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International negotiations on technology: the impact of cultural aspects and geopolitical conditions on the negotiation process between East Asian and Latin American companies

Trabajo de Grado

Valentina Isabel Barros Narváez

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Glossary

Cultural dimensions can be explained as the clusters of characteristics identified and studied by various authors, in order to recapitulate or list the aspects in which each culture can differ from another one.

Free Trade Agreements (FTAs) are pacts made between two or more countries in the attempt to decrease the barriers to imports and exports within them and trade.

Import substitution can be described as the idea that blocking imports of manufactured goods can help an economy by increasing the demand for domestically produced goods

International Technology Transfer (ITT) refers to the flow of exchange of information and tangible goods regarding technological know-how between multiple countries.

LATAM stands for Latin American Countries, 17 nations located in the American continent where the spoken languages are derived from Latin (romance),

Openness to trade represents the orientation of a country regarding their international trade transactions. It can be inward, meaning that they are not able to seize the opportunities to exchange good or services with other economies, or outward where they are more eager to trade goods with other countries.

Resumen

En las últimas décadas, las negociaciones y acuerdos entre empresas de Asia Oriental y América Latina han ido en aumento gracias a la globalización, las diferentes políticas puestas en marcha, y los intereses subyacentes de ambas regiones en materia de crecimiento económico. Una de las principales razones por las que las empresas procedentes de estas zonas se están asociando cada vez más, es su especialización en diferentes industrias; las empresas latinoamericanas carecen de los conocimientos necesarios para desarrollar productos tecnológicos y se han especializado en diferentes sectores tales como la ciencia y la agricultura, mientras que Asia Oriental ha centrado su estrategia en el desarrollo tecnológico y en convertirse en el líder mundial de esta industria, algo que las naciones en desarrollo procedentes de América Latina necesitan para reducir costes y aumentar su productividad. Por lo tanto, cada vez es más importante entender cómo interactúan a la hora de negociar estos bienes y servicios cruciales y cuáles son las diferentes influencias que afectan al proceso. En la investigación realizada se encontró que tanto las condiciones culturales (siendo diferencias y/o similitudes), geopolíticas como las políticas implementadas por los gobiernos locales, la apertura al comercio, la especialización de productos, las medidas sanitarias, entre otras, han creado el ambiente perfecto para que estos bloques entren en contacto e hicieron que las empresas provenientes de Asia del Este y América Latina se involucren en negociaciones de estilo colaborativo donde ambas tienen un alto potencial de obtener un resultado ganar/ganar.

Palabras clave: Negociaciones internacionales, Asia Oriental, América Latina, tecnología, maquinaria, comercio global, aspectos culturales, condiciones geopolíticas, economía, intereses, fijación de precios, ventajas, desventajas.

Abstract

Over the last few decades, negotiations and agreements between East Asian companies and Latin American firms have been growing thanks to globalization, different policies, initiatives, and underlying interests of both regions regarding economic growth. One of the biggest reasons firms coming from these zones are engaging more into business partnerships together is due to their specialization in different industries; Latin American companies lack the know-how to develop technological products and have specialized in different sectors such as science and agriculture, while East Asia has focused their strategy on tech developments and becoming the worldwide leader in this industry, goods developing nations coming from Latin America need in order to reduce costs and increase their productivity. Therefore, it has become increasingly important to understand how they interact when negotiating for these crucial goods/services and what are the different influences that affect the process. On the conducted research it was found that both cultural (so being differences and/or similarities), geopolitical conditions such as policies implemented by the local governments, openness to trade, product specialization, health measures, among others have created the perfect environment for these blocks to come into contact and made companies coming from East Asia and Latin America engage in collaborative-style negotiations where both have a high potential of getting a win/win outcome.

Keywords: International negotiations, East Asia, Latin America, technology, machinery, global trade, cultural aspects, geopolitical conditions, economy, interests, pricing, advantages, disadvantages.

1. Introduction

Throughout the following paper I will explore the impacts of cultural aspects and geopolitical incidences during the international negotiations on technology between East Asian and Latin American companies. However, it is crucial to review the way different literates and knowledgeable people in this subject have comprised the prior-mentioned during their written work.

Cultural aspects have been an important topic when analyzing intercultural interactions, especially in the business world where due to emerging trends, faster globalization, and less barriers for trade, have pushed companies and individuals to work alongside partners across the globe; it is an underlying issue that is able to change the negotiations' outcomes significantly. World-wide, the way individuals from different nationalities perceive business negotiations, agreements and relationships differ widely depending on their backgrounds, values, and principles as well.

In the case of East Asian countries with high development rates such as Japan, South Korea and China, and emerging markets in Latin America being the case of Brazil, Mexico, and Colombia among others, there is a great potential of production and trade integration which benefits national companies; and their economic incentives as well as conducted policies and Free Trade Agreements (FTAs) have make it easier for both regions to come in close contact with each other.

East Asian countries need a variety of commodities for its population and to satisfy their cutting-edge technological developments that these emerging markets have to offer; whereas

Latin American economies require industrialized products to continue their growth. A mutual collaboration achieved by international negotiations between these parties is a mean for applied specialization and globalization. Studying the relevance of cultural aspects and geopolitical conditions in the process and outcome of these two markets' relationships and negotiations, how they influence the parties' decisions and perceptions can assure economic growth for both regions.

When it comes to international negotiations, silent components related to cross-cultural dimensions, such as tone of voice, time management, view of partnerships and people approaching can affect the result of the agreement, having an impact on information, as well as good and services exchange which can lead a delay in economic relationship growth concerning both regions.

Business Problem

Latin American companies portray weaknesses regarding electronic and electrical sectors which jeopardize their approach as go-to suppliers in the globalized supply chain and industrialization movement. As an Agri-food industry based, first and second sector of economy-based territory, technological exchange coming from highly developed countries in East Asia shows an opportunity to spur competitiveness for the previous mentioned economies and its national companies as well as quality commodities for the Asian giants.

Therefore, an understanding of how these qualitative determinants (principles, values, and approaches) as well as policies, integration and geopolitical aspects will open on to an efficient communication where both parties will defend their underlying interests in technology sharing and encourage further negotiations enhancing integration as well as a decrease in barriers for trade.

2. Literature review

International Negotiations in Developing Countries

It is important to start this review by stating the overall basics of negotiations. According to Claude (2021), negotiation can be explained as a process where 2 or multiple parties try to come to an agreement considering their shared interests. The author exposes different components such as interests (the parties' underlying interests), issues (affairs that are going to be resolved through the process), alternatives (other options that may help resolve each party's issues), and positions (the reaction of each negotiator depending on the issue).

According to Claude (2021), there are several variables that make global business negotiations particularly harder compared to other business settings, such as cultural differences, each parties' own business setting, and last but the most relevant for this study, the impact of digital technologies on the companies that involve in these kinds of negotiations. As an example, the author portrays developing countries, where national companies are frightened of being dominated by foreign firms, therefore if another company wishes to establish a negotiation process with a firm coming from a developing country, it is crucial to study the regulations, underlying motivations and attitudes as well.

According to Chan (2021), negotiations that encompass developing countries may appear as processes of decision-making that are consensus-based. Notwithstanding, to shape and influence

the prior-mentioned, many countries, particularly the developing ones, struggle to participate in an efficient and effective manner due to the lack of knowledge in procedures regarding law, financial, and/or specialized knowledge, leading to a lower negotiation capacity compared to more developed ones. The negotiating agenda, size of their delegations, the language barriers make the lower-income countries to be in a disadvantage and have a lower capacity to enroll in the negotiation process.

Following with the previous mentioned, Chan (2021), calls this lack of skills a resource capacity gap of developing economies one of the reasons why in the negotiations the countries lack active participation and that building coalitions with other nations is almost impossible. According to Freund (2021), these coalitions and the establishment of good relationships with other countries, are a great opportunity for the developing ones to ameliorate their bargaining power and strengthening their voice. By doing these, the negotiation process becomes more equal, and a better distribution of benefits gained from trading.

However, following the idea of Freund (2021), the increasing importance of liberalized and open trade has made the negotiation process coalition forming, and deep bonds harder. The author sets the example of the WTO which has increased its members to 164 countries until 2020; the various interests make a final agreement hard and lengthy. The negotiation process when put into practice instead of theory is far more complex for the developing nations and their lack of economic power plays a huge role into their saying in the decision making, being in multilateral or 2-party negotiation.

In regard of the prior discussed, it is important to highlight that trade negotiations are open windows for liberalizing trade and removing barriers to make developing countries more competitive in global markets according to Crump & Maswood, (2007), for this reason,

developing nations form alliances with other nations to negotiate within the WTO meetings and examine new agreements to increase their incomes and expand their economies, providing them a higher bargaining power.

There has been an increasing prominence in the global economy for developing countries, this is mainly since these regions are not only escalating their economic dynamism, but also their efforts to develop new links with similar blocks such as the South-South trade as exposed by Crump & Maswood, (2007). According to the Forum of East Asia and Latin America Cooperation (FEALAC) (2013), there is an important opportunity for wealth potential in beneficial cooperation, especially on issues such as infrastructure, technology, and trade facilitation.

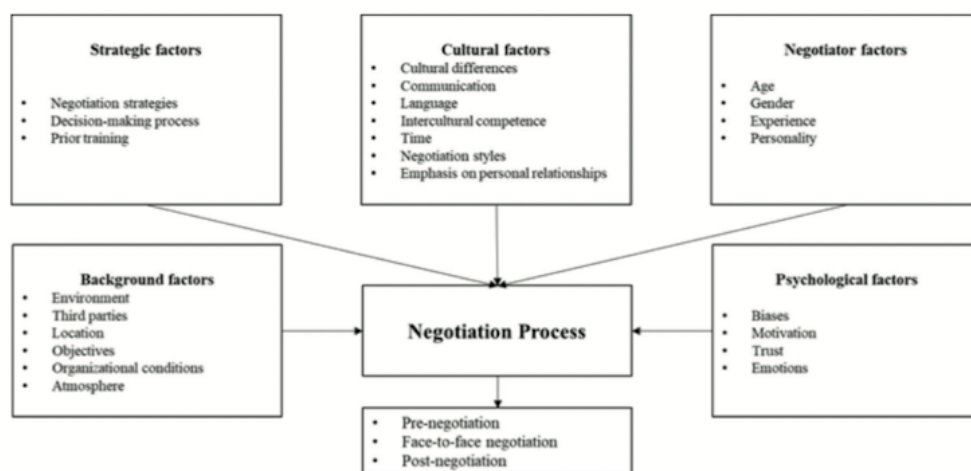
International organizations created to facilitate exchange of goods across international borders, such as the World Trade Organization (WTO), have help ensure that enterprises and products coming from other nations, including developing members are either reduced or are accorded with treatment as favorable as any other being national or foreign according to Khalil, (2012). In addition, the membership of the G20 has facilitated new opportunities and trade for the countries in question, increasing their competitiveness and weight in global trade negotiations as well as easiness to do business.

According to Ortigueira-Sánchez, & Olenka C. Stein. (2022), in emerging countries medium and small sized firms (SMEs), look for other organizations that offer support activities to help them overcome the barriers that come along with exports; they often also opt for trade show, which create the best environment possible to start developing international business negotiations. In the same matter, managers of firms that go through these processes need to be aware of aspects that affect the negotiation consensus such as cultural and strategic factors that

are intrinsic; background that affects the overall context of the negotiation, relationship, and the objectives each party wants to achieve which may sometimes be impacted by the cultural ones we mentioned priorly, among others.

Figure 1.

Proposed conceptual model (Ghuri, 2003).



Source: Ortigueira-Sánchez, & Olenka C. Stein. (2022) Factors that affect the negotiation process of SMES in trade shows. *Journal of Technology Management & Innovation*, 17(1).

According to Saggi, Maskus & Hoekman, (2004), if the local economies of the developing countries don't possess a good supply network the MNEs lower their investments and trade with the country, leading to a lack of demand and underdeveloped local suppliers, however this can be solved by pushing coordination between the parties.

As Gereffi and Wyman (1987) exposed, the experiences of both blocks, Latin American and East Asian are impacted by coalitions formed socially (the ones formed due to interest-sharing, or to oppose to certain strategies made by governments or higher institutions), such as mining,

technology, industrialized, among other sectors, for countries like Brazil, Mexico and Argentina these formations made the trade and negotiation process simple since they allowed a “triple alliance” between foreign companies, the state and the local force.

International negotiations on technology in developing countries and their companies. Technological transfer is a crucial aspect when referring to development. In most academic references its importance is overstated according to Saggi, Maskus & Hoekman, (2004). The flow of technology so being acquisition and its diffusion, are fundamental to spur productivity and knowledge gain. The importance for developing countries mostly relies on the fact that its importation generates innovation as well as adaptation to everchanging global dynamics, therefore, the prior-mentioned have sought to use international agreements to encourage International Technology Transfer (ITT).

It is therefore, able and important to link that according to Kim & Lee (2015), technological know-how or knowledge and more specifically patents, are key drivers on economic growth and that companies which enforce the creation of the prior mentioned through their Resource and Development (R&D) efforts have better outcomes and performances compared to the ones who opt for a more scientific approach, such as Latin American companies; these R&D efforts are primarily found in East Asian firms rather than Latin American ones leading to a breach in their development and in their correspondent bargaining power.

The most important contributors to the increased interactions, agreements and negotiations as trade partners on technology-related good and services with Latin America, according to Rosales, Inoue & Mulder (2015) are Japan, China and South Korea. Making a special emphasis on China, which has grown massively within the last few; nonetheless the 3 last mentioned economies have established themselves in the market for this specific reason. It was exposed by

the authors that even though the exports and imports go both ways the investments done by Asian companies is far greater than the vice versa, which can lead to a further enhancement of the trade deficit between these two regions.

