A Temporal Model of Negotiation Linkage Dynamics

Larry Crump

This article explores negotiation linkage dynamics (how one negotiation influences or determines the process or outcome of another) by examining three bilateral trade treaty negotiations conducted by the governments of Australia, Singapore, and the U.S. from 2000 to 2004. After developing a temporal framework of negotiation linkage, the study examines how one negotiation can influence another negotiation when time is treated as an independent variable and negotiation process and outcome are treated as dependent variables. The study's findings can be used to help negotiation scholars and practitioners strategically manage the opportunities and challenges inherent in negotiation linkage dynamics. The study concludes with a proposed research agenda and a temporal enhancement of the negotiation paradigm.

Key words: negotiation analysis, negotiation linkage, temporal frameworks, trade policy, trade talks.

The Linkages in the Negotiation Chain

At a minimum, successful negotiation analysis requires an understanding of the parties, their goals, and the structural relationships between their goals. This knowledge is essential for identifying both the interdependence...
between the parties as well as the symmetrical or asymmetrical power relations that underpin the negotiation. But to clearly understand the structural relationship between the parties’ goals, we must move beyond the negotiating table to examine each party’s alternatives within the negotiation. The links between a party’s goals and its real or perceived alternative(s) are so fundamental to the negotiation process that they are thought to contribute to — even establish — interdependence between the parties. Alternatives often appear in the form of another negotiation. For example, a prospective homebuyer might think: “If I can’t buy this house below my reservation price, I’ll go to the next neighborhood where I think I can.”

The importance of alternatives is a bedrock principle of negotiation analysis. Any clear understanding of “alternatives,” however, requires theorists to consider the phenomena of linked negotiations. But surprisingly, little theoretical work has been done in this area. To explore concepts of negotiation linkage, the present study examines the relationship between multiple negotiations that appear in some significant ways to be linked to each other.

“Negotiation linkage” refers to the way in which one negotiation influences or determines the processes or outcome of another negotiation. While this definition includes the dynamics that exist between a negotiation and its alternative, it encompasses more. For example, studies have identified the anatomy and physiology or structural features of negotiation linkage (Watkins and Passow 1996) and the motivational orientation of linkage behavior (Crump 2006). Building on that work, the present study argues that all linked negotiations exist within a temporal context, which I conceptualize here in a three-part framework of past, present, and future. Current negotiations are often linked to future negotiations not yet begun. How can a negotiation be conducted today to gain strategic advantage in a possible future negotiation? How do parties strategically use an anticipated future negotiation in today’s negotiation? How might expectations about a future negotiation constrain or facilitate current negotiation process and outcome?

Prior negotiations are also important; they establish normative parameters that guide negotiators in determining what is feasible or acceptable, and they shape and frame the reality that negotiators accept as a given. How are perceptions of the past used strategically in a negotiation? How do negotiations from the past constrain or facilitate current negotiation process and outcome?

Questions pertaining to past and future negotiations are significant, even seminal, in understanding the relationship between a single negotiation and the temporal context in which it exists. This study investigates the temporal nature of negotiation linkage dynamics by asking the following research question: How can one negotiation influence or determine the
process or outcome for another negotiation when time is treated as an independent variable and negotiation process and outcome are treated as dependent variables?

The study of negotiation linkage dynamics may be best grounded in the literature on negotiation complexity (see Crump and Glendon 2003; Crump and Zartman 2003), a topic that has been explored only recently (Crump 2006). The fundamental complexity of negotiation linkage dynamics deters study of it, despite its capacity to deepen strategic understanding of negotiation conceptually and practically. The scarcity of research into how one negotiation influences another is all the more puzzling in light of the fact that almost all negotiations are linked to one or more other negotiations (Sebenius 1996; Watkins and Passow 1996). The extant literature reaches loosely across various academic disciplines, and some researchers fail to recognize that they are studying linkage phenomena.

This article has several purposes. First, the multidisciplinary literature review that follows seeks to integrate available knowledge and assemble key theoretical questions into a research framework. Second, a temporal theory of negotiation linkage is developed and then applied to three brief case studies by examining present and past linkage dynamics first, and present and future linkage dynamics next. The negotiations analyzed in this article produced three bilateral trade treaties: the U.S.–Singapore Free Trade Agreement (USSFTA) of 2003, the Singapore–Australia Free Trade Agreement (SAFTA) of 2003, and the Australia–U.S. Free Trade Agreement (AUSFTA) of 2004. I use empirical data and analysis in these case studies to build prescriptive theory and practical knowledge for strategically managing the challenges and opportunities that negotiation linkage dynamics present. Finally, I propose a temporal enhancement of the negotiation paradigm, which is followed by a proposed research agenda to extend negotiation linkage knowledge.

Understanding Linkage Dynamics

Studies based on the Prisoners’ Dilemma concept have used game theory to develop greater understanding of negotiation linkage dynamics by looking at the outcomes of single-issue negotiations conducted repetitively by the same parties. Michael Taylor (1976) and Robert Axelrod (1984) used the Prisoner’s Dilemma “supergame” (an infinite sequence of ordinary Prisoner’s Dilemma games) to demonstrate the conditions under which cooperation between parties is rational in negotiations linked in a tit-for-tat manner. Michael McGinnis (1986) extended this work by arguing that, in a more realistic scenario, multiple games are played repetitively and concurrently, a situation he called the Prisoner’s Dilemma multisupergame. His study demonstrated conditions under which cooperation between parties is rational in negotiations linked in a *quid pro quo* arrangement. Because the present study focuses on the temporal aspects of negotiation linkage, it is
necessary to distinguish between a supergame as a consecutive linkage and a multisupergame that is linked concurrently as well as consecutively. McGinnis’s study did not consider the significance of temporal differences and thus did not distinguish between concurrent and consecutive linkages as two discrete variables. Nonetheless, despite their limitations, Prisoner’s Dilemma studies highlight fundamental elements that contribute to linkage dynamics: the same parties negotiating concurrently and/or repetitively over time.

Analyses of linkage theory within the disciplines of international relations and international political economy have focused on a specific area known as “issue linkage,” a negotiating device for making trades among diverse issues within a single negotiation or between separate but linked negotiations involving the same parties. Arthur Stein (1980) concluded that party interdependence is a basic requirement for linkage, although Ernst Haas (1980) argued that issues will not be linked simply because of interdependence. John Odell (2000) observed that issue linkage is found in every negotiation except those that consider only a single issue.

Lloyd Jensen (1963, 1988) was the first to document linkage dynamics through nuclear arms talks held between the U.S. and the Soviet Union. For example, in the Strategic Arms Limitation Talks (SALT) held from 1969 to 1971, the USSR proposed that the U.S. could continue to retain foreign bases if the U.S. offered concessions on the number of USSR missile launchers it would accept. Later, the U.S. offered to help the USSR modernize its economy if the Soviets softened their SALT position. Jensen (1988) concluded that parties use linkage techniques strategically to ensure the failure of negotiations that they do not want to succeed or to reach a more significant agreement, when they believe that the other side will pay a higher price to achieve its goal and also as a tool for managing their public image.

Robert Tollison and Thomas Willett (1979) also examined factors that motivate parties to engage in linkage and concluded that parties seek to extend the leverage they hold in one area of negotiation into other areas, and/or they seek mutual benefit to overcome obstacles in distributing gains among cooperating parties. The forces that motivate parties to engage in linkage and the methods that parties use to manage linkage involve processes that have theoretical and practical utility in negotiation.

Research into linkage dynamics has also been conducted in the fields of international negotiation and organizational negotiation. Robert Putnam (1988) popularized the concept of a two-level game by identifying a linked relationship between international diplomacy and domestic politics, although earlier studies by Richard Walton and Robert McKersie (1965), James Rosenau (1969), and Daniel Druckman (1977) actually developed the theoretical groundwork for this common form of negotiation linkage. Paula Murphy Ives (2003) studied the behavior of parties concurrently engaged
in bilateral and multilateral trade negotiations to examine how parties establish and reestablish positions that result in movement toward agreement. Murphy Ives demonstrated that links between bilateral and multilateral processes contribute to shifts in party position, resulting in changes in party goals from uncertain gains toward loss avoidance.

Linkage dynamics are also found in organizational studies. For example, Dean Pruitt (1994) and Jeswald Salacuse (2003) identify three linked negotiations when two organizations engage each other: external negotiations between the two sides and internal negotiations between each negotiation team and its respective organization. This literature highlights the prevalence and strategic significance of linkage dynamics in international and organizational negotiations.

Within the negotiation literature, studies by David Lax and James Sebenius (1991) and Michael Watkins and Susan Rosegrant (1996) divided the task of building a winning coalition into linked steps, noting that who approaches first matters a great deal in determining which parties may later be persuaded to join a coalition. A related area of study is found in the literature on best alternatives to a negotiated agreement (BATNA) (see Fisher and Ury 1981; Raiffa 1982), also known as the alternate partner (see Pinkley 1995; Brett, Pinkley, and Jackofsky 1996; Giebels 1999). These studies concluded that when a negotiator has an alternative, simple awareness of this alternative can influence that negotiator’s behavior (Pinkley 1995; Giebels 1999). Linkage dynamics do not depend on an actual alternative negotiation but on a negotiator’s perception or belief that a potentially acceptable alternative may exist.

