Multiparty Negotiation and the Management of Complexity

LARRY CRUMP*
School of International Business, Griffith University, Nathan Campus, Brisbane, Qld. 4111 Australia (E-mail: l.crump@griffith.edu.au)

The present issue of *International Negotiation* is the second of a two-part set that examines negotiation complexity and its management. This second issue adds to the body of studies in the first (2003, Volume 8, number 1) on multilateral negotiation and complexity by exploring negotiation complexity from a multiparty perspective. The reader may ask how multilateral and multiparty negotiations differ? Each offers a distinct theoretical lens, while fundamental understanding is often based on the domain of analytical interest and how these two concepts are defined. For example, the international domain tends to conceptualize complex negotiation processes from a multilateral perspective, whereas studies in the public dispute and organizational domains often frame complex negotiation processes as multiparty encounters (Crump and Zartman 2003). Multilateral literally means “many sided” (Hampson 1995). Bilateral negotiations are two sided. Because multilateral negotiations involve more than two sides, they necessarily must be multiparty (Zartman 1994).

A multiparty perspective also addresses bilateral negotiations that encompass multiple parties. Often such negotiations are complex. Bilateral multiparty negotiations may involve two sides with many distinct entities on each side. The United States’ negotiations with the People’s Republic of China over intellectual property rights in the mid-1990s are an example of this type of negotiation (see Hulse and Sebenius 2003 in this issue). A second type of complex multiparty negotiation that is not multilateral involves two sides with fewer parties on each side where key entities on one or both sides do not behave in a unitary manner (i.e., do not demonstrate consistently coherent behavior or speak in a single voice). Studies of United States negotiations

---

* Larry Crump is Lecturer of International Management at Griffith University with research interests in complex negotiating environments (multilateral, multiparty, international, etc.). He recently guest edited, with I. William Zartman, a thematic issue of *International Negotiation* concerned with multilateral negotiation and complexity. He is an Advisory Board member of the SSRN *Multi-Party Negotiations* journal and is the author of *Integrative Strategy and Japanese Style Negotiation* (Tokyo: Nihon Noritsu Kyokai, 1998, published in Japanese).
with the Democratic People’s Republic of Korea (North Korea) over North Korea’s nuclear program in the mid-1990s concluded that both key entities generally behaved in a unitary manner, but South Korea did not speak in a single voice. Data indicate that South Korea would best be depicted as two entities (e.g., hard-liners and moderates) during these negotiations (Crump 2002; Watkins and Rosegrant 2001). In the commercial domain, Major League Baseball in the United States (the American League, the National League and the Office of the Commissioner) provides an example of a party unable to demonstrate consistently coherent behavior after a Japanese-led investor group made a purchase offer for the Seattle Mariners club for $125 million in 1992 (Crump 1995). A multiparty perspective is best adopted in a bilateral negotiation when a “single entity” does not behave in a unitary manner.

In some cases, the fundamental nature of the negotiation determines the lens that is adopted, while in other cases the type of negotiation found in a specific domain will influence the perspective. In either case, these two theoretical lenses stand side-by-side to provide insight into negotiation complexity and its management. Two successive issues of *International Negotiation* illustrate the value of multilateral and multiparty perspectives in managing negotiation complexity.

The present issue includes a broad collection of articles concerned with the theory and practice of multiparty negotiation and provides guiding principles and specific techniques to manage negotiation complexity. Three articles consider the management of negotiation complexity in a general context. Following these are four examinations that offer insight into the management of negotiation complexity through case-study analysis. First, Larry Crump and Ian Glendon conduct a comprehensive investigation into multiparty negotiation by examining the many disciplines that study this field, and organize and describe the knowledge derived from them. Their article identifies critical concepts, dynamics, building blocks and boundaries of multiparty negotiation. It then considers the state of three major multiparty negotiation domains: international negotiations; public disputes; and organizational and group negotiations. Similarities and differences between these domains are identified, as are points of theoretical integration. This examination establishes a foundation for a research agenda on the study of multiparty negotiation.

