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Beyond Asymmetry: Substantive Beliefs in Preference Formation and Efficiency of Asymmetrical Negotiations

ELIJAH NYAGA MUNYI

Contrary to extant propositions on the primacy of trade dependency in compelling faster agreement by subordinate states in asymmetrical economic negotiations, in the European Union–Africa, Caribbean and Pacific (EU–ACP) Economic Partnership Agreement (EPA) negotiations, it is the states that were least materially vulnerable that were quickest to accept an EPA. Why so? I argue that the speed and propensity of ACP states to accept and ratify their EPAs were principally hinged on variances in preference formation based on what Ikenberry and Kupchan [(1990), ‘Socialization and Hegemonic Power’, International Organization, 44 (3), pp. 283–315: 283] call ‘substantive beliefs rather than material payoffs’. The quickest states to ratify an EPA were those which most intensely shared the EU’s neoliberal belief in an automatic correlation between trade liberalisation and economic growth, rather than those that were most materially vulnerable. Therefore, by taking the normative sources of preference formation by subordinate states seriously, we can not only derive a parsimonious explanation of EPA negotiating efficiency but also form a foundational conceptual model of predicting efficiency in asymmetrical negotiations that unifies the role of both normative and material considerations.

Keywords: ACP–EU relations, rhetorical framing, substantive beliefs, internalisation, negotiations

Introduction

In October 2014, the European Union–Africa, Caribbean and Pacific (ACP) Economic Partnership Agreements (EPAs) negotiations officially drew to a close. As the EPA negotiation process draws to a close, explaining the efficiency of EPA negotiations has come to the fore. Why have some ACP regions and states been more disposed to accepting EPAs than others? How do we explain the variable
speed that has cropped up with regard to ACP states’ variances in disposition to ratify an EPA? As of June 2014, ACP states could be divided into those that had ratified their EPAs, those that had only signed but not ratified their EPAs and those that were still stuck at the 2007 status of having only initialled an EPA. How do we explain this variable speed?

Several attempts at explaining EPA outcomes have been made and are reviewed in the subsequent section. Many of the attempts at explanations however are limited in two aspects: One, they are not specific on what negotiated outcome – distribution characteristics or efficiency – they seek to explain. This article focuses expressly on efficiency outcomes among ACP groups and specifically seeks to examine the cogency of material vulnerability among ACP states as the primary determinant of efficiency and disposition to ratify an EPA. Second, so far, there is no work that has attempted to give parsimonious and encompassing explanatory variables encapsulating all ACP regions. All extant literature focuses on a set of variables that seek to explain outcomes in only a section of ACP groups. This article proposes a parsimonious variable – neoliberal belief – as the most cogent explanatory variable for all ACP regions.

As the article contends, explaining the efficiency outcomes of EPA negotiations (defined by time taken by an ACP state to get to ratification) presents a dent on existing theoretical suppositions on the import of trade dependency in expediting the speed of an asymmetrical negotiation process. To what extent does extant ACP variable speed in EPA conclusion affirm or discount the centrality of asymmetrical trade dependence in fomenting speedy conclusion of an EPA?

The article proceeds in four sections as follows. The first section begins by setting out the empirical puzzle of variable speed among ACP states. This is done by presenting the status in variable speed of EPA completion by ACP states as of June 2014. The ACP states’ EPA status is then juxtaposed with each of these state’s material vulnerability to access patterns of correlation between negotiation duration and degree of material vulnerability. Beginning October 2014 ACP states that were not least developed countries (LDCs) that would not have signed an EPA would not export to the EU under the exclusive preferential quota-free duty-free regime applied under the Lome Agreements. The material vulnerability thus represents the opportunity cost of not accepting an EPA. As will be patent from the first section, more materially vulnerable states do not show greater disposition to ratify EPAs than less materially vulnerable states as the balance of material dependence thesis would aver. Yet, if material vulnerability is not the most cogent variable in explaining speed to ratification, then how do we account for it?

A brief second section reviews the recent work in explaining EPA outcomes and highlights the contributions of this article in refining the eclectic attempts at a theoretical explanation of EPAs outcomes. Moving away from a material dependency explanation, the third section proposes and provides empirical tests of variances in neoliberal bias among ACP states as the principal explanatory variable in speed of ratification. Neoliberal bias is the belief that trade liberalisation and reciprocity with the EU would necessarily be welfare enhancing for a given ACP state. Where a normative bias on appropriateness of trade reciprocity was high, a deal was reached faster irrespective of that state’s material position. The final part
presents the asymmetrical/credibility model of efficiency as a conceptual model of understanding and predicting the efficiency of asymmetrical negotiations. The model does not discount the import of material dependency in asymmetrical negotiations, but marries normative and material foundations for preference formation in giving a parsimonious explanation of efficiency in asymmetrical negotiations.

Variable speed in EPA completion

In June 2000, the European Union and the ACP states signed the Cotonou Agreement. This was the third instalment of development cooperation agreements between the EU and the ACP group after the Younede (I and II) and Lome (I–IV) Conventions. In the Cotonou Agreement, both parties agreed to phase out the EU’s preferential trade treatment and re-introduce trade reciprocity by the beginning of 2008. EPAs were therefore Free Trade Agreements (FTAs) between the ACP states and the EU that would introduce trade reciprocity between the two partners and ensure that their trade and development treaty was World Trade Organization (WTO) compliant. In the first phase, the ACP–EU EPA negotiations were to involve six ACP regions, namely West Africa, Central Africa, East and Southern Africa, the South African Development Community (SADC) region, Caribbean and Pacific regions. In the final few months of 2007, a seventh group, the East African Community (EAC), emerged from the Eastern and Southern Africa (ESA) group as a separate negotiating entity. Each of these regions then negotiated for an FTA with the EU and 37 ACP states initialled an EPA in the last three months of 2007.