Michael Watkins and Samuel Passow (1996: 328–329) established the anatomy of linkage dynamics by developing a four-part typology:

1. competitive links (agreement in one negotiation precludes agreement in other linked negotiations);
2. reciprocal links (agreement must be reached in all linked negotiations for overall agreement to be possible);
3. synergistic links (enhancing negotiator opportunities to make mutual beneficial trades and/or reach an agreement); and
4. antagonistic links (diminishing negotiator opportunities to make mutual beneficial trades and/or reach an agreement).

In my recent study (Crump 2006), I developed a variation on the Watkins and Passow (1996) typology based on role theory and motivational orientation. I distinguished between negotiations in which one negotiation precludes agreement in other linked negotiations (competitive-linkage dynamics such as an alternative negotiation) and negotiations in which either or both negotiations can achieve agreement although they are
still linked (noncompetitive-linkage dynamics). This research demonstrates the point of intersection or theoretical integration between the alternative partner or BATNA phenomenon and coalition phenomenon (coalitional dynamics can emerge when a party on the other side is able to cooperate with your alternative partner). These observations deepen our understanding of the fundamental forces that shape linkage dynamics.

Based on this multidisciplinary review of literature, I have established a research framework that seeks to address three key questions:

1. What factors contribute to negotiation linkage dynamics?
2. What conceptual structures explain the form or fundamental nature of linkage dynamics?
3. What action or tactics can be used to strategically manage the opportunities and challenges inherent in negotiation linkage dynamics?

These three questions appear to guide negotiation linkage research across disciplines. I have used this framework to examine the relationships between time, linkage dynamics, and negotiation process and outcome. A temporal approach to negotiation linkage may offer a useful framework for conceptualizing such dynamics, but it may also operate at a deeper theoretical level. Dean Pruitt and Peter Carnevale (1993: 8) noted that “the theoretical paradigm that dominates negotiation research lacks a time dimension, failing to deal with events that occur before and after a negotiation.” Thus, to extend knowledge of negotiation linkage dynamics, I explore the question of whether linkage theory can also provide the negotiation paradigm with a temporal foundation.

**A Temporal Perspective**

Watkins and Passow introduce us to a framework of linked systems based on the logic of causality. “In serially linked negotiations causality flows in one direction. Moves in one negotiation affect another, but this is not the case in reverse. . . . In interactively linked negotiations, causality flows in both directions. Moves in one negotiation affect another and this feeds back to affect the first negotiation in a cyclical process” (Watkins and Passow 1996: 333–334). On the surface, this two-part framework appears to have temporal qualities. For example, I demonstrate in this article that causality flows in one direction only in consecutively linked negotiations, such as links between present and past and between present and future. In another study, I have demonstrated that causality flows in one direction or in both directions in concurrently linked negotiations, that is, negotiations that occur at the same time (Crump 2006). Clearly, causal logic and temporal logic have points of divergence as well as convergence.

Temporal logic involves time and its measurement. Time is “a nonspatial continuum in which events occur in apparently irreversible succession.
from past through the present to the future” (Ancona, Okhuysen, and Perlow 2001: 513). The past, present, and future are critical structural elements for understanding the fundamental nature of time. This definition of time serves as the basis for a temporal framework that I have applied to negotiation linkage dynamics (see Table One).

Concurrently linked negotiations occur in the same time period (days, weeks, years), and for some period of time the two negotiations overlap; that is, both have begun but neither has concluded over a specified period of time.

Past Linkage
Consecutive past linkage that preceded or came before (looking from present to past)

Future Linkage
Consecutive future linkage occurring subsequent to or after (looking from present to future)

Table One
Negotiation Linkage Theory: A Temporal Framework

<table>
<thead>
<tr>
<th>Negotiation Linkage</th>
<th>The ways in which one negotiation influences or determines the process or outcome for another negotiation</th>
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<tbody>
<tr>
<td>Present Linkages</td>
<td>Concurrent linkages, occurring during the same time period (e.g., both negotiations have begun and neither has concluded over a specified period of time)</td>
</tr>
<tr>
<td>Past Linkage</td>
<td>Consecutive past linkage that preceded or came before (looking from present to past)</td>
</tr>
<tr>
<td>Future Linkage</td>
<td>Consecutive future linkage occurring subsequent to or after (looking from present to future)</td>
</tr>
</tbody>
</table>

A single event can exist in the future, the present, and the past but not at the same time (like Ancona, Okhuysen, and Perlow 2001, I ignore philosophical questions grounded in the physical sciences), and thus analyzing temporal linkages requires developing a model that accommodates this
assumption. This temporal framework will, I believe, prove useful for developing a comprehensive understanding of linkage behavior and for guiding the strategic management of linkage dynamics.

**Methodology**

The present study examines data from multiple negotiations that involve consecutive future linkage and consecutive past linkage. I have undertaken this examination by analyzing three trade treaty negotiations that are consecutively linked to each other:

1. a negotiation involving the governments of Australia and Singapore (The Singapore–Australia Free Trade Agreement of 2003, or SAFTA),
2. a negotiation involving the governments of Singapore and the U.S. (The United States–Singapore Free Trade Agreement of 2003, or USSFTA), and
3. a negotiation involving the governments of Australia and the U.S. (The Australia–United States Free Trade Agreement of 2004, or AUSFTA).

The third negotiation is especially relevant to the present study because the AUSFTA once had a consecutive future linkage to the SAFTA and the USSFTA, as trade negotiators expected that the AUSFTA would commence sometime in the future. But after commencing, the AUSFTA had a consecutive past linkage to the SAFTA and the USSFTA as these latter two negotiations concluded before the AUSFTA began. AUSFTA data demonstrate how a single event can exist in all three dimensions — future, present, and past — while illustrating the strategic opportunities and challenges that each dimension raises for negotiators. I chart the temporal relationship between these negotiations after presenting a case synopsis for each.

These three negotiations were selected because research funding was available to study trade negotiations involving Australia and it was thought initially that linkage dynamics could exist in these negotiations. It is important to note that these were not the only trade negotiations that were linked to the negotiations selected for examination.1

For this study, I employed qualitative research methodology by conducting field interviews and collecting relevant documents to construct case studies (see Yin 1989; Odell 2001) and used a focused comparison approach to data analysis (Druckman 2002; Zartman 2005). I interviewed eighty-six trade negotiators and trade policy specialists in Canberra, Geneva, Singapore, and Washington, D.C., between February and July 2004, producing 307 pages of typed interview notes. Twenty-nine respondents were involved in the SAFTA, twenty-eight in the USSFTA, and thirty-five in the AUSFTA. I promised confidentiality to the eighty-six respondents, and I thank the many organizations employing these negotiators (see my acknowledgments in the endnotes).
The names of most trade negotiators are not easily found in public records so interviews must often be arranged through introductions. National governments usually field negotiation teams comprising twenty-five to seventy-five members in bilateral trade negotiations. I was usually able to conduct interviews with the team leader or chief negotiator and deputy chief negotiator. Teams are normally organized into ten to twenty groups (one group per treaty chapter). I always sought interviews with group leaders and any other official that sat at the negotiation table. Embassies (or in commonwealth countries, high commissions) play an important away-from-the-table role in these negotiations, and so I also tried to interview relevant diplomats and ambassadors. The focus of this field research was negotiations to draft and sign bilateral trade treaties (commonly and legally termed “free trade agreements”). Treaty approval through parliamentary or congressional process involves a separate (consecutively linked) negotiation that is beyond the scope of this study.

I organized my interview notes and relevant documents for each negotiation into case synopses. I extracted all the perceptions and behaviors of the negotiators that fit within the definition of negotiation linkage (see Table One) and I sorted them according to a range of themes (e.g., consecutive past linkage, consecutive future linkage). These are described and analyzed in the section on case data and analysis.

I assume that many readers are unfamiliar with trade policy. The section that follows offers a brief introduction to provide a context for the three case synopses. Case data and analysis follow these synopses.

Trade Policy Negotiations

Governments were primarily committed to multilateral processes during the General Agreement on Tariffs and Trade’s (GATT) final round of global trade negotiations (1986–1994). But later, this environment transformed because their discouragement with the length of time needed to negotiate a multilateral trade agreement motivated many political leaders to initiate bilateral and regional trade negotiations. For example, 124 bilateral and regional trade agreements were concluded during the forty-eight year GATT period (1947–1994) and 196 bilateral and regional trade agreements have been concluded since (1994–2005), during the first eleven years that the World Trade Organization (WTO) has operated (Crawford and Fiorentino 2005). Nearly 40 percent of total global trade occurs via bilateral and regional trade agreements (The World Bank 2005) — a figure that illustrates the increasing importance of bilateral and regional trade policy processes in commercial and political settings.

