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## **China-Finland Co-operation, Trade, and Investment: In Search of Common Ground**

*Santa Stopniece*<sup>1</sup>

**Abstract:** The importance of co-operation with China has been growing in Finland and the rest of Europe in view of the rising global economic and political status of China and the interest in attracting Chinese investments. In Finland, government agencies have been established for this purpose, and regional and local governments are also actively involved. Delegation visits between China and Finland have been intensively on-going for some years, but matching interests and finding common ground for co-operation, trade and investment often still proves to be a challenging task.

Based on interviews with Finnish representatives and on observing delegation visits, this paper explores the difficulties that Finns report to be having in moving past a general level of interest by the Chinese in Finland and presents suggested solutions.

Speech codes theory by Philipsen (1997) and the notion of common ground by Stalnaker (1999) form the theoretical basis of this paper. The results illustrate how a lack of serious interest, vague or restrictive government regulations, the long time to build relationships, and the involvement of intermediaries are seen by interviewees as factors contributing to talks often remaining at a general level. Suggested strategies to create more possibilities for finding common ground and for making co-operation talks more specific include presenting areas of expertise in Finland and matching those with Chinese needs, utilizing the pragmatism that is seen to be characteristic of both cultures, and investing in building necessary connections and relationships.

### **1.Introduction**

#### *1.1 Background and Importance of the Study*

The importance of co-operation with China has been growing in Finland and the rest of Europe lately because of the rising global economic and political status of China and the interest in attracting Chinese investments. Finland and the Baltic Sea Region as a whole have not been a major destination for Chinese investments to date. However, Chinese interest in the region has increased in recent years, as has the awareness in Finland of the importance of China and the possibilities relating to Chinese investments (Kaartemo, 2007). In Finland, government agencies have been established for this purpose. Regional and local governments are also involved in the framework of town twinning and other activities. The Finnish Ministry of Foreign Affairs released a China Action Plan in 2010 that recognizes the growing role of China on the international scene and states priority areas for co-operation. Delegations visits from China to Finland and vice versa form an important part of trade and investment,

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and broader co-operation facilitation. These involve matchmaking events, meetings with officials, company visits, etc. While these mutual activities between China and Finland have been on-going for some years, matching interests and finding common ground is still considered to be challenging. Wang (2007), who has studied Sino-Finnish partnerships, considers that finding the right approach for the partnership strategy is not easy, and partnerships often dissolve before set goals are achieved. The motivation for co-operation is based on a country's own needs, interests, and development strategies, which can be difficult to match with those of the other side. This is a productive context for studying intercultural communication, because this kind of co-operation is still new in many ways. There is not much previous experience of the Chinese in Finland, and there is a lack of research on intercultural communication in this context. In addition, for a long time Europeans have headed to China as buyers, but nowadays the picture is more complicated and the roles are often reversed. Both attracting Chinese investment and promoting Finnish products in the Chinese market involves the Finns taking the role of the seller. In practice, product sale and investment attraction are often connected, as investments are also raised to develop the products. In particular local governments are often involved in various co-operation activities, which cannot be separated from each other.

The purpose of this paper is to explore and analyze the perspective of Finnish negotiators concerning the challenge of finding common ground with Chinese co-operation partners as well as their suggested communication strategies for this challenge. The purpose is also to reveal the fascinating every-day reality of people working on investment, co-operation, and trade facilitation between China and Finland. The study contributes new empirical data with conceptual importance to ethnographic research in multicultural workplaces. While the phenomenon of rising China persists, the paper provides insights into a newly developing context of intercultural communication that, at the same time, has important similarities to other Chinese co-operation, trade, and investment facilitation initiatives elsewhere in the world. The Finnish perspective provided in this paper may show some similarities to those of other small nations wanting to co-operate with China. It may also be relevant to interested Chinese counterparts who want to achieve a better understanding of this context.