Lawrence E. Susskind, Boyd W. Fuller, Michèle Ferenz and David Fairman consider multiparty negotiation methodology developed, tested and refined in the public dispute domain but applied to the international domain in their article on “Multistakeholder Dialogue at the Global Scale.” Multistake-
holder dialogue (MSD) provides a forum in which official and unofficial or civil-society actors can talk face-to-face. The authors distinguish between four MSD types: relationship building and information sharing; agenda building; brainstorming and problem solving; and consensus building. This article identifies preferred participant characteristics for each of these four MSD types and examines the qualities of a successful MSD, including the importance of facilitation. The article concludes with an MSD research agenda. It is enlightening to observe knowledge and methodology from one multiparty domain applied to another.

An in-depth investigation by Mikoto Usui follows, looking at the role of the business sector in developing international sustainable development (SD) regimes. The article conceptualizes corporate SD strategies as a “three-level game:” (i) changing products through individual intra-firm management systems and partnerships; (ii) changing individual business environments at the local and national level through industrial alliances, lobbying, negotiating and partnerships with governmental and civil society organizations; and (iii) changing international institutional settings by creating new or modifying existing institutions. This article highlights the multi-layered nature of this social-political-economic-technical space and the way in which the local-global nexus spans these processes. Usui concludes by asking how the business sector can be coaxed into becoming a leader in international environmental rule-making and provides some cogent answers and guidance.

In the second half of this thematic issue, case studies are utilized to provide a better understanding about managing negotiation complexity. The first case involves negotiations between the United States and China over intellectual property rights. Rebecca Hulse and James K. Sebenius use this complex case to analyze barriers to agreement as they identify the sequence of actions conducted by the United States Trade Representative to build winning coalitions and overcome potentially blocking coalitions. This article considers how key parties engage in acoustic separation or communication management and how negotiation process is fundamentally changed through the coordination of actions taken at and away from the table (3-D negotiation). The case analysis in this article illustrates specific techniques and general principles that can be used to diminish complexity found in linked bilateral multiparty negotiations.

The article that follows considers the role of the Netherlands in a multilateral conference – the Kyoto Protocol Conference – which was a part of the United Nations Framework Convention on Climate Change. Norichika Kanie examines the relationship between years of domestic or public sector environmental negotiations and their effect in later preparing a nation to offer
unilateral leadership in international environmental negotiations. Specifically, this article considers the nature of state–society relationships such as government relations with environmental NGOs, epistemic communities and business organizations in shaping domestic policy innovations. It then examines the diffusion of such policy in the international domain. By charting the progress of the Netherlands’ domestic climate change policy from its inception Kanie is able to demonstrate the positive relationship between these developments and the unilateral international leadership the Netherlands later provided at Kyoto. The article identifies domestic capacity building for international leadership and domestic consensus as important mechanisms, while recognizing that formal power bases are still necessary to realize the practice of actual leadership.

The next article offers an investigation into the Paris Peace Conference (PPC) and the negotiations that led to the Versailles Treaty following the conclusion of the First World War. William P. Bottom examines the PPC and the arguments presented by conference participants who were critical of the outcome, while considering recent laboratory-based research on the psychology of human information processing, judgement and choice. Bottom uses the PPC to illustrate how parties employ simplifying heuristics to manage negotiation complexity, which contributes to cognitive bias and in this case resulted in a cascade of errors that produced significant social and political chaos in the years that followed. This study concludes that negotiation research needs to focus more attention on the implementation of agreements and their long-term effect on relationships. The importance of this article is found in its methodology, as it is not often that we find concepts derived from the laboratory being studied through field research. Testing concepts in a setting unrelated to their development can provide important insight into their validity.

