who was shot and killed in Baton Rouge, Louisiana, after he went to the wrong door when looking for a Halloween party and apparently did not understand the command "Freeze!"?

We must not think of transactions only as two or more parties sitting around a table and conducting rounds of formal business negotiations. Whenever we come into contact with people from other cultures, our goal is to carry interaction through and reach an agreement; this resolution affects both us and other people. The transactional nature of intercultural communication becomes especially clear when tensions intensify; then finding a resolution becomes crucial.

Introducing the Transaction Principle

The discussion above has laid the groundwork for the eighth principle underlying intercultural communication—the Transaction Principle. As with the previous principles, we will isolate three parts that make up this principle. Each part deals with intercultural communication as a transaction. First, we will discuss how our perception affects the outcome of intercultural transactions. Next, we will look at intercultural transactions in terms of negotiation zones. Finally, we will discuss intercultural transactions as a process of moving from positions to interests. We will discuss each part separately and then formulate the Transaction Principle as a whole.

Intercultural Transactions: Perception and Reality

As we saw earlier, perception is very important in approaching intercultural communication. Resolution of intercultural tensions depends on how intercultural transactions are perceived.

There are three main patterns of perception that determine the outcome of intercultural transactions: zero-sum, fixed-sum, and flexible-sum (cf. Thompson, 2000). The word *sum* here refers to the amount of value (resources) perceived to exist in the situation of intercultural interaction.

Zero-Sum Perception. The zero-sum pattern implies that there is no (zero) value in interacting; each side believes that it can create value on its own, without any help from the Other. Thus, with the **zero-sum perception,** value in intercultural transaction is ignored.

In this case, people do not perceive any tension between them and are not concerned about what may happen as a result of non-interaction. It is easy to see that the zero-sum perception is the basis for the avoidance approach to intercultural communication.

With two circles, Figure 7 illustrates how people from two different cultures seem to exist separately; yet the dashed lines between them indicate that the two circles still can, and must, be connected. In other words, potential can, and must, be realized for mutual benefit.

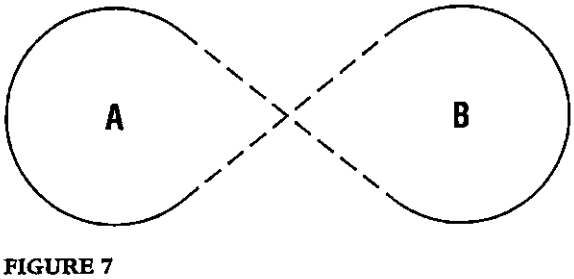

FIGURE 7

Fixed-Sum Perception. According to the fixed-sum pattern, value is fixed; sometimes the **fixed-sum perception** is called a fixed pie perception (Lewicki et al., 1997: 74). When it comes to dividing the pie, anything one culture gets, the other does not; hence, people from every culture try to distribute the pie in such a way that they can have a bigger piece (more resources). The fixed-sum pattern of perception is about claiming or distributing resources; as a result, value in intercultural transaction is claimed or distributed.

People subscribing to the fixed-sum pattern may perceive each other as polar opposites (enemies). Such a perception leads to the idea that the right way to manage tensions is "my" way—if other people do not share my views, their culture must be conquered and eliminated; otherwise, they will conquer and eliminate my culture. This is an "either/or" mentality, leading to cultural aggression and domination. Only one culture can emerge as the winner of this intercultural interaction: the one that claims more resources—ideally, all of them. It is easy to see that the fixed-sum perception is the basis for the polarization approach to intercultural communication. Perceiving interaction in terms of polarization is not a constructive approach to managing intercultural tensions. By destroying what we perceive to be our enemy, we deprive ourselves of the possibility of interacting with the Other; in essence, we destroy ourselves. That is why cultural domination is not only destructive of other cultures, but also self-destructive. If we completely eliminate our "enemy," we have no one to interact with. It is said that the next worst thing to losing a war is winning it.

Figure 8 depicts the result of a battle between people from two cultures over resources, in which culture A is clearly the "winner." When the ultimate "victory" is proclaimed—that is, when culture B disappears—intercultural communication will stop.