In defining efficiency towards ratification, the article takes the December 2007 negotiating deadline as a key independent threshold from where divergences in efficiency emerge. Something should thus be said about the deadline as an independent constrain in the negotiations. After the deadline, ACP states that would not have accepted an EPA were to be relegated to a less preferential export regime. To negotiate EPAs an initial negotiating deadline of December 2007 was set based on a WTO waiver for temporary suspension of Most Favoured Nation requirements on the EU. This deadline was primarily conditioned by the Cotonou Agreement’s Article 37/1 which stipulated that a WTO-compliant treaty would be in place by January 2008. As such, the EU commission’s seeming firmness on the intractability of the deadline ‘expiry of current market access arrangements therefore places a firm deadline of end 2007 to negotiate the goods market access aspect of EPAs’ (Commission of the European Communities 2007, 365: 1) was only a rehash of the Cotonou Agreement’s stipulation. It therefore is insightful to observe that in spite of a putative view that the deadline was unilaterally decided or imposed by the EU, the ACP states were themselves parties to the waiver request to the WTO and consequently the duration of the waiver (see WT/MIN(01)/15). With regard to this 2007 deadline two points are therefore apparent; first, while the issue of the negotiating deadline did become highly contested between the two parties, this disaffection with the deadline by the ACP states only arose much later into the negotiations. At the beginning of the negotiation process, both parties were in agreement on the deadline as set out in the Cotonou Agreement. In addition it should be remarked that if ACP
states complained about not having enough ‘breathing space’ to undertake essential reforms under the new agreements, this aspect of time should not be conflated with the agreed negotiating duration. Complaints about insufficient ‘breathing space’ reflect ACP states’ feelings on the unfairness of the liberalisation durations agreed. Negotiations on agreeable liberalisation durations fall under distribution outcomes as part of ‘substantially all trade within a reasonable time’ General Agreement on Tariffs and Trade requirement. Liberalisation duration is essentially an aspect of distribution characteristics of the outcomes rather than efficiency. This article deals with the 2007 deadline in as far as it marks the beginning of variable speed in ratification or WTO notification.

Second, as evidenced by the frenzied initialling by all negotiating groups in the last three months of 2007, the deadline was a veritable constraint on compelling acceptance of an EPA. The delay in signing and in deed attempts by ACP states to renegotiate some of the already initialled texts only serves to reinforce the potency of the negotiating 2007 deadline in compelling states to initial texts that they did not really agree with. Since all ACP states did not ratify an EPA by the end of 2007, the EU then instituted a unilateral deadline of October.

Figure 1 shows the break-down of the 37 initialling states into their respective category of either ratified, signed or initialled with regard to their EPA status by June 2014. Since 2007 however a cleavage developed among ACP states’ disposition to complete the ratification process. Of the 37 initialling states 17 states (15 Cariforum states, Papua New Guinea (PNG) and Seychelles) have domestically ratified their EPAs, while the EPAs with Cameroon, Ivory Coast and the four ESA states are now in application under WTO and hence are here categorised as complete. Four states have only signed their EPAs but not completed the ratification process, while another 10 states are still stuck at the 2007 initialling stage with only a few months to the EPA deadline.
The implication for this three speed ACP EPA completion is twofold. One, considering the delay between initialling and eventual domestic ratification for most of the initialling states, it does suggest that ACP states’ frenzied acceptance of EPAs in 2007 was precipitated by the imminent expiry of the WTO waiver on EU preferences to non-LDCs. This does partially affirm the deductive supposition on the primacy of material dependencies of weaker states in driving their quick capitulation to an agreement. Moreover, it does suggest that some of initialling states will once again be compelled into EPA agreements by the looming October 2014 deadline.

Two, the variable speed among EPA states, particularly considering those states that have ratified their EPAs outside of the pressure fomented by the October 2014 deadline, raises the question of how to explain the divergences among EPA states’ proclivity to accept an EPA outside of pressure from a looming negotiating deadline. What explains the intra-ACP variances in time frame of EPA negotiations? Why have some states been more disposed to accepting EPAs than others? Is there a regularity that can cogently explain what has propelled some states ahead of others in ratifying EPAs? As follows below, this examination begins with an empirical examination of the deductive supposition on the correlation between material dependence and the variable speed in EPA ratification or notification.

Does material dependency principally impel an EPA agreement?

In many studies on negotiation outcomes, one of the most commonly used measure for material dependence/vulnerability is the level of export dependence. This measure has been used by among others Hirschman (1945), Keohane and Nye (1977) and Crescenzi (2003). To show the degree of asymmetrical dependence and vulnerability. In this paper however, the tariff jump expected from a relegation of an ACP state from the Cotonou Agreement tariffs to generalised system of preferences (GSP) tariffs is used as a measure of material vulnerability as it represents the precise cost of failing to accept an EPA. In the case of EPAs the degree of a state’s material vulnerability can be deduced from how much a state’s exports would suffer from a tariff re-imposition if – by failing to ratify an EPA – an ACP state’s export tariffs into the EU were relegated into the less preferential GSP scheme. Tariff erosions on Cotonou preferences would increase the costs of exports to the EU. This vulnerability is established based on the relative increase in tariffs once the non-reciprocal tariff preferences granted under the Cotonou were eliminated. In theoretical terms greater tariff erosion vulnerability would of course make a state more disposed to accepting to ratify its agreement. Tariff vulnerability could be thought of as the material opportunity cost of not agreeing to ratify an EPA. The use of tariff vulnerability is even more nuanced than general export dependence since it indicates precise tariff changes based on the specific export products which would fall under increased tariff if a GSP system were to be re-established.

