

Strategically Managing Negotiation Linkage Dynamics

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Keywords

negotiation linkage dynamics, strategic opportunities and challenges, linkage techniques, role theory, international trade negotiation.

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Abstract

Negotiation linkage (the way in which one negotiation influences the process or outcome of another) presents challenges that are complex and real. Based on field research, this qualitative study examines four linked-bilateral trade treaty negotiations conducted by Australia, Chile, the European Union, Singapore, and the United States to establish theoretical understanding about the strategic management of negotiation linkage dynamics. Several outcomes are achieved through case analysis. This study (a) introduces “degree of linkage dynamics” (robust, moderate, or modest) as a concept and concludes that it is determined by structural and contextual factors, (b) develops a framework of linked party action, (c) establishes guidance for managing opportunistic behavior in linked negotiations, (d) builds a six-part typology of strategic techniques that can produce tangible gains in linked negotiations, and (e) examines research opportunities to further extend negotiation linkage theory. Research methodology developed in this study serves as a model for investigating negotiation linkage dynamics.

Linkage between two or more discrete events can occur whenever the same actor is engaged in two or more of these events. Such linkage can become more robust if the same issue(s) is considered at each event or venue. Negotiation linkage dynamics refer to the way in which one discrete negotiation influences or determines the process or outcome of another. Such dynamics are commonly found in settings where a network of actors repeatedly negotiates over the same or similar issues.

Regularly scheduled organizational processes such as planning, budget, and assessment cycles are an example of a linkage-rich setting. Other examples include industrial or professional associations with robust policy-making authority (e.g., chamber of commerce, labor union, law, medical, and educational associations); regulatory or judicial bodies with decision-making authority and with a network of experts seeking to

influence such decisions (e.g., city land use commissions, regional public utility boards, state industrial relations tribunals, and any type of court from a provincial Family Court to the World Court in the Hague); political bodies engaged in policy and law making surrounded by a network of lobbyists (e.g., congressional or parliamentary bodies); and international organizations (e.g., UN Security Council and The World Bank) with regulatory or decision-making authority encircled by an array of experts, lobbyists, and nongovernmental organizations. Linkage dynamics are observed within an organization and between an organization and its external environment.

First identified in international relations and conceptualized as “issue linkage” (Jensen, 1963), negotiation linkage dynamics is a little understood phenomenon. For example, in the present study we examine free trade negotiations between the United States and Chile. Near the end of these trade negotiations the United States began to delay the negotiation process to purposely pressure Chile to vote (as a nonpermanent member of the UN Security Council) in support of a U.S. proposal to initiate war against Iraq. Chile was unwilling to link their trade agreement to this U.S. initiative, but still had to manage U.S. attempts to link these issues. Treaty conclusion was delayed but finally signed in June 2003. In this example, the United States sought to link two discrete issues, international trade and international security, to gain strategic advantage in pursuit of its international agenda.

Life is not a series of isolated events. The past is linked to the present and it is reasonable to assume that the present will be connected to the future. Paradigm shifts do occur, but life and civilization are commonly understood to evolve through a linked incremental process. Science does seek to isolate variables for study to better understand their fundamental nature, but such isolation is an artificial construction that facilitates the development of knowledge. Even a casual conversation between colleagues will often evolve through a flow of linked topics or ideas. Linkage is fundamental to life. When linkage exists in a mixed-motive environment, where cooperation and conflict must each be managed, a specific form of linkage known as “negotiation linkage” occurs, which has strategic value (i.e., gains can be realized and/or losses minimized depending on how these linkage dynamics are managed).

One would expect that knowledge of linkage dynamics would be substantial, given its prevalence. Yet this is not so, which is a surprising observation since almost all negotiations are linked to one or more other negotiations (Crump, 2006a; Sebenius, 1996; Watkins & Passow, 1996). Perhaps this gap in knowledge is due to methodological complexity. It is sufficiently difficult to investigate a single negotiation. The study of linkage theory requires examination of at least two negotiations and the interaction or linkage that may exist between them. Such research is time consuming and methodologically challenging.

Through this study, I intend to increase knowledge that is relevant to an understanding of negotiation linkage dynamics. By applying role theory to four linked negotiations I am able to identify and develop “degrees of linkage dynamics” (robust, moderate, or modest) as a concept and conclude that linkage degree is determined by both structural and contextual factors. I am also able to develop a framework of linked party action, establish guidance for managing opportunistic behavior in linked negotiations, and

build a six-part typology of strategic techniques that can produce tangible gains in linked negotiations. This study seeks to develop descriptive, predictive, and prescriptive theory.

Background

The most prominent type of linkage involves a negotiation and its discrete alternative. A best alternative to a negotiated agreement (BATNA; Fisher & Ury, 1981), also known as an alternative partner (Giebels, 1999; Pinkley, 1995) can increase or decrease negotiation power (Lax & Sebenius, 1986; Raiffa, 1982). Structurally, a negotiation and its alternative are two bilateral negotiations operating in parallel. Such structure is somewhat similar to the least complex form of multiparty negotiation: a three-party negotiation that produces a coalition. What may be observed in the process of coalition building are three linked-bilateral negotiations that can evolve into two linked-bilateral negotiations until one of the three parties is excluded (Polzer, Mannix, & Neale, 1998).

Coalition-building negotiations and two bilateral negotiations that involve an alternative are each part of a class of negotiations that are “competitively linked” because of the possibility of party exclusion. For example, three-party studies of coalition formation grounded in game theory typically result in two parties distributing gains with the excluded party receiving nothing (Kahan & Rapoport, 1984; Murnighan, 1978). Compare this type of negotiation to another involving an employer who is interviewing two applicants but then only selects one applicant for employment. These two examples of competitive linkage differ fundamentally from a second class known as “noncompetitively linked” negotiation where parties in two (or more) negotiations have no motivation or ability to exclude another party although negotiations are still linked. For example, Singaporean leaders can concurrently negotiate separate trade treaties with Australia and the United States and not feel compelled to conclude one agreement rather than the other. The forces that create competitive linkage and noncompetitive linkage are the same—at least one party involved in two or more negotiations, which may involve similar issues—except that capacity for party exclusion is present in the former and absent in the latter (Crump, 2006a).

A third common linkage class is “two-level games” (Putnam, 1988), a concept that identifies interaction or linkage between international affairs and domestic politics. First observed in international organizational studies, the two-level game has a corporate counterpart. Negotiations between two companies normally consist of external negotiations between two sides linked to internal negotiations between each negotiation team and its respective company (Pruitt, 1994; Salacuse, 2003).

A fourth class involves temporal linkage dynamics or a temporal framework. The relationship between past, present, and future (i.e., temporal logic) is well established in the study of negotiation and management (Ancona, Okhuysen, & Perlow, 2001), although little is known about the way that present negotiations are used to influence perceived future negotiations. Agreeing initially on a general framework to guide future negotiations (Mouzas, 2006), precedent-building (Crump, 2007), and forum-shifting in seeking advantage (Drahos, 2007) have each been identified as negotiation techniques that have

strategic utility. Each technique aims to link present negotiations to some perceived future negotiations.