According to Saggi, Maskus & Hoekman (2004), in their report of technology transfer to developing countries, upper-middle income ones have become suppliers of tech-intensive goods. The most frequent channels of technology transfer are trades in good and services, since all exports carry some potential of ITT, Foreign Direct Investment (FDI) usually used by multinational companies (MNCs), and technology licensing occurring within joint ventures or unrelated firms.

According to Granstrand, O. 1944, Holgersson, M. 1983, & Opedal, A. (2020), when it comes to ITT and more specifically intellectual property and technology trade, the value is mostly focused on price mechanism and are characterized by the asset's singularity as well as authenticity. Both parties that convene in a negotiation where this kind of good and services are traded, immerse in a low transparency, intermediation, asymmetries in information and preferences each counterpart has about each other as well.

Even though fairness possesses a great amount of connotations, according to Granstrand, O. 1944, Holgersson, M. 1983, & Opedal, A. (2020), agents in the technological and intellectual property (IP) trade rely on the notion of equal treatment and sharing with reasonable rules which in the case of the last mentioned, is not sufficient since when the "pie" or benefits are split between the parties, disputes and procedural uncertainties may arise. However, it is still relevant as well as necessary since it leads to a decrease in transaction costs.

On a subsequent note, according to Correa da Cunha, Ruzgar, & Singh (2022), strong formal institutions (which encompass all regulations, mechanisms of enforcement, laws, among others)

give the path to firms for taking advantage of better conditions to reduce transactional costs and make their financial, meaning that openness to trade allows foreign firms to establish themselves in markets abroad more easily, without friction, enabling them to come up with better investments and alliances.

Following this idea, according to Claude (2021), for companies to survive in the complexity of the contemporary business world, it is necessary form global alliances, building strong but quick partnerships, and know how to navigate and go through organizational, national and working cultures. In addition, it is important to highlight that according to Claude (2021), coming into agreements, dealing, and engaging in negotiations with global partners is a very disruptive process where negotiators need skills regarding different aspects, such as savviness to get a beneficial deal, diminish the impact of the experience and knowledge, access to got technology and big data, and making strategies with them are crucial requirements to succeed in the process.

As exposed by Claude (2021), there are other factors where the negotiators have little to no control of and should be mentioned: the negotiation settings. These encompass all the aspects that surround the process, such as interdependency of the parties, the levels of conflict, what is the bargaining power each counterpart possesses, the negotiators' style that comes with culture and beliefs, and the expect outcome each one of the involved desires. Particularly, the interdependency as exposed by the author can be exemplified in how developing regions who lack developments, outsource, and seek technology from abroad, make use of foreign capital and create a mutual path or bridge where both parties can access each other's economies.

International negotiations on technology in East Asia and Latin America. One

of the most important exposers of international trade negotiations between East-Asia and Latin America is the FEALAC. The share of this forum far surpasses the European Union (EU) and the United States when it comes to world Output as exposed by the FEALAC, (2013); its share in world merchandise trade was 32% for the year of 2011. However, the contribution of East Asia is far greater than Latin America, being 26% and 6% respectively.

According to Rosales, Inoue & Mulder (2015), exports coming from Latin America are mainly concentrated and consist of a short list of commodities not sold by many in East Asia, mostly large firms. Even though as mentioned before, East Asia has increased their share of exports going to this region and has become their second largest partner, the Latin American small and medium companies find it particularly hard to export directly there due to a number of factors: they find a considerably relevant cultural gap, their current lack of competitiveness in international markets, and they geographical distance.

As a latecomer, East Asia started to import mature technology but succeeded in assimilating these incorporations into their markets and organizational cultures as well as developments, increased their local R&D efforts and acquired their current capabilities, meanwhile in Latin America the technological transfer was less demanded by MNCs as exposed by Lopez & Munoz, (2021).

East Asian economies have established themselves in global negotiations as producers and exporters of technology intensive goods according to Saggi, Maskus & Hoekman (2004), and lower income countries as the receivers of those products, the last mentioned have the biggest FDI flow share. It is also mentioned in their reviewed text that the total factor productivity (TFP) of the developing countries in the receiving end is higher when they trade and deal in negotiations with more developed ones in regard of technological transfer.

In addition to the above, it can be linked to Cherif, R., Hasanov, F., & Gary Xie. (2021) finding on how East Asian states focus on enhancing and supporting the profit-driven behavior the firms usually have, especially in the technology sector (the semiconductor industry as an example) as can be seen in the 4As model (Figure 2), where it is shown the cooperation state-firm within the East Asian block and how initiatives, as well as policies have helped the previous to grow in GDP in the last decades and keep their competitiveness in international markets specialized on technological developments.

Figure 2.
State-firm cooperation through the 4As

Features	Institutional Considerations	Interaction Between the State and the Firm
Ambition	Medium- and long-term goals and policies to leapfrog into sophisticated technologies	<ul style="list-style-type: none"> · How do firms respond to government set goals and policies? · To what extent were the government goals and policies important in driving firm decisions?
Autonomy	Operational independence	<ul style="list-style-type: none"> · Did the state exercise too much control in day-to-day operations? · How did firms deal with political interference?
Accountability	Independence from interest capture and incentive to achieve goals	<ul style="list-style-type: none"> · To what extent did firms participate in corrupt activities? · How were firms held accountable for government support received?
Adaptability	Adaptation to changing circumstances	<ul style="list-style-type: none"> · How did firms respond to changing domestic and international circumstances? · How did firms respond to the state's changing objectives?

Source: Cherif, R., Hasanov, F., & Gary Xie. (2021). The Making of East Asia's Electronics Champions. *Revista de Economía Mundial*, 59, 93–138.

One of the major key differences that can affect the negotiation process is how the East Asian firms are protected against volatile prices, high exchange rates and shocks in the technological sector according to Cherif & Xie. (2021), the eastern firms are in the look for fierce competition

that also holds a strict accountability; as mentioned by Kacef (2016), there is a growing relationship, negotiations and trade between Asia and Latin America mainly due to the fact that the first mentioned offers fair and competitive prices in tech based products/services that favor the agri-food and primary resources countries which can be linked to the strategies taken by the Asian states.

According to Lopez & Munoz (2021), China as well as many East-Asian economies represent strategic partners for Latin America and are one of the main sources of ITT, offering speed and open global trade. The first mentioned country has demonstrated its ability to introduce technology and knowledge to its exports in Latin America, which create structural transformation in high productivity industries, a factor that these developing countries are pending. Even though trade between these regions has increased, the relation is still very unequal for Latin American countries; China and its exports add more value oriented while the western block focuses on commodity-based basket exports, both characteristics that cannot be transformed in short-term.

Different Impacts On International Negotiations On Technology Between Latin American And East Asian Companies

Latin America has been favored by a more consistent macroeconomic environment, as well as the rise of raw material price and export volume; it is important to remark that this performance has occurred in parallel with the different agreements and relationships with developing Asian economies according to Kacef (2016). In this western block, due to the inflow coming from Asia, the most dynamic sector linked to technology and incorporation is losing its weight in national GDPs, leading to a competitive advantage loss as said by Kacef (2016).

Although the international negotiations and further agreements between these regions has shown a great potential for growth and productivity according to Saggi, Maskus & Hoekman, (2004), the presence of Asian products in the former mentioned western region has jeopardized and threaten the competitiveness of Latin American goods and services in some industries as explained by Kacef (2016). In addition, at an early stage of development countries become dependent on imports of foreign technology and a prosperous catch up for them relies on vast technology acquisition from leaders as mentioned by Kim & Lee (2015).

The previously mentioned is supported by Rosales, Inoue & Mulder (2015), according to the authors, even though the trade between these two regions, has increased exponentially in the last two decades and East Asia has gained a higher market share and reduce the one from the United States of America, this increase in the bilateral trade has further the breach in the trade imbalance. A particular case mentioned is Mexico, which composes nearly 85% over the total deficit of Latin America and the Caribbean with China just for 2013; this can be explained by the need (demand) of this country for the finished technological goods to carry out their activities. And that around 94% of all exports coming from Latin America to East Asia are commodities or natural-sourced or based manufactures which have less added value and thus, a cheaper price.

As mentioned by Kim, & Lee (2015), East Asia on the other hand, has been opting for an ITT inclusion and adaptation according to review literature. In Korea, the Research and Development (R&D) share in private firms has shown increased and steady growth throughout the decades, from 0,5% in 1982, to 2% in the early 1990s. Not only that but also, the priorities imposed and taken into account for policy making by the blocks took two different directions: while East Asia focused their policies more in technology and its overall development, Latin America emphasized in science. As for the last mentioned, the government played the most important role

for the R&D funding that has been done in the region with two thirds of it, and the private sector participation has remained rather weak, leading to the current breach in the number of corporate patents between the two blocks.

Another important impact on the outcome or openness of these trade negotiations are barriers to technology adoption, which also lead to international differences when talking about per capita income according to Saggi, Maskus & Hoekman (2004); as social coalitions, state policies and the way each country associates with the worldwide economy are related to the trade strategies each block uses, according to Gereffi & Wyman (1987).

Multiple authors have stated the importance and impact of openness to trade of different countries, how does it affect the GDP and its firms; according to Darku & Yeboah (2018), trade openness has benefit less developed countries and is positively related to per capita GDP increasement in both short and long run; it leads to a market size growth and competition within the borders of a country which allows a better allocation of the scarce resources of the prior mentioned.

It is also important to highlight as mentioned by Correa da Cunha, Ruzgar & Singh (2022), that companies located in regions where trade openness is bigger are affected by cultural distance than the ones who don't; and that formal institutions (which encompass all regulations, mechanisms of enforcement, laws, among others) and informal ones (norms, ethics and values) may add to the increase of agency costs since it leads to further friction.

Geopolitics and its impact on negotiation between Latin American companies and East Asian ones. Geopolitical conditions are one of the effects that are understudied but lead to a huge difference in approaches and power positions between companies within the two regions in study. According to Gereffi, G. and Wyman, D. (1987), Latin America's import-

substituting industrialization (ISI) has lasted a considerable amount of time more than in the East Asian region and is linked to populism, while NICs in the second mentioned have a more export-bias approach thanks to the political turbulence experienced during the 1950s.

After the 80s and up until now the Asian strategies as Ferrari, C. (2022) mentioned, are more focused on international markets, exchanging with other regions and getting involved in negotiations, there are a few main reasons why this block was forced to look abroad: in the beginning of their development process they were extremely poor economies and their national industries were scarce and small; and they do not possess the natural resources (agricultural, hydrocarbon) like Latin Americans which could afford to close their markets and apply import substitution. Notwithstanding, as Kim & Lee, K. (2015) exposed, the GDP per capita of Latin America is far behind compared to East Asia, showing the results of these policies taken decades back.

After the prior period, according to Lopez, D. and Munoz, F. (2021), trade between both regions has increased in a fast pace, especially since the early 2000s; if the example of China and its importance on the trade balance with South American economies is taken, it is clear to see that from the last mentioned mostly primary goods, and manufactures based on natural resources are offered while China has showcased an accelerated as well as continuous capacity to add technology-based products and/or services into their exports (a thing South American products lack).

Taking the previous mentioned into account, Free Trade Agreements (FTAs) are a relevant variable that highly impact the exchange between these two blocks, but further research is needed in order to assess how this affects the negotiation process, the interests and positions taken by the parties involved.

Moreover, the adoption of policies and the timeframe of putting them into action, which is usually simultaneous in Latin America, and gradual in East Asia, has a significant effect on their performances according to Kim, & Lee (2015). However, not only the adoption timeframe influences the overall outcome, but also the geographical conditions play a card in the overall outcome; since the western block possesses great resources, primary goods and diversity, they remained in time-based sectors and traditional long cycles instead of seizing new opportunities to ameliorate their production and services into higher value-added ones like their counterparts.

Considering recent years, according to Ferrari (2022), Latin America is currently facing an era where poverty, social and environmental contamination, and social inconformity is increasing rapidly leading to a notorious breach between them and developed as well as Asian countries. As expressed in the text, a new economy needs to be built considering the region's productive and export structure, new consumption and investment dynamics which are marked by new technologies and global geopolitics.

Taking economies like China on the other hand according to Gouvea, R., Kapelianis, D., & Terra, B. (2021), their policies and current strategies are looking to shift the paradigm to a new one where a possibility to a higher cooperation and integration with Latin America takes place. China's pursue is to achieve an alternative growth globally which in the process it shares its global insights, geopolitical objectives and vision. The prior mentioned is only viable due to the fact that China possesses a strengthening economy, a defense budget expansion as well as vigor to increase their research and technology efforts. While in Latin America, their firms do not have neither the technical knowledge nor the low-cost advantage unlike Chinese companies.

According to Gouvea, R., Kapelianis, D., & Terra, B. (2021), China is looking to expand their bilateral trade, aid, loans as well as foreign direct investment, defense ties and national security

in Latin America, this with the aim to promote their geopolitical goals and their soft power and develop closer ties with political leaders. It is doing so by trading arms for the natural resources found in the region.

When it comes to partnerships and alliances, According to International Trading experts (2022), between these two regions it is clear to see a notorious improvement in the depth of their relationship, considering the example of Colombia and China where right now the last mentioned has become the coffee exporter's second largest trading partner and their relationship is yet to keep growing by both sides' wish, leading to new trade opportunities constant growth and new opportunities to keep taking the most advantage of their policies as well as geographical conditions.

Cultural aspects in East Asia and Latin America. The reviewed literature states the hardships but also importance of cultural aspects when international business or negotiations are taking place. According to Ortigueira-Sánchez, & Olenka C. Stein (2022), cultural factors are highly relevant, especially the intercultural competence which acts a crucial role in the outcome of the negotiations. In their study, the conducted interviews showcased the relevancy of the negotiator in charge to understand and put into practice the different protocols each cultural block has in order to create a better rapport, and the skill to negotiate in a multicultural setting.

