

# When cooperation meets negotiations

## – An approach to address the complexity of transformation to sustainability

*Ariel Macaspac Hernandez*

*Dr Ariel Macaspac Hernandez is a researcher at the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) and a Privatdozent at the University of Duisburg-Essen. He finished his Habilitation in Political Science at the University of Duisburg-Essen. He holds a PhD in Political Science (summa cum laude) from the University of Vienna, Austria and another PhD in Economics and Social Sciences (summa cum laude) from the University of Cologne, Germany. Prof. Dr. Dirk Messner was his thesis supervisor for his Habilitation thesis. Mr Hernandez was also working for Dirk Messner for the Wissenschaftsplattform 2030 until Prof. Dr. Messner left the DIE.*

### 1. Introduction

The Sustainable Development Goals (SDGs) serve as a ‘blueprint’ for a more sustainable future. The achievement of this vision is a difficult endeavour not only because of the issues involved but also of the process defined by uncertainty and the lack of precedents (Hernandez 2021). In addition, the SDGs entail critical questioning whether the current multi-scale framework for global cooperation between states and between state and non-state actors is conducive to transformation to sustainability (T2S). One question refers to the role of power and power asymmetry in global and domestic cooperation. Given the current power imbalances, does the achievement of the SDGs require the prior dismantling of inequities that reinforce power asymmetry? Dirk Messner et al. (2016) argue that, while actors will reflect upon the payoffs of cooperation given the existing power asymmetries, cooperation can still result to the achievement of goals. The reason behind this is that cooperation goes beyond the assumptions of rational choice and narrow self-interest. Therefore, power asymmetry does not need to hinder cooperation if the so-called ‘cooperation hexagon’ (reciprocity encompassed by trust, we-identity, enforcement, communication, reputation and fairness) defines the interactions between actors. In other words, this cooperation hexagon enables the creation of a shared reality even in the case of heterogeneity.

Moreover, the achievement of the SDGs will most likely depend on how international relations adapt to the changing meaning of power as the progress on SDGs further changes various frameworks for global cooperation. The SDGs might have significant implications for foreign policy because they can mitigate several grievances that fuel conflicts between states. At the same time, the progress on one SDG in one country can hinder the achievement of another in neighbouring countries. For example, while the hydropower generated through the Grand Ethiopian Renaissance Dam helps Ethiopia achieve reliable and green energy (SDG 7), it shifts power in the region and threatens stable water supply (SDG 6) in Egypt and Sudan. Others problematise the entanglement of the SDGs in the North-South divide, because the SDGs do not fully recognise the postcolonial context of development in the Global South.

Concurrently, the progress on SDGs is redefining the cycles of domestic policies. This type of scaling complexity calls for the need to contextualise the SDGs. The progress of SDGs in each country is driven or impeded by the legacy of development, governance and political economy, population and demography, and human and social capital. These factors require a set of policies that aims to initiate structural changes and mitigate their negative effects. Each SDG-policy cycle is entangled in a highly complex web of multidimensional decision-making. Because of this, SDG-related policy-making needs additional efforts to ensure policy coherence by addressing trade-offs between SDGs and by addressing impediments to goal achievement. Ensuring policy coherence and effectively addressing trade-offs are however outcomes of exchanges of information between affected parties. Here, a comprehensive understanding of cooperation as an instrument of exchange becomes inevitable.

In addition, the 'aspirational' character of the SDGs paves the way to an 'ideology'-loaded type of complexity. Because sustainable development is a normative framework composed of aspirations and principles 'dressed-up' as rules, it becomes an ideology. Implementing some sustainability principles, for example, in the market organisation involves 'romanticised' alternative systems such as the Scandinavian models that favour the communalisation of energy, health and transportation sectors. These alternative systems are often taken as proof of a 'have-it-all' future that equates 'good' with 'smart' actions that are supposed to be achievable within the current political-economic paradigm (see Matikainen 2018). The SDGs are increasingly becoming entangled in 'culture wars' in many countries where individual value choices are broken down along partisan or political lines. Issues such as environmental protection or infrastructure modernisa-

tion are easily politicised and nested within a broader context of political conflict.

## 2. *The transformation to sustainability from the negotiation perspective*

The application of the cooperation hexagon to T2S opens the door for the negotiation perspective to elaborate how cooperation can be managed, scaled and prepared for in a highly complex environment. The outlook of cooperation and negotiation studies can help manage the complexity of T2S by:

- (1) understanding the different facets of complexity of T2S;
- (2) tracing how actors can build trust and agree to cooperate to resolve a common complex problem and agree on the unprecedented ‘new normal’;
- (3) managing reputations, expectations or learning from regressions;
- (4) identifying solutions that do not further reproduce existing asymmetries and inequities.

