

The Choice of Bargaining Strategies in
the European Union:
Power, Preferences, and Culture

Andreas Dür & Gemma Mateo

DEI Working Paper 09-08



UCD Dublin European Institute

Working Paper: © Andreas Duer and Gemma Mateo 2009

This paper should be cited as follows: Andreas Duer and Gemma Mateo, The Choice of Bargaining Strategies in the European Union: Power, Preferences, and Culture, UCD Dublin European Institute Working Paper 09-08, May 2009.

All opinions expressed are the sole responsibility of the authors.

Cover Photo: © European Community

About the Authors

Andreas Dür is Lecturer at the University College Dublin
Contact: Andreas.Duer@ucd.ie

Gemma Mateo is Postdoctoral Research Fellow at the University College Dublin
Contact: Gemma.Mateo@ucd.ie

About the Dublin European Institute

The Dublin European Institute (DEI) supports scholarly research and debate on the sources, processes and implications of European integration and governance. Based within the School of Politics and International Relations at University College Dublin, the DEI is the oldest and largest university centre for research on European affairs in the Republic of Ireland.

For more information, see: <http://www.ucd.ie/dei> or contact: Dublin European Institute, UCD School of Politics and International Relations, University College Dublin, Belfield, Dublin 4, IRELAND (email: dei@ucd.ie)

The Choice of Bargaining Strategies in the European Union: Power, Preferences, and Culture

Abstract

We introduce a series of arguments that explain how country characteristics influence the choice of bargaining strategies. The country characteristics that we consider are a country's power resources, preferences, and culture. We derive a series of hypotheses from these variables, and present their implications for intergovernmental negotiations in the European Union (EU). We also discuss the methodological difficulties inherent in studying negotiation behaviour: the secrecy surrounding the negotiations, the biases introduced by asking participants, and the difficulty of inferring from role plays to real-world negotiations. While recognising these difficulties, we conclude that research on this topic is essential to arrive at a better understanding of how the negotiation process influences negotiation outcomes.

Key words: culture, European Union, negotiations, negotiation strategies, power, preferences

Introduction

Seventy years ago, in his classic study on diplomacy Harold Nicolson (1963 [1939]: 127) wrote that “there exist certain standards of negotiation which might be regarded as permanent and universal. Apart from these standards [...] there are marked differences in the theory and practice of the several Great Powers. These differences are caused by variations in national character, traditions and requirements. One can thus distinguish types, or species, of diplomacy and it is important that these distinctions should be recognized.” Despite this early recognition that negotiation styles, and hence the choice of strategy, may vary from one country to the next, the existing literature on international negotiations – whether within or beyond the European Union (EU) – provides few systematic attempts at explaining this variation (for exceptions, see Odell 2000; Elms 2006; AUTHORS). The relative neglect of this issue is remarkable given that bargaining strategies likely make some difference to the negotiation process and its outcome.

Existing studies of international negotiations instead aim to show that bargaining strategies vary depending on the institutional context in which negotiations take place, the phase of the negotiation, the level at which negotiations are carried out, and the issue under consideration. First, this literature suggests that more institutionalised negotiation contexts motivate actors to engage in integrative bargaining, while less institutionalised negotiation contexts lead them to adopt distributive bargaining tactics. Negotiations in the EU, according to this literature, should largely be characterised by integrative bargaining (Elgström and Jönsson 2000; Lewis 2010). Second, across all negotiations, existing studies propose that integrative bargaining should dominate in early stages and distributive bargaining in the end

game (Niemann 2004). Third, problem solving approaches should be more prevalent at lower levels of a negotiation. The reasoning here is that since at lower levels of a negotiation experts tend to interact frequently with each other, they should acquire a common view of a problem (Lewis 1998), which again should predispose them to a problem-solving approach. Finally, this literature maintains that zero-sum issues provoke distributive bargaining while positive-sum issues trigger integrative bargaining (Da Conceição-Heldt 2006; McKibben 2010).

