

University of Oslo
Program for Asian and African Studies
KIN 4590
Master's Thesis
May 15 2005

A Discourse Analysis of Business Negotiations in China

The effects of cultural background on the negotiation process

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Introduction

For more than 2,000 years, the western world has been fascinated with Chinese commercial products, which can be documented by the trade along the “silk road” at the time of the Roman and Han empires, and descriptions in Marco Polo’s *Travels*, published in 1485, gave captivating accounts of the riches to be found in China, descriptions that inspired adventurers to set out on expeditions to bring commodities back to Europe, most notably Christopher Columbus, even if he made some slight miscalculations and ended up in a different place than he had planned. China’s vast size and population continued to tempt merchants throughout the centuries with its promise of an untapped market and rich resources, as illustrated by the observation by an English writer in the 1840s: “If we could only persuade every person in China to lengthen his shirttail by a foot, we could keep the mills of Lancashire working around the clock.” (Quoted in Studwell 2002: p. 15) This view has persisted through the boom and bust of the investment in China by foreigners in the late nineteenth and early twentieth century, survived the communist era and bloomed in the aftermath as Deng Xiaoping again opened up China for foreign business in 1972. China’s situation has been described as “arguably the greatest peaceful economical and political transformation in history” by Garten, quoted in Li 1999.

The lure of the Chinese market can be illustrated by comparing it with other emerging markets at the present time. Table 1 is taken from Li (1999.p.1), compares the market size of China with that of other countries that are on their way to become developed countries, and also includes the United States as a reference point. The size of the Chinese market can be seen as very large compared to that of other emerging markets, such as India and Brazil. It is even quite large compared to the developed market of the United States. The size in itself is enough to tempt companies wanting to expand the reach of their product, thus making China a

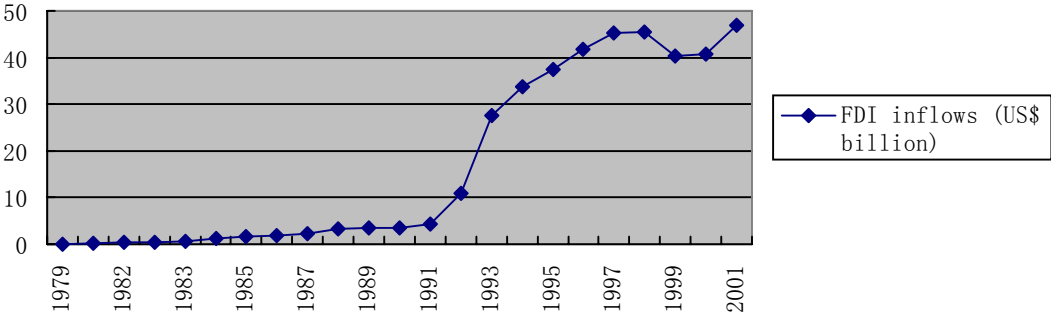
very attractive target for foreign companies. Foreign companies wanting to establish their product in China will often see it as essential to enter the market in as early a stage as possible in order to seize a large portion of the market and establish the brand name. The attractiveness of the Chinese market for foreign companies makes the topic of cross-cultural business negotiation increasingly important and interesting.

Table 1

Product	China	India	Brazil	United States
TV (million units)	13.6	5.2	7.8	23.0
Detergent (kilograms per person)	2.5	2.7	7.3	14.4
(million tons)	3.5	2.3	1.1	3.9
Shampoo (in billion dollars)	1.0	0.8	1.0	1.5
Pharmaceuticals (in billions of dollars)	5.0	2.8	8.0	60.6
Automotive (million units)	1.6	0.7	2.1	15.5
Power (megawatt capacity)	236,542	81,736	59,950	810,964

The rapidly growing economy has created an atmosphere sought by foreign investors that have flocked to China hoping to do business, a trend that has been actively encouraged by the Chinese government. The inflow of foreign direct investment has grown from a mere 0.1 billion US\$ in 1979 to a stunning 46.9 billion US\$ in 2001, a trend of growth that China has had difficulties sustaining in recent years, but still expected to rise in the future, possibly aided by the accession of China into the World Trade Organization (Garnaut and Song 2002). Changes in the investment environment have caused the investment inflow to come in waves. The first half of the 1990s saw a rush of foreign investors flocking to China, and as they discovered the difficulties inherent in doing business in China at that time, a new period of reassessment, restructuring and cost-cutting could be seen in the latter half of the 1990s. After a spike in investment seen in the middle of the decade, a sharp dip can be seen towards the end of the decade, which can be seen in connection with the Asian Financial Crisis of 1997-1999. Other factors also contributed to the decline in foreign investment, such certain government policies introduced in the middle of the 1990s, which limited incentives for foreign investors, and channeled investment into areas deemed important for China’s development by the government, and in addition campaigns were launched to protect domestic brands and reform state enterprises (Yatsko 2001).

Diagram 1 The numbers are taken from Garnaut and Song 2002, p. 128.



Despite a history of setbacks and failures, there was a rush to partake in the market unfolding in China in the late 1980s and 90s. Pye (1993. p.3) comments that “Foreign traders

have not been particularly influenced by the existing realities of the Chinese economy; they have rather been inspired by their dreams of the future, which have been either self-generated or produced by Chinese political rhetoric. It is surprising how much foreign expectations have been out of synchronization with the realities of Chinese economy, and that has created negotiating problems.” This view that investment has been out of touch with reality is supported by Yatsko who reports on the development of Shanghai: “...the visible changes that left visitors’ jaws agape were often less a testament to the city’s underlying reality than to its potential. Shanghai’s new skyline is the most obvious case in point. It rose exponentially, but at the time of writing many of those new glass-curtained skyscrapers and high-priced villas stand half empty. The city’s glitzy department stores, unable to attract enough paying customers, are often unprofitable or barely break-even. Their outside tells a story of lightening-speed growth; their inside one of incompetent planning, poor market research, half-baked state enterprise reform, and overzealous investment” (Yatsko 2001. p.9). Yatsko also reports on the situation in the retail industry, where investors flocked to Shanghai especially after Deng’s blessings in 1992, causing the market to become saturated by the latter part of the decade. Many companies saw the promises of the China market and forgot to think that other companies were thinking the same; and as the massive inflow of investment caused overcapacities and fierce competition, consumer demand dropped as a consequence of a slowing Chinese economy, increasing lay-offs, and increased costs for housing schooling and medical care (Yatsko 2001).

As China is such a vast country, the situation foreign investors meet can be quite different from place to place. The efforts during the Maoist period to equalize the regional disparities by making large transfers and investments in heavy industries in the hinterlands that was to safeguard the country in case of foreign invasion has resulted in little less than a “rust belt” of outdated factories (Fewsmith 2001: p. 171). The differences were further

exacerbated as these policies were reversed in the Dengist era, with a shift of focus to develop the east coast that had the best basis to begin with, and direct most of the foreign investment to this area, widening the gap between coastal and inland areas further (Fewsmith 2001: pp. 171-172). The government has recently attempted to change the trend and channel more financial resources into developing the impoverished western region, and attracting more foreign direct investment. Discontent and unrest is a prevailing problem as the average income of inhabitants of this region is much lower than that of inhabitants in coastal areas, which contributes to feeling among the population of poverty and hopelessness, a situation further aggravated by the ethnic tension in this region where 80 per cent of the minority groups live (Wang 2002: pp. 171-186). Li Zibin, vice-minister in charge of the State Development and Reform Commission, has stated that though western China only accounts for 4 per cent of the total foreign direct investment as it is, hopes that they can create a better environment for foreign investors by improving the transport and telecommunication conditions in this part of the country and promoting its energy and mineral resources and tourism potential, they will be able to attract more FDI in the time to come.¹ As the criterion for attaining promotion among Chinese officials has shifted towards achieving economic growth, and local officials have obtained more freedom of decision making from their superiors, there has been a tendency among these local officials to promote local economic growth through different, and not always centrally approved methods, and place local needs above central orders (Dickson, 2003: p. 15). In big cities like Shanghai the government can afford to be picky about which projects they approve and seem to prefer large multinational companies in high-value-added-industries, whereas less-privileged cities are seen as more welcoming to the foreign companies that they can attract, even if they only plan to invest smaller amounts of money, and often treat the investors with more flexibility and offer less expensive labour and land lease (Yatsko 2001). What is more attractive to the foreigners when

it comes to more developed cities though, is the sophistication of the bureaucrats they have to deal with, which with their education and experience make negotiation much easier than with bureaucrats from inland provinces (Yatsko 2001). The officials in inland provinces and the special economic zones in southern China are often very flexible and inventive when it comes to interpreting rules and regulations and might offer incentives of different kinds to foreign enterprises. Bureaucrats in more developed cities like Shanghai tend to follow rules more closely and treat companies more strictly, but this creates a more stable and predictable environment for foreign businesses to operate in, something that is favored by many larger multinational companies (Yatsko 2001).

Numerous books and articles on how to enter the Chinese market and behave in the Chinese marketplace attest to the fact that China is indeed a rather different place to do business in. They treat topics such as how to deal with bureaucracy, deficiencies in the Chinese law system, the Chinese way of thinking and similar matters. These books are of varying quality and usefulness, but their existence can be seen as an indicator of the confusion and uncertainty felt by many foreign businessmen when entering the Chinese market.²

I will try not to fall into the trap of essentializing, but I believe that there are some general trends that can be seen even if all people are different and should not uncritically be equated with the culture to which they belong. A Chinese person is part of a tradition that has a basis in the traditional Chinese culture, but is influenced by the decades of Marxism-Leninism rule, the more recent reactions and feelings of ambivalence towards this and an uncertainty in a period of reform and modernization (Pye 1992).

China has been said to be a society based on inequalities, where personal power can over-ride rules and regulations, and where the legal code and institutions are underdeveloped and thus there is no safe and respected legal environment that can guarantee equality. What has developed as a way of dealing with this inequality is a haggling society where negotiation

is the only way to win advantages, and as people are uncertain about everything, they will expect to get cheated, an attitude that will form an aggressive and persistent Chinese negotiator. And with a lack of strong administrative and legal control, it is possible to do anything to gain advantage in a negotiating situation, such as employing different strategies like multiplying prices, offering faulty merchandise and distorting reality, ploys that do not seem to be seen as unethical in Chinese society (Blackman 1996). Another element that allows for an aggressive negotiator is the fact that collectivism is such an important part of the Chinese culture and there is a strong sense of group identity, making it more acceptable to cheat strangers, whereas insiders should be treated with respect and loyalty (Blackman 1996).

Negotiation defined as a formal, problem-solving event occurring in business, legal or diplomatic relations can be distinguished from negotiation as a social decision making activity. Negotiation can be defined as “a communicative attempt to accommodate potential or real differences in interests in order to make mutually acceptable decisions on substantive matters, matters that ostensibly cannot or will not be decided upon unilaterally, but rather as a conjoint arrangement” (Faure quoted in Li 1999. p.14). This is a definition suited to include the negotiation activity in social life, rather than a formal negotiation event that may be more suitably defined as “a process whereby two or more parties who hold or believe they hold incompatible goals engage in a give-and-take interaction to reach a mutually acceptable solution” (Putnam & Jones quoted in Li 1999. p.18). This negotiation situation is contradictory as it is competitive and cooperative at the same time.

What I hope to achieve with my study is to discover whether there is a connection between problems encountered in my specific material of a transcribed business negotiation and the cultural background of the participants. By using discourse analysis, I can look at the minute details in the transcribed text, something that allows me to identify specific problems that might occur. I will then use this data and compare it to cultural and see if there exists a

relationship. Jumping to conclusions only from the evidence produced from the discourse analysis of one specific negotiation can be presumptuous as the evidence I identify using this method can only say something certain about the specific situation from which it is taken. But the phenomena that I can identify in my material will not be interesting unless it is put in the context of the cultural background of the participants and thus used to say something more general about the negotiation process where participants of different cultures meet. As my material is qualitative rather than quantitative, it is rather small, and may not be sufficient to be representative for business negotiations between Chinese and westerners, but I hope to make some suggestions about underlying patterns that might be present in this kind of cross-cultural negotiation.

Issues complicating cross-cultural negotiation

“Culture” is a troublesome concept, arriving at a short and concise definition might be difficult and it might end up as too wide or too narrow, and it is not a static or homogenous “thing,” but rather something that changes over time and varies from individual to individual. Culture can be seen as a product of an ongoing process occurring in human society, consisting of beliefs, ideas, language, customs, rules, family patterns and other social phenomena, that is shared by a group based on nationality, ethnicity or other criteria (Li 1999). This background forms a basis for the members of the society that they might not be aware of, but still will have an effect on most aspects of their lives such as their way of thinking and their actions. National culture may be the type of culture given most interest, but other types such as corporate culture, professional culture, and family culture also play a part in shaping the background of a human being (Li 1999). This complex system that culture is may be difficult for an outsider to understand, as only the explicit layer of culture, such as artifacts, language,

food etc. are visible, whereas underlying layers of values and beliefs are implicit and less visible (Li 1999). Yet culture should not be seen as a factor alone, a person's individual personality, his or her cultural values and the social context in which this individual operates all work together in shaping the outcome of a situation, thus human action cannot be predicted based on the culture to which this person belongs, room should be made for variety (Li 1999).

It has been argued that some instances of verbal exchanges between people speaking different languages and belonging to different social groups are determined to fail because of the pre-existing linguistic or cultural factors, whereas others see culture and cross-cultural understanding as something that is constructed on a micro level through everyday transactions (House, Kasper and Ross 2003). Human beings will always make assumptions about others, it is a necessity for communication. Fisher has summarized some basic psychological factors that form the way human beings perceive their environment, which can be useful for understanding the way negotiators understand or perceive each others:

- We perceive very selectively in accordance with the structure of cognitive systems, which is moulded by society and culture, by education and the socialisation process, social experience, information and knowledge obtained from other people.
- We tend to perceive in a way that will disturb our established cognitive system as little as possible and to interpret what we perceive in a manner consistent with our own particular mindset.
- Social psychological studies and their experimental evidence all support the idea that in social as in physical reality, people do not necessarily perceive, reason, and respond according to facts, but according to the image they have of the facts. The more abstract the subject to be perceived, the more one will

necessarily draw on the resources of the cognitive system to establish substance and meaning.

- The naïve but normal practice is to project one's own mindset onto other people. This tendency to project is normal for people in any society, of course, for culture's function is to establish a more or less homogenous set of beliefs and assumptions by which everyone can project their perceptions and expectations onto other people without thinking about it. This provides the sense of security that comes with predictability, it is the cement that holds societies together; it vastly simplifies interaction and cooperation. At home, this is acceptable, but in international interactions this is not supportable. (In Li 1999. pp.94-95)

This account suggests a psychological explanation for misunderstandings that might occur when people of different cultural backgrounds interact, as they will see the situation according to their own perception of the world, and tend to believe that the other also sees the world in the same way. As this is less likely to be true in a situation where the participants of the interaction belong to different cultures, and their preconceptions do not match, this might lead to misunderstandings, and even further problems as each participant in such a situation will tend to want to educate the other as to the proper way of doing things, thus creating bad feelings (Li 1999). It has been suggested that as the contact between businessmen from different cultural backgrounds increase, new "global-capitalism cultural traits" will emerge and create a business culture that bridges the national culture and can facilitate negotiation across cultures (Garcez in Li 1999.p.92). But cultural norms and values are seen as very hard to change, and thus a change in this direction might take a long time.

Cultural differences can lead to misunderstandings as signals may be distorted or not understood and thus cause problems in a negotiating process and in other ways affect the

negotiation as culture will influence the behavior of a negotiator (Li 1999), which is what I want to take a closer look at in this section. Some even hold that the negotiation process cannot be fully comprehended unless it is seen in the cultural context in which it occurs in order to analyze the effects that culture might have on the process and thus reach a higher understanding of the process itself (Li 1999).

Though most situations where misunderstandings caused by different cultural backgrounds can be avoided by good preparations made in advance of a meeting between members of different cultures, such as learning about the other culture and making allowances for it, some cross-cultural negotiations are doomed to fail, as illustrated by this statement made by a corporate representative of an American petrochemical firm whose negotiation for a joint venture in China did not succeed: “Well, one problem was that the head of our negotiating team hated Chinese people” (Rosen 1999. p. 133). Another example of failure is the well-known case of American Motor Corporation’s venture in China, described in *Beijing Jeep* by Jim Mann (Mann 1989), where they set up an enterprise to produce jeeps for the Chinese market with Beijing Auto Works. It turned out that the Americans and the Chinese saw things in such different ways as they operated in incomparable environments and had incompatible aims for their venture. The Americans failed to see that there was simply not as big a market for their product as they had calculated, and the Chinese side was more concerned about getting access to new technology that they could give to their parent company so they could improve their own jeeps. Negotiations were a long string of unresolved arguments as both sides were unable to see the case from the other’s point of view. The results were substantial loss of money on both sides and a complete failure to create a successful venture as American Motor Corporation (by then bought by Chrysler) chose to pull out after the Tiananmen Massacre in 1989 (Mann 1989). This shows that a lack of mutual understanding can have profound effects on the outcome of negotiations.

Yatsko reports that whereas a business deal might fail because of issues connected to the Chinese business environment, or the unwillingness or incapability of the Chinese side to cooperate, it is just as possible that the foreign side is responsible for the breakdown of the deal. One example is the disaster of the joint venture between the American General Electric Lighting and Shanghai Jiabao Group who signed a contract in 1993 to produce lightbulbs. As the Chinese side only held a 35% stake in the venture, the American side was responsible for the management. The Chinese side blamed the American side for the failure of the venture in 1997 pointing out poor management decisions, extravagant spending, and cultural insensitivity of the Americans as reasons for the venture collapsing. The American led management brought in many expensive expatriates that had to be provided with a living standard they were accustomed to, invested in improving the quality of the product, and imported components they deemed better than those locally produced, all in addition to marketing tactics that involved loss for the first three years of operation. But there are two sides of the coin, and the American side claimed that there were no problems except minor ones connected to communication, and that the company had calculated on making losses the first years, albeit not that large. The disagreement came to impassioned arguing, and in the end General Electric bought out the Chinese partner (Yatsko 2001. pp. 237-241).

There are of course success stories of foreign companies doing business with Chinese, such as the Siemens power transmission joint venture in Shanghai. Their success is commented on by the president of Siemens China, Ernst Behrens: "It is in a good industry and offered a good product range. Coincidentally, both sides are pulling the rope in the same directions. Also, the general manager is skillful. The right person was chosen to run things. When he started he did not know a word of Chinese. But he tried to be part of the community. So now he understands the culture and speaks Shanghainese. He's very well accepted. He's a technical expert, so he knows what he's talking about. He's not just a manager. He knows the

product.” (Yatsko 2001.p.241) It is quite possible for foreigners to successfully cooperate with the Chinese, but the key seems to be adaptability and respect for the other party.

Whereas blatant racism or failure to communicate properly or understand each other will of course make cross-cultural exchanges extremely difficult, there are more subtle ways in which cultural backgrounds may affect the outcome of negotiations between people belonging to different cultures even if the parties make attempts to adapt and understand, some of which I will discuss below.

