

A Study on the Living Habits and Business Negotiation Styles of Philippine Chinese

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INTRODUCTION

The formation of Philippine Chinese society started with the initiation of the national consciousness of Chinese immigration and completed in the flourishing period of Chinese culture. The mutual influence of ancestral home distribution, religion, immigration configuration, civil rights, occupational structure and family organization caused the unique conformation of Philippine Chinese society. However, after hundreds of year of hard work, the impact of Chinese immigrants on Philippine's economy is very significant (Xiao, 2001).

According to the estimation made by Economist (Economist, 1993), taking year 1990 as an example, Chinese population only accounted for 1% of the total Philippine population but Chinese business accounted for 35% of the domestic enterprise sales amount, in which the retail business was the most prominent (Xia, 2003). The transformation of Philippine Chinese business style caused by the anti-Chinese activity could be one of the important factors (Jiang, 2005).

Apart from the traditional features of Chinese, the reason for Chinese in Philippine making impacts on Philippine economy is that Chinese cope well with the unique Philippine humanistic environment and the Philippine government policy (during colonial times and after the independence declaration). The environment and the policy made a certain degree of influence on the business behavior of Chinese in Philippine. In the early days, Philippine Chinese were involved in the trade expansion business mainly. As Chinese have born industriousness and stamina natures, great intelligence, honest morality and thrifty behavior, they turned out to be a major economic influence.

LITERATURE REVIEW

Philippine Chinese

There are around one million Chinese in Philippine. In Philippine, Chinese is a minor ethnic group and only accounts for 13% of the total Philippine population. Although the proportion is insignificant, Chinese in Philippine plays a very important role in Philippine economic development (Wang, 1993).

Since the very beginning, the main reason for Chinese to go to Philippine was business. During the mid-18th century to the mid-19th century, the economic activity of Chinese in Philippine was already the top among other ethnic groups (Cheng, 1989). During the Spanish Colonial Period, a network was formed by the relationship with friends and families for Chinese in Philippine. In early period, Philippine Chinese community established a private group with the organizational foundation based on ancestry and location (Shi, 1985). Philippine Chinese businessmen established a cooperation trade relationship with Western businessmen and encouraged the communication between Chinese businessmen and Western businessmen. A special group with group consciousness, based on shared culture and economy, was formed (Zhang, 1994). Therefore many chambers of commerce with different properties related to wholesaler, retail business, and handicraft were established by Philippine Chinese.

During the American colonial period, Philippine were influenced by the American way of free competition. Philippine Chinese expanded the function of chamber of commerce further and moved it from local development to national development (Cheng, 1999). After the Second World War, Philippine declared its independence. Nationalism and national consciousness were upraised and the so-called Philippinization Activity was launched by interest groups, politicians, and people in the public opinion circle (Xia, 2003). Philippine government raised the economic status of Filipino by legislative and administrative means. This Philippine economic nationalism however attracted internal integration inside the Chinese group. An example for this is the establishment of "Federation of Filipino-Chinese Chambers of Commerce and Industry Inc". After several going through many Philippinization activities, Philippine Chinese slowly adjusted the operation mode and style. Therefore Philippinization Activity urged Chinese

businessmen to change their investment in retail trade to manufacturing industry and other industries, which helped promoting industrialization in Philippine (Wang, 1993).

In the early days, all the Chinese who migrated to Philippine were from Mainland China. As to maintain the traditional Chinese culture and the business interest in Philippine, Townsmen Association and Clan Association were established. They are the pyramid-type organizational structure in which the decision power is in the hands of the highest decision maker and the decision-making process starts from high above to the lowest class (Tong, 1991). This management model of the concentrated power is also called Paternalistic management model. It pulls the manager and the employees tightly together in the Philippine Chinese families in the early stages. This model is flexible and is influenced greatly by traditional Chinese cultural concept. Until recent years, as the Philippine Chinese enterprises transformed into large or internationalized enterprises, the paternalistic leadership can still be seen in their management model (Yan, 2002).

Basically, Philippine culture is a mixture of East and West cultures. It covers Malay culture, Indian culture, Chinese culture, Spanish culture and American culture. In terms of the whole Philippine society, Chinese in Philippine form a special group that shares common culture and language. Chinese established different organizations according to traditional methods. A Chinese society was then formed. As the boundaries between the Chinese-Philippine races, politics and society were not yet eliminated, the social structure consisted of the chamber of commerce has become a single system on its own. The formation of the chamber of commerce was to gather power and resources in the political level while the massive appearance of clan and fellow townsmen is in the cultural level (Shi, 1985).