In this paper, we introduce a series of arguments that suggest that – keeping all of the variables mentioned above constant – we should observe variation across countries in the choice of bargaining strategies. Important differences exist across countries (among other things) with respect to power resources, preferences, and culture; these differences can be expected to produce cross-country variation in the adoption of bargaining strategies in international negotiations. The decision to concentrate on power resources, preferences, and culture as independent variables is driven by our aim of explaining countries' negotiation behaviour in the EU. Little variation exists within the EU on factors such as democratic versus autocratic and developed versus developing country, making them unattractive as independent variables in studies of EU negotiations. By assuming that negotiators from all countries are equally knowledgeable about the tactics available to them, we also exclude knowledge as an independent variable (for a discussion of the role of knowledge in negotiations, see Weingart et al. 1996).

The three variables that we concentrate upon allow us to derive a series of expectations for EU negotiations. Among them is that (*ceteris paribus*) the bargaining behaviour of large and small member countries should be different; that countries that expect losses should be more likely to engage in hard bargaining; and that there

should be differences between old and new member countries of the EU. These expectations should in particular apply to those EU negotiations that are largely intergovernmental, as the involvement of supranational actors such as the European Commission or the European Parliament is likely to have an exogenous impact on country's negotiating behaviour. Our reasoning should consequently be most easily applicable to "grand bargains" such as Intergovernmental Conferences and the negotiations for financial frameworks (the EU's long-term budget), rather than day-to-day decision making.

After presenting a series of hypotheses on the impact of country characteristics on the choice of bargaining strategies, we discuss the methodological difficulties of testing these hypotheses. Empirical research into bargaining behaviour can rely on process tracing, surveys, and experiments. While each of these methodological approaches may cast light on a specific aspect of the puzzle, each also comes with serious drawbacks. Despite the evident problems, however, we argue that the research question we set forth should not be neglected. Since bargaining strategies have an impact on negotiation processes and outcomes, explanations of negotiation outcomes will not be complete unless the choice of negotiation strategy can be accounted for.

Classifying Negotiation Tactics

A prerequisite for any study of negotiation strategies is a classification of tactics, that is, the observable and clearly delineated moves by participants to a negotiation. For this, a researcher has to determine which activities are considered theoretically relevant, before aggregating these activities into strategies. Several classifications of tactics have been proposed. Prominently among them are value claiming versus value creating (Lax and Sebenius 1986); distributive versus integrative bargaining (Walton and McKersie 1965); bargaining versus problem-solving (Hopmann 1995); strategic

action versus communicative action (Niemann 2004); problem solving, contending, yielding, and inaction (Pruitt 1983); bargaining versus arguing (Risse 2000); collaborative, conflictual, reciprocal, self-interested, assertive, and creative negotiating (Boyer et al. 2009); and hard versus soft bargaining (Hopmann 1974; AUTHORS). All of these classifications are based on ideal types; in fact, all of the above scholars recognise that negotiators often mix tactics that belong to different of the ideal-typical categories that they propose.

Problems exist with all of these classifications. Some of the distinctions are based on assumptions about the intentions of the actors using the tactics. Actors drawing on “integrative” strategies are said to be concerned with the common interest, while actors using “distributive” strategies are said to be concerned with private interests. Although very wide-spread, this argument is not very convincing: actors using integrative strategies may be as much driven by the aim of increasing their slice of the cake as actors employing distributive strategies. Several of the existing typologies also suffer from the fact that observable tactics do not neatly map onto the posited dimension(s). A threat, for example, may both be a value-claiming and a value-creating tactic. It claims value if it redistributes benefits; it creates value if it helps actors overcome deadlock and reach an outcome that in the aggregate is more beneficial than the outcome that would have resulted otherwise. Related to this is the problem that empirical research has shown that integrative and distributive bargaining may be distinct dimensions rather than polar opposites (Metcalf et al. 2007: 155). These weaknesses with many of the more well-known typologies are problematic because the choice of classification has a direct impact on the result of empirical tests.

By relying on the hard versus soft bargaining classification, we hope to avoid these problems (for more detail on the following, see AUTHORS). In P. Terrence

Hopmann's (1974: 318) original distinction, soft bargaining encompassed three tactics, namely proposals, accommodations, and promises. The hard bargaining tactics that he distinguished were retractions, commitments, and threats. Going beyond Hopmann's work, we explicitly define soft bargaining as the use of friendly tactics and hard bargaining as the reliance on conflictual or aggressive tactics. Building on John Odell (2000), moreover, we suggest a more extensive list of tactics for both soft and hard bargaining. Tactics such as signalling flexibility, making a conciliatory statement, praising the other side, seeking partners for compromise, and making a proposal for compromise can be characterised as forming part of soft bargaining. Among the equivalent tactics on the hard bargaining side are making a commitment of not giving in, criticising the other side, forming a defensive coalition, and issuing a threat. Hard and soft bargaining are ends of a continuum with an infinite number of intermediary strategies. In the following, we use the term hard bargaining as a shortcut for strategies in which hard bargaining tactics dominate; and the term soft bargaining for strategies in which soft bargaining tactics dominate.