Linkages between past and present negotiations receive much greater theoretical and empirical attention. Repeated ultimatum bargaining games have the greatest legacy in this regard. Studies demonstrate the conditions under which cooperation is rational in negotiations linked in a tit-for-tat manner (Axelrod, 1984; Taylor, 1976). More recently, research has examined the dynamics of deception and retribution in repeated bargaining interactions (Boles, Croson, & Murnighan, 2000) and has investigated the impact that prior negotiation experience has on present and future negotiation performance. An impasse can contribute to a distributive spiral, moderated by negotiator self-efficacy (O'Connor & Arnold, 2001). A negotiator's bargaining history appears to be positively related to present and future performance; a prior impasse can lead to future impasses and prior success can lead to future successes (O'Connor, Arnold, & Burris, 2005).

"Consecutive linkage" and "concurrent linkage" are the primary temporal framework for understanding this fourth class of linkage dynamics. The research just reviewed is an example of consecutive linkage. Crump (2007) provides a comprehensive study of consecutive linkage dynamics, and the present study offers an in-depth investigation into concurrent linkage dynamics. Concurrent linkage includes two or more discrete negotiations being conducted during the same time period, and during this period the two negotiations overlap in such a way that both have begun but neither has concluded. All four negotiation cases examined in the present study are concurrently linked.

Role theory is relevant to concurrent linkages but not consecutive linkages (Crump, 2007). Watkins and Passow's (1996) theoretical framework of negotiation linkage was grounded in role theory and based on Wager's (1972) concept of the link-pin party and linked parties. The link-pin party plays the role of creating linkages as it conducts two or more discrete negotiations, while each party that negotiates with the link-pin party is a linked party (i.e., parties indirectly linked to each other through their separate interaction with the link-pin party). Watkins and Passow (1996) demonstrate that linkage role theory is relevant to competitive-linked negotiations, and Crump (2006a) demonstrates that such theory is equally relevant to noncompetitive-linked negotiations. This research theme demonstrates that each role presents parties with differing strategic choices—especially related to position coordination, concession management and opportunities for cooperative action—thereby creating different challenges and opportunities because of the difference in functional role. I will narrow the focus of this study to investigate role theory in noncompetitively linked negotiations given the lack of knowledge about noncompetitive linkage dynamics (Crump, 2006a).

I will also narrow the focus of this study to examine linkage role theory in negotiations of international trade treaties that are concurrently linked, but argue that the conclusions from this investigation are relevant to linkage dynamics in any organizational or managerial setting (i.e., see article introduction). Based on this literature review, I seek to answer a question that has empirical, theoretical and practical utility:

How do linked parties and a link-pin party manage the challenges and opportunities inherent in their role to gain strategic advantage and to minimize disadvantage in a negotiation?

In investigating this question, I examine four bilateral trade policy negotiations between European Union (EU)–Chile, United States–Chile, United States–Singapore, and Singapore–Australia, which occurred concurrently between 2000 and 2003. The appendix at the end of this article provides a brief overview to trade policy negotiations. International trade policy has been identified as a linkage-rich environment in prior research (Crump, 2006a, 2007).

Methods

This section outlines case construction, data sources, data analysis methods, and study limitations. I employed a multiple-case design with a structured focused case-comparison approach. Analysis from a multiple-case design can strengthen (substantiate or refute) observations arrived at through analysis of each individual case (Druckman, 2005; Yin, 1989). I also used a qualitative embedded design that includes three levels of analysis (Eisenhardt, 1989) by examination of: (a) a single negotiation, (b) linkage dynamics between negotiations or within a single case, and (c) cross-case analysis.

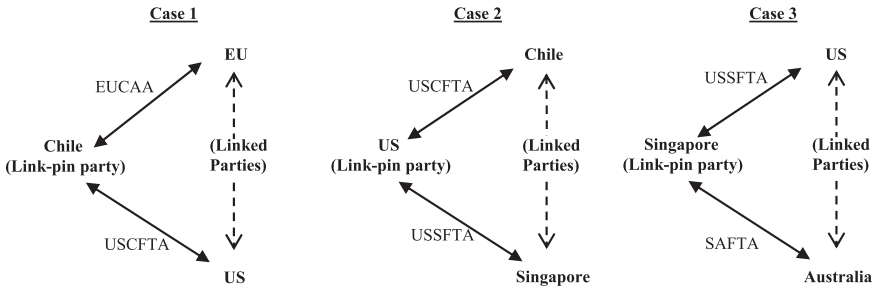
Data are derived from four negotiations, but it is the interaction between negotiations that is the primary unit of analysis in this study. As such, the four negotiations are treated as data, not cases, and linkage dynamics or behavior connecting two negotiations are treated as cases in the present study. Figure 1 lists all three cases by identifying the negotiations that make up each case and provides a visual image of each case. Within each case, the link-pin party is listed on the left and the linked party is listed on the right in Figure 1. The treaty produced by negotiation is in parentheses.

Cases were selected because it appeared that they may contain linkage dynamics (i.e., linkage roles could be identified). Chile is the link-pin party in the first case and the EU and the United States are linked parties in this case. The United States is the link-pin party in the second case and Chile and Singapore are linked parties in this case. Singapore is the link-pin party in the third case and the United States and Australia are linked parties in this case.

Note the solid lines and dashes in Figure 1. In Case 1, Chile is linked to the EU and to the United States with solid lines to demonstrate that two discrete negotiations were undertaken concurrently. The link between the EU and the United States is depicted with dashes, as Chile–European Union Association Agreement of 2002 (EUCAA) negotiations were relevant and of apparent interest to U.S. negotiators, and U.S.–Chile Free Trade Agreement of 2003 (USCFTA) negotiations were relevant and of apparent interest to EU negotiators.

Data Sources

Although the unit of analysis is negotiation linkage, central to examining such linkage is an understanding of the process and outcome for each negotiation of empirical interest. Negotiation field research was conducted by indirect methods, archival records and interviews, as direct observation of a real trade treaty negotiation for theoretical purposes is virtually impossible (Odell, 2006). Here, it is useful to note that the language of



Case 1:

Chile and EU (Chile – European Union Association Agreement of 2002 or EUCAA)
 – linked to –
 Chile and U.S. (Chile – United States Free Trade Agreement of 2003 or USCFTA)

Case 2:

U.S. and Chile (United States – Chile Free Trade Agreement of 2003 or USCFTA)
 – linked to –
 U.S. and Singapore (United States – Singapore Free Trade Agreement of 2003 or USSFTA)

Case 3:

Singapore and U.S. (United States – Singapore Free Trade Agreement of 2003 or USSFTA)
 – linked to –
 Singapore and Australia (Singapore – Australia Free Trade Agreement of 2003 or SAFTA)

Figure 1. Negotiation linkage structure: EUCAA, USCFTA, USSFTA, and SAFTA.

global trade diplomacy is English and so all persons interviewed were very familiar with English even if it was not their first language.

