

Economics 382B  
Bargaining

Spring 2008

Prof. Masters  
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Office Hours LT 1012  
Tues.Thurs. 1:45-2:30  
and by appointment

This course has several objectives

- 1) To develop an understanding of the role of bargaining in economics
- 2) To learn about different approaches to bargaining and when each is most appropriate
- 3) To learn about some of the more specific bargaining issues involved in legal cases and in collective bargaining between unions and management
- 4) To improve student's ability in both oral and written communication

Required Books

1. Fisher, Roger and Ury, William: Getting to Yes
2. Cleary, Patrick: The Negotiation Handbook
3. Mnookin, Robert: Beyond Winning
4. Course Pack

Prerequisite: A grade of C in Economics 160.

Broad Outline of Topics

Approximate Number of Weeks

Introduction	Two weeks
Negotiation and Lawyers	Two weeks
Collective Bargaining	Two and a half weeks

Grading

Personal Negotiation Paper	25%
Collective Bargaining Exercise	25%
Oral Presentations	30%
Exercises, quizzes, class participation, & attendance	20%

Since this course is only half a semester, the drop and withdraw deadlines are much earlier than for a full course. If you want to drop, you probably have to do so by the first week.

### Week One

Readings: Fischer and Ury, Getting to Yes, Chapters 1-7

Activity: Used Car Exercise

due under my office door by Wed, 1 PM

Discussion Sections do not meet this week

### Week Two

Readings: Cleary, The Negotiation Handbook, Intro plus chapters 1, 3, and 4

Assignment: Personal Negotiation paper

due Wednesday in discussion sections

See end of last page of syllabus

Oral Presentations about 7 or 8 minutes in length

Several on Getting to Yes/Cleary on Tuesday (rehearsal the previous Thurs.)

Nine personal negotiation papers on Thursday

(rehearsals in discussion sections on Wednesday)

### Week Three

Readings: Mnookin, Beyond Winning, Chapters 1-4 (pp. 9-126)

Raiffa, Elmtree House (handout)

Presentations of Personal Negotiation Papers,

nine presentations on Thursday, rehearsals Wednesday

Discussion Section: Raiffa, "" (handout) plus rehearsals

### Week Four

Readings: Mnookin, Chapters 7 and 8 (pp.173-223)

Axelrod from Course Pack

Dixit and Nalebuff from Course Pack

Raiffa, "Introducing Complexities: Uncertainty" (Sorenson Chevrolet)

In Course Pack

Skits on Divorce Negotiations 20-25 minutes, finish Personal Negotiation Papers

presentations on Thursday, rehearsals on Wednesday

## Collective Bargaining Exercise

Weeks Five through Seven

Readings: Leonard, Kilian, and Hilgert: Labor Agreement Negotiations  
Handout – one copy per team

Activities: Simulated collective bargaining exercise between union and management

Progress Reports  
Contract -- Signed by all negotiators for each side  
Written and Oral Reports of Strategy and Assessment of Outcomes

Mandatory Attendance on February 26, where exercise will be presented

The official strike deadline is Mon. 3/10, but you will need to have your negotiations finished by Sunday in order to write your reports and hand them in by Mon. afternoon.

All written reports due by Monday, March 10 at 3PM  
Oral Presentations in class Tuesday, March 11.

### Personal Negotiation Paper

Due 2/6 about 5 or 6 pages

Discuss a conflict/negotiation situation in you are (or have been) a participant, a conflict that is (was) important to you. It could involve parents, a sibling, a boy or girl-friend, an employer, a landlord, or someone else. To simplify the analysis, it is probably best to pick a conflict involving only one other party, although this is not required. Also a party can include more than one person, as in a parent-child conflict where the parents act as a team.

Assume that, because the conflict is important and not easy to solve, you have sought the advice of a counselor. Write a paper to your counselor discussing the source of the conflict, the steps you and the other party(ies) have taken in response to the problem, and also in response to the actions of the other party. What final resolution of the conflict do you expect? Why? What, if anything, do you think you should have done differently? Why? From your negotiating partner's point of view, what do you think she or he should have done differently? Why? To what extent can the works of Fisher and Ury and of Cleary help in analyzing this conflict?

If this conflict has already been resolved, assume you have gone to the counselor to get advice on what you might learn from this experience in order to handle future conflicts more effectively. Describe the history of the conflict. With the benefit of hindsight, what do you think you should have done differently. Why? From the point of view of your negotiating partner, what should he or she have done differently? To what extent can the works of Fisher and Ury and of Cleary help in analyzing this conflict?