Country Characteristics and Bargaining Tactics

Several country characteristics can influence the choice of bargaining tactics. We concentrate on three factors: power resources, preferences, and culture. Discussing those in turn, we present several hypotheses, which we consider substantively interesting and at least initially plausible. These hypotheses are presented in a *ceteris paribus* manner; that is, they can only be examined if other factors are controlled for.

Power and Bargaining Strategy

Power is one of the most contested concepts in the social sciences. In this paper, we define power as the possession of material capabilities, to keep this discussion

separate from the question of how preferences (and thus the best alternative to negotiated agreement, a possible alternative conceptualisation of power) influence the choice of bargaining strategy. The reasoning that links power thus defined to the choice of a specific bargaining strategy is that hard bargaining tactics will only be feasible if an actor has a minimum level of material capabilities. Hard bargaining may be countered by other actors with similar contentious tactics. Moreover, a threat may have to be carried out if the other side does not cede; and carrying out a threat may impose costs on the sender state that can be very costly for actors with smaller capabilities. Finally, the use of hard bargaining tactics may lead to a deterioration of relations between actors with long-term costs for both sides (Lax and Sebenius 1986: 34). A lack of power resources thus is likely to narrow the set of tactics an actor can use. Hard bargaining tactics can credibly be employed only by actors that are relatively strong. The choice of strategy, then, is “a function of one’s apparent capacity to employ contentious tactics and the other’s apparent capacity to counter these tactics” (Pruitt 1983: 184). Expressed in form of a hypothesis, *the more powerful a country is relative to the other negotiation parties, the more likely it is that it will rely on hard bargaining in international negotiations* (Hypothesis 1a).

Some evidence supports this reasoning. Lloyd Jensen (1965), for example, showed that during the Cold War, whenever either the United States or the Soviet Union felt that it was in a position of strength, it was less willing to make concessions in disarmament negotiations. For the case of negotiations in the EU, we therefore expect the large member countries such as Germany, the United Kingdom, and France, which dispose of ample power resources, to use hard bargaining tactics and the smaller countries to favour soft bargaining. In fact, in the negotiations concerning

the Financial Perspective 2007-2013, there is evidence that more powerful actors were more likely to rely on hard bargaining (AUTHORS).

Theoretically, however, also the opposite reasoning is possible. In this view, hard bargaining tactics may be a weapon of the weak, as the weak have to employ all tactics in their reach, even the most contentious ones such as threats, to defend their interests. By contrast, powerful actors may assume that their interests will be accommodated even without uttering a threat or using another hard bargaining tactic. Moreover, actors need a minimum level of capabilities to use soft bargaining tactics such as side payments and rewards. This may force weak actors to rely on hard bargaining. Finally, the commitment of weak countries to a specific cause is often larger than the one of more powerful ones (Habeeb 1988: 132-133). With a larger commitment, a country should also be willing to suffer the possible consequences of retaliation in response to hard bargaining and of a crisis in the negotiations. The alternative hypothesis hence is that *the weaker a country is relative to the other negotiation parties, the more likely it will use hard bargaining in international negotiations* (Hypothesis 1b).

An example providing some support for this hypothesis are the “cod wars” between the United Kingdom and Iceland, in which Iceland, as the structurally much weaker country, relied on hard bargaining tactics – namely harassing the British fleet – to achieve its objectives (Habeeb 1988). Moreover, Daniel Naurin (2009) provides evidence in support of this hypothesis for negotiations in the EU. The findings of his survey of counsellors in EU working groups show that large member states are more likely to rely on arguing (supposedly a soft bargaining tactic) than smaller member states. The interpretation that he gives for this finding is that powerful actors can afford to argue while weaker actors have to guard their interests all the time.