Data collection began through searching electronic archives at the official website of each national government to download many relevant documents. Field research facilitated the collection of additional documents, as a side benefit of interviewing trade policy negotiators, policy strategists, diplomats, and ambassadors. I conducted 142 formal interviews focused on the four negotiations (see Table 1). Although not all of those interviewed were directly involved in these negotiations, all were very knowledgeable about the negotiations under examination. For example, a nation’s ambassador or embassy staff would not normally sit at the negotiation table, as they have other duties, but they would also be very knowledgeable about these negotiations and might have served as a negotiation or policy strategist. Twenty-nine respondents were directly involved in EUCAA, 28 in USCFTA, 30 in U.S.–Singapore Free Trade Agreement of

Table 1
Field Research Interviews

	EU	Chile	United States	Singapore	Australia	Total
EU–Chile: EUCAA	17	12				29
United States–Chile: USCFTA		13	15			28
United States–Singapore: USSFTA			19	11		30
Singapore–Australia: SAFTA				14	15	29

Notes. In total, 511 pages of typed interview notes were prepared during this research program.

EUCAA, Chile–European Union Association Agreement of 2002; SAFTA, Singapore–Australia Free Trade Agreement of 2003; USCFTA, U.S.–Chile Free Trade Agreement of 2003; USSFTA, U.S.–Singapore Free Trade Agreement of 2003.

2003 (USSFTA), and 29 in Singapore–Australia Free Trade Agreement of 2003 (SAFTA). Field research was conducted from 2004 to 2006 at five field sites: Brussels, Canberra, Santiago, Singapore and Washington, DC.

Interviews were secured through the power of relational practice (Dutton & Dukerich, 2006), including snowballing techniques. A national negotiation team includes a Chief Negotiator and 30–100 government officials (negotiators) in any given bilateral trade negotiation. Chief Negotiators are executive-level managers and strategist for their government. Each team is normally organized into 15–20 issue-focused groups (e.g., goods, services, financial services, investment, telecommunications, electronic commerce, intellectual property [IP], labor, and environment), usually one group per treaty chapter. Interviews were sought with anyone directly involved in the negotiation plus relevant embassy staff. Interviews were semi-structured and began with questions about a respondent's role in a negotiation. If respondents were involved in more than one negotiation of empirical interest then each negotiation was considered separately. The role of a link-pin party or linked parties was not discussed during interviews (i.e., role theory was applied to the data during analysis). The focus was on the respondents, experience and observations in a specific negotiation, but this discussion naturally flowed into observations about how one negotiation might impact upon another (i.e., linkage dynamics). Interviews lasted between 60 and 90 min.

Confidentiality was assured to each respondent. In recording interviews I used handwritten notes, as I sensed initially that respondents were likely to be less candid if a digital recording device was used. Notes were reviewed immediately after interviews to ensure maximum accuracy and normally organized as a typewritten record the evening after an interview. My impressions and other observations about the interview and the negotiation were recorded separately.

Data Analysis

Using a structured focused comparison approach, I was able to impose the logic of experimentation on a small number of cases. In contrast to a single case, multiple cases provide a stronger and more dynamic basis for theory building, as multiple-case

methodology enables comparison between cases and broader exploration of the research question and theory elaboration (Eisenhardt & Graebner, 2007).

After documenting negotiation process and outcome for each case I applied pattern-matching analytical procedures to determine linkage categories or domains within each case. The purpose of this procedure was to build a plausible—although provisional—explanation for the linkage events identified in the three cases or experiments as a way to identify and explain causal relationships. A cross-case comparison was also conducted to strengthen the validity of such explanations (Druckman, 2005; Yin, 1989).

Data were analyzed at three levels to establish content validity. Interview and archival data were evaluated for consistency (a) within each negotiation side, (b) between sides engaged in a negotiation, and (c) between linked negotiations comprising a single case. Where a contradiction in the data was identified at any level of analysis, all data relevant to that contradiction were discarded from the results. For example, whereas one Chilean negotiator reported that Chile consulted with Singapore about U.S. IP proposals, another Chilean negotiator said that no such consultations occurred. This contradiction appeared at the first level of analysis and so all data related to Chile–Singapore IP consultations were discarded from the results.

Interview notes, field observations, and relevant documents were separated into (a) data concerning negotiation process and outcome for each of the four negotiations, (b) data demonstrating linkage events based on the interaction between two negotiations, and (c) data for a structured focused comparative analysis between the three cases. This procedure is consistent with basic research protocol relevant to within-case analysis and cross-case analysis (Druckman, 2005; Eisenhardt, 1989).

First, summaries of each negotiation were prepared to gain an overall understanding of negotiation process and outcome. Data indicating the fundamental characteristics of each negotiation were extracted from these summaries and organized in tabular form (to be presented shortly). Second, data relevant to negotiation linkage dynamics were identified through pattern-matching logic. Based on results of my preliminary analysis, 12 linkage domains or event-categories were identified that provided the foundation for organizing these data in narrative-form into a matrix of 12 linkage event-categories. Iteration between data and plausible causal explanations for each of these 12 linkage event-categories occurred throughout analysis (Eisenhardt, 1989; Yin, 1989). Linkage role theory (link-pin party and linked parties) was the primary conceptual structure applied at this phase of analysis. Third, event-categories that appeared across two or more cases were identified using structured focused cross-case analysis. This process strengthened the plausible causal explanations developed in the second phase of analysis (Druckman, 2005). As in the second phase, there was iteration between data and a causal explanation during the third phase of analysis. This further strengthened the connection between data-based phenomena and an explanation of them. In preparing results for presentation, data and analysis were grouped into general categories.

The fundamental characteristics of the four trade negotiations under examination are presented in Table 2. It should be noted that an Association Agreement (EUCAA) focuses primarily on trade but also strengthens political dialog and cooperation in a range of areas, whereas Free Trade Agreements (FTA) focus exclusively on trade. A

Table 2
Fundamental Negotiation Characteristics

<u>Characteristics</u>	<u>EUCAA</u>		<u>USCFTA</u>	
	<u>EU</u> -----	----- <u>Chile</u>	<u>Chile</u> -----	----- <u>US</u>
Party				
Lead organization	European Commission (EC)	Ministry of Foreign Affairs (MFA)		U.S. Trade Representative
Responsible agency	Directorate General Trade/External Relations	General Directorate for International Economic Affairs, MFA		U.S. Trade Representative
Negotiators on team	15 – 25	70 – 80	90 – 100	40 – 50
Chief Negotiator	Herve Jouanjean	Osvaldo Rosales	Osvaldo Rosales	Regina Vargo
Number of negotiation rounds		10		14
Primary location of negotiation rounds		Brussels Santiago		Washington DC Santiago
Number of treaty titles or chapters		11		24
Number of treaty pages		112		313
=====				
<u>Characteristics</u>	<u>USSFTA</u>		<u>SAFTA</u>	
	<u>US</u> -----	----- <u>Singapore</u>	<u>Singapore</u> -----	----- <u>Australia</u>
Party				
Lead organization	U.S. Trade Representative	Ministry of Trade and Industry (MTI)		Department of Foreign Affairs and Trade (DFAT)
Responsible department	U.S. Trade Representative	Directorate B, Trade Division, MTI		Office of Trade Negotiations, DFAT
Negotiators on team	40 – 50	40 – 50	25 – 30	25 – 30
Chief Negotiator	Ralph Ives	Tommy Koh	Goh Aik Guan Vanu G. Menon	Stephen Deady Donald Kenyon
Number of negotiation rounds		11		10
Primary location of negotiation rounds		London		Singapore and Canberra
Number of treaty chapters		21		17
Number of treaty pages		240		117

