships, and for the further improving communication. Hence, I interviewed the former chief chef Mr. Zhao in order to understand the reasoning for this arrangement.

The company has two major reasons for this arrangement. One is the cost; the other is habit and custom difference. We always eat very loudly, but Ecuadorians are quiet. We are not as civilized as them.
(Chef Zhao)

The two reasons he gave me are both very convincing. Chain supermarkets in Ecuador such as MegaMaxi and SuperMaxi do not sell Chinese food except for the soy sauce produced by an Ecuadorian company. There are three Chinese grocery stores in Quito where one can find common Chinese spices and some processed foods, but the price is extremely high. A bottle of Lee Kum Kee soy sauce that costs \$1.69 CAD in Vancouver T&T supermarket costs 5.50 USD in Quito. The owner of the store told me that due to customs restrictions, many Chinese ingredients in Ecuador were smuggled from Peru, among which some daily used spices such as Sichuan pepper and dried Sichuan chili pepper were included. Later the chef also confirmed that Sinohydro had to buy these smuggled ingredients from these grocery stores, because there is no other channel. Now the supply narrowly meets the demand of 1500 Chinese employees, it will surely not be able to meet the demand of the entire workforce of 7300 people, without increasing substantially the cost.

Regarding to the habit and custom differences, actually are not limited to table manners, many other habits of the Chinese staff are considered “uneducated” in the eyes of the their Ecuadorian counterparts. Eva and her local engineer colleagues once listed the top five Chinese habits they disliked the most, and labeled them as “*maleducados*”. The five habits are slurping while eating, not taking shower everyday; not taking shower in the morning (Chinese usually shower at night); squatting for resting; and not greeting others.

Social manners differ, and even within county boundaries. My friend from South China finds very awkward the Northern habit of people sitting in public bath for hours chitchatting, while Northern Chinese enjoy it as a way of socializing, especially in long and cold winter.

Latin American table manners, derived from Western table manners, are very strict on bodily control and voice volume, because the core of Western table manners, according to Visser (1991: 60), is “to not to offend other people”. Most importantly, these manners have also been served to mark social classes and snobbery (Visser, M., 1991). Therefore, it is not surprising that some Ecuadorians judge their Chinese counterparts by the latter’s table manners, given that they have been told since childhood that slurping is “*maleducado*”

On the other hand, no matter for what reasons that Chinese workers slurp, it is very likely that they are aware that they are being judged, and it is also likely that some of them feel shame about it just like Chef Zhao. In fact, as an important aspect of rituals, table manners and all other etiquettes were very strictly required since ancient times. *Liji* (Book of Rituals), one of the five Confucian classical books, was dedicated to ceremonial rites and social norms, in which all the above listed dinning behaviors, were banned. In traditional China rituals played a very important role. However, these sophisticated rituals were only applicable to the noble class. *Liji*’ s well-known phrase “礼不下庶人” is most commonly interpreted as: 礼 (rituals) “are not applicable down to plebs” since Han dynasty (202 BC to 8 AD)²³. This interpretation shows no discrimination to the ordinary people, but rather, a good-hearted consideration that concerns the lack of time for ritual practice due to the hard work laboring people have, thus the society should not overly exact from them.

²³ There is an ongoing debate among Chinese scholars over the interpretation of the phrase “礼不下庶人” in *Liji* (approximately 476 BC). Starting from *Jia Yi Xin Shu* (approximately 10 BC), the common interpretation is that of “rites are not applicable down to common people”. Today some scholars argue that in the original text of *Liji*, “礼” refers to one specific rite, rather than a general terms of all rites.

Moreover, since 1957 the anti-rightist movement, throughout the entire decade-long Cultural Revolution (1966-1976), capitalist and traditional Chinese values were both considered evil and should be eradicated (King, R. et al. 2010). At the time, possessing a sophisticated lifestyle of any bit or anything foreign could be a reason to put people into jail. During 1968 and 1979, 17 million of urban youth was voluntarily or forcibly transferred to remote rural China in the Up to the Mountain Down to the Countryside Movement (上山下乡运动) to learn from the peasants (ibid.). Social classes, values, and aesthetics were completely overturned. Rustic manners and military lifestyle were encouraged, among others.

In the 1980s China embraced capitalism and was eventually integrated to the world economy. Nevertheless, things like habits and customs usually take longer time to change. Although some Western rituals were introduced again to the China their influence is still limited, primarily to young generations, inhabitants of major city, and people who have lived abroad in early age. The majority of others, according to Guy Faure and Tony Fang (2008: 203), value substance over form, and do not pay much attention to courtesy or well-mannered behaviors.

As a consequence, these two factors in turn shaped Chinese social norms, as well as the way people view these norms: on the one hand, the above discussed manners are more widely accepted in China; and on the other hand, people with such manners regard these manners as plebeian, and feel shame when others point out these manners. And this feeling of shame became a kind excuse for maintaining separation.

What is important here is, as I noted in Chapter 2, these norms are by themselves no good or bad, but when Ecuadorians described them as “*maleducados*”, it revealed a sense of cultural pride, which is not surprising if we consider Hurtado Osvaldo, the former president of Ecuador, regarded many of their own habits in the nineteenth century as “bad” and “backward” (Hurtado, 2010, 94-103). Most of those habits he described, as far as I am concerned, are still quite common in China nowadays, such as spitting on the floor, not showering everyday, dry-sweeping the floor instead of water-sweeping.

Restaurants in San Luis

Some Ecuadorian staff prefer to dine in restaurants outside the camp because there are at least two options for each meal. There are about seven *locales* (small restaurant) on the 100-meter-long pathway connecting San Luis Camp to the local highway; some of these even have signs in Chinese. According to the local newspaper El Telégrafo (Naranjo, H. V., 2015) seventy people go to Doña María's restaurant everyday, and some of them even have a credit system where meals are marked monthly or weekly.

Figure 3.6. Small *local* in San Luis town, with signs in Chinese



On my first day, I was invited to a Chinese engineer's birthday dinner in one of these *locales*. It was a group of seven Chinese employees: two female translators, and five male engineers. I joined them after my dinner on campus. The small restaurant was completely full by the time I got there. Besides the Chinese group, fifteen Ecuadorians were eating, drinking and chatting.

From their conversation, I realized that Chinese staff rarely ate there, and when they do go it was usually for drinks (drinking alcohol is not allowed on campus). They said it was primarily because of their lack of interest in local food. I was also told that salary for Chinese staff was directly transferred to their bank account in China. Depending on their job position, a small amount of money is given to them in cash for snacks shopping and drinks at *locales*. This means that they do not have a lot of cash flow for eating out very often.

After dinner, we had a little walk on the 100 meters pathway, which, according to them, is their daily exercise after dinner. The small town is lively at 9:00pm. Many employees were walking, buying fruit, chatting happily, drinking beer and eating barbecue. However, during my entire visit, I did not see any hangouts between those of different nationalities,

I asked the seven Chinese employees at the birthday party whether they hang out with their Ecuadorian counterparts. They all said “no”. For the five engineers, their main reason was a lack of ability to speak a foreign language--they do not speak Spanish or English, although English is an obligatory course from elementary school. For the two translators, they said that they did not want to “use brain” in leisure time.

They also mentioned the Spanish course for beginners organized in CCS. The translators gave classes three times a week, twice on weekdays night and once on weekends. The audience was staff who works on a regular six-one schedule, meaning those labor workers were not included due to their different schedule. The course lasted two months but the number of participants declined from more than fifty to less than ten in that period.