Pye (1992. pp. 11-26) distinguishes between three general sources of difficulties involved when westerners and Chinese engage in negotiations. The first main area is problems caused by novelty, as China was closed for so long the relationship between the westerners and the Chinese is relatively new and both sides lack precedence and experience in dealing with each other. This problem was naturally more serious in the beginning of the recent history of trade between China and the west, and has decreased in importance as both sides learn as they evolve their relationship. But some difficulties remain as both sides find it hard to adapt and learn the ways of the other side. Blackman (1996) concurs on this topic, and sees the lack of understanding of the west as connected to the fact that under Mao China was completely isolated with no English taught at schools and no publications on western developments in circulation. And as some people that suffered the contempt of western business people that lived in the major cities in the 1930s and 1940s are still alive and harbor negative attitudes towards foreigners as they see them as exploitative, fearing that these businessmen still want to take advantage of China (Blackman 1996). There are numerous ways in which this ignorance of the ways of the other is exposed and Pye (1992) illustrates this problem with an example, explaining that Americans have problems understanding that the Chinese system is incapable of quickly giving up or down decisions, just as the Chinese cannot understand that the Americans see a relationship between monetary value of a contract

and the time devoted to negotiating it. This first type of problem was made more pronounced by the fact that most of the entrepreneurs choosing to enter China in the early stage of opening up was often of a brazen, adventurous type that more often than not disregarded risk, while the larger and more responsible enterprises sat back and waited out this confusing period and let others make the mistakes so they could learn from it. Another factor deepening the novelty problem was the dramatic opening up of China and the exaggerated pace and scope of the modernization that generated high, and often unrealistic expectations on both sides. The rhetoric of the day gave the impression that the Chinese wanted fast paced modernization and quick action, but as the foreign businessmen entered the market they learned that the Chinese side wanted to move more slowly. This may also be seen as a culture clash, as Americans in particular want quick decisions and Chinese value patience.

A second type of problem is caused by the difficulties of capitalist enterprises doing business in a socialist economy in a period of transition and reform, which was a more serious problem in the earlier stages of contact between China and western countries, but still persists in some ways. Pye (1992) elaborates on the confusion on both sides and the misunderstandings that might be caused when a Chinese negotiator that is sensitive to issues of national pride and interest, to currents in political ideology, and to the politics of state planning and bureaucratic allocation, meet a foreign negotiator that can swallow pride, put aside politics and ideology and focus solely on profit. Upon coming to China, foreigners have had difficulties figuring out who exactly to do business with as the bureaucratic structure of China is very diversified, not as clearly structured as other socialist bureaucracies such as the Soviet Union, which leads to confusion, but allows for more flexibility. The Chinese are known to be inventive when it comes to find ways around the bureaucracy, something that might confuse foreigners even more as they see a well organized, authoritarian society, but at the same time are met with a system where power and responsibility is so unclear. A main

cause for this indecisiveness is the preoccupation among Chinese people to cover themselves for criticism, and thus avoiding making decisions and rather send the issue up in the hierarchy. The confusion among foreigners has been matched with misconceptions on the Chinese side, such as the refusal to believe that American companies can act independently from the American government, as Communist literature has described the capitalist system as a highly coordinated system where all are servants to “Wall Street.” These misconceptions, if present, tend to raise the distrust and suspicion on both sides of the negotiating table.

The third type of problem identified by Pye (1992) is caused by the cultural characteristics of the Chinese and the Americans. The cultural background of a person will influence all actions made by that person, and hence represents the largest and most intractable category of problems plaguing negotiations between people of different cultures. As it is difficult to learn and adapt to other cultures, many misunderstandings may be the result of cross-cultural negotiation. There are many examples of cultural traits that pose trouble when it comes to negotiations between Chinese and foreigners. One problem is the different conceptions of friendship, which Chinese see as something going way beyond the American concept of friendliness. Another specific cultural trait that causes difficulties when it comes to doing business in China is the Chinese stress on ethical and moralistic principles where foreigners emphasize legal considerations, something that especially applies to Americans that are seen as a highly legalistic culture. A letter of intent formed in the initial stage of a business agreement that includes only general principles and leaves out details is hard for Americans to accept and understand, whereas the Chinese see it as essential. Pye sums up the situation as “...both the Americans and the Chinese understand the other’s attitude toward law and legal procedures, but each is prepared to adjust only to his own advantage” (Pye 1992. p. 25). Pye (1992) also comments that when it comes to adapting to what one party assumes to be the other party’s cultural characteristics, you would expect some

rewards for acting in an unnatural way, and might build up some resentment if the other party fails show appreciation.

Language poses of course a great obstacle when foreigners are dealing with Chinese, and it is essential for those who do not know the language to rely on the help of an interpreter. English has only been taught in China to a larger extent since the late 1970s, and is still far from being as widely spoken as in the west. The Chinese side will often provide an interpreter when they engage in business negotiations with foreigners, but these are most often still students of English and thus have limited knowledge of this second language, and often very little experience in doing interpreting work. This is simply a problem connected to the fact that there are far from enough qualified interpreters to cover the need. And even with a good bilingual interpreter, there is the problem of specialized language connected to the particular issue of negotiation that might be hard for an interpreter to understand (Blackman 1997). Translation from one language to another does not necessarily lead to mutual understanding, as nuances in the language, remarks and clues about the other side might be missed, especially since the Chinese often express themselves in very subtle ways (Pye 1992). Fang (1999) also points out that not only does technical terminology create difficulties, misunderstandings might also arise because a word in English might have several different translations into Chinese which might cause misunderstandings. And as most interpreters are ethnic Chinese, whether they be overseas Chinese or those provided by the Chinese side, they might feel sympathy for, or in fact be pressured to lean towards the Chinese party, and thus act in a biased way when translating (Pye 1992). Li (1999) has also discovered in her research that Chinese interpreters might not follow the convention of being neutral in the negotiation situation, just translating, and translating everything that is being said, but tend to slip into a double role where he or she takes on the task of being a Chinese negotiator by giving advice etc. to the Chinese side, at the same time as he or she is the interpreter of the proceedings. Li

(1999) even found evidence in her recorded material of a Chinese-Finnish negotiation where the Chinese interpreter taking on the role as main negotiator for the Chinese side, dealing directly with the opposing foreign negotiator. Survey results found by the same researcher where respondents report that Chinese interpreters tend to be biased support the findings in her own material, as do literature on the issue published in China where it is stated that a Chinese interpreter should be a part of the Chinese negotiating team acting as a mediator, an atmosphere coordinator and a consultant to the Chinese side, at the same time as interpreting. This view has also been encouraged by the Chinese ministry of Foreign Trade and Economic Cooperation, where some senior officials have declared that “Chinese interpreters should act as allies of the Chinese negotiators” (Li 1999. pp.54-57).

The cultural phenomenon of “*guanxi*” (关系) identified in Chinese society by authors representing different fields has been played up by some and toned down by others.³ This phenomenon can be puzzling for western people, as there is no English equivalent for this concept, even the Chinese term is of relatively new date, as it was not formulated till the late 1800s. The importance of this type of relationship built on mutual obligations and exchanges of favors may not be as all-encompassing as many seem to find it, but evidence does indicate that it is indeed a factor as Chinese people interact.⁴ This type of friendship which is built and strengthened on a continued exchange of favors can be seen as having its roots in the Confucian tradition where one is morally obligated to help one another and improve the welfare of less fortunate relatives and friends though the use of ones influence and contacts (Fang 1999). The method to strengthen *guanxi* is to stimulate *ganqing* (感情), the feelings between the involved parties, and thereby shorten the distance between them (Li 1999). *Guanxi* also plays a role in business relationships, but Wank argues that the more instrumental use of it is more necessary when relationships are established as a firm enters a new sector, needs to obtain licenses etc from the local government, than it is in established business

relations (Gold, Guthrie and Wank 2002). *Guanxi* can be seen as pervading the whole Chinese business process, as it can be helpful in seeking out background information about potential business partners, and certainly in the negotiating process when it comes to reaching agreement on prices, terms of payment and the implementation of the contract, and also dealing with the bureaucracy (Fang 1999). Pye (1992) argues that *guanxi* and the related concept of face are factors in the negotiating process, not only in building up a business relationship based on friendship where the parties can trust and understand each other, but also in creating a dependency relationship where the stronger party should be obligated to take care of the weaker party, a role that the Chinese party will often emphasize by expressing humbleness and modesty. The relationship can be manipulated in order to gain advantages, and many foreigners are open to the Chinese advances professing friendship as a way to try to adapt to the Chinese culture, whereas Japanese businessmen in China will often reject the Chinese attempts as their own culture has similar traditions and they thus are aware of the web of obligations that participants of this practice are weaved into, and often wish to behave in a more modern and businesslike way (Pye 1992). Evidence suggesting that *guanxi* is indeed important in Chinese business negotiations can be found in research material, such as interviews carried out by Li (1999) on participants in her simulated negotiation games, where one Chinese respondent stated: “Concerning communication breakdown, it doesn’t happen between two Chinese, but between Chinese and Europeans it frequently occurs due to a different way of thinking. Chinese emphasise building up *guanxi* (关系) and elaborating on *ganqing* (感情), Europeans are more serious and business-oriented. They take business for business, nothing else. It could also be a language problem. Chinese can easily get business relationships mixed up with personal relationships. It’s like making friends. It’s more convenient to make friends with the Chinese. With foreigners, you can get to know someone, but you cannot deepen your friendship. To negotiate with Chinese is much friendlier and it’s

much easier to find something in common. You cannot get close to foreigners in terms of *ganqing* (感情) (Li 1999. pp.153-154).

The Chinese notion of “face,” a concept that describes a person’s ego and dignity as the self is projected to others and can be both given by the use of flattery and lost by being exposed to insults, is seen as important in the Chinese culture (Pye 1992). As in all aspects of Chinese society, face is a factor in negotiations. Hierarchy is important, and the age, status, position and manner of a foreign negotiator will influence the negotiation as these elements may either give or cause the loss of face for the Chinese negotiator. Actions such as slight or an offensive attitude that might insult the Chinese side, may lead to revenge, even if no emotion is shown at the time as self-control is valued highly. The Chinese might also find it difficult to talk about sensitive problems, and prefer avoid speaking about such problems openly as a way of saving face, even the word “no” will often be avoided in order to avoid embarrassing situations. These factors may be confusing to a western negotiator, and may lead to misunderstandings in a negotiation situation. Though there are some similarities with western culture such as the notion of “keeping up appearances” that can be found in the western way of thinking (Blackman 1996).

The situation for negotiating a business deal in China is quite different. In China it is customary to start by agreeing upon general principles for the business relationship, which will be taken down in a Letter of Intent, a practice unknown in the west where negotiators will immediately focus on the details, but necessary in China where this protocol will form the basis on which the controlling authorities will issue a permit (Blackman 1996). Another issue is that the Chinese do not have the same respect as the westerners for a signed contract, which in China is seen rather as the basis for further negotiation and a symbol of mutual understanding and a continuous relationship where the parties can keep asking for favors of the other, not as the formal end of the negotiation process as in the west (Pye 1992). The

environment for foreign business in China is plagued by many limitations, such as a lack of regulatory openness, lack of respect for the law, an underdeveloped legal system, the immaturity of the banking system, problems of information exchange, and difficulties in finding a capable staff (Yatsko 2001).

A Chinese negotiator will often tend to be very cautious, as any mistakes made will be punished and will probably end up in the personnel file that follows a Chinese worker all through his or her life, although this dossier is less important today than it was during the Maoist years as people now have greater mobility and can change jobs more freely, and in order to advance the career, caution can be seen to be the best tool. Thus the Chinese negotiating team might use repetitive questioning and demand explanations in order to make sure that they understand the proceedings well enough not to make erroneous decisions (Blackman 1996).

What seems so be the general image is that there are many possible dangers when representatives of different cultures meet to negotiate a business proposition when it comes to the chance of misunderstanding each other. But most difficulties do not need to be crippling and can be overcome. As Li (1999, p. 5) has pointed out “It may well be true that westerners can never outchinese the Chinese, but an insight into the intricate mechanisms inherent in the interaction process and contextual embeddedness of Chinese-Western business negotiation would undoubtedly provide Western negotiators unprecedented perspectives into the negotiation behaviors and the cultural traits displayed by their Chinese counterparts.”

Chinese negotiating practices

As with everything else in China, negotiating practices are colored by long traditions, practices that are also shaped by recent history. The whole set-up and the proceedings of

business negotiations are different from the practices in the west, as the Chinese prefer to adhere to their own traditions and often insist that everything be done the Chinese way rather than international standards that they might not be very familiar with, and as the westerners come to China to do business they have often no choice but to adapt to the Chinese ways (Blackman 1996). The Chinese see it as essential to form a set of general principles that will govern the business relationship before even talking about details. And after the signing of this protocol, the Chinese will often wish to see a presentation of what the western part has to offer, often in the form of a technical seminar where the Chinese side will let their technical representatives listen in and pose questions, in order to gather as much information as possible about the issue at hand. And if after this presentation the Chinese side is interested, they will proceed with the substantial negotiation (Pye 1992).

Faure (1998) uses the two terms “mobile warfare” and “joint quest” to describe two aspects of the Chinese negotiating style that he has identified, which include the visible tactics and the more subtle, Taoist state of mind, respectively. Faure points out that many Western negotiators focus on the tactics alone and create their own strategies to deal with these, and fail to notice the other aspect of “joint quest”, as the Chinese search for balance and harmony in the negotiation process may only be discovered in more implicit communication, but which Faure places equal importance on. The second, more ritualized aspect of Chinese negotiation style includes the observance of “face” discussed earlier.

The different parties the Chinese engage in negotiation with are met with different negotiating tactics and practices. There are according to Pye (1992) four main categories of companies that the Chinese meet on the negotiating table. The first category is the large, highly capitalized, high technology company that come to China in order to sell their products and services, which they tend to see as very important for the development of China and feel that this should be of great interest to the Chinese, though they usually have many competitors

for coveted deals with the Chinese. With this kind of firm the Chinese tend to use stalling tactics, though this may only be annoying to these companies that have enough financial backing to withstand it. The Chinese also tend to be cautious about buying from these companies, as they wish to learn the new technologies as they go, but rather not spend money buying the products. A second category of foreign companies is the type wishing to buy raw materials from China, representing the major portion of Chinese foreign trade. This is a type of company that is part of the traditional foreign trade system, and tends to be met with quite straight-forward negotiations. The third type of company seeks to import consumer goods from China, and as they are at the mercy of fashions, fads, etc. they dependent on the Chinese delivering on what was agreed on at the right time, something that forces them to engage in hard bargaining with the Chinese. The fourth type of company wants to set up production facilities in China in order to lower production costs. This type of firm represents an influx of foreign exchange, jobs, and technology transfer, and as such is of more interest to the Chinese than the other types of companies. The negotiations might be complex, but the Chinese tend to be enthusiastic about the prospects of doing business.

The Chinese will use a range of different techniques to gain the upper hand on the negotiation table. One such technique is dragging out the time, which may be used to exploit the natural tendency for impatience among foreigners, and especially Americans. And this has been found to cause much frustration with foreign businessmen visiting China hoping to accomplish something, a situation illustrated by this statement made by an American: “You have been waiting months to hear from the Chinese; then when you do, a whole team goes to work helping to prepare your presentation. When you arrive at the hotel, full of anticipation, your Chinese contact says, “How about visiting the Great Wall tomorrow?” So you agree, but then the next day it is the Ming Tombs, then the Forbidden City, the Temple of Heaven, and so on. You came to do business and you expected them to be in a great hurry, and it turns out

that they would rather spend time leisurely sightseeing and chatting” (Pye 1992. p.14).

Another type of technique for dragging out the time, that might also be seen as a problem caused by the Chinese bureaucratic style where making decisions that you might be held accountable for, is to refer decisions to superiors and thus prolong time, causing frustration with the western negotiating team and maybe make them more ready to suppress objections in the future (Pye 1992).

The Chinese are also aware of the differences between the characteristics and tactics employed by different foreign countries when it comes to negotiating as can be seen from this excerpt from “A Practical Guide to Joint Ventures”⁵ edited by Zhang and published in Chinese in 1993: “The way the Japanese get along with people is very polite and modest, but they are also very astute and patient. They often try to put things off so they can find out your real intention. Americans prefer to be quick, so we should not take too long when we negotiate with them. The British are very careful and very hard to get close to. We should call them British, not English. English means they come from England. Germans pay attention to the contract, they require every detail to be negotiated, and afterwards everything has to be followed strictly by the contract. Australians normally have the power to make decisions, and they expect it to be the same with us. They are very efficient, prefer to invite tenders, and do not like to set the price high at the start and reduce it by haggling. (Quoted in Blackman 1996. pp.x-xi)

The Chinese tend to start with the upper hand when negotiating with foreigners as they often have something that the foreigners want, and as the negotiations are most likely to be carried out in china, the Chinese can play the role of a more passive host, and the foreigner often ends up in the role as an anxious supplicant (Pye 1992).

The tactics and strategies of Chinese negotiators are subject to a wide variety of studies, often of a more practical nature that is aimed at preparing western negotiators in

meeting their Chinese counterparts. The characterizations of the Chinese negotiator range from a shrewd tactician to an inexperienced bureaucrat with too much Communist baggage. For a detailed study of the Chinese tactics and strategies used in business negotiations, see especially Fang 1996 and 1999, and also Blackman 1997.

Legal and political complications

China has gone through drastic changes, changes that have been brought about at a rapid pace during the last few decades. After decades of being closed off and seeking self-reliance, the People's Republic of China (PRC) started to welcome contact with foreigners after the open-door policy was instituted in 1978. The mantra of the day has become "get rich," and the focus of the government has turned to achieving economic growth. This development can be seen as unfolding in several stages. Pye (1992) has parted the recent history of negotiating relations between China and the west, particularly the United States, into four phases.

- Phase one: Beginning with the Kissinger-Nixon advances to China starting in 1971, and lasting until the death of Mao and downfall of the Gang of Four in 1976. Most trade was limited to the semi-annual Canton Trade Fair, and trade was strongly influenced by political issues such as whether the traders had any operations in Taiwan, and the political implications of a trade deal was sometimes even more important than what one party had to sell and the other party wanted to buy. Politics was just as important in the negotiation process where the Chinese party tended to be very sensitive to national slights and using propagandistic slogans and code words.
- Phase two: This period begins with the death of Mao in 1976 and continues to the normalization in Sino-American relations announced in the fall of 1978. This period is

characterized by Chinese political rhetoric about the Four Modernizations and the announcement of the Ten-Year-Plan for 1976-1986 in 1978 projecting a goal of 120 large-scale industrial projects, causing a rise in expectations of profits and trade among American traders. The Chinese were trying to deal with reality while creating a smoke-screen of ambitious rhetoric that foreign traders reacted to and wanted to believe in. Trade did not grow along with the projections, but the traders were not deterred, rather more expectant as the announcement of normalization of diplomatic relations was made.