Notes. EUCAA, Chile–European Union Association Agreement of 2002; SAFTA, Singapore–Australia Free Trade Agreement of 2003; USCFTA, U.S.–Chile Free Trade Agreement of 2003; USSFTA, U.S.–Singapore Free Trade Agreement of 2003.

negotiation round is a series of formal meetings between nations that usually continues for 1 week with substantial formal and informal activity undertaken between rounds. Otherwise, Table 2 is self-explanatory.

Finally, power relations (symmetrical and asymmetrical) between parties were a variable taken into consideration during case analysis, especially when comparing power relations between linked parties and a link-pin party. World merchandise imports serves as one measure of member power in World Trade Organization (WTO) multilateral negotiations (Odell, 2007) although Gross Domestic Product (GDP) may have greater utility for identifying power relations in bilateral negotiations, as GDP is a common measure of economic or market power at the national level. For example, The World Bank (2008) identifies the United States as the nation with the largest worldwide GDP and the collection of nations that is the EU (as measured by Euro adoption) is a close second. Australia is ranked at 15, Chile is ranked at 42, and Singapore is ranked at 44. The GDP of these five parties is useful proxy for defining national power and to distinguish symmetrical from asymmetrical power relations in the present study.

Limitations

This study is grounded in the literature on negotiation linkage dynamics, but research design, collection of data through interviews, and the analysis of interview data and relevant documents were conducted by a single researcher, the author. Interviews were conducted in English with native-speakers and with diplomats who acquired English as a second language. The potential for misunderstanding can occur in either setting but is more likely in the latter setting. Multiple cultures are also a variable that can interfere with the accurate collection of data, but is less prominent than might appear initially because an international diplomatic culture tends to be embraced by members of the international trade policy community, which weakens but does not remove the impact of national culture on its members. Each of these factors, inherent to the present study, exists as a study limitation that must be taken into consideration.

Results

This section examines the primary question posed in this study: how do linked parties and a link-pin party manage the challenges and opportunities inherent in their role to gain strategic advantage and to minimize disadvantage in a negotiation? Figure 1 is essential for an understanding of the results. In addition, treaty chapters are cited often within these results (e.g., USCFTA, Chapter 12), parties are identified by name (e.g., United States and Chile), and the three cases are abbreviated as follows:

- Case 1: EU–Chile–United States (linked negotiations producing EUCAA and USCFTA).
- Case 2: Chile–United States–Singapore (linked negotiations producing USCFTA and USSFTA).
- Case 3: United States–Singapore–Australia (linked negotiations producing USSFTA and SAFTA).

I begin by a review and analysis of case data organized into three general categories: (a) linked party cooperation and monitoring, (b) link-pin response to linked party cooperation, and (c) strategically managing linkage dynamics. I conclude with a summary of results. Case observations, analysis, theory, and practice implications are considered in each part, as this approach represents best practice for presentation of empirical findings in multi-case studies (Eisenhardt & Graebner, 2007).

Linked Party Cooperation and Monitoring

The amount of cooperation between linked parties in their separate negotiations with a link-pin party contributes to the fundamental nature of linkage dynamics. If linked parties are aware of each other they can choose to communicate regularly, occasionally, or not at all. Linked party communication is opportunistic behavior and to be expected in mixed-motive situations. Data regarding linked party cooperation is reviewed below.

Chile–United States–Singapore

Little linked party contact could be confirmed in these two negotiations. One Chilean official said, “I talked to my Singaporean counterpart near the end regarding U.S. capital control demands. It was one of the last issues in both negotiations [USCFTA and USSFTA].” A second negotiator reported high-level talks between Singaporean and Chilean officials on capital control issues at an Asia Pacific Economic Cooperation (APEC) Ministerial Meeting in October 2002. (The U.S. position on capital control would restrict a nation’s Central Bank in controlling movement of capital derived from foreign investment.) In response to questions about why Chile–United States–Singapore linked parties communicated so little, a Chilean group leader explained “Chile and Singapore are at different levels of economic development so Chile went to Mexico since we have similar levels of development and cultural similarity that was also important. Mexico had experience negotiating with the United States and the EU and so consultations with Mexico were relevant for Chile.” Other negotiators confirmed the “Mexican connection.” Chile–United States–Singapore is an example of “modest” levels of linked party cooperation, compared to the other cases in this study.

No field data addressed the obvious difference in power relations when comparing the United States as link-pin party to its linked parties in this case. It is reasonable to expect that negotiators representing Chile and Singapore might be cautious in engaging in opportunistic behavior because of asymmetrical power relations with the United States. This may be another reason why communication between Singapore and Chile only occurred at the end of negotiations and focused on issues defined as crucial by each linked parties.

EU–Chile–United States

A high-level EU official (lead negotiator) advised, “There was an exchange of views between the EU and United States on negotiations with Chile... On agricultural issues the EU and United States held two or three conference calls.” This official’s counterpart in Chile confirmed this approach: “Negotiations over financial services and investment

were discussed by U.S. and EU negotiators. Clearly, communication moved across the Atlantic, as the same explanation with significant detail was presented separately by U.S. and EU negotiators.” Senior Chilean officials did not know at the time how much information was being exchanged between the EU and the United States and so all Chilean negotiators were instructed to “assume that anything said to one [linked] party will be heard by the other [linked] party.”

A preponderance of data indicates that contact between the EU and the United States was conducted irregularly at upper levels of government. A high-level U.S. official (lead negotiator) told me, “The U.S. really did not pay attention to what Europe was doing with Chile until around the latter half of these negotiations.” A U.S. group leader observed that the United States and Australia communicated regularly [in United States–Singapore–Australia] but the United States did not do so with the EU. He said, “Perhaps it is pride; each nation [U.S. and EU] has its own trade agenda and each sees the other as a competitor, and so it is less likely that consultation will occur when the other [linked] party is perceived as a competitor. The United States doesn’t perceive Australia as a competitor.” Other U.S. and EU negotiators presented similar views. EU–Chile–United States is an example of “moderate” levels of linked party cooperation when compared to the other cases in this study.

It is useful to compare Chile–United States–Singapore to EU–Chile–United States, as link-pin party power relations are reversed, with the United States holding substantial power over its linked parties and Chile holding little power over its linked parties. Previously it was suggested that Chile and Singapore might exercise caution in engaging in apparent opportunistic behavior. On the other hand, EU and U.S. negotiators would not likely feel a need to exercise prudence given asymmetrical power relations with Chile. Rather, pride and competition are a likely explanation for the degree of linkage dynamics in EU–Chile–United States.