The company organized another Spanish course in Quito Office in 2013, and that one lasted even shorter. It was a one-hour class held twice a week; both on weekdays during work hours. The number of participants reached almost seventy in peak time but less than a month after it started, people stopped coming, primarily because their work is load-based, which is to say if they miss one hour in the afternoon they have to recover it at night, and in many cases it would be more than an hour due to the difficulty of collaborating with colleagues.

Brothel

The small town San Luis is located right outside the back gate of CCS San Luis Camp. It has grown from four families prior to the construction to today's 192 inhabitants (El Telégrafo, 2015, February 4). Some of these inhabitants moved here from other regions seeking business opportunities created by this mega construction project, such as operating restaurants, grocery stores, and hostels. An elementary school and a clinic center were built recently to meet the basic needs of the inhabitants. About ten minutes walking distance to the town, slightly up on the hill by the highway is *Casa Rosada*, (pink house) a brothel that offers alcohol and prostitution. Villagers said that it was there prior to the start of the CCS project, attracting customers such as long-distance truck drivers.

Figure 3.7. Brothel in San Luis town



In 2015 summer, New York Times published an article on Chinese foreign investment expansion, in which the journalists included a photo taken inside this pink house, with the comment:

At night, some of the Chinese workers at the Coca Codo Sinclair hydroelectric plant walk to the local brothel (prostitution is legal in Ecuador) and sit at separate tables from the Ecuadorean workers. (Krauss, C., & Bradsher, K., 2015)

Given that prostitution is illegal in China, I asked the administration manager (AM) in SLC how the company handles Chinese staff going to *Casa Rosada*. To my surprise, he altered his story several times, going from a complete denial of the existence to acknowledging it.:

HSR: I heard that there is a brothel nearby where Chinese and local staff sometimes go.

AM: No, no, no. We don't have brothel here.

HSR: But I've read New York Times article about it.

AM: Well, maybe they are referring to the bar up on the hill, but it's not a brothel. It's just a bar.

HSR: Do Chinese staff go there too?

AM: No, they don't. Only local people go there.

HSR: But New York Times also posted a picture in which appear a Chinese middle age manager-look personnel and a younger staff.

AM: Really? Who are they? How did they (New York Times) manage to get that picture? Well, we don't encourage Chinese staff to go, you know, it's illegal in China, but probably there are a few individual cases.

HSR: Can I go there to take a look?

AM: This is not appropriate, don't you think? You are a girl. It's a very dangerous place.

I asked Ivan the same question later that day, and he echoed the comments on published in New York Times:

HSR: I heard that there is a brothel nearby.

IVAN: Yes, la *Casa Rosada*. Workers sometimes go there. If you are curious I can take you there, but don't go there alone.

HSR: I heard that Chinese staff also goes.

IVAN: Yes, but they don't go with Ecuadorians, that is to say, they
(Chinese and Ecuadorians) go, but on their own.

The Chinese administration manager's reaction was about par for the course. Actually when I was telling the story to a Chinese manager of another state-owned enterprise, he interrupted me, "he (the administration manager) denied it, didn't he?" It is not hard to understand why the manager intended to deny the existence of the brothel. First, talking about sex in public is embarrassing for the manager. Sex is still a tabooed and sensitive topic in Chinese culture, especially for people from rural areas like that manager. Second, prostitution is illegal in China (but it does not mean it happens less in China). The manager did not want to risk the company's reputation, so he followed the Chinese old maxim of 家丑不可外扬 (do not wash the dirty linen in public). Third, most Chinese employees in the company are married. Admitting prostitution ultimately means admitting the unfaithfulness and immorality of his countrymen, which likely would make him feel "losing face".

Knowing that the majority of Chinese staff are male, and that they often stay at least one year non-stop, I asked the administration manager whether they date local girls. He told me the company did not encourage international marriage, because then the boundary between "us" and "they" would get blurred, which would pose a risk to state secrets.

During my visit in SLC, I met Luisa, a nineteen years old local girl who moved from the coast region with her family when construction just started. Luisa's job is to help her family business--a small restaurant at the entrance of SLC. At the time she was dating a young Chinese engineer of the company. She told me that both of them were learning the other one's language, and that they were making plans for the future when the project is completed. When I asked the administration manager to introduce me to this engineer, he refused me in a slightly disdainful tone, "You want to interview him? He doesn't hang out with us. His girlfriend is local."

Rules of this kind are a legacy of the Cold War era China. International marriage was completely banned in China until 1980s. Li Shuang, a Chinese artist was sent to a re-education camp in 1981 for two years on charges of "damaging state honor", because

she was living in with a French diplomat (Barbara, A., 1989: 6; Fei, L., 2013). She was freed in 1983 at the request of then president Mitterrand in a meeting with Deng Xiaoping.

Today the restrictions on international marriage are not applicable for the private sector, but remains for the public sector including all state-owned enterprises. For people of certain level above, and for certain public institutions this rule is mandatory rather than suggestive. A scholar friend of mine was told not eligible for the researcher job in Chinese Academy of Social Sciences only because he is married to foreigner. A municipal official in Guangdong province was disqualified from the government official position and reassigned to do clerk job, when he married a girl from Macau with the assumption that Macanese is considered Chinese citizen.

As far as I am concerned, this regulation poses a tough challenge for Chinese overseas employees in terms of sexual relationship, since the majority of the workforce is male. This regulation also has a negative impact on corporate intercultural communication, which I will have a more extensive discussion in the next chapter (see section 4.3.3).

Construction site visit

On the first day, the director of SHSA (*Salud-Higiene-Seguridad-Ambiente*) office toured me to *Obra de Captación* and *Embalse Compensador*. The next day Ivan took me to *Tubería de Presión*.

Figure 3.8. The place of accident inside *Tubería de Presión*



In all these three sites work starts at 8:00am in the morning, and ends at 5:30pm. Work is usually carried out in teams: one Chinese foreman with four to six Ecuadorian workers. Workers usually communicate with foremen through gestures or by copying the latter's actions. Translators are in extreme shortage. Of the 2000 staff who live in San Luis Camp, only seven are translators. But during my short visit in these construction sites, I did not see severe problems of communication.

Welder accident

On August 6th around 5:00pm, I sensed an unusual environment in SHSA office. Staff was running around very anxiously. Towards dinnertime they told me not to wait for them because they had work to finish. During dinner, Ivan told me in the afternoon a labor worker was killed by high-pressure electricity in the *Tubería de Presión* (tube of

high pressure) site. At that time, all that was known is that he died because he did not use welding gloves. It was not clear who was killed or how exactly he was killed. At 9:30pm when I passed by SHSA office people were still working. However, they did not mention anything about the accident, but rather only told me that they were doing regular work.

On the following day I was informed that the worker who died is an Ecuadorian, not a certified welder but was sent to do welding work. He lacked knowledge, training, experience and even appropriate equipment. He just started learning welding on his own a few weeks ago, knowing that CCS project was running towards completion, so that with the skill in welding he could more easily find another job. Sinohydro had yet to formally acknowledge this event two months after the incident. Ivan told me that the company paid a pension to the family and managed to keep it undisclosed from media.