Negotiation outcomes can provide perspective on negotiation context and process. Table Two presents a summary of the outcome, in the form of a list of treaty chapters, for the SAFTA of 2003, the USSFTA of 2003, and the AUSFTA of 2004.2 (see Table Two).
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<th>Treaty Chapters</th>
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<td><strong>Preamble</strong></td>
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<td><strong>Preamble</strong></td>
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<tr>
<td>1. Objectives and general definitions</td>
<td>1. Establishment of a free trade area and definitions</td>
<td>1. Establishment of a free trade area and definitions</td>
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<tr>
<td>2. Trade in goods</td>
<td>2. National treatment and market access for goods</td>
<td>2. National treatment and market access for goods</td>
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<tr>
<td>5. Technical regulations and sanitary and phytosanitary measures</td>
<td>5. Textiles and apparel</td>
<td>5. Rules of origin</td>
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<tr>
<td>7. Trade in services</td>
<td>7. Safeguards</td>
<td>7. Sanitary and phytosanitary measures</td>
</tr>
<tr>
<td>8. Investment</td>
<td>8. Cross-border trade in services</td>
<td>8. Technical barriers to trade</td>
</tr>
</tbody>
</table>
11. Movement of business persons
12. Competition policy
13. Intellectual property
14. Electronic commerce
15. Education cooperation
16. Dispute settlement
17. Final provisions

10. Financial services
11. Temporary entry of business persons
12. Anti-competitive business conduct, designated monopolies, and government enterprises
13. Government procurement
14. Electronic commerce
15. Investment
16. Intellectual property rights
17. Labor
18. Environment
19. Transparency
20. Administration and dispute settlement
21. General and final provisions

9. Safeguards
10. Cross-border trade in services
11. Investment
12. Telecommunications
13. Financial services
14. Competition-related matters
15. Government procurement
16. Electronic commerce
17. Intellectual property
18. Labor
19. Environment
20. Transparency
21. Institutional arrangements for dispute settlement
22. General provisions and exceptions
23. Final provisions

SAFTA, Singapore–Australia Free Trade Agreement; USSFTA, U.S.–Singapore Free Trade Agreement; and AUSFTA, Australia–U.S. Free Trade Agreement.
While differences exist between these three trade treaties, it is useful to note the similarities in negotiation issues. All treaties consider such issues as trade in goods and rules of origin, customs, trade in services, telecommunication and electronic commerce, financial services, investment, intellectual property, government procurement, competition policy, and dispute settlement. The three trade treaties examined here are similar to many other bilateral and regional trade treaties. And trade policy negotiations are, I believe, an ideal laboratory for research into linkage theory because linkage dynamics appear to flourish in settings where the same parties negotiate over the same issues repeatedly over time (Crump 2006). Trade policy is thus a “linkage-rich” environment. The following three sections provide a synopsis of the SAFTA, the USSFTA, and the AUSFTA.

**The Singapore–Australia Negotiation**

Singaporean and Australian leaders announced their decision to negotiate a trade agreement on November 15, 2000 while attending the Asia-Pacific Economic Cooperation (APEC) Summit in Brunei. Singapore’s negotiation delegation was led initially by Vanu Gopala Menon of the Ministry of Foreign Affairs (MFA) and many of the staff assigned to the Singaporean SAFTA team came from Directorate B, Trade Division of the Ministry of Trade and Industry (MTI). The Australian delegation was initially led by Donald Kenyon of the Department of Foreign Affairs and Trade (DFAT) and many of the staff assigned to the Australian SAFTA team came from the DFAT Office of Trade Negotiations (OTN).

The teams included twenty-five to thirty negotiators on each side who were then organized into seventeen working groups or one SAFTA group per treaty chapter (see Table Two). Most of the negotiations occurred in these seventeen working groups, although group co-leaders occasionally negotiated one-on-one and the Singaporean and the Australian team leaders (chief negotiators) met one-on-one regularly. The two sides held ten negotiation rounds with the first round in February 2001 and the last round in October 2002 (typically a round lasted for one week with meeting sites alternating between Singapore and Australia). Halfway through the process (August 2001 to February 2002), the two sides called for a hiatus or pause in negotiations. On resuming negotiations, Stephen Deady of OTN led the Australian team and Goh Aik Guan of the deputy prime minister’s office led the Singaporean team.

Several issues presented challenges to the seventeen SAFTA working groups, as negotiators sought a convergence of the Singaporean economy and the Australian economy.

Often, negotiators work with two or three accepted formulas or templates for a specific trade policy issue. Agreement on the type of template to apply to a given issue minimizes negotiation challenges. For example, in negotiations over goods and rules of origin (ROO), Singapore sought to
persuade Australia to adopt a “change in tariff classification system,” but Australia refused and so the SAFTA (chapter 3) uses a “value-added system” based on the net cost of a product. Within trade in services, the two most common templates are a “positive list for trade in services” or a “negative list for trade in services.” Australia insisted that the treaty adopt a negative list. Singapore argued for a positive list but eventually gave in, so the SAFTA uses a negative list for managing trade in services (SAFTA chapter 7).

Investment, financial services, and telecommunications are treated separately (SAFTA chapters 8, 9, and 10), but trade policy in the services chapter establishes a foundation for these other chapters. Reports indicate that negotiations over these issues were more positional than integrative, as each side sought to protect its own interests. For example, Singapore has an open market in securities and insurance but wished to retain control over retail and wholesale banking, while Australia wished to maintain control over foreign investment. Each side sought to weaken trade restrictions established by the other side. Disputes over government procurement (SAFTA chapter 6) were quickly resolved, intellectual property (SAFTA chapter 13) presented no major concerns, and electronic commerce (SAFTA chapter 14) emerged in these negotiations as an afterthought.

When working groups or their coleaders could not resolve significant issues, the two chief negotiators eventually took over. Many issues could be resolved but some had qualities that required political deliberations (direct involvement at the table by ministerial or other senior political officials).

On the edge of an APEC Ministerial Meeting in Los Cabos, Mexico, in October 2002, Australian Trade Minister Mark Vaile and Singaporean Trade Minister George Yeo discussed and resolved the remaining issues including financial services, legal services, investment, and rules of origin. The 117-page SAFTA treaty (not including annexes and side letters) was signed by these trade ministers on February 17, 2003 and became effective on July 28, 2003.

U.S.–Singapore Negotiation

On November 16, 2000 (a day after the SAFTA announcement) at the APEC Leaders’ Summit in Brunei, Singapore and the U.S. announced that their nations would negotiate a trade agreement. Singapore’s delegation was led by Professor Tommy Koh as chief negotiator, with Ong Ye Kung as deputy chief negotiator. Many staff assigned to Singapore’s USSFTA team were drawn from Directorate B, Trade Division of the MTI. (Overlap in personnel between the Singaporean USSFTA and SAFTA teams was minimal.) The U.S. delegation was led by Ralph F. Ives as chief negotiator, with Barbara Weisel as deputy chief negotiator. Many staff assigned to the U.S.’s USSFTA team came from the Office of the U.S. Trade Representative (USTR). Forty to fifty negotiators participated from each side during the course of the negotiation. Each team organized its negotiators into twenty-one working groups,
or one per treaty chapter. The two sides held eleven rounds of discussion, with the first round held in December 2000 and the final round held in November 2002, although the last substantive issue was not resolved until January 2003. Most rounds were held in London and lasted a week.

Among the many issues discussed and agreed on (see Table Two), a number offered real challenges. From the beginning, the U.S. insisted that goods be divided into nontextile and textile products. In textile negotiations, the U.S. forced Singapore to adopt the U.S. Yarn Forward Rule (USSFTA chapter 5). In goods, Singapore imposes no tariffs on almost any goods, so the U.S. matched this approach but negotiated over when U.S. tariffs would be removed for defined categories of goods (USSFTA chapters 2). Singapore sought to eliminate tariffs early and the U.S. sought to delay tariff elimination. Negotiations over goods are not easily separated from negotiations involving rules of origin (USSFTA chapter 3). Singapore initially sought to persuade the U.S. to accept a “value added system” for rules of origin but agreed to U.S. demands to adopt a “change in tariff classification system.”

In services (USSFTA chapter 8), the U.S. insisted on a negative list template and Singapore resisted but eventually agreed after extensive inter-agency consultation. In telecommunications (USSFTA chapter 9), Singapore and the U.S. created a state-of-the-art agreement between two open-market economies. In electronic commerce (USSFTA chapter 14), both sides sought to explore every opportunity to liberalize trade, establishing the first trade treaty ever concluded containing electronic commerce provisions. In financial services, Singaporean liberalization was a top U.S. priority (USSFTA chapter 10). For example, the U.S. successfully persuaded Singapore to liberalize its retail-banking sector and to phase out its wholesale bank license quota system for U.S. banks. However, Singapore refused to allow U.S. banks to acquire local Singaporean banks.

The U.S. arrived in Singapore with a twenty-one-page initial position on intellectual property rights (IPR) based on the U.S. Digital Millennium Copyright Act. Singaporean negotiators told me that they found the U.S. focus on IPR enforcement — where little capacity for enforcement exists — to lack relevance. Nevertheless, most of the IPR goals sought by the U.S. were realized (chapter 16). Underpinning USSFTA negotiations was an understanding that an effective free-market economy depends on policies that encourage competition, although the U.S. arrived in Singapore to find no formal competition policy (e.g., governmental role in the economy, free market principles in economic law, regulation of monopolies). Singapore’s new competition policy is not a part of the USSFTA, but negotiations in chapter 12 provide a foundation for actions that Singapore took later in adopting a formal competition policy.