United States–Singapore–Australia

An ambassador for one linked party told me, “Australia and the United States held regular debriefings on their experience in negotiating with Singapore throughout the process. This included meetings held in Washington, DC, Canberra and Singapore plus regular telephone calls and emails. Often these meetings were between the Chief Negotiators but meetings were held at other levels too. The focus was on what it was possible to get in negotiating with Singapore and how to get a better deal.” A Chief Negotiator representing the other linked party told me, “Before both [Australia and the United States] would have a round of negotiations, I would confer with my counterpart on developments in Singapore. Each side [linked party] was very candid about what they were trying to achieve with Singapore and the status of negotiations. The United States and Australia did not try to adopt the same position, but each had common interests and where we could cooperate on a similar position we would. However, neither side [linked party] would tell the other side about a specific detailed proposal that Singapore had made, as this would violate Singaporean confidence.” Singapore was well aware of this program of regular consultation between its partners and took a matter-of-fact view—this is, after all, diplomacy. A principal lawyer for Singapore observed, “It was

understood that each side knew what the other was doing [United States and Australia]. Once movement occurred in one negotiation it created expectations in the other negotiation to achieve similar movement.” United States–Singapore–Australia is an example of “robust” levels of linked party cooperation when compared with the other cases in this study.

Based on case data it appears that structural factors (linkage roles) establish the potential for linkage dynamics but contextual factors involving the fundamental nature of linked party relations are significant in determining the amount of communication between linked parties and thus the degree of linkage dynamics (robust, moderate, or modest). Linked parties are more likely to cooperate robustly when each is more powerful than the link-pin party, when neither perceives the other as a competitor, and when similarities exist along significant ethnic, social, political, and/or economic dimensions. United States–Singapore–Australia, EU–Chile–United States, and Chile–United States–Singapore each provides case data that are consistent with these observations, while no data were observed that is inconsistent with these findings. Future research should investigate the relationship between these specific variables to establish causality and contingencies. For example, link-pin and linked parties power relations in Chile–United States–Singapore and linked party ethnic and economic dissimilarity indicate that robust or moderate linkage dynamics are unlikely. Nevertheless, linkage dynamics are still observed near the end of these negotiations, involving issues significant to the linked parties. Future research should address such contingencies to enhance understanding.

Framework of Linked Party Action

Prior research identified direct communication as the only form of linked party cooperative action. Data from the current study enables the development of a framework to explain a range of linked party opportunities to gain strategic insight by communicating with or monitoring the other linked party. This framework orders linked party opportunistic behavior into active and passive and formal and informal actions.

- (1) Active Linked Party Actions: Direct contact between key executive-level managers or strategists representing the linked parties (in this case, United States and Australian linked party behavior throughout the negotiations, and U.S. and EU behavior, and Chile and Singaporean behavior near the end of negotiations).
- (2) Passive Linked Party Actions: Linked party monitoring via information gathering from the media, the internet, and especially via prior contracts or treaties signed by a linked party (in this case, EU negotiators studied U.S. trade treaties to infer similarity and differences in interests, goals, and positions, to better understand when linked parties were pushing Chile in the same direction).
- (3) Formal Linked Party Action: Scheduled meetings between linked parties but those attending do not sit at the table (in this case, meetings held between linked party embassies; e.g., Chile included on the agenda as a regular discussion item in EU–U.S. bilateral summit meetings during the period of these negotiations).

- (4) Informal Linked Party Action: chance meetings at scheduled functions (in this case, WTO meetings, APEC meetings, and other trade related functions).

Prior research has only recognized the importance of linked party cooperation especially communication (Crump, 2006a), but the current study demonstrates that linked party strategic action can be based on either linked party cooperation or when one linked party monitors the other. Negotiation strategists can gain utility through the application of this theoretical framework of linked party action.

Link-Pin Response to Linked Party Cooperation

Previous research indicates that a linked party's primary concern in conducting opportunistic behavior is to do so without violating the trust of a link-pin party. "The essence of this [linked party] guidance is quite simple: talk about your own party, not about the other linked party" (Crump, 2006a, p. 447). A linked party that follows this guidance may be able to engage in opportunistic behavior by communicating with another linked party without violating the confidence and trust of a link-pin party.

To date, no guidance has been available for the link-pin party in managing linked party opportunistic behavior. The link-pin party gains nothing via linked party communication but through careful management the link-pin party may be able to minimize losses. Chile provided guidance for managing the substantial dilemma of linked party cooperation. Advice from a high-level official who offered leadership to Chile in negotiating with the EU and the United States may assist others in the role of the link-pin party. Chile's advice follows:

- (1) If linked parties are suspected of cooperating then all negotiators must be instructed to assume that anything said formally or informally to one linked party will be heard by the other linked party.
- (2) Imagine the other linked party is in the room during all negotiations.
- (3) Recognize that providing these instructions is not done casually, as it adds a substantial burden on each link-pin negotiator.

A link-pin party would prefer that its linked parties not communicate with each other, but if such opportunistic behavior occurs then the guidance offered by Chile may be the best advice currently available. Each role is presented with different opportunities and challenges that can be most effectively managed through such guidance. Link-pin party and linked party guidance, grounded in case data, have utility for the negotiation strategist.

Strategically Managing Linkage Dynamics

Based on the data discussed in the prior two sections it may appear that the link-pin party is at the mercy of cooperating linked parties; however, this section demonstrates how linkage dynamics can be managed strategically by both roles even when the link-pin party is less powerful relative to both linked parties. Management of a linkage opportunity or chal-

lenge can be conceptualized as a negotiation technique; six techniques follow that assist in managing robust, moderate, and modest linkage settings. Linked party role techniques are identified and examined followed by link-pin party role techniques. Techniques relevant to either role type are considered at the end of this section.

Linked Party Techniques

Burden Sharing As linked parties engaged in robust cooperation, the United States and Australia did not develop a grand strategy of collusion or even attempt to coordinate strategy in United States–Singapore–Australia. Rather, their knowledge of what the other was doing, gained through active communication, served a normative function that reinforced the individual actions of each linked party. This was most apparent in the negotiations focused on services (USSFTA, Chapter 8; SAFTA, Chapter 7) and negotiations on a national competition policy (USSFTA, Chapter 12; SAFTA, Chapter 12). Here, I consider only the former example in detail. Numerous respondents in all three countries told me of United States and Australian demands to use a negative list for trade in services. However, Singaporean negotiators argued strongly against this demand, as the government had no prior experience with a negative list and advocated for the use of a positive list for trade in services. (These two frameworks exist as mirror images: a negative list allows for all trade in services unless it is specifically *excluded* by being listed in a treaty; a positive list allows for trade only if a service is specifically *included* in a treaty.) After a full year of disagreement, Singapore finally relented, compromised, and accepted a negative list, first with the United States and then Australia. Simply knowing that both nations were pushing Singapore in the same direction bolstered the confidence of the linked parties to hold firm on demands and influenced the negotiation process directly.