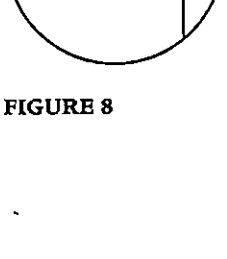

FIGURE 8

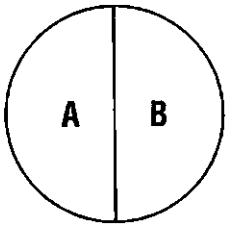

FIGURE 9

If people do not perceive each other as polar opposites but yet do not perceive each other as friends, willing to cooperate and share their resources, the outcome of an intercultural transaction may be agreeing to disagree. The optimal way to reach such an agreement is by dividing all available resources in half. Thus, it is easy to see that the fixed-sum perception is also the basis for the compromise approach to intercultural communication; here, the sum is distributed equally so that each culture gets 50 percent of the value.

Figure 9 shows people from two cultures splitting the value in half. Obviously, this outcome is not as destructive as the one based on polarization; after all, your culture claims half of all available resources. But this outcome is not constructive either, because it does not help people to construct their collective identity.

Flexible-Sum Perception. According to the flexible-sum pattern, the sum is flexible: Any situation of intercultural communication is perceived as dynamic and subject to change. Here, the objective of an intercultural transaction is not to ignore or to claim value, but to create value together to enlarge the pie so that all people can have a bigger piece. The **flexible-sum perception** implies that value cannot be created unilaterally, because people can create and sustain their resources only in dynamic interaction with each other; as a result, value in intercultural communication is created and shared.

People subscribing to the flexible-sum pattern perceive each other as friends, willing to cooperate and share their resources. You might wonder how this sharing can be accomplished. With compromise, we seem to have reached the optimal outcome, as 50/50 appears to be the most acceptable and fair way to divide value. Well, not if we base our view of intercultural communication on the flexible-sum perception! If we view any intercultural situation as dynamic and subject to change, we can move *beyond* that separating line and into the space occupied by the Other. Naturally, this might be perceived by the Other as a dangerous move because we claim its resources. But if we allow the Other to move into our space and share some of our resources, then both cultures win. And reaching out and allowing the Other to use our resources changes both cultures. Another culture becomes part of ours, and vice versa. Thus, both cultures join forces, integrating their resources, yet still remain distinct cultures with their own values. It is easy to see that the flexible-sum perception is the basis for the integration approach to intercultural communication.

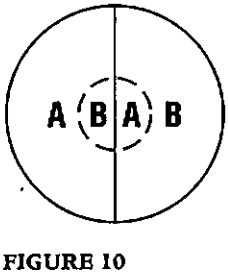

FIGURE 10

Figure 10 shows the integration of two cultures—part of culture A exists within culture B, and vice versa.

Figure 10 might remind you of the famous Taoistic Yin and Yang symbol discussed in Chapter 6, which represents the type of integration in which two different sides change into each other and share the other's qualities. Similarly, as people from two different cultures share their resources, they flow into each other and form a shared space.

Reality. As was said earlier, perception determines the outcome of intercultural transactions. Table 2 presents the three main patterns of perception and the four approaches to intercultural transactions based on these patterns, along with the resultant treatment of value.

Our perception of intercultural communication becomes reality, as we ourselves create the outcomes of our transactions. Our cultural resources are at the mercy of our perception. We might be unaware of their existence or potential (zero-sum perception), we might fight for them and squander them in the process or sit on them stingily like a dog in the manger (fixed-sum), or we might share them and allow them to grow (flexible-sum perception). It is clear that for a transaction to be successful, people from different cultures must move from avoiding each other to integrating their potential. Without a doubt, this is a difficult task; it is easier to ignore each other or perceive each other as enemies. Working out a compromise is more challenging, but even then people generate no new knowledge of each other because no real exchange of meanings takes place. Compromise should be described as conciliatory because it "results in no genuine resolution and hence no new understanding at all" (Ho, 2000: 1065). Only with

TABLE 2

PATTERN OF PERCEPTION	APPROACH	VALUE
Zero-sum	Avoidance	Ignored
Fixed-sum	Polarization	Claimed/Distributed
	Compromise	
Flexible-sum	Integration	Created/Shared

integration do people share their resources and create a shared space, which allows them to sustain and develop their unique identities. This shared space is a special zone where they carry out their transactions—that is, where intercultural communication takes place.