The USSFTA negotiations moved toward a conclusion when USTR Robert Zoellick and Singaporean Trade Minister George Yeo met at an APEC Ministerial Meeting in Los Cabos, Mexico in October 2002. Their
meeting was followed by meetings between the U.S. and Singaporean Chief Negotiators in which the list of outstanding issues was whittled from thirty issues down to five: competition policy, financial services, investment, intellectual property, and textiles. At the final round, in mid-November 2002, Yeo, Zoellick, and ten negotiators from each side resolved all but one issue, investment and technology transfer (USSFTA chapter 15), which was resolved in mid-January 2003. U.S. President George W. Bush notified the U.S. Congress of his intention to sign the USSFTA on January 30, and he and Singaporean Prime Minister Goh Chok Tong signed the 240-page treaty on May 6, 2003 at the White House. The treaty became effective on January 1, 2004.

Australia–U.S. Negotiation
The U.S. and Australia announced that they would commence negotiating a trade agreement on November 14, 2002, with the first negotiation round held in Canberra in mid-March 2003. The U.S. delegation was led by Ralph F. Ives as chief negotiator and Barbara Weisel as deputy chief negotiator. The Australian delegation was led by Stephen Deady as chief negotiator and Philip Sparkes as deputy chief negotiator. Many of the staff assigned to the U.S. AUSFTA team came from the Office of the USTR, and many staff assigned to the Australian AUSFTA team came from the OTN within the DFAT. Between sixty and seventy negotiators on each side participated during the course of this negotiation. Each team organized its negotiators into twenty-three working groups or one per treaty chapter. The two sides held six rounds of discussions between March 2003 and February 2004, two in Canberra and two in Honolulu with the final two in Washington, DC. Each round lasted one-week except the last round, which lasted three weeks.

The two sides were given an unusually brief time period to conclude negotiations. (The initial deadline was December 2003 in order to avoid having U.S. Congressional treaty approval deliberations take place in the middle of the 2004 U.S. presidential election.) Negotiations over goods did not present substantial challenges (AUSFTA chapter 2) as each side was committed to tariff reduction, although the most contentious issues were contained in sectors involving goods such as textiles, agricultural products, and pharmaceuticals. Australia had recently rejected Singapore’s proposal for a “change in tariff classification system” for rules of origin, but U.S. negotiators succeeded in persuading Australia to adopt such a system (AUSFTA chapter 5). The U.S. also convinced Australia to adopt the U.S. Yarn Forwarding Rule to regulate trade in textiles and apparel, although Australia negotiated a very long phase-in period to allow Australian industry to prepare for U.S. competition (AUSFTA chapter 4).

Agriculture was the major AUSFTA issue for Australia. The U.S. claimed that the Australian Import Risk Assessment system served as a nontariff
barrier to trade, while the two sides eventually agreed on an enhanced science-based risk assessment system with a dispute resolution process (AUSFTA chapter 7). Initially, Australia reduced tariffs on all U.S. agricultural goods to zero, although this has little importance because U.S. agricultural products do not compete well in the Australian market. Australia hoped that the U.S. would do the same but knew that this was not politically feasible because of objections by the American agriculture lobby. Australia’s most important exports are sugar, beef, and dairy products. Although Australia achieved no allowance for additional sugar exports to the U.S., and its export quota for beef was increased by only 70,000 tons, Australian negotiators were able to increase some exports in many dairy product categories, resulting in small gains over a long phase-in period.

Australian negotiators told me that they believed a national health program such as the Australian pharmaceutical benefits scheme (PBS) should not even be considered in a trade agreement, but the U.S. insisted, and so it is (as an annex to AUSFTA chapter 2). The Australian government subsidizes certain prescription medication for the public via the PBS. The U.S. argued that such action is a form of price control (the PBS buys in quantity) that results in lower prices and ultimately hurts everyone, the U.S. claims, as research funds (and profits) for the pharmaceutical industry are reduced. The U.S. was unsuccessful in seeking changes that would increase PBS medication prices, although Australia agreed to enhance PBS processes involving transparency, information access, and an independent review of certain decisions. The U.S. was unsatisfied with this outcome, just as Australia was unsatisfied with the outcome for agricultural products.

The two nations eventually established an agreement to allow companies from each nation to bid on state and federal government contracts via open tender within government procurement processes (AUSFTA chapter 15). In services, both nations proposed and adopted a negative list for trade in services. The most contentious services issue involved Australia’s right to ensure that local cultural content would continue to be presented in Australian media, while both parties were generally pleased with the outcome they achieved (AUSFTA chapter 10 including annexes). Within telecommunication (AUSFTA chapter 12), financial services (AUSFTA chapter 13), and electronic commerce (AUSFTA chapter 16), the two sides adopted a cooperative framework that further opens the two markets to each other. Investment presented two challenges, as the U.S. sought to dismantle the Australian Foreign Investment Review Board (FIRB), an agency that reviews all foreign investments in Australia of more than $50 million. It is unusual for a developed nation to have such a system. Nevertheless, Australia refused to relinquish FIRB but did increase the threshold to $800 million for U.S. companies (AUSFTA chapter 11). The U.S. was also unsuccessful in providing investors with the right to seek international arbitration in disputes with governments (investor-state issues) (AUSFTA
chapter 11). In intellectual property (AUSFTA chapter 17), Australia basically agreed to the same deal, with minor adjustments for international cooperation, that the U.S. gave to Singapore.

The AUSFTA negotiations moved toward conclusion after missing the December 2003 deadline. Negotiations were planned for two weeks but went into three weeks in January and February 2004 in Washington, DC. In the first week, each side sought to narrow the areas of disagreement using their full teams. In the second and third weeks, these negotiations were passed up to political leaders (political appointees or elected politicians) on each side including ministers, secretaries, and ambassadors. AUSFTA team leaders also played an active role in this process, and working group leaders were brought in when technical expertise was required, although the focus of talks shifted to a search for political solutions.

During the final two weeks, U.S. and Australian political leaders resolved such issues as agriculture, cultural content in the media, FIRB, investor-state relations, intellectual property, and the PBS. The Australian prime minister, in Canberra, was regularly briefed and made compromise decisions on several issues. The U.S. president was less involved in the process, as the U.S. side was more focused on delivering a treaty that could gain U.S. congressional approval. Agreement was reached and negotiations concluded on February 8, 2004. U.S. President Bush notified the U.S. Congress of his intention to sign the AUSFTA on February 13 and USTR Robert Zoellick, representing the U.S., and Trade Minister Mark Vaile, representing Australia, signed the 264-page treaty on May 18, 2004 at the White House. The treaty became effective on January 1, 2005, as only the third bilateral trade agreement between developed nations.12

**Negotiation Process and Linkage Structure**

These three negotiations appear to have great linkage potential, as the same parties repeatedly negotiated over similar issues concurrently and consecutively. Figure One provides a timeline for SAFTA, USSFTA, and AUSFTA negotiations.

Temporal logic requires examination of the timing of critical negotiation moments (Mitchell and James 2001) such as when negotiations actually begin and actually conclude. These critical dates are listed in bold type in Figure One. For example, case data indicate that SAFTA and USSFTA negotiations began around the same time and concluded within three months of each other. Temporal logic indicates that these two negotiations can thus be linked concurrently, as similar issues were considered at each (see Table Two) with one party (Singapore) managing two negotiations at the same time. I will examine the concurrent linkage dynamics between these two negotiations in a future article.

Case data also indicate that AUSFTA began after SAFTA and USSFTA negotiations were substantially concluded: the SAFTA concluded in October
2002, the USSFTA concluded in January 2003, and the AUSFTA negotiations began in March 2003. Thus, temporal logic indicates that the AUSFTA was initially consecutively future-linked to SAFTA and USSFTA because data (reviewed later in this article) indicate that there was a clear expectation that AUSFTA negotiations would commence while SAFTA and USSFTA negotiations were occurring. However, by the time AUSFTA negotiations began, the SAFTA and USSFTA had finished and so the first two negotiations became consecutively past-linked to the third. Figure Two establishes consecutive linkage structure for these three negotiations.

It is useful to note that the forces that create consecutive future action and the forces that create consecutive past action are not exactly the same. Expectations or predictions of the future are inherently subjective (thus the broken line connecting expectations of the future to the present in
Figure Two) and often generate debate and disagreement (hence the frequency with which we all hear the phrase “I told you so”). But a single additional piece of information can change our ideas about the future in concrete and real ways (e.g., the sound of ice grinding against the Titanic). Nevertheless, the more distant future is usually uncertain and many variables remain outside a negotiator’s control, although the narrower the distance between the present and the future under discussion, the more likely that this “consecutive future force” transforms from something theoretical to something concrete and relevant.

Our understanding of the past, on the other hand, is much more certain than our predictions of the future (thus, the solid line linking the record of the past to the present). The historical record (including physical artifacts such as written records, electronic artifacts such as e-documents and e-mail, and biological archives such as a negotiator’s memory) encompasses both objective facts and the subjective perception or interpretation. Here is the substantial difference between the force operating in consecutive past linkage and the force operating in consecutive future linkages: the kinds of evidence they depend on. When examining consecutive future linkages, action generated in the present relies on expectations or projections of a likely future, while the negotiator or negotiation theorist examining consecutive past linkages will have historical facts available for his or her interpretation.

From here, we consider findings from consecutively linked negotiations. These data are organized in two sections: consecutive past linkage or looking from present to past, and consecutive future linkage or looking from present to future.

**Case Data and Analysis**

Here, I address the questions raised in the introduction of this article: How can a negotiation be conducted today to gain strategic advantage in a
possible future negotiation? How do parties strategically use an anticipated future negotiation in today’s negotiation? How might expectations of a future negotiation constrain or facilitate negotiation process and outcome? How are past events used strategically in a negotiation? How do previous negotiation strategies and outcomes constrain or facilitate current negotiation process and outcome? Answers to these questions are found in the two sections that follow. In so doing, I refer to consecutive past linkage and consecutive future linkage as past linkage and future linkage.