Preferences and Bargaining Strategy

Preferences are a second country characteristic that can be linked to the choice of bargaining strategy. Together with the domestic institutions of a country, its preferences shape the issue-specific bargaining power of a country. In that respect, the same reasoning as for Hypothesis 1a could be applied: countries that are not particularly eager to achieve an agreement should be more likely to use hard bargaining tactics, as they do not fear a breakdown of the negotiations. In form of a hypothesis, *the less eager a country is to reach a negotiated agreement, the more it will rely on hard bargaining* (Hypothesis 2a). This hypothesis comes with a caveat, however. Since in the EU countries repeatedly interact with each other, they may be reluctant to exploit their issue-specific bargaining power. In a long-term relationship, it makes sense not to abuse one's position on one issue to avoid defection by others on another issue.

With state preferences in international negotiations at least partly shaped by the preferences of constituents, public opinion and interest group demands should also have an influence on the choice of bargaining tactics. If citizens and/or interest groups are informed about a negotiation process, government representatives in international negotiations have an incentive to follow their demands for either a soft or a hard approach to the negotiations (Pruitt 1983: 184). The hypothesis that we deduce from this reasoning is that *countries in which public opinion and/or major interest groups demand a tough approach to international negotiations are more likely to rely on hard bargaining tactics than countries with a conciliatory domestic audience* (Hypothesis 2b). For the EU, the expectation derived from this hypothesis is that Euro-sceptic countries such as the United Kingdom, Austria, and Sweden should

ceteris paribus be closer to the hard bargaining end of the continuum than more Euro-friendly countries.

Preferences can also matter in a different sense. Deborah Elms (2006) proposes the hypothesis that *countries that face losses are more likely to opt for hard bargaining strategies than countries that expect gains in international negotiations* (Hypothesis 2c). This hypothesis builds on prospect theory, which contends that losers – those that in the future expect to be worse off than the status quo – are more risk acceptant than winners. Hard bargaining tends to be risky: it can produce substantial gains, by enabling a favourable resolution of a conflict, but also considerable losses if it intensifies a conflict. As actors' risk acceptance increases in the face of losses, they should exhibit a greater willingness to use hard bargaining tactics despite the risk associated with them.

Culture and Bargaining Strategy

The last country characteristic that we highlight is culture. Culture is the set of behavioural patterns, beliefs, norms, and values that is (implicitly) shared by a social group. The idea that negotiation styles may be influenced by culture has received considerable attention (Salacuse 1998; Gelfand and Dyer 2000; Adair et al. 2004; Metcalf et al. 2007). This existing literature suggests several mechanisms through which culture may impact the choice of negotiation strategy. Most importantly, cultural norms prescribe which behaviour is appropriate in a specific situation. For example, culture may tell an actor that using hard bargaining is not acceptable. Alternatively, culture may shape actors' beliefs about which strategy will be effective in a specific situation. Culture may also have an indirect influence on negotiation behaviour by shaping the way an actor perceives the tactics used by other actors. The use of hard bargaining tactics may be common practice in some cultures but not in

others; in those where the prevailing norms prescribe soft bargaining, using hard bargaining tactics may lead to a particularly harsh reaction.

Before being able to convert these basic ideas into testable hypotheses, however, we have to identify different types of cultures, a task that is complicated by the fact that all individuals form part of several cultures at the same time. Negotiators in the EU may share certain beliefs and norms with other people from their home country; they may also form part of professional, occupational, educational, and regional subcultures. Even assuming that there are no cross-country differences in the educational background of EU negotiators, several different aspects of culture seem to be of interest for an analysis of EU negotiations. We consequently structure the following discussion of how culture may impact countries' negotiating behaviour in the EU by moving from a very broad notion of culture to notions that are increasingly specific to EU negotiations.

A first way of approaching the question is to distinguish between countries dominated by a collectivist culture and those shaped by an individualist culture (Hofstede 1980). At its most basic, in a collectivist culture people are concerned with interdependence, while in an individualist culture people focus on the pursuit of personal interests. The importance given to interdependence ensures that in negotiations with members of the same social group, collectivist actors are likely to rely more on soft bargaining than individualist actors. In international negotiations, however, the expectation is reversed. The reason is that actors from collectivist cultures are mainly concerned with the well-being of the in-group; they may thus feel under considerable pressure to achieve a result in negotiations with actors from other social groups that is very favourable to the own group. Actors from individualist cultures, by contrast, do not make a distinction between people from the same or

another social group; they will act in the same manner independent of with whom they interact. Building on this idea of in-group favouritism by negotiators from collectivist cultures, we arrive at the hypothesis that *countries with a predominantly collectivist culture are more likely to opt for hard bargaining in international negotiations than countries with a predominantly individualist culture* (Hypothesis 3a). For the EU, the expectation hence is for the United Kingdom, Ireland, and the Scandinavia countries, which are supposedly characterised by an individualist culture, to engage in soft bargaining, whereas the Southern European countries (especially Portugal and Greece), which are characterised by a collectivist culture, to rely on hard bargaining.