The negotiation style as well as verbal and non-verbal communication varies widely depending on each block. According to Ortigueira-Sánchez, & Olenka C. Stein (2022), it was found during their methodology that Latin Americans tend to be more informal and use their hands in a great extend when communicating (non-verbal), meanwhile Asian cultures rely mostly in verbal communication when dealing; if we consider other types of cultural differences,

Peruvians tend to be short-term oriented meaning that they prefer to close a deal rather than bonding and building a relationship with their counterparts.

Figure 3.

Factors that affect the negotiation process

Cultural factors	Cultural differences	Assessed through cultural dimensions proposed by authors such as Hofstede (1980) and Brett et al. (2017).	Balbinot et al. (2012); Brett (2000); Brett et al. (2017); Dinkevych et al. (2016); Gelfand et al. (2011); Ghauri (2003); Hofstede (1980); Kirkman et al. (2006); Mintu-Wimsatt (2002); Volkema (2004)	P10
	Communication	Influenced by low-context and high-context cultures	Brett & Gelfand (2005); Brett et al. (2017); Brett (2000); Chmielecki & Sukowski (2017); Ghauri (2003); Hall (1976); Mintu-Wimsatt (2002); Nisbett et al. (2001); Salacuse (1999); Zhang & Shi (2017)	P11
	Language	Linguistic ability impacts negotiations and is strongly linked to culture	Lario de Oñate & Amador (2013); Rahman et al. (2017); Reynolds et al. (2003); Zhang & Shi (2017)	P12
	Intercultural competence	Leads to higher degree of adaptive sales and customer-oriented behavior, which impact trade show performance	Bachkirov et al. (2016); Lario de Oñate & Amador (2013); Pandey & Charoensukmongkol (2018); Thi Hong Lam & Liaw (2017)	P13
	Time	Impacted by monochronic and polychronic cultures	Ghauri (2003); Hurn (2007); Salacuse (1999); Zhang & Shi (2017)	P14
	Negotiation style	Influenced by negotiators' culture and varies according to the country of origin	Dinkevych et al. (2016); Ma & Jaeger (2010); Orheian (2014); Osman-Gani & Tan (2002); Salacuse (1999); Shi & Wright (2000)	P15
	Emphasis on personal relationships	Cultures place emphasis on developing relationships or on negotiation aspects	Ghauri (2003); Salacuse (1999)	P16

Source: Ortigueira-Sánchez, & Olenka C. Stein. (2022) Factors that affect the negotiation process of SMES in trade shows. *Journal of Technology Management & Innovation*, 17(1).

According to Khalil (2012), decisions of business expansion to potential or emerging markets should be taken considering cultural differences that companies are able to manage and mitigate. When negotiating either abroad or people outside one's own culture the environment changes drastically, Latin Americans are casual about time which results in detours and interruptions for example according to Hall, (1960). Uncertainty avoidance, power distance, femininity and long-term orientation are aspects that play a role in dealing with companies from different backgrounds. However, language and trust, among others are important as well. In Japan, often written contracts are not necessary since other mechanisms are put into use Bird, Osland, Mendenhall & Schneider, 1999).

Hofstede in his cultural dimensions (Figure 4) gives a broad approach to this matter, according to Khalil (2012). However, when using these aspects to classify each cluster, individuals and companies usually fall into stereotypes that could be far from the truth, moreover, not every broad aspect specified in the former mentioned literature applies to every person even within the same country as exposed by Bird, Osland, Mendenhall & Schneider (1999). It is also important to remark the existence of other cultural aspects outside Hofstede which are less spoken and under researched. According to Hall (1960), language of space, time, things or possessions, friendship and agreements are cultural factors that determine the success or business outcome of intercultural interactions.

Figure 4.

Grouping of countries among Hofstede's dimensions (Khalil, 2012)¹

Hofstede's Dimensions	High	Low	Medium or near medium
PDI	Russia, China, India, Brazil	U.S.A.	South Africa (49)
IND	U.S.A, South Africa	China, Brazil, Russia	India (48)
MAS	South Africa, U.S.A India, China	Russia	Brazil (49)
UAI	Russia, Brazil	U.S.A, China, India	South Africa (49)
LTO	China, Brazil, India	Russia, U.S.A.	

¹ PDI: Power Distance. It shows the strength of hierarchical respect intrinsic to the company and the level of formality between the experience gaps.

IND: Individualism vs. collectivism. People with higher individualism look out for their own and their immediate family and business rather than a wider spectrum of the society.

MAS: Masculinity vs. Femininity. Individuals aim for material rewards, fierce competition, and tangible achievements as a way to show success. Feminine cultures are more quality-of-life centered, and cooperative.

UAI: Uncertainty avoidance. The risk aversity of the individuals composing the culture determined by if they are open to taking risks or rather prefer a safer deal.

LTO: Long-Term orientation. The relationship does not end when the deal is closed, but rather it starts when the agreement is over. How the individuals look for long-lasting deals and relationships in business.

Source: Khalil, S. (2012). International Business Environment Analysis. *Business Review*, 7(1), 28–42.
https://doi.org/https://iba.edu.pk/business_review.php

In addition to the above, according to Claude (2021), negotiators involved in the agreement process must avoid falling stereotypes and insensitivities, they should instead be tolerant and respectful and familiar in regard of the other party's beliefs and ideologies. The author exposes some examples related to the East Asian block, particularly Japan and China. As for the first mentioned, it is important to primarily create a trusting relationship to enable the counterpart a good entry to the market; as for China, there is a widespread feeling that the definition of a contract has a different meaning for the Chinese and a pessimist belief that leads Asian negotiators to choose an advantageous time for them to encounter the other parties where they should accommodate as well to the advantage of the other.

Following the prior idea, Claude (2021), also exposes that more than stereotypes, it is usually common to her people talk in a general manner about different cultures, such as “Asian culture”, “Western/Latin culture”, among many other generalities that we may fall into, since even in the same country we may find different variations of culture. Therefore, it isn't sufficient to generalize about culture in negotiation processes because it can be counterproductive and the values, and norms could not be widely spread through these blocks but rather centralized. It is then crucial to analyze the history and beliefs of the culture where the negotiator's counterpart belongs to create a better rapport between the parties. Nonetheless this can be a very time-consuming tasks that require even years or months of study, so an alternative can be hiring consultants knowledgeable of the culture wished to understand.

On a same level, according to Ferrari (2022), in the study of Paradigms and Economic politics, the results of each country (especially China, South Korea, Japan, Colombia, Chile and Peru) demonstrate that they each of the regions were these nations are located have been through different paradigms caused by social pressure.

Following Ferrari (2022) idea, Latin America is marked by an individualism paradigm, where every single person has to solve their personal problems on their own and satisfy their needs in an individual manner; this has marked the policy making and execution, leading to an uneven resource distribution, low awareness of the environment and future generations, rights. East Asian on the other hand, has is based on a Confucian paradigm, focused on human values such as family, harmony and considering humans as a collective rather than individual entities.

Key Findings

The dominance of other economies outside in the East-Asian and Latin American blocks throughout history most certainly have introduced different as well as new cultural aspects that have not been thoroughly studied in the review literature by academic authors that may have severely impacted the agreements and negotiation approaches of these regions, which therefore, could affect the outcome for both: national economies that rely on ITT to stimulate productivity and knowledge growth, and different companies which are in need of international cooperation to facilitate their operations and adaptation in global markets.

As it has been studied along the report, different historical and cultural backgrounds have opened both regions to international trade facilitation. However, it is vaguely or implicitly researched how aspects as short-term orientation and specialization of Latin America has made the block find quick ways of Foreign Direct Investment (FDI) with manufacturing products, and

the East Asian block take advantage of global opportunities and long-term approaches which lead to technology and industrialization.

The reviewed literature mentions the timeline, macroeconomic factors and technology adaptation course the Asian giants and their MNCs took in order to succeed by moving into time-based, short-cycle sectors, while Latin American ones stuck with less-value-added, raw material and manufactured-based industries which positioned them in technological receivers.

Notwithstanding, the academic references do not dig deep into how cultural aspects may have paid a role into this development strategies and business decisions.

When cultural aspects or dimensions are described, they are used more as a guideline in order to interact with individuals with other cultures and are widely described into big clusters where people or specific sectors could have different business cultures, so being the case of technology transfer and trade negotiations within companies. Therefore, further research is needed to investigate how cultural morals, principles, beliefs, among other dimensions mentioned above (including Hofstede and Hall), may impact the outcome of ITT and approaches taken by countries and its companies.

Furthermore, when it comes to analyzing the overall influence of geopolitical conditions such as agreements, climate, diversity, among others; the literature reviewed focuses mostly on the economic implications and growth but falls short into explaining how this directly impacts the negotiation process between companies within the Latin American block and the East Asian one.

As it can be seen in the literature review, the paradigms are shifting, and this is the ulterior interest of East Asian countries in order to establish themselves and gain power in the global economy; policies are now encouraging firms to bet more in their research and development to

add a higher value to their exports which has helped the region to grow fast and constantly in comparison to the Latin American block.

However, the last mentioned has remained in the traditional way and adapted their economy to receive all this technological development leading to a disadvantage and a hard to maintain trade balance. Nonetheless, even though the texts studied explain the trade dynamics and aim to categorize the power and position in which each blocks and their firms stand, there is a lack of understanding and explanation of how both of them deal with these inferences and try to establish the best deals, relationships and how they play their cards to adapt these exchange into profitable acquisitions.

Most of the texts examined focus on explaining the historical precedence of the trade dynamics within the previous mentioned, so being countries located in the Americas receiving the technology developed in eastern countries due to trade liberalization, and the fact that companies no longer need to have in-house design capabilities and can purely survive importing the technological components and services they need from abroad, leading to the need of a negotiation between both parties. Notwithstanding, the actual dynamics that take place during the agreement process lack further research and remains mainly unclear.

Therefore, the following study will take place to respond to this research gap: how *Cultural aspects and geopolitical conditions impact international negotiations on technology between East Asian and Latin American companies.*

3. Methodology

To carry out the investigation on how cultural aspects and geopolitics impact international negotiations on technology between East Asian and Latin American companies, a qualitative study will be held. The use of this technique allows a better understanding of the scopes and practices of Latin American developing countries, visions, and perspective for both parties, as well as the point of view, tactics, techniques, and perspective of East Asian firms where it can be further assessed how they view their counterparts and what is their key part in the negotiation.

In-depth interviews will be conducted in 13 companies (including East Asian and Latin American firms) that require technological transfer, make use of trade agreements, concepts or use negotiation in their daily operations. The main objectives of this research is to first, understand the negotiation process and the different variables that influence its outcome, the impact of the agreement on the enterprises' business and market performance, and finally how does technological trade between the different countries exerts influence on their overall economy and their trade balance.

This research method will allow a better understanding of the central topic, provide rich information, and explore deeper the under researched theme, letting interviewees keep the flexibility and freedom to express their ideas and cultural overviews (Lochrie, Curran & O'Gorman, 2015). Making use of in-depth interviews allows to explore the patterns, behaviors, beliefs and thoughts of the negotiators and their cultures, granting the occasion to first analyze the underlying interests, positions and process; and understanding the cultures themselves to explore and evaluate better the cultural blockers or similarities that possess an impact on the agreements.

The study has two main big focuses regarding companies and their geographical location: As for East Asian companies, understanding the intercultural awareness, and their relationship building, and how East Asian firms take advantage of their strong technological developments and know how to establish themselves as top exporters on this field, as well as how their geopolitical conditions have contributed to that economic power and position.

In addition, it has the intend of analyzing Latin American companies that get involved in international negotiations in their daily operations, the benefits and relevancy in various aspects priorly reviewed in the literature. First, exemplifying the way lower income countries end up as the dependents of technological and value-added products coming from East Asia, the easiness and facilitation that trade agreements signed by nations in both blocks brings in these negotiations; and second but most importantly: studying the cultural aspects intrinsic from the above mentioned and the way it affects the outcomes of these agreements between enterprises.

Criteria Considered For The Interviewed Firms

The companies selected comply with at least 3 out of the following criteria:

East Asian headquarters. Companies that were subject of the interview have their main operations in an East Asian country and are specialized in technological equipment, knowledge, or machinery. Their main activity consists in exporting these good and/or services abroad, being one of the receiving ends a Latin American partner.

Latin American operations and headquarters. Organizations studied are based in Latin America and the study is focused mostly in their point of view and how these interactions have impacted (negatively and positively) their performance and growth, as well as the effects in the national economy and conditions. It will be assessed the influence of the geopolitical conditions as well on the ease of doing business and the implementation of the technology received.

Industrialized operations or production. This criteria refers to enterprises that generate or manufacture goods or services with productions and operations that contain technological equipment in some and/or various aspects of the process, especially in the sectors of manufacturing, mining, heavy machinery, pharmaceuticals, public and/or governmental institutions, technological knowledge, or IT.

International sourcing or/and procurement. It is a crucial requirement for this study that the companies analyzed are involved in any act of purchasing and obtention of products or services coming from East Asian businesses, and that these acquisitions possess technological components in the case of Latin American companies. For the East Asian firms, their main activities and exports to the prior-mentioned region should be focused on research and development-oriented products and services that require technological know-how that Latin American firms lack of.

The studied companies need to have integrated along their value chain, especially for the Latin American block, suppliers, or logistics one foreign partner coming from East-Asia where they are obligated to negotiate different terms in the technological transfer and take advantage of agreements. When it comes to the Eastern firms, their support activity of technological development and outbound logistics should be advanced and evolved.