First, I will note that the SAFTA, the USSFTA, and the AUSFTA are not the only linked negotiations relevant to this study of Australian, Singaporean, and American negotiation behavior. Any significant outside relevant event (i.e., international trade policy) involving either or both parties could also be linked to these negotiations. In addition to SAFTA and USSFTA negotiations, other significant events linked to AUSFTA include the GATT Uruguay agreement of 1994, ongoing APEC talks, WTO Doha negotiations that began in 2001, and a number of bilateral and regional trade policy negotiations including the North American Free Trade Agreement (NAFTA). The U.S.–Chile trade treaty negotiation (USCFTA) and Thailand–Australia trade treaty negotiations (TAFTA) are of special interest as each occurred around the same time (concurrently linked) as the SAFTA and the USSFTA (see endnote 1). Although I focus primarily on the SAFTA and USSFTA negotiations and their relationship to AUSFTA negotiations, I also use data concerning these other linked negotiations when they are relevant and available.

Consecutive Past Linkage
Past linkages look from present to past and are concerned with preceding events and their effect on the present. In terms of my empirical data, the time period is 2003–2004 and we are looking to the past (see Figure Two). As such, we will treat AUSFTA negotiations as the present negotiation and the SAFTA and USSFTA negotiations as the past negotiations.

Empty Slate or Full Plate?
My field data support the view that current negotiation processes can be influenced by the mere existence of a preceding linked negotiation. If there has been a prior relevant negotiation for one side or the other, my analysis shows that it is more likely that the side with this prior experience will present its position all at once. In trade negotiations, this occurs in the form of “preferred text.” When a position is presented in writing (as preferred text), this approach can appear as a demand or firm position. On the other hand, if there has been no prior negotiation or preceding linkage to draw upon, the preferred text will more likely be put forward in a piecemeal fashion. Text produced over time will be informed by dialogue between the parties and so the process will be more collaborative or may at least appear more collaborative.
For example, before negotiating with Singapore (and Chile), the U.S. had not negotiated a free trade agreement since the NAFTA in 1994 (many of those interviewed perceive the 2000 Jordan–U.S. trade treaty [JUSFTA] as a political rather than an economic exercise). Interview data indicate that since the NAFTA was completed, intense interagency trade debate within the U.S. government had involved such issues as investment and the environment. Data also indicate that the Singapore and Chile processes helped the U.S. government establish interagency consensus on such issues as competition policy, electronic commerce, financial services, government procurement, investment, and telecommunications.

The process of generating the language of the USSFTA treaty was collaborative because the U.S. team did not present its written position on most chapters all at once. A Singaporean telecommunications negotiator for the USSFTA reported that both teams sought to create a “state-of-the-art” agreement between two open economies because both nations wished to demonstrate global leadership in this area of trade. But by the time the U.S. began negotiating with Australia, the U.S. had built an interagency consensus via negotiations with Singapore; the U.S. negotiators knew what they wanted, and so presented their demands to Australia as a package. For example, an Australian telecommunications negotiator said he was surprised when his U.S. counterpart sent him preferred text because they had agreed in their first discussion to initially conduct a joint review of USSFTA and SAFTA text. When questioned, his U.S. counterpart said that regardless of any analysis of prior treaties, the text sent was the preferred U.S. language and the U.S. negotiator thought it better to provide this text up front rather than later.

The USSFTA and AUSFTA negotiations generally followed different processes. The absence of a relevant preceding linked negotiation in USSFTA talks and the presence of two relevant preceding linked negotiations in AUSFTA talks (Singapore and Chile) help explain differences between U.S. negotiation behavior with Singapore and with Australia. Many other factors certainly influence choice of strategy (see Crump and Giddings 2005), but data indicate that one important difference was the temporal nature of the negotiation (i.e., whether established positions, preferred text, and the past-link creating such positions are present or absent). The absence of a past-linked negotiation contributes to a more collaborative or integrative process and the presence of a relevant past-linked negotiation contributes to a more positional or distributive process. Based on these data, “presence or absence of a relevant past-linkage” should be added to the list of secondary factors in the Crump and Giddings (2005) framework for negotiation strategy selection.

Such observations also invite further research, which I discuss in the conclusion of this article. Here, however, it is useful to identify prescriptive guidance that can be generated from these initial conclusions. All other
things being equal, it is important to determine if either or both sides are starting a negotiation with an “empty slate” or a “full plate.” When both parties enter a negotiation with no prior experience, preconceived notions, or established positions, it seems to be easier for them to engage in a “joint quest” to structure an agreement that meets the individual interests of each party.

Preparing for this type of negotiation involves information gathering, analysis, and creative thinking — a substantially different set of activities when one or both sides have already established firm positions or frames. Creativity is not automatically sidelined in this latter case, but critical analysis of each side’s frame, positions, and reasoning, plus persuasion and compromise, will likely play a significant role in negotiation process. Determining if the other side has previously conducted a relevant past-linked negotiation and the nature of that prior negotiation can thus be seen as vital negotiation preparation activities because this knowledge will provide substantial guidance. Sometimes, one party may gain strategic advantage by waiting until the other side has conducted a relevant past-linked negotiation, especially if that party has some control over who is sent to engage the other side. This latter technique aims to change the structure of a negotiation. As Michael Watkins (1999: 256) has noted, “Structure shapes strategy, but skilled negotiators work to shape the structure.”

**Resistance, Learning, and Acceptance**

Patterns of resistance, learning, and acceptance exist in past-linked negotiations. Singapore’s effort to convince Australia to adopt a “change in tariff classification system” as the primary test to determine product origin (rules of origin, see endnote 5) was unsuccessful, but the idea was at least introduced to the Australian negotiators. When the U.S. proposed the same method two years later, Australia accepted this proposal (compare SAFTA chapter 3 and AUSFTA chapter 5). Subsequent reports indicate that Australia and New Zealand held talks to modify their 1983 treaty to adopt this same method for determining product origin, and, more recently, Australia has insisted that China adopt a change in tariff classification system in their bilateral trade negotiations that began in 2005.

A second example involves Australian government procurement policies. International norms based on the Government Procurement Agreement (GPA) of 1981 require an open tender procurement or bidding process. Singapore and the U.S. have each signed this international agreement but Australia has not because the Australian government prefers a system of invited tenders or selective tendering in government procurement. In SAFTA negotiations, Singapore unsuccessfully sought to persuade Australia to adopt fundamental GPA norms. Two years later, the U.S. succeeded in persuading Australia to adopt GPA norms in the AUSFTA, where the Singaporeans had failed. One Singaporean negotiator from the Ministry
of Finance observed that Australia could become “desensitized” to the
demands that the U.S. would place on Australia regarding government
procurement because Australia had first negotiated the issue with
Singapore. This process of desensitizing Australia may be one factor among
several in helping Australia to move from resistance to learning to accept-
tance in its approach to government procurement. Although Australia has
not signed the GPA as of this writing, the AUSFTA indeed requires Australia
to relinquish its system of invited tenders or selective tendering and adopt
an open tender process in government procurement (compare SAFTA
chapter 6 and AUSFTA chapter 15).

A third example involves only learning and acceptance, without resis-
tance. Initially, the agenda for SAFTA talks did not include a chapter on
electronic commerce, but after the Singaporean team proposed the topic,
the Australians recognized the relevance of electronic commerce to a trade
treaty. However, Australia was not sufficiently familiar with electronic com-
merce in the context of trade policy to embrace it fully. For the Australian
team, this was a first step toward learning, and at their next opportunity,
which was during negotiations with the U.S., Australia fully embraced the
issue of electronic commerce (compare SAFTA chapter 14 and AUSFTA
chapter 16). Data indicate that the Australian team even added to the
development of this emerging field of trade policy by introducing text to
regulate digital signatures on legal documents in the AUSFTA.

How do parties move from resistance to learning to acceptance? Con-
tributors to the field of negotiation have spent considerable time on this
question, especially in studies focused on power, influence, and persuasion.
The examples presented could be explained via power relations — that it
was possible for Australia to reject or not fully embrace proposals from
Singapore but more difficult to reject similar proposals from the U.S. But
power differentials alone do not provide an adequate explanation. Australia
could have easily dismissed Singapore’s electronic commerce proposal, and
it did not have to use what it learned in the AUSFTA to work with New
Zealand to modify a twenty-year-old method for determining product origin
that those countries used in their trade treaty. In some negotiations, the
temporal quality of past linkage may be useful for understanding the logic
of the resistance–learning–acceptance pattern. Certainly, this is not the only
reason for parties to move from resistance to learning to acceptance, but
the present study suggests that past linkages serve as the foundation for one
pattern.

Prescriptive guidance can be developed from such observations. It is a
cliché that the passage of time facilitates understanding and acceptance.
(But one might ask, “Where is the research on this issue in the negotiation
literature?”) This temporal dynamic occurs because, although a party in the
present communicates a familiar but unacceptable position or argument
that was first heard in a past-linked negotiation, these words are now heard
within a new context because of new understanding developed over time. The passage of time combined with relevant experience has somehow modified the meaning of these words so that they now sound more acceptable. Australia repeatedly demonstrated such action in its consecutive past-linked negotiations with Singapore and the U.S. Australia’s desensitization through the process of negotiating with Singapore, followed by an interval of time before substantial negotiation activity with the U.S. began, plus the relative difference in its power relations with Singapore and with the U.S. — all these factors help to explain Australia’s shift from resistance to acceptance of certain issues between its SAFTA and AUSFTA past-linked negotiations.