### *1.2 Previous Research*

There is a considerable amount of previous research on the traditional Chinese communication style in working life and also on other factors influencing business

interaction. In exploring the influence of Confucian values on Chinese working life, Ock Yum identifies one of the characteristic traits in Chinese working life as indirect communication, which “helps to prevent the embarrassment of rejection by the other person or disagreement among partners, leaving the relationship and each other’s ‘face’ intact” (Ock Yum, 1997: 85). Another important aspect is that of the long time required to build relationships before engaging in business, which can be related to the distinction between the in-group and the out-group in Confucian societies. Confucian principles involve the need to be affiliated and identified with comparatively small, tightly knit groups of people over long periods of time. An intermediary is needed to bridge the in-group and out-group members and to initiate a new relationship. The importance of taking time to build a personal relationship can also be explained by process, not outcome, oriented communication (Ock Yum, 1997). Gao and Ting-Toomey (1998) further reflect on the impact of indigenous Confucian cultural traditions on the Chinese communication style, listing five distinctive characteristics: 1) implicit communication (hanxu), 2) listening-centred communication (tinghua), 3) polite communication (keqi), 4) insider-communication (zijiren), and 5) face-directed communication (mianzi). This research has had wide influence in management and communication literature.

However, as argued by Fang and Faure (2011), opposite Chinese communication behavior is equally evident in Chinese society given different situations, contexts and times. The interaction between traditional Chinese values, modernization and the Western influence tends to create cultural expressions that may be quite surprising and unexpected. For instance, as a result of China’s market-oriented economic development, there has been a rise in the bu tinghua (not listening, not obeying) attitude. In addition, Jameson (2007) considers that as growing up in a country affects an individual’s values, beliefs and behavior, so acculturation into a particular field or profession, for instance, does too. Intercultural conflicts may occur also between or within businesses in a single country, while international affiliates may share aspects of common culture (Louhiala-Salminen, 1997). When studying a culture, it is important to avoid generalizations, since

we are both yin and yang, feminine and masculine, long-term and short-term, individualistic and collectivistic, monochronic and polychronic, and high-context and low-context, depending on situation, context, and time (Fang, 2005-2006: 77).

Cultures and codes are essential when attempting to understand individual lives and societies,

but it is important to remember that they are dynamic resources used by social actors (Philipsen, Coutu & Covarrubias, 2005).

“Managing Rapport in Intercultural Business Interactions: a Comparison of Two Chinese – British Welcome Meetings” (Spencer-Oatey, Xing 2003) is a study revealing how the same kind of meetings can be perceived very differently by the Chinese and British and what cultural beliefs dictate that perception. For instance, the second meeting during which the research took place, was perceived positively by the British, but caused much dissatisfaction among the Chinese. Some reasons for the dissatisfaction were inappropriate seating arrangements and perceived lack of gratitude for Chinese contracts, factors that the British were not aware of. The rumors heard before about the British company strongly influenced the expectations of the Chinese. Thus, the study illustrates how certain preconceptions that are not directly communicated to the other side can influence the building of common ground and the success of meetings.

To sum up, studies to date have mainly outlined the differences between Chinese and Western cultures, revealing how Chinese traditional values affect business interactions. However, some studies also reveal differences across various professional groups, the way in which the forces of modernization change some traditional values, and the influence of various preconceptions.

### *1.3 Theoretical Framework*

Speech codes theory (Philipsen, 1997), which addresses the relationship between communication and culture, has guided this study. Speech codes are systems of socially constructed symbols and meanings, premises and rules pertaining to communicative conduct. Three propositions of the speech codes theory that are most relevant for this study will be used as a framework for analyzing the results. Data interpretation will focus on the fourth proposition of the theory, which states that the interacting sides tend to interpret communicative conduct according to practices in their own culture. Also proposition six of the theory will be used, which states that speech codes frame responses according to ways accepted in society (Philipsen, Coutu & Covarrubias, 2005). These two propositions serve as the starting point of the study, accounting for the possible influence of culture on communication. They will also be referred to when describing how aspects of traditional culture have influence on business interactions in the context studied. To account for the variety of the possible communicative responses, the second proposition will also be used,

which states that any speech community uses multiple speech codes. Different codes related to communicative conduct, or at least traces of them can be found coexisting in the same life-world (Philipsen et al., 2005).

Addressing the criticism that speech codes theory treats culture as an overly deterministic or static entity (Griffin, 2003), the author of the theory has recognized that, at times, people not only follow, but also abandon their cultures (Philipsen, 1997). There is a strong statement in the theory about the force of the codes in shaping communicative conduct, but culture is not seen as simplistically deterministic. For instance, the second proposition of the theory states that any speech community uses multiple speech codes. Thus, the speech codes of the local culture do not appear in isolation from other speech codes, but all of them are mixed together (Philipsen et al., 2005). Thus, referring to the section on previous research, business interaction cannot be viewed at the level of national culture differences alone; there may be other factors, such as the influence of modernization, the affect of the professional group to which one belongs, preconceptions about the situation, etc.

