

Wednesday 9:35-12:25

Leacock 517

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Office hours: Mondays, 16:00-18:00.

- Objectives:** This course provides an overview of the political decision-making and negotiation as it takes place in multilateral and regional political institutions. We will explore theoretical explanations for how and why these institutions evolved, how they are created through negotiation, and look at several empirical cases—the WTO, the IMF, the EU, and the G8. Case studies and simulations are used to learn concepts and principles from theories of cooperation and bargaining and to develop negotiation skills. Teamwork and participation are important in this seminar. The course should be particularly useful for students who want to do graduate work in IPE, public policy or international law, or who want to pursue a career in international organizations.
- Prerequisites:** The course is an advanced seminar *for honours students only*. It assumes familiarity with the major schools of IR theory. No prior knowledge of economics is expected, but since the main focus are negotiations concerning economic policy, we will introduce several crucial concepts as they arise.
- Requirements:** The course has five formal requirements: a take-home midterm, class participation (including short negotiation exercises) and readings, preparation of and participation in the simulation of an international negotiation, a one-page paper proposal, and either a research or policy paper of about 15 pages in length.
- Weight for grades:**
- Take-home midterm – 20%
  - Class participation – 20%
  - Simulation exercise – 20%
  - Paper proposal – 10%
  - Term paper – 30%

**Take-home midterm:** The exam consists of short definitions of concepts and one essay questions. It will be available on WebCT—so you have to have internet at home during the days when the exam can be written or be prepared to work in the library. The best short definitions will be anonymized and made available for all seminar participants on WebCT after the exam has been marked, providing a useful resource for the papers. The midterm will be given out on Monday, February 16 at 9:00 and is due on Friday February 20 at 17:00 by email or as hardcopy handed in at my office.

**Class participation:** This is a seminar and as such, it depends on your and other students' contributions, insightful comments, and probing questions that help everyone learn. Most useful is constructive critique of the readings—which *must* therefore be read ahead of time. As you do the readings, you should take detailed notes with page numbers. Our discussions will be introduced by student presentations in each week. We will allocate the presentations in our organizational session. Depending on how many students take the class, you are expected to present the readings of at least two, possibly three sessions. In addition to the group discussion, we will also conduct short negotiation exercises to gain practice for our final simulation. As active participation in the seminar is essential, you are not permitted to keep your laptop open during the seminar. Unexcused absences will be noted as a zero grade for that particular session.

**Simulation exercise:** we will conduct a three-hour simulation of a negotiation. The class will be divided up into several groups that are allocated randomly—negotiators, firms, unions, etc.—each with a specific set of instructions for what they are to achieve in the negotiation. The simulation involves writing up brief policy statements *before* the negotiations if you are representing an interest group, or a policy brief *after* the negotiations if you are acting as a negotiator. Detailed instructions will be given out in class.

Paper proposal: To prepare the final papers, you are required to write up a one-page proposal (12pt font, single-spaced, 2.5 cm margins) that presents the issue, your central thesis, a brief overview of the argument, and what evidence you plan to present and what material you will use. Short proposals are standard when applying for graduate school or scholarships, or when planning internal projects in the public and private sector. To discuss your proposal before the due date, you should come to speak to me at least two weeks before the due date. **The proposal is due on March 25th.**

Term paper: You are required to write either a policy paper or research paper of no more than 15 pages plus bibliography, 12pt font, double-spaced with 2.5 cm margins, or (better) single-spaced with 5 cm margins. Both types of papers require full citations according to an accepted style guide. Turabian or Chicago style with footnotes is preferred. **The paper is due on April 15<sup>th</sup>.** Late papers will only be accepted for medical reasons and require a doctor's note.

Research paper option: The paper should contain all the elements of an actual research paper investigating an empirical problem—in other words, a paper asking a question like “why do we observe such a phenomenon.” To this end, you need to write an introduction, describe the problem, review the literature, develop a model or theoretical framework, state a hypothesis, and present evidence.

Policy paper option: You are required to write a policy paper describing the problems, background, goals and strategies in an upcoming trade negotiation, directed at the chief negotiator of a country—usually Canada, although if you plan to work for a different country (e.g. if you hold a different citizenship), I encourage you to write the policy paper for this country's negotiating team instead. The paper should contain all the elements of an actual policy paper: an introduction, an executive summary of one page, some background on the issues, possible demands of the other side, and clear goals and strategies to achieve them. In addition, you should include a two-page outline of the institutional context of the negotiations (WTO Ministerial? Bilateral agreement?), the issue area (services? agriculture?), and what agencies and bureaus are involved on your side.