Time provides an opportunity for reflection and learning. Such simple insight has relevance not only to linked negotiations, but it also has relevance for a single negotiation.

In our action-oriented and information-rich world filled with electronically delivered offers and counteroffers, combined with overextended schedules and tight deadlines, it is useful to stop and carefully determine whether the most effective response may in fact be no response at all. Unilaterally established pauses or mutually agreed upon recesses (however brief or long) are simple to execute but may be among the most underutilized and least understood techniques in our bag of negotiation tools. Time does not always assure acceptance, but it does present opportunities for developing acceptance. The first is the reflection and learning path described above, and the second is the “gain-frame to loss-frame” path (Murphy Ives 2003). Many parties often begin by focusing on uncertain gains. But if an extended pause is inserted into the negotiation process, the focus may shift toward loss avoidance. This is the essence of the gain-frame to loss-frame path. Max Bazerman (2004) notes that strategic opportunities exist when a party’s perception shifts from a gain frame to a loss frame.

**Negotiation Preparation and Planning**

Developing an understanding of how past events can specifically influence a negotiation can help negotiators gain more control over the present — negotiators can purposefully use past events to strategically influence current negotiation process and outcome. For example, negotiators can use information about how the other side has negotiated in the past to empower themselves and their position at the negotiation table.

Negotiators in Australia, Singapore, and the U.S. all told me of the significance of studying trade treaties and/or outcomes already concluded by parties with whom they expected to negotiate. Analyzing specific treaty language can deepen negotiators’ understanding of what is possible and provide insight into a party’s motives and preferences. For example, Singaporean intellectual property negotiators reported that they compared the Americans’ initial twenty-one-page position on intellectual property
with the relevant chapters in the NAFTA and the U.S. trade treaty with Jordan. An American negotiator told me that the Singaporean team had carefully studied the NAFTA before starting the USSFTA negotiation. Where the Americans’ preferred text presented to Singapore differed from text in earlier U.S. trade treaties, the Singaporeans wanted to know the rationale for the difference. One Singaporean team leader advised of the importance of determining if the other side is engaged in political posturing or if it actually has a substantive concern. Sometimes motives can be inferred by examining changes in the text of several treaties involving the same party. Such observations offer guidance that can be used strategically in a negotiation.

Understanding outcomes of past-linked negotiations can be used to build persuasive arguments that are structured to specifically influence the other side. For example, agriculture was not a significant issue in USSFTA negotiations but it was a concern in U.S.-Chile (USCFTA) negotiations and in AUSFTA negotiations. U.S. agricultural negotiators report that their Australian counterparts had clearly studied the USCFTA treaty to determine how it dealt with Chilean agricultural products that the U.S. considered sensitive (a threat to domestic U.S. producers) such as grapes, avocados, and canned fruit. They then applied the logic found in the USCFTA treaty to the Australian proposal for agricultural products that the U.S. considered sensitive to AUSFTA negotiations, which included beef, dairy, and sugar. This Australian negotiation technique was ultimately unsuccessful because trade in agricultural goods was so sensitive to the Americans that AUSFTA agricultural decisions were made at the political level. Nonetheless, this example demonstrates both the potential, and the potential limitations, of this insightful negotiation technique. Outcome knowledge of past-linked negotiations can help in assessing party preferences and motives, and can also help in building persuasive arguments that more effectively influence the other side. Such guidance is especially useful because, as Aurelia Noran and I (2005) have noted, parties often use persuasion techniques that would be most effective for persuading their own side rather than selecting techniques likely to persuade parties on the other side.

Consecutive Future Linkage

Future linkages look from present to future and are concerned with events that have not yet occurred but that negotiators believe are likely to occur. My empirical data for the three treaties concerns the time period 2000–2003 and we are looking to the future (see Figure Two). As such, I treat the time of the SAFTA and USSFTA negotiations as the present, and the AUSFTA (2003–2004) as the future. Data indicate two paths for using future linkage in the present: drawing the future into the present and using present negotiations to gain control over a perceived future negotiation.
Drawing the Future into the Present

Expectations about a future-linked negotiation may influence the tempo or process of present negotiations and can be used strategically as an influencing technique and can also contribute to efficiency opportunities. Here, I will address both.

As Australia and the U.S. were preparing to announce their joint intentions to negotiate a trade treaty in the last quarter of 2002 (see Figure One), Australia suddenly sought to bring negotiations with Singapore to a quick conclusion because the Australian team wanted to begin preparing for their upcoming trade negotiations with the U.S. The pressure that Australia placed on Singapore to conclude the SAFTA forced Singapore to adjust its strategy because Singapore had demonstrated a clear preference for making compromises with the U.S. before making compromises with Australia, on an issue-by-issue basis, in their concurrently linked SAFTA–USSFTA negotiations. But with Australian demands to move more quickly, Singapore could not continue this pattern.

The treatment of Singaporean wholesale bank licenses in the treaty demonstrates well how Singapore managed this dilemma (SAFTA chapter 9). Singapore did not want the U.S. to learn its zone of possible agreement (ZOPA) on this most sensitive issue, so, in a side letter attached to the SAFTA treaty, Singapore promised Australia that Australia would receive as many wholesale bank licenses as Singapore allocated to the U.S. although the specific number would be indicated only after Singapore and the U.S. reached an agreement on this issue. Australia was pleased because it had not expected to receive as many licenses as the U.S. would receive, and Singapore was pleased because it could bring the SAFTA to a conclusion without disclosing to the U.S. any actual numbers that would indicate its ZOPA for wholesale bank licenses. Had the SAFTA included this number (or range of numbers), the U.S. would likely have treated the SAFTA agreement on this sensitive issue as Singapore’s first offer to the U.S. Expectations of a future negotiation thus motivated Singapore to develop a creative negotiation technique for a very real problem. In so doing, Singapore gained greater control over negotiation process by seeking to minimize its loss or disadvantage. This Singaporean exercise offers a valuable strategic lesson for managing sensitive issues in linked negotiations. Here, we find expectations of a future negotiation influencing both the tempo and the strategy of a negotiation occurring in the present.

A second example that illustrates how future events can play a role in present strategy involves SAFTA telecommunications negotiations. A Singaporean negotiator confronted Australian resistance to Singapore’s telecommunications proposal by arguing: “You [Australia] are saying that you are not prepared to accept such an outcome now, but you will certainly accept this outcome next year when you negotiate with the U.S. They will
give you a bloody nose on this issue. What is the point? Why not concede to Singapore now rather than after you give in to the U.S. next year?” Expectations of a future-linked negotiation can clearly be used for tactical advantage in the present.

Future-linked negotiations also appear to offer opportunities to negotiate more efficiently. In an example involving intellectual property in the SAFTA negotiations, one chief negotiator pointed out to the other chief negotiator that their negotiations should not devote too much time to intellectual property, as Singaporean and Australian intellectual property laws would be harmonized through Australia’s upcoming negotiations with the U.S. (see SAFTA chapter 13, USSFTA chapter 16, and AUSFTA chapter 17). Why negotiate three intellectual property chapters — SAFTA, USSFTA, and AUSFTA — when the same result could be achieved by focusing on the latter two?

Expectations of a future negotiation may provide opportunities to negotiate more efficiently in the present; it may offer strategic opportunities, including the development of creative techniques to manage potential loss; and it can influence the overall tempo or process of negotiations conducted in the present. Skilled negotiators should seek to use these opportunities and/or prepare to manage these challenges in linked negotiations.

Controlling the Future
An even more frequent phenomenon of consecutive future linkage occurs when present negotiations are used to gain control over some perceived future negotiation or to create the potential to initiate a future negotiation. For example, one Australian diplomat reported in an interview that Thailand had weak incentives to conduct trade negotiations with Australia, but the Thai government did want to negotiate a trade deal with the U.S. or Japan — Thailand’s primary trading partners. Thai officials believed they could realize their goal by first demonstrating their capacity to successfully conclude a trade treaty with another nation in the Organization for Economic Cooperation and Development (OECD). Australia became a suitable partner as a result (via the Thailand–Australia Free Trade Agreement of 2004). We see here how some negotiations are conducted to build momentum toward initiation of some future negotiation, as well as for their own intrinsic value. Such observations broaden our understanding of the forces that motivate parties to negotiate and can also enhance our skills by identifying specific techniques that can be used to bring others to the negotiation table.

Perhaps the most important way that present negotiations are used to gain control over some perceived future negotiation is through precedent building — a significant but relatively unexplored area of study within the field of negotiation. Negotiations today can create precedents that can be
instrumental in gaining or losing control in some future negotiation. Such is the importance of avoiding what is perceived as a “bad precedent” and building what is perceived as a “good precedent.”

For example, the Singaporean team was initially prepared to use the then recently concluded U.S. treaty with Jordan as the template or model for USSFTA. The U.S. sought quick action on USSFTA so that the process could be concluded before the end of the Clinton administration (see endnote 7). The U.S. team pointed to the significant differences between the economies of Singapore and Jordan, however, and argued that using the Jordan treaty as the basis for the USSFTA treaty would create a bad precedent that would damage the U.S. in future trade negotiations.