Given that the collapsed road to *Casa de Máquinas* was finally repaired on the 9th, Ivan proposed to show me that site, where thirteen people died in an accident a year ago. On the 8th, I applied to prolong my visit in SLC, but CCS Quito Office -- citing security concerns, rejected my request. Ivan himself called Mr. Gao saying that he wanted to show me CCS project as a whole, and *Casa de Máquinas* was the only missing part. Mr. Gao rejected it again by saying:

(Ivan), please tell her that you don't have time to take her there. (Mr. Gao)

Ivan and I were both angry at this response, and we started to wonder why the company was making such effort on pulling me back. My suspicion was that the company management did not want me to discover the current welder accident, while Ivan was suspecting that they did not want me to know much about the accident a year ago, which occurred precisely in *Casa de Máquinas*.

Interestingly when I told Ms. Wang about this story, she interpreted it very differently:

It must be because you are a woman. It's extremely bad luck having women inside tubes or underground in some vulgar traditions. They

normally have to offer animal sacrifices to spirits before go into tubes for the first time. If they allowed you in, they would have to do it (sacrifices) all over again. (Ms. Wang)

I have no intention to argue which version of the story is true, on the contrary, I intend to argue that, without proper communication, rumors can distort a story into a very different one and may lead to misunderstandings that could be avoided.

Interview with Ecuadorian managers in Beijing

October 16, Sinohydro Corporation Beijing Office arranged an interview with the two Ecuadorian managers Ivan and Myriam who were taken for a ten-day tour to hydropower stations constructed by Bureau 14 in China. During the two-hour interview, the two managers evaluated the company's engineering and implementation capacity highly. However, they also mentioned several challenges the company had encountered along the way. Both Ivan and Myriam highlighted the issue of communication, but with different approaches and solutions.

Ivan argued that the lack of communication is primarily due to language barrier:

We have to go to the precise point that generates this problem (lack of communication). For example, you don't speak Spanish, but only mandarin, and you fell in love with an Ecuadorian who doesn't speak mandarin. Then you think it's possible to have a good communication? No, absolutely not. Because you don't express your thoughts, and he doesn't understand what you are telling him. And this is precisely the problem in the construction. I am a Chinese team leader, with several Ecuadorian workers in my team. I give them an order, but they don't follow your order because they don't understand you. You get angry because your order is ignored. Your message cannot get transmitted. This is the key problem. (Ivan)

According to Ivan, the solution to this problem is, first, to hire more translators, especially those who are capable for technical translations:

What is the solution? We need translators in constructions site. Because (in this way) the translator indicates to the worker what the foreman tells him to do, and the worker does his job. So what is the most important thing? Communication. (Ivan)

I remember when they (Sinohydro) sent some planning documents to Quito, but, it was not well written. These texts are difficult for native speakers, even worse for translators that are not technicians. ...That's why I always say that it's very important to have technical translators, because general translators are not technicians, and this has been a very serious problem. (Ivan)

Second, to use English as the international language:

I take Yellow River²⁴ as an example. People of that company speak English, which is much easier for the translation. Although the majority of workers don't speak English, but engineers do. (Ivan)

Third, to teach Spanish to Chinese employees:

I believe it's necessary that some of the (Chinese) labor workers know Spanish. We do have a few who learned Spanish! It's fabulous! Then messages are transmitted more precisely, and work is done more easily. And then they started to get along much better. (Ivan)

Myriam, agreed with Ivan on considering communication as one of the biggest challenges, however, her opinion differs on the causes and solutions:

...And yes we lack of a direct relationship between Chinese and Ecuadorians in order for them to share their own experiences and knowledge that tell this is right and that is wrong, because regrettably, we are from two different worlds. (Myriam)

... We should make internal human relations between Chinese and Ecuadorians. We put a Chinese colleague there, as foreman or team leader, Ecuadorians look at him, without knowing who he is, where he comes from, how he arrived, why is him, all of a sudden, he is there. There were moments when Ecuadorians say 'we can't stand more because they (Chinese) always shout at us!'(Myriam)

According to Myriam, the key factor to the lack of communication is cultural differences, from body language to high voice tone:

²⁴ Yellow River Engineering Consulting Co. Ltd. is a Chinese Chinese SOE. It is hired by Sinohydro in the project of Coca Codo Sinclair.

The lack of language skills, is the key element that they don't trust each other (Chinese and Ecuadorians). You may have the knowledge on engineering...but I think it's the culture. For example, when you make this gesture (waving one's hand fore and aft cross neck) in Ecuador, it means that you are going to kill them...But a Chinese manager once told me that it means 'time out'. Imagine that one sole body expression generalized to 1500 workers. Everyone were saying 'they are going to kill us! (Myriam)

There are colleagues that failed to overcome this (cultural) barrier. Ecuadorians complain a lot, which is part of our expression, part of our culture. We always want more, hopefully we get the paycheck without working...so we imagine Chinese in the same way. (Myriam)

Another thing I learned is that Chinese have a very high voice tone, very very high. This is (for Ecuadorians) is an expression saying 'they are insulting us and will finish us off'. (Myriam)

Ecuadorians' complaints on work confirmed Hofstede's sixth dimension, where Ecuadorians, being at the Indulgence end of the dimension, tend to put emphasis on pleasure time and prefer immediate gratification. Chinese, on the contrary, prioritize work over pleasure, and accept delayed gratification.

Myriam's comment on Chinese high voice tone seems to contradict Trompenaars and Hampden-Turner's theory of Affective and Neutral cultures, in which the Neutral Chinese culture is thought to have lower and monotonous voice tone, while the Affective Ecuadorians are the ones who should have a more emotional voice tone with many ups and downs. However, Trompenaars' theory intends to explain to what extent a culture tends to express more affectionately or more neutrally a certain meaning or a certain emotion. In other words, it is only applicable when the commentator has knowledge on both languages, and the expression preferences of both cultures.

In this case, Myriam and most of the Ecuadorian workforce have no knowledge about the Chinese language, thus, the feeling of Chinese high voice tone lies not so much on Trompenaars' dimension of Affective or Neutral, but rather, on the particular pronunciation of the Chinese language, and the frustration of not understanding this language. No previous studies were found regarding the relevance of the Chinese language to loudness, but according many of my Canadian friends, it also happens in Vancouver among English speakers listening to Chinese and Cantonese.

As to the frustration, a possible scenario is that a Chinese manager gets frustrated when local staff don't understand him. As from a Masculine society he feels the need to hide his frustration and to show assertiveness, so he consciously or unconsciously raises his voice tone. Ecuadorians then interpret the raising volume as an expression of anger. Being citizens of a Masculine society, Ecuadorian also feel the need to show their bravery, and respond with expression of anger as well; this expression challenges the Chinese manager's authority and he felt the need to raise his voice even more.

The solution Myriam provided is to increase chances of interaction between the two cultures, especially off work;

But these are precisely expressions you eventually learn as we make relationships between us that is not only at work. (Myriam)

...We have talked about holding cultural nights, where we organize activities about Chinese expressions, and we bring Ecuadorian workers there to exchange theirs (expressions). We haven't organized it yet. But there was this very beautiful night when some of the best Ecuadorian artists toured around our construction camps. And let me highlight, what swiped the show, is not the Ecuadorian artists, but a Chinese colleague who broke the stage in *Casa de Maquinas* Camp. In the beginning Ecuadorians were singing in chorus with the artists, but when the Chinese colleague took the microphone and started to sing, everyone quieted down. And at the end they didn't want him to leave. Everyone was shouting 'another, another'. (Myriam)

In her opinion, the company has already acted, but there is still a lot to improve. Responding to the question of "how to improve this relationship?" she said:

We should look for cultural exchanges. We have organized sport events, Christmas celebration, Labor's Day, etc. There are many activities that we have already started and needed to be carried forward. (Myriam)

In the end, Myriam and Ivan concluded that communication was the key to all:

Communication is the most important thing, is fundamental. Good communication allows good work, allows good relationship among workers. The cause of all (problems) is communication. (Myriam and Ivan)

To summarize, the interview with Myriam and Ivan in Beijing confirmed what I observed in Ecuador: in Sinohydro CCS project communication between Chinese and local workforce was limited. The major factors identified by the two local managers are, on the part of the employees, a lack of foreign language skills and the lack of understanding on issues related to cultural differences, including body language, expressions of emotion, and work ethics; and on the part of the company management, a lack of policy support to enhance mutually cultural understanding and integration.