The concept of common ground will be used repeatedly in this paper. In a pragmatic sense, common ground can be understood as mutual interest in a matter that enables parties to move forward with some common goals in co-operation, trade or investment. Garber (2006) sees finding common ground as one aspect of collaborative management, as organizations everywhere are challenged to work more closely with one another. Gray (1989) states that collaboration is necessary for finding common ground, defining the following key steps: exploring how to get parties together to define the problem, establishing an agenda, and implementing a solution. In an experiment by Horton and Keysar (1996), speakers described objects for listeners in a modified version of the referential communication task. While descriptions under no time constraints appeared to incorporate common ground with the listener, common ground was not used when the speakers were under time pressure. This suggests that finding common ground takes time. The concept of common ground will also be used regarding communication – achieving enough joint understanding about a matter that makes it possible to proceed with the communication and with working together. Stalnaker (1999) considers that common ground involves intuitions about what is not said, but merely presupposed and plays an important role in the communication process. One side may take some common ground for granted while the opposite side may not share it. Not everyone may know or believe the same things, and this is especially so for people with very different cultural backgrounds (Korta & Perry, 2011).

#### *1.4 Data and Methodology*

The main methodological approach of the study was interviewing representatives of the Finnish side who work on Chinese investment, co-operation and trade facilitation at state, regional or local level. Some participant observation in meetings was also conducted to give access to naturally occurring intercultural communication, and to provide a fuller sense of the context. Nine interviews were carried out in Helsinki, Turku and Lahti (Finland) in autumn 2013, and two observation projects were undertaken for six days in total during a Chinese delegation visit from Tianjin to Turku (October 2013) and during a Finnish delegation visit from Oulu to Suzhou in China (May 2014). Observation helped to identify possible themes prior to the interviews and in the data analysis. Field notes were taken during the meetings organized for visiting delegations, which were later developed into more detailed accounts based on memory (Emerson, Fretz & Shaw, 1995).

This paper is predominantly based on the nine interviews carried out in the autumn of 2013. The interviewees' ages were from the mid-20s to the 60s. Four were representatives of local or regional governments, three were team members of a state investment attraction agency, and two were interpreters working for the Finnish side. The length of experience the Finns had in Chinese co-operation ranged from four to 20 years. Two Finns also had experience of living and working in China, one for five years and the other for six years. The Chinese interviewees had lived in Finland for between five and 20 years. All had some education in Finland, and had worked for Finnish-Chinese co-operation ventures for around two years. Among the interviewees there was a person of Japanese origin who had worked for co-operation with China in Finland for five years. Abiding by the Guidelines of the Finnish Advisory Board on Research Integrity (2012), the interviewees' personal information is kept to a minimum and they were coded as IV1-9. Some interviewee basic data is provided in Table 1.

Table 1: Interviewee codes and basic data.

Interviewee code	Gender	Country of origin	Title
IV1	female	Japan	Business Development Officer
IV2	male	China	Interpreter
IV3	male	Finland	Development Manager
IV4	female	China	Interpreter
IV5	male	Finland	Senior Advisor
IV6	male	Finland	Head of International Affairs
IV7	male	China	Business Development Manager
IV8	female	Finland	Customer Operations Director
IV9	male	Finland	General Manager

The interviews consisted of open-ended questions, broadly addressing the experiences of working with the Chinese. Interviews were undertaken with the purpose of inductively finding out the most relevant themes regarding communication in this setting and encouraging the interviewees to offer their own definitions of particular activities (Briggs, 1986; Silverman, 2006). The interviewees were also asked about how they developed meaning for their activities and problems. The interviews were carried out in English, and the interview quotations used in this paper are direct citations except in cases where the text had to be corrected for the sake of comprehension. Five interviews were undertaken in interviewees' workplaces, two in the cafeteria, and the remaining two by Skype.