A second example involves the Australian PBS program that subsidizes medication for Australian citizens. The U.S. team did not seek to dismantle (or at least weaken) the PBS because the fairly small Australian pharmaceutical market is so valuable to U.S. industry. Rather, the U.S. hoped to establish precedent for the dismantling of similar programs in Europe that could be very valuable to U.S. industry, so the AUSFTA precedent on the PBS carried greater weight than the size of the Australian market suggests. The Australian government was unwilling to accept the U.S. proposal on this issue, however, which left the U.S. with what its negotiators and industry perceived to be a “bad precedent.” This matter remains important to the U.S. government: the Bush Administration is required to apprise the U.S. Congress on its progress in opening Australia’s drug pricing system, and the U.S. pharmaceutical industry continues to seek modifications to the PBS. Effective negotiators will always consider the precedent-setting impact of today’s agreement on the potential success of future negotiations.

Some negotiators are grand strategists who think several negotiations and many years into the future. The political leadership behind the U.S. USSFTA negotiation team exemplifies this. Many sources reported that the Bush administration agreed to recommence trade negotiations with Singapore only on the condition that the treaty serve as an ideal framework or model for a bilateral trade treaty — in the eyes of the Bush administration — although Singaporean negotiators did not fully embrace America’s desires. An American diplomat reported in an interview that Singaporean negotiators would question the reasoning on a particular issue and argue that it lacked relevance to the Singaporean situation. In these instances, two issues had to be resolved: text relevant to USSFTA despite disagreement between the parties, and text that did not really present a problem for the two parties but was particularly valuable to U.S. negotiators in their desire to achieve future negotiation goals. For example, an American patent negotiator explained that extensions and delays in granting patent terms are not really issues in Singapore or Australia, but they can be serious problems in developing countries. The U.S. team required that its concerns about patent terms be addressed in USSFTA and AUSFTA to establish a standard for future
negotiations with developing countries. A Singaporean intellectual property negotiator reported that elements of the U.S. Digital Millennium Copyright Act of 1998 were included in USSFTA even though Singaporean negotiators argued that some copyright enforcement provisions seemed extreme. But here, too, the U.S. negotiators wanted model text for future negotiations. An Australian intellectual property negotiator observed in similar spirit that the U.S. framework focused heavily on enforcement where little enforcement exists and so was not relevant to the Australian situation.

Singaporean and Australian negotiators involved in intellectual property talks consistently raised the issue of relevance to their own distinctive circumstances. Many USSFTA chapters were prepared in a piecemeal manner, but for the chapter on intellectual property, U.S. negotiators arrived in Singapore with twenty-one pages of preferred text. The U.S. intellectual property lobby (including the pharmaceutical industry, computer software industry, publishing, television, movies, and music) is wealthy, well organized, and knows what it wants. Many of the Singaporean negotiators interviewed explained that much of the USSFTA text lacked relevance to the Singaporean situation.

Nowhere in the academic literature on negotiation do we find any theory, data, or even acknowledgment of “precedent validity.” In examining the use of precedents to control some future negotiation, we need to distinguish between precedents that serve the essential interests of both or all parties and precedents that serve the interests of only one party, especially if that party is more powerful. Precedents that serve only the interests of the more powerful party may appear “hollow” because they may not receive the scrutiny, analysis, and debate that they would draw if both or all sides had seriously vested interests in the outcome relevant to that created precedent. Given the ease of precedent building in negotiations involving asymmetrical power relations, an effective negotiator could inquire through appropriate channels to establish the validity of a precedent. A precedent that actually represents the interests of one party only need not be automatically rejected but caution should be taken in granting it any greater legitimacy than any other proposal because it lacks the validation that a truly representative mutual agreement confers.

Negotiators need not accept a precedent at face value. Data from this study indicate that some precedents are generated because they serve mutual interests and other precedents are generated to serve expressively or exclusively the interests of the party that seeks to generate the precedent. The concept of “precedent validity” may assist in distinguishing a “mutual-interest precedent” from a “self-serving precedent.” The latter may be nothing more than an agreement forced upon a less-powerful party in a past-linked negotiation. Is a self-serving precedent simply a proposal masquerading as a precedent? What is the difference between a proposal and a precedent with questionable validity? The academic literature offers no
guidance on such questions. Nevertheless, negotiators can usefully consider such questions when presented with a precedent that appears to serve narrow or exclusive interests of the other party.

Discussion

How does one negotiation influence or determine the process or outcome for another negotiation when time is treated as an independent variable and negotiation processes and outcomes are treated as dependent variables? To answer this research question, I began by reviewing a diverse body of literature to develop a negotiation linkage research framework for this study. I then developed a three-part temporal framework of negotiation linkage dynamics.

While I have identified concurrent linkage as a topic for future research, in this article I have explored consecutive past linkage and consecutive future linkage through analysis of empirical evidence. I offer prescriptive guidance based on my analysis of case data to deepen understanding of the opportunities and challenges embedded in linkage dynamics so they can be managed more effectively. However, the prescriptive theory present in this study constitutes a preliminary interpretation only; further empirical research and conceptual analysis will develop these initial observations. Before turning to consider negotiation linkage dynamics and directions for future research, I will examine the possibility that linkage theory can provide a temporal foundation for the negotiation paradigm.

Negotiation Paradigm Enhancement

At a fundamental level, this article has examined the relationship between time and the current theoretical paradigm for negotiation. What role should time play in our understanding of negotiation process and outcome? As noted above, Dean Pruitt and Peter Carnevale (1993) have recognized that the theoretical paradigm that dominates negotiation research lacks a time dimension and fails to deal with events that occur before and after a negotiation. When time has been examined in the negotiation literature, it has been considered in the context of time pressure and deadlines, strategy, timing and sequential moves, settlement ripeness, and, most recently, the impact of varying cultural conceptions of time on negotiation (see Macduff 2006; Alon and Brett 2007). Essentially, negotiation theory considers time in the present context, and the negotiation literature does not offer a broader understanding of time that recognizes it as a contextualizing force. As an initial move to address this conceptual shortcoming, the temporal model of negotiation linkage that I present in this study provides an analytical structure to establish the relationship between a single negotiation and past and future negotiations (see Figure Three). The upper portion of this diagram is from Pruitt and Carnevale (1993: 8) and I have added the lower portion as an enhancement.
Substantial behavioral and social theory has been developed and tested over the past fifty years to establish an understanding of negotiation structure and dynamics. The prevailing negotiation paradigm as articulated by Pruitt and Carnevale (1993) itself is rarely questioned. In this article, I do not question that paradigm, but rather, I propose to enhance it by arguing that linkage theory can provide current negotiation theories with the temporal foundation that they lack. Linkage theory may not be the only analytical framework that can be used to establish a temporal foundation for the negotiation paradigm, but it is the only analytical framework that has been examined empirically. The contributions of other researchers in exploring and evaluating these issues and questions using linkage theory and other relevant theories may develop temporal understanding of many managerial and organizational processes. From this perspective, linkage theory has significance far beyond the field of negotiation.

**Future Research**

My observations in this study make useful contributions to the future research agenda. A structural view of the temporal framework of negotiation could begin by asking why consecutive future linkages appear to offer two strategic paths and consecutive past linkages appear to offer a single strategic path only. In future linkages, we find action taken in the present to strategically influence the future and negotiator expectations of the future used to strategically influence the present. On the other hand, in past linkages, our interpretation of past records appears as the only path to strategically influence the present. While these questions reach widely into other academic disciplines, it is conceptually useful to contemplate the relationship between the past and the future within the negotiation paradigm.
Although data indicate that past linkages operate via only a single path, overall assessment of the data in this study leads to the preliminary conclusion that past events play a larger role than future possibilities in the present. This observation appears intuitively sound but it sheds no light on the difference in the number of strategic paths available via the future or the past. Hopefully, additional research into consecutive linkage dynamics may offer clarity about the relationship between the past and the future.

In fact, negotiation analysts and researchers have not yet begun to consider the many questions raised by an examination of consecutive linkage dynamics. Case study data indicate that consecutive past links offer lessons and tested solutions, but they can also blind us to what is possible. As negotiators, how can we learn to balance a need for stability with a search for innovative and relevant solutions? How can we establish a solid foundation built on the past without jeopardizing the potential for greater future gains? These are complex questions that have not been considered sufficiently enough to expand understanding about these fundamental aspects of negotiation.

In terms of consecutive past linkage negotiations, I found their absence contributed to more collaborative or integrative processes and their presence more likely to contribute to positional or distributional negotiation processes. This observation is especially interesting and two propositions arising from it could be tested via laboratory and/or field research. These propositions are:

1. if preceding links are absent, negotiation processes will appear more collaborative or integrative; and

2. if preceding links are present, negotiation processes will appear more positional or distributive.

Such a proposed study could address the most significant questions regarding past linkages given its focus on strategy, preparation, and planning.

Additional research would further develop a temporal understanding of linkage dynamics and learning theory. A pattern of resistance, learning, and acceptance was observed in consecutively past-linked negotiations (SAFTA and AUSFTA), which indicates that time may be a significant factor for achieving acceptance. This observation is not surprising because, as Jeffrey Rubin (1991: 225) asserted, “Negotiation and conflict management are learning processes.”