A different approach to the same question is to consider cross-country variation in political culture. Major differences exist in political culture between consensus and majoritarian democracies (for this distinction, see Lijphart 1999). Consensus democracies are characterised by elections with proportional representation, which means that they often are governed by coalition governments. Coalition governments, in turn, force politicians to engage in consensus building, ensuring that decision-makers are socialised into soft bargaining. This may also have an impact on their bargaining behaviour in international negotiations. The hypothesis hence is: *consensus democracies are more likely to engage in soft bargaining than majoritarian democracies in international negotiations* (Hypothesis 3b). Applied to the EU, *ceteris paribus*, Belgium and Germany should be more likely to rely on soft bargaining than for example the United Kingdom.

Still another approach to the question of culture and intergovernmental negotiations is to look at cross-country variation in diplomatic styles. Existing research suggests systematic differences in diplomatic styles across countries (Smyser

2002; Cogan 2003). According to this literature, a country's diplomatic service often develops a specific style that becomes part of the professional culture of diplomats from that country. In Europe, for example, the French negotiating style has been described as "a mixture of rationalism and nationalism" (Cogan 2003: 11), influenced by a deductive approach to negotiations, where negotiators formulate an ideal solution to a problem first, and then are reluctant to accept a move away from that solution. This may make them more likely to engage in hard bargaining than for example British negotiators, who are said to adopt an inductive approach that is aimed at problem solving. By contrast, according to this literature, German diplomatic culture makes Germany engage in consensus building in intergovernmental negotiations (Smyser 2002). Expressed in form of a hypothesis, *countries with a diplomatic culture that stresses consensus are more likely to rely on soft bargaining than countries whose diplomatic culture puts more emphasis on assertiveness* (Hypothesis 3c).

Finally, over time permanent representatives of member states in the EU may be drawn into a subculture of EU negotiators. Frequent interaction may socialise them into a specific way of approaching the negotiations. According to several studies, negotiations in the EU are based on a specific "code of decency" (Kerremans 1996: 223) and a "culture of compromise" (Lewis 1998). Since negotiators need time to learn this specific way of negotiating, recent member countries of the EU may negotiate differently than older member countries. In form of a hypothesis, *countries that recently acceded to the EU are more likely to use hard bargaining tactics than older member countries* (Hypothesis 3d). If there is systematic cross-country variation in the frequency with which EU-level negotiators are replaced with less experienced negotiators from the national level, this should lead to a similar effect independent of membership length.

Strategies for Empirical Research

How can the validity of the various hypotheses that we have presented be assessed in empirical research? We distinguish the following approaches: process-tracing, surveys, and experiments. Focusing on process tracing first, negotiations can be reconstructed by building on interviews with participants and available documentation. In the context of the EU, for example, drawing on interviews with decision-makers, Arne Niemann (2004) analysed negotiation styles in the negotiations about the EU's position with respect to the World Trade Organisation Basic Telecommunications Services Agreement. The advantage of this approach is that it implies a direct analysis of what negotiators actually do. The problem is that most negotiations are secret and that documents may be missing from the public record. Moreover, negotiators often are not completely sincere in interviews, as a result of self-serving and social desirability biases. David Matz (2004: 362) even refers to the possibility of a "collaborative falsification to the public". Process-tracing hence is particularly useful if much of the official documentation is available to cross-check negotiators' subjective assessments.