Regarding the relatively small size of the sample, the research project addresses the dynamic qualities of a situation and thus the issue of sample size and representativeness does not much affect the project's basic logic. In a qualitative framework, research based on interviews seeks to show meanings; therefore a small number of cases facilitate the researcher's close association with the respondents and inquiry in naturalistic settings (Crouch, 2006). The research material was sorted according to the cultural categories used by participants and how these are used in concrete activities. The findings presented in this paper include reflections on the differences within these categories, attributes associated with them, and the dimensions of contrast discovered within each category (Spradley, 1980). Close



reading of the material showed some striking moments of interaction and some recurrent patterns, which formed a corpus of data under several main themes (Nikander, 2008). Combining the analysis of interview and observation data, a detailed description of the intercultural communication dynamics in the given context has allowed for several relevant topics to be identified. The challenge with the general level of Chinese interest when trying to find common ground in co-operation and possible solutions to that emerged as common subthemes in the interviewee's answers. Some other main topics in the data which are not the focus of this paper were the power relations between the Chinese and Finnish sides, varieties of positioning depending on whether one was in the role of guest or host, and the role of the English language as a communication tool. At times people's answers in interviews do "not have a stable relationship to how they behave in naturally occurring situations" (Silverman, 2006: 39), but their stories do give insight into their momentary concerns and circumstances.

## **2. Challenges in Search of Common Ground**

### *2.1 Lack of Serious Interest in Finland by the Chinese*

Interviewees spoke of several obstacles in finding common ground, and lack of serious interest in Finland by the Chinese emerged as one of the most important. Turning to the reasons why talks are general and actual co-operation is difficult to realize, several interviewees said that, in their experience, sometimes the visiting Chinese only wanted to get an impression of Finland and they did not think of it as a country to do important business with:

Many small groups visit, for example, our university of applied sciences, and it's just a friendly visit. We have many such delegations visiting Finland who just want to learn, want to get an average opinion of Finland. I guess when Chinese companies go abroad they are looking for the "big fish". There are not many investments, and I guess there is a problem of scale. (IV6)

They may consider that the visit is not serious, but like a leisure trip. Then they plan a two-hour official visit, because they don't plan to have real co-operation. I think they see visiting us as a half-relaxed trip for recreation, because Finland is not important for business in the minds of people. (IV2)

Lack of serious interest may not be communicated directly to the Finnish side, according to IV3: "It is quite difficult to understand when the Chinese are really interested and when they are not." The Chinese interest in Finland has reduced recently, according to IV3:

What has changed is that there are not many delegations any more. Something happened two or three years ago, maybe the Chinese have seen enough of what we have and they don't send so many delegations to our country anymore, and the situation is the same in Sweden and Estonia.

Lack of serious consideration at times can also manifest as varying interest regarding meeting:

When a Finnish person says – “hey, let's meet at this place at this time,” then the Finn will be there at that time. In the case of the Chinese, this - “hey, let's meet up!” - is more like - “Hello! Bye bye! Have a nice day!” (...) One time we had a delegation coming at lunchtime. Then five minutes before three o'clock, they said they were not coming! And I was in and out of this place preparing rooms, tables, coffee and tea. (IV7)

To sum up, the Finnish interviewees mainly attributed the lack of serious interest by the Chinese partners to Finland being a comparatively small, marginal country which, on average, the Chinese are not yet familiar with. The interviewees said that while the Finnish side normally takes the visits and meetings seriously, at times, the Chinese interest is seen as superficial. The indirect communication reportedly also makes it difficult to understand when the Chinese are really interested and when they are not, which they do not usually reveal directly. The interviewees also saw the varying interest in visiting and meeting as a sign of lack of serious consideration. The interviewees' statements imply that the starting point for the Finnish side is based on their own cultural expectations - if the Chinese have come, they want actual co-operation, or at least will state their intentions in a direct way. However, this may not always be the case.