Variables Studied During the Interviews

Different variables are studied throughout this qualitative research method, the size of the company (big, medium, small), sector or industry their operations are based in, if they have used any existent trade agreement to rely their ITT reception in and which one, the countries of origin of their mayor supply partners, biggest cultural challenges, which cultural aspects are shared in common so negotiations run smoothly, use of any tactics to avoid future or rising issues, the

easiness to do business, problems that arise after the technology transfer (adaptation, implementation, legal, operational) among others to identify how these cultural backgrounds between East Asian and Latin American countries affect in any way the outcome as well as the chosen approaches of negotiation of both parties.

For this research, companies with their main operations localized in Mexico and Colombia, China and Taiwan were interviewed and asked a series of 12 questions in the scope of their negotiation process, FTAs they usually use (if they use them at all), difficulties experienced, easiness on doing business with their respective partners, and the overall benefits of the agreements with other countries specialized in technology and machinery. The aim of this is to understand the dynamics implemented by both and assess what can be improved to maximize the outcome of the negotiation.

Table 1.

List of aspects per factor

Factor type	Variable	Definition
Geopolitical and international relations	Policies	The different strategies, policies and behaviors taken by the local governments considering geographical factors.
Geopolitical and international relations	Free Trade Agreements	Is a pact signed by countries to help diminish cross-border barriers, tariffs, quotas and open the national markets to globalization. They are especially helpful when dealing with

Geopolitical and international relations	International relationship between economies	intellectual property, technology, and e-commerce. It encompasses the social and cooperating association, as well as the political tension that can affect the negotiation process and trade.
Geopolitical and international relations	Openness to global trade	How willing are the countries and their companies to accept foreign investments, and the size of imports and export of goods and services compared to their economies.
Geopolitical and international relations	Sourcing and procurement strategies	The creation of relationship with suppliers and buyers, and the efforts and objectives to improve or maintain their supply chain performance.
Cultural	Monochronic vs polychronic	Whether the negotiations goes each aspect at a time or multiple issues can be discussed at the same time

Cultural	Long-term/Short-term orientation	The willingness of the firm to establish create a solid and lasting agreement with its counterpart, or just closing the deal without thinking in the future.
Cultural	Communication: First-contact, approach, and perceptions	As mentioned by Ortigueira-Sánchez, & Olenka C. Stein (2022), communication is highly attached to the context in which cultures engage in. It is marked by the high and/or low context orientation of the countries involved and can affect how direct or indirect the negotiators might be when interacting with each other, and the use of non-verbal signs. It encompasses the overall first impressions, thoughts, and perceptions. This is a crucial aspect since it helps determine the orientation where the negotiation might be headed, and the understanding between negotiators.
Cultural	Individualism / Collectivism	Whether each negotiator considering the interests of the other party and looks for a

common satisfaction, or mainly tries to assess their needs.

Cultural	Uncertainty avoidance	<p>How each blocks approaches unpredictability and how much of it are they able to handle. In this type of technological goods negotiations, it mostly refers to the formality of the paperwork they require, and the tolerance the parties have for ambiguities, or the orientation to create a rather formal structure of the negotiation.</p>
General	Shipping time and time zone difference	<p>the estimated time between the shipment of the product to the arrival at the buyer's warehouse or agreed destination. Time zone difference plays a big role in the negotiation process and easiness of trading.</p>
General	Pricing	<p>The rapport quality/price of the traded goods and how important it is as a decisive factor for the studied companies, especially Latin Americans.</p>
General	Technological goods and general negotiation process	<p>it could be technology related to heavy machinery, pharmaceutical, construction,</p>

intellectual property, among other industries.

And how the parties in question go through its negotiation.

Source: Own elaboration

Importance Of Secondary Data Collection In The Study

In addition, the use of secondary data such as academic journals, books and reports made from official trade organizations and global forums will be used in order to evaluate and back up or contrast the observations found during the held interviews. The geopolitical aspect that impacts negotiations will be mostly taken from current reports (between 2018 and 2022), since paradigms, policies and initiatives from countries and their firms are always adapting to actual regulations. In addition, it is important to consider in this research how globalization and open trade affects the position each block takes and how this affects the negotiation process, especially with Free Trade Agreements (FTAs).

The global geopolitical aspects that influence the process must be supported on relevant information that provides a wider scope and the big picture of what the firms from each region are facing and have to comply with as well when a deal is in the making. Therefore, a study of the different agreements in international trade, the openness, strategies and paradigms of each block is crucial in order to understand how they first: understand their underlying interests (if they do in the first place), use all of the tools and try to find the best approach based on the limitation or advantage each country's policies represents; create an strategy based on the prior-mentioned, and finally build a position for the negotiations.

The cultural aspect studied will be taken from the definitions given by Hofstede and Hall in their texts, as well as further investigations on these subjects more thoroughly studied by

subsequent authors that further developed these ideas in current times. The literature will be used to either support the findings of the in-depth interviews or contrast the prior mentioned, making this research more comprehensive.

Further academic references underlying the subject helps develop a broader grasp of how companies based in both regions interact with each other daily and portray the hardships of Latin American economies when adapting or opening their operations and working culture to new technologies to foster development, one of the biggest challenges faced in current times for the last-mentioned.

4. Analysis and results

In the conducted interviews, it was able to spot clear variables or as called in this research, aspects (Table 1) that help shape, influence, and impact the negotiation process and therefore the outcome between East Asian companies and Latin American ones when trading technological goods and services.

From the overall description of the negotiation process of both sides, it was possible to accurately highlight what the position of each party was on the value chain of their respective counterparts (Figure 5). Taking the technological transfer point of view, since it was spotted in the literature that there is a trade imbalance (where Latin American firms exchange their agricultural goods to East Asia since the region lacks the fertile, and accurate weather conditions to produce them), The East Asian firms act as supplier of the technological products and services

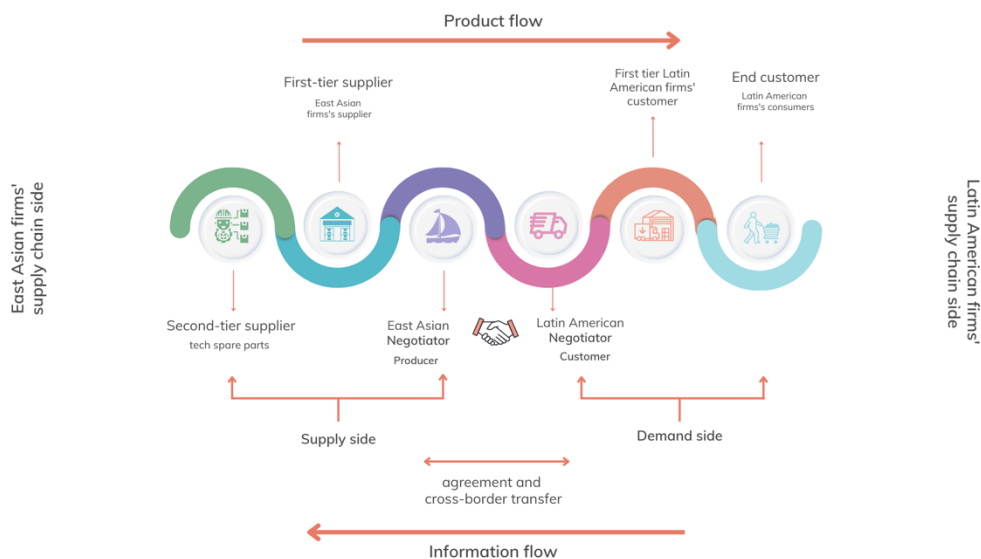
Latin American companies need in order to fulfill their operations. Depending on the nature of each firm's operations, the products or services developed from the Latin American companies may have a first tier and end consumer, or simply just one end customer.

Usually companies specialized in raw-material processing, pharmaceutical companies, repairment of heavy machinery, and public services, are the ones that may have more than one end consumer and act as the bridge between these good and services coming from the East Asia to the West region like Latin America. In this study, the interaction between the main technological producer and the potential Latin American buyer will be the main focus along with the product and services management and flow, and the cross-border transfer, centering the

Figure 5.

Technological goods/services transfer supply chain from East Asia to Latin attention on how firms involved manage to negotiate the terms involved in the trade and transfer they are interested in.

Source: own elaboration



General Aspects

Prior to any negotiation in technology, or any other type of negotiation, it is important to state all the main actors and their underlying interests before comprehending what are the influences that can affect its outcome and/or the process itself. It becomes crucial to: a) first, understand which are the biggest traders involved in ITT in both regions and why do they need it according to their main economic activities or the ones that they are trying to spur by acquiring these technologies into their operations, b) what are their underlying interests, meaning their incentives and motivations to incur in a possible agreement with specifically companies coming from their counterparts' region of origin, and c) finally understand what can come into the table that may shift the course of the negotiation, steer it in other directions, and what are the main concerns for both parties.

Main actors. Firstly, it is key to understand the major actors and their origins when it comes to this kind of trade, in order to get a better analysis of the geopolitical conditions and cultural aspects and their intrinsic values, norms, among others accurately to not fall into generalization, which as mentioned in the prior literature review by Claude (2021) it leads to barrier generation.

The main exporters to Latin America are Japan, Korea, China and Taiwan. However, it is left undefined and therefore a gap in the research regarding which are the end receivers of these technologies coming from East Asian companies. Most of the reviewed literature focuses on the BRICS (Brazil, Russia, India, China, South Africa), where the only Latin American country is Brazil, or rather as Latin America as a whole, in the interviews performed it is shown more in depth, which are the countries of origin of the firms they mostly negotiate with (Table 2).

Table 2.

Technological goods/services transfer supply chain from East Asia to Latin America

**East Asian companies’
country of origin**

**Latin American counterparts’ main
traded goods**

China,

Taiwan,

Korea, Japan

Chile (South America)

Main goods traded: Digital measuring tools, electricity and air quality equipment.

Mexico (North America)

Main goods traded: Torque wrench, vehicle spare parts and machinery, measuring tools, software, financial and supply chain control.

Brazil (South America)

Main goods traded: Torque wrench, vehicle spare parts and machinery, measuring tools.

Argentina (South America)

Main goods traded: Digital measuring tools, electricity, and air quality equipment.

Colombia (South America)

Torque wrench, spare parts for heavy machinery, raw material processors and machines, measuring tools for electricity, solar energy machines, motors, orthopedics

Underlying interests and selection of possible partners. Depending on the underlying interests of the companies, the selection or choice of a potential business relationship can vary within the objectives and strategies of each firm, and their countries/region of origin economical background. Even though, every firm and country has its singularity; it can be seen in the conducted interviews that each cluster presents similar characteristics or criteria when looking for a business partner coming from Latin America and/or East Asia as follows:

Latin American companies' main criteria. This block presents a more qualitative and cognitive criteria (Figure 6 and Table 3) compared to East Asian companies, the main reasons for this pattern are:

- a) first and most importantly, Latin American companies lack the technological development needed in order to either process the raw materials or resources for the production of their goods and services, and to simply do their daily activities. b) the development of the prior mentioned machinery is a thorough process that the region has never or poorly focused on in the past and current times. As mentioned in the literature review and exposed by Kim, & Lee (2015), Latin America has mostly focused on the development of scientific knowledge rather than technological one (East Asia's focus), which leads to an outsource, a less costly alternative.
- c) and lastly, the region has focused their economy mostly in the first and second economic sectors (agri-food, raw materials), which they mainly trade for the more industrialized ones with East Asian firms, that eventually leads in an imbalance due to the higher added value of the technological goods.

Figure 6.

Latin American companies' main criteria



Source: Own elaboration

Table 3.

Criteria Description (Latin America)

Criteria	Description
Quality	It refers to the overall performance of the product to be potentially traded between the parties, including its life cycle, comparison with substitute goods in the global market and usefulness for the business.
Experience	One of the most important criteria. Latin American companies search partners that have a good reputation, possess the adequate technical know-how and have a clear understanding on how the industry works, which products are the most suitable for specific operations. Creating a more consultative relationship that enhances trust building.

Operations in Latin America	Companies in Latin America, prefer business partners that understand the specific needs they have, a higher proximity level and the trust it brings to know that other firms in this region in the respective industries use these goods and recommend it, makes the East Asian companies a blueprint and a reference to the region.
Culture	Cultural proximity and tolerance are aspects Latin American companies take into account before entering a potential negotiation. They analyze how to approach and how the counterpart approaches them. According to Hofstede's cultural dimensions, Latin Americans like to build relationships and are more collectivistic, meaning that aligning and creating a relationship, giving attention to the partner is more important than the outcome of the negotiation itself, since this can bring more benefits in the long run.
Market Share	The wider the presence and importance of the potential business partner on the global market is one of the studied aspects before entering into contact and beginning a possible negotiation, for Latin American companies it's a sign of trustworthiness, quality, and know-how.
Price	Latin American companies are extremely price sensitive mainly due to their devaluated currency, lack of FTAs with multiple East Asian countries, and lower Purchasing Power Parity (PPP), therefore, companies who are able to offer competitive prices with good or higher quality than the average in the market, are highly requested or technological transfer partnerships.

Security/stability	Security and the stability provided of the East Asian economic partner is a crucial aspect Latin American firms study before engaging in future negotiations. Due to the presence of corruption and lack of government, local and business trust regionally, these companies seek partners that can support their inventory availability and their quality as well.
Company size	The size of the company is an important criterion when choosing the ideal East Asian business partners, since the bigger the firm, the more connections it can have in the sector, especially with different directives of other possible suppliers or competitors in the industry.
Language	Language is a factor that this block has learnt to understand how it can create a proximity with their counterparts. East Asians show a great appreciation when their potential partner cares about the underlying aspects of their culture and customs, and take this effort as an opening and willingness to establish a long-lasting business relationship (which according to Hofstede's insights (2021), research is one of the strongest cultural dimensions of countries in the East Asian's block)
Time difference	The different time zones is an issue when dealing and contacting foreign companies due to the awaiting response time, long leads and awaiting, and the lack as well as difficulty of constant communication.