Table 1 shows all the initialling states and the level of their tariff vulnerability based on the expected tariff jump on exports if their export tariff were downgraded to the less generous GSP. The data are obtained from a report by the
Overseas Development Institute (2007). Column 2 shows each state’s individual expected tariff jump while Column 4 shows the regional average tariff jump for different ACP regions. The higher the percentage of tariff jump, the more a state is materially vulnerable. As the table shows, some states that have ratified the EPA agreement would have suffered heavily from tariff erosion. Such states include the ESA states – Mauritius, Seychelles, Zimbabwe and Madagascar as well as Cameroon and Cote d’Ivoire. Some Caribbean states such as Suriname would also have suffered steep increases in tariffs under the GSP. The use of tariff vulnerability does provide a pointing suggestion that material dependencies

<table>
<thead>
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<th>State</th>
<th>Vulnerability based on tariff jump on export</th>
<th>Region</th>
<th>Regional averages</th>
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<tr>
<td>Ghana</td>
<td>67%</td>
<td>West Africa</td>
<td>Ghana</td>
</tr>
<tr>
<td>Kenya</td>
<td>62%</td>
<td>Ivory Coast</td>
<td>Kenya</td>
</tr>
<tr>
<td>Cote d’Ivoire</td>
<td>54%</td>
<td>ESA</td>
<td>Mauritius</td>
</tr>
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<td>Mauritius</td>
<td>47%</td>
<td>Madagascar</td>
<td>Madagascar</td>
</tr>
<tr>
<td>Suriname</td>
<td>42%</td>
<td>Zimbabwe</td>
<td></td>
</tr>
<tr>
<td>Swaziland</td>
<td>40%</td>
<td>Seychelles</td>
<td></td>
</tr>
<tr>
<td>Cameroon</td>
<td>38%</td>
<td>Central Africa</td>
<td>Cameroon</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>38%</td>
<td>EAC</td>
<td>Kenya</td>
</tr>
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<td>Madagascar</td>
<td>37%</td>
<td>Uganda</td>
<td></td>
</tr>
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<td>Tanzania</td>
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<td></td>
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<td>26%</td>
<td>Burundi</td>
<td></td>
</tr>
<tr>
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<td>25%</td>
<td>CARIFORUM</td>
<td>Jamaica</td>
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<td>Suriname</td>
<td></td>
</tr>
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<td>Trinidad &amp; Tobago</td>
<td>20%</td>
<td>Trinidad &amp; Tobago</td>
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<tr>
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<td>10%</td>
<td>Antigua &amp;Barbuda</td>
<td></td>
</tr>
<tr>
<td>Rwanda</td>
<td>10%</td>
<td>Guyana</td>
<td></td>
</tr>
<tr>
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<td>9%</td>
<td>Dominica</td>
<td></td>
</tr>
<tr>
<td>Antigua &amp;Barbuda</td>
<td>9%</td>
<td>Haiti</td>
<td></td>
</tr>
<tr>
<td>Guyana</td>
<td>9%</td>
<td>Bahamas</td>
<td></td>
</tr>
<tr>
<td>Dominica</td>
<td>9%</td>
<td>Grenada</td>
<td></td>
</tr>
<tr>
<td>Haiti</td>
<td>7%</td>
<td>St. Kitts</td>
<td></td>
</tr>
<tr>
<td>Bahamas</td>
<td>6%</td>
<td>St. Lucia</td>
<td></td>
</tr>
<tr>
<td>Lesotho</td>
<td>5%</td>
<td>St. Vincent</td>
<td></td>
</tr>
<tr>
<td>PNG</td>
<td>5%</td>
<td>Fiji</td>
<td></td>
</tr>
<tr>
<td>Botswana</td>
<td>4%</td>
<td>Pacific</td>
<td>PNG</td>
</tr>
<tr>
<td>Grenada</td>
<td>4%</td>
<td>SADC</td>
<td>Botswana</td>
</tr>
<tr>
<td>St. Kitts</td>
<td>4%</td>
<td>Lesotho</td>
<td></td>
</tr>
<tr>
<td>St Lucia</td>
<td>4%</td>
<td>(BLSM)</td>
<td>Swaziland</td>
</tr>
<tr>
<td>St. Vincent</td>
<td>4%</td>
<td>Mozambique</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Overseas Development Institute (2007: 8).*
had an import in compelling EPA ratification as evidenced from the case of Ivory Coast, Cameroon and the ESA states.

Yet, we are still faced with such significant cases of outliers as to impugn on the consistency and primacy of material dependency as the principal factor in compelling speedy ratification. First, the two African states with the highest tariff vulnerability – Ghana and Kenya – had not ratified their EPAs by June 2014. Second, out of the 22 states whose EPAs have been ratified or are in application (Cariforum 15, ESA 4, PNG, Cameroon and Cote d’Ivoire) 13 have a low tariff vulnerability of less than 10%. The median vulnerability for the Cariforum region as a whole is 9% and thus relatively lower than that of all African states with the exception of Botswana and Lesotho. Yet, it is these less dependent Cariforum states and the PNG with lower tariff vulnerability that have definitively completed their EPAs outside the exigency brought by the looming deadline. The picture that emerges on material dependency as a variable for speed in ratification is thus mixed. While it might be argued that the four ESA states, Cameroon and Cote d’Ivoire were reluctantly constrained into accepting an EPA because of their material exigencies, it is equally the case that Cariforum states and PNG were motivated into a faster EPA in spite of very low material vulnerability. The parsimony of material dependency as the compelling variable in speed of EPA ratification is thus thrown into question.