Customs of Philippine Chinese:

- (1) Philippine Chinese have always been in “separation” which means there is a certain degree of differentiation in terms of religious activities. Taking ancestor sacrificing as an example, the spirit tablet has always been offered in the living room at home back in China while Tu Di Gong must be in the original ancestral temple back in China. Women are responsible for preparing oblations that are to be sacrificed in Early April and on the death day of the ancestor. However, the ancestor worship ceremony of the Philippine Chinese Clan Association on the other hand is to move the group ancestor worship activity held by the men back to China. It has only been forty years since the Clan Association set up shrines to provide Tu Di Gong for people to worship in Philippine. Traffic interruption between China and Philippine is the reason for setting up local shrines. It is also an important indicator that causes Chinese society to change to a settled society (Shi, 1985).
- (2) Most Philippine Chinese are influenced by Spanish during Spanish colonial period and followed the precepts of Catholicism. However, most of them have only the economic interests in mind. Catholicism is the central value in Spanish culture. In order to have land liberty and residential safety, many Chinese changed their belief to Catholicism to obtain protection from the church (Chen, 1998). As Catholicism was the central value of Spanish culture, missionary work was the main measure that promoted Chinese assimilation when Spanish were the ruler of Philippine (Wei, 1989). However, in the beginning Chinese only believed in Catholicism in order to be included in Philippine and for the sake of interests in economic development (Chen, 1995). Taoism and Buddhism, which came along with migrants from China, and Christianity, which came along during the American domination, had made Philippine a country where many religions exist simultaneously (Chen, 1995). Although many young people are either Catholics or Christians, they are influenced by family and elder family members and cannot choose between traditional Chinese religion and Western religion. They harmonize the contradictories between the two religions by placing Buddhist or Taoist statues at home (Wang, 2000). That way both religions can exist in the same place. The concept of “on entering a place, following its customs” allowed Chinese in Philippine to accept Philippine customs and habits (Chen, 1995).
- (3) In terms of wedding ceremony, engagement ceremony and betrothal acceptance ceremony are mostly in accordance with Minnan customs. The complexity of the wedding depends on the people who are getting married. The wedding ceremony itself is a religious ceremony held in a Catholic Church based on Philippine habits. Rich people would argue and compete for betrothal gift and dowry. They would show off to each other and adopt traditional and western wedding essentials which are unnecessary and over-elaborate formalities (Shi, 1985). On the other hand, in terms of funeral and burial ceremonies, it seems as Philippine Chinese are influenced by European royal tombs

which are brought-by by Spanish. Generally they would build storied-building type tombs in Yishan. The storied-building type tombs have become the fixed tomb configuration. Some Chinese keep the traditional Early April tomb visit custom but the real tomb visit date is on the first of November, the Catholic Halloween. On that day, Chinese men and women would go to Yishan to visit tombs and hold a memorial ceremony for the forefathers. They would then go to friends' tombs to "light candles" (Shi, 1970). Chinese culture is the foundation for overseas Chinese society. Philippine Chinese adopt Chinese tradition and establish their social organizations based on ancestry and location. The social system of the organizations is to maintain and extend Chinese culture.

- (4) As Philippine Chinese accept local religions, they blend in the Philippine culture naturally which results in the merging of religions in Philippine and Chinese societies. It makes the customs and habits religious. The merging of the cultures had an impact on the development of Chinese language education (Chen, 2002). Immigrants of the younger generation are willing to use English as the media language and do not insist on traditional culture, customs and religions. Some of them rarely participate in shrine and organization activities. However, their behavior and attitude are still in accordance with traditional Chinese values. The values include having filial piety, human feelings, respect, frugally, mean thought, harmony, sharing (Wang, 2008).

Business Negotiation Styles of Philippine Chinese

After Philippine declared its independence, overseas Chinese have been playing the business agent character. Moreover, they are good at being business agents. Not only had they took an important position during the American colonial period and after the independence declaration, overseas Chinese have become more important in the economic structure. The reasons for the success include subjective factors and objective factors:

1. Subjective factors : Overseas Chinese are industrious, capable of enduring hardship. They are also good at business operation and have fast reaction (Chen Lie-fu, 1955). Overseas Chinese turn poverty into wealth with empty hands. Linnon A.Mills once said "As colonial periods end, the prosperity of Southeast Asia countries are the management funds of western countries. It is the result produced by the ambition and diligence of Chinese people."
2. Objective Factors :
 - The temperature in Philippine is very high which results in lazy national nature.
 - Filipino are short of capital funds and do not value credit.
 - Filipino only knows how to manage agriculture according to the day and time and do not know how to manage business (Chen, 1955).

In Chinese culture, the approved focus is usually the big family or the close relatives. Traditional Chinese standard emphasizes on the identification of family. Chinese have the tendency of being familism which makes them lack of organization consciousness that is outside the family (Yang, 1993). In the early days, most Philippine Chinese men were married to Filipino women therefore the appearance of Chinese-Filipino offspring could be seen very early. By the end of the 17th century, Chinese-Filipino has formed a social class in Philippine and inherited assets and business skills from the elder Chinese generation (Wickberg, 1964).