Chapter 4.

Fieldwork on CNPC

In this chapter, I will present another case in which I will compare and contrast the differences in communications approaches employed by this company and by Sinohydro CCS team. The objective of this chapter, by comparing the two cases, is to explore the barriers of communication that Chinese companies encounter in common in Ecuador, as well as elements that may help to break the barriers.

General Information on CNPC Ecuador

China National Petroleum Corporation (CNPC) is China's largest oil and gas producer and supplier, as well as one of the world's major oilfield service providers and a globally known contractor in engineering construction. The company is one of the largest and most profitable companies in the world. In 2015 the company ranked No. 4 in the Fortune Global 500 list by revenue, and No. 15 list by profit²⁵.

CNPC has been present in Ecuador since 2003, and currently is operating block 11 and will take a share in the construction of the Pacific Refinery project and participate in the exploration and development of Ecuador's upstream resources. In the meantime, the company also provides oilfield services to other oil companies.

In 2005, CNPC and Sinopec jointly established Andes Petroleum Ecuador Ltd. (CNPC 55% share, and Sinopec 45% share). This joint company currently is operating in the Tarapoa Blocks, Block 14 and 17, the Lago Agrio Storage and Transfer Station in the province of Sucumbios. The company also holds a 36.26% share in the company Heavy

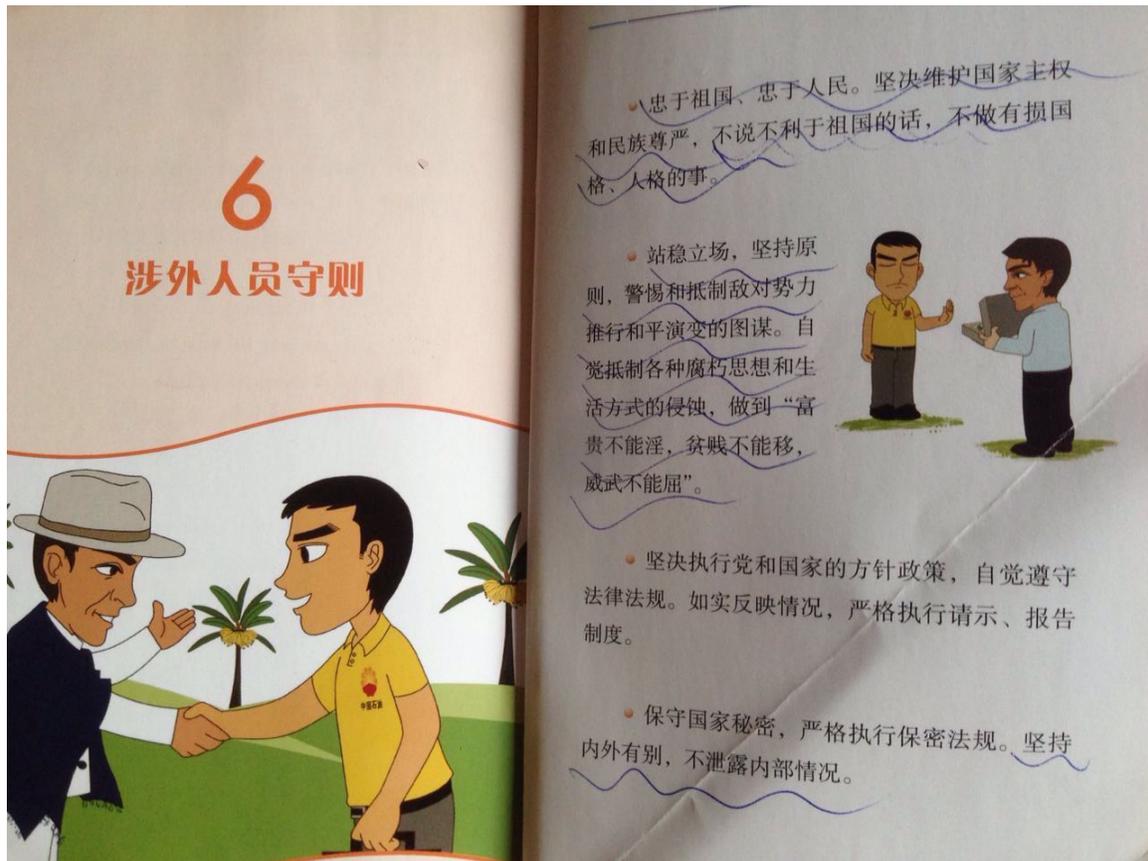
²⁵ Retrieved from Fortune official website: <http://fortune.com/global500/>

Crude Pipeline, which means that they are a highly integrated operation spanning production, transport and development.

CNPC Employee Guidebook

My interest in this company began with a guidebook titled “Going-out to Ecuador” (Zhang, X., 2013). Written by the CNPC International Department, the book is meant to be read by CNPC staff before going to Ecuador with the goal of guiding its overseas staff in accident prevention, rules of behavior, risk reduction, etc.

Figure 4.1. CNPC Employee Guidebook



The 75-page guidebook dedicated over 20 pages to safety protection. It listed all possible risks that may happen in Ecuador, from robbery to volcanic eruption, as if they were working for military intelligence. For example:

Article 5.8; "Dress low-key, do not expose jewellery, cash, watches and other valuables. (p. 27)

Article 5.10: Do not argue with locals or Chinese colleagues under any circumstances. (p. 28)

Article 5.19: When staying in a hotel, remember colleague's room number. Do not disclose room number to strangers. Do not inquire colleague's room number in public. (p. 29)

Article 5.23: Telephones and fax machines in the hotel may be monitored; personal belongings may get examined when you are away from room. Take into consideration the possibility that your hotel room can get broken into when you are away. (p. 30)

Article 5.32: As you approach the car, look around to check if someone is hidden. Check the situation inside the car before getting on; if there is no abnormality, get on the car quickly. (p. 32)

Article 5.88: Avoid going-out. When have to, try to find companion, and do not stay long in public places. Often alter commuting route to reduce risk. (p. 41)

In the guidebook, Ecuador is portrayed as a land of criminals, where violence happens from time to time. This portrayal is not entirely wrong in the Chinese eyes. On the one hand, the latest Global Study on Homicide by United Nations (United Nations Office on Drugs and Crime, 2013) reported Ecuador's intentional homicide rate in 2011 was 11.4 per 100,000 populations. Although it is not among the highest within the region, it is still alarming to ordinary Chinese people, when the homicide rate of China was 0.2. Ecuador's scored over fifty times higher than China. Consequently, every year the Chinese state-funded insurance company Sinasure publishes a report rating the national risks of the 192 countries. Ecuador has been rated 8 (1 as the safest, 9 as the most dangerous) in the past three years in a row (Sinasure, 2013; 2014; 2015). This report often serves as basis for Chinese SOEs in establishing security policies and expatriate allowance. Thus, it is not surprising that the guidebook put special emphasize on security issues.