**Explaining EPAs – extant literature and its limitations**

Before delving into an alternative explanation of EPA outcomes, a brief review of extant attempts at explaining EPA outcomes is made in this section. Explanations of EPA outcomes can be grouped into two broad categories. One category of literature makes speculative suppositions on causation of expected outcomes between the EU and ACP negotiations in general (Hurt 2003, Elgström and Jönsson 2005, Farrell 2005, Lempereur 2009). The second category of literature attempts systematic theoretical explanations based on far more concrete empirical assessments of EPA negotiations and outcomes (Bilal and Stevens 2009, Girvan 2009, Heron 2010, Lorenz 2012, Hurt, Lee and Lorenz 2013). Before introducing the neoliberal belief as an explanatory variable on efficiency, this section begins with a brief review of the latter category of literature.

Girvan (2009) has argued that the Cariforum group capitulated to the EU’s value claiming negotiation tactics and force. In Girvan’s terms, the instrument of force by the EU on ACP states was, ‘the threat of withdrawal of duty free market access for ACP exports to Europe’ (2009: 99). This is an explicit configuration of capabilities interpretation (market access) which is however not shared by Heron (2010) who also primarily deals with the EPA outcomes of the Cariforum group. In Heron’s case the main puzzle is on how to explain Cariforum’s unique acceptance to sign a comprehensive FTA unlike other ACP regions. As Heron outlines, the Cariforum’s preferences for a comprehensive FTA were driven by three factors; an intra-regional aggregation of competing state preferences meant that negotiating for a WTO-plus agreement was less contentious than a goods only agreement. Two, in signing a WTO-plus agreement, Cariforum states wanted to give a ‘strong signal’ (Heron 2010: 26) of their commitment to economic
reform. Third, in a clear disregard for the ACP solidarity principle, Cariforum wanted to be the first among ACP groups to bandwagon into the EU wishes for a WTO-plus agreement in order to possibly lure the EU to concede more to ‘Mode IV\(^5\), delayed liberalization schedules and product exemptions, and preferential access to development finance’ (Heron 2010: 23). By making unilateral concessions first, the Cariforum thus wanted to induce equivalent concessions from the EU. The contentions in this article are in agreement with Heron’s observations and particularly on Cariforum’s use of the EPAs as a ‘signal’ for its commitment to economic reform. Such ‘signalling’ would be an indicator of a higher disposition in neoliberal belief.

Bilal and Stevens (2009) offer a comprehensive outline of the negotiation outcomes for various African regional groups and individual states. They make comparisons of African regions’ outcomes as well as give snippets into the nature of the negotiating process – negotiator preferences, feelings and strategies. They give an assessment of the negotiation outcomes as primarily a function of the African regions’ negotiation capabilities and EU interests. In their view,

> the picture that emerges is entirely consistent with the hypothesis that countries have a deal that reflects their negotiating skills and the EU’s interests: that countries able to negotiate hard, knowing their interests (which were not incompatible) with those of the European Commission have obtained a better deal than those lacking these characteristics. (Bilal and Stevens 2009: 4)

Bilal and Stevens’ thesis is therefore one grounded in variances in negotiating capacity of different states. However, they do not provide any empirical assessment to show the variances in negotiating capacity and the attendant variances in outcomes. In addition, their outcome of interest is also primarily the distribution characteristics among different African states.

Finally, there is the eclectic attempt at explanation of EPA outcomes given by Lorenz (2012) where she describes the two-tire puzzle of ACP strength in defending against the EU as well as variances within the outcomes of the ACP regions’ varied distribution characteristics. In an attempt at a cogent explanatory variable, Lorenz argues that the variances and ACP strength can be explained by the negotiating structures of different ACP regions and the role of ACP regions’ regional hegemons.

This article does not discount in general terms any of the suppositions raised above. However, the contention is that in all these cases, explanatory suppositions are based on only a section of ACP groups and are thus partial. None of the works above has attempted an ACP-wide explanation, nor has the salience of any set of explanatory variables for the entire ACP been examined. Heron and Girvan focus on explaining Cariforum outcomes. Bilal and Stevens focus on the African ACP groups, while Lorenz’s work is based on a case study of two ACP regions – EAC and SADC. In introducing the neoliberal belief, this article makes once central proposition: that neoliberal belief provides a parsimonious explanatory variable in ACP-wide variances in speed of EPA ratification.
Neoliberal bias in EPAs economic utility; explaining ACP variable speed in ratification

Having found little evidence that ratification (after 2007) was principally predicated on economic vulnerability, the study sought to map out potential new explanatory variables from the EPA negotiators through elite interviews. Initial semi-structured conceptual mapping interviews were conducted with negotiators from all ACP negotiating regions in order to establish what their main motivations were in either speeding or withholding EPA ratification/notification.