Burden sharing is a source of power in linked negotiations. In a world of finite resources negotiation strategists will be wise to seek out such opportunities.

Free-Riding Some EU financial services goals in Chile were actually achieved *for* the EU *by* the United States although no overt cooperation occurred between the EU and the United States. Three members of Chile’s services team explained that, “The EU was very clever in how it managed capital control issues, as the EU probably concluded that the United States would get a better deal out of Chile than the EU could. As a result, the EU proposed and Chile eventually accepted a condition that Chile would not discriminate against the EU in relation to any third country regarding capital control issues. In this context, the United States is a third party and so any agreement the United States achieved in USCFTA transfers to the EU via EUCAA.” A second example involves the same parties but this time in IP. The EU pursued a narrow set of IP goals in EUCAA compared with USCFTA (see EUCAA, Title 6; USCFTA, Chapter 17). A high-level Chilean official explained, “The EU understood that the United States would establish a strong IP regime in Chile. The EU strategy was: why make compromises with Chile to achieve something that the United States will achieve for them?” In this case the EU need only insist that Chile apply the most favored nation clause found in the

WTO Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement to their bilateral treaty so that the IP regime negotiated by the United States would be applicable to the EU. This EU approach does not suggest that the EU and United States were cooperating in pursuing IP goals, only that the EU recognized that they could gain benefits by free-riding on actions taken by the United States.

A linked party can gain something of value at little cost by free-riding. Efficiency opportunities are apparent in this linkage technique; however, the negotiation strategist must be vigilant in identifying such opportunities.

Link-Pin Party Techniques

Outcome Bundling Free-riding and outcome bundling are functionally the same, although linked parties conduct the former and a link-pin party conducts the latter. In this case, a link-pin party has a clear preference about which linked party it will compromise with first on high-priority issues. Outcome bundling knowledge is still in a developmental state, but the values of the link-pin party (i.e., which linked party it values more) appear to be a primary factor in determining link-pin priority (Crump, 2006a). For the link-pin party, the benefit of outcome bundling is to reach an agreement with the lower-priority linked party without disclosing its zone of possible agreement (ZOPA) to either linked party. Such dynamics usually occur only in the last phase of a negotiation when a lower-priority linked party seeks to conclude negotiations.

For example, “Chile applies a luxury tax on cars. This is a tax of 85% of the custom value of cars above the threshold of \$15,740” (Note for the Attention of the EC 133 Committee, 2003: 2). An EU trade negotiator said that, “Chile and the EU were deadlocked on the luxury car tax and finally Chile told us that they would offer us [EU] whatever arrangement they offered the United States. The EU did not like this understanding but accepted Chile’s offer, which allowed negotiations to conclude.” A leading negotiator for Chile observed, “If Chile had compromised with Europe on the luxury car tax, then Chile would not be in a strong position to gain something from the United States, as Chile believed it could gain much more from the United States than from the EU on this issue. In the final stage of USCFTA negotiations, Chile agreed to phase out this tax and in return Chile gained advantages for small and medium companies in the U.S. market. But the big gain was that the United States agreed to eliminate copper tariffs. A lot of money is involved in the U.S. copper tariff because this is by far Chile’s largest export.”

A second example, involving Singaporean wholesale bank licenses, follows this same pattern. In a confidential agreement, Singapore promised Australia that Australia would receive, through SAFTA, as many bank licenses as Singapore grants to the United States in USSFTA (Singapore’s Note, 2003). Australia was pleased with this outcome because Australia did not think it could gain as many licenses as the United States, and Singapore was pleased because it brought SAFTA to a conclusion without disclosing its ZOPA to the United States.

Functionally, outcome bundling and free-riding restructure a negotiation outcome by bonding linked party outcomes more closely together (i.e., the opposite of de-linking).

Outcome bundling is a very useful technique for a link-pin party that hopes to minimize losses on a high-priority issue. Negotiation strategists can learn from the way that Singapore and Chile effectively applied this technique although each, as link-pin parties, exercised far less power than their linked parties.

Rebuffing The section on outcome bundling suggests that Singapore valued USSFTA negotiations over SAFTA negotiations. United States–Singapore–Australia data indicated that negotiators in all three nations consistently perceive Singapore’s values in this manner. An Australian diplomat recognized Singapore’s preference and the rationale for making compromises with the United States before making compromises with Australia. A leading negotiator for Singapore told me that he advised his Australian counterpart, “I cannot reach an agreement on this issue with you right now because if I do the agreement will become a benchmark and then the Yanks [U.S.] will treat it as a first offer in USSFTA negotiation. We will reach an agreement on this issue but not right now.” Here Singapore demonstrated the use of a rebuff technique to deliberately delay the SAFTA negotiation process. This same phenomenon can be observed in EU–Chile negotiations once they deadlocked over Chile’s luxury car tax (see Outcome Bundling). In this case Chile was stalling, an indirect form of rebuff, as Chile perceived tangible advantages in concluding an agreement on this issue with the United States before concluding with the EU.

When power relations are asymmetrical, it is difficult for the less powerful party to employ a rebuff technique but Singapore and Chile demonstrated that it was possible to use this technique to manage issues that were most sensitive to their specific interests.

Solution Migration The direct involvement of a link-pin party with each linked party can create opportunities that benefit all parties. For example, a U.S. group leader said, “Preferred text is not fixed in stone. If Singapore made a useful suggestion, then the United States would add this idea to its text and even propose this text to Chile and vice versa.” A U.S. negotiator reported that ideas developed jointly by the United States and Chile regarding government procurement were later introduced to Singapore (see USCFTA, Chapter 9; USSFTA, Chapter 13). Singapore, as link-pin party in United States–Singapore–Australia, also demonstrated this same behavior. A Singaporean telecommunications negotiator reported that Singapore negotiators advised the Australians what they were learning about telecommunication regulation from their talks with the United States. Sometimes the Singaporeans would reach an agreement with the United States and then turn this agreement into a demand that they would present to Australian negotiators. In some instances, the Singapore negotiators carried across innovative agenda items from USSFTA negotiations to SAFTA negotiations. For example, until USSFTA, no trade treaty had substantially addressed trade via electronic commerce (see USSFTA, Chapter 14). That the topic exists at all in SAFTA is because of Singapore’s role as link-pin party, as Singaporean negotiators took what they learned from the United States and introduced it to the Australians (see SAFTA, Chapter 14).

An understanding of the solution migration process in linked negotiations provides both the link-pin party and the linked parties with opportunities for synergy and efficiency. Such opportunities can be realized in robust, moderate, or modest linkage environments.

Techniques Available to Either Role

Benchmarking One Singaporean group leader clearly summarized a fundamental attribute of linkage dynamics by observing that, “A position or compromise made in one negotiation can become an expectation in another [linked] negotiation.” Decisions about issues, agendas, arguments, positions, and concessions in one negotiation serve as a reference point in a linked negotiation. Linked parties and a link-pin party can use benchmarking for strategic advantage.