On the other hand, although no hard evidence was found, most Chinese interviewees believed that they were more prone to crimes, and attributed the high criminality against Chinese nationals to their image of all being very rich, and always carrying tons of cash.

Nevertheless, the major reason to portray the country as a dangerous place (sincerely or exaggeratedly), I would argue, is for the company to more easily control the workforce, and hence to reduce potential liabilities. Ironically, some interviewees argued that this fear in turn made Chinese more prone to crime -- when employees have to go out, fear on their face attracts more attention from the criminals, and gives the criminals more confidence.

The article 5.10 explicitly requires that Chinese employees avoid conflict at all costs, which perfectly embodies Chen Ming-Guo's Harmony Theory of Chinese conflict management (see section 2.3.4.5): making all effort to avoid being involved in conflict.

Chen Ming Guo and many other scholars argued that Chinese had a unique perspective on conflict and conflict prevention. As Jia Wenshan (1998) argued, the Chinese view on conflict ran in contrary to the common Western belief that "actively invoking conflicts and putting them under rational control with the belief that conflicts are natural and can be healthy and constructive". Therefore, Chinese tend to, on the one hand, minimize the big conflicts and eliminate the small ones when conflicts unfortunately happen; on the other hand, "deactivate, disintegrate or decompose the emergent sources of human conflicts at any cost as soon as such sources are identified" to prevent conflicts to happen (ibid.)

In Chapter 6, the authors of the guidebook listed 10 principles that overseas staff must follow, which went beyond security issues. Among them are:

Article 6.2: Stand firm and stick to the principles. Be alert to, and resist to the attempt of peaceful evolution from hostile forces. Voluntarily resist to all kinds of decadent ideologies. 'Neither riches nor honours can corrupt you; neither poverty nor humbleness can make

you swerve from principle; and neither threats nor forces can subdue you'.²⁶ (p. 53):

Article 6.4: Guard state secrets. Strictly comply with Law on Guarding State Secrets. Make clear distinction between "us" and "others". Do not disclose internal affairs. (P.53)

These two articles show a strong hostility and anti-Western sentiment. The term "peaceful evolution" can be traced back to the Cold War, when John Foster Dulles, the former US Secretary of State, proposed "the use of peaceful means to 'accelerate the evolution of government policies within the Sino-Soviet bloc' and 'shorten the expected life span of communism" (Ong, R., 2007). In post-Cold War era, this term is often used in response to the political security threat coming from "imperialist nations" (ibid: 718). In China, Ecuador is not considered among the "imperialist nations", however, along with all other Latin American countries, it is historically considered the "backyard" of the United States. Hence, the authors of the guidebook possibly believed there might be a political threat from the US via Ecuador.

To summarize, the essential idea of the guidebook is what I call "less interaction, less trouble", which intends to scare the newcomers from interacting with the local community in order to prevent danger and conflict. This strategy may help to reduce potential liability, but at the same time trades off the opportunity to get involved with the local community. Instead of creating a bridge to facilitate communication, the company chooses to build a wall to block off all unnecessary communication channels between Chinese staff and the local environment.

While reading this guidebook, I assumed that communication would be carried out in very similar ways in CNPC as in Sinohydro CCS project, if not worse. However, my fieldwork in Ecuador indicated otherwise: much more interaction could be found in the camp, both inter-culturally and cross-hierarchically; language barrier at work was not as big as in the CCS project; comments on counterparts passed beyond negative

²⁶ Translated from the Chinese refrain "富贵不能淫，贫贱不能移，威武不能屈", written by Mencius, the most famous Confucian after Confucius himself.

judgment--both Chinese and Ecuadorians did see good things that they should learn from each other. Yet, communication with local community and the broader local society was still very limited.

CCDE Nueva Loja Drilling Camp Visit

When I was taking an ecological tour in Nueva Loja, Ecuador's Amazon region, I happened to know that a Chinese company had a drilling camp just one kilometer away from the lodge I stayed. But interestingly no one knew which company exactly it was. They only knew it was owned by "*los chinitos*" (Chinese). That is because there was no sign or anything indicating the identity of the place. The camp is entirely enclosed with walls, and fences on top of the walls. Two armed security guards were standing at the usually closed gate.

When I presented my research plan and myself to the security guards, they hesitated to let me in. After confirming twice that I am of Chinese nationality they opened the gate and asked me to wait for the manager in the reception hall. Once inside the camp, a big sign indicated that this drilling camp was operated by CNPC Chuanqing Drilling Engineering Co., Ltd. (CCDE), CNPC's affiliate, based in Sichuan, China. The sign also indicated no photo shooting and no non-authorized outsiders.

Figure 4.1. CCDE Nueva Loja Camp



It was almost closing time. As I walked in the camp I saw Ecuadorians and Chinese employees playing basketball together. In the reception hall, four Ecuadorian staff were conversing: one driver, one security guard, and two secretaries. I did a 40 minutes interview with these Ecuadorian staff, and another 2 hours interview with Mr. Feng, the general manager in charge of this camp. Several weeks later I conducted an email interview with a CNPC local engineer.

Language

CCDE Nueva Loja Camp currently has 60 employees, including 20 Chinese and 40 locals. Language barriers, which were presented as one of the biggest challenges in Sinohydro CCS project, were not considered as significant in the CCDE camp, mainly because all Chinese staff speaks some Spanish and English.

Yes, all Chinese speak some Spanish. I remember they said that they had 4 months, or 6 months Spanish course before they came here. It's a policy of the company. All Chinese staff has to learn basic Spanish to come here, engineers and technicians or anyone. They have to pass the language test before come here. (Driver A)

With those who don't speak much Spanish we use our hands (body language). (Secretary A)

They (Chinese staff) also speak English a lot. So we also communicate in English. Of course their Spanish level is not very high. I don't know if they take test again after sent to here. But some Chinese they listen to our conversation, and when they don't understand, they ask 'what did you say?' 'What does it mean?' etc. And little by little they learn from our conversations. (Security guard)

Moreover, some Ecuadorian staff have also learned some Mandarin from their Chinese counterparts.

Yeah they have taught us some (Mandarin). For example, *xigua*, which means watermelon; *shuiguo*, fruits; *mi*, rice, etc. etc. It's a tough language to learn, but it's interesting. (Driver A)

Language plays an important role in corporate communication. On the one hand, it allows employees to accurately complete the work, as Ivan mentioned in Chapter 3. On the other hand, it also allows them to build interpersonal relationship more easily:

Driver A: Chinese are *coquetos* (literally means like rooster). *Coqueto* refers to people who laugh a lot, people that are very sociable. Of course, some Chinese with a lower Spanish level, we can't really communicate. But those who do speak Spanish, we talk a lot. I sometimes ask them about China, their religion and other stuff."

HSR: This is very different from what I thought. Don't Chinese have the reputation of being very close-minded?"

Driver A: Well, when they are in good mood, it's all good. But sometimes they have too many things going on in work, the stress, etc., so sometimes they wake up in bad mood. But it's ok, they get over it quickly."

The fact that language barrier is not as great as in Sinohydro CCS project is mainly due to three factors. The first factor is related to the nature of the project. As this is an oil-drilling project, it does not require a large workforce, but, a small and skilled one. In the CCDE Nueva Loja camp, the entire workforce only has 60 people, most of which

are professional engineers, with university degrees or above. Given that English is a required course for all Chinese and Ecuadorian university students, graduates with university or higher degree are meant to have a certain level of English skill.