This diversity of how the SDGs can be achieved and what they entail in terms of necessary changes compels an analytical framework to have a grasp of the complexities involved. Negotiation scholars use theoretical frameworks to conceptualise how collective decision-making is used to achieve agreements, whereas collective decision-making becomes an interchangeable term for the cooperation hexagon. In addition, negotiation scholars characterise negotiation as a process that has a temporal start and end, and they developed *stage* and *episodic* models as analytical frameworks that divide the process into different phases or segments.

T2S is a concert of various negotiation processes. There are conditions required for negotiations to be effective. One condition pertains to a conflictual situation that needs to be resolved. The SDGs foresee the restructuring of governance and societal practices that cause frictions. In addition, by addressing the trade-offs between SDGs, new inequalities can be prevented. Moreover, the failure to resolve the conflicts related to the SDGs can be ‘mutually hurting’. T2S is itself a response to the costs of the ‘unsustainable’ business-as-usual scenario. Furthermore, negotiated agreements are necessary to resolve conflicts notably in cases involving common vulnerabilities. In addition, explicitly when addressing complex and uncertain phenomena, negotiation serves as an apparatus for adaptive learning, for improving social relationships and therefore for paving the way for future cooperation.

### 3. *The types of cooperation in the transformation to sustainability based on the negotiation perspective*

In T2S, there are four possible types of cooperation: *collaboration*, *coordination*, *deliberation* and *orchestration*. They reflect the cooperation approaches actors will most likely take when negotiating. However, the actors need to resolve the corresponding four ‘*cooperation problems*’ to identify the ‘pressure points’ and engage the type of cooperation necessary to push forward with the negotiation process.

#### *Collaboration*

Collaboration is where actors seek to create a shared sense of reality by formalising channels to exchange information to better understand the problem issue involved and explore how the others can be part of the solution. The intention to collaborate is driven by the acknowledgement that unilateral solutions are not feasible to resolve common problems. Actors seek to resolve the ‘collaboration problem’, which refers to the caveat to collaboration. Resolving this problem mirrors the ‘ripeness’ concept in negotiation of I. William Zartman. Actors will collaborate only when the expected costs (e.g., value of information) are expected to be less than the benefits of collaboration. In addition, actors collaborate when they can trust that the efforts they make will be reciprocated by the other actors. Resolving the collaboration problem is thus highly dependent on existing social capital, i.e. the level of trust among actors. Moreover, to resolve the collaboration problem, actors need to have the capability to monitor and assess the actions of the others. This also means that exploratory interactions between the actors would be useful to build rapport, for example by improving communication and learning.

Cooperation advances when the collaboration problem has been resolved and actors are able to recognise the ‘ripeness’ of transformation despite its perceived ramifications to power relations. In addition, the perception of power and the ability to reciprocate concessions facilitate the collaboration between the actors. Because collaboration entails the expectation of synergies and co-benefits leading to additional values, power asymmetries can even be helpful in identifying formulas for burden sharing. Competition among actors does not need to hamper collaboration particularly when there is transparency and when competition assures quality. Under strict competition, collaboration tends to focus on distinct

tasks and less on synergies. It is often characterised by strict tit-for-tat procedures.

### *Coordination*

Coordination is a self-enforcing type of cooperation. It can be initiated through conventions, norms and practices. “Coordination problems” arise when the “dilemma of common aversions” (Stein 1983) comes into place where actors disagree on the choice of parameters and the common equilibrium. In addition, coordination problems may also involve the situation where it is unclear where policies should match to ensure policy coherence. To initiate and facilitate coordination, a ‘tolerable window’ needs to be established to enable actors to compare their actions to those of the others. Coordination has a functional purpose. For example, when a ministry coordinates with other ministries or when a government coordinates with its counterparts from other countries, they seek to combine resources to achieve the goal with the least possible cost for individual actors. For example, countries are able to assess their own emission reduction goals vis-à-vis the global emission reduction goal through the Nationally Determined Contributions (NDCs). At the same time, coordination allows actors to review whether their own actions match or are comparable to those of their counterparts. To do this, they agree on shared parameters to allow the comparability of their interests and behaviour.

