

Philosophy, Economics and Politics: Current Debates

Negotiations of Political Agreements

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How to prepare for negotiations: Negotiation tactics

For successful negotiations, preparation is a key.

- **Know what you want to achieve**
- **Know your partner and what he wants to achieve**
- **Assess your bargaining position** - define the **BATNA**
- **Decide your negotiation tactics** (hard/soft; zero-sum game or searching for common solution which enhances the pie)

BATNA = Best alternative to negotiated agreement. Determines bargaining strength.

Negotiation of political agreements

Negotiations of political agreements

What does help to successful negotiation?

- (i) Existence of a **zone of possible agreement** (ZOPA).
- (ii) Incentives for cooperation embedded in political systems.

The ZOPA might seem not exist at all at the beginning of negotiations, that's why institutional arrangements and negotiation skills are important.

Negotiations of political agreements

Obstacles to negotiating an agreement

Nature of collective goods: provide benefits to individuals that are not proportional to their contribution to the costs of the goods (Ostrom, 1990): costs on producers + benefits on citizens => political capture by producer interests.

Negotiation myopia: self-serving bias; fixed-pie bias, risk aversion, reactive devaluation, time myopia

Distributional conflicts

Negotiations of political agreements

Obstacles to negotiating an agreement: How to overcome them?

Incorporation of technical expertise (expertise might discipline political debate)

Repeated interactions (help to mutual understanding, encourage a longer time perspective, enable trust needed to risky but collectively beneficial choices) ...
is this aspect present in the EU politics?

Penalty defaults: deadlines, costs associated with non-action... but recall the Fiscal cliff in the U.S. in 2013.

Relative autonomy in private meetings = without presence of media. They are known to facilitate negotiations.

Strategies

Strategies for negotiations of political agreements

David Lax and James Sebenius (2006): 3D Negotiation: Powerful Tools to Change the Game in Your Most Important Deals.

Move from *positional* to *interest-based* conversations

Move from *blaming and past* actions to a *problem solving and the future*

Move from *high-level assertions* to *fact-based statements*

Adopt *persuasive style*

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- Move from *positional* to *interest-based* conversations
- Move from *blaming and past* actions to a *problem solving and the future*
- Move from *high-level assertions* to *fact-based statements*
- Adopt *persuasive style*:
 - empathy to the other side: needs, story, emotions, culture
 - is open to persuasion from the other side
 - actively helps design some “wins” the other side can deliver

Besides those points, separation problems of the people helps, too.

Strategies for negotiations of political agreements

Nevertheless, some parties might have different goals in negotiations rather than achieving an agreement.

More broadly, we can identify the following strategies:

Problem solving — both parties committing to examining and discussing issues closely when entering into long-term agreements that warrant careful scrutiny

Contending — persuading your negotiating party to concede to your outcome if you're bargaining in one-off negotiations or over major 'wins'

Yielding — conceding a point that is not vital to you but is important to the other party; valuable in ongoing negotiations

Compromising — both parties forgoing their ideal outcomes, settling for an outcome that is moderately satisfactory to each participant

Inaction — buying time to think about the proposal, gather more information or decide your next tactics.

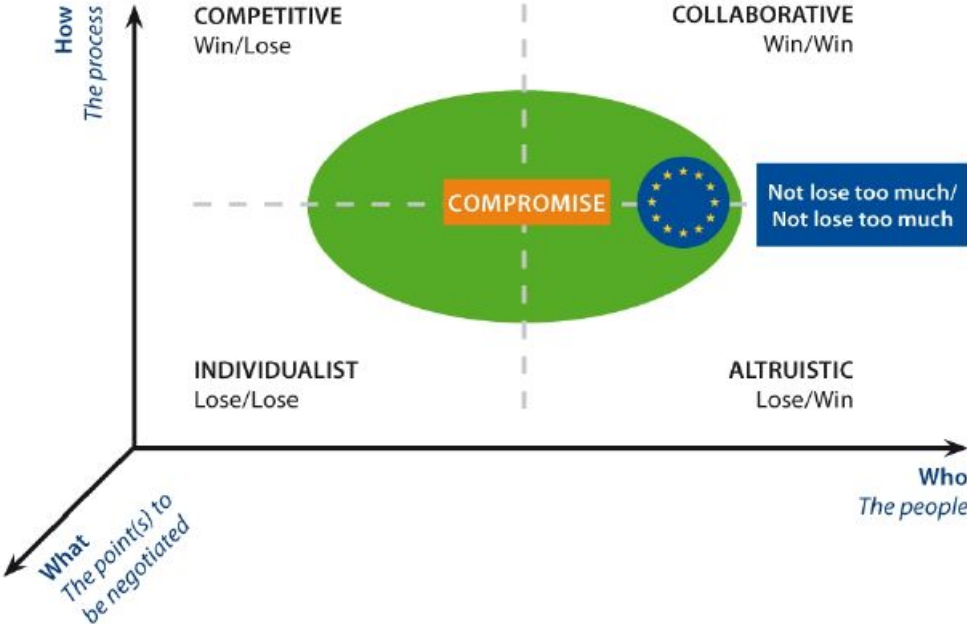
The EU Perspective

Bargaining in the European Union

- complex - negotiations usually on multiple subjects at once
- multilateral
- iterative and long-term

Bargaining in the European Union

European Negotiations: Finding the right balance



Bargaining in the European Union

Bargaining or Problem-solving: What does prevail?

Elgström and Jönsson (2000): It depends on context. Day-to-day operations mainly about problem-solving. As the level of politization increases, conflicts and bargaining arises as well.

Bargaining in the European Union

Hardball vs. soft tactics. Does BATNA matter for a choice of tactics?

Dür and Mateo (2008) study the 2007-2013 MFF negotiations and show that already in 2007, the hardball tactics was chosen by states with strong BATNA, by large member states and by countries with strong domestic constraints. This difference was more important than the old/new EU member states.

Table 1: *Typology of negotiation tactics*

Hard bargaining	Soft bargaining
Making a commitment of not giving in	Signalling flexibility
Criticizing the other side	Conciliatory statement, praising other side
Defensive coalition	Seeking partners for compromise
Threat	Proposal for compromise

Bargaining in the European Union

Table 2: *Overview of the predictions for the negotiations on the EU's financial framework, 2007-2013*

Hypo-thesis	Explanatory factor	Hard bargaining	Soft bargaining
<i>The bargaining power hypotheses</i>			
H1	Power resources	France, Germany, Great Britain, and Italy (to a lesser extent Poland and Spain)	Small and medium-sized member countries
H2	BATNA	Net contributors (particularly, Germany, Italy, the Netherlands, and Sweden)	Net beneficiaries
H3	Domestic constraints	Sceptical public opinion in Austria, Sweden, and the United Kingdom (and to a lesser extent Cyprus, Denmark, Finland, France, Italy and Malta)	Countries with a pro-European population
<i>Alternative hypothesis:</i>			
HA1	Length of membership	New member states that joined in May 2004	Old member states

Bargaining in the European Union

What determines strength in the negotiations in the European Council?

Tallberg (2008): three complementary sources of bargaining power:

- state source: economic strength, population size, military capabilities, political stability and administrative capacity
- individual source (personal authority, level of expertise)
- institutional source (access to veto + rotating presidency)

Takeaways

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Preparation is important

ZOPA, BATNA

Strategies to create ZOPA