For example, the EU gained strategic advantage by determining or guessing likely U.S. goals and positions on a range of issues in EU–Chile–U.S. negotiations. In EUCAA financial services negotiations, for example, a lead EU negotiator advised his Chilean counterpart that EU financial services goals were more reasonable than U.S. financial services goals and argued, “Cut a deal on our more moderate financial services goals now and then you can use this agreement as a precedent in negotiating with the U.S.” The EU succeeded in achieving some financial services goals it sought through benchmarking. A Chilean financial services negotiator confirmed this EU approach and explained how Chile later used this EUCAA outcome in USCFTA negotiations. As he explained, “Chile negotiated capital control policies with Europe that were much closer to our goals, as compared to U.S. demands. Without this precedent, Chile would have had no argument with the U.S.” Chile was forced to accept many U.S. financial services demands, but this same negotiator told me that Chile successfully rejected a U.S. proposal to accept foreign banks setting up in Chile without committing capital (known as branching) because of the precedent achieved through its EU agreement (see EUCAA, Title 3; USCFTA, Chapter 12).

Benchmarking can provide strategic advantage that translates into real gains or minimizing of losses for linked parties and a link-pin party. The negotiation strategist would be wise to examine benchmarking opportunities in every linked negotiation.

Theoretically, the six techniques just examined represent a typology of methods for managing the complexity found in linkage dynamics. Identification and description for each technique also provide sufficient understanding to enhance negotiation practice so that parties can negotiate to gain or protect essential interests. Negotiation strategists should find utility from such knowledge. Case analysis extends theoretical and practical understanding in order to strategically manage negotiation linkage dynamics.

Summary of Results

Much can be said about the opportunities and challenges available to linked parties and a link-pin party based on my analysis. Table 3 summarizes the results from the last section and in so doing produces a role-base typology of strategic opportunities and challenges in linked negotiations. Often, an opportunity for one role represents a challenge for the other role.

Based on case data analysis it appears that a linked party has more strategic opportunities and far fewer challenges when compared with a link-pin party (see Table 3). A link-pin party appears to have a similar number of strategic opportunities and

Table 3
A Role-Based Typology of Negotiation Linkage Opportunities and Challenges

Linked Party: Opportunities–Challenges	Link-pin Party: Opportunities–Challenges
Burden Sharing	
Knowing that the other linked party is pushing in the same direction increases resolve to hold firm; contributing to linked party goal achievement.	Being presented with similar demands at the same time in two separate negotiations decreases resolve to hold firm; contributing to link-pin party compromise.
Free-Riding	
Awareness of the other linked party’s interests, motives, and goals may result in goal achievement without taking any action or by taking minimal action only; allowing a linked party to focus limited resources on other matters. In some cases it can result in achieving goals that would not be achievable otherwise.	A linked party that is robustly engaged in free-riding can force concessions that they may not otherwise achieve especially when a linked party is more powerful than the link-pin party
Outcome Bundling	
Linked party perceived as <i>less</i> powerful by the link-pin party loses some control over negotiation outcome and can be forced to accept an outcome that the other linked party achieves. The linked party perceived as <i>more</i> powerful by the link-pin party does not gain the benefit of learning the link-pin party’s zone of possible agreement.	Allows link-pin party to protect information about zone of possible agreement resulting in the possibility of their gaining more (or losing less) to the linked party perceived as <i>more</i> powerful. The link-pin party may make greater concessions to the linked party perceived as <i>less</i> powerful than might be required otherwise.
Rebuffing	
Linked party perceived as less powerful by link-pin party can lose control over negotiation process.	Allows link-pin party to maintain some degree of control over negotiation process in each linked negotiation.
Solution Migration	
Link-pin party transfers useful proposals or solutions from one negotiation to the other. Linked party benefits from link-pin action.	Link-pin party transfers useful proposals or solutions from one linked negotiation to the other.
Benchmarking	
Issues, agendas, arguments, positions, and concessions presented in one negotiation serve as a reference point or benchmark in a linked negotiation. Either role can use benchmarking for strategic advantage.	Issues, agendas, arguments, positions, and concessions presented in one negotiation serve as a reference point or benchmark in a linked negotiation. Either role can use benchmarking for strategic advantage.

challenges but, overall, far fewer opportunities and more challenges when compared with a linked party.

Conclusions

The present study examines four negotiations that are noncompetitive but concurrently linked in time. The inquiry applied role theory and then asked how linked parties and a link-pin party manage the challenges and opportunities inherent in their

role in order to gain strategic advantage and to minimize disadvantage. Although these conclusions are based on three cases and four negotiations, they are tentative given the developmental nature of this area of study. Further research should seek to confirm or refute findings gained through this study. This section considers theoretical and empirical conclusions first and then examines implication for negotiation practice.

Theoretical and Empirical Conclusions

First, the multiple-case research design used in the present study serves as an empirical model for the investigation of linkage phenomenon. Second, this study introduces the concept of degree of linkage dynamics by distinguishing between robust, moderate, and modest linkage settings. Findings demonstrate that structural factors, which establish linkage roles, are not sufficient to produce linkage dynamics. The quantity or amount of linked party communication appears to be a significant factor in establishing the degree of linkage dynamics, although this is not a determining factor as linked party passive, formal, and informal actions appear to contribute to the degree of linkage dynamics.

Third, this analysis facilitated the development of a role-based typology that identifies strategic opportunities and challenges for linked parties and a link-pin party. Based on this analysis (see Table 3), I conclude that overall, a link-pin party has far fewer opportunities and more challenges as compared to a linked party. Based on the present data, it appears that a link-pin party would be wise to side-step this role if it can, especially if the link-pin party is less powerful relative to its linked parties (e.g., Chile in EU–Chile–United States and Singapore in United States–Singapore–Australia). However, this conclusion only exists as a general observation, as specific circumstances will dictate individual decisions. For example, Chile spent many years individually pursuing the United States and the EU in its quest to establish formal trade treaties with each governing body, and when this opportunity finally emerged, it occurred at the same time, thus forcing Chile into a link-pin party role. Given Chile’s long-sought objectives, based on formal national policy, it would have been incomprehensible for Chile to withdraw from either negotiation based on any conclusions found in the present study.

On the other hand, Singapore is a different case. Singapore’s desire to engage in bilateral trade treaty negotiations only emerged shortly before United States–Singapore–Australia (Singapore established a bilateral trade policy strategy over the very vocal objections of its peers—the Association of Southeast Asian Nations). Singapore’s engagement with each linked party was not based on some kind of long-sought desire; rather events occurred through opportunistic and serendipitous circumstances (in the final days of the Clinton administration the U.S. president sought to settle some “old scores” with the U.S. Congress and Singapore fit into this overall strategy; in the case of Australia its government decided to experiment with a new bilateral trade policy regime with Singapore as the first test case). Given the conclusions of this study, Singapore would have been wise to delay one of their two linked negotiations—obviously negotiations that created SAFTA.