## *2.2 Restrictive Regulations or Too General Co-operation Guidelines by Chinese*

Another major factor contributing to the difficulties in finding common ground in co-operation and investment that the interviewees spoke of is related to the restrictive or too general co-operation guidelines of the Chinese government:

For Chinese small or even medium sized companies, it's really difficult to start doing business abroad without the acceptance of the government and even more difficult for them to invest their money abroad without the government's permission. It's much easier to get state-owned companies to invest abroad; very few private companies invest abroad. (IV3)

It is very military-like in China. If someone makes a decision at the top, it will happen, whereas in Finland the approach is more grass roots, like small soldiers doing this or that. (IV7)

In cases where the government supports the co-operation, such as town twinning, it nevertheless seems difficult to achieve “real” co-operation. The interviewees said that one reason for this is that the Chinese officials coming to Finland may only have some general guidelines of co-operation from their central government, so they may not be sure about what concrete actions to take:

I hear between the lines that they don’t really know what they have to do. The paper that they gave, maybe it was just a bad translation or a draft, but it was very general. I just get the feeling they don’t really have a concrete plan to implement. (IV1)

IV6 agreed that the areas included in the co-operation memorandum with the twinning city in China were very broad: “It involves almost anything – from science to culture to business, but this is to show that there’s a green light – yes, we are willing to co-operate.”

To sum up, the interviewees described how co-operation areas could remain rather vague and general, because at times the Chinese government had not formulated them clearly enough, and there were also regulations that complicate private overseas investments from China.

The interviewees related the lack of clarity regarding Chinese intentions, to some degree at least, to the cultural concept of indirectness. IV4 said: “I think maybe the Chinese talk at a very general level; that they are very careful about the words that they speak, but Finns are more straightforward, I think.” In the experience of IV7, “the communication – just like in the textbooks – is very indirect, and the cultural cues, facial expressions and so on are very different.” Indirectness can be seen as an obstacle in creating common ground, because presuppositions are not communicated and therefore it is more difficult to establish if there is common understanding on the matter or not.

### *2.3 The Time Necessary to Build Relationships with the Chinese*

The interviewees also spoke of needing a long time to build relationships when trying to co-operate with the Chinese. Their accounts suggest that this may result in a lack of specificity in co-operation talks, especially in the early stages:

The Chinese would like to build the relationship over a longer time, go to dinners, and find a way to friendship and a relationship, and only after that start to talk openly about anything. We in Finland don't bother so much about extra details; we just want to go directly to discussions. (IV8)

However, there may also be differences in the time devoted to building relationships depending on the type of group involved on the Chinese side:

With venture capitalists, discussions are very to the point. They have strict, very tight schedules which are always running very smoothly. They want to meet the investment targets, and that's it. Maybe the private sector is more to the point and business-like, but with the government it is a little bit trickier. (IV8)

Finding the right kind of connections can also be complicated and take time, especially in trade:

We know that the product is very good, maybe the best, and that the price is competitive. Contacts have been made, but we don't actually know anybody there! These problems may even affect the Chinese person who knows you and your product and is interested in bringing it to China. This is the most common difficulty and I have come across it many times. (IV5)

Matchmaking events are sometimes organized as one of the co-operation, trade and facilitation activities to provide opportunities to make connections:

Good matchmaking - finding the company in China that needs the service or product from Finland, the right contact person, to sit down, and discuss with - is quite hard. On the Finnish side, where there is a company, there is a person who has the right to start negotiations, or can say what they can sell or buy. But on the Chinese side, there is often some kind of agent who is ready to find contacts for you. (IV6)

Thus, Finnish representatives see the relatively long time that it takes to build a relationship as one reason why it can be difficult to find common ground and why, at times, co-operation talks remain at a general level. Several factors are involved, such as the Chinese preference of spending more time getting to know each other before undertaking concrete tasks, the difficulty of finding the right people to contact, and the involvement of intermediaries. However, this aspect is not equally strong in all contexts and among all groups. For instance

groups such as venture capitalists tend to be more task-oriented and take less time to build relationships.

To sum up, based on an empirical study using both interviews and observations, the main findings indicate that a major challenge in finding common ground in Chinese-Finnish co-operation is related to persistent difficulties in moving past the general level of talks with the Chinese. This section considered three main obstacles in finding common ground with Chinese partners from the perspective of people working on co-operation in Finland: lack of serious interest, restrictive or vague government regulations, and the time necessary to build relationships with the Chinese. All of these are reflected in the communications in one way or another and occasionally interviewees related them to the cultural concept of indirectness.

In the following chapter, the possibilities of dealing with these challenges and extending the common ground will be considered, as suggested by interviewees.