Source: Own elaboration

Overall, there is a clear observation that these firms and economies seek for tech opportunities, foreign direct investment, and partnerships from abroad, maintaining a high quality with

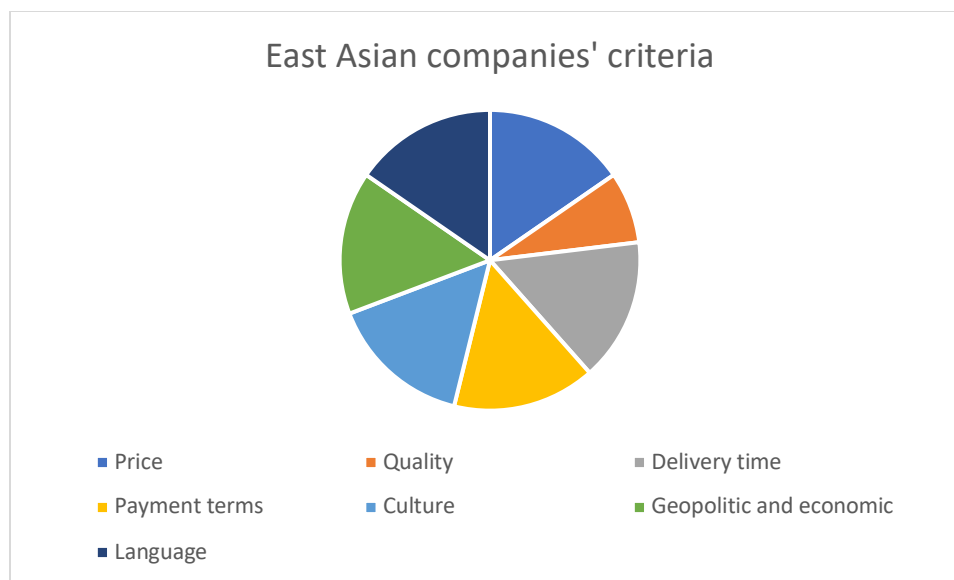
competitive pricing. Their most important criteria are experience, price, quality, market share, security, respectively. Their underlying interest relies mostly on getting the best quality and price rapport (inversely proportional) with a crucial mention to the experience and market share since in their beliefs it highly impacts the performance of the product and its functionality for the business operations (a better suited fit for the firms' purposes).

East Asian companies' main criteria. In the contrary to the Latin American block and their potential business partners, since East Asian companies are the ones that possess most of the know-how, their criteria rely mostly on behavioral and potential benefits (Figure 7 and Table 4) that can result from entering in partnership with companies coming from this block, it is focused as well on the geopolitical position of the country and the prospects and possibilities of establishing themselves. The main goal of East Asia and their underlying firms is to become the global supplier and gain recognition internationally.

This can be backed up by the reviewed literature where it is stated that East Asia as a supplier is looking for alternative growth internationally and in the process of doing so, these economies share their global insights, geopolitical objectives, and vision. To make this possible, it is necessary for the firms coming from this region to enter new markets with a more solid and stable background that can possibly pave the way to introduce themselves in the entire Latin American region.

Figure 7.

East Asian companies' main criteria



Source: Own elaboration

Table 4.

Criteria description (East Asia)

Criteria	Description
Price	When it comes to pricing, East Asian firms generally care about their reservation price (the lowest price they can get for a product/service being traded), and the highest bid potential customers. The bargaining style is, depending on how intense the other party insists, an issue for these suppliers since it forces them to keep being competitive in a fierce industry, and could prevent them from doing business with the other part in question
Payment terms	It is crucial for the East Asian firms that the terms of payment are well specified to avoid any further complications, special during and post

negotiation. Most Latin American countries with which East Asian firms trade with (Table 2) have a Fitch's credit rating between A- and CCC, all of them having either a stable or positive outlook except from Brazil that currently shows a negative one, according to *TRADING ECONOMICS, n.d.* This gives East Asian partners more stability to establish long term relationships with their counterparts. As mentioned in the interviews, Asian partners are strict when it comes to payment as it must be prepaid, despite having been negotiating with them for several years, they do not accept credit on any order.

Quality

The offered quality is a highlighted aspect for East Asian companies for two main reasons: First, quality is a universal reference clients look for when purchasing from a supplier in question, more particularly with technology, where the machinery and traded goods is used mostly as an asset to create the final good and service for their customers. And secondly, the higher the quality offered, the higher the price they can set for their devices, the higher power they possess over their counterpart due to their reputation in the industry and revenues as well.

Culture

For this criteria, East Asian partners not only care about the proximity with the counterparts' culture but also the respect they show to theirs, and the friendliness of the other party since it allows an easier relationship-building and easiness to do business.

Shipping time	A good deal for the East Asian firms relies on the flexibility they have on the agreed transaction, and the shipping time. It is known that shipping time can enhance loyalty between seller and customer, however, when the price for shipment is paid by the supplier the underlying interests may start to differ since the goal for the producers of technology is to offer competitive goods with equal prices, therefore, a significant flexibility from the customer eases this concern for the Asian giants.
Geopolitics and economic	The overall conditions and economic stability of the country of origin of their business party represents a mean to expand themselves in the global industry and enter new markets, particularly when foreign direct investment (FDI) is in question.
Language	The two interviewees have mentioned language as one of the barriers that impedes the communication flow between the parties, even though the two speak English and their business partner as well, it is still complicated to get the global grasp out of the process

Source: Own elaboration

Considering the main prior-mentioned criteria for the East Asian companies, they have mostly economic and positioning interests when dealing with Latin American counterparts, they are looking for flexibility and growth and to gain a higher bargaining power, as well as importance worldwide. In addition, cultural awareness and respect are important for these suppliers since they are long-term inclined and the agreement in the negotiation is just the start of a business partnership and/or relationship.

It is worth mentioning that they perceive some criteria that may affect the negotiation process in a negative way if not handled correctly or there is not the right expertise, such as language which was highlighted by both partners and comes as one of the key blockers of communication (their main partners speak Portuguese or Spanish) due to the fact that agreements are usually done in English, the economic instability the region might be facing, hence why they worry about the terms of payments, and the culture of the potential business partner and how respectful they are towards them.

Shipping time and time zone difference. Shipping time is a criterion by both parties; particularly because: a) distance of more than 15000km between East Asia and South America make the shipping time as well as the different shipping methods more costly and longer awaiting time is needed, especially when the price for shipment is paid by the supplier, the underlying interests may start to differ since the ultimate goal for the producers of technology is to offer competitive goods with equal prices which sometimes translates in shipping methods that incur in longer shipment times. b) it is difficult for the producer and buyer to find underlying common interests regarding the topic. The positions as well differ, creating possible tensions between the parties due to competitive strategies being used.

c) Due to the activities and operations of the Latin American firms, most of the negotiated goods/services are not purchased for retailing, but as a mean to manufacture their own products. In the case of pharmaceuticals, heavy machinery and energy firms, the long awaiting time can lead to an operational pause that may affect their offer to their first and second tier customers (Figure 5). Delivery times can be extended due to distance or natural events; this can cause negative impacts on the supply chain that should be considered beforehand.

The time zone difference also affects the negotiation flow and the overall shipping time of the products needed by LAC firms. Time zone may affect the response times to reach a final agreement on shipping, especially when emails are used as a method of contact or first approach. Difficulties with the time zone are also present since the average time difference is 12 hours, it is necessary for Latin American firms to stay up late enough to negotiate so that in Asian countries the meeting is held early in the morning. This effort is needed in order to make sure that delivery promise agreed on is fulfilled and on track.

Latin American parties also mention about the time difference that they mostly encounter late response rates, which are marked as a crucial aspect for these companies. It is noted by the eastern block as one of their most important interests, hence why they try to trade this off with something else that can be useful for them as well, which can make virtual negotiations more difficult since the schedules between LATAM and East Asia do not match, or they have to wait more than half a business day to get a response from the other party. It can therefore make the delivery and shipment and other aspects of the negotiation to take longer to agree upon.

Pricing. Pricing is one of the most essential aspects in the negotiation of technology. As shown in Tables 3 and 4, both Latin American and East Asian firms have taken them as one of the main criteria in order to negotiate, establish a first contact or entering in a possible partnership with the counterpart in question.

It is seen however, that each block has a different negotiation style and underlying interest. East Asian companies want a higher price or at least meet their reservation price in rapport of the quality offered for the technological good and/or service being provided (which possess high added-value), while Latin American companies rely mostly on the bargaining strategy style, that can lead to difficulties in creating an added value on the negotiation, a competitive approach

from both sides and a win-loss situation, that eventually entails a deterioration on the relationship being built during the pre, during and post-negotiation processes, according to the Business Association of Latin American Studies, (n.d.).

Considering the prior mentioned, this can be also backed up by the responses of the interviewees from both, Latin American and the East Asian firms. As for the first region, they see prices set by their counterparts as very competitive if the global market is taken into consideration, but overall the great availability of inventory is also a huge factor that makes the price more negotiable and leaves a room for Latin American firms to start bargaining, which sometimes gives their counterparts no option but to lower the quality of the products offered in order to meet the demands of the other party. However, this is not what the western firms expect, they expect the highest quality possible in the technological goods and services with the lowest price they can get from the other side.

It is also highly mentioned from the Latin American parties that the East Asian firms have low trust when initiating a business partnership, since they tend to make use of anticipated terms of payment or a first installment as insurance that the deal will be able to go through smoothly, which may put the pricing as a higher value player in the negotiation process between the two parties.

Latin American negotiators tend to be very priced and quality centered (along with the other criteria mentioned above), this is mainly to their status of developing nations, lack of governmental support and devaluated currencies where they are forced to outsource technology from abroad since developing nationally is very costly and they lack as mentioned before the know-how.

Notwithstanding, this approach coming from the Latin American firms can be prejudicial to the process and badly taken by their counterparts. A deeper understanding of the Asian side gives the insight that a strong bargaining style can be taken as impolite and hard to deal with, even though the Latin American block stays within the accepted bargaining style for their counterparts, there needs to be a better preparation and understanding of the other party's preferences as well to get the best outcome possible. The East Asian negotiators have a better tendency to dimension the importance their counterparts and therefore, gain an advantage because they can better assess what the underlying interests and an approximation of their weight of the other negotiators are and play it in their favor by using negotiation strategies into their convenience. Nonetheless, the Latin American block can understand the importance their counterpart puts into the price/quality rapport and how inversely proportional it is for their counterparts.

However, most East Asian companies and Latin American ones opt for an integrative strategy, where a win-win situation is prioritized. Overall, each party tries to work in a way that the all the ends are met, the differences try to be minimized, and all positions and each other's satisfaction can be guaranteed. An important factor to consider for this approach, is culture and the differences/similarities each culture of these regions present.

Technological goods and general negotiation process. As shown in Table 2, the main traded goods between these two regions when it comes to technological goods are mostly related to energy creation, heavy machinery, motors for vehicles, computer and related equipment, raw material handling/processing and medical equipment, mostly as mentioned priorly, fields LATAM companies lack of due to slow development or focus on science rather than in technology.

These previously mentioned goods are mostly used in the manufacturing process for the Latin American firms' main operations, for retailing depending on the industry, and/or for a better automation of tasks in order to achieve economies of scale, lower costs and the desired ultimate outcome mentioned during the interviews conducted by all the participants, higher benefits that come from specialized equipment that have between long- and medium-term lifecycle.

It is crucial to point out that as found in the interviews conducted and in the literature reviewed, in East Asian countries there is a very high progress in the technological issue, while Latin American ones still have significant barriers to implementation both in the qualification of operators to install and maintain new equipment as well as the infrastructure available in the country, in many cases to import innovative products a lot of equipment in eastern firms are taken for granted because it is already normal in its technological development, while they are ground-breaking in the western region.

The usual negotiation process for these technological goods and after sales services traded, the first approach (which will be covered in the following sections), it's either done virtually (via video conferences or emails) or face-to-face, and then the negotiation between both sides typically starts with East Asian companies sharing the interested products, they show their portfolio and the various attributes to their clients. Depending on where or how the first meeting is held, they are willing to invite the Latin American firms to their facilities for them to watch the merchandise themselves, and after this, customized requirements to fit the clients' needs might be discussed alongside with a quotation. Following, the Latin American companies make a projection of the estimated cost of the product after importation, production, and delivery time, followed by the terms of payment, and after a price and conditions are agreed upon, an advance payment is made to start the shipping and export process. Sometimes when needed and when

warranty is offered, after sales services are put on the table specially for spare parts, heavy machinery and processors.

From the standard / average negotiation process that was retrieved from the interviews, it is possible to understand what the prioritization and heaviest underlying interests from the firms are involved in the ITT. As it can be seen on the flow presented on the prior paragraph, pricing is intrinsic in 5 out of 7 steps, thus giving more affirmation on section 4.1.3 where it is noted that Latin American firms are extremely price sensitive and make use of bargaining methods in negotiations, and the lack of trust coming from East Asian firms where payment must be confirmed through the overall discussion of all the steps. An important recognition must be given to the expertise, quality and operations of the East Asian companies, since they are occasionally challenged by different requirements from Latin American firms, in which cases they have to show flexibility and good offers.

Geopolitical Aspects

As prior mentioned, negotiations on technology have a great variety of aspects that influence the process and its outcome, being geopolitics, one of the most crucial ones and powerful enough to shift the entire relationship and/or future of the agreement. It is important to highlight that the vision and way of thinking, geostrategies, norms and perceptions of the countries, regions and communities are material and ideational factors which Latin American and East Asian companies must consider when building alliances between each other. The respondents show overall a good awareness of how political decisions and geographical aspects may impact the overall negotiation process and which are the underlying interest that have a heavier weight in their outcome.