Intercultural Communication as a Negotiation Zone

When people engage in a transaction, each side must make two important decisions. First, each side must set a clear goal (i.e., what it wants to achieve); this goal is called the **target point.** Second, each side must set a stopping point beyond which the side will not go, preferring to break off interaction; this stopping point is called the **resistance point.** A resistance point cannot be determined without thinking of a back-up plan, called the **BATNA** (Best Alternative To Negotiated Agreement). In other words, each side must think about what can be done if the desired goal is not achieved.

Let's take a typical case of intercultural transaction. Suppose you go to a market in Tunisia and see a man selling beautiful Berber jewelry that incorporates silver and amber in complicated forms. He wants 25 dinars for each piece of his jewelry (target point); in his mind, however, he is willing to go as low as 10 dinars (resistance point). The seller has set this resistance point based on his BATNA, which might be selling his merchandise wholesale later in the day. You want to buy one piece of jewelry from him for 5 dinars (target point), but you are willing to go as high as 15 dinars (resistance point). You will not pay more than 15 dinars because of your own BATNA—you might have seen a similar piece elsewhere for about the same price. So, you start bargaining with the man. Does the intercultural transaction between you as a buyer and the man as a seller have potential for being successful? Yes; this potential exists in the form of a negotiation zone, also known as a bargaining range, settlement range, or zone of potential agreement (Lewicki et al., 1997: 33). The **negotiation zone** is the spread between the two resistance points; in our example, this spread is 5 dinars—the difference between 10 and 15 dinars. It is within this zone that you and the man should carry out your transaction, trying to find a resolution.

Let's see how this intercultural transaction can be represented graphically. Figure 11 shows the seller's target and resistance points. Figure 12 shows the buyer's target and resistance points. Finally, Figure 13 depicts the actual transaction between the seller and the buyer. The negotiation zone is the overlapping range in the middle; herein lies potential for a productive intercultural resolution.

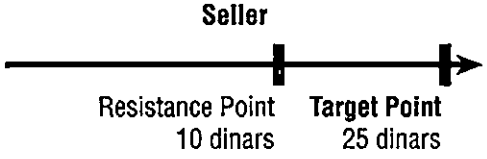

FIGURE 11

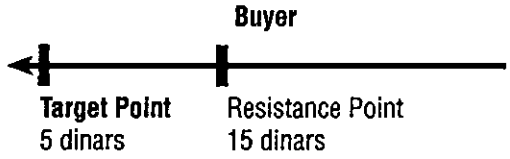

FIGURE 12

In real-life situations, of course, it is very difficult to determine one's target and resistance points with mathematical precision. As you may remember, intercultural conflict is a disagreement over resource allocations, and resources are not always as tangible as a manufactured product with a price tag. How is it possible to calculate the value of such resources as reputation, power, and affection? However, even such intangible resources must be evaluated and represented in the form of target and resistance points; unless people do this homework, they may never figure out whether a negotiation zone exists and what this zone is. People may waste a lot of time and effort trying to find a resolution when no negotiation zone exists. Or, on the other hand, people may think that there is no negotiation zone in a situation when in fact such a zone exists and they are simply unable to find it. As a result, the potential of the negotiation zone is not realized, and people miss their opportunity to benefit from it. In the summer of 1990, the cultures of Quebec and the Mohawk tribe clashed over extending a golf course into land that the Mohawk felt was sacred (Friesen, 1991). The Mohawk wanted to talk about their sovereignty, land claims, and preservation of natural resources. The Quebec officials perceived the Mohawk tribe as warriors and criminals. In the end, the Mohawk tribe erected barricades and the Quebec police took them down. The golf course was not extended, but the tensions were not resolved, because no negotiation zone was ever found or created by the conflicting sides.