### **3. Possibilities for Finding Common Ground**

#### *3.1 Presenting Areas of Own Expertise and Matching Them with Chinese Needs*

To overcome the lack of interest and to move beyond general level talks, the interviewees suggested that presenting areas of Finnish strengths and expertise is important, as well as the ability to match these with Chinese needs:

Perhaps we can succeed if we find good, small niches for the businesses, like in biotechnology, there might be something. But you just don't come and invest in biotech, but to invest in something very special, something very specialized. (IV6)

I have been working with Finnish high tech companies for 15 years, and now I know a little bit about China, what they are looking for, and how to match these – a very small country with excellent technology, but no scalability with a big country with lots of scalability and need. (IV8)

Not necessarily any specific field, but to match the interests of both sides is more the key rather than promoting any specific field of business. (IV1)

An example of how to deal with vague suggestions based on general directions from the Chinese government can be seen from observing the delegation visit from Tianjin to Turku. During the visit, the leader of the Chinese delegation referred to their areas of interest using non-specific phrases such as “resource integration,” “platform establishment” and “technology program.” In response to a Finnish request for clarification of the “technology program,” the Chinese response was that the Mayor of Tianjin had issued regulations for the support and growth of 40,000 small and medium sized enterprises (SMEs) including start-ups.

The Finnish response was a highly detailed presentation enumerating the specific expert business fields in the Turku region, which included a wide range of industries and services such as biotechnology, life sciences, environment, health, maritime (arctic vessels), functional food and food safety, pedagogic and teacher training, business skills and project management, and quality assurance. The Chinese responded that large markets for all these fields exist in both Tianjin and the whole of China. Thus, the Finnish strategy of dealing with the situation proactively, asking direct questions and giving specific information was a way to make the possible co-operation direction more specific.

To sum up, the interviewees' opinion was that presenting the areas of expertise in Finland and then being able to match those with Chinese needs would help to overcome lack of serious interest by the Chinese and help to specify co-operation plans. Regarding communication, this strategy could be seen as an effort to frame Chinese responses according to Finnish expectations, facilitating more specific input from them.

### *3.2 Utilizing the Common Characteristic of Pragmatic Working Cultures*

If Chinese interest was sparked after the presentation about the areas of expertise and they saw where it matched their needs, then, as observed by the study participants, they are also quite practical people who are interested in making things happen. There may be some common cultural traits with the Chinese that could help to extend the common ground. One of the things mentioned repeatedly by the interviewees as a unifying factor was the pragmatism and practicality characteristic of both the Finnish and Chinese working cultures:

I just feel that result-orientation combines both cultures. The Chinese are hard-working business people. In the same way, if the Finns have something they want to achieve, they really work for that. (IV8)

I think both cultures are 'doers', making things happen, results and result-orientation drives both of these cultures. I mean, somehow Chinese culture, the way China works, is very effective at the moment. (IV7)

I guess as we see in the Chinese economy, they want to get things moving, and then you can get results, which is money or doing something. (IV6)

IV1 has experienced that the practical gain can be a strong motivator for the Chinese: "The Chinese are very pragmatic people, so if they are interested in one of our companies, things start to happen very, very quickly."

To conclude, the study participants consider that once the attention of the Chinese is caught, the practicality and pragmatism of both the Finnish and Chinese working cultures is the resource to build on to make things happen and to produce real results. This can be seen as an effort to utilize the existing common ground between the parties, which is possible when mutual interest in the matter has been achieved. Thus, showing to the Chinese partners the practical gain for them from certain investment targets, products, or co-operation areas can accelerate the process of finding common ground.

The pragmatism of both the Chinese and Finnish working cultures has also been recognized in the literature. Ock Yum (1997) considers that Confucianism is a pragmatic and present-oriented philosophy that focuses on life at present and on serving men. Isotalus (2006) suggests that achieving economic success is a strong motivator for Finns, so that, for instance, they tend to take care of relationships when they are important for business, such as customer relationships. The Finnish working culture can be related to the broader construct of the Protestant work ethic that has been discussed in the literature (Dose, 1997). The pragmatism and mutual interest in the results is thus something that “clicks” between Chinese and Finnish working cultures.

### *3.3 Patience and Investment in Building Relationships with the Chinese*

With respect to the long time to build relationships and finding the right people to co-operate with, the solution suggested by the interviewees was to create more possibilities to meet on a professional level, between experts and face-to-face, as well as accepting that time investment and patience are needed.