Second, it is obligatory for all CNPC employees (including those of the affiliates) who are assigned to Spanish speaking countries to learn the language for at least 4 months, and to pass the exam prior to their arrival. Since the spring of 2015 spring, the exam also includes general knowledge on the assigned country, and safety precautions. On the contrary, neither Sinohydro Corporation nor Bureau 14 have similar training, partially because of the lack of enforcement on the part of the company management; and partially because of the insufficient budget to cover a workforce of 1500 people, among which most are lower educated labor workers.

Third, given that the CNPC's employee benefit is more lucrative, it attracts more capable candidates. In several occasions, I had heard from other Chinese SOEs in Ecuador (e.g. China Telecom, Sinohydro, Sinopec) that CNPC offers the best staff salary, benefits and work environment among all Chinese SOEs in Ecuador. For example, all Chinese staff work three months and do one month of vacation, with international flight the company pay tickets. On the Ecuadorian side, dining budget for local employees is \$7.00/meal in CNPC, versus \$2.00/meal in Sinohydro CCS project. A better human resources plan gives CNPC larger space for employee selection, and the company will more likely bring in applicants with better language and fast learning skills, qualities that facilitate intercultural communication.

Dining and accommodation

Better employee benefits and the relatively smaller workforce in CCDE also makes it possible to reduce corporate hierarchy, and to promote cultural interactions. For example, given the limited number of employees, accommodation in the camp is arranged either as single room or double room. Older Chinese employees have the priority to choose single rooms; whereas for Ecuadorians, engineers have the preferential condition.

Regarding to dining, all staff eat in the same room. The kitchen provides local meals and Chinese meals both in unlimited quantities. People can choose to their liking from the two buffet servers. The \$7.00 meal budget sufficiently covers the high cost of Chinese food ingredients.

Not all employees like the food of their colleagues. Some locals complained the spiciness of the Chinese food, whereas some Chinese disliked the dullness of the Ecuadorian cuisine. Nevertheless, this arrangement promotes cultural exchange by giving the employees the opportunity of experiencing the real taste of the other culture.

Driver A: Chinese food is so spicy! I can't imagine human beings can eat (spicy) things like the hotpot!

Secretary A: But I do like it, because I like spicy. Now when I go to *chifa* I order real Chinese food.

Driver A: Now I order real Chinese food (in *chifas*) too, but only those non-spicy ones! (Laugh)."

Although Chinese *chifas* have been in Ecuador for decades, many Ecuadorians do not have much idea about Chinese food. What they usually order in *chifas* is *chaulafán*, a typical local dish created by the early Chinese immigrants. This is because in Ecuador, *chifas* run by Chinese (some *chifas* are run by locals) usually have two different menus. Depending on customer's nationality the waiter decides which menu to display. One menu provides authentic Chinese food, and the other offers Chinese style Ecuadorian food (e.g. *chaulafán*). I interviewed the owner of a well-known noodle house in Quito. She told me that she never displayed the Chinese menu (written in both Spanish and Chinese) to locals, because she assumed that locals would not like it.

On the contrary, almost all of my local friends who had tasted it preferred real Chinese food, though it was not what they were expecting and what they used to know as Chinese food. Here in CCDE, the kitchen serves as a cultural exchange platform where Ecuadorians learn that beans are normally made for dessert in China, while Chinese learn that savory beans can also be delicious. They might not necessarily like the beans in a different flavor, but at least they broadened their knowledge on beans. And this is precisely how cultures get enriched.

Leisure time and vacations

Administrative employees and engineers work from 8:00am to 6:00pm, Monday to Friday. Drivers and security guards work on a shift of 12-12 hours. There is one soccer court, one Ecuadorian volleyball court, four basketball courts and an open-air swimming pool inside the camp. The company organizes soccer games every Friday afternoon, and there are always people play basketball and Ecuadorian volley. On festivals all local employees' family is invited to the camp for party.

Downtown Nueva Loja is only seven kilometers away from the camp, where one can find all sorts of entertainment. But the company has very strict policy on exit control, even more rigid than that in Sinohydro CCS project. Except for a few local employees who live in the Nueva Loja, no staff is allowed to go out after dinner. The only exception is to go to the small convenience store in front of the main gate, where people can have a drink or buy a yogurt.

Mr. Feng said that the reasoning behind the rigid norms was Chinese concerns on Ecuador's social security. As stated earlier in this chapter, Chinese often consider Ecuador as one of the highest risk countries in terms of robbery, violent crime and homicide rate. Mr. Feng told me that almost every Chinese employee that had worked or still working in CCDE camp had experienced robbery, including him. It is not surprising that both Sinohydro and CNPC in Ecuador have such strict security norms.

In addition to the concern for security, there is, I would argue, a historical factor behind these norms. In the mid twentieth century, the country's founding fathers decided that people's residences should be located as close as possible to their workplace, different from what has occurred in the West (Bjorklund, 1986). As a result, people's workplace--*danwei*-- became "the principal unit around which domestic and social activities are linked" (Bjorklund, 1986: 21).

Before the state-sector reform in the late 1990s, *danwei* provided employees with housing, food, education, healthcare, and other social welfare. All basic needs could be fulfilled in *danwei*, so that most of the time one could have everything done without going outside of *danwei*. So as in the Sinohydro and CNPC in Ecuador (both in Quito office

and in their camps), companies are responsible for housing, cooked food, clinic, vehicle plus driver, among others. Employees rarely need to go outside, and perhaps eventually will lose their interest in going outside even one day the restrictions are gone.

Moreover, Bjorklund (1986) also highlighted one important feature of *danwei*: enclosed walls and entry controls. According to Bjorklund (ibid), rather than feeling trapped, Chinese tend to feel protected and secure. This may explain why no Chinese interviewee (not even those based in Quito) has complaint to me about the strict security norms.

Another factor that may influence the company's security policy is the ambiguous interpretation regarding work-related injuries. The law of China's Work-related Injury Insurance Regulations is only applicable to Chinese citizens working in China. The only legal basis applicable to expatriates is *Reply Relating to the Aftermath Issues on Injuries, Disabilities and Deaths of the Contract Workers Dispatched to abroad* (《关于外派劳务人员伤、残、亡善后处理问题的复函》), which does not make a distinction between work time and off work time. It then causes a debate over whether all the injuries and deaths dispatched contract workers suffered abroad can be regarded as work-related. In many cases, the company has to pay full compensation even though the overseas worker suffered injury or death in private time (Jiang & Zhu, 2011). Hence, many companies do not loosen security regulations even after work and/or during weekends.

Regarding vacations, CNPC offers Chinese employees one month of paid holiday for every three months working. The company also pays for China-Ecuador round tickets in each paid holiday. Local employees take holidays according to the local labor law.

The year 2015 was Mr. Feng's seventh year working in Ecuador, but he had never travelled in Ecuador, not even to the worldly famous jungle reserves, though the closest one is only a few hours away from the camp. It is because his family lives in China, so does his four-year-old son. Thus he always chooses to spend the month-long holiday in China, instead of travel for pleasure.

When I'm on vacation I go back to China. Only the big bosses have visited those tourist places. We all (Chinese staff) want to get re-assigned back to China, but it's hard. Yesterday my mom called me and told me that my son--he is four years old now--cried: 'why my dad is away for so long'! (Sign) Everytime when I come home, the first few days he is not close to me. It usually takes some days for him to feel familiar again. (Mr. Feng)

Most Chinese staff in the camps are just like Mr. Feng, married, with kids, but no one has family companionship in Ecuador. On the one hand it is because the company is not responsible for relocating employee's family members; on the other hand it also due to employee's own concerns with the Ecuadorian educational level, social security, job market for the spouse, to name a few.