A slightly different approach is advocated by Hopmann (1974) who developed a coding scheme – denominated bargaining process analysis – for various tactics and the affective behaviour of actors. The coding scheme distinguishes between substantive behaviour, strategic behaviour, task behaviour, affective behaviour, and procedural behaviour (see also Walcott and Hopmann 1978). Hopmann then relied on the minutes of the Seabeds Denuclearisation Treaty negotiations to see which actors used which tactics and exhibited which affective behaviour. The obvious problem with this approach is that the researcher misses private communications and other secret tactics. This drawback could be overcome by participant observation. Only few

negotiations, however, are accessible to researchers. All approaches that rely on coding by the researchers of tactics used also have to overcome the problem of reliability. Not always is it easy to know whether a specific behaviour observed is, for example, a genuine proposal for compromise (soft bargaining) or rather a high demand (hard bargaining). Distinguishing between such tactics, whether based on the minutes of negotiations or other sources, is only possible if the researcher has a very good substantive understanding of the issues under negotiation. Illustrative of this difficulty are the relatively low inter-coder correlations (0.66) reported by Charles Walcott and P. Terrence Hopmann (1978: 254) for a series of simulations.

A different approach is to ask participants in a negotiation to respond to a series of systematic questions on the use of specific tactics. This approach has been put into practice in several studies in the context of the EU (Meerts 1997; Elgström and Jönsson 2000; Panke 2008; Tallberg 2008; Naurin 2009; AUTHORS). The authors of this paper asked participants from all EU member countries in the negotiations concerning the Financial Perspective 2007-2013 to rank the importance of various tactics on a scale from 1 to 5 (AUTHORS). The results provided strong evidence for the expectation that there are major differences in the choice of negotiation tactics across countries. Research by Diana Panke (2008), in which she asked representatives from small EU member states, also came to a similar finding. Naurin (2009) undertook a survey of counsellors of all EU member states in eleven different working groups. He comes to the conclusion that giving reasons is a tactic that is pursued by the most powerful and well-connected actors.

The advantage of the survey approach is that actors can be asked about tactics that do not show up in official transcripts and cannot be observed in process-tracing. Moreover, only the participants themselves know which intentions they had when

using a specific tactic, that is, whether for example a proposal for compromise was sincere, and how they perceived the tactics used by other negotiators. At the same time, respondents to a survey may have an incentive to respond in a specific manner (in many cultural contexts, soft bargaining is seen to be socially more acceptable than hard bargaining), or may have problems recalling the specific tactics they used in a negotiation that took place some time in the past. Another problem with surveys is that it is often difficult to get access to key participants. In an early study, Paul Meerts (1997) sent out 260 questionnaires to participants in EU negotiations, but received only 55 replies (a response rate of 21 percent, which would be low even neglecting the fact that 19 of his responses were from the Netherlands), although he relied on the Dutch Ministry of Foreign Affairs to distribute the survey. Ole Elgström and Christer Jönsson (2000) had a response rate of 65 percent, but this good result seems to be a consequence of only having contacted Swedish officials. Problems with response rates are likely to be further exacerbated if researchers try to contact the same negotiators several times in the course of a negotiation to get data for different phases of the negotiation.

The third methodological approach to study the impact of country characteristics on the choice of bargaining tactics is to rely on experiments. So far, experiments have mainly been used to see how actors react to different conflict scenarios. The simplest of the role-play exercises that have been carried out have the objective of studying how humans react to conflict constellations such as Prisoner's Dilemma or Battle of the Sexes. Walcott and Hopmann (1978) report on experiments that they carried out that involved more complex negotiations, namely simulations of arms control negotiations. Experiments have also been employed by researchers investigating the impact of culture on negotiation strategies (see, for example, Adair

et al. 2004). In such experiments, actors from different cultural backgrounds were confronted with the same situation; differences in negotiation styles across groups can then be taken as confirmation of the expectation that culture has an impact on the choice of negotiation strategy.

In line with this research, further experiments could be carried out that relate the other country characteristics highlighted in this paper with the choice of bargaining strategy. With simulations of EU negotiations being increasingly used in classroom settings, it may be possible to draw up specific scenarios and then examine the negotiation behaviour, thus contributing to the research agenda set out here. Obviously, the use of experiments also has some drawbacks. For one, there is the general problem of learning from role-play exercises with low stakes about real-world events with often very high stakes. In many experiments, moreover, the subjects chosen are students. In the study on culture mentioned above, for example, most of the participants were MBA and undergraduate students (Adair et al. 2004). Generalising from students to experienced negotiators in high-level negotiations in the EU seems problematic.