Comparing the different levels at which the contacts can be made, company-to-company and professional contacts can be much more effective, according to the observations of several interviewees:

If the company finally finds somebody, then maybe in one or two weeks it gets much more information than we can have – of course! That is because the company always has interest in their point of view, and we are outsiders. (IV5)

We need to go to the professional level so that the professionals meet and decide on co-operation. We need to have the right partners on both sides, not generally, but to get the experts to talk to each other. (IV6)

Most of the time we talk directly with the companies, one of the parties is a Finn who helps the customers to make good decisions and achieve their aims. This

involves meetings, e-mails, and discussions with the customer. We try to minimize the bureaucracy and hierarchy. (IV9)

Study participants spoke of creating more possibilities to meet face-to-face, thus increasing the chances of finding the right contacts and building successful partnerships:

You need more and more contacts, more and more places for people to meet and get to know each other. They need to find and establish the connections that they really can rely on – on both sides, I guess. (IV6)

You must go there, feel it, I tell companies that you must go. I gave a lecture the day before yesterday, and I said that you have to go to China and you have to meet the people all the time. (IV5)

We are only one country, so maybe to keep up the communication and the closeness with the customers I hope that there will be more and more Chinese organizations, science parks, investors and companies here in the Nordic countries. It's necessary to make this interaction happen. (IV8)

Building relationships with the Chinese takes patience and the acceptance that the process is going to take time, as most participants in the study recognized:

One thing is that we need a lot of time, and I don't think we can change that; just accept that the process takes time. You need to build a relationship and that is the normal way of doing business in China, so nothing happens immediately. Either you already have a relationship and you build a business on top of that, or you need to build a relationship and then simultaneously you do business while you are in a relationship. (IV9)

There are a lot of challenges. The main thing is to achieve some concrete results, to complete some business to business co-operation...but it takes time. (IV1)

It certainly takes many years before you get any profit from China, but yes it is a big market and you should really focus on it. You just can't be half-hearted and just see if it works or not in China, you have to be committed, and that must be a part of your strategy. (IV6)

Thus, working directly at the business-to-business level and having more face-to-face meetings both in China and Finland may make the relationship building process more effective and speedy; but at the same time, patience is required and the acceptance that relationship building takes time. The proposed Finnish strategy to extend the common ground involves the acceptance and accommodation of the longer time needed to build connections



and relationships. So, at least two coexisting speech codes could be observed in this situation – using accelerated means to meet in order to speed up the process, but also accepting the need for time when building relationships with the Chinese.

#### **4. Conclusions, Implications and Limitations**

This paper looked at the possible challenges and opportunities in search of common ground in co-operation, trade, and investment between China and Finland from the viewpoint of people working on these matters on the Finnish side. The people interviewed felt that the potential possibilities with China are not being fully exploited, and related this to a lack of “serious” interest from the Chinese side, restrictive regulations or vague co-operation formulations plans, and the long time needed to build relationships. The difficulties in moving past a general level of interest from the Chinese were a cause of frustration to the Finnish side, and the slow rate of outcomes was not what they expected. It can be concluded that the starting point for the Finnish side was based on their own cultural assumptions - if the Chinese have come, they want real co-operation, they will discuss in a straightforward way and specifically with the people directly responsible for the matter. This will then lead to concrete actions – actual co-operation, sales, investment, and all of that as quickly and efficiently as possible. Proposition four of the Speech Codes Theory (Philipsen, Coutu & Covarrubias, 2005) states that the interacting sides tend to interpret communicative conduct according to the practices in their own culture. For example, on a co-operation visit, Finns may presuppose that the Chinese are interested in actual, concrete and efficiently quick co-operation, which may indeed be the case. However, sometimes this may not be the case, or it is simply not possible due to some cultural or organizational considerations by the Chinese partners. The interviewees considered that it appears that occasionally the Finnish side takes the common ground of interest in real co-operation for granted, when it turns out that the Chinese only wanted to gain a general impression of Finland. Indirectness is partly accommodated, attempting to “read” from non-verbal cues when the Chinese are not interested, but there are also efforts to extend the common ground by encouraging the Chinese to be more direct, for instance about co-operation areas. To conclude, true co-operation requires mutual interest and its communication to the other partner. However, based on the data it is possible to see how one can make someone interested once interaction starts. Apparently, lack of interest is not something fixed; rather it is a kind of starting point, not giving something serious consideration at first. Preconceptions change in the process of visiting and interaction.

