Understanding the psychological science behind the debt negotiations

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(Medical Xpress) -- This week, the deficit reduction supercommittee failed to reach a consensus in creating a plan to reduce the national deficit by at least $1.2 trillion. Psychological science can provide some insights into the difficulties faced by the supercommittee members as they proceeded with the negotiations under intense political pressure and public scrutiny.

“Interestingly, from negotiation research we know that it is much easier to negotiate deals that involve gains, instead of losses,” says Carsten de Dreu, Professor of Psychology at the University of Amsterdam. “A so-called loss frame makes negotiators unwilling to make concessions, and increases rigid negotiation styles that are not very helpful in reaching creative, mutually beneficial deals,” he explains.

This is an exceptionally difficult task but de Dreu believes that there are several strategies that could help in these types of negotiations. The first strategy is to reframe the negotiations in terms of making things better. He suggests that switching to a gain-frame would facilitate mutual concession making. The second strategy would be to focus on collective goals, to emphasize the need for a joint solution that will benefit all involved in the long-run. “Such a cooperative goal has been shown to turn loss-framed negotiators from being rigidly focused on reducing personal losses, to being creatively focused on reducing collective pain. This would facilitate deal making and, perhaps, even lead to creative thinking,” notes de Dreu.

When negotiations stall, people will naturally want to assign blame. “There is a lot of psychological evidence to suggest that constituents on the left and right are likely to blame the breakdown on the other side—particularly if the reasons for that impasse are unclear or ambiguous,” says Hannah Riley Bowles, Associate Professor of Public Policy at Harvard University’s Kennedy School of Government. She acknowledges, however, that “there may be sufficient anger towards government in general, a sense of alienation from the leadership of both political parties, that the public response might not be as evenly divided along party lines as it might have been in earlier eras.”

Bowles refers to Dacher Keltner and Robert Robinson’s research on “naïve realism,” which shows that people tend to assume that their view is the most rational and that people who do not agree with them are ideologically motivated. In such a scenario, people believe that the other side is so far removed from their stance that it is impossible to reach a consensus.

Perspective taking, the ability to put yourself in someone else’s shoes, may be one way to bring the two sides closer together. “Perspective taking is an important skill needed to uncover that most negotiations are not “zero-sum” and that creative trading can provide all sides with a reasonable outcome — so-called win-win solutions,” concludes de Dreu.

Provided by Association for Psychological Science

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