Two problems make the empirical examination of the various hypotheses that we have presented above difficult independent of the methodological approach chosen: 1.) the fact that tactics may be chosen in response to and in anticipation of the tactics used by other actors in the negotiations and 2.) interaction effects among the variables stressed above. First, actors do not choose their tactics independent of the tactics chosen by others. More precisely, actors engage in a sequential rather than simultaneous game, which means that they can take account of the strategies chosen by the other actors. Threats may thus be responded with retaliation; and offers with reciprocal offers. In empirical research, this effect is difficult to control for. The

problem may be easier to deal with in multi-party negotiations, however, since in negotiations with many actors, all will be similarly affected by the tactics of other actors. It can then be deduced that any differences in the choice of tactics that can be observed are a consequence of differences in country characteristics. Second, there may be interaction effects among the variables outlined above. For example, power asymmetries may have different effects depending on the culture of actors. For actors from individualist cultures, power differentials derived from power resources may be less important than for actors from collectivist cultures.

Conclusion

We have set out a series of hypotheses that relate three country characteristics, namely power resources, preferences, and culture to the choice of bargaining tactics. We then discussed different ways of testing these hypotheses in empirical research. Three methodological approaches are available: process-tracing, surveys, and experiments. Each of these three approaches comes with significant drawbacks, suggesting that research on bargaining tactics is difficult. Nevertheless, we conclude this paper with a call for more research on the topic outlined here. Bargaining strategies likely have a major impact on the process and outcome of negotiations. They may facilitate or impede agreement; and they may influence the distribution of gains if an agreement is found. To know whether strategies are an actual independent variable in shaping outcomes or only an intervening variable that translates power resources, preferences, and culture into outcomes, more research on the issues outlined in this paper is necessary.

Future research should push the frontier even further than set out in this paper. We explicitly stated that our aim was to study the choice of bargaining strategies keeping issue type and institutional context constant. Relaxing this restriction, it

would be possible to ask the question whether country characteristics have more or less impact depending on issue type. Is power more important in the choice of strategy in negotiations on some types of issue than on others? Even more interesting is the question whether the differences across countries depend on the institutional context in which negotiations take place. Do country characteristics play less of a role in the EU than in less institutionalised negotiations, such as the World Trade Organisation? Although such cross-institutional research is very challenging, it would be worth pursuing as it could have major implications for theories of International Relations. According to Neorealism, power should be equally important in shaping the choice of negotiation strategy independent of the institutional context in which negotiations take place. A finding that differences exist, by contrast, would strengthen institutionalist theories of International Relations.

Another important future avenue is to use strategies as independent variable. Research could investigate the relationship between strategies and outcomes. Do some actors, by using specific tactics, gain beyond what they would be expected to gain given their bargaining power? A response to this question would provide insights on how important negotiation skills are. Equally, more research that studies the relationship between the choice of tactics and the efficiency of agreements would be welcome. Does the use of hard bargaining strategies reduce the efficiency of an agreement? Whatever the exact direction of future studies, more systematic and theory-guided empirical research on bargaining tactics seems essential. The theoretical groundwork done in this paper should be helpful in allowing for such research.

References

- Adair, W. et al. (2004) 'Culture and Negotiation Strategy', *Negotiation Journal* 20(1), 87-111.
- Boyer, M.A. et al. (2009) 'Gender and Negotiation: Some Experimental Findings from an International Negotiation Simulation', *International Studies Quarterly* 53(1), 23-47.
- Cogan, C. (2003) *French Negotiating Behavior: Dealing with La Grande Nation*, Washington, D.C.: U.S. Institute of Peace Press.
- Da Conceição-Heldt, E. (2006) 'Integrative and Distributive Bargaining Situations in the European Union: What Difference Does It Make?', *Negotiation Journal* 22(2), 145-65.
- Elgström, O. and Jönsson, C. (2000) 'Negotiation in the European Union: Bargaining or Problem-Solving?' *Journal of European Public Policy* 7(5), 684-704.
- Elms, D. (2006) 'How Bargaining Alters Outcomes: Bilateral Trade Negotiations and Bargaining Strategies', *International Negotiation* 11(3), 399-429.
- Gelfand, M. and Dyer, N. (2000), 'A Cultural Perspective on Negotiation: Progress, Pitfalls, and Prospects', *Applied Psychology* 49(1), 62-99.
- Habeeb, W.M. (1988) *Power and Tactics in International Negotiation: How Weak Nations Bargain with Strong Nations*, Baltimore: John Hopkins University Press.
- Hofstede, G. (1980) *Culture's Consequences: International Differences in Work-related Values*, Beverly Hills: Sage.
- Hopmann, P.T. (1974) 'Bargaining in Arms Control Negotiations: The Seabeds Denuclearization Treaty', *International Organization* 28(3) 313-43.