- Phase three: Beginning in January 1979 and lasting till the beginning of the 1990s, the third period is characterized by a flux in the political environment which was closely connected to the commercial environment. Early 1979 brought with it a realization among both the Chinese and the foreign traders that they were completely out of step, but neither was willing to admit to it. This was when the Chinese leaders sat down to reexamine the prospects of their economy, concluding that the Ten-Year-Plan was unrealistic, discarding it and instead planning a three-year period of readjustment, and most planned contracts were frozen or cancelled. Despite this dramatic event that ran contrary to the expectations of the foreign traders in China, they chose to focus on the more positive development occurring in Beijing at the time, where the Chinese government was talking about introducing new joint venture laws and a commercial code including promising tax laws and arbitration arrangements. It was in late 1979 that foreign traders began lower their enthusiasm and look at China trade more realistically, as it became obvious that the Chinese were shifting their focus away from heavy industry, which would have involved extensive import of expensive machinery from abroad, and instead emphasizing agriculture and light industry which would require less import from abroad and enable China to catch up to west more quickly.

Many companies chose to pull out of China, or put their plans on hold, yet many had difficulties letting go of their hope of the China market. By early 1980 there was a careful optimism among foreign traders in China. Certain developments indicated improved conditions for trade, such as proposals for “trade-free zones,” later named Special Economic Zones, and an interest showed by the Chinese in the possibilities of using credit in the form of government-to-government loans and loans provided by the World Bank. What the foreign traders had experienced had made them more sober in their expectations, going for more mundane contracts, not hoping for dream-world benefits. This soberness also came in useful as the foreigners had to navigate in a changing environment, where trade relations were no longer restricted to the Canton Trade Fair and the Ministry of Economic Relations with Foreign Countries, but negotiations could be carried out with foreign trade corporations, the different ministries and even certain individual Chinese enterprises. Other developments, such as the Chinese emphasis on exports, compensatory trade and joint ventures as means to deal with inflation and shortage of foreign exchange, would hamper foreign trade, even if some Chinese chose to ignore the official demands and continued to import machinery and technology. By 1983 the political scale seemed to be tipping in favor of the reformer faction, which was promising for foreign trade, an indication that was further cemented by Deng Xiaoping’s famous trip to Shenzhen in January 1984, when he declared this successful Special Economic Zone a model for the country, and thus giving his approval to further reforms. This prompted renewed enthusiasm among foreign traders, and foreign investment poured into China. But the rapid industrial growth caused serious inflationary pressured and the Chinese government had to cool down by the second half of 1985. Political issues created a very instable environment for business through these years, there was uncertainty when it came to centralization

or decentralization of decision-making, and there seemed to be rope-pulling going on behind the scenes of the Chinese government where the reform faction was heavily opposed by the hard-liners, and this political instability culminated in the protests in the spring of 1989 and the Tiananmen Massacre.

- Phase four: As the 1990s dawned a new phase in the China trade began, lasting till “Chinese Negotiating Style” was published in 1992. Foreign companies had learned that to do business in China, greater care and analysis would be necessary, and that in serious business negotiation exuberance and goodwill would not be enough from the American side, it might even be inappropriate. There was a realization that China would push exports and try to keep its markets closed to foreigners, seen by the growing trade imbalance, which turned from a deficient of \$4.5 billion in 1989 to a trade surplus of nearly \$9 billion in 1990. But the surge in collectively owned and private enterprises, in addition to the relative independence of the Special Economic Zones from the government in Beijing a freer business environment.

The value of Pye’s insight is of course limited as it only provides historical background for the situation of today, nonetheless, today’s situation in China should be put into the historical context in order to grasp the vastness of the changes that have occurred, and to understand the background and the reasons for the peculiarities of the state of affairs in China as they are at present. The political situation after Pye’s book was published has naturally brought many changes, and can be seen as different phases which I will summarize shortly here and come back to later. The year Pye’s book was published saw a sharp change in direction with Deng Xiaoping’s famous trip to the southern provinces of China and his endorsement of a more market oriented economy. With this a more favorable treatment was bestowed on foreign investors. Then the mid 1990s saw increased inflation and the Chinese

government felt the situation was getting out of hand and responded to the situation with an austerity program to reign in the investment craze. As the economy showed signs of improvement towards the end of the decade, the government again promoted investment and made efforts to create an environment more suitable for encouraging business, especially with the added responsibility China has taken upon itself with the membership in the World Trade Organization.

Politics may not be as pervading in Chinese society as it used to be, but still seems to be of importance, also when it comes to business affairs, and business negotiations. In order to find out about the effect of politics on business and the view of the government on foreigners doing business in China, articles from the People's Daily newspaper can offer valuable information, as this newspaper is widely recognized as being under the Chinese Communist Party's control and often used to publicize the Party's policies and attitudes, especially after meetings within the Party when these are decided upon (Fewsmith 2001). Despite the toning down of the Communist terminology and the popular claim that China is following the path of "socialism with Chinese characteristics," the Chinese Communist Party is in control of the Chinese government, as all important decisions are taken by the Politburo and its Standing Committee and then dissipated through the Party and government structure, a structure that is essentially interlocking (Wang 2002).

It is clearly expressed in several articles in the People's Daily newspaper that the government wishes to attract foreign investment. Chinese Commerce Minister Bo Xilai stated on December 2 at the 13th Joint Meeting of the China-Japan Investment Promotion Organizations that the Chinese government has stuck to "the guideline and policy of actively, reasonably and efficiently attracting foreign investment" over the 26 years of the reform and opening up, which has boosted the leapfrog development of the Chinese economy. He said further that "China would strive to maintain the stability and continuity of the policy to attract

foreign investment; earnestly keep the promises it made when joining the WTO; further expand the opening up to the outside; widen the areas where foreign investment is encouraged; attract more investors who deem China the first-choice region which undertakes service outsourcing; actively guide foreign businessmen to invest in China's west regions and the old northeast industrial bases; continue to standardize administrative conduct; enhance the protection of intellectual property rights in order to create sound investment environment for foreign businessmen.”⁶ Vice-Premier Wu Yi has also stated that China will further improve its investment environment to attract more foreign investors to fuel the country's brisk economic growth.⁷ These statements can be seen as an indication that the Chinese government is indeed interested in attracting foreign companies to China and they seem to be willing to improve the environment in which these businessmen operate in order to improve conditions for economic growth. But there is another side to the story, as there are those who voice a concern for the increasing inflow of foreign investment, and there is an ongoing debate on this topic, as can be seen from the arguments is presented by Shen Jiru, a research fellow with the Chinese Academy of Social Sciences, who says that the swift increase in foreign direct investment (FDI) will make China's economy too dependent on foreign trade, which could decrease the country's ability to withstand global economic fluctuations and lead to political instability, and in addition it could also hinder China's ability to make independent economic decisions.⁸

This ambiguous view seems to be matched by ambiguous policies towards foreign businessmen operating in China. Zhang Fan, a professor from the China Centre for Economic Research at Peking University, has said that “The Chinese Government has no comprehensive policy in regards to foreign investment. It needs to formalize such a policy.”⁹ Policies have been created as they went along, learning by experience. It has been argued, notably in the book *Heart-to-Heart Talks with the General Secretary* by fourteen young scholars that were mostly based at the Chinese Academy of Social Sciences that was published in 1996, that

China had to forge on with opening up and allowing foreign funds to enter China, and reforms must be continued in order to maintain stability and protect the future of socialism in China (Fewsmith 2001: pp. 183-186). The accession to the World Trade Organization (WTO) in 2001 has also led to the introduction of further regulations to improve the environment for enterprises operating in China (Edmonds 2000: p. 118) and might be seen as introducing a new phase in the political situation for business in China. Through the WTO agreements, China has committed itself to reduce tariff and non-tariff barriers to trade in agriculture, manufactured goods, and services, to remove a number of restrictions on foreign direct investment especially concerning services, and to improve the protection of intellectual property rights (Garnaut and Song 2002: p.123). Although Vice-Premier Wu Yi claims that China has actually gone much further than its WTO commitments¹⁰, others are aware that China still has many areas where it needs to improve. Professor Zhang Fan from the China Centre for Economic Research at Peking University, has suggested that “As China strives to build up a rule-based market economy that respects policy transparency, protects intellectual property rights and upholds fair competition, China will be better able to attract FDI.”¹¹

Interviews with businessmen doing business in China give a complex picture, as some have a positive impression of the Chinese government and others hold a different opinion of this socialist state. Steve Schneider, CEO of General Electrics (GE) China has told CNN that “I do not view the government as a hindrance at all, multinationals have a pretty good voice at various levels of the government.” But at the same time many foreigners express exasperation in meeting with the Chinese investment environment, especially those running smaller companies. Florian von Oppenheim from the Shanghai office of OSG Records Management has said that “It has been pretty difficult. It took us nine months to get our business license. I have spent many hours talking to government ministries. This has slowed down our business a lot.”¹² The main problems facing foreign enterprises entering and operating in China are

corruption and the red tape of bureaucratism. Foreign enterprises are likely to have to deal with bribery, theft, bid rigging, intellectual piracy, and arbitrary fees levied on them (Rosen 2000: pp. 218-221). Although the Chinese government pledges to battle these unfortunate tendencies, especially the problem of intellectual property rights violations, which the Chinese government is aware of as Vice-Premier Wu Yi admits that “Foreign investors have complained that rampant piracy and IPR violation in China are making it difficult for them to do business.” And further claims that “The Chinese Government attaches great importance to Intellectual Property Rights (IPR) protection,” and that “more efforts will be made to prevent the infringement of IPR.”¹³

Potter provides a conscientious discussion of the Chinese legal system that has been developed from being basically a tool for the Chinese Communist Party to maintain its monopoly on political power, to become a more comprehensive tool for governing society and maintaining a fair environment by mostly borrowing from Western legal systems. Since this trend started in the reform era, they have come a long way reforming the legal system, although the main purpose of the legal system is still maintaining the CCPs power, and there is still a long way to go in attaining the rule of law (Edmonds 2000: pp. 109-121). This view is supported by Yatsko, as she reports that though China has made progress in reforming the civil and commercial legal systems, the law is still seen by the Chinese Communist Party as a means to maintain power and obtain goals that it deems important, rather than an arbiter of impartial justice, and foreign enterprises are met with many obstacles when they wish to resolve commercial disputes in China (Yatsko 2001.p.225). As economic development is the goal of the Chinese regime, they have been very selective when it comes to choosing the legal reforms to carry out, developing mostly laws and regulations concerning business that will promote economic development (Edmonds 2000: p. 109). There have been issued numerous laws and regulations in the period of reform concerning business, such as the Company Law

of 1993, the Law of the PRC on Urban Real Estate of 1994, the Economic Contract Law of 1981, the Foreign Economic Contract Law of 1985, and the Foreign Trade Law of 1994, most of which have gone through several revisions as needs arose (Edmonds 2000: pp. 116-118.). These laws provided a more predictable environment to operate in for foreign investors, and domestic businessmen alike, but also entrenched the Chinese state with more power to control the behavior of these businessmen, Law of the PRC on Urban Real Estate of 1994 for instance made the rights of private land use less limited, but it also restricted these rights by tightening the state control over granting these rights. The state maintains control over the business activities through restricting approval of investment projects, supervising finance and taxation, setting licensing and customs requirements, and other measures (Edmonds 2000: pp. 117-118).

Although the restrictions on foreign investment have been gradually relaxed ever since the introduction of the reforms and open door policy, which are necessary in order to attract foreign investment and which was later imposed on China after its membership in the WTO, the Chinese government is still reluctant to let go of all control. There is an awareness of the possibility of unwanted consequences that can be seen in the policies concerning foreign investment in China. Many are designed to control and supervise the activities of foreign companies investing in China. It is still a fact that China's economy has gained enormously from the influx of foreign investment. Statistics show that the Chinese state earns great sums from tax revenues and industrial output from foreign-invested enterprises, and also gains much from the values generated by these companies through development, investment in fixed assets and the jobs created for millions of Chinese. According to an article in the People's Daily, foreign investment is promoting the national economy, as foreign-invested companies accounted for about 11 percent of the total social investment in fixed assets in China in 2003; the industrial added value made up 28 percent of the total amount nationwide; the export volume contributed to 55 percent of the total volume in the country. Direct

employees in foreign-invested enterprises have exceeded 23.5 million, which were 10 percent of non-agricultural working population nationwide.¹⁴

The complicated and ambiguous nature of the political and legal situation forms the back-drop for business negotiations in China, as the actors of business transactions will have to take into account the numerous laws and policies, even the lack of relevant laws and policies, when they set out to do business in the Chinese environment. The ambiguousness and flux in the legal and political environment makes for a complicated and difficult situation to negotiate in.

A business negotiation between a Chinese company and an Australian company

The theoretical background for analyzing negotiations

The negotiation process consists of different aspects such as the negotiators behavioral disposition, negotiating tactics, and the disclosure of specific types of information, aspects that have often been analyzed in order to understand the outcome of a negotiation. Another aspect of the negotiation process is the language, the means through which most of the communicative interaction, which indeed makes up the essence of the negotiation, and analysis of the use of language in a negotiating process can provide insight into the interactional and contextual features of negotiation activity (Li 1999). According to Firth, as quoted in Li (1999) negotiation has become popular as a target of study during the last three decades, approached with different methodological analyses according to whether the scholar belongs to the disciplines of economics, game and bargaining theory, political science, anthropology, or social science, which are responsible for most of the research done on

negotiation, and naturally this background will lead to different focuses and emphases, and often disparate and overlapping findings (Li 1999).

Firth (in Li 1999) proposes five dominating orientations within the existing research carried out on negotiation: prescriptive, abstract, ethnographic, experimental and discourse analytical. These orientations can be distinguished by their use of method. The prescriptive studies mostly make use of first-hand experience gathered through simulations or interviews and anecdotal evidence, and this type of research is mostly written for the benefit of trainees or managerial practitioners of negotiation and thus is more practical in its approach. This orientation does not place much focus on social linguistic behavior, but rather describes the outcomes and tactics of negotiations through impressionistic observation. Abstract studies use a hypothetical-deductive method through placing a theoretical and idealized negotiation in a bargaining model or using logical experimentation. As the models are based on economics and aimed at an audience of economics, the focus of this research is on the effectiveness of the negotiation as well as the outcomes and tactics and linguistic behavior is of no interest. Ethnographic studies will make use of interpretive research procedures, as this is the preferred approach of sociologists and anthropologists who are familiar with the gathering of information through interviews and observation of participants of negotiations. It has also been used in the areas of social psychology and for practitioners of negotiations. This approach usually takes naturally occurring events as data, and the focus of the research is variable. The experimental orientation will often use a positivistic method in a simulated negotiation, as the research procedure is to test hypotheses for validity. This in addition to the abstract orientation has attracted most scholarly research, and is produced for an audience mostly in social psychology and for trainees and practitioners of negotiations. Much emphasis is usually placed on the practical sides of negotiations such as the outcome, the tactics used and the effectiveness displayed, whereas linguistic behavior is usually not focused on. Finally the

discourse analytic orientation will analyze the micro details underlying the negotiation process, which I will elaborate on below.

Relevant for my studies is the discourse analytical method, of which there are two main categories distinguished by their assumptions and methodological practices, namely the use of coding schemes, that tend to focus on the verification of hypothesis and not discovery, and micro-analytic work carried out on transcripts of negotiations. The use of coding schemes has been mostly employed by communications scholars and social psychologists, and makes up the largest part of the research carried out on the discourse of the negotiation process. This method is experimental in that it takes a hypothesis as a starting point and through coding analysis attempts to verify the hypothesis. This is mostly done on simulated events, and the focus is on the social linguistic behavior of the individual and on the outcome of the negotiation in addition to the tactics employed and the effectiveness. The micro-analytic method has been used mostly by interactional sociolinguists and conversation analysts and by focusing on the social membership of the individual rather than the individual's actions as the previous method. The micro-analytic method uses an interpretative outlook, taking transcripts of natural discourse as the basis for analysis, looking at both the conversation and the social interaction (Li 1999). My choice of method is the micro-analytic discourse analysis, as I will analyze the transcripts of the business negotiation that make up my material in order to identify interesting phenomena in the proceedings and use knowledge of the Chinese culture drawn from a broad specter of work by acknowledged researchers to see if there might be underlying cultural reasons for these phenomena to occur.

One of the issues when carrying out research is that a researcher will most likely find what he or she is looking for. By looking for communication failure or misunderstandings in cross-cultural communication it is quite possible that I will be able to identify instances of this. In fact, it is the nature of discourse analysis, as this method is based on taking a piece of

discourse and subjecting it to analysis in order to identify phenomena that can support the original thesis. Instances that can suggest misunderstandings or difficulties are then emphasized and parts of the discourse that are relatively free of problems (most of the discourse must necessarily be free of problems in order to have successful communication) are ignored or pushed into the background as it is often seen as irrelevant to the investigation. Through this focus on the difficulties of cross-cultural communication, and negotiation in particular, one might be fooled into thinking that misunderstandings are all-encompassing in these situations and fail to realize that many instances of successful communication do occur. There is indeed much evidence of successful communication in my material, even if I do focus on difficulties that occur. This is especially the case in the parts of the negotiations where specific issues are discussed through short questions and answers, which include some parts of Negotiation I and most of Negotiation II, and this is why I concentrate on Negotiation I for my discourse analysis, looking for instances of misunderstanding or other phenomena. Short and concrete statements are likely to be easier to understand than longer statements where it might be difficult to identify the main information that the speaker wishes to convey.

There are also issues connected with explaining misunderstandings in cross-cultural negotiations in the context of culture. As discussed earlier, culture should not be seen as static systems, but rather something that evolves through its members. It is difficult to attribute misunderstandings in a communicative situation to cultural backgrounds, as the participants in the situation will necessarily have to create a common ground where they choose codes such as a language, communicative practices and meanings that they have a relatively shared understanding of. In this situation one participant may adapt to the culture of the other, or both may adapt to each other. They may even create new meanings that cannot be traced back to either of the cultures (Li 1999). Thus identifying the source of misunderstandings that might occur in cross-cultural communication may pose difficulties, but culture should not be

seen as irrelevant and might prove to be informative in attempting to explain difficulties in communication. Most of the existing research on intercultural communication is focused on explaining misunderstandings in the context of a lack of common cultural backgrounds. Another interesting angle is to look at how participants in cross-cultural communication actually deal with the lack of a shared culture and similar mindset, but that falls beyond the scope of my thesis.

Much research has been done on intercultural communication, and some theories have been developed, which I will make use of in my own analysis. Gumperz has formed the contextualization theory where he has suggested that “participants in verbal communication use different types of linguistic devices for signalling to each other which interpretive frames (contexts) are relevant for the interpretation of the verbal utterances. These linguistic devices are known as ‘contextualizing cues’ (In Li 1999. p.59).” What is described as “contextualizing cues” are linguistic features that signal contextual presuppositions, and may take on the form of code, dialect, choice of lexical and syntactical options to formulate an expression, etc. These have been shown to be culture-specific (Li 1999). When people of different cultures interact, the degree to which they share the same contextual presuppositions, or their skill to interpret the culture-specific cues made by the other participant is relevant for successful communication. A word, or rather a concept, might be perceived differently by members of different cultures as they may have different assumptions. There are also certain cultural keywords, a concept developed by Wierzbicka referred to in Li (1999. p.67-68), that have a meaning specific to the culture in which it is found, and that carry an importance as they can reveal something about the culture they belong to. This suggests that there is a link between language and culture, and that certain conclusions may be deduced from clues found in the language on the underlying cultural effects.