The reviewed literature focuses mostly on the different paths both regions have taken over the last few decades that has led them to the economic state they currently are facing. It is highlighted overall the rapid growth East Asian countries such as Korea, China and Japan have presented compared to Latin American ones and what is the reasoning behind this gap and exponential growth. Notwithstanding, there is a noticeable need to further analyze how all the politics, strategies and initiatives taken by the studied economies, considering the geographical aspects, affect negotiations.

Policies. In modern times, even though they present an increased openness to trade where companies coming from different sides of the globe can access their respective markets, current policies due to multiple factors such as sanitary crises, climate protection policies among others, represent a threat to globalization, such as the Chinese zero COVID policy. Mostly, East Asian governments have created barriers to protect public health which act as counterproductive agents to trade since they impede the free exchange of technological goods, this mostly applies for goods such as spare parts for heavy machinery and pharma companies, since they need in site machines to continue with their operations, rather than Intellectual Property (IP), which are mostly intangible goods that need no specific transportation to traded or exchanged between both parties.

The most affected are the firms located in the Latin American block, since they are not only the end receivers of this technology, but due to their underdevelopment and lack of governmental support and stability during the COVID crisis. There is an unemployment rate 11% lower compared to the prepandemic times, chronic and sever underfunding, lack of good leadership, a lower economic growth compared to the global trend and related to the prior a more evident social disparity, according to Schwalb, Armyra, Méndez-Aranda, & Ugarte-Gil (2022).

Moreover, the Latin America social structure was not prepared and in accordance with the pleas proposed by the government, leading to a poorer population, higher unemployment rate, a lower Purchasing Power Parity and decreased incomes per household, making it impossible for companies and its employees to continue activities post-pandemic.

Taking all of the current effects of COVID-19 in Latin America, and adding to the fact foreign policies such as China's zero covid, it is important to showcase the difficulties that come within these governmental decisions which affect the negotiation process and its outcome which are present in the different aspects taken into account by companies when entering a negotiation on technological equipment, such as shipping time, and price that will be covered more thoroughly in the following aspects. Currently with the inconveniences caused by the pandemic and the strong regulations established by the government in Latin America, the firms located in this region have had to start the import process earlier than planned compared to pre-covid times, so the components are shipped months in advance to avoid delays that may arise that can potentially harm their productivity and main activities.

In addition, other policies aside from health measures also impact the negotiation process between these companies, the adoption of policies and the timeframe of putting them into action, which is usually simultaneous in Latin America, and gradual in East Asia affects the negotiation as well. In the reviewed literature is clear to see that eastern countries have policies in order to encourage their respective companies to focus on new opportunities to develop their production and industrializing in short term cycles, along with other policies and current strategies that look for a higher cooperation and integration with Latin America.

The prior remarks are backed up by the findings regarding the interactions between the two blocks. In the negotiation process of technology, interviewees from Latin America have stated

their preference to involve in business with East Asian firms due to their diversified portfolio of products (a result from the different efforts and incentives made by their respective governments to increase innovation and research & development (R&D)), and their expertise in the field and try to come up with preventing measures especially during COVID and post-lockdown policies and trends to continue their agreements and future projects.

Free Trade Agreements. When it comes to FTA's even though it was given an explanation on how these agreements work to facilitate trade, reduce the barriers to trade and promote openness as well as an easy access to international markets. It can be clearly seen in the interviews conducted that the respondents have little, to no knowledge regarding the prior mentioned.

Notwithstanding, it is seen in the interviews that Latin American companies possess more awareness of the benefits FTAs bring to the table when negotiating technology with East Asian firms. Durán, Aguiar & Ronzheimer (2021), in their evaluation of the deepening of links for trade between Latin America and Asia Pacific found that extra-regional imports are twice the intra-regional ones within this western block, from the technology industry the most affected types of goods are chemical and pharma sectors that possess high protection. It was also found that agri-food goods had a tariff 8% higher than the intra-regional one, showing that there is still some limitations regarding the easiness to transfer goods between both regions.

The findings of the interviews strongly emphasize the market share East Asian firms are gaining in the country and the region in general although barrier removal and tariff reduce is yet to be further developed, even though Japan and China have free trade agreements established with Chile and Peru, for the specific case of Colombia, it was possible to spot during the interviews conducted that even though the only country this nation has an FTA in place with is

South Korea, the Chinese and other East Asian originated technology imports to the country have been increasing over the last decades making it one of the largest suppliers of technology to Colombia, especially China which is only surpassed by the United States.

The lack of this bilateral or multilateral agreements increases one of the most important criteria, pricing. As shown in Figure 8 the average tariffs imposed from LAC (Latin American Countries) to Asia Pacific (which includes East Asian countries), is 166% higher than the ones imposed coming from LAC in the technology, electronics, machinery, and equipment goods, it is also stated by the East Asian interviewees that the first concern is tariffs, since most Latin American countries as higher tariffs, the example of Brazil was given, the tariff rate is around 100% for torque wrench products.

Even though the interviewees do not directly notice the overall impact FTAs possess to the negotiation but rather understand how their existence can reduce the barriers for trade, they show awareness in the fact that it is directly related to the price of the products to be purchased and the main reason they choose EAC (East Asian countries) as their main source for the technology needed to continue and improve their activities, is due to their competitive prices in comparison to other possible suppliers coming from Europe and America, however these attractive prices are not a consequence to the international agreements done between countries within these two regions as can be seen in Figure 8.

Figure 8.

LAC and Asia: applied tariffs in bilateral trade disaggregated for the 39 economic sectors, 2018 (model baseline) (ad valorem equivalents in percentages)

Economic Sector	Applied tariffs by Latin America	
	Latin America	Asia Pacific
Computer, electronics and products	1,4	3,1
Electrical equipment	1,8	4,5
Machinery and equipment	1,2	4,1

Source: Durán, J., Aguiar, A., & Ronzheimer, I. (2021). Economic and social effects of a possible trade agreement between Latin America and the Asia-Pacific region. Forum for East Asia - Latin America Cooperation.

It is important to highlight, however, that even though the tariff barriers to trade are high for products coming from East Asia as prior mentioned, the companies coming from this region are the most oblivious concerning the FTAs and the benefits they might further bring to both parties. In this aspect, it is spotted that the low, competitive prices that these firms are able to offer to the LA companies does not come from international and cross-border agreements but rather the economies of scales, cheaper work force and high technological know-how that has enabled them to reduce their production costs and make up for the higher tariffs that threaten their enter to new countries and establishing partnerships with firms that have high tech requirements.

The country that benefits the most from trade agreements is China, that as mentioned previously presents the most signed ones with LA countries, this reduction in tariffs and cross-border barriers facilitates the technology transfer showcased in Figure 5 and with further incentives from local governments, and non-governmental organizations (NGOs) to sign this kind of trade agreements, more EAC will have an easier access to this potential new sectors and satisfy their underlying interest of becoming the number one technology supplier worldwide.

International relationship between economies. Considering the findings in the reviewed literature and the compiled interviews conducted. The relationships between EA and LA countries are growing constantly and is expected to go even further in the following years.

The objective set by East Asians to become a global power on IT transfer, combined with the goal of the western block to find more competitive prices makes the perfect environment for a negotiation.

As exposed by the interviewees, even though it was preferable for them to deal with Europeans or American companies due to multiple aspects such as higher cultural proximity, closer distance, language, and a better understanding of how these companies work. The Latin American firms have shown a switch on partner choosing, and even bigger interest in establishing higher governmental ties within the two. The analyzed texts portray that talks and studies to increase trade agreements are being in place, as well as the impact on the global economy the freer trade will bring for both regions. Furthermore, East Asian companies and their respective governments have clear objective and goals to become worldwide leaders in the tech and innovation industries, these intentions and interests have lead them to expand their relationships to further and unexplored regions for them, as it is the Latin American markets. Therefore, the interests of both parties to get cheaper goods/services with good quality, and exploring new markets lead them to smoother negotiations with a collaborative approach and more common points.

In addition to the above, according to the findings in the conducted interviews regarding the negotiation process, the international relationship is becoming a priority for firms located in both regions due to the complementary goods they produce mainly due to their specialization. It is stated by 82% of the Latin American firms' interviewees that they show preference to buy or engage in purchasing agreements with East Asian companies due to mutual collaboration, the presence of connections Asian companies' usually have in Latin America so interest partners in this region can easily contact.

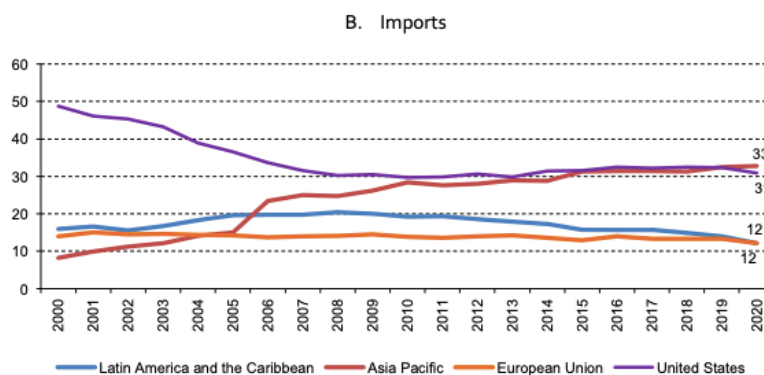
Openness to global trade. Openness to trade can be considered as the orientation a country has regarding their international trade transactions. It can be inward, meaning that they are not able to seize the opportunities to exchange good or services with other economies, or outward where they are more eager to trade goods with other countries. In Figure 9, it is represented how has the share of each region grown regarding trade with Latin American and the Caribbean countries; East Asia keeps gaining a higher recognition as a suitable partner throughout the last two decades which supports the findings of the interviews.

Participants have shown a bigger inclination to enter business relationships with Eastern companies during the last two decades, East Asia has gained a higher market share and reduce the one from the United States of America and European firms. Mostly because the companies coming from this region have strengthen their strategy and learnt how to make their proposal, portfolios and increased their expertise in international relationships in order to accomplish their underlying interest of becoming a worldwide leader in technology and gaining more power.

As mentioned in prior sections and in the conducted interviews, pricing is the most crucial aspect that inclines Latin American firms. The low costs and competitive prices east Asian firms offer have enable them to polish their propositions and tailor their catalog thanks to their diversified portfolio and efforts on innovation, that have make them more attractive potential suppliers throughout the years.

Figure 9.

LAC: Evolution of trade with main partners and regions, 2000-



Source: Durán, J., Aguiar, A., & Ronzheimer, I. (2021). Economic and social effects of a possible trade agreement between Latin America and the Asia-Pacific region. *Forum for East Asia - Latin America Cooperation*.

Moreover, trade openness is indicated according to The Global Economy, (2021) as the number of exports plus imports of a country represented as a percentage of the GDP (Figure 10). It is observed from this figure that mostly East Asian countries have a higher disposition to diminish the barriers to trade and expand their exchange of goods to other economies worldwide, this is also backed up by the reviewed literature and the several interviews conducted where Latin American companies show the attention reception they have gotten from these party.

Most importantly, eastern firms have increased their overall economic complexity, especially Japan, Taiwan and South Korea which according to García & García, (n.d) have become among the top 5 most complex economies in the world due to their increased offer and supply of a wide variety of products and services; their large volume of exports and imports worldwide which leads to an increased openness to trade, paired up with their goal of becoming the blueprint of technological goods and services. The prior mentioned has make it easier for Latin American companies to come in closer contact with East Asian ones despite the geographical distance; is mostly this distance that has encourage them to look for new markets to explore and grow

alongside with the different industrial specialization both regions have that has a complementary dynamic.

Furthermore, cultural aspects, explained in more detail on the following sections, have to be considered as well this eagerness and motivation showed by the East Asian counterparts is well received and leads to a better outcome for the negotiation since a) Latin American cultures are very collectivist and look for the satisfaction as well as inclusion of all people involved, therefore when attention is received there is a reciprocity from their part to improve the relationship and come to a more equal agreement (win/win outcome), b) good communication efforts help ease the ambiance of the negotiation.

Therefore, it can be stated that the degree of openness and the constant efforts East Asian economies have done over the past few decades to diversify their imports and especially their exports, have proved to be successful when it comes to approaching further markets such as the Latin American one and engaging into appealing negotiation where both parties can benefit, even though countries coming from this region show a lesser exposure for these interactions except from Mexico, and as mentioned priorly, there are high tariffs for technology in Latin America. In fact, most of their trade openness rate for LATAM countries comes from their import volumes backed up by the region's trade deficit.

Figure 10.**Trade openness - Country rankings 2020**

Region	Country	Trade Openness	Rank 2020	Average openness per region
East Asia	Hong Kong	353.4	1	121.928
	Macao	121.25	21	
	South Korea	69.22	81	
	Japan	31.18	148	
	China	34.59	140	
Latin America	Colombia	33.8	141	46.266
	Argentina	30.12	149	
	Mexico	77.25	65	
	Chile	57.89	100	
	Brazil	32.27	147	

Source: Durán, J., Aguiar, A., & Ronzheimer, I. (2021). Economic and social effects of a possible trade agreement between Latin America and the Asia-Pacific region. Forum for East Asia - Latin America Cooperation.

Sourcing and procurement strategies. Sourcing strategies that are mostly concerning in this research, are the actions and plans made by the Latin American firms in order to obtain the technology and equipment needed to increase their competitiveness, productivity and gain higher benefits from their operational/business activities these goods and services are intended for.

First, these LATAM companies look for potential suppliers (new partners) to establish a buying agreement that involves a negotiation with EAC mainly due to:

- a) The poor performance, insufficient capacity and even lack of suppliers within the region, that force them to outsource to new suppliers coming from abroad, where the East Asian firms are one of the highest candidates.
- b) New, innovated technology is needed in order to continue operations
- c) And new requisitions, needs coming from the customers whose demands are volatile and changing depending on the industry.