Such observations illustrate the power that every party has in choosing to accept or sidestep the link-pin party role. The present study provides knowledge that translates into guidance for an informed decision by any link-pin party that examines the analysis contained in these conclusions. No prior study has examined the opportunities and challenges of the link-pin party and the linked party in such a comprehensive manner.

Fourth, future research should seek to confirm or refute current findings and to develop greater understanding of linkage structure and the dynamics operating within that structure. Some of the conclusions developed through this research program could even be examined in laboratory settings, as there is now sufficient knowledge to move beyond theory building to theory testing. Structural factors grounded in roles theory are a necessary but not sufficient condition to establish linked dynamics, while contextual factors appear to establish the degree of linkage dynamics. Linked parties are more likely to cooperate robustly when each is more powerful than the link-pin party, when neither perceives the other as a competitor, and when similarities exist along significant ethnic, social, political, and/or economic dimensions. These variables can be isolated in a laboratory setting to provide greater understanding. For example, manipulating power relations (link-pin party more powerful than both linked parties, less powerful than both, more powerful than one but not the other linked party) and competitiveness (linked party noncompetitive or competitive attitudes), and controlling ethnic, social, political, and/or economic characteristics could assist in identifying the relative importance of the former two contextual variables.

Other studies could determine if mediating variables exist that encourage or discourage a link-pin party to engage in outcome bundling, rebuffing, or solution migration. Studies could also identify if mediating variables exist that encourage or discourage a linked party to engage in burden sharing or free-riding. Benchmarking is fundamental to all negotiations, but do similarities and differences exist between linked negotiations and purely bilateral negotiations? All three cases in this study provide data that support further research. Much remains unknown about negotiation linkage dynamics. This study has only scratched the surface in developing understanding about the strategic risks and opportunities that linked parties and a link-pin party confront.

The present study also suggests potential research in the field of international trade negotiations. Future research could specifically examine benchmarking techniques as one way that more powerful parties move less powerful parties in their preferred direction. For example, data indicates that EUCAA served as a benchmark in USCFTA negotiations. Once EUCAA was published it created expectations in U.S. negotiators about what they could expect from Chile. This expectation created a floor on which the United States sought to build an agreement in their final round with Chile. In this way, developed countries can push developing countries in a direction that is not necessarily in the interests of developing countries. IP and access to medicine are particular concerns given the disregard some developed countries show for international public health (Crump & Odell, 2008; Drahos, 2007). How can less powerful parties protect themselves against this form of incremental ratcheting? Future research should investigate such questions.

Conclusions for Practice

This study also arrives at a number of significant conclusions relevant to practice. First, previous research developed prescriptive guidance for linked parties in managing the inherent risks associated with linked party cooperation (Crump, 2006a). This study extends that knowledge by developing a four-part framework of linked party cooperation (active, passive, formal, and informal action) and by proposing guidance for a link-pin party to assist in managing negotiation when linked parties cooperate.

Second, research findings establish a typology of techniques useful for gaining strategic advantage in linked negotiations, including (a) burden sharing, (b) free-riding, (c) outcome bundling, (d) rebuffing, (e) solution migration, and (f) benchmarking (see Table 3). Examples presented with each technique demonstrate their effect on the negotiation process and show how parties can achieve real gains through these techniques. Other techniques await discovery, analysis, conceptualization, and description. Field research is ideally suited for this purpose.

Although data presented in this study are derived from trade policy negotiations, theory developed from these data has broader relevance for negotiation. Linkage roles and the application of linkage theory are by no means associated exclusively or specifically with trade policy negotiations. As conceptual tools, conclusions from the present study are relevant to any setting where one party concurrently engages two other parties in separate negotiations that involve similar issues and goals. This structural characteristic establishes the foundation for linkage dynamics and supports the application of role theory, as demonstrated in this study.

Organizations conduct a number of repetitive administrative processes. Budget and planning cycles and program and job evaluations are just some of the repetitive processes that occur within an organization. Linkage dynamics are present in such settings. In addition, organizations with robust member involvement (e.g., profit, nonprofit, community-based, and religious) will commonly serve as a setting for linked negotiations. Governmental, regulatory, and judicial bodies with decision-making authority and with a network of experts seeking to influence the decisions made also contain linked negotiations. International organizations encircled by an array of experts, lobbyists, and nongovernmental organizations are also rich in linked negotiations. Negotiation linkage research can be conducted in any of these settings.

A single linked case study (two negotiations) is sufficient for purposes of theory building. The challenge is not in identifying linked negotiations, since they are all around us; the challenge is in designing a study that gathers useful data efficiently. All other things being equal, the study of two linked-bilateral negotiations is only one-half more difficult than the study of a single bilateral negotiation, as a bilateral negotiation has two data sites and two linked negotiations have three data sites (e.g., United States–Singapore–Australia or Washington, DC, Singapore, and Canberra). The challenge for the field researcher is in keeping data organized while investigating two negotiations simultaneously. However, this is not an insurmountable task. Others may wish to join in exploring this uncharted territory given the potential for developing valuable theoretical and practical knowledge that has utility for the negotiation strategist.

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Appendix

Research Context: International Trade Policy

It is useful to understand the context of international trade policy. Not only are negotiations sponsored by the World Trade Organization (WTO), but regional trade negotiations (e.g., to establish the European Union or the Asia Pacific Economic Cooperation [APEC] forum) and hundreds of bilateral negotiations also occur. Parties (national governments) negotiate over the same or related issues concurrently and consecutively at multilateral, regional and bilateral levels. Moreover, party exclusion from the outcome is not normally relevant (e.g., the United States can be a part of the WTO, APEC, and a bilateral treaty), so this setting contains noncompetitive linkages.

Over the last 10 years, the international trade negotiation paradigm has shifted from a predominately multilateral trade strategy to a dual multilateral/bilateral trade strategy (Crump, 2006b). For example, in the period 1948–1994, the General Agreement on Tariffs and Trade (GATT) received 124 notifications of bilateral or regional trade agreements. But since the 1995 establishment of the World Trade Organization to replace GATT, 243 bilateral and regional trade agreements have been notified to the WTO (Crawford & Fiorentino, 2005; Fiorentino, Verdeja, & Toqueboeuf, 2007) and around 400 of these agreements are projected to be operational by 2010 (Regional trade agreements, 2008). This trend makes trade treaty negotiation an ideal laboratory for research into linkage theory.

Larry Crump specializes in the study of complex negotiations and developing methodology to conceptualize such phenomena. Other recent examples of his work can be found in *Multiparty Negotiation* (2008, Sage), a four volume set co-edited with Lawrence E. Susskind; *Developing Countries and Global Trade Negotiations* (2007, Routledge), co-edited with S. Javed Maswood; and a special thematic issue in the *International Negotiation* journal on multilateral negotiation and complexity (co-edited with I. William Zartman in 2003). Larry Crump was recently invited to join the Editorial Advisory Board of the *Negotiation Journal* and has been an active member of the International Association for Conflict Management for many years. Larry completed his PhD through the Griffith Law School and has a tenured appointment with the Department of International Business, Griffith University, Brisbane, Australia.