The negotiation literature has devoted substantial attention to the study of power and persuasion. This field of study would benefit by adding a temporal dimension because learning and acceptance are about change, and change mostly occurs over time. Linkage theory may also provide the
foundation for research into negotiation process and learning theory. We may find that although less efficient in terms of time, linkage dynamics are more effective (less effort is required) in moving parties toward acceptance. Research should seek to support or refute this observation.

This conclusion also has implications for a single negotiation, as it points to the potential importance of a pause within a negotiation (established mutually or unilaterally, and however short or long). The present study identifies two paths grounded in temporal understanding that can facilitate acceptance: the resistance-learning-acceptance path and the gain-frame to loss-frame path. The resistance-learning-acceptance model may work best via linkage dynamics (across two or more negotiations), while the strategic use of a pause applied in the gain-frame to loss-frame model seems likely to work better within a single negotiation, but such observations are tentative. Nevertheless, acceptance suggests change, and change indicates the use of power. The absence of a comprehensive theory on the “power of the pause” surely begs our attention. Case study research and laboratory research could add substantial understanding to this unexplored area of study.

As for consecutive future linkages, why do we know so little about the role of precedents in negotiations given the importance of power and the apparent relationship between precedents and the procurement of power? It may be because most negotiation research considers a single self-contained negotiation only and a precedent is “purposefully” or “unintentionally” crafted in one negotiation and deployed in another negotiation.

Consecutive future linkage theory may be ideally suited to understand this type of dynamic. Is there a difference in effect between a precedent designed via purposeful intentions and one designed unintentionally? How does one effectively manage the challenges contained in the perceived “bad precedent” and seek the opportunities contained in the perceived “good precedent”? What are the opportunities and challenges of managing the “self-serving” precedent and the “mutual-interest” precedent? The latter class of precedent appears particularly interesting. For example, how does a proposal or principle differ from a self-serving precedent when the mutual-interest precedent emerges through analysis, debate, and discussion and the self-serving precedent appears to arise from power asymmetry? More research needs to be conducted on the nature of self-serving and mutual-interest precedents and the factors that contribute to their use, success, and failure in negotiation. Furthermore, the self-serving precedent raises questions about “precedent validity.” If precedent validity is a creditable concern, it then follows that this concept raises ethical questions.

The six types of precedents identified in this discussion are the beginning of a typology, but do other precedent types exist? Clearly, our field lacks knowledge about types of precedents and their utility. Where is our comprehensive typology of precedents? Given the importance of
precedents in the Western legal system and the importance of negotiation within this system, our lack of knowledge is surprising. Fortunately, it appears that consecutive linkage theory can provide the foundation to address this analytical deficiency.

**Conclusion**

Negotiation linkage is an underdeveloped area of study within the field of negotiation. This study has examined seminal questions, while proposing and elaborating on a linkage framework with temporal qualities. Here, I have demonstrated how a temporal framework may be used for developing a more comprehensive understanding of linkage behavior and the strategic use and management of negotiation linkage dynamics.

A temporal model of negotiation has practical and theoretical utility. Negotiators live in, and are very much a part of, a temporal world. They use the past to understand and shape the present, and they use present circumstances to interpret past events. Negotiators also use expectations of the future to try to control the present, and they use the present to try to gain some control over the perceived future. A negotiation paradigm built on a temporal foundation will provide a clearer understanding of the past, present, and future, thus improving our ability to understand the complex, time-dependent world in which we negotiate.

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1. Australia, Singapore, and the U.S. are directly involved in WTO trade negotiations. The flow of events from WTO negotiations, especially the third Ministerial Conference in Seattle in December 1999 and the fourth Ministerial Conference in Doha in November 2001, influenced — perhaps even inspired — SAFTA, USSFTA, and AUSFTA negotiations.

The Australian government had not negotiated a bilateral trade agreement since 1983 when it concluded its first bilateral trade treaty with New Zealand. After beginning SAFTA negotiations, Australia also began bilateral trade policy negotiations with Thailand (announced in July 2001 with negotiations continuing to July 2004), Japan (announced in May 2002 with economic framework negotiations continuing to July 2003), and the U.S. (announced in November 2002 with negotiations beginning in March 2003 and a treaty signed in May 2004).
The government of Singapore concluded its first bilateral trade treaty with New Zealand in November 2000 and began bilateral trade negotiations with Japan (announced in October 2000 with an economic partnership agreement signed in January 2002), Mexico (negotiations started in July 2000 that continue at this writing in 2007), and Canada (negotiations launched in October 2001 that continue at this writing in 2007). Singapore also engaged a four-nation consortium: Iceland, Liechtenstein, Norway, and Switzerland (all non-E.U. European nations) in trade policy negotiations (announced in May 2001 with a treaty signed in June 2002). Singapore has ongoing multilateral trade negotiations with the members of ASEAN.

The U.S. concluded its first bilateral trade treaty with Israel in 1985, followed by NAFTA (first with Canada and then with Mexico) in 1994 and Jordan in October 2000. The U.S. concurrently negotiated separate trade treaties with Singapore and Chile (each negotiation began in December 2000 with Singapore signing in May 2003 and Chile signing in June 2003). The U.S. also began negotiating a multilateral trade treaty with Central America (announced in October 2002 and substantially concluded by December 2003) and a bilateral trade agreement with Morocco (announced in April 2002 with negotiations beginning in January 2003) and Australia (announced in November 2002 with negotiations beginning in March 2003 and a treaty signed in May 2004). Most of the information in this footnote can be confirmed by visiting Internet sites sponsored by the governments of Australia (DFAT), Singapore (MTI), and the U.S. (USTR), although some specific dates were found in media reports.

   The AUSFTA of 2004 can be read in full at: http://www.ustr.gov/Trade_Agreements/Bilateral/Australia_FTA/Final_Text.

3. The Asia-Pacific Economic Cooperation (APEC) is an intergovernmental group of twenty-one members (represented by national governments but referred to as member economies). APEC seeks to facilitate economic growth in the Asia Pacific region. APEC members meet regularly and so these formal meetings also serve as an informal venue for all kinds of activities that are not sponsored by APEC — such as the initiation or conclusion of bilateral trade negotiations.

4. Key team members retired or were posted to other assignments, while each side individually reflected on the challenge of engaging in bilateral trade negotiations when one begins with a multilateral perspective.

5. Rules of origin (ROO) determine if a good qualifies for preferential treatment (e.g., a reduced tariff) by establishing a method for defining where a good was actually made. There are several ROO methods but the two most common are the value added or local content system, and the change in tariff classification or transformation system. In the former, a good must contain inputs (material, labor, etc.) above a certain threshold (such as 50 percent) from the exporting treaty partner to receive a tariff reduction from the importing treaty partner. In the later system, the inputs used in making a good are classified under a tariff classification different from the classification of the final product (as defined by the international harmonized system nomenclature) — thus transformation.

6. A negative list for trade in services allows for trade in any service unless it is specifically excluded in the treaty. A positive list for trade in services allows for trade only if a service is specifically included in the treaty. A negative list is considered to be more liberal in encouraging trade than a positive list.

7. The USSFTA first and second rounds were held in December 2000 and January 2001, which was followed by a pause (February–May 2001). A change in U.S. administration (from President Bill Clinton to President George W. Bush) explains the rush to conclude a deal followed by a temporary halt. On its arrival, the new Bush administration initially asked why the U.S. should pursue a trade treaty with a nation with such a small economy. Where was the benefit? Eventually, the U.S. and Singapore agreed that their treaty would be precedent-setting and serve as a model for the kind of trade treaty that the U.S. planned to promote throughout the world. This articulation of a super-ordinate goal facilitated recommencement of USSFTA negotiations in May 2001.

8. The U.S. Yarn Forwarding Rule allows a treaty partner to secure raw materials from anywhere in the world, but the yarn produced from this raw material must come from either treaty partner to gain U.S. tariff benefits. Singapore argued that it is highly inefficient to transport yarn from the U.S. (Singapore does not have a yarn industry) so that Singaporean textile manufacturers can gain tariff benefits when exporting finished products to the U.S. The two chief negotiators
resolved this issue on the final day of the final round, with Singapore’s arguments unsuccessful in persuading the U.S.

9. One high-level Singaporean official defended the U.S. position on intellectual property rights by stating that Singapore is small and can be bullied by a county like the U.S. At the same time, the U.S. could back all their requests with specific examples. Nevertheless, Singaporeans directly involved in IPR negotiations repeatedly questioned the relevance of the USSFTA IPR chapter to Singaporean conditions.

10. Both team leaders had recently led their respective nations in trade negotiations with Singapore. Many members of the Australian AUSFTA team were brought together initially to negotiate SAFTA, and many members of the U.S. AUSFTA team were brought together initially to negotiate USSFTA.

11. Outcome quality may not be known for five or ten years, but the AUSFTA negotiation may be the most efficiently conducted trade agreement ever conducted between the governments of two developed economies. The formal process (from first to last round) required eleven months. Actual face-to-face negotiations involved eight weeks and around forty total days. It does not happen much quicker when the governments of two complex economies seek integration.

12. The first free trade agreement between developed economies was between Australia and New Zealand in 1983, and the second was between the U.S. and Canada in 1988 (later to become NAFTA).

REFERENCES