To source, the choosing a partner of supply entails gathering and considering different information. It can be stated and backed up by the literature review that Latin American firms value trustworthiness of a supplier and this is supported by current or existing ones, sales representatives, or trade experts/agents that attend different international fairs or have a wider knowledge on this topic.

Outsourcing and offshoring are the go-to strategies of Latin American companies due to their lack of capabilities and to avoid making costly investments that come with in-house sourcing; usually this strategy comes along with multiple sourcing, where the firms engage in negotiation and agreements with various potential suppliers, which can benefit these firms thanks to: a better insurance against any failure meaning that if any supplier has delays or lack of inventory and/or bad quality, they can cover these with another one; and they gain a higher competitive position and power where they can exert a higher influence on their counterparts.

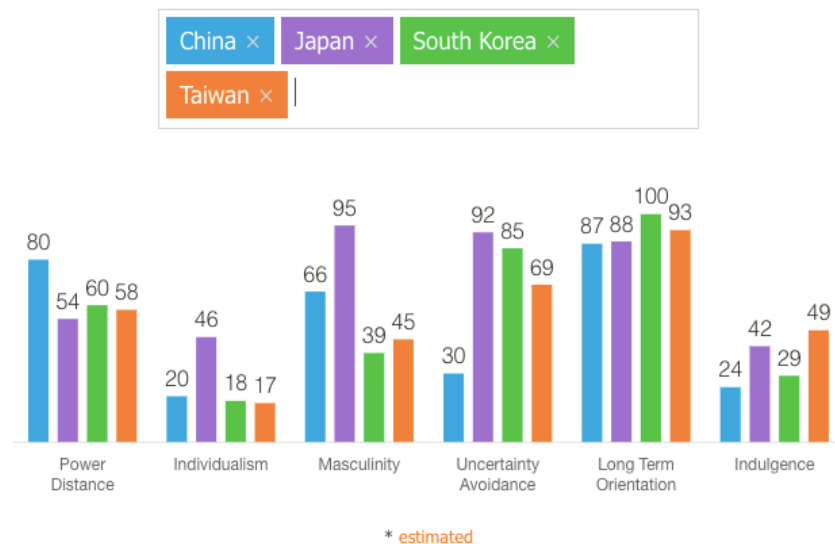
Mainly, due to their price sensitivity, LATAM firms make use of Low-Cost Country Sourcing (LCC) with nations like China, since they have better access to cheaper labor costs, product and process leading-edge technology needed for their operations as well as manufacturing, steer clear from cost disadvantages, and as mentioned before, react to the bargaining power of suppliers, especially since technology-related good and services have a higher added value that drawback the overall power of Latin American companies. Therefore, it is clear to see the underlying interest of LATAM companies to engage in negotiations with suppliers coming from EAC, this drive is crucial to the process since a lot of efforts will be done in order to come to an agreement and find a common ground without losing too much power since they prefer keeping their options open when it comes to choosing a partner which is helpful when dealing with companies which possess high added value products and a wide expertise in the field.

Cultural Aspects

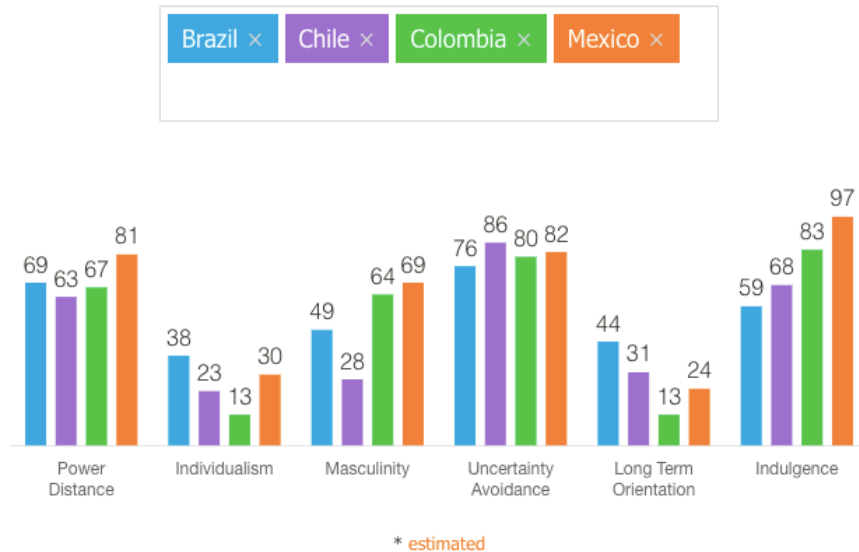
When it comes to the different impacts on negotiations, cultural differences and even similarities come into play as influences that define the outcome of these complex processes. As mentioned in the key findings as well as the reviewed literature of this research, cultural proximity and tolerance are aspects firms coming from both regions take into account before entering a potential negotiation, and it is crucial for both sides to establish a trusty relationship before engaging in any long-term or medium-term agreement. Culture is a strong factor that although is difficult to assess since it is intangible, has a strong power since any misunderstanding between the parties can destroy all the collaborative efforts done in order to reach an agreement, and some individuals are more sensitive.

As shown in Figures 4.10 and 4.11, that shows Hofstede's cultural dimensions, as well as the research done by Trompenaars and Hall, culture is a complex concept that affects every single human interaction that can be divided into dimensions to get a clearer understanding of how it works. These dimensions are studied in order to assess a better impact on how companies can create an enhanced relationship, and the implicit clues that may affect the way both parties interact with each other related to the prior mentioned.

There is a clear need to highlight the fact that culture can have a more detailed granularity and is not only a sign to classify an entire region, but it can also be divided into countries or even within specific regions inside this territory. Leading to one of the biggest mistakes made by negotiators and that should be avoided at all costs: stereotyping, which can result into an unfinished deal due to lack of understanding within the parties. In the following figures it is stated the Hofstede's cultural dimension for the biggest actors in the technological goods negotiation from LATAM and East Asia.

Figure 11.**Hofstede's Cultural Dimensions of East Asian countries**

Source: Compare countries. (2021, June 22). Hofstede Insights. Retrieved September 10, 2022, from <https://www.hofstede-insights.com/fi/product/compare-countries/>

Figure 12.**Hofstede's Cultural Dimensions of Latin American countries**

Source: Compare countries. (2021, June 22). Hofstede Insights. Retrieved September 10, 2022, from <https://www.hofstede-insights.com/fi/product/compare-countries/>

Monochronic vs Polychronic. Hall defines many cultural factors throughout his literature, notwithstanding Monochromist and polychronic ones are of great importance for this analysis. In his numerous studies he describes polychronic cultures specially in business as the ones that have a wider span of action, meaning: a global vision, lack of punctuality, multitasking activities, prioritizes oral information rather than written facts, more flexibility.

In addition to the above, according to Expert Program Management (2021) in Trompenaars Cultural Dimensions - the 7 Dimensions of Culture; Trompenaars describes sequential and synchronous cultures, where time is seen as transposable and moldable according to the topics that need to be taken care of, for example Japanese, Mexican make a part of synchronous ones. These two studies provide a wider knowledge on the mindset and how the negotiations take place within the end LATAM receivers on technology and the main suppliers coming from East Asia.

When it comes to the monochronic ones, business and negotiation speaking, they appreciate punctuality, facts, and plans, they prefer going through one point or focus at a time, rather than negotiating or talking about many different issues at the same time. People that are part of these kind of cultures tend to prefer written agreements and backed-up information. A list of the characteristics per country subject to this investigation categorized in this factor are shown in Figure 13.

As mentioned in the previous sections of this research specially sections 4.1.3 and 4.1.4, Latin American cultures are mostly polychronic and synchronous while the East Asian ones are more in the middle of the scale of this spectrum. this observation gives a better understanding on how

the negotiation flow works: It is seen that multiple interests are intrinsic within each step of the negotiation, meaning that the negotiation takes more of a flexible or transposable approach rather than each point a time.

Furthermore, it is worthy of mention that cultures like the Chinese as highlighted in the literature review and conducted interviews, are highly and fast establishing themselves as the go-to supplier even over European and American manufacturers on the Latin American market; this incidence could also be linked not only due to their specialization and low prices with competitive quality, but also on the proximity of the negotiation flow and style, and the flexibility to arrange timeframes and schedules in order to fit the interests of both parties better.

The last mentioned is backed up by the findings on the conducted interviews, where LATAM firms mentioned how East Asian companies were available outside business days in order to make up for the time difference between these two regions, and how the western companies apply this as well.

Figure 13.

Monochronic vs. Polychronic cultures per country

Type	Country	Characteristics
Monochronic	Taiwan	· Punctual · Plans and Facts
	Japan	· Written facts · Strong plans
		· Solid plans
	Korea	· One task at a time
Polychronic	China	· Wide vision · Multitasking · High flexibility · Less punctuality · Oral information
	Chile	
	Mexico	
	Brazil	
	Argentina	
	Colombia	

Source: Own elaboration

Long-term/Short-term orientation. This is one of the cultural aspects countries coming from both regions differ the most on (Figures 4.10 and 4.11). As exposed, Latin American cultures are extremely short-term oriented, being Brazil the one with the highest inclination to long-term agreements with a punctuation of 44 out of a 100, while East Asian cultures prefer nurturing longer alliances, where the negotiation is just the start of a committed relationship, being the case of South Korea with 100 out of 100.

It can be stated considering the prior remarks that LATAM firms highly prefer transactional relationships; meaning that they look mostly for short relationships, finishing the sale and not focusing so much on creating a long-lasting alliance since the focus relies on **price**, portraying that they need the flexibility of shorter-term agreements to keep the options open for better bidding potential partners. For LATAM companies specially Peru, Colombia and Mexico, the focus and interest on shorter deals is higher than compared to the rest of economies that belong to this specific cluster.

Latin American organizations however, express that the difference on perspectives somehow helps strengthen the relationship between the two involved parties. They generally state that the long-term orientation of the East Asian firms facilitates the relationship building and makes them suitable partners due to their collectivistic approach (which will be explained in further detail), this is shown mostly by the way the eastern companies share the extensive knowledge of their products, they make great efforts in order to reduce the time difference by being in touch frequently and their eagerness to get to know their counterparts. They are also very motivated to understand the way business works in Latin America and their negotiation styles, which is more friendly as exposed by the interviews.

The East Asian interviewees also portray and highlight these efforts pointed out by the LATAM parties where they show patience to any problems their clients might face, they care about offering fast answers, even if that means outside business hours or days, show warmth, and avoiding sensitive topics. In addition, despite the fact that Latin Americans have a shorter orientation, for them building a relationship is just as important as the deal itself, no matter the time lapse the relationship with last for them, they make great efforts to spur a good communication, and making very clear the needs and times in order to avoid any misunderstandings within the parties.

The prior mentioned companies also have a good understanding and expertise to make agreements and make sure most of the times that the negotiator or specialist send to negotiate, which is most times in bigger companies someone with previous experience and knowledge of the culture with a flexible negotiation style, to be prudent when doing. The fact that some of the interviewees had an office in East Asia gave them further security because they were able to check the merchandise before sending it their countries of origin.

Communication: First-contact, approach, and perceptions. The context of the negotiators' culture affects the entire process and can create misunderstandings within the parties if not managed properly. According to Hall (1976), Low-context cultures take a more direct approach and usually their communication is done in such a way that an action, or words said have no other underlying message, it remains explicit and follows strict and clearly defined rules; while high-context cultures rely in more indirect forms, care about emotions and human relations, creating different and complex layers, and reading in between actions and words is necessary in order to get a better understanding. East Asians are within high-context cultures and Latin American in-between, high and low-context ones, hence why both regions care deeply

about stable relationships, the respect and tolerance of their counterparts on their culture and expect others to understand that their non-verbal communication methods.

This similarity has enabled both blocks to nurture better relationships and good cooperation. However, even though they share this aspect in common, their social clues and non-verbal and verbal language are different, therefore the parties still work to find a common ground, where they make use of a more direct approach than usual and try to explain their specifications for each product and step of the process to create a better understanding. Language is a huge blockage as well for communication, especially since the main-used language is English, which is not the main or official one for countries coming from these regions of the world, except for Hong Kong.

The first contact takes two different approaches, mostly before and during COVID, and after lockdown. Notwithstanding within them it is clearly seen the preferred ways for both parties to establish an initial encounter. When it comes to virtual agreements, e-mails are the go-to approach when negotiating technological goods mostly because of the following reasons: time zone difference, as mentioned priorly, makes it difficult for these business partners to set up meetings, and leads to a high response time due to the different working hours, although it is also important to highlight that the western companies in question do sense the commitment of the East Asian companies when they are interested on doing business since they try to keep in touch outside working days/hours which makes this virtual form of contact more suitable for this kind of negotiation.

The most common face-to-face ways of first approaching a potential business partner by both LATAM companies and EA ones are international fairs or making use of intermediaries/third

parties (recommendations, other headquarters that have dealt with the potential business partner in question, among others).

The first mentioned is a great method for both parties since it reduces the time zone difference and allows them to a) get the non-verbal communication clues, understand how their respective counterpart is feeling to build a better rapport or/ and change their approach to adjust the negotiation to a better fit depending on the situation. b) get a smoother, interconnected and uninterrupted flow of communication that makes the negotiation process go faster, c) as mentioned in the reviewed literature, it hosts the perfect environment where companies coming from these regions only interact with interested parties, meaning that they save time from contacting potential partners, they are also able to offer a more specialized or tailored services and goods, get a better understanding of the counterpart's interests and better assess the suitability of the other's profile.

It is also important to highlight for part A mentioned above, that non-verbal communication varies widely depending on the culture. For Latin American companies, the more expressive their counterparts' hand movements, or expressions, the more interested they seem; while, East Asian cultures, more specifically South Korea, Japan and China, respectful manners, delicate hand movements, using both hands while greeting, among others is a way of showing interest about negotiation.

Notably, while Latin Americans perceive their counterparts to be very proactive and business-oriented while trying to create a long-term partnership, East Asians often understand and keep in mind the friendly and kind-like approach used by LATAM negotiators; this intended is well received by the tech-giants and is perceived as genuine interest from the western block, it is shown that it makes the negotiation process smoother. Therefore, the friendly approach from

Latin Americans can act as a soothing factor when complications arise, and the determination as well compromise from East Asians is reassuring for their counterparts; it is highly recommended to keep the use of these approaches for both parties.

Notwithstanding, perception-speaking, one of the most common incidences found within the interviewees responses is the lack of trust the East Asian counterparts show when first establishing an interaction. This, as explored in different sections of this research is due to multiple factors that are parallel or adjacent to cultural aspects. The cultural differences perceived from both sides plays a major role, since it is often believed that geographical distance comes along with differences that may affect the communication flow between both parties. In addition, stereotypes about past incidences and economical stability of the country of origin of the potential partner play a major role into developing or underdevelopment of a relationship.

The previous mentioned aspects, creates a lack of trust even though both parties spend great efforts before and during the negotiation process in trust building due to either their collectivism or long-term orientation tendency, which if not addressed on time, negatively affects the negotiation process since it creates friction between the parties. The first mentioned will be further explained in detail on the next section of this research.

Individualism / Collectivism. For this cultural dimension, as shown in Figures 4.10 and 4.11, countries coming from both studied regions are highly or medium collectivist cultures, meaning that there is a high degree of mutuality and interconnection between the individuals that make a part of a group and they always look for agreements, conflicts are avoided, and benefits should be available for all the involved parties.

East Asian companies are perceived by their counterparts as eager to create trust, and very open to are allow a rapport building and letting the Latin American firms to get to know them,

meaning their product and their advantages, business and national culture depending on their origin. They are very open in that their customers know their factories (prior to the pandemic that could enter China)

In addition, it is crucial to place emphasis on the fact that relationships are even in a higher priority than the aspects to concrete during the negotiation process for both groups. Even though as mentioned in section 4.3.2 Latin American companies care more for transactional and mere selling relationships, they also value building a rapport with the other party, understanding each other's needs, and maintaining harmony despite pursuing short term agreements. The main reason for this is because if they find the agreements made to be profitable, they believe that by all the efforts made before to create a stronger relationship can be useful in the future.

It can then be stated that the number of efforts put from both parties to create an actual business relationship, getting to understand and grasps the needs of each other, the business culture, among others has an important **positive** influence on the overall agreement, making it more favorable for both parties, more specifically on the pre-negotiation phase. However, it can cause issues during the negotiation itself when the duration of the agreement is being discussed, since the nature of transactional relationships goes against the long-term dimension previously discussed of East Asian companies.

Since they try to outsource from multiple suppliers in order to gain higher power, whenever they see that one of these transactions brings or opens new business opportunities and profits, they believe that whenever they might need to create another transaction the attempts to generate a good rapport with the counterparts done, will enable the Latin American companies to re-contact them and create another transactional relationship when needed. This might fit the convenience for the LATAM party, notwithstanding this goes against the overall approach and

interest of the East Asians as introduced in the previous sections, it makes the situation misleading for them and creates misunderstandings when establishing the overall foundations of the negotiation.

Uncertainty avoidance. It can be detected from figures 4.10 and 4.11 that the main actors that engage in negotiations on technology that are subject to this study happen to be regions where risk is highly avoided. This cultural dimension refers to the tendency members taking a part of each culture have to control the reels of the negotiation, therefore strict norms and rules regarding payments, times and specifications of the process are well stated to steer clear of any ambiguous plans; rigorous steps are made, protocols among others.

However, these rules are not always followed and are subject to the emotions and the beliefs of the group mostly for Latin Americans, and for East Asians it was found that most cultures that compose the region that these rules are actual means for human motivation even if there are still proven to not function properly. The biggest exception to this generalization of the East Asian customs is China, with a low uncertainty avoidance characterized by their entrepreneurial mindset and high capacity of adaptation.

The prior finding is highly noticeable particularly in negotiations between Colombians and Chinese. The first mentioned show that they need certain specifications and a type of guarantee or security in order to make sure that the delays, shipping time, quality, state of the equipment, and quantity will be respected and followed as agreed during the negotiation, while in fact, the Chinese tend to rely on lesser official paperwork using mostly more informal commercial documentation. Notwithstanding, the only noted official documents and requirements where the Chinese counterparts expressed and showed their underlying interests is terms of payment,

showing then again, the importance and cruciality of pricing and payment during these negotiations of technology between the studied parties.

The importance of the previously mentioned rely mostly on the transactional nature of the strategy and approach used and the high added value the traded technological goods present which makes it reasonable to secure the payments and avoid any kinds of irregularities that may arise, particularly in the shipping process.

5. Conclusions and practical recommendations

It can be concluded from this research that there are many aspects that impact the overall outcome and the relationship build from the negotiation process on technology between LATAM companies and East Asian firms. The technology and machinery industry is a competitive, and highly specialized one where innovation and good communication is needed in order to make the most out of the agreements made.

The importance of an in-depth analysis of the negotiation process relies mostly in the need to understand how the human interactions and background information affect the underlying interest each party has. The negotiation agenda and steps collected during the interviews display how the involved parties bargain and trade off different points in order to achieve the most important aspects they need so they can agree in a beneficial deal for the two of them. Overall it is noted that the negotiations take a collaborative strategy rather than a competitive one since

both regions have interests and goals that fit well within each other and allows them to come to fulfilling agreements where both sides take advantage from the arrangement.

It is crucial to highlight the importance of pricing as a criteria, it is the key subject of the negotiation, mostly due to the following aspects: a) the low purchasing power Latin American firms have due to their currency devaluation, that makes them price sensitive b) technological goods and services have a higher added value and know-how that requires more specialization, innovation and investments and therefore in order to cover these costs, a higher price is needed to make profit, and c) competitive price is crucial for East Asian companies in order to differentiate themselves from other worldwide competitors that offer substitute products with similar or higher quality.

Moreover, the quality of the goods to be traded and the expertise of the supplier are major aspects Latin American firms consider when looking for potential partners, they rely mostly on connections these firms have with other companies operating in the region or other firms from abroad have used. Therefore, it is recommended that East Asian companies willing to enter this western market present them with their portfolio of clients and their testimonies about their products which not only works as a reaffirmation of their experience and know-how but also helps the other party build trust about the good conditions and added value of their products and services.

In addition to the above, the first contact and efforts can also help nurture a good relationship and build good foundations to maximize the pie (benefits) of both parties during and post-negotiation phase. A good common point both regions possess is the attempt they make to build a good rapport which makes the tie and bond grow further. It is recommended to increase the efforts to reduce language barriers between the parties by either, making use of a negotiators

knowledgeable in their counterpart's language, a translator, or to reduce costs preparing each point of the negotiation to be address in further details, and possible scenarios in English and for the negotiator or manager in charge to practice beforehand. This strategy can also increase the influence and power of the company in question, since they are more prepared to take the lead of the aspects to agree upon.

Moreover, both parties already have a selected target and niche of possible suppliers or buyers depending on what is their end of the chain, therefore they are more knowledgeable in which communication channels should be used in order to offer the truly interested counterparts more tailored plans and satisfy their needs better so their proposal becomes more attractive. For this purpose, it is highly encouraged to continue the use of international fairs as a mean to meet potential business partners, particularly since it's a good way to maintain constant and uninterrupted contact with the other party without the effects of time zone difference. We have found in this research those face-to-face negotiations and first approaches provide the people involved a better understanding of the underlying needs of the other, and to build a better rapport. Notwithstanding, online negotiations such as: via email, virtual conferences, among others also provide a low-cost channel but companies risk late response rates.

It was found in this conducted analysis that even though tariffs taxed on technological products coming from East Asia, and the existence of FTAs agreements are rather low yet developing further thanks to the efforts of both regions to reduce barriers to trade, firms do not see this aspect as a breaking point when dealing with their counterparts. When it comes to East Asian party, they rely on their low-cost strategy and competitive pricing to make up for the increased tariffs imposed on their traded goods, and Latin American firms have changed their

selected suppliers from European and American organizations to East Asian ones to acquire the substitute or similar products at lower prices.

Furthermore, far from the expected in regards of culture, East Asian ones and LATAM share crucial common points that have enabled their alliances even further such as their collectivist approach which is rather more inclined towards a win/win situation, uncertainty avoidance, polychronic time, and their idea that building a relationship as well as a good rapport between them is crucial so the agreement and post-negotiation face can run smoothly. The last mentioned, although is of great importance for cultures geographically located in these regions has a different end for both parties which can lead to misunderstandings if not clearly stated within the negotiation.

Latin Americans look for short-term transactional-like deals even though their cultural beliefs lead them to develop a close contact with their counterparts, while the eastern cultures perceive the negotiation as the first step of a longer relationship, it is therefore recommended that during the negotiation process, this point is underlyingly stated instead of directly, which can prevent the East Asian suppliers of entering a possible deal with them; this strategy can be easily done since tech-goods possess an extended life cycle that do not require further supply until years after the purchase, or to also contribute to the other parties' interests, accepting after-sales services such as maintenance.

Finally, to balance out the power and influence each party has on the other, it is advised that Latin American firms continue to diminish the bargaining power of their suppliers by promoting the transactional relationship approach to keep their options open. Since technological devices and machinery have a higher value added and require more know-how compared to their products exported or traded (mostly agriculture related), it is particularly important to position

themselves a suitable partner that can help open the Latin American market for the eastern companies, and this can be achieved by demonstrating their connections in the industry and desirability from different deals that strengthen their image.

6. Limitations and future directions

This research faces certain limitations that restrict the overall analysis and can be tackled or taken into account if the subject is broadened by future researchers that wish to dig deeper into the subject.

Language Barriers

The in-depth interviews were conducted in Spanish with Latin American companies that took a part of the study which make it easier as well as more comfortable for the interviewees to express their points of view, advantages disadvantages, among the other variables that are being analyzed. However, when it comes to the technology exporter companies located in East Asia, the interviews were conducted in English instead of their local language, therefore, some ideas and information may be lost in translation and exchange which might make a difference in the outcome of the research.

Sample Size

For future findings, it is useful to bring a wider sample size in the different industries analyzed to get the most accurate perceptions from both parties, and conduct or develop a negotiation guide for companies depending on the type of sector, which can help them better

understand their counterpart; analyze their mistakes, actions, and make use of different tactics in the future which can help them achieve better outcomes and maximize both, theirs and their counterparts benefits, leading to an enlarged pie.

Sensitive information

Due to different company policies of the businesses in question, confidential information related to discussed agreements and legal procedures of both parties remains a barrier to fully come to an understanding of the complete negotiation process and the power which both parties engaged hold. Some firms even denied giving an interview due to sensitive information disclosure issues.

Time Zone Difference

Since the interviews were conducted in a way that the interviewer and the employee in charge of negotiations of each company were located in different countries; fatigue from the day, busy and tight schedules have an impact on the disposition of both parties and the integrity of the response.

For the future directions of this research, we recommend that the sizing of the companies studied grows in order to find more patterns than the ones highlighted and encountered in this dissertation. A bigger population of study or size of the interviewees can ensure a better accuracy of the findings, verification of cultural behaviors which may lead to additional and reduce the margin of error of the information collected throughout this dissertation, especially for East Asian companies where this material was harder to find.

It is also recommendable broadening the scope of this research to other fields where both regions show increasing volumes of trade during the last few decades in order to conceive more improvements for the future of the international relationships between Latin American

companies and East Asian ones, such as agri-food sector. It is showed in the reviewed literature that both regions engage in the exchange of goods they are specialized on and what the counterparts lacks off, therefore expanding the study to the agri-food sector which East Asian companies have little resources on and currently experience high prices due to tariffs and barriers to trade (such as perishable goods like fruits and vegetables), and other sectors worth mentioning like metals and minerals, wood and cardboard, and livestock.

In addition to the above, another future direction we recommend for this research on negotiations of technological goods and services is making a distinction between e-negotiations and presential ones; mainly because as it was exposed during the analysis of the results that each one of these forms of contacting and/or approaching their counterparts had various advantages and disadvantages that eventually lead to two different path of negotiations where representatives need non-identical set of skills in order to get a better outcome and benefits of the agreement.

As for example, for virtual negotiations it is hard to understand the cultural cues, tone of voice and feelings of the other party, especially when the people involved come from generally high-context cultures such as East Asian ones and Latin American ones, where individuals are not so direct and a certain comprehension or grasps of socioeconomic clues are needed in order to establish a better relationship, time zone difference makes it harder to keep a constant communication flow and leads to late response rates, while face to face ones where companies have headquarters on the other region of study, know the market or make use of international fairs where both parties meet in a common space makes it easier to analyze behaviors and exercise influence on the counterpart.

Therefore, it would be of great interest to separate these communication channels for further studies to create a better understanding of the inconveniences and advantages that these

represent, especially post lockdown and COVID where technology, different platforms, and even business world has adapted in order to offer a better remote experience for working environment and has made information flow much easier.

Additionally, getting more into detail about the after sales relationship and services that go along the technological goods traded, and how this affects the depth of communications needed, the continuity of contact between both parties, how the ITT and acquisition of the technological goods is adapted into each Latin American companies' operations and if it incorporates as expected on the tasks it was purchased for.

Finally, it can also be particularly interesting to look at the overall impact on the firms' countries of origin incomes, since although in this research was stated that the transfer lead to an actual trade imbalance, a further deep dive regarding on which type of technological goods lead to this breach and what can be done to increase the added value of Latin American firms' goods and services to meet the ones coming from East Asia might be a great start to fight inequality and spur innovation in developing countries.

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