There could be a number of factors contributing to the general level of Chinese interest regarding co-operation and the fact that co-operation talks often remain on a superficial level. Some study participants explained that with indirectness, the concept of traditional Chinese culture. They believed this aspect is involved in not clearly communicating a lack of serious interest and in drafting too vague co-operation plans. In addition, it could be that the Confucian in-group and out-group distinction plays a role concerning the need for more time to build relationships (Gao & Ting-Toomey, 1998; Ock Yum, 1997). It appears that in some groups, such as government and local government officials in particular, the traditional Chinese values still seem to be strong, and these may be involved to some degree when intentions are not clearly communicated and when relationship building comes before the task. However, to verify these claims, more data is necessary, including interviewing Chinese visitors, as similar behaviors may also appear in contexts where a Confucian background is not a factor. The questions related to direct and indirect communication are complex and contextually bound. The interviewees said that Chinese venture capitalists tend to be more task-oriented and direct, which turns the attention to differences between various professional groups within one nation and the possible existence of multiple speech codes in the same society.

The Finnish side cannot directly influence the factors contributing to the general level of Chinese interest, but they shared efforts to deal with this by making the co-operation talks more specific. In particular, to be considered more seriously for actual co-operation, the interviewees said that it was helpful to present the areas of strength in Finland and match them with Chinese needs. The interviewees have observed that the Chinese are pragmatic people, and if they see actual gain, things will start to happen. When common areas of interest are identified, it is possible to utilize some pre-existing common ground between parties, which can be, for example, the practicality and pragmatism characteristics of both the Finnish and Chinese working cultures. At least in part, the historical origins of working cultures can be traced back to the Confucian heritage in the case of China, and the Protestant work ethic in the case of Finland. While the origins of working cultures are different, it appears that there are similarities, which can be a joint speech code between parties. This finding could have practical relevance for business actors and would be worth further investigation for practical applications.

Regarding the long time required to build relationships with the Chinese, the Finnish approach to this is strategic, in part – more visits to China, more Chinese institutions in

Finland, and moving more readily to the business-to-business or professional level – all of these might help to speed up the process. However, acceptance of the need to invest time and effort in building relationships was also communicated, suggesting that some adaptation is also necessary to extend the common ground and to be able to work with China and the Chinese. Proposition six of the speech codes theory suggests that speech codes frame responses according to ways that are accepted in society. There is proof that people experience social pressure to conform their behavior to the social codes in their society (Philipsen, Coutu & Covarrubias, 2005). People working for the Finnish side are facing the double pressure to accommodate the needs of their own culture in terms of directness, effectiveness and the results expected from them, but at the same time, to some degree at least, to adjust to the Chinese way of doing things, which may require patience and time.

The proposed strategy of the Finnish representatives to extend the common ground contains elements of pressure, utilizing existing common ground, and adjustment to the Chinese side. It can be claimed from the results of this study that the most effective way to increase the common ground involves a combination of finding and utilizing the existing common ground, exerting pressure on the other side to accept your way to some degree, and adapting part of the other side's way as your own. Interestingly, the Finnish strategy towards indirectness by the Chinese is to predominantly pressure the other party to be more direct, which can be attempted, for example, by offering co-operation areas and clarifying general terms. However, it appears that the main strategy chosen for building relationships is adaptation and acceptance, realizing this task takes time and requires patience. Several questions about building relationships can be raised for consideration in future studies. All relationships take time to build, but where can this time be found? How “deep” should the relationship be if the goal is simple business interaction?

Concerning the limitations of this study, it is a small-scale study predominantly based on interviews. At times, the interviewees' answers do not “have a stable relationship to how they behave in naturally occurring situations” (Silverman, 2006: 39). However, as the aim of the study was get to know the meanings that Finns attribute to their co-operation with the Chinese, the results certainly have provided relevant information on their perceptions. The purpose of this paper was not to generalize, but to reveal the fascinating every-day reality of people working on co-operation, trade and investment facilitation between China and Finland.

The results of this study may be relevant on a wider scale, as other small countries may face similar challenges in different contexts when trying to co-operate with the Chinese. The

views and perceptions of the visiting Chinese regarding co-operation development were not the focus of this study, but they would be equally interesting and important to consider in further research.

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