From this mapping of negotiators’ responses on their motivations on disposition or reluctance to an EPA, the variable on belief in EPA utility was identified as the most consistently occurring indicator for explaining variance in ACP states’ propensity to accept an EPA. Neoliberal\(^6\) belief is a normative variable that refers to an ACP state’s degree of persuasion on the utility of an EPA as an economic catalyst in raising national welfare. One could call it a neoliberal bias in the idea that trade liberalisation and reciprocity with the EU would necessarily be economically productive for a given ACP state. While the principal factor that induced EPAs was the need for WTO compatibility in order to preclude litigation at the WTO, the EU firmly sought to frame the raison d’être of EPAs as economic liberalisation that would vitalize ACP states’ economies.

By removing border measures to trade between the parties as well as other factors causing market segmentation, [EPAs] will enlarge the markets of ACP countries, which will allow for economies of scale, will improve the level of specialisation, will increase competitiveness of the ACP States and will help attract investment . . . thereby promoting the sustainable economic and social development of the ACP countries. (Commission of the European Communities 2002, final: 7)

Neoliberal bias in an EPA’s economic utility refers to the extent to which an ACP state was persuaded in this rhetorical framing. As Sindzingre (2012: 4) has observed, ‘EPAs were characterized by intrinsic discrepancies between ex ante objectives and ex post outcomes’. Belief in EPAs’ utility refers to the extent to which any of the EPA negotiating states was persuaded that the ex ante optimism of the negotiating mandates would be materially realised ex post. The hypothesis here is that it is those ACP states which had greater levels of neoliberal bias in EPA utility that were more disposed to accept and ratify their EPA faster, regardless of their level of material dependence or putative institutional capacity.

Subsequently, once this predominant variable was identified from the conceptual mapping elite interviews, structured Subjective Value Index (SVI) Questionnaire surveys were used to measure the variances in the identified independent variable among different ACP groups and states in order to further assess the import and cogency of the proposed explanatory variable. The degree of neoliberal belief in EPAs is measured using an adjusted SVI questionnaire. SVI questionnaires were originally developed by Professor Jared Curhan of the Massachusetts Institute of Technology (MIT) to evaluate and measure what values negotiators give
importance to during a negotiation process (Curhan, Elfenbein and Xu 2006). SVI surveys are apt tools for evaluating negotiations due to their standardised Likert-scale answers ranging from 1 to 7 which enable measurement and comparison. Respondents can indicate their degree of agreement or disagreement with a given statement within this range. Unlike semi-structured interviews, in SVI surveys the interviewee responses are more suitably constrained into a systematic, comparative form. Moreover, the SVI questionnaire is an apt tool for norm measurement in qualitative studies for its ability to capture norms, beliefs and perceptions in a quantifiable manner that renders comparison possible through use of the standardised scores. The survey results used here were gathered from 45 negotiators from 5 ACP negotiating groups (Cariforum, ESA, SADC, EAC and Pacific region). The ACP negotiators represented 27 of the 37 ACP states that initialled an EPA in 2007 thus representing an ample evidentiary sample of 73 per cent. To test the variances in neoliberal bias for trade liberalisation and reciprocity with the EU, the following two questions\(^\text{7}\) were posed to ACP negotiators.

\[
\begin{array}{cccccccc}
\text{Table 2} & \text{shows scores from the two questions as an aggregated measure of the} & \\
& \text{neoliberal bias of ACP states. Column 1 shows the 27 states which} & \\
& \text{participated in the SVI surveys out of the 37 EPA initialling states. The} & \\
& \text{intensity of a state’s neoliberal bias (Column 4) is measured by the} & \\
& \text{difference between a positive bias (Column 2) and a negative bias} & \\
& \text{(Column 3). Column 7 ranks the regions in} & \\
& \text{order of the intensity of their neoliberal economic bias.} & \\
\end{array}
\]
This shows the Cariforum at the top with a very high neoliberal bias of 6, followed by the four ESA states (Mauritius, Madagascar, Zimbabwe and Mozambique) which have had their EPA notified to the WTO in February 2012. The BLSM states (Botswana, Lesotho, Swaziland and Mozambique) which had their EPA notified to the WTO in July 2014 follow with a negative bias of \(-3\). The SVI scoring does not include all the initialling states (particularly missing are the scores for Cameroon and Cote d’Ivoire whose EPAs are also in application), but from this scoring we do derive a relatively straightforward pattern of speed to ratification/application as a function of a state’s neoliberal belief involving at least 23 of the EPA initialling states.

A neoliberal bias on credibility of EPAs as economically beneficial does not only explain Cariforum’s lead in ratification against the rest of the ACP states. Even among the African groups alone, the patters of variances in neoliberal bias intensity – ESA followed by BLSM followed by the East African (EAC) group – correspond to the variances in notification of their EPAs to the WTO. ESA’s EPA was notified to the WTO in February 2012, BLSM’s in July 2014 and EAC’s in October 2014.

**Asymmetry/credibility model of efficiency in asymmetrical negotiations**

How do explanations of variable speed in EPAs based on neoliberal belief then illuminate the potentially novel conceptions of explaining efficiency in asymmetrical negotiations? This final section seeks to apply the empirical findings above to propose the asymmetry/credibility model of efficiency. In explaining the model, this concluding section makes two contentions. One, neoliberal belief in EPA ratification highlights the role of substantive beliefs in preference formation of