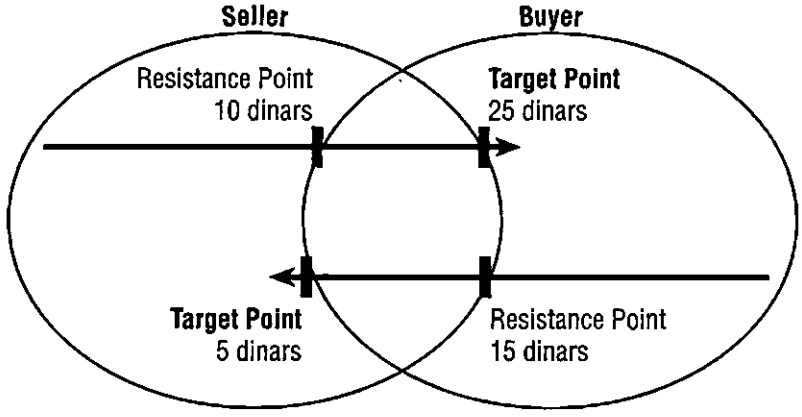

FIGURE 13 **Negotiation Zone in an Intercultural Transaction**

If a negotiation zone is perceived as nonexistent or small, then potential for a constructive intercultural resolution is also nonexistent or small. Let's see how a negotiation zone with potential can be created or expanded to facilitate intercultural transactions.

Back to the Future: From Positions to Interests

As you know, every intercultural transaction involves a clash of cultural identities. In concrete situations, cultural identities are manifested in the form of specific resources, tangible or intangible, and each resource might become an issue of conflict. Every intercultural conflict is characterized by one or more issues; naturally, the more issues involved, the more complex a transaction is. Therefore, in every conflict, the main issues (resources) must be identified. For example, in the Motorola case discussed earlier, the main issues are the amount of money, education for the engineer's siblings, and the availability of the engineer. In the case of the 16-year-old student and school officials in Dearborn, Michigan, the main issues are the T-shirt, freedom of expression, and safety.

On every issue, people from different cultures take a stand, expressing a certain **position.** In other words, each side states what it wants. For example, in the Dearborn, Michigan, situation, the student wanted to wear the T-shirt, while school officials did not want him to wear it to school. In Chapter 4, we discussed in more detail how each culture positions itself and claims its vision of the world. Often, positions that different cultures take in a conflict situation appear in complete opposition; as a result, no negotiation zone seems to exist, and reaching a resolution seems impossible. Focusing only on positions often leads to an impasse in intercultural transactions or even physical violence. That is why people must look beyond their positions and identify the interests that underlie each situation.

As you remember from Chapter 6, **interests** are underlying needs and desires that motivate people from a culture to take a certain position. Identifying interests is more difficult than identifying positions because interests are grounded in resources that are less tangible. And yet this is the best way to make sure common ground is identified and a productive resolution is worked out. Instead of looking only at their positions, which are usually divergent and often appear to be in complete opposition, people must look for shared interests and build decisions on their solid foundation. Consider the situation in India, where the conflict between Sikhs and Hindus had been escalating for a long time (see Fisher et al., 1994). Their positions appeared to be in opposition: Sikhs wanted independence and more access to water resources, while Hindus wanted India to be unified and water resources to be distributed equally. In spite of these different positions, three shared interests were found. First, both sides wanted economic prosperity for Punjab. Second, both sides wanted a reduction in ethnic fighting. Third, both sides wanted Sikhs to regain confidence in the Indian government.

Let's take a quick look at some examples discussed in this chapter and see how shared interests can be identified, helping the interacting sides to reach a more constructive resolution of their tensions.

With the two friends who must decide on an ethnic restaurant (the very first example in this chapter), identifying shared interests is relatively simple. Most likely, they still want to remain friends. As a result, they should find it easy to work out a mutually acceptable solution. For example, as was mentioned, they might decide to try Thai one night and Mexican another night or to compromise on an Italian restaurant.