**Course reader:** the reader will be made available for purchase at the bookstore.

**Books:** they are available at the bookstore for purchase and on 3 hour-reserve at the library, both of them much cheaper than your average textbook, and standard readings in various courses, so you may be able to sell your used copy later.

Cameron, Maxwell A. and Brian W. Tomlin. 2000. *The Making of NAFTA: How the Deal Was Done*. Ithaca, NY: Cornell University Press.

Bayne, Nicholas, and Stephen Woolcock, eds. 2007. *The new economic diplomacy: Decision-making and negotiation in international economic relations*. Aldershot, England: Ashgate. (referred to as BW below)

**Plagiarism:** McGill University values academic integrity. Therefore all students must understand the meaning and consequences of cheating, plagiarism and other academic offences under the Code of Student Conduct and Disciplinary Procedures (see <http://www.mcgill.ca/integrity> for more information). Be it further resolved that failure by an instructor to include a statement about academic integrity on a course outline shall not constitute an excuse by a student for violating the Code of Student Conduct and Disciplinary Procedures.

## Session 1: Introduction (January 7)

Explanation of the aims and structure of the seminar, and allocation of topics of student presentations among participants. Get started by reading BW pp. 1-19 and 43-61.

## Session 2: Theories of international negotiation and cooperation: Rationalist approaches (January 14)

What are the main building blocks of rational-choice explanations of state behaviour in the world economy? Which factors promote or hinder agreements according to rationalist approaches? What determines the distribution of the gains of agreement among negotiators?

Odell, John S. 2000. *Negotiating the world economy*. Ithaca, NY: Cornell University Press, Chapter 2.

Sebenius, James K., 'Negotiation Arithmetic: Adding and Subtracting Issues and Parties', *International Organization*, vol. 37, 1983, pp. 281-316.

BW pp. 21-42.

Muthoo, Abhinay, A Non-Technical Introduction to Bargaining Theory, *World Economics*, Vol. 1 . No. 2 . April–June 2000.

## Session 3: Theories of international negotiation and cooperation: Domestic politics approaches (January 21)

Why and how do international negotiators play 'two-level games'? How do domestic institutions affect international negotiations?

Putnam, R. D. 'Diplomacy and Domestic Politics: The Logic of Two-Level Games', *International Organization*, 42.3 (1988), pp.427-60.

Hiscox, M., 'The Domestic Sources of Foreign Economic Policies', in J. Ravenhill (ed.) *Global Political Economy*, Oxford University Press, 2005.

Paarlberg, Robert. 1997. "Agricultural Policy Reform and the Uruguay Round: Synergistic Linkage in a Two-Level Game?" *International Organization* 51 (3): 413–44.

Dür, Andreas and Dirk De Bièvre: Constituency Interests and Delegation in European and American Trade Policy, *Comparative Political Studies*, 2005: 38, 1271-1296

## Session 4: Theories of International Negotiation and Cooperation: Constructivist Approaches (January 28)

How can culture, values and ideas affect the practice of international interaction? Do arguments and persuasion play a role in economic diplomacy?

Ulbert, Cornelia and Thomas Risse, "Deliberately Changing the Discourse: What Does Make Arguing Effective?" *Acta Politica*, Volume 40, Number 3, September 2005, pp. 351-367.

Johnston, Alastair Iain. Treating international institutions as social environments. *International Studies Quarterly*, 45(4), 2001, 487-515.

Bazerman, Max H., Moore, Don., Gillespie, James Judson, The Human Mind as a Barrier to Wiser Environmental Agreements, *American Behavioral Scientist*, 1999, 42, 1277-1300.

Schoppa, Leonard J. 1999. The Social Context in Coercive International Bargaining. *International Organization*, 53 (2): 307-342.

## Session 5: The G8 (February 4)

Why and how do governments make commitments through the G8? What has the G8 achieved in specific policy areas (for instance, debt relief and funding global health initiatives)?

BW pp. 93 -105.

Bayne, N, *Staying Together: the G8 Summit Confronts the 21st Century*, Ashgate, 2005, Chapter 13: “Concentrating the Mind: Summit Process”.

Payne, Anthony ‘The G8 in a changing global order’, *International Affairs* 84.3 (May 2008) 519-533.

Kirton, John, “Explaining Compliance with G8 Finance Commitments: Agency, Institutionalization and Structure,” *Open economies review* 17: 459–475, 2006

Website of the G8 Research Group, [www.g8.utoronto.ca](http://www.g8.utoronto.ca).

## Session 6: The WTO (February 11)

What explains the pattern of progress and deadlock in the Doha round? What are the causes and consequences of coalition-building among developing countries?