<table>
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<th>ACP state</th>
<th>Q1</th>
<th>Q2</th>
<th>Total</th>
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<td>Angola</td>
<td>4</td>
<td>7</td>
<td>-3</td>
<td>i. Cariforum (15)</td>
<td>6 Ratified (2008)</td>
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<td>7</td>
<td>-5</td>
<td></td>
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<td>6</td>
<td>ii. ESA (4)</td>
<td>0 Applied (2012)</td>
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<td>7</td>
<td>4</td>
<td>3</td>
<td></td>
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<tr>
<td>Madagascar</td>
<td>4</td>
<td>7</td>
<td>-3</td>
<td>iii. BLSM (4)</td>
<td>-3 Signed (2009)</td>
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<td>Mauritius</td>
<td>4</td>
<td>6</td>
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weaker states in asymmetrical negotiations. Negotiating efficiency in asymmetrical agreements may be as much a function of convergences in substantive beliefs between negotiating parties as may be driven by material incentives and exigencies. Thus, although economically weaker states are driven by material interests in negotiations, such preferences do not necessarily dominate normative considerations. From the EPA negotiations, the primacy of normative variables (belief in EPAs utility) may in fact suggest that beliefs are more ontologically foundational in preference formation than material considerations. That is, material-based considerations for acquiescence will only come into play, if a weaker state is not intrinsically persuaded on the purported objectives of a negotiation.

Two, while highlighting the import of substantive beliefs in preference formation among weaker states, the contention is not to discount the importance of material incentives. But by taking both substantive beliefs and material payoffs as variables in preference formation we can then construct an integrated model for explaining efficiency (speed) in asymmetrical negotiations based on the interplay between a state’s beliefs and its material exigencies. The sections below elaborate on the model.

Rhetorical credibility matters

The need to take the role of norms seriously in international negotiations has been highlighted by the works of Ikenberry and Kupchan (1990), Checkel (1997), Abdelal and Kirshner (1999), Wiener (2004), Schmidt (2008), Kroenig et al. (2010), Lavenex and Schimmelfening (2010) among others. To use Kroenig’s words, a negotiation process functions as a ‘market place of ideas’ (Kroenig et al. 2010: 414) since the objective of a negotiation process is to change the preferences of at least one party. To change the preferences of an economically subordinate state through normative persuasion, the superordinate state exercises power not only through ‘manipulation of material incentives to alter the preferences of third states’... but also through socialization by getting third states to ‘buy into and internalize norms that are articulated by the hegemon’ (Ikenberry and Kupchan 1990: 283). The EPA process is one such example of a negotiation process predicated on an ideational gap where the EU’s success was largely hinged on successfully ‘selling’ the neoliberal belief that the intended post ante objectives of EPAs – positive stimulation of ACP economies – would be met. The rhetorical framing of the EU’s negotiating mandate and statements from key EU negotiators all tried to impart an optimistic vision of EPAs as automatically beneficial in invigorating ACP states’ economies. This optimistic rhetoric was best expressed by Peter Mandelson, the EU’s then Commissioner for trade who in defending EPAs opined that;

The Economic Partnership Agreements will fundamentally change our relationship, from one that offers tariff preferences – an eroding lifeline, to one that builds lasting regional and international markets for the ACP. In short, we aim to create prosperous trading partners out of development recipients, moving progressively, over time, from dependency to opportunity. (2006)
This optimistic view of a corollary *ex post* achievement of *ex ante* objectives was not wholly shared by ACP states and presented the primary ideational gap in disposition to EPA ratification. The ACP states that have been quickest to accept an EPA are those which most strongly shared the EU’s neoliberal conviction in a corollary connection between freeing trade and economic growth. As witnessed in the protraction of the EPA process after 2007, the EU’s power in getting ACP states to accept an EPA lay not in the manipulation of its material incentives, but in the credibility of its neoliberal trade liberalisation message. The import of this neoliberal belief was best exemplified by Cariforum’s faster acceptance and ratification of EPAs (compared to the African and Pacific states) driven by the markedly higher pro-liberalisation stance of its negotiating College. Cariforum’s strong neoliberal bias on EPAs is affirmed by Heron (2010) who describes how the group’s leading negotiator fomented an ‘intellectual character of the CRNM’ in a pro-liberalization direction by identifying the need to respond in a pro-active manner to the “imperative” of reciprocity as the central raison d’etre of the new collective negotiating framework’ (Heron 2010: 15). Rather than accepting an EPA as a reluctant measure to forestall market access loss, the Cariforum embraced the EPAs as an avenue for locking down its preferences with the EU, catalysing domestic reforms and as a billboard to advertise those reforms to investors. The Cariforum was most in tune with the EU’s economic norms and the EU’s rhetorical framing of EPA objectives.

It should be observed that neoliberal bias does not refer to a given ACP country’s general trade openness as measured by objective data such as trade-to-GDP ratio. A neoliberal belief is a malleable, subjective perception of a country’s negotiators. Hence it is an indicator in the realms of beliefs rather than an objective structural variable. Unlike market access which is an extant factual state, belief in EPAs’ economic utility is a norm that is rooted in a state’s negotiators’ ideological disposition to the unproven putative benefits of an EPA. As a subjective idea neoliberal belief thus highlights the affirmation of constructivism as an approach in International Political Economy.

**Norms and structure: a unified model of efficiency**

Based on empirical findings of the SVI surveys where variances in normative suasion on neoliberal credibility of EPAs as veritable economic stimulants seem to play a critical role in explaining intra-ACP efficiency variance, this final section builds a conceptual framework that infuses normative persuasion as a basis of preference formation and subsequently its import in explaining efficiency outcomes of a negotiation.