The consequence is, without family companionship, it is difficult for overseas employees to eventually find the receiving country more home-like, because their lives are always fragmented. During daytime they work in Ecuador, and during nighttime their mindset changes to China to do video chatting with their family. And every three months they go back to China for vacations. They constantly switch modes between China and Ecuador, which in my opinion, impedes them from truly settling down in the receiving country, and from getting further integrated in the local society and culture.

Furthermore, homesickness motivates employees to seek job opportunities back in China. What will likely happen then is that people line up for job positions in China. People who already gets used to the environment in Ecuador will likely be re-assigned back, because it is finally his/her turn. Then the company has to assign a new person to replace the vacant position, and the cycle restarts.

Work ethics and sense of time

When I asked the interviewees what they dislike the most about their counterparts, first they all referred to the work ethic and the rhythm of life. Ecuadorian staff complained about Chinese workaholics and impatience, whereas Chinese complained about Ecuadorian laziness.

When they want you to do something, they want it done right away. They want everything fast and faster. They have a different rhythm of life. But sometimes it's inefficient because when they do it fast they don't think it through. (Driver A)

They (Chinese) work too much. Sometimes they ask me to bring food to the office because they don't have time to go the dining hall. But it's just five minutes walk! (Secretary B)

The other day a local employee went out to pour leftover. We always give it to a local farmer, so that we don't waste too much food. It usually takes half an hour to get back, but that day he wasn't back in an hour. We have GPS installed in our vehicles. So I turned on my computer to track him down. He went far. When he was back I asked him where he was, and showed him the recorder. It turned out that he took advantage to go back home. (Mr. Feng)

We Chinese work on the basis of workload. For example, if my boss gives me 3 days to complete an intensive work, I'll work extra hours to complete it. First it's because I don't want my boss to jack me up. Second, I will feel guilty. But in contrast, Ecuadorians don't care. They won't take responsibility, such as desertion. If they can't finish it today, they will do it tomorrow. Their work is time-based. (Mr. Feng)

It is not surprising that these two cultures have very different attitudes on work ethics, since in Hofstede's dimension of Indulgence versus Restraint, China and Latin American countries were categorized in the two extreme poles. What happened here in CCDE does not show much difference from Myriam's quoting of Sinohydro local staff's complaints.

Keeping a Low profile

There is nothing indicating CCDE camp's identity except for a sign inside the camp. On the contrary, one can identify from a mile away the drilling camp of the Ecuadorian state-owned Petroamazonas. The camp is located only a few kilometers away from CCDE, with all the four walls filled with striking blue and green color in name of the company.

To keep a low profile. We Chinese always say that the bullet will kill the most outstanding bird. Lower profile, lower risk. Less people know about us, less danger. We are here to make money, and this may create hatred and jealousy. We'd better make money quietly. (Mr. Feng)

In Sinohydro, the two local managers Myriam and Ivan also brought up this topic of keeping a low profile. When they were answering the question about the corporate image of Sinohydro in Ecuador, they said that even in the construction field no many Ecuadorians knew about Sinohydro, despite that the company is carrying out the largest hydro project of the country's history. That is primarily because the company wants to keep a low profile and does not want to promote itself. An even worse consequence is that the company was sometimes blamed of other Chinese companies' wrongdoings, since Ecuadorians do usually perceive Chinese companies as a whole.

This phenomenon, I would argue, is due to an insufficient market competition back in China on the one hand. The two companies are both mega state-owned enterprises. In earlier times before marketization, their businesses were backed by the state, so they did not have to face competition. Today they are the leader companies in their own industry in China, and are considered the most competitive in the country. Sinohydro ranked 23th in the top 250 international contractors (year 2014), number one among Chinese firms. CNPC is the largest company in China, ranked number 4 in Fortune 500 (year 2015). As a consequence, managers have not yet learnt from domestic competition how to brand and advertise the company.

On the other hand, the phenomenon goes beyond a particular corporate type, since D. Ahlstrom et al. (2004) found out that in East Asia companies established by oversea did not do much branding or advertising in order to maintain a low profile. I would argue that low-profile behavior has its root in Chinese traditional values. Taoism believes the soft and weak are followers of life, while the stiff and hard are followers of death²⁷. Thus, keeping low profile and humble is the means to seek for success and "not lose" (Zuo & Yang, 2014)

However, this strategy not only segregates Chinese from the local community, what worse is the twisted interpretation of the value. The local community does not always, if not ever; interpret this intention in the way the company expects. Instead, it is

²⁷ The original text is from the classic Taoism text *Tao Te Ching*, Chapter 76. “人之生也柔弱，其死也坚强。草木之生也柔脆，其死也枯槁。故坚强者死之徒，柔弱者生之徒。是以兵强则灭，木强则折。强大处下，柔弱处上。”

sometimes viewed as sneaking dirty businesses that cannot be put on the table. For example, when my tour guide first mentioned to me the existence of the CCDE camp, he said:

"I don't know which company is that. But it's for sure a malicious one. They even dare not to show their name. I don't like Petroecuador, but at least they dare (to have the company name on the wall). (pointing to the Petroecuador camp across the street, which has its four walls filled with very striking big words indicating the company identity). (tour guide in Nueva Loja)

Towards a better understanding?

When the interviewees were asked to answer what they could learn from their counterparts, they referred to the same qualities that they complained about minutes ago.

Learn from them? I don't know. Chinese are productive. Many times I drove them to the drilling camps further inside (the Amazon jungle) expecting to come back in the afternoon. But they are so fast! Three hours! Done! I guess that's why Chinese economy has been growing this fast, and ours not. But you know, we actually don't want it that fast. (Laugh) Life will get very complicated that way. (Driver A)

Ecuadorians are happier. They are poor, but they drink and they dance. Their life is just happier. Sometimes I think we are too steeped in work. We don't travel or go out for fun. We are too busy. We always have a lot of work to do. But of course, that's also why we are hiring them, not the other way around. (Mr. Feng)

Winkelman's (1994) identified four phases for intercultural adaptation: honeymoon stage where everything about the foreign culture looks interesting and exciting; crisis stage where excitement turns into disappointment and cultural differences seem irritating; adjustment stage where people learn to adjust themselves to the foreign culture, and that culture starts to make sense; adaptation stage where one can successfully solve problems, and developed a bicultural identity.

Both interviewees recognized the positive aspects of the other one's culture, that Ecuadorian emphasis on leisure time makes them more easily to feel happy, whereas Chinese work ethics pull forward the economy. At the same time, they both took pride of

their own culture. Taking Winkelman's theory I would suggest that the two interviewees are entering into the adjustment stage, where they adopted a positive attitude towards cultural differences. Yet it does not mean that they accept the differences and are willing and/or prepared to integrate to the foreign culture.

In summary, intercultural communication in CCDE Nueva Loja Camp is carried out much more fluent and more equal comparing to that in Sinohydro CCS camp, mainly due to three factors: 1) more educated workforce; 2) better employee benefit; 3) smaller workforce. Nevertheless, barriers still remain. The most prominent ones are: 1) lack of family companion; 2) lack of private life; 3) the mentality of "less interaction, less trouble"; 4) language.