- Hopmann, P.T. (1995) 'Two Paradigms of Negotiation: Bargaining and Problem Solving', *Annals of the American Academy of Political and Social Science* (542), 24-47.
- Jensen, L. (1965) 'Military Capabilities and Bargaining Behavior', *Journal of Conflict Resolution* 9(2) 155-63.
- Kerremans, B. (1996) 'Do Institutions Make a Difference? Non-Institutionalism, Neo-Institutionalism, and the Logic of Common Decision-Making in the European Union'. *Governance*, 9(2) 217-40.
- Lax, D.A. and Sebenius, J. (1986) *The Manager as Negotiator: Bargaining for Cooperation and Competitive Gain*, New York: Free Press.
- Lewis, J. (1998) 'Is the "Hard Bargaining" Image of the Council Misleading? The Committee of Permanent Representatives and the Local Elections Directive', *Journal of Common Market Studies* 36(4), 479-504.
- Lewis, J. 2010. *JEPP*.
- Lijphart, A. (1999) *Patterns of Democracy: Government Forms and Performance in Thirty-six Countries*, New Haven: Yale University Press.
- Matz, D. (2004) 'How Much Do We Know About Real Negotiations? Problems in Constructing Case Studies', *International Negotiation* 9(3), 359-374.
- McKibben, H. 2010. *JEPP*.
- Meerts, P. (1997) 'Negotiating in the European Union: Comparing Perceptions of EU Negotiators in Small Member States', *Group Decision and Negotiation* 6, 463-82.
- Metcalf, L.E. et al. (2007) 'Cultural Influences in Negotiations: A Four Country Comparative Analysis', *International Journal of Cross-Cultural Management* 7(2), 147-68.

- Naurin, D. (2009) 'Safe Enough To Argue? Giving Reasons in the EU Council of Ministers', accepted for publication in the *British Journal of Political Science*.
- Nicolson, H. (1963) *Diplomacy*, 3rd ed., London: Oxford University Press.
- Niemann, A. (2004), 'Between Communicative Action and Strategic Action: The Article 113 Committee and the Negotiations on the WTO Basic Telecommunications Services Agreement', *Journal of European Public Policy* 11(3), 379-407.
- Odell, J.S. (2000) *Negotiating the World Economy*, Ithaca: Cornell University Press.
- Panke, D. (2006) 'More Arguing Than Bargaining? The Institutional Design of the European Convention and Intergovernmental Conferences Compared', *Journal of European Integration* 28(4), 457-79.
- Pruitt, D.G. (1983) 'Strategic Choice in Negotiation', *American Behavioral Scientist* 27(2), 167-94.
- Risse, T. (2000) 'Let's Argue: Communicative Action in World Politics' *International Organization* 54(1), 1-40.
- Salacuse, J.W. (1998) 'Ten Ways that Culture Affects Negotiating Style: Some Survey Results', *Negotiation Journal* 14(3), 221-35.
- Smyser, W. (2002) *How Germans Negotiate: Logical Goals, Practical Solutions*, Washington, D.C.: U.S. Institute of Peace Press.
- Tallberg, J. (2008) 'Bargaining Power in the European Council', *Journal of Common Market Studies* 46(3), 685-708.
- Walcott, C. and Hopmann, P.T. (1978) 'Interaction Analysis and Bargaining Behavior', in R. T. Golembiewski, (ed.) *The Small Group in Political Science: The Last Two Decades of Development*. Athens: University of Georgia Press, pp. 251-61.

Walton, R.E. and McKersie, R.B. (1965) *A Behavioral Theory of Labor Negotiations: An Analysis of a Social Interaction System*, Ithaca: ILR Press.

Weingart, L.R., Hyder, E.B. and Prietula, M.J. (1996) 'Knowledge Matters: The Effect of Tactical Descriptions on Negotiation Behavior and Outcome', *Journal of Personality and Social Psychology* 70(6): 1205-17.