As shown by results from EPA negotiations the efficiency of an asymmetrical negotiation is determined by more than the degree of asymmetrical interdependence as some interpretations seem to aver. Based on these findings, the model posits that efficiency is determined by the convergence and divergence between the two negotiating parties on two principal variables: (a) normative convergence/divergence in persuasion on the mutual economic utility of the negotiated agreement and (b) convergence/divergence on fulfilling mutual expectations on asymmetry. Variable (a) refers to normative considerations. Variable (b) refers
to the material considerations and exigencies that drive an economically weaker state to accept an agreement even if it does not agree with the normative objectives of a negotiation. Figure 2 presents the conceptual frame of predicting efficiency outcomes in asymmetrical negotiations such as EU–ACP EPA negotiations.

**Typologies of persuasion in political psychology**

In liberal theory, a state’s interests and preferences are not taken as fixed. Rather, social institutions (states, bureaucracies and political parties) are seen as representing aggregated individual interests and identities of dominant social groups (see Moravcsik 1997). In an international negotiating situation, the negotiators are seen as representing an aggregated state preference. The critical link between political psychology and international relations is the interest in examining how the biases and predispositions of individual political actors inform their action (behaviour) in international decision making. Consequently a state’s actions can be partly explained by the beliefs, interests and identities of the political group (bureaucrats) that precipitates them. The psychological concern in international politics is to place human emotions, biases and perceptions at the cross road of inter-group interactions. Therefore, the interests, preferences and decisions
of political actors will be made within the expectations, perceptions and norms of the political group to which one belongs. There is therefore a veritable theoretical link between assessing policy-makers’ normative positions and liberal theories’ conception of foreign policy as a reflection of the aggregated interests and identities of ruling domestic groups.

In addition, in using Schmidt (2008: 306) distinctions between cognitive ideas (‘what is and what to do’) and normative ideas (‘what is good or bad about what is’) it is instructive to observe that the interview questions on neoliberal belief seek to assess normative ideas, rather than cognition ideas. This distinction is important since some scholars (Hay and Smith 2010), for instance, caution on the validity of interview responses in inferring cognitive positions of policy-makers. Moreover since such academic interview responses are not made as part of communicative discourses aimed at the public or coordinative discourses aimed at rival negotiators there is greater confidence that they serve no other purpose than to state the perceived desirability of a norm.

Figure 2 outlines the variances (low or high) in material and normative motivations in preference formation and the subsequent levels of efficiency produced by the different combinations of asymmetry and credibility motivations. In order to explain this framework it is necessary to make reference to some foundational social-psychological theorising on sources of social influence among groups when a behavioural change occurs. This helps in explicating the role of and connections between normative and structural variables in negotiated agreements.

Any negotiation process involves ‘a sequence of actions in which two or more governments address demands and proposals to each other for the ostensible purpose of reaching an agreement and changing the behavior of at least one party’ (Odell 2000: 10). Negotiations are therefore inherently about changing the behaviour of a group (states in this case). When one or both parties in a dyad change their behaviour from its original preferences to the final agreement, why does it do so? Social psychologist Herbert C. Kelman (1961) identified three motivational sources of group behavioural change which are pertinent in explaining ACP states’ propensity to accept and ratify an EPA. These he labelled compliance, identification and internalisation. The definition of each is as indicated below.

*Compliance* can be said to occur when an individual accepts influence from another person or from a group because he hopes to achieve a favorable reaction from the other. He may be interested in attaining certain specific rewards or in avoiding certain specific punishments that the influencing agent controls.

*Identification* can be said to occur when an individual adopts behavior derived from another person or a group because this behavior is associated with a satisfying self-defining relationship to this person or group. By a self-defining relationship I mean a role relationship that forms a part of the person’s self-image. Accepting influence through identification, then, is a way of establishing or maintaining the desired relationship to the other, and the self-definition that is anchored in this relationship.
Internalization can be said to occur when an individual accepts influence because the induced behavior is congruent with his value system. It is the content of the induced behavior that is intrinsically rewarding here. The individual adopts it because he finds it useful for the solution of a problem, or because it is congenial to his own orientation, or because it is demanded by his own values—in short, because he perceives it as inherently conducive to the maximization of his values. (Kelman 1961: 62–64)

Efficiency of asymmetrical negotiations (speed in reaching agreement and ratification) can be explained in terms of its relation to variances in negotiating states’ motivational source based on these typologies of persuasion. Only behaviour change through internalisation or identification can be regarded as normative as its motivations are based on a veritable convergence of the negotiators normative preferences. Agreement through internalisation is based on value congruence while agreement from identification is based on understandings of social or institutional appropriateness. Identification agreement has a lot to do with agreement which is not predicated on an intrinsic persuasion, but based on what is considered behaviour consistent with sustainability of a relationship. As this conceptual model suggests, the propensity for an ACP state to accept the EU’s propositions in an EPA would largely depend on two qualities: (a) normative convergence/divergence in persuasion on the mutual economic utility of the negotiated agreement and (b) convergence/divergence on fulfilling mutual expectations on asymmetry (material incentives).

From Figure 2 if there is a high degree of persuasion by the two parties in a dyad on the economic suitability and utility of EPAs as well as high satisfaction on state of asymmetry consequent to an agreement then time wise the negotiation round will be swift (AC). Agreement here is based on belief internalisation of both partners on the appropriateness of an agreement. Similarly under this category speedy agreement could be based on identification-based acquiescence predicated on normative institutional entrapment to the rules of appropriateness in maintaining viable exclusive political relationship. Negotiation influence under AC therefore does not involve material incentives by the superordinate state.