Case data in the final article is multiparty rich especially in its identification of interaction patterns and forces that effect distinct entities on the same side in a conflict. This study examines seven ethnic wars in South Asia (India, Pakistan, Sri Lanka and Bangladesh) to identify factors that contribute to (i) outright military victory by the government, (ii) wars that end in negotiated settlement and (iii) wars that are unending. In this analysis P. Sahadevan highlights the link between war strategies and peace processes in searching for factors that effect the process and outcome of such conflict. Analysis of case study data identifies a range of significant factors including the way in which ethnic society is mobilized for war and the effect of this mobilization on power relations between adversaries (e.g., asymmetry of power in favour of the government can be redressed or at least challenged by asymmetry of
rebel commitment). The nature of rebel leadership, structural cohesion of rebel groups, and power relations between political and military wings also represent significant factors. Goal setting patterns (e.g., consensus between political and military wings), the nature of the primary goal (secession or autonomy) and degree of commitment to these goals also calculate in as variables effecting process and outcome. Identification of such factors allows Sahadevan to draw insightful conclusions that advance the study of war, peace and the management of these very complex multiparty negotiations.

Ten of the articles in this two-issue set on negotiation complexity are international case studies that examine phenomena such as multilateral human security negotiations, intellectual property rights negotiations in both multilateral and bilateral multiparty settings, multilateral environmental negotiations, multilateral and bilateral multiparty telecommunication negotiations, and contemporary and historical negotiations intended to resolve numerous European and Ethnic conflicts. Management of negotiation complexity has been a prominent theme throughout these studies, with the degree of negotiation complexity treated as a dependent variable in each of these studies. Through this research a broad array of independent variables are identified that can assist in controlling or diminishing complexity (we found no study that identified a variable able to eliminate negotiation complexity). For example, we learn that parties may use simplifying heuristics to manage negotiation complexity, which can result in negotiator bias and a cascade of errors (Bottom). We learn that coalition size and diversity can be critical to the pursuit of ambitious international human security goals, as new international norms of behavior require the construction of global coalitions that are both large and encompassing (Hampson and Reid). We learn that enhanced participation in a multilateral conference can be achieved through a coalition that organizes its labor based on four tasks: informal member consultation; enhanced information–gathering; enhanced technical analysis; and coalition leadership (Drahos). We learn of a relationship between increasing ambiguity and decreasing coalition unity based on data from a historic multilateral conference (Dupont). We additionally see that coalition management is equally important in bilateral multiparty negotiations, as sequencing of domestic and international actions among parties on the same side and with parties on the other side can contribute to the development of winning coalitions and help overcome potentially blocking coalitions (Hulse and Sebenius). The role of the mediator was also considered in several studies. From them, we learn that strategic simplification can be achieved in a multilateral setting through the use of modular design theory and mediator actions focused on subtracting, subordinating, splitting and sequencing parties and/or
issues (Watkins). We also learn that it is possible to match classes of mediator action to specific barriers to agreement as a means of diminishing negotiation complexity (Curran and Sebenius). The relationship between a party’s unilateral actions, domestic negotiations, bilateral international negotiations and multilateral international negotiations receives significant consideration in these two thematic issues, while domestic capacity building for international leadership potential (Kanie) and progressive multilateralism together with information exchange and interaction (Murphy Ives) are each found to provide a degree of control over negotiation complexity.

Essentially, the primary focus of these studies has been the identification of independent variables that can affect the degree of negotiation complexity for purposes of controlling or decreasing this dependent variable. This is valuable work and it is apparent that substantial knowledge has been gained through these studies. But it is also possible that insight could be obtained from research that treats negotiation complexity as an independent variable. Examining the problem in reverse may provide additional insight that could indirectly lead to the effective management of negotiation complexity. Identification of research methodology that could treat negotiation complexity as an independent variable would allow for an examination of the effect of negotiation complexity on critical dependent variables such as leadership, decision making, communication, coalition behavior, third-party behavior and related variables. A research program of this nature could assist in designing more effective decision-making systems and communication channels in multilateral and multiparty negotiations. It could also assist in the identification of coalition building or third-party techniques that are more effective in complex settings. Such research could provide insight into issues of leadership and contribute to knowledge that would enhance leadership effectiveness in complex settings. Perhaps this is the next challenge that will further advance our understanding of negotiation complexity and its management, although much can still be gained from methodology that considers negotiation complexity as a dependent variable.

References