Chapter 5. Conclusion

My fieldwork in the two Chinese companies Sinohydro and CNPC indicate that newspaper reports about Chinese expatriate not being very communicative is quite right. Intercultural communication in both research sites was seen as insufficient, especially in Sinohydro, where even work-related formal communication is deeply affected.

Moreover, the often-mentioned term “cultural differences” do attribute to the lack of intercultural communication. By breaking down this term, I found that the biggest cultural barriers are language, social norms and values, as well as the lack of sensibility to these cultural differences.

Cultural Barriers

Verbal and Nonverbal Languages:

Both companies are facing language barriers. The inability to speak Spanish of most Sinohydro employees has seriously affected all levels of the company's communications. Even regular work conversation cannot be carried out smoothly, due to the small number of translators, the limited capacity in technical translation, and the lack of intermediate languages like English. In Sinohydro, expression styles and body language were also reported to be a source of misunderstanding. The different understanding on the rise of voice tone or on a certain gesture may not be a big issue between friends, yet it could cause serious consequences in an already tense conversation.

In CNPC, language barriers do not pose as serious challenge to formal communication as in Sinohydro, thanks to higher English language proficiency of both Chinese and local employees. Language barrier remains a big issue in informal

communication. The foreign languages (both Spanish and English) that CNPC Chinese staff speak are too basic, which mostly consist of greetings and technical vocabulary needed for work.

Social norms:

Both Chinese and Ecuadorian interviewees made negative comments on the other's customs and rituals: on the Chinese part, they are frowned upon for eating noisily, squatting to rest, not taking shower often, rarely greeting others; on the Ecuadorian part, they are criticized for touching too much, being too perfumed, and too open sexuality.

These behaviors themselves are neither bad nor good. They will not pose big challenges to communication if people recognize them and regard them as "customs of different culture". Challenges arise when people make judgments based on their own culture, and their understanding of "appropriate behavior". The self-reference criterion often generates cultural superiority, which impedes deep communication. (Moran et al., 2007: 60).

Indulgence versus Restraint:

The different understanding on time and work could cause confusion at work (Moran et al., 2007: 61), and may lead to more communication conflicts (examples see section 4.3.3). My fieldwork in Ecuador confirmed Hofstede's research result in Indulgence-Restraint, which is strongly correlated to work ethics and sense of time. Almost all interviewees of different Chinese companies complained about their counterpart's work ethics and rhythms of life. Chinese were blamed to be workaholics and always in a rush, and do not enjoy life at all. On the contrary, Ecuadorians are accused of laziness, tardiness, and would goof off to enjoy life.

Hierarchy:

The rigid hierarchical structure of Chinese companies generated resentment and feelings of unfairness (see section 3.5.1). According to Trompenaars and Hofstede's theories, the two societies have similar view on hierarchy (high Power Distance, and

Ascriptive). The essential issue here is in favor of whom the power is unequally distributed.

In most Chinese overseas companies, expatriate Chinese staff lead locals, be it foreman, senior engineer, chief chef, or executive officer²⁸. This arrangement automatically creates a very rigid corporate hierarchy based on nationality, and breaks the long-lasting social hierarchy in Ecuador, in which local elites sit with foreigner at the top of the pyramid, separate from the plebs. Moreover, many of the Chinese employees, including top managers, are from very humble families, who according to Ecuador's family-background-based Ascription system, do not deserve high ranks, let alone higher than the locals elites.

Diffuse Society:

As stated in Trompenaars' study, in Diffuse societies like China and Latin American countries, roles and titles in one's public sphere are often carried into his/her private sphere. The hierarchy mentioned above and the formality that exists at work between the two nationals are often maintained during off work times, not to mention the fact that many employees live and work in the same place. As a consequence, it is hard for employees to develop interpersonal relationships beyond boss-subordinates.

Mentality of "less interaction, less trouble":

This mentality was manifested in several occasions during my fieldwork in the two companies and many other ones. It appeared not only in intercultural communication, but also in intercultural communication, as between the company's Chinese manager and me. I would argue that this mentality has its root in two things. One is the Chinese conflict management based on Harmony (Chen, 2001; 2009), which seeks to prevent conflict by eliminating all the sources at an early stage (see section 2.3.4.5).

²⁸ There are high rank local managers like Ivan and Myriam in Sinohydro, but they also have to report to Chinese manager of higher rank.

The other root is in the lack of trust towards out-group members in traditional Chinese society. Fei Xiaotong defined the traditional Chinese society as a “*shuren* (acquaintance) society”. It is a “formed as a natural result of people growing up together”, in which everyone knows everyone, and hence “trust derives from familiarity” (Fei, 1992: 41-43). Boundaries between “we” and “others” are very clear. Trust is only granted to in-group members. People from outside the group are untrustworthy, and therefore, less interaction means less danger.

All the above listed barriers are rooted in the culture, and are what Moran and his colleagues called “inherent conflicts”, which are thought not to alter much in different organizations as long as the broader context remains. However, as we can see in Chapter 4, intercultural communication is much better and more satisfactory to the employees in CNPC comparing to Sinohydro. It certainly shows that non-cultural factors such as corporate policies, the size and the education background of the workforce, and the profitability of the company, all matter as much in intercultural communication. However, as much as these non-cultural factors can improve communication, they can also reinforce the old communication barriers and even build new ones:

Non-cultural Barriers

Family Policies:

The Chinese workforce in the two interviewed companies are extremely male dominated. None of the married men have family in Ecuador²⁹. Those who are single are not encouraged to get involved in relationships with locals, because international marriage may pose a threat to state secrets. Employees can hardly feel at home in the receiving country, and often seek to go back to China whenever there is an opportunity. Thus, to kill loneliness and homesickness, those who frequently have holidays, travel to China immediately when they can; those who have to stay for long, often stay with people from the same region. This fact actually reinforces the in-group/out-group

²⁹ The general manager of CCS project used to live with his family in San Luis Camp, but he was re-assigned back to China a while ago.

boundary, and significantly reduces the willingness to interact with out-group members, be they the local colleagues or the local community in a broader sense.

Restrictions on private life:

Due to security concerns, both companies have strict policies on entry and exit control, as well as the restriction on romantic relationships with locals, which effectively have reduced the level of cultural integration. Interestingly, many Chinese interviewees have expressed appreciation to these rules, because they view security much more important than freedom.

Chinese more like Chinese

Other than the above listed barriers, I also found that Chinese expatriates seem to be more Chinese in Ecuador than back in China. The majority of the Chinese expatriates I met during the field research live segregated in semi-closed construction camps, or in residences with highly restricted rules. In most of the times, they hang out with their own countrymen, which is due to, on the one hand, corporate policies that restrict them from building a closer relationship with locals, and on the other hand, to their own preference for being with people who speak the same language, and behave in similar ways. As a sad consequence, these policies and personal preferences encourage people to focus on cultural differences rather than things they have in common.

Moreover, both Ecuadorian and Chinese ascribe the conflicts and barriers to some qualities in the other, to some extent making the Chinese-ness or the Ecuadorian-ness the ultimate reason for such conflicts and barriers (e.g. Chinese staff attributed the company's strict security control to the Ecuadorian high crime rate, whereas Ecuadorians viewed it as Chinese' close-mindedness). It then formed an easy lens through which both sides make sense of actually complex conflicts.

The purpose of the present study, not to mention the feasibility, is not to persuade people to abandon their culture in search for better communication outcomes,

but rather, to acknowledge and understand the differences, to look beyond these differences, and to focus on the commonality. In this way, quoting Moran's words, "the very cultural differences become resources" (Moran, Harris, & Moran, 2007: 71).

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