Coordination can generate new norms that can further reinforce shared realities. Germany’s *Energiewende* exemplifies how coordination can occur. After the political framework of the *Energiewende* was developed, relevant state and non-state actors started to establish their interests by supporting their positions with scientific evidence. Several German ministries have launched their own research and development efforts in addition to the existing efforts of the Federal Ministry of Education and Research (BMBF) to draft their positions on certain themes related to the implementation of the new energy policy framework. In addition, sub-state actors such as 16 German states have started to develop their own implementation strategies, goals and energy concepts. In addition, representatives of affected sectors such as energy and industry have mobilised their constituents and started to seek popular support or resistance through various networks.

### *Deliberation*

Deliberation pertains to the type of cooperation where actors assess how the discourses on sustainability solutions should be transformed into concrete actions. It builds on the already existing interconnectedness between actors within a system. It involves the micro-politics of planning and participation to connect bargaining with policy games. 'Deliberation problems' refer to the incapability of stakeholders to participate effectively in deliberations. Lack of proper channels, low negotiation expertise, distorted representation or deficient accountability mechanisms hinder exchanges between actors about concrete details of the solutions. Deliberation aims to legitimise the process through participation and to ensure effectiveness of measures by identifying the appropriate mixture of actions. In addition, legitimacy enables actors to focus on solutions rather than on procedures. It also broadens the set of available resources due to the more stratified and equitable distribution of burden, which further strengthens the sense of shared reality. In addition, deliberation is made to find efficient solutions to make sure that the intended solutions solve the problems at least cost possible.

### *Orchestration*

Orchestration refers to the communication between transformation processes. In the age of synergies and nexus-thinking, ensuring coherence between multiple policies limits trade-offs. Knowledge creation is 'orchestrated' across different transition processes to identify both possible synergies and trade-offs. This type of cooperation is similar to the concept of orchestration elaborated by Thomas Hale and Charles Roger. As non-state actors and sub-state actors participate in a transformation process, for example through transnational networks, they aim at establishing de facto regulation such as voluntary sustainability standards. At the same time, the concept of orchestration used in this paper also refers to how, for example, Mexico's energy transition is strongly connected to reforms achieved in gender equality and social justice. Although each sector has a different set of actors, structures and outcomes, it can promote or undermine transition in other sectors.

Orchestration refers to the type of cooperation that addresses exchanges of information between various (sectoral) transformation processes. Orchestration problems arise when the effects of preceding and parallel transformations become so diffuse that the success or failure to achieve

certain goals cannot be clearly attributed to specific measures. Hereby, the discernment of fairness and reputation becomes difficult. For example, increasing household incomes in India are leading to the increasing energy demand, which is most easily satisfied with fossil fuels, sending the wrong signals to policies that aim to reduce poverty alleviation. This diffusion poses challenges to (1) the calculation of costs and benefits for rent-seeking actors, (2) the accountability of unsuccessful and inefficient measures and (3) the equitable attribution of credits to the niche players that sacrificed resources. These orchestration problems can hinder the adequate analysis of the reasons behind a specific outcome.

#### *4. Conclusion – Finding lessons for transformation to sustainability*

T2S can be contentious, if not disruptive, primarily because of its complexity. This article called for the structuring of these complexities to facilitate cooperation for T2S. The negotiation outlook suggested building on existing concepts in cooperation research such as Messner's cooperation hexagon to understand and explain dynamics that occur as the transformation process unfolds. The negotiation perspective can help identify 'pressure points' of T2S by knowing more about human perception, cognition and motivations for cooperation. These pressure points can help practitioners develop strategies how to engage other stakeholders. The complexity of T2S can be managed by looking at T2S as a framework for cooperation. At the same time, applying the negotiation logic in establishing this framework addresses the role of power. When actors cooperate, they resolve power asymmetries not by dismantling them but by making them less relevant and even useful. When power asymmetries motivate differentiated responsibilities and commitments, then power becomes a driver of change.

#### *References*

- Hernandez, Ariel, 2021: Taming the Green Elephant. Setting in Motion towards Transformation to Sustainability. Wiesbaden: Springer VS.
- Matikainen, Oliver, 2018: Sustainable Development: An Ideological Illusion, in: The Beam, 30.07.2018, accessible online: <https://medium.com/thebeammagazine/sustainable-development-an-ideological-illusion-3a967b0892f7>.

- Messner, Dirk, Alejandro Guarín, Daniel Haun, 2016: Putting Behavior into International Cooperation, in: *The Chinese Journal of Global Governance*, 2, 129–141.
- Stein, Arthur, 1983: *Coordination and Collaboration: Regimes in an Anarchic World*, in: S. Krasner, S. (ed.), *International Regimes*. Ithaca, NY: Cornell University Press.