

Negotiation



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BY SUSAN HACKLEY

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First, Empathize with Your Adversary

Former Ecuadorian President Jamil Mahuad discusses his part in ending his country's long-standing conflict with Peru.

BY SUSAN HACKLEY

JAMIL MAHUAD, a former mayor of Ecuador's capital, Quito, was elected president of Ecuador in 1998. For many years, his country had battled with Peru over a disputed border. With his own skills and the aid of negotiation expert Roger Fisher, Mahuad negotiated a historic peace agreement that earned him a Nobel Peace Prize nomination. In an interview with Negotiation contributor Susan Hackley, Mahuad