Background for the material

I have been fortunate enough to gain access to the proceedings of a negotiation between a small, but successful Australian company, Laservision, that supplies creative solutions for permanent attractions or special events where they integrate special effects such as lasers and theatrical sound, representatives for the Wuzhen travel and development office, and Shanghai Art and Film Studio. The negotiations are concerning a possible cooperation staging a performance of the famous Chinese “Story of the White Snake” in Wuzhen where the Shanghai Art and Film Studio will provide the storyline and the animation and Laservision will provide the special effects and special aqua-screens which will function as the canvas for the performance which is targeted for a very young audience. An aqua-screen is a special kind of screen that is quite large and is to be placed outdoors. It is transparent and the pictures projected onto the screen take on a transparent hue. For added effect, the aqua-screens are to be placed on water, in this case on an artificial lake. For this performance they want to use two aqua-screens placed at an angle, which will enable them to project two films at once, but the visual effect will be one large screen. In addition they want to install a water fountain and use lasers for special effects. (The script for the performance and a version of the original story are provided in Appendix II) The proceedings are made possible by the presence of an interpreter, a third year student from the Foreign Language Department at Fudan University.

I take this material that I have gathered as the basis for my research, finding out whether there are difficulties, such as misunderstandings, when Chinese and westerners (defined as members of English-speaking societies in the developed world) negotiate for business purposes, and whether the possible difficulties can be explained by the cultural background of the negotiators. My material is not complete. Unfortunately I only have

transcripts in Chinese of the proceedings where the statements made in English by the Australian are omitted and replaced by the translation into Chinese made by the interpreter. My recorded material was accidentally deleted, though fortunately after the proceedings were transcribed. This makes for an obvious weakness in my material. Due to a misunderstanding the proceedings were not transcribed according to conventions that take into account non-verbal language, and there are some errors in the transcription itself. I have no account of body language or other ways in which communication can be conveyed as my material only reports of the spoken language. Thus my material carries much less value than for instance a video taping of the proceedings would. The greatest loss is that I have no way of verifying whether the Chinese interpreter is true to the utterances made by the Australian, nor have I access to material that would allow me to analyze the impact on the negotiations made by the interpreter. But it still allows for an analysis of the reactions on the Chinese side, which is the main focus of my work. Despite the many shortcomings of my material that I am well aware of and which does impede my work on it, I hope that the transcripts still can offer a certain insight as it is an account of a real life negotiation.

Presentation of the material with analysis and interpretation

The negotiation and possible cooperation poses a new situation for the participants. The Australian businessman has not worked with a traditional Chinese story before, the Shanghai Art and Film Studio has not worked with the kind of technology proposed for the project at hand, and the representatives for Wuzhen has not hosted this kind of show before. As all parties are slightly unfamiliar with the situation, the proceedings contain quite a bit of presentation and explanation. The three parties have never done business together before. They have agreed on an agenda for the negotiation, and have a time frame. Their goal for the negotiation is to reach an agreement on the story to be used for the performance (the script

still has to be written), they need to agree on how the performance shall be displayed and on what equipment to be purchased.

The first part of the negotiation (Negotiation I is presented in full in appendix 1) is shown here in excerpt 1, where a number of interesting phenomena can be pointed out. Pan and Xi are the most prominent participants throughout the negotiations, and during the first part of the negotiations they are the only ones discussing. Pan is the leading scriptwriter at Shanghai Art and Film Studio, and also has responsibilities for the school run by this company that educates cartoonists. Xi Men is the Chinese name given to the Australian businessman, who is probably named Simon (Chinese often have difficulties understanding western names, especially long ones, and will often resort to give the westerners Chinese names, which are often imitate the sounds of the original name. Westerners operating in China will also often adopt a Chinese name for themselves in order to make it easier for the Chinese.). He is a project manager for the Australian company Laservision, who works on projects involving high-tech installations in South-east Asia, the latest one in Singapore. Other participants do not join in till later. I present the material in Chinese, and will then translate the parts that I feel are important or provide a short summary of the contents in order to give the reader a picture of the proceedings in order to understand the background for the analysis of the details. I strive to give a correct translation of the Chinese text, which is close to the original meaning, but also readable in English.

Excerpt 1

15 潘：有幸相见。乌镇让我们在一起，希望我们能共同合作。我搞动画电影很多年，
16 上海美术电影制片厂在世界上有名，我做了41年，但对激光电影是门外汉，
17 是新技术，这包含了一个技术另一个艺术。如何结合的好，是相互学习。今
18 天第一天我就学到不少。白蛇的故事大家都知道，虽然有各种不同的版本，
19 但基本情节差不多，最大的不同是现代人有不同的理解，人物还是这些基本
20 人物，环境根据需要怎么美怎么搞，我想问几句，动画如何和激光结合是高科
21 技，这里有个相互配合的问题，而这个配合不是我们是电影内部的问题，因
22 为每种艺术都有其长处和短处，动画不如真人那么细腻真实，早期这是他的

23 短处，后来有了三维电影，就把很多原本 达不到的达到了。但是，在某种形
24 式上到弱了，动画电影的特点如果太真实不如真 人去演。
25 西：是很开放的，讨论决定。

- *Display of politeness*

Many tend to see fundamental concepts such as directness, solidarity, harmony, and sincerity as universal. But they might not be perceived the same way by people belonging to different cultures. Wierzbicka writes: “It seems obvious that if we want to compare different cultures in terms of their true basic values, and we want to do it in a way that would help us to understand those cultures, we should try to do it not in terms of our own conceptual artifacts (such as the English self-assertion or sincerity) but in terms of concepts which may be relevant to those cultures as well – that is, in terms of concepts that are relatively, if not absolutely, universal”(in Li 1999.p.66) These and other concepts may have more or less the same values, but they should not be applied to different cultures in the same way. Li (1999) points out “politeness” as a concept that should be seen as being perceived differently in western cultures than in the Chinese culture. The importance attached to politeness practices seems to be different in different cultures. As I will discuss below, in the Chinese culture the practices of politeness seem to carry great relevance in social settings, of which negotiations are certainly no exceptions. It might even be more important in a negotiation situation as this is a very stylized form of social interaction, and symbolic acts of politeness might be valued. In the Chinese setting politeness also carries weight in that it is closely connected to the practices of maintaining face and building *guanxi*, as I will argue later. Politeness is of course an important practice in western cultures as well, but might be seen as more superficial and less extensive. The degree of politeness employed in social exchanges will also vary among western countries. A Norwegian, following normal Norwegian conventions, will for instance most likely be perceived as rude by a Briton.

Pan (潘), the scriptwriter from Shanghai, takes on the role as host, offering polite phrases in Line 15, with his statement that “It is fortunate that we meet in person,” which seems to be directed towards the Australian, called Xi (西) in the transcription. Pan goes on telling about his area of expertise and his long experience with making cartoons in L15-17. In pointing out his 41 years of experience in his field, and then stating that “but when it comes to laser movies I am a layman” in L16 Pan expresses humility, thus giving Xi face, which carries great importance in Chinese culture as discussed earlier. This act can also be detected in L15 where Pan states that “Wuzhen is responsible for letting us come together,” he is showing respect for the real host of the meeting, namely the Wuzhen Tourism and Development Office. These speech acts can be seen as simply polite phrases aimed at creating a good atmosphere for the negotiation, and though other interpretations are possible, it seems most likely that there might also be an underlying attempt made by Pan to establish a good relationship between the participants of the negotiation. By giving face to the other parties, Pan is creating good feelings, *ganqing*, which builds up the *guanxi* between them, thus shortening the distance between them and aiding proceedings of the negotiation. Research suggests that whereas westerners tend to see a deal as the only goal of a business negotiation, the Chinese tend to see the building up of a friendship and making a deal as the two goals of negotiation (Li 1999). This is a cultural trait typical for Chinese as shown earlier. Whether the western negotiator understands the implications of Pan’s statements is uncertain. His response to Pan’s long opening statement does not show any acknowledgement of Pan’s display of politeness and humility, but rather focuses on Pan’s statements concerning the project, where Pan elaborates on the advantages and shortcomings of cartoons, and the challenge in combining cartoons and high technology which is the aim of this project. Xi’s response, “It’s very open, let’s discuss it and make a decision,” in L25 seems to be directed towards the latter part of

Pan's utterance where he focuses on the technical aspects of combining cartoons and high technology, and seems to be an assurance as to the feasibility of the project.

Excerpt 2

- 76 西：这几天要讨论喷泉、水、火、激光的细节。喷泉三个用途：白天要做景观，晚
77 上打灯，如果有用，就做故事中的过渡和刀具。新加坡就是拿它做序幕（配合
78 音乐），就像听歌剧一样。这些喷泉制作的时间最长，其他的很简单，所以我
79 担心什么时候乌镇开放。他听说乌镇想在五月份开放，时间很紧张，你们听说
80 什么时间开吗？
81 潘：没有，但知道很紧张。
82 西：我担心来不及。
83 潘：艺术经常都是这样，拖时间，最后来不及。
84 西：我现在想知道乌镇什么时候竣工，他可以倒计时。也可以乌镇根据他的单子
85 做，到时就竣工。我相信三个星期就可以达成共识。例如简单的图像，决定使
86 用哪些技术，哪些器材。激光、水、图像、声音四个重要问题时间再短也没问
87 题。喷泉和喷火装置是最麻烦，要决定放哪里。我和乌镇提议要碰面是在三个
88 月前，原本希望能在乌镇一起写剧本共渡美好时光。现在不行了。
89 潘：等做好后我们也有时间。艺术家总希望时间宽裕点，但乌镇做为商家总希望时
90 间抓紧。
91 西：我是第一次和那么有名的作家一起做这样的事，以前是一个人做，但这次和有
92 名的人非常荣幸。做事前要决定花多少天，做个计划。所以我不想到5月份再
93 发现不能做。
94 潘：是的，我们要在这几天把最基本的完成。

The exchanges in excerpt 2, which occur a little later in Negotiation I, also show signs of the display of politeness, but this time the politeness is displayed by the westerner. In L78-80 Xi asks: "Things like the fountain will need the longest time to manufacture, other things are simple, so I am worried about what time Wuzhen will open. He has heard that Wuzhen wants to open in May, time is very scarce, have you heard when it will open?" As he does not get a concrete answer, but rather something that seems like a confirmation made by Pan that he has understood the problem and agrees in L81: "We haven't, but we know that it's very close." As Xi presses on in L82: "I'm worried that there won't be enough time [to do it]." This continues for several lines as Xi keeps on pushing the issue, and Pan talks around it (this communication behavior will be discussed later). The repetition suggests that this issue is very important to Xi, and that he really would like a concrete answer. He needs to know when

Wuzhen will finish constructing the site for the performance and when they want to start the performance in order to have all the equipment ready. In L91-93 Xi chooses to show respect for Pan: “This is the first time I work with such a famous writer on this sort of project, before I have worked alone, but this time I am very honored to work with so famous people. Before we can handle the matters it is necessary to decide on how many days to spend on it, and make a plan. So I don’t want to find myself in May and then first discover that it is impossible to accomplish.” Whether these really are the words expressed by the Australian is hard to establish, but what can be said is that this is what the Chinese side heard. It may seem like Xi wraps his words in politeness, but still pushes the issue of time. It might be interpreted as if he is trying to create goodwill and through this is trying to obtain the answer he wants. Another explanation might be that Xi understands that Pan does not have the information on when Wuzhen wants to finish the project, and wants to express the importance of the issue in connection with his obligations to the project. By showing respect for Pan and using polite words he might be trying to get him over on his side and make him talk to the representatives of Wuzhen and make them clarify the timeline of the project. This view can be supported by the statement made by Pan in L89-90: “Artists always wish that they have ample time, but Wuzhen can be considered as businesspeople, who always wish that they have a firm grip on time.” With this Pan seems to draw a line between himself and the representatives from Wuzhen in that he would prefer to have a comfortable amount of time to complete his tasks in connection with this project, just as Xi seems to want more time so that he can fulfill his part of the deal, but the people from Wuzhen want the project to progress at a fast pace in order to minimize cost and maximize profits.

The attempt made by Xi to make use of politeness and flattery in his argumentation, methods that can be seen as very Chinese, can be interpreted as a tactic from his side to create a closer bond between the two. On the basis of his assumptions of Pan as a Chinese person,

He might expect him to respond to politeness as he undoubtedly has heard about this phenomenon in Chinese culture. By adjusting his behavior according to his assumptions about the cultural characteristics of Pan (which is discussed above), he can be seen as trying to create a common conceptual ground for them, which could facilitate communication.

- *Directness of westerners, indirectness of Chinese*

The statement made by Xi in L25 can also be seen as an indication of the directness of westerners as compared to the Chinese. By his short response to Pan's long introduction, Xi signals that he wants to get straight to the issues at hand. Research has found evidence that westerners tend to follow a direct way of argumentation, focusing immediately on the topic they find important.¹⁵ Chinese on the other hand, in addition to members of some other Asian cultures, tend to follow a more indirect and circular pattern in their rhetoric style. Using the indirect style, the Chinese tend to present a subject from many different angles, but rarely looking at the subject at hand directly (Li 1999). This method of discourse organization presupposes that the listener can logically derive the main subject from the thoughts and ideas that are presented, and take this as the most important matter even if it has not been mentioned. The speaker makes the assumption that the listener shares enough of his or her own mindset to decipher the main issue. If this is not the case, problems might occur. This method might confuse western businessmen that are used to a more direct discourse organization where the issue at hand is presented usually first, and then followed by thoughts and ideas that support or are in some way connected to the main issue. It has also been argued that Chinese usually follow an inductive pattern of argument, whereas the deductive form is more common among westerners. Kirkpatrick defines the difference between the deductive and inductive argument patterns: "Deductive reasoning is a way of reasoning that moves from a general idea or set of facts to a particular idea or fact. However, when people talk about

deductive argument or rhetoric in the ways mentioned above, they mean that the main thesis is presented towards the beginning of a text and the support for the thesis is mentioned after it. In contrast, inductive reasoning is a way in which known facts are used to present general laws. So, when people talk about inductive argument or rhetoric, they mean that the support for the thesis is presented before the thesis itself is explicitly stated. Deductive rhetoric is often classified as being in some way explicit, to the point, and direct. Inductive rhetoric on the other hand is often seen as being in some way implicit, intuitive or indirect” (In Li 1999. pp.130-131). Scollon & Scollon concurs and further elaborates: “The confusion these differing strategies cause is a straight result of the difference in placement of topic. A Westerner will generally assume that the first thing said by the caller after the answer will be the main topic. Later items in the conversation will constitute facework or plain small talk. The Asian will generally assume that the first thing introduced WILL NOT be the main point and can be relegated to the conversational backwaters, but he or she will be paying somewhat more acute attention later on as the conversation reaches its conclusion (from his or her point of view). The consequence of this difference is that both conversationalists may remember exactly the same details from a conversation, but each will ascribe quite different values to the items” (In Li 1999.p 132). This is closely connected with lack of understanding and non-alignment that I will discuss below.

This excerpt shows indications of the difference in discourse organization in the statements made by the Chinese and the westerner.

Excerpt 3

- 26 潘: 我们要把两者结合, 就对二维电影和动画比较了解, 所以我以前选择情节更多
27 的从二维选择。从三维是和以前不一样(情节、人物)这是我们要讨论的。比
28 如镭射最擅长表现。
29 西: 这种电影很普通, 迪斯尼在美国非常成功, 迪斯尼是以二维来表现, 它成功
30 了。图象是很简单的。水幕电影更是简单、清晰, 水幕电影表现的是大家都知
31 道的故事。迪斯尼做的白雪公主是一个成功的例子(水幕电影)。

Pan makes a statement in L26-28: “We must unite both sides, the matter is that two-dimensional movies and cartoons are fairly easy to understand, so that before when I chose a plot, even more were chosen from the two-dimensional kind. To adopt it to a three-dimensional kind is different from before when it comes to the plot and the characters, so this is something we need to discuss. For example how to display the strong points of the laser beam.” The main information that Pan tries to convey seems to be that he is concerned with how to bring in the use of high-tech equipment into the plot, information that is mentioned, but not until the latter part of the statement. In Xi’s answer on the other hand, the situation is different: “This type of film is very common, Disney has achieved very much success in the United States. Disney has used the two-dimensional mode of display and was successful. The image is very simple. An aqua-screen film is even simpler, clearer. An aqua-screen movie should be used to display a story that everybody can recognize. Disney’s display of “Snow White” is an example of the successful use of an aqua-screen movie.” The main information in Xi’s statement seems to be his very first utterance, namely that this type of film is very common. After it follows information that supports the main issue, in how the method has been used by famous movie makers and they have been successful. The use of historical anecdotes and examples from well-known people to support an argument seem to be common in both western and Chinese traditions.

- “Cooperate” as a keyword

Cooperate, the English equivalent of 合作 *hezuo*, and 配合 *peihe*, two words that represents roughly the same concept, can be found throughout the negotiation, as can other words with similar meanings. I want to suggest that cooperation as in 合作 *hezuo*, and 配合 *peihe* are cultural keywords, defined as “words which are particularly important and revealing in a given culture” by Wierzbicka (in Li 1999. p. 67). As shown in Excerpt 1 L15, in his

opening statement Pan says: “[I] hope that we can cooperate together.” In this sentence, “cooperate” is underlined by adding the adverb 共同 *gongtong* that can be translated as together or jointly, thus emphasizing the meaning. This can be seen in connection with what was discussed in the previous section on politeness, as this statement seems to carry a positive meaning and Pan might be trying to express politeness and humility. The word “cooperate” as 合作 *hezuo* and 配合 *peihe*, seems to have positive connotations in Chinese whereas in the west it seems to have a more neutral meaning. Cooperation is of course of essence in this project, as the three parties need to sit down and combine their forces in order to create a successful performance and earn money. This is also pointed out by Pan in excerpt 1 L17 when talking about how to make new technology and art work together: “How to combine [this] in a good way, [that is something that we must] mutually study.” And later repeated in L20-21: “...how to combine cartoons and laser is high-tech, therein lies the issue of mutual cooperation, but this cooperation is not between us but rather an issue for the movie internally.” He does point out that the cooperation concerns how to combine cartoons and high-tech equipment to create a performance, but this does necessitate the cooperation of the participants of the negotiation. In this instance Pan also underlines cooperation by combining it with “mutual” 相互配合 *xianghu peihe*.