If normative persuasion (of the materially weaker state) on the economic utility of an agreement is low, but there is high satisfaction for both states in the state of asymmetry, then the weaker state becomes more agreeable or vulnerable to the superordinate’s material incentives or coercion (AD). In this case since the materially stronger state has the preference of a speedy agreement (high persuasion on utility of an agreement), it is likely that the outcomes will be achieved relatively fast. The only difference is that here agreement is precipitated by compliance of the weaker state. The economically subordinate states under AD are willing to be materially influenced to accept an agreement, even if they do not have an intrinsic agreement with the ends intended by the agreement.

When there is high persuasion on the utility of an agreement but low agreement on the state of asymmetry, the negotiation becomes protracted as parties in a dyad bargain on how to re-calibrate their asymmetry (BC). Asymmetry in economic negotiations involves finding the right ‘conversion rate’ in a crude barter system.
of exchanging influence and material rewards. When there is low agreement on the asymmetry, it is usually either because the putative materially stronger (superordinate) state A does not wish to part with as much material benefits as the materially weaker (subordinate) state B expects, or when the materially weaker state B is not willing to concede as much influence to state A, as state A expects. As Figure 2 shows, here reaching an agreement will be slow and the agreement is likely to be forced by time of the deadline. EPAs have mostly been a case of BC.

Finally, when there is low credibility on the economic objectives of a negotiation as well as low agreement on the state of asymmetry (AD), then negotiations are very protracted and could go on indefinitely if time deadlines are not imposed.

Conclusion

This model on credibility and asymmetry makes two important contributions to the conceptualization of efficiency outcomes in asymmetrical negotiations. One, by borrowing from typologies of persuasion in political psychology, we can highlight the order of different types of ‘negotiated agreements’ and particularly so in the case of EPAs. Negotiated agreement in international economic negotiations can be ‘compliance’ agreements, ‘identification’ agreements or ‘internalised’ agreements. From the ensuing protraction in ratification of EPAs after 2007, and as confirmed by elite interviews, most ACP states initialled an EPA as a matter of compliance. Initialling an agreement was not born out of a veritable normative persuasion on the appropriateness of EPAs but on the fear of loss of market access (material disincentive). Up to this point asymmetrical dependence suppositions would be right in attributing outcomes to asymmetrical dependencies. However, the emergence of variable speed in ratification after 2007, spearheaded by states that were less materially vulnerable, suggests the import of normative value congruence in precipitating agreement with the EU as a far more cogent explanatory variable than asymmetrical dependence. By drawing from political psychology we can place EPA agreements within a theoretical prism of graduated levels of normative persuasion or material-based preferences. When a negotiated agreement is so critically precipitated by a time deadline (as it was in 2007 for all initialling states) then that agreement is likely to be only a reluctant compliance agreement. When agreement is reached well before any deadlines and without any special or additional material incentives by the superordinate state or region (as in the case of Cariforum group’s ratification in 2008), such an agreement is more likely to be through identification or internalisation.

Second, the model accommodates both structural and normative variables in attributing preference formation in asymmetrical negotiations. The model does not discount the importance of structure (material asymmetries) in conditioning outcomes of economic negotiations. Speed of ratification is about neoliberal belief but it is not only about neoliberal belief. The argument is that the preferences of economically weak states should not be assumed to be driven solely, or even primarily, by considerations of material deficiencies. This model therefore clarifies the conditions under which material vulnerabilities become critical; that is in cases where there is little chance for reaching a normative-based agreement on an issue. Only then are a state’s actions influenced by material capabilities or
vulnerabilities. Since compliance agreement will only occur in the absence of norm internalisation, it seems logical then to infer that in order of influence, normative persuasion precedes structural variances as a more elemental foundation of preference formation. In understanding or examining the most elemental basis of a preference formation, normative attitudes of subordinate states should be considered. In the case of EPAs, taking into account ACP states’ variances in normative neoliberal biases seems to cogently explain variances in disposition to ratify an EPA. This corrects the structural supposition inspired by Hirschman (1945) that an agreement between a subordinate and superordinate state is necessarily predicated on material asymmetry.

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Disclosure statement

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Notes

1. By initialling, a state confirms the authenticity of the agreed texts of the treaty. By signing, the state confirms consent to be bound by the contents of the treaty. Ratification signals the due authorisation by all concerned agencies (executive and parliament) for the application of the treaty.
2. Although South Africa did not initial an EPA (already having made the Trade, Development and Cooperation Agreement FTA with the EU) it is critically involved in South African Customs Union–EU negotiations.
3. While the tariff jump is perhaps the best quantifiable indicator of the financial costs of not accepting an EPA, for a few countries – Nigeria, Botswana, Antigua and Barbuda and Marshall Islands – their exports to the EU are so concentrated on one commodity that the scope of commodities under change may not reflect the real vulnerability. Both Nigeria and the Marshall Islands are not included in the 37 initialling states; so in the article only Botswana and Antigua and Barbuda are affected by this limitation on the use of tariff jumps.
4. The Economic Community of West African States and Southern Africa accepted to ratify their EPAs in late July 2014, two months before the expiry of the deadline, while Kenya and the rest of the EAC states accepted an EPA in October 2014.
5. Temporary movement of natural persons: when independent service providers or employees of a multinational firm temporarily move to another country.
6. ‘Neoliberal’ is used here strictly in reference to trade policy in the economic theory Ricardian sense of open trade as being necessarily propitious to overall national welfare.
7. The SVI questionnaires issued to ACP negotiators had a total of 20 questions evaluating several aspects of the negotiation process and outcomes. This included the levels of satisfaction with the EPA outcomes, the degree of institutional entrapment and the degree of relational influence of ‘special relations’ on states’ preference formation.
8. Cariforum Regional Negotiating Machinery.
Notes on contributor

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