- (1) Credit and Harmony : Old Chinese businessmen emphasized on business credit foremost. They valued favor-doing and neglected contract-signing. They paid more attention to feelings and neglected legislation. They believed interpersonal credit can substitute legislative forced action. The main reason for this is that when Chinese businessmen began to conduct business, local legislation was not yet completed. Therefore Chinese businessmen had their way of dealing with problems relating to capital utilization, enterprise management and risk prevention. However, if they encounter business disputes, most of them would choose "private settlements." They would have Chinese association and Overseas Chinese association to deal and solve the problem. They would not file charges as they do not want to lose their friendship with each other (Zhou, 2006).
- (2) Family and Relationship : Chinese of the younger generation are not afraid to criticize and they loathe open strife and veiled struggle among the Philippine Chinese social groups (Shu, 2002). They respect the fulfillment of individual value. They think of ways to blend into the local mainstream society and join the Philippine nationality to put down roots in Philippine (Chen, 1995). Most of the Philippine Chinese of the younger generation are well-educated with high-level Philippine education. They feel unfamiliar with the Chinese culture. Some of them even have cultural barrier with the Chinese of the older generation and think they are one of the Filipino. They slowly change their

living habits. They rarely use chopsticks when eating meals. Some of them do not even know how to use chopsticks and are more familiar with knives and forks. They read English newspaper rather than Chinese newspaper. They like to watch American movies and use English in everyday conversation. Some of them even join Philippine associations (Shu & Cao, 1999).

- (3) Social Network : Social Network receives the most attention in enterprise group development. Chinese association is the neural of the relationship network in Chinese business enterprises. For example, Father-in-law of the Philippine Chinese businessman Alfonso T. Yuchengco, Xue Min co-established Zhongxing Bank with the King of Timber, Li Qingquan. Li Qingquan's grandson Peter was assigned as the general manger of Zhongxing Bank and was married to Alfonso T. Yuchengco's eldest daughter. Zhongxing Bank and Alfonso T. Yuchengco's Rizal Bank were in cross-ownership and assigned directors for each other. Mixed business groups through marriage pays attention to the social network formed between Chinese. It also establishes its own social relationship through involvement in education and charity (Zhou, 2006). Marriage is the most important spousal behavior for Chinese. Through marriage, two families can become in-laws and one big family naturally (Luo, 2006).
- (4) Political Interests : The most common interest people have towards politics is the economic interests obtained through the traditional division of political powers. Therefore money transaction is an important measure used to protect self politics and economic interests (Shu, 2002). Even though Chinese of the older generation have the Philippine citizenship, they are not in the mainstream society. They do not dare to criticize current politics. They can only go by traditional thoughts when they face problems. Money transaction is still the main channel for them to solve political and economical problems (Shu, 2002). Since 1982, Chinese began to have the right to vote and the right to stand for election, there are more than ten Chinese who stood out in the Philippine political circle. However, majority of the Chinese population are still very fond of the "short and fast" way of buying safety with money and being friends with the rich and powerful (Li & Luo, 2002).
- (5) Chinese Association : The biggest feature of Chinese association is that there are lots of honorary consultants and consultation commissioners. The advantage of this is to invent all sorts of names and that the title and the number of people can be put down as one's wish (Su, 1970). The first aim of that is to recruit leaders of actual strength by contract-signing. They are asked to donate money whenever necessary, which is a way of getting money for the association. The second aim is to use the leaders with certain degrees of influence power to communicate with the outsiders. That way the number of people is increased and the impetus is expanded, which can be used to increase advantages during negotiation (Shi, 1985). There are many Philippine Chinese social organizations established. The internal structure of the associations is getting more diverse day by day. The establishments of the organization and the diversification are only to increase job positions. It is a formal expansion (Chen, 1965). Competition and conflict are reduced virtually to maintain internal balance and steadiness. At the same time, as there are more people participated, a stronger Chinese society is formed. The safe atmosphere produced by the big society is able to eliminate the hollowness and fear caused by cultural crisis (Shi, 1985). Moreover, the modernization of the modern Chinese society have reduced traditional authoritativeness attitude to a certain extent (Zheng, 2004).
- (6) Local Filipino believe Chinese in Philippine are born cunning and clever. They also believe Chinese is an ethnic group with high intelligence and Chinese are good at managing business and making fortune. However, the luxurious living style of some rich Chinese often attracts jealousy and antipathy from mid-class Filipino. On the other hand, in the eyes of the diligent and never-satisfied Chinese, Filipino adopted Spanish Romanism, laziness, optimism and slack. For that reason, many Chinese parents still oppose their children to marry Filipino. "Marry one, responsible for the whole family" is their most often use excuse (Li & Luo, 2002).

CONCLUSION

Although Chinese population in Philippine is the least in Southeast countries, Philippine is the most westernized country in Southeast countries and the economic contribution made by Chinese is the greatest. After Philippine declared its independence, the government aggressively guided Chinese economic strength to participate in Philippine constructions. It also successfully used Chinese economic strength to gain vital interests in terms of politics and

economy. Philippine Chinese of the older generation value the traditional business model of respecting business credit, interpersonal relationship and feelings. But, Philippine Chinese of the younger generation have been westernized by western culture shock and Philippine education. They have a business negotiation style that values individualism and seeks truth from facts.

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