In the situation of the 16-year-old student in Dearborn, the tensions are higher and the transaction more complex. The positions of the student and school officials appear in complete opposition, which only makes it more crucial to look for shared interests; otherwise, a constructive resolution can hardly be found. It is quite likely that both sides (student and school officials) want their school to be a nurturing learning environment with a good reputation. If they focus less on their positions and more on shared interests, or common ground, the two sides have a better chance of reaching a mutually acceptable resolution—that is, of conducting their intercultural transaction successfully.

Thus, in every transaction, people from different cultural groups must move from battling over positions to a "collaborative focus on shared and underlying interests (each side's needs, concerns, hopes, and fears that lay beneath their positions)" (Rothman & Olson, 2001: 294). As people move from identifying positions to identifying common interests, they work toward a resolution acceptable to both sides, through which each side is able to realize its own goals more successfully. In a way, it is necessary to go back to the root of conflict; however, this backward movement is the only way to move forward toward a successful resolution.

The Transaction Principle Defined

Now we can give a more concise formulation of the Transaction Principle, based on the above discussion of its three parts.

First, our perception determines the outcome of an intercultural transaction. We saw how the three main patterns of perception are related to the four approaches to intercultural interactions. For their interactions to be successful, cultures must move from avoiding each other to integrating their resources. Then they can reach a constructive resolution of their tensions.

Second, intercultural transactions take place within a special zone known as a negotiation zone, bargaining range, settlement range, or zone of potential agreement. In this zone lies the potential for a productive intercultural resolution. Thus, such a zone must be created or expanded to its optimal potential for both sides.

Third, every intercultural situation is manifested in the form of specific resources, tangible or intangible, and each resource may become an issue. People take a stand on each issue, expressing a certain position. Positions might appear to be in complete opposition, and no negotiation zone might appear to exist. That is why it is important to look beyond positions and identify interests that motivate people to take a certain position. By moving from identifying positions to

identifying shared interests, parties are more likely to reach a mutually acceptable resolution.

In a nutshell, the Transaction Principle can be formulated as follows:

> *Intercultural communication is a process whereby people from different cultures move within a negotiation zone from positions to interests, in search of an acceptable resolution.*

This principle teaches us that intercultural communication is always a transaction. When cultures come into contact, both sides are affected by how their transaction is resolved. Intercultural communication cannot be considered effective without a resolution of tensions.

Summary

We started this chapter by defining intercultural conflict as a perceived disagreement over allocation of resources. We emphasized that resources have two sides, tangible and intangible, making up a cultural identity. In the end, every intercultural conflict is a disagreement over different identities. Achieving deep understanding of an intercultural conflict requires that we identify its resources, which becomes more difficult to do as resources become more intangible.

Next, we discussed the destructive and constructive sides of intercultural conflict. We emphasized that these two sides exist together in every situation; that is why conflict cannot be eliminated but must be managed. In other words, the destructive side of conflict must be kept under control, while the constructive side of conflict must be enhanced. Every intercultural conflict has transformative potential that must be realized.

Next, we showed how intercultural conflict can be managed, following four different routes: avoidance, polarization, compromise, and integration. These approaches to conflict are based on our perception of intercultural communication as a transaction. We showed how the three main patterns of perception (zero-sum, fixed-sum, and flexible-sum) are related to the four routes identified above. We emphasized that our perception of intercultural communication becomes reality as we ourselves create the outcomes of intercultural transactions.

We noted that intercultural communication is more effective when people perceive their transaction as flexible-sum and are willing to integrate their resources. Then a shared space is created where people can carry out their transactions. We looked at this space as a negotiation zone. It was pointed out that if this zone is perceived as nonexistent or small, potential for a constructive resolution of intercultural tensions is also nonexistent or small. Thus, it was concluded that a negotiation zone with potential must be created or expanded to facilitate intercultural transactions.

We showed that an intercultural transaction is more likely to be effective when the parties from different cultures move from staking out positions to tak-