Baldwin Robert, Political Economy of the Disappointing Doha Round of Trade Negotiations, *Pacific Economic Review*, 12: 3 (2007) pp. 253–266.

Drahos Peter ‘When the Weak Bargain with the Strong: Negotiations in the World Trade Organization’ *International Negotiation* 8: 79–109, 2003.

Diego-Fernández, Mateo, Trade Negotiations Make Strange Bedfellows, *World Trade Review* (2008), volume 7 , issue 2 , p. 423-453.

Clapp, Jennifer, WTO Agriculture negotiations: implications for the Global South, *Third World Quarterly*, Volume 27, Number 4, May 2006 , pp. 563-577.

## Session 7: The European Union (February 18) (Midterm given out on Feb 16, due on Feb 20 at 17:00).

The European Union as a forum: what are the features of negotiation within the EU? The European Union as an actor: how does the EU’s multilevel system affect its trade policies?

BW pp. 221-240.

Elgström, Ole and Jönsson, Christer (2000) ‘Negotiation in the European Union: bargaining or problem-solving?’, *Journal of European Public Policy*, 7:5, 684—704

Meunier, Sophie, Managing Globalization? The EU in International Trade Negotiations, *Journal of Common Market Studies* 2007 Volume 45. Number 4. pp. 905–926.

Meunier, Sophie. “What Single Voice? European Institutions and EU-US Trade Negotiations”. *International Organization*. Vol. 54, No. 1. Winter 2000. Pp. 103-135.

Damro, C. EU Delegation and Agency in International Trade Negotiations: A Cautionary Comparison, *Journal of Common Market Studies*, 2007 Volume 45. Number 4. pp. 883–903

## Session 8: The International Monetary Fund (March 4)

Who controls the IMF? How does the IMF interact with its debtors?

BW pp. 297-313.

Vreeland, James, *The International Monetary Fund: Politics of Conditional Lending*. London: Routledge 2007.  
Chapter 2: Who Controls the IMF? Pages 39-49 (and endnotes p. 143-145).

Momani, B. and A. F. Cooper, Negotiating Out of Argentina's Financial Crisis, *New Political Economy*. 10, 3 (September 2005).

Chwieroth, J. Normative Change "From Within:" The International Monetary Fund's Approach to Capital Account Liberalization, *International Studies Quarterly*, 52, no. 1 (2008), pp. 129-158.

Gould, Erica R. 2003. "Money talks: Supplementary financiers and international monetary fund conditionality." *International Organization* 57 (3):551-86.

## Session 9: Major developing countries and their foreign economic policy (March 11)

What are the similarities and differences among large developing countries in terms of domestic structures and foreign economic policies? Has the global balance of economic power shifted in favour of large developing countries? If so, has that changed economic diplomacy?

BW, 201-221.

Hurrell, Andrew and Amrita Narlikar (2006). "A New Politics of Confrontation? Brazil and India in Multilateral Trade Negotiations". *Global society: Journal of interdisciplinary international relations* 20 (4).

Cooper, Andrew F. Agata Antkiewicz and Timothy M. Shaw, Lessons from/for BRICSAM about South–North Relations at the Start of the 21st Century: Economic Size Trumps All Else? *International Studies Review*, 9(4): 673 – 689.

Narlikar, A. and Odell, J. S. (2006) 'The strict distributive strategy for a bargaining coalition: The Like Minded Group in the World Trade Organization, 1998-2001' in Odell, J.S. (ed) *Negotiating Trade: Developing Countries in the WTO and NAFTA*, Cambridge: Cambridge University Press. pp. 115-144.

## Session 10: US Foreign Economic Policy (March 18)

How do U.S. political institutions and agencies interact to produce foreign economic policies? How do U.S. negotiators decide when, where and how to negotiate with other countries?

BW pp. 163 -181 and pp. 181-201.

Destler, I. M. *American Trade Politics*, (4th edition) 2005 chapters 1, 7, and 11, downloadable from:  
[http://bookstore.iie.com/merchant.mvc?Screen=PROD&Product\\_Code=3829](http://bookstore.iie.com/merchant.mvc?Screen=PROD&Product_Code=3829)

## Session 11: NAFTA (March 25)

Maxwell A. Cameron and Brian W. Tomlin, *The Making of NAFTA*, whole book.

Frederick Mayer. *Interpreting NAFTA*, pp. 273-334.

**Session 12: Negotiation Simulation (April 1)**

**Session 13: Debriefing—Simulation Experience (April 8)**

Debriefing and discussion of the simulation.