Excerpt 4

- 110 西：第一次来乌镇，也不知道做什么，您是很有名的动画人，在上海做设计时，
111 我可以全力配合。和您这样的大师级人物合作像假期一样。
112 潘：我们必须要多讨论把疑问提出，达成共识。
113 西：目前还没什么问题。
114 潘：我是中国人，可以和乌镇提供参考让三方合作更好，但我目前还没和乌镇沟
115 通好。

In excerpt 4 three instances of the use of “cooperate” can be identified. In L110-111 Xi says: “This is the first time I’ve been to Wuzhen, I also don’t quite know what we are doing, you are a very famous cartoonist, and have worked with design in Shanghai for quite

some time, I can whole-heartedly cooperate. To cooperate with a master of your level is just like being on vacation.” Previously in the discourse there was a little misunderstanding that I will discuss later. The statement made by Xi might be seen as a re-alignment device to get the negotiation back on track again. By showing politeness and respect for Pan he can be seen as giving him face as discussed earlier, and with this creating a lighter atmosphere. The polite form of address used in the Chinese version does not show in the English translation. As I do not have the original English version it is unclear whether this was intended by Xi, or was added by the Chinese interpreter, which is the most likely explanation. That the westerner is using 配合 *peihe* and 合作 *hezuo* to stress cooperation might suggest that he has picked up on the importance this concept seems to be for the Chinese, and attempts to use it to show that he does want to be on the same side as Pan. It might also suggest that the words carry more meaning than simply working together, that it has a dimension of meaning that implies a positive attitude, especially since he is using the word in the context of improving the atmosphere and giving face to Pan. In L114-115 Pan also makes use of the word: “I am a Chinese, I can offer my consultation to Wuzhen so that the three sides can cooperate even better, but at the present time I haven’t yet communicated well with Wuzhen.”

These words and others are used in the sense of combining elements in the script and on the screen, but also in the sense of combining efforts of the people present. This latter sense of the concept is the most interesting one, as this is the one mostly colored by the positive connotations that I suspect are attached to these words. The positive meaning of 合作 *hezuo* can also be exemplified in a very current situation, namely during the eight day visit of the chairman of the Kuomintang party of Taiwan, Lien Chan to China Beijing on April 29 2005 that can be seen as an attempt to bring the two countries closer together.¹⁶

The positive connotations of cooperation 合作 *hezuo* and 配合 *peihe* as in the Chinese language might be seen in connection with the Communist heritage where cooperation is very

much the basis of the ideology, and was hailed in China as a virtue since the take over by the Chinese Communist Party. It might also be seen as having deeper roots, going back to Confucian thinking where one is expected to help family and friends, and cooperating with those with which one has good *guanxi* is essential for maintaining the relationship. This taken into account, it might suggest that Pan is trying to create a common ground for the participants of the negotiation by stressing the concept of cooperation and thus their growing *guanxi*. By stressing cooperation, Pan might be trying to signal that he considers the other participants as part of an in group, and thus creating a better basis for them to get the proposed project up and running. According to Blackman the distinction between in group and out group is important in Chinese society, and particularly when it comes to doing business as relationships provide the security, not the law since the legal system in China is still underdeveloped. In collectivist societies such as China, where the well-being of the collective is valued over that of the individual¹⁷, it is common to have an in group out group mentality. There are different sets of ethics connected to whether a person is an in group member or not, and it is seen as quite acceptable to cheat an outsider (Blackman 1997). By trying to place Xi in the in group, Pan can be seen as trying to create a better atmosphere for the negotiation where they all work for a common goal. This might be the reason why there seems to be little antagonism in the negotiations. I have not identified any indications on bad feelings or the use of tactics for gaining an upper hand in negotiations which are common to use when the negotiating partner is an out group member and thus can be cheated in order to gain advantages for the in group.

- “*Common understanding*” as a keyword

“Common understanding” 共识 *gongshi* in Chinese is closely connected to cooperation 配合 *peihe* and 合作 *hezuo*. The root meaning of 共 *gong* is all, common, collectively, to share, or

work together, and 识 *shi* means knowledge or understanding, thus a relatedness can be seen with “cooperation.” This is another word that I propose is a cultural keyword.

Excerpt 5

- 67 潘：这是要和管委会共同决定的，这要根据他们的财力。经过初步谈话，这两天要
68 做我们要一. 把大体情节和故事有共识。二. 人物有多少。三. 情景需要什么。
69 四. 如何发挥镭射电影的特殊效果，这需要我们讨论。这个场景要用水或电或
70 火，我们写到剧本台去，所以这个故事一定要两个人一起讨论。假如这些过程
71 讨论有利，我们回去把剧本具体化。西蒙先生可以把东西都了解，同步进行，
72 再合成，这不是一个艺术创作，而是为技术来写剧本。如果是对的，那么要继续
73 续下一部。
- 74 西：是的，但我们工作是帮助你们，你们给我一些创意和想法，我们来做。
- 75 潘：共识是最重要的。
- 76 西：这几天要讨论喷泉、水、火、激光的细节。喷泉三个用途：白天要做景观，晚
77 上打灯，如果有用，就做故事中的过渡和刀具。新加坡就是拿它做序幕（配合
78 音乐），就像听歌剧一样。这些喷泉制作的时间最长，其他的很简单，所以我
79 担心什么时候乌镇开放。他听说乌镇想在五月份开放，时间很紧张，你们听说
80 什么时间开吗？
- 81 潘：没有，但知道很紧张。
- 82 西：我担心来不及。
- 83 潘：艺术经常都是这样，拖时间，最后来不及。
- 84 西：我现在想知道乌镇什么时候竣工，他可以倒计时。也可以乌镇根据他的单子
85 做，到时就竣工。我相信三个星期就可以达成共识。例如简单的图像，决定使
86 用哪些技术，哪些器材。激光、水、图像、声音四个重要问题时间再短也没问
87 题。喷泉和喷火装置是最麻烦，要决定放哪里。我和乌镇提议要碰面是在三个
88 月前，原本希望能在乌镇一起写剧本共渡美好时光。现在不行了。

In excerpt 5 (which incorporates an earlier excerpt) there are three instances of common understanding. In L67-73 Pan lists up what they have to discuss for the project these days: “Through these preliminary talks will we these two days: 1. Reach a common understanding on the main plot and the story, 2. Decide how many characters to display. 3. Decide what must be displayed on the scene. 4. Decide how to bring the special effects of the laser movie into play. These are the things we need to discuss.” The fact that he points to a common understanding of the story first can mean that this is seen as the most important matter. Pan’s statement in L75 supports this: “A common understanding is the most important matter.” The surface meaning of the expression “common understanding” is of course that they see the

matter of negotiation from the same vantage point, and thus can better cooperate in order to make the proposed project work in the best possible way. It might simply mean that Pan hopes all the parties will be able to understand the story they are working on in roughly the same way. By drawing on the discussion of mindsets under the chapter Issues complicating cross-cultural negotiation above, it might be suggested that Pan has their cultural differences in mind as he points out the necessity of reaching a common understanding. Undoubtedly they have different mindsets that are not very overlapping, and they are probably aware of that. In addition to belonging to different cultures, they also represent very different professions. It seems very likely that a cartoonist, a project manager for hi-tech performances, and then in addition bureaucrats, even if they did belong to the same culture, would have a different understanding of matters, and might run into difficulties. By stressing the need to reach a common understanding, Pan might be referring to the need for understanding each other's point of view despite cultural differences, and thus create more of a common ground, in the sense that they see things in more or less the same way, that would ease negotiation. Reaching a common understanding in the sense of reaching an agreement is of course also the goal of negotiations, as a failure to do so will mean that the negotiations will lead nowhere.

In L85 the word is also used by Xi: "I am convinced that after three weeks we will have reached a common understanding." He might just be mirroring Pan's earlier statement, or he might also see the issue of having a shared understanding of the matter at hand as important. Also seen in excerpt 3 Pan states in L114 "We must discuss some more the to catch questions, and reach a common understanding."

I propose that the repeated use of "common understanding" can be seen in the context of the search for a harmonious atmosphere that seems to be prevalent in these negotiations. By pushing the issue of a common understanding, it seems that Pan is trying to create a relation between them placing them on the same side rather than on opposite sides competing

for the part of the deal is most negotiation situations. By stressing the need for a joint effort through a common understanding of the matters at hand, and maybe also a more general common understanding, Pan might be seen as trying to strengthen their *guanxi* and thus better the whole outlook for the negotiations. This is very much connected to the idea of an in group and an out group. It seems that Pan is determined to place Xi in his in group, hence a different set of rules for the negotiations will be used than if they were members of opposing groups. Research has suggested that the Chinese show a strong preference for shared and mutual benefits in business dealings, and prefer a long-term business relationship to a short-term one (Blackman 1997 and Pye 1992). In a negotiation for a short-term business agreement it is easier for the negotiators to work for the best end of the deal with no thought of the other party. In a more long-term business relationship, the parties can build up trust, and thus the fear of being cheated by the out-group can be minimized. The fear of being cheated by outsiders and the stress on loyalty within the group can be traced all the way back to Confucius who said: "Hold loyalty and faithfulness to be fundamental. Have no friends that are not as good as yourself" (From the Analects 1:8. Quoted in Blackman 1997). Confucius did naturally not have business negotiations in mind when he expressed his wisdom, but the essence of his learning has been handed down in the Chinese tradition and might still be coloring the thinking of modern Chinese people. A modern Chinese businessman might of course have many of the same values as western businessmen and might prefer a more aggressive approach to business negotiation and jump on opportunities that might appear, but it is also likely to believe that many of the old traditions are still present as Chinese today do business dealings.

- “*Help*” as a keyword

Li (1999) has proposed that “help,” in Chinese 帮助 *bangzhu*, is a cultural keyword, and found it very prominent in her research material. In my transcripts I only found one incident where “help” was used. Take a look at this part of the negotiation again.

Excerpt 6

67 潘: 这是要和管委会共同决定的, 这要根据他们的财力。经过初步谈话, 这两天要
68 做我们要一. 把大体情节和故事有共识。二. 人物有多少。三. 情景需要什么。
69 四. 如何发挥镭射电影的特殊效果, 这需要我们讨论。这个场景要用水或电或
70 火, 我们写到剧本台去, 所以这个故事一定要两个人一起讨论。假如这些过程
71 讨论有利, 我们回去把剧本具体化。西蒙先生可以把东西都了解, 同步进行,
72 再合成, 这不是一个艺术创作, 而是为技术来写剧本。如果是对的, 那么要继续
73 续下一部。
74 西: 是的, 但我们工作是帮助你们, 你们给我一些创意和想法, 我们来做。
75 潘: 共识是最重要的。

In Excerpt 6, in answering to Pan’s listing of what will be important to discuss for evolving the project, Xi states in L74: “Yes it is, but our company is helping you, if you give me some thoughts and ideas that you come up with, we will make it happen.” This is said as an answer to Pan’s listing of the main issues to be discussed and resolved, and his stress on how it is necessary for them to cooperate on writing the script, as they need to write the use of the technology into the script. It doesn’t seem like they quite understand each other at this instance. Pan points out how they need to discuss the story and how to make allowances for the use of the technological equipment in the script, and Xi through his answer seems to think that the scriptwriter can take care of that himself, so that Xi can just supply the equipment they need. But I will come back to that later.

What Xi means by stating that his company is helping them might only be that his company will help the scriptwriter realize his ideas through supplying the technical equipment needed to make a spectacular display. Xi might not mean to convey any underlying messages through the use of the word “help,” but his statement can be interpreted in different ways. It seems plausible that Pan reads an underlying meaning into Xi’s use of this word. Research

has identified “help” 帮助 *bangzhu* as a cultural keyword in the Chinese context, in that it holds a deeper meaning and connotations that are rather special for the Chinese culture. Li (1999) argues that the use of the word help is strongly connected to the practice of *guanxi* in China. Through asking for help a person can show humility and respect for the other person, as it implies that the other person has resources and is better positioned than the requesting person. Research (Pye 1992 and Li 1999) has also suggested that the use of the word “help” is quite common in a negotiating situation in China, especially in the initial phase where relationships are established, or in the closing phase as a device to get a little bit more out of the deal. As the word is used mostly in displaying respect, the response to a request for help should rather be an acknowledgement than a positive or negative answer. The word “help” 帮助 *bangzhu* is also seen as stronger and more direct than for instance “support” 支持 *zhichi*, which is also quite common in a negotiating situation and carries much of the same meaning (Li 1999). In this setting the Australian is offering his help to the Chinese party, thus creating the opposite effect of requesting help, namely elevating himself and his company to a position above the Chinese side. In this situation Xi rather than showing respect is hurting Pan’s face.

It has been quite common, especially during the earlier period of China’s opening up to the rest of the world, for foreign companies wishing to do business in China to claim that they wish to help China. This must be seen in connection with the fact that China has been quite far below western countries on the scale of development, did indeed need the help of foreign companies, especially through technology transfer, to reach a higher level of development. The request for help was often made from the Chinese side, and through this they created a relationship where the more wealthy and stronger part should feel obligated to act generously towards the weaker part, as I have discussed in connection with *guanxi* in the chapter on Issues complicating cross-cultural negotiation. This use of asking for help as a device for creating an unequal relationship was very much intentional from the Chinese side,

and by stroking the ego of the westerners coming to do business in China, they often succeeded in their attempts, making the western part agree to concessions (Pye, 1992 and Li 1999). What might have happened is that the assumption that the Chinese need and wish for help from foreign businessmen stuck with the foreigners, as many have probably read books about doing business in China that have accounts of the experiences of other foreigners operating in China through the years of opening up. What they might fail to take into account is that China has evolved greatly, especially the eastern parts of the country, and many Chinese companies have developed into reaching a world-class standard. Many Chinese today would probably feel embarrassed or insulted if their western negotiating partner offers help. This might be the case in the situation between Pan and Xi. As seen from Pan's answer to Xi's statement in L75: "A common understanding is the most important matter," he does not acknowledge the offer of help, rather stresses the importance of a common understanding, which I have argued before might be a signal that Pan wants the parties to stand on the same side. Through Xi's offer of help, he seems to portray the relationship between the parties unequal with the western company as the stronger one, whether he is aware of it or not. What Pan seems to want is a more equal relationship where the parties have good *guanxi*. A relationship after Chinese *guanxi* principles is necessarily unequal, as one party is always seen as stronger than the other, and that is the basis of the relationship as favors are traded and respect is displayed, but there are degrees. Pan might see it as if Xi puts himself and his company above Pan, and thus insults his face.

- *Lack of understanding, non-alignment*

This is probably the most common problem when it comes to cross-cultural negotiation, as participants speaking different languages and belonging to different cultural backgrounds try to achieve successful communication. When one party tries to convey

information, the opposite party might not fully understand the meaning, and thus misunderstandings occur. Misunderstandings might be further aggravated by the assumptions of each party about the other one, if they are not correct misunderstandings might occur easier in the first place, and then make them harder to solve. An interesting issue with lack of understanding in cross-cultural business negotiation and other forms of communications as well is that one or both parties might not be aware of misunderstandings that happen during the discourse as they see the conversation only from their own point of view, and thus a case of non-alignment occurs. As the parties do not quite understand what the other participant is trying to communicate, but maintain the conversation on the basis of a misunderstanding. This will of course create great difficulties for the communication process, and if not mended may cause a communication breakdown. There are also certain devices that may be used if one party discovers that there is non-alignment in the conversation in order to get it back on track, which I will get back to as I look at instances of non-alignment in the discourse material.

There are ways of avoiding misunderstanding. The participants in my material seem very aware of the dangers of misunderstandings, and take precautions to avoid it. This can be done through repeating what the other party has said and making a summary of it for the other party to agree to or correct. This way the information is double-checked. Another approach is to ask follow up questions and through these have the possibility to discover any misunderstandings and correct them.

Excerpt 7

55 潘：初步了解。水幕电影是综合合成。是动画、真人等综合在一起而成。两个水幕
56 有角度，但视角是平的。
57 西：是的。

In L55-56 Pan summarizes the information he has received in the previous part of the discussion that involves many questions from Pan's side and answers supplied by Xi:

“According to my preliminary understanding, an aqua-screen movie is compound product. It

is composed by synthesizing cartons, real people and such into one product. The two aqua-screens are placed at an angle, but the visual angle is flat.” Xi’s answer in L57: “Right.”

Confirms that Pan has understood the information correctly, and the conversation can move on.

It seems that they are both making an effort to understand each other, repeating what the other has said for confirmation, stating what they themselves feel are the issues that need to be discussed. But the conversation does not always run smoothly, as shown in this excerpt.

Excerpt 8

96 潘：这个剧本不在于文字的精美而是技术的融合。我们今天把文字概况选择出来，

97 这几天讨论是否合适，再修改。

98 西：具体是什么？

99 潘：我们来讨论选择哪些情节更合适镭射水幕电影，然后来讨论如何进行。

100 西：我想最好让我把故事说给我听，让我了解一下。我听到好的，就画一下。在

101 下面用中英文来做一些注释。画完后大家拷贝下。

102 潘：大体稿子可以，定稿不可以。

103 西：？

104 潘：提要的、概况的可以，但具体的太难，比如是旁白还是对话。人物具体动

105 作……

106 西：是的，我根据概况来定器材，其他的是细节。

107 潘：我们可以做一个小的情节来做范本。

108 西：是的，我计划了很久，从去年7月份开始可是到今年还没做出来。

109 潘：好事多磨。

The whole excerpt is of interest, so I will translate it into English

Pan: ”This script does not depend on the elegance of the written language, but rather on the mix with technology. Today we can choose the general situation of the writings, and discuss through the next few days whether it is suitable or not, and then revise it.”

Xi: “What are the specifics?”

Pan: “We should discuss the choice of which details are more suitable for an aqua-screen movie with laser, and afterwards we can discuss how to advance.”

Xi: "I think that it would be best if you let me listen to how the story goes, let me understand it. When I have listened to it, we can make some sketches. Underneath it we can use Chinese and English to write some notes. When we have finished with the sketches everyone can copy it."

Pan: "We can do it with the main ideas, but we can't make a final version."

Xi: "?"

Pan: "The abstract and the general situation is ok, but the specifics are too difficult, for example the asides [remarks in theater] are all still dialogue. The characters' specific movements..."

Xi: "Ok, I will order the equipment on the basis of the general situation, the rest is just details."

Pan: "We can make one of the small plots and use it as a mode."

Xi: "Ok. I have planned this for a very long time, it started in July last year but up until this year we still haven't made anything."

Pan: "The road to happiness is strewn with setbacks."

Here it seems that the two parties don't quite understand each other. It seems that Pan wants to advance slowly and cautiously, and want them to discuss all the details of the story together in order to make modern techniques fit in the best possible way with the plot. Xi seems to have a more "rash" approach compared to that of Pan, and wants to get right down to it. Xi does not seem to understand why they cannot move straight to the details and start getting the script down on paper. Pan states that it is too difficult to work out the details right away, it seems that he wants more time. But it seems that case of misunderstanding arises, as Xi states that he can order the technical equipment on the basis of the general situation. Pan does not acknowledge this statement, but rather focuses on the topic from the last sentences.

What might have happened was that Pan was interrupted by Xi, and instead of paying much attention to what Xi said, rather continued his train of thought to create a solution for the problem they discovered in writing down the story. Pan offers a compromise and they agree to make a preliminary model for one of the subordinate plots. In response, Xi shifts the focus from purchasing the equipment back to the issue of getting the story written down, with his statement that so much time has been spent on the project, and yet so little has been done. Pan answers with a non-committal saying that describes the difficulties of getting things done.

The issue of buying the technical equipment is not discussed further in this session, but the Chinese participants, which includes Pan, and two other members of his team, Wang and Zhu, discuss it later among themselves. Their discussion is interesting in that it shows the views held by the Chinese side of the negotiation process, and I will give a translation of it here.

Excerpt 9

- 1 潘：白天对方的意思很清楚了。初步我们的文字已经通过了，应该没有问题了。
- 2 这点我很高兴。
- 3 王：说明我们的思路基本和他们一致的了。
- 4 潘：是的，这样修改返工的时间就少了。但是也不可以把所有的东西都写的太完善。
- 5 王：西蒙的意思是希望我们把大致的内容提纲都给他，他这个星期天要去香港买器材。
- 6 朱：剧本还没有写完怎么去买？
- 7 王：这个我就不清楚了，但是这点可以说是为什么他们那么急着要我们的提纲了。
- 8 朱：他们是根据我们的提纲去买东西？但那个并不完善。
- 9 王：是的，我个人觉得他们不需要什么很详细的剧本，也不需要文学艺术，他们只是一个加工者，你告诉他你需要什么，他去买来做出效果，只是这样而已。这是我的理解。
- 10 潘：你的意思是他们是一个加工商？
- 11 王：是的，从我的感觉是这样的，他们没有问故事怎么拍，剧本怎么弄，而是一味的告诉我们技术上他们可以怎么做，我觉得他们是个承包商。
- 12 潘：可能是那个翻译的翻译有问题。
- 13 王：可能吧，他的翻译比较的简单，有些东西他并没有翻译出来。
- 14 朱：你能听懂？
- 15 王：是的，一点点，但我不会说。

20 潘：反正我们先把简单的几个情节全部写完，然后重要的两个情节放到后面漫漫斟
21 酌。明天看到小黄让他来一起参与。
22 王：好的。我会告诉他的。
23 潘：那我们今天把剧本讨论一下吧。

Pan: "Today the views of the opposite side were very clear. Initially our script has already been adopted, there shouldn't be any problems there. This I am very happy about."

Wang: "To explain, our thinking is now fundamentally the same as theirs."

Pan: "It is. This way the time to revise poorly done work isn't too short. But we still can't write down everything too perfectly."

Wang: "Simon means that he wants us to give him a rough outline of the contents, this Sunday he wants to go to Hong Kong and buy the equipment."

Zhu: "The script is still not finished, how can he go and make a purchase?"

Wang: "This point I'm not so sure about, but this could be the reason why they want us to make the outline so urgently."

Zhu: "Will they go and buy things on the basis of our script? But it's far from perfect."

Wang: "It seems so. I personally think that they don't necessarily need a very detailed script, or literary art. They are only processing workers, you tell him what you need, and he will go and buy what is necessary to make the required results, and that's all. This is my understanding."

Pan: "Do you mean that they are a processing company?"

Wang: "Yes, from what I feel that is the case. They haven't asked how the story will be recorded or how the script will be made, and besides, he has stubbornly told us what he can do when it comes to the technology. I think they are a contractor company."

Pan: "Maybe there are some issues with that interpreter's translation."

Wang: "That could be, his translations are very simple, there were some things that he didn't even translate."

Zhu: “Do you understand what they say?”

Wang: “Yes, a little bit, but I can’t speak.”

Pan: “Anyway, first we’ll write down all the simple plots, afterwards we’ll put the two major plots aside and consider them slowly. Tomorrow when we see Little Wang we’ll let him participate.”

Wang: “Good. I can tell him.”

Pan: “Then let’s discuss the script a little bit.”

This private conversation shows that there was indeed some uncertainty about the proceedings among the Chinese participants. They sum up that the parties have understood each other when it comes to creating the script, that they have some time to do it and then revise it in order to improve the story. Then they turn their attention to an issue they’re not quite sure about. That Xi wants to go and purchase the equipment in such a hurry seems to puzzle the Chinese participants. First they discuss whether they have understood it correctly, that he wants to do the purchase only on the basis of a rough outline of the script. They don’t seem to understand his urgency. As the situation of negotiating with foreigners is new to the Chinese team, they probably don’t know what to expect. They don’t even know what kind of company the Australian businessman represents, despite the fact that they have seen presentations of what the company does and projects that have been done before. The problem might be that the material with information about Laservision was all in English, and they might not have understood what the material was supposed to tell them. There seems to be a case of non-alignment that has pervaded the negotiation. Take a look at this earlier part of the discourse again.

Excerpt 10

76 西：这几天要讨论喷泉、水、火、激光的细节。喷泉三个用途：白天要做景观，晚
77 上打灯，如果有用，就做故事中的过渡和刀具。新加坡就是拿它做序幕（配合

78 音乐)，就像听歌剧一样。这些喷泉制作的时间最长，其他的很简单，所以我
79 担心什么时候乌镇开放。他听说乌镇想在五月份开放，时间很紧张，你们听说
80 什么时间开吗？
81 潘：没有，但知道很紧张。
82 西：我担心来不及。
83 潘：艺术经常都是这样，拖时间，最后来不及。
84 西：我现在想知道乌镇什么时候竣工，他可以倒计时。也可以乌镇根据他的单子
85 做，到时就竣工。我相信三个星期就可以达成共识。例如简单的图像，决定使
86 用哪些技术，哪些器材。激光、水、图像、声音四个重要问题时间再短也没问
87 题。喷泉和喷火装置是最麻烦，要决定放哪里。我和乌镇提议要碰面是在三个
88 月前，原本希望能在乌镇一起写剧本共渡美好时光。现在不行了。

In L76-80 Xi signals that he wants to discuss the technical equipment that is to be used in the performance. In L78-79 he explicitly says: “Those fountains take the longest time to produce, everything else is pretty simple, so I am worried about what time Wuzhen plans to open.” As it takes a long time to have the fountains that are to be used in the performance made, Xi wants to know when it needs to be ready so he can order it in time. Pan does not seem to acknowledge the urgency of the issue. In answering to Xi’s statement in L82: “I’m worried that there won’t be enough time [to do it].” Pan just states: “It is often like that with the arts, the time drags out, and in the end there’s not enough time [to do it].” This is a general comment on the state of things when it comes to art and how it is often the case that there is not enough time.

Pan does not seem to understand the importance Xi places on the time frame. Hence throughout the negotiations they don’t seem to be aligned in that Xi wants the project to move forward as quickly as possible so that he can buy the right equipment and have it ready in time for the performances to start. He knows that it takes time for his supplier in Hong Kong to produce the fountains they need in Wuzhen, so he wants to start the process as quickly as possible. Pan on the other hand seems to want a slower approach to the project, so that the script can be composed and revised in a detailed manner in order to make the original story and the new technology fit in the best possible way. This can be connected with the fact that

this is the first time Pan is working with this type of project that incorporates modern techniques and high technology. It seems that they do not quite understand the views held by the other party, and that makes them a little bit uneasy. They both try to make the opposite side understand by stating their view and expressing what they want to focus the discussion on, but the information doesn't seem to go through. As mentioned before, Xi cannot understand why they cannot start making a detailed script right away as seen in excerpt 8, and he resolves to buy the equipment on the basis of a rough outline. The issue of buying equipment is discussed in excerpt 11.

Excerpt 11

116 西：我明白，我也没有。谈了大半年了，提了很多帮助和意见，湖的形状是根据
117 我的要求造的，他们之前取得他的建议开始实施了。乌镇问他要多少预算，
118 这个预算可变性很大，2400万港币。乌镇问他软件制作的预算，这个可变性
119 很大，完全取决是谁来做。本来不知道做什么，但现在请来了中国的专家，
120 现在可以做了。目前和过去相反，先决定故事，再决定器材。这是第一次这
121 样倒过来工作。这样会比较顺畅，不要走弯路，这就是我所能告诉您的一
122 切，我们尽快把故事确定，我可以用什么器材就可以决定了，这样就知道预
123 算。
124 潘：是的，怎么样的故事怎么样的器材怎么样的预算。动画有些方面的表演很
125 难。

In L166-123 Xi brings up the topic of the budget for this project which is the responsibility of the representatives from Wuzhen, that the money needed to carry out the project can be subject to many changes according to different factors as the project evolves. In L122-123 Xi states: "...let's settle on the story as soon as possible, so that I can decide what kind of equipment we will need to use, that way we will know what the budget will be." Xi again stresses the importance of the equipment, this time in relation to the money needed to realize the project. Pan repeats what Xi said: "Yes, what kind of story, what kind of equipment, what kind of budget. There are some aspects of cartoons that are hard to perform." It seems that he acknowledges the view held by Xi, but he also states the difficulties of making cartoons work in this connection. This might indicate that what Pan sees as important

is time to prepare the cartoons and make it work properly for the performance, since as he states, they are hard to make. Despite this acknowledgement it can be seen from excerpt 10 that the Chinese team don't quite see the urgency in the matter of buying equipment. It might be seen as both sides are focused on their own immediate needs and fail to see the matter from the point of view of the other side. They keep negotiating, but the misunderstanding seems to stay with them.

This misunderstanding might be seen in the context of the different cultures of the participants of the negotiation. Research has suggested that westerners and Chinese have a different understanding of time. Pye (1992) has afforded much space in his works to the Chinese approach to time and its effect on negotiations. The Chinese are often seen as very slow in their negotiation style. The extremely long history of the Chinese civilization has been pointed out as one source of the different understanding of time in China (Blackman 1997). The bureaucracy and Communist legacy has also been blamed for the inertness displayed among Chinese, especially when it comes to decision-making. In the Chinese bureaucracy, decisions were likely to be referred to superiors in order to cover oneself from making the wrong decision and then to be blamed for it later. Advancement in the Chinese bureaucracy will often depend on the cautiousness of the person and whether he or she has avoided mistakes (and decisions) through the career. The western saying that "time is money" is not seen as true in China, where the need to be cautious and avoid making mistakes is seen as more important than making a fast decision. Blackman (1997) reports that the Chinese often have a strong appetite for detail in the negotiating process, and will often subject the western negotiating partner to repetitive questioning and a demand for explanations. This has been attributed to the Chinese focus on obtaining technology in order to catch up to the West in the fastest possible way. But in the case of Pan and Xi this theory cannot be applied. Pan is a cartoonist. His company makes cartoons to be used in magazines and movies, and now also an

outdoor performance. But they have no need to learn all the details of the technology Xi is bringing into the performance, as they themselves will probably not want to adopt the technology for further use for their own purposes in the company. This is not the same situation as reported of in *Beijing Jeep*, where the Chinese side was pumping the American side for information on the technology so that the Chinese mother company could use it to produce its own jeeps of the same quality. Hence there seems to be a different reason for the Chinese focus on detail. It might be rooted in the fear of making a mistake, that seem to be prevalent among Chinese, though westerners might also be afraid of this. It has also been suggested (Blackman 1997) that the Chinese negotiating team will test the commitment of the western side through their questioning, in addition to the capabilities and knowledge of the negotiator. Pye (1992) sees the use of stalling as a conscious tactic in order to obtain advantages.

In the case of the negotiation between Pan and Xi, the meticulousness and slowness shown by the Chinese side might be cultural factor, but it is difficult to determine its origin, as it doesn't quite fit with explanations offered by previous works on negotiations in the Chinese context. This might have something to do with the negotiation situations previously subjected to research. Most of the existing material takes antagonistic negotiations as their subject. The situation with Pan and Xi seems to be one more focused on harmony between the parties. This might suggest that the meticulousness shown by the Chinese side and the aversion for rash decisions simply means that the Chinese wish to perform as well as possible. They adhere to different business practices, and both parties do not seem to understand the practices of the other. Even through repetitive questioning, the problem is not solved, and might pervade the rest of the negotiation and thus cause difficulties that might be harmful, but probably not cause a breakdown as the issue can be worked around.

- *Participants stepping out of their roles*

The participants in the negotiation that makes up my material did not always conform to the roles that you would expect them to hold according to their positions. This especially concerns the interpreter in the proceedings. As mentioned under Issues complicating cross-cultural negotiation, a Chinese interpreter will most likely follow a different set of rules than a western interpreter and see his role in negotiations in a different light. A Chinese interpreter will see him or herself as a part of the Chinese negotiating team and act accordingly, often try to further the cause of the Chinese team with devices accessible to him/her. This also seems to be the case in my material, which can be seen in the next excerpt.

Excerpt 12

56 西：现在我们要接下去谈一些细节的东西了。每个章节的分析了。
 57 张：西门先生，一、我认为乌镇的二期工程最主要配合晚上游客游玩用的，是以休
 58 闲度假为主，游客来这里都是为了保持一种欢快的、放松的心情来看这出演
 59 出，而且想看到的是让他们惊喜的。所以故事内容不是很主要的，不是让他们
 60 受到什么教育或者是个大片。二、把每个要素配合好才能做到最好，1、水幕
 61 2、喷泉 3、激光 4、闪电 5、大雨 6、喷雾 7、喷火 8、机械蛇 9、灯光 10、背
 62 景音乐 11、特技效果这么多的要素怎么在这么短的时间里组合起来是最关键
 63 的。三、我赞同潘老师说的四个声效组成的方式。四、我认为这个故事里一定
 64 的时间里要出现一个高潮。五、两个水幕之间情节的切换和连接是非常重要的
 65 的。六、剧本方面，旁白是有个人讲还是用声音？是否需要一个人去吸引观众
 66 的注意？
 67 冯：这个上次提过了，用喷泉和音乐来开场。

As Xi suggests in L56 that they shift their focus to discuss some details and look closer at the different sections of the proposed performance. Zhang (张), the director of Wuzhen Tourism and Development Office explains the needs of Wuzhen in L57-66, and states that the main goal of the project for Wuzhen is to provide fun-seeking tourists with some light entertainment, which makes the story carry less importance as the project is not meant to be educational or a great movie. In L 60-63 Zhang reiterates what has been discussed before, namely the need to combine the different elements into a good product: “To combine the best

of every key element, such as 1 the aqua-screen, 2 the fountain, 3 the laser, 4 the flashes of lightening, 5 the rain, 6 the water spray, 7 the flame thrower, 8 the mechanical snake, 9 the lighting, 10 the background music, and 11 the special sound effects, in order to attain the best result. To combine all these key elements in such a short time is the crux of the project.”

Zhang further states that he approves of Pan’s view on the form of the performance, and then proceeds to give his view on the story in L63: “I think that there should be a climax appearing in the story, the way the plots on the two aqua-screens are cut and linked together is very important, and when it comes to the script, are the comments aside made by a person or is it recorded sound? Will it be necessary to have a person to attract the attention of the audience?”

Interestingly, it is the interpreter, Feng (冯) that answers in L67: “This was mentioned the last time, we will use the fountain and music to begin the performance.” The reason why Feng answers the question will probably be that he himself knew the answer as the topic has been discussed at an earlier point when Zhang was probably not present, and to save time and energy in translating Zhang’s question into English he chooses the easier solution of answering directly. According to western standards, an interpreter is supposed to be a passive actor in negotiations, doing his or job which is to translate the proceedings from one language to another and nothing more. This does not seem to be the case in China, as it seems permissible that an interpreter can step out of the limited role, and participate actively in the negotiations. There is no evidence of reactions against Feng’s participation in the transcription of the proceedings, which might suggest that an interpreter taking an active part in the negotiation is not seen as all that abnormal.

Another interesting point that can be found in excerpt 12 is that Zhang, the director of Wuzhen Tourism and Development Office, hence a bureaucrat by profession, and would be expected to have more of an interest in the budget of the project or related issues, as Wuzhen is financing the performance, actually seems more concerned about the contents of the

performance. As seen in L63-66, Zhang presents his views and states what he sees as important for the story. In the next excerpt further instances of Zhang taking part in the discussion of the performance and the story can be identified.

Excerpt 13

- 68 张：我是在想，找个真人穿中国的衣服，讲 10 秒钟的话，然后用一个方法让他消
69 失，当然音乐和喷泉也都开始起来了。这样来吸引观众的注意。
- 70 西：那也是可以了。但是成本是很繁复的。
- 71 张：白蛇和青蛇下凡时是神仙要有天上的感觉，下凡的时候要有水雾。三个人跳舞
72 比较难，让他们在画面上切换。这个是很重要的，要加上音乐、舞蹈和喷泉。
73 船上再下雨还是先躲雨。他们有个技术是无缝的让画面从这个画面切换到那个
74 画面是很好的。另外虾兵蟹将能够表现吗？
- 75 王：我脑子里有画面了。
- 76 张：那好的。结婚的那个音乐可以用民乐，比如唢呐什么的。
- 77 西：我们可以用激光做成弦。
- 78 张：另外那个机械蛇可以做点雾什么的。
- 79 西：机械蛇的效果比较差。
- 80 张：小孩子估计会比较怕。
- 81 西：我建议不要做机械蛇了。
- 82 张：这个是可以的。另外南极仙翁是否不要出来。让白蛇和妖怪打斗。不然南极仙
83 翁被打败了之后还救白蛇有点不合理。另外，法海不用去探南极仙翁，让他突
84 然出现，给观众一个惊喜。另外，小青和法海打蛮好的，我们有两个幕，这是
85 个优势。许仙不要想起白蛇妖怪什么的，这个章节主要是打。另外，水漫金山
86 的激光可以让观众感觉到身临其境，就像自己淹在水里。白蛇的死这个可以用
87 激光表现。结局我很赞成潘老师说的用喜剧守卫。至于珍珠什么的西门先生一
88 定做得到的。苏醒后的情节最好是许仙向南极仙翁求情，让南极仙翁感动后来
89 救白蛇。最后结尾青蛇是否需要在斟酌一下，最后的收尾，一定要音乐突然结
90 束，塔上一束激光突然射来，60 米高喷泉一下喷出来。吸引观众的目光，故事
91 也就结束。这样每个章节就都有高潮。都有看点。昨天和潘老师谈了，18 分钟
92 或 21 分钟根据情况来制作。
- 93 潘：这些都不是问题。加一个镜头或动作对剧本都不是问题。但对制作就是工程
94 了。关键在于音乐。背景的东西是否虚化……
- 95 张：我们想用激光来制作。

In L68-69 Zhang makes suggestions for the performance: “I’m thinking, what if we find a real person to be dressed in traditional Chinese clothing to speak for ten seconds and then find a way to make him disappear, and of course this will make up the beginning together with the music and the fountain. That way we can attract the attention of the audience.” Xi answers in L70, and he is the one to bring up the issue of money: “That’s possible. But the cost will be

heavy and more complicated.” Zhang continues to make suggestions throughout the excerpt, and ask specific questions about the story and the script. It does seem a little odd that a bureaucrat would want to meddle in the more specific questions concerning an artistic performance, even in the Chinese context, as the story is nowhere near being critical to the Chinese government or harmful in any way. It might seem like Zhang simply wants to take part in this new and exciting project that is taking place in his city. It might also be the case that Zhang wants to display his personal power, he is after all the director of Wuzhen Tourism and Development Office, and thus the head of a local government branch. By offering his advice, he might be demonstrating his importance to the project. It has been suggested (Blackman 1997) that a business negotiation in the Chinese context follows a pattern where the most prestigious participants first state their views, and later on as the negotiation proceeds other participants are allowed to be more active and pose questions and in other ways participate in the proceedings.

Conclusion

China has for centuries been a dream for western businessmen because of its vast size and population. The chance to bring a product to China and win a part of the potential market has caused foreigners to flock to China after the doors to the Middle Kingdom were gradually opened to the rest of the world in the late 1970s. This inflow of foreign businessmen was also encouraged by the Chinese government who needed the investments and business in order to bring China closer to modernization at a fast pace. Though the government has shown fluctuations in their policies towards the foreign business conducted in China as conservative and liberal forces within the government have battled for power. The prevailing attitude seems to be one where the presence of foreign businessmen is tolerated and to some degree

encouraged as the money, technology and knowledge that they bring is essential for China's development, but at the same time the government attempts to keep a short leash on them and control their activities as much as possible in order to avoid exploitation or a situation where China becomes vulnerable and dependent.

The massive presence of foreign and in particular western businessmen in China has made the issue of business negotiations a hot topic, especially because of all the problems and difficulties that are perceived as being present in the situation of cross-cultural negotiation. Not only is the Chinese negotiator in a special position as he or she will know that China has something that the foreign part wants, and most likely has actively sought out by coming to China in order to do business, and thus they can make demands and still end up with a deal. The Chinese also have the advantage of operating on their home turf, as the foreigners come to them, and thus they are the host of the negotiations and have more control over the proceedings. In addition to the Chinese side starting out with some advantages, there are other issues complicating the matters. The language barrier is hard to surmount, and the presence of an interpreter might have an effect on the proceedings of a business negotiation. The many accounts of the experiences of western businessmen in China that are sold in bookshops around the world suggest that China is a rather different place to operate in, and that there are many possible dangers that might arise when westerners and Chinese attempt to negotiate a business deal.

The most prominent source of difficulties in cross-cultural negotiations seems to lie in the cultural backgrounds of the participants in the negotiations. It might be too easy to blame all difficulties that arise on culture, this troublesome concept that is so hard to define. A person cannot be seen simply as a vessel for his or her culture, there must be given room for individual personalities and other sources of influence on actions that are taken. But it also seems impossible for a person to act totally independently from his or her culture, it will

always be a part of the mindset and will be likely to color a person's thinking and actions. Difficulties might arise when people belonging to different cultures attempt to negotiate and thus are forced to in some way adapt to the culture of the other person, or at least understand it and make allowances for it. If there is little understanding between the parties, or maybe wrongful assumptions, the ground is laid for misunderstandings and problems in the negotiating process.

Further complicating the situation of business negotiations in China is the fact that the cultures of Chinese and westerners are so fundamentally different. The Chinese practices of *guanxi* for instance, can be difficult for a western businessman to fathom, just as a Chinese businessman might have difficulties dealing with the directness of a westerner. The westerners and the Chinese also adhere to very different business practices, and have for instance different tactics and strategies to gain advantages in a negotiation, practices that might puzzle a negotiating partner new to the situation. Some have suggested that an international business culture is evolving, but though new ways of thinking and corporate practices are developed, it seems unlikely that a national culture can be completely shelved.

The special situation in China when it comes to politics and the legal environment also complicates the picture. The Chinese government is still very much involved in the business carried out on domestic soil, and negotiators will have to take into account government policies when working out a deal in China, something that might limit the freedom of action in certain ways. Chinese policies are known to be subject to quick and extensive changes, thus creating an unstable business situation. The underdeveloped legal system in China contributes to an insecure business environment where a signed contract cannot be trusted to be observed and legal redress is not really an option. Take for instance the state of intellectual property rights in China today.

Through the method of discourse analysis I have analyzed collected material from a business negotiation in China where an Australian businessman, a Chinese cartoonist and bureaucrats from a Chinese town attempt to arrange a performance for children. The transcript of these proceedings, though suffering from certain weaknesses, offer insight into the situation of negotiation between westerners and Chinese. I found instances of difficulties that support the theory that cross-cultural negotiation are indeed subject to certain obstacles. Certain types of behavior shown through speech acts seemed to be misunderstood, such as the display of politeness on both sides and the directness and indirectness shown by the western and the Chinese party respectively. I also suggest that a few Chinese cultural keywords that I identified in the transcripts, “cooperate,” “common understanding” and “help,” carry some connotations that are most likely overlooked by the western party.

The most telling evidence of misunderstandings in the proceedings was found in the private conversation held among the side of the negotiations that I was very fortunate to obtain a transcript of. Their discussion suggests with some certainty that there were indeed misunderstandings and uncertainties during the negotiations, which the Chinese side sensed but could not quite solve. I found that there was a case of non-alignment, as the parties did not understand the intentions of the other with regards to the basis for purchasing equipment for the performance. Despite the lack of understanding, the parties continue the negotiation on the basis of the misunderstanding, creating an awkward situation as shown in the private conversation.

The private conversation also offers insight into the view held by the Chinese concerning the interpreter, as they are aware that his translations are not accurate. The problem of finding good interpreters in China is a grave one as there is a lack of qualified candidates, and thus it is often necessary to resort to less qualified interpreters that might harm negotiations. This problem is further aggravated by the fact that Chinese interpreters

tend to step out of their neutral role and meddle in the negotiations, as it seems that participants do not always strictly adhere to their given role.

Due to the weakness of the material and a limited timeframe, I cannot make bold or weighty statements, but I humbly suggest that there is a link between cultural background and negotiating behavior, and that this affects negotiations between Chinese and westerners to a larger extent as the gap between the cultures is a large one. I also suggest that the cultural differences are in many cases the source of difficulties that might arise in the process of cross-cultural business negotiations.

Notes

¹ *People's Daily Online*, October 14, 2004: "SDRC official optimistic about more FDI in west China."

² For examples, see Ambler and Witzel, 2000; Chan, 2003; Kenna and Lacy, 1994; Lee, 2003; Luah, 2001; Seligman, 1999. Most of the books have flashy titles professing their capability to help foreigners to become successful in doing business in China.

³ For a thorough discussion of "guanxi" see Gold, Guthrie and Wank, 2002, or Kipnis, 1997.

⁴ The phenomenon of "guanxi" has been seen by many as something that strictly occurs in Chinese society, especially since this concept does not have a suitable English counterpart, but it is hard to believe that this type of relationship based on favors does not happen in other countries. Is it not common to act friendly with those you feel close to and treat friends favorably?

⁵ Published in Chinese: 外商投资企业事物手册 *Waishang touziquye shiwu shouce* in 1993 in Fuzhou.

⁶ *People's Daily Online*, December 03, 2004: "Attracting foreign investment China's long-standing policy."

⁷ *People's Daily Online*, September 09, 2004: "Vice-Premier: Nation encouraging overseas investors."

⁸ *People's Daily Online*, November 16, 2004: "FDI continues to be hotbed of debate."

⁹ *People's Daily Online*, November 16, 2004: "FDI continues to be hotbed of debate."

¹⁰ *People's Daily Online*, September 09, 2004: "Vice-Premier: Nation encouraging overseas investors."

¹¹ *People's Daily Online*, November 16, 2004: "FDI continues to be hotbed of debate."

¹² *CNN.com*, December 14, 2004: "Tips for entering the China market."

¹³ *People's Daily Online*, September 09, 2004: "Vice-Premier: Nation encouraging overseas investors."

¹⁴ *People's Daily Online*, December 03, 2004: "Attracting foreign investment China's long-standing policy."

¹⁵ See Kaplan, 1966.

¹⁶ Chan Lien emphasized the word 合作 *hezuo* and used it on several occasions, which might be seen as attesting to the importance of the word. In his speech at the Beijing University on April 29 he said: "This is something that our people will welcome because we want to avoid confrontation across the Taiwan Strait and our people would like to see reconciliation and cooperation." *CNN.com*, April 29, 2005 "Lien gets closer to Beijing"

¹⁷ For more on collectivism and individualism see Hofstede 1980

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- 3 绍在韩国5米高水幕、悉尼的片子。激光做怪兽相对便宜。介绍他心目中做的简单的
- 4 《白蛇传》。
- 5 潘老师：水幕的宽度
- 6 西蒙：50米，但最多在60%里可以用（展示图示）
- 7 西蒙：水幕
- 8 一. 决定故事
- 9 二. 决定我们如何去表现
- 10 三. 购买哪些器材
- 11 这几天决定这样的事情。
- 12 穿越水幕
- 13 波浪
- 14 每个人有自己的音乐，可以做小波浪。

开始讨论（一个个画面的决定）

- 15 潘：有幸相见。乌镇让我们在一起，希望我们能共同合作。我搞动画电影很多年，
- 16 上海美术电影制片厂在世界上有名，我 做了41年，但对激光电影是门外汉，
- 17 是新技术，这包含了一个技术另一个艺术。如何结合的好，是相互学习。今
- 18 天第一天我就学到不少。白蛇的故事大家都知道，虽然有各种不同的版本，
- 19 但基本情节差不多，最大的不同是现代人有不同的理解，人物还是这些基本
- 20 人物，环境根据需要怎么美怎么搞，我想问几句，动画如何和激光结合是高科
- 21 技，这里有个相互配合的问题，而这个配合不是我们是电影内部的问题，因
- 22 为每种艺术都有其长处和短处，动画不如真人那么细腻真实，早期这是他的
- 23 短处，后来有了三维电影，就把很多原本达不到的达到了。但是，在某种形
- 24 式上到弱了，动画电影的特点如果太真实不如真人去演。
- 25 西：是很开放的，讨论决定。
- 26 潘：我们要把两者结合，就对二维电影和动画比较了解，所以我以前选择情节更多
- 27 的从二维选择。从三维是和以前不一样（情节、人物）这是我们要讨论的。比
- 28 如镭射最擅长表现。
- 29 西：这种电影很普通，迪斯尼在美国非常成功，迪斯尼是以二维来表现，它成功
- 30 了。图象是很简单的。水幕电影更是简单、清晰，水幕电影表现的是大家都知
- 31 道的故事。迪斯尼做的白雪公主是一个成功的例子（水幕电影）。
- 32 潘：二维也可以在水中表现？
- 33 西：可以很清晰。
- 34 潘：如果将白雪公主转成三维的，也可以吗？
- 35 西：在水幕电影上有三种形式：二维、三维和真人，可以控制水幕的色彩，黑白分
- 36 明。
- 37 潘：过度色会模糊吗？
- 38 西：水幕是透明的，背景（真实的民居要暗，不然会透）。
- 39 王：我们意思是透明色可以用吗？
- 40 西：不太好，效果不好。
- 41 潘：如果描写白娘子穿的是白纱，就效果不好？
- 42 西：人物要亮，背景要非常暗。
- 43 潘：和舞台剧追光灯差不多。
- 44 西：差不多，但理由不太一样。

45 潘：这就是景和人物配合的表现形式。

46 西：我拿一个差不多的例子（展示FILM）这是靠近墨尔本附近的小镇，它的情况和

47 乌镇一样，很美但每个人都早上来晚上走了，没有人留夜。所以设计了一个水

48 幕电影，背面的房子没有人住，但可以通过烟囱什么的让人感觉到把背景融合

49 进去。如果是黑头发，它融到背景里看不见，如果是动画片可以改变人物头发的

50 颜色，如果是真人可以加一层白色亮光。技术不是问题。

51 潘：共能的两个人物是技术的问题吗？

52 西：是的。

53 潘：做的小一点呢？

54 西：都可以。

55 潘：初步了解。水幕电影是综合合成。是动画、真人等综合在一起而成。两个水幕

56 有角度，但视角是平的。

57 西：是的。

58 潘：是把人物和背景分开拍的吗？还是两个投影相互都一样，像立体电影？

59 西：各有各的工作，合成成一个图象。

60 潘：是大的效果，和电影院不一样吗？细节方面呢？

61 西：可以表现，比如眼睛的颜色，但不能有背景。

62 潘：我不否认技术，我的问题是情节么是要粗线条？创作方式和室内电影不一样？

63 西：这是当然，最多不可超过20分钟，是在室外，有很多问题。而且这种电影最大

64 的作用是给观众一种刺激。水啊，火啊，激光啊，但超过25分钟就无聊了。白

65 蛇可以用魔法来出现和消失。我们可以让白娘子在水上走，利用喷泉。这就是

66 需要讨论的。

67 潘：这是要和管委会共同决定的，这要根据他们的财力。经过初步谈话，这两天要

68 做我们要一.把大体情节和故事有共识。二.人物有多少。三.情景需要什么。

69 四.如何发挥镭射电影的特殊效果，这需要我们讨论。这个场景要用水或电或

70 火，我们写到剧本台去，所以这个故事一定要两个人一起讨论。假如这些过程

71 讨论有利，我们回去把剧本具体化。西蒙先生可以把东西都了解，同步进行，

72 再合成，这不是一个艺术创作，而是为技术来写剧本。如果是对的，那么要继续

73 下一部。

74 西：是的，但我们工作是帮助你们，你们给我一些创意和想法，我们来做。

75 潘：共识是最重要的。

76 西：这几天要讨论喷泉、水、火、激光的细节。喷泉三个用途：白天要做景观，晚

77 上打灯，如果有用，就做故事中的过渡和道具。新加坡就是拿它做序幕（配合

78 音乐），就像听歌剧一样。这些喷泉制作的时间最长，其他的很简单，所以我

79 担心什么时候乌镇开放。他听说乌镇想在五月份开放，时间很紧张，你们听说

80 什么时间开吗？

81 潘：没有，但知道很紧张。

82 西：我担心来不及。

83 潘：艺术经常都是这样，拖时间，最后来不及。

84 西：我现在想知道乌镇什么时候竣工，他可以倒计时。也可以乌镇根据他的单子

85 做，到时就竣工。我相信三个星期就可以达成共识。例如简单的图像，决定使

86 用哪些技术，哪些器材。激光、水、图像、声音四个重要问题时间再短也没问

87 题。喷泉和喷火装置是最麻烦，要决定放哪里。我和乌镇提议要碰面是在三个

88 月前，原本希望能在乌镇一起写剧本共渡美好时光。现在不行了。

89 潘：等做好后我们也有时间。艺术家总希望时间宽裕点，但乌镇做为商家总希望时间抓紧。

90

91 西：我是第一次和那么有名的作家一起做这样的事，以前是一个人做，但这次和有名的人非常荣幸。做事前要决定花多少天，做个计划。所以我不想到5月份再发现不能做。

92

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94 潘：是的，我们要在这几天把最基本的完成。

95 西：很抱歉，很匆忙就开始了。想请教接下来的几天怎么来进行。

96 潘：这个剧本不在于文字的精美而是技术的融合。我们今天把文字概况选择出来，

97 这几天讨论是否合适，再修改。

98 西：具体是什么？

99 潘：我们来讨论选择哪些情节更合适镭射水幕电影，然后来讨论如何进行。

100 西：我想最好让我把故事说给我听，让我了解一下。我听到好的，就画一下。在下面用中英文来做一些注释。画完后大家拷贝下。

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102 潘：大体稿子可以，定稿不可以。

103 西：？

104 潘：提要的、概况的可以，但具体的太难，比如是旁白还是对话。人物具体动作……

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106 西：是的，我根据概况来定器材，其他的是细节。

107 潘：我们可以做一个小的情节来做范本。

108 西：是的，我计划了很久，从去年7月份开始可是到今年还没做出来。

109 潘：好事多磨。

110 西：第一次来乌镇，也不知道做什么，您是很有名的动画人，在上海做设计时，我可以全力配合。和您这样的大师级人物合作像假期一样。

111

112 潘：我们必须要多讨论把疑问提出，达成共识。

113 西：目前还没什么问题。

114 潘：我是中国人，可以和乌镇提供参考让三方合作更好，但我目前还没和乌镇沟通好。

115

116 西：我明白，我也没有。谈了大半年了，提了很多帮助和意见，湖的形状是根据我的要求造的，他们之前取得他的建议开始实施了。乌镇问他要多少预算，这个预算可变性很大，2400万港币。乌镇问他软件制作的预算，这个可变性很大，完全取决是谁来做。本来不知道做什么，但现在请来了中国的专家，现在可以做了。目前和过去相反，先决定故事，再决定器材。这是第一次这样倒过来工作。这样会比较顺畅，不要走弯路，这就是我所能告诉您的一切，我们尽快把故事确定，我可以用什么器材就可以决定了，这样就知道预算。

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124 潘：是的，怎么样的故事怎么样的器材怎么样的预算。动画有些方面的表演很难。

125

126 西：这正是我强调的，过去我不太采用动画，因为悉尼太贵了。过去多用真人，我以前如要表现白蛇就用激光，很便宜。通过我们的合作，可以跨出很大的一步，让激光与动画更好的结合。

127

128

129 潘：用VIDEO拍好，再用激光打上去，再让人物淡掉，对吗？

130 西：对。

131 潘：现在我把故事说给你听，你来选择。

132 西：Have a rest.

133 潘：（和葛谈话）剧本的写法是要完全不一样了。
（各自讨论）

134 王（与黄）：人物要做块面的色彩。

135 黄：是的，要大胆一些。

136 冯：最好早点给我们文字，可以翻译清楚。

137 黄：也可以早点出图片。

138 王：是的，今天晚上要讨论出概况，明天成电脑。

139 葛：大家去吃饭吧。
（饭厅）

140 张：我明天会全程参加会议。

141 西：明天几点？

142 潘：最好是下午，明天要把一些文字成型。

143 王：下午1点好吗？

144 西：可以。
（大家用餐）

145 张：这个东西要做一个特色。

146 潘：是的，剧本的创作与之前不一样，是日式的写法，完全是分镜头的。

147 西：明天可以去工地吗？

148 张：可以，你的控制室在很好看的城墙上。

149 西：潘老师你们去吗？

150 潘：恐怕不行，明天早上要把它写完。

151 西：好的。

152 ……

153 西：之后可以做一些周边产品，靠这个产品是不能赢利，广东做了个泉水大战，
154 然后卖矿泉水赚了几百万。

155 张：哈哈，我们可以考虑。那明天再见面。

156 西：真希望潘能和我们一起去看一下。

157 潘：有时间的，明天会议之后吧。

158 西：是的。关于旁白的形式，我觉得很好，很省时间。对了，我建议加一个有名
159 气的明星主持人。

160 张：代言人？

161 西：差不多。

162 张：恩，可以考虑。

163 潘：可以结合的做。

164 西：那太好了。

165 潘：那明天见，今天就这样。

166 西：好的，中国菜很好吃。

167 张：你们筷子也用的很好。潘，我有些事还想和你谈。

168 西：好的，那我先离开了。

NEGOTIATION PART II

冯向西解释故事内容。

1 西：太好了，这是个很好的故事。很多是可以做这样的水幕电影。

2 王：我们根据了激光电影而做了改编。

3 西：这是一个很好的剧本。黄，你可以画出来了。

4 王：我们还准备表格的分镜头形式，但时间不够，这几天应该可以完成。

5 西：太好了。

6 潘：我谈谈我们考虑的方案。这个已经根据激光电影做了改变了。这个故事每

7 国人几乎都知道。这个片子要从电视剧的形式改成短短 30 分钟的短片，我们

8 做了很多讨论。我们用旁白，可以产生一些共鸣的东西，另外舞蹈的东西也是

9 共鸣的。对话过多，我们的观众没有兴趣去看。所以要做成块面的，我们分了

10 六个块面，但这六个块面也是有轻重缓急的。有的多点有的少点。每个块面有

11 小高潮，但整个 20 分钟的片子的高潮是在水漫金山。下山是为了让观众知道是

12 为了什么而下山。当中可以用雾、云、雷电来表示。根本不需要语言，时间是

13 不长的，音乐也不用非常着重，但要有个开门。

14 第二段是初次相会，我们改变了原来的传统故事，借东西还东西，我们没有那

15 么多的时间来浪费。我们将它改成舞蹈的形式，可以是蛇舞也可以是其他的舞

16 蹈，以后可以讨论。许仙看到了跳舞的美女喜欢也是可能的，也要在船上跳

17 舞，小青看到他们这样也会做法成全两个人。下雨啊等等的，就可以引生到第

18 三段的幸福生活。幸福生活是两个人可以成亲了，红绸一拉，明月一轮。婚礼

19 庆祝，婚后开药铺什么的，也要符合原著。这个快乐就迎出了喝酒盗仙草片

20 段，我们做了改编，不采取法海来害白蛇，而是让他们发生了事情。喝酒没有

21 控制而现形。我们也舍去了鹿童、鹤童，而直接让南极仙翁和白蛇交手。救回

22 了许仙应该是很高兴的，但是法海却插手了。就可以迎出这个片子的重头戏

23 “水漫金山”。当然结局有很多版本，我们讨论出一个大家都认可的。

24 当然，这个故事还是很简单的梗概。具体还要讨论，但是没有蓝本是无法进行

25 的，有了蓝本就可以了，如果要全部推翻也可以。当然这也要通过管委会的想

26 法，另外西门先生是否理解这个故事也是很重要的。中国人了解了，外国人也

27 要了解。

28 西：当然。声效有三部分组成：旁白、背景音乐、特殊音乐组成。我们利用无线

29 电，外国人可以通过租借耳机来听英语旁白。

30 张：这样需求的外国人估计不多……

31 冯：这最主要为了达到让外国友人也可以理解。

32 潘：这个处理很简单的。

33 西：那当然。

34 潘：我更多的想知道这个故事是否能够理解。

35 西：可以。

36 朱：西门先生可能已经从网上了解了这个故事，解释了就很方便了，其他人……

37 王：可以通过别的方式比如印一些简介。

38 张：这个可以考虑，放在门票背后放英语故事。

39 潘：我不知道这个故事是否代表了白蛇传。

40 王：我们昨天把原本的故事整理好，然后跳脱开再整理的新故事。

41 潘：我的意思是我们自己写的故事，很容易迷失，不知道好不好。

42 西：我觉得这个故事外国人看已经足够了。只要中文的处理好，外国人的比较麻烦，没有办法简单的用几个字可以解释。到时候再翻译的好点。

43

44 潘：

45 西：我想到一方面，很多地方都放了跳舞，跳舞跳得好了可以配合喷泉。

46 潘：是的，这个配合很重要，肢体语言就这么几种。

47 西：水漫金山用喷泉不太好，用激光比较好。蛇在天上的时候要有腾云驾雾的感觉。要用喷雾装置。喷火的装置还用吗？张？我没发现哪里可以用到火。

48

49 王：我们设定法海的法术是火，白蛇是水，水火不容。

50 西：OK，那座塔怎么用？

51 潘：原来在故事里，塔是很重要的象征，但现在我们让它成为了背景。

52 西：没关系，我们可以用激光来做塔，但真的塔上有个最强的激光射头，可以让他在打斗的时候发挥作用。

53

54 张：是的，而且两个水幕要用足，要怎么切换？

55 潘：这是我们的一个课题。

56 西：现在我们要接下去谈一些细节的东西了。每个章节的分析了。

57 张：西门先生，一、我认为乌镇的二期工程最主要配合晚上游客游玩用的，是以休闲度假为主，游客来这里都是为了保持一种欢快的、放松的心情来看这出演，而且想看到的是让他们惊喜的。所以故事内容不是很主要的，不是让他们受到什么教育或者是个大片。二、把每个要素配合好才能做到最好，1、水幕 2、喷泉 3、激光 4、闪电 5、大雨 6、喷雾 7、喷火 8、机械蛇 9、灯光 10、背景音乐 11、特技效果这么多的要素怎么在这么短的时间里组合起来是最关键的。三、我赞同潘老师说的四个声效组成的方式。四、我认为这个故事里一定的时间里要出现一个高潮。五、两个水幕之间情节的切换和连接是非常重要的。六、剧本方面，旁白是有个人讲还是用声音？是否需要一个人去吸引观众的注意？

66

67 冯：这个上次提过了，用喷泉和音乐来开场。

68 张：我是在想，找个真人穿中国的衣服，讲 10 秒钟的话，然后用一个方法让他消失，当然音乐和喷泉也都开始起来了。这样来吸引观众的注意。

69

70 西：那也是可以了。但是成本是很繁复的。

71 张：白蛇和青蛇下凡时是神仙要有天上的感觉，下凡的时候要有水雾。三个人跳舞比较难，让他们在画面上切换。这个是很重要的，要加上音乐、舞蹈和喷泉。船上再下雨还是先躲雨。他们有个技术是无缝的让画面从这个画面切换到那个画面是很好的。另外虾兵蟹将他能够表现吗？

74

75 王：我脑子里有画面了。

76 张：那好的。结婚的那个音乐可以用民乐，比如唢呐什么的。

77 西：我们可以用激光做成弦。

78 张：另外那个机械蛇可以做点雾什么的。

79 西：机械蛇的效果比较差。

80 张：小孩子估计会比较怕。

81 西：我建议不要做机械蛇了。

82 张：这个是可以的。另外南极仙翁是否不要出来。让白蛇和妖怪打斗。不然南极仙翁被打败了之后还救白蛇有点不合理。另外，法海不用去探南极仙翁，让他突然出现，给观众一个惊喜。另外，小青和法海打蛮好的，我们有两个幕，这是个优势。许仙不要想起白蛇妖怪什么的，这个章节主要是打。另外，水漫金山

85

86 的激光可以让观众感觉到身临其境，就像自己淹在水里。白蛇的死这个可以用
87 激光表现。结局我很赞成潘老师说的用喜剧守卫。至于珍珠什么的西门先生一
88 定做得到的。苏醒后的情节最好是许仙向南极仙翁求情，让南极仙翁感动后来
89 救白蛇。最后结尾青蛇是否需要斟酌一下，最后的收尾，一定要音乐突然结
90 束，塔上一束激光突然射来，60米高喷泉一下喷出来。吸引观众的目光，故事
91 也就结束。这样每个章节就都有高潮。都有看点。昨天和潘老师谈了，18分钟
92 或21分钟根据情况来制作。

93 潘：这些都不是问题。加一个镜头或动作对剧本都不是问题。但对制作就是工程
94 了。关键在于音乐。背景的东西是否虚化……

95 张：我们想用激光来制作。

96 潘：另外你们准备用什么兵器。

97 王：这个我已经写了，法海用火。可以用法杖敲一下，配合喷火装置。

98 黄：是的，我也是这么想的，可以不用直接打来打去。

99 潘：我现在去拿一个片子给大家看一下，可以给大家做一个参考。

Conversation on the Chinese side concerning the negotiations

2005-1-27 20:00~22:00PM

主持：潘国祥

记录：王

与会：朱

1 潘：白天对方的意思很清楚了。初步我们的文字已经通过了，应该是没有问题了。

2 这点我很高兴。

3 王：说明我们的思路基本和他们一致的了。

4 潘：是的，这样修改返工的时间就少了。但是也不可以把所有的东西都写的太完善。

5 王：西蒙的意思是希望我们把大致的内容提纲都给他，他这个星期天要去香港买器材。

6 朱：剧本还没有写完怎么去买？

7 王：这个我就不清楚了，但是这点可以说是为什么他们那么急着要我们的提纲了。

8 朱：他们是根据我们的提纲去买东西？但那个并不完善。

9 王：是的，我个人觉得他们不需要什么很详细的剧本，也不需要文学艺术，他们只是一个加工者，你告诉他你需要什么，他去买来做出效果，只是这样而已。这是我的理解。

10 潘：你的意思是他们是一个加工商？

11 王：是的，从我的感觉是这样的，他们没有问故事怎么拍，剧本怎么弄，而是一味的告诉我们技术上他们可以怎么做，我觉得他们是个承包商。

12 潘：可能是那个翻译的翻译有问题。

13 王：可能吧，他的翻译比较的简单，有些东西他并没有翻译出来。

14 朱：你能听懂？

15 王：是的，一点点，但我不会说。

16 潘：反正我们先把简单的几个情节全部写完，然后重要的两个情节放到后面慢慢斟酌。明天看到小黄让他来一起参与。

17 王：好的。我会告诉他的。

18 潘：那我们今天把剧本讨论一下吧。

Appendix 2

The issue for negotiation: "The Story of the White Snake"

镭射电影《白蛇传》脚本

场次	旁白	画面内容	特技效果
第一场 引子 (二蛇下凡)		山峦叠嶂，云雾缭绕，仙乐飘飘。突然一阵电闪雷鸣，两条巨大的蛇破云而出，一青一白，两条蛇在空中遨游穿梭嬉戏，自下而上一颗闪着七彩光芒的珍珠被一股喷泉托入空中，二蛇上去戏弄那颗珍珠，白蛇在吞吐珍珠间越长越大，白蛇变大后，将珍珠吐给青蛇，青蛇嬉戏时候不慎将珍珠掉落下来，珍珠飞速的往下直落，白蛇和青蛇也紧追而下，接着珍珠化为碧波荡漾的西湖湖面，顷刻之间湖面上升起一团云雾，白蛇和青蛇渐渐化为人形。这时，小青十分高兴，大喊：“姐姐，这就是人间。”白蛇：“是啊，我们来到了西湖。”	

<p>第二场 西湖相会</p>		<p>变化成人形的白蛇与青蛇在西湖上跳起了宛如美女蛇般妖娆的舞蹈。许仙坐在船上移进了画面。他被两位美女的曼妙舞姿所吸引。青蛇是个机灵的女子，她感觉到白蛇对许仙的倾慕的感情，于是巧施法术降了一场突如其来的暴雨。许仙在船上看到两个女子被大雨淋的无处躲雨，狼狈不堪，他招呼两位美丽的女子上小船来躲雨。小船渐渐靠拢，许仙主动伸出手拉住青蛇，青蛇拉着白蛇上了船。许仙站在船头帮白蛇挡雨，白蛇回头对许仙嫣然一笑，许仙心头涌起一股难以言寓的感觉，一时手足无措，傻傻的回了一笑，并且恭恭敬敬的还了个礼。突然一个浪头打来，船上下颠簸，摇晃不定，白蛇顺势倒向许仙，许仙扶住白蛇，两人相视而笑，青蛇在另一头露出调侃的笑容，白蛇害羞的想推开许仙，许仙把白蛇拉回，把手中的红伞放下，遮住了两个人的身影和众人的视线……</p>	
<p>第三场 相亲相爱</p>		<p>红色的伞面挪开，白蛇与许仙分别在两个水幕上相视而笑，红色的帷幕放下，烟花怒放，喷泉翻腾虾兵蟹将在那里吹着唢呐敲着鼓打着锣。小青化回原形与小鱼、乌龟一起跳着欢快的舞蹈。一轮明月挂在天空也乐开了脸。屋里相爱的人交颈而眠。</p>	

<p>第四场 灵山盗草</p>	<p>端午节到了，划龙舟放烟花，每家每户都吃着粽子，喝着雄黄酒，处处都充满着轻松愉悦的气氛和欢快的乐曲。许仙也准备了一壶酒想与白蛇月下对饮，白蛇不胜酒力，一杯酒就喝醉了，她感到浑身发烫，痛苦的到处碰撞，碰撞间人的形态和蛇的形态互相交替。最后终于现出了原形，许仙看到白蛇现形，不敢相信，他反复揉着眼睛却仍是看见一条盘旋扭曲着的巨蛇，许仙害怕的往后躲，白蛇吐着信子向他游去，许仙被白蛇缠绕，顿时吓死了。酒醒后恢复人形的白蛇非常伤心，决定到灵山求仙草。她飞翔到灵山，不想还有群妖怪想盗取仙草，两对人马为了抢夺仙草大打出手。白蛇施展法术让泉水涌要数十米，妖怪发出耀眼的激光束想赶走白蛇，几回之后，妖怪们力量不敌，白蛇终于取得了珍贵的仙草回到了人间，她将仙草放在许仙身上后却依然没有将许仙救醒，她感到很居丧，想起了过去的种种恩爱场景，于是痛苦地哭了，掉下了一滴眼泪，眼泪落在仙草上，仙草发出耀眼的光芒，幻出七色彩虹，彩虹消失后许仙被救活了。醒来的许仙一阵头晕，他忘记了白蛇现形的那段记忆，两人深情相拥互诉爱意。</p>	
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<p>第五场 水漫金山</p>		<p>法海去探望他的好友南极仙翁，知道了白蛇盗仙草的事情，火冒三丈，决定为南极仙翁报仇，他到处寻找白蛇，终于找到了白蛇。用雷电劈开了深情相拥的许仙与白蛇两人。青蛇与法海对打，不敌，现回原形，白蛇见状便去救青蛇，许仙想起了白蛇是妖怪的事情，恐惧万分，法海不敌青白两蛇，趁乱抓走了许仙。</p> <p>青白两蛇追到金山寺，青蛇与法海对打，白蛇想方设法打开寺门，要许仙跟她走，不想许仙不愿意跟妖怪回去，躲进雷锋塔里发抖。法海打败了青蛇，青蛇现回原形落入了海里，翻江捣海，浪潮眼看要淹没了金山寺，白蛇赶紧去救许仙，许仙却向法海求救，法海趁机偷袭白蛇，白蛇因关注许仙而被打中背部，法海想要杀掉白蛇，青蛇收复了洪水，向法海求情，法海仍是要杀了白蛇除妖，千钧一发，许仙回想起过去美好的时光，于是为白蛇求情。法海不同意，一杖打死了白蛇。白蛇现出原形，倒在了地上。</p>	
<p>第六场 终成眷属</p>		<p>许仙见到自己心爱的人已经死去，不禁失声痛哭，他跪下来向法海乞求原谅并向法海说明了白蛇偷盗仙草是为了救活自己的性命，法海被许仙的真情所感动也欣赏许仙的忠厚诚实，终于决定给白蛇一次改过的机会，他将许仙的眼泪与许仙体内白蛇的眼泪融合，形成一颗耀眼的珍珠，他让眼泪珍珠落入白蛇的体内，白蛇通体发出柔和七彩的光芒，渐渐变回了人形，白蛇决定留在人间成为一个真正的人。从此白蛇与许仙幸福的生活在人间。</p>	
<p>END</p>			

一、 引子

修炼了千年的白蛇得知如果想成为神仙，必须寻找到传说中真情真爱的眼泪才能成功，于是她与好友青蛇一起下凡来到了人间。

白蛇和青蛇下凡时是神仙要有天上的感觉，下凡的时候要有水雾。

二、 初遇

白蛇与青蛇下到凡间，化为美丽女子白素贞与小青。两人被美不胜收的西湖景色所吸引，开始翩翩起舞，路过断桥的许仙见到此景后被白蛇曼妙的舞姿所吸引，白蛇与青蛇邀请许仙一起跳舞，一舞曲终，许仙与白蛇彼此有了好感，青蛇变化出一阵大雨，许仙与白蛇在伞下互诉爱意。

三、 幸福生活

许仙与白蛇成婚了，小青与一群虾兵蟹将一起在洞房门外翩翩起舞庆祝两人的婚礼。婚后白蛇与青蛇跳着幸福的蛇舞，白蛇用法术变化出药铺保和堂，与许仙、小青一起开药铺，生活的很平静。

四、 盗仙草

端午节到了，街上到处都充满着喜庆的气氛，大家都载歌载舞。有个病人送来了粽子和雄黄酒，许仙带回家，和白蛇一起饮用，白蛇喝醉后兴奋不已，拉着许仙一起跳舞，不慎现出了原形把许仙吓死了。酒醒后恢复人形的白蛇非常伤心，决定到南极仙翁处求仙草。她来到了南极仙翁的娥眉山，使计支开南极仙翁后取得了仙草回到了人间，她将仙草放在许仙身上后却依然没有将许仙救醒，她痛苦地哭了，掉下了一滴眼泪，眼泪落在仙草上，仙草发出耀眼的光芒，将许仙救活了。许仙忘记了白蛇现形的那段记忆，两人还是幸福的生活在一起。

五、 水漫金山

法海去探望他的好友南极仙翁，知道了白蛇盗仙草的事情，火冒三丈，决定为南极仙翁报仇，他到处寻找白蛇，终于找到了白蛇。用雷电劈开了深情相拥的许仙与白蛇两人。青蛇与法海对打，不敌，现回原形，白蛇见状便去救青蛇，许仙想起了白蛇是妖怪的事情，恐惧万分，法海不敌青白两蛇，趁乱抓走了许仙。

青白两蛇追到金山寺，青蛇与法海对打，白蛇想方设法打开寺门，要许仙跟她走，不想许仙不愿意跟妖怪回去，躲进雷锋塔里发抖。法海打败了青蛇，青蛇现回原形落入了海里，翻江捣海，浪潮眼看要淹没了金山寺，白蛇赶紧去救许仙，许仙却向法海求救，法海趁机偷袭白蛇，白蛇因关注许仙而被打中背部，法海想要杀掉白蛇，青蛇收复了洪水，向法海求情，法海仍是要杀了白蛇除妖，千钧一发，许仙回想起过去美好的时光，于是为白蛇求情。法海不同意，一杖打死了白蛇。白蛇现出原形，倒在了地上。

六、 完美结局

许仙见到自己心爱的人已经死去，不禁失声痛哭，这时候，南极仙翁赶到。南极仙翁将许仙的眼泪与许仙体内白蛇的眼泪融合，形成一颗耀眼的珍珠，许仙喂白蛇吞下，眼泪珍珠落入白蛇的体内，白蛇通体发出柔和七彩的光芒，渐渐变回了人形，苏醒过来。苏醒的白蛇向南极仙翁说明了盗仙草的原因并向南极仙翁乞求原谅，南极仙翁原谅了白蛇，给了白蛇选择的机会是要留在人间还是回天上，白蛇念及心爱的人，决定留在人间成为一个真正的人。青蛇认识到了自己的错误，决定跟随在法海身边修行赎罪。从此白蛇与许仙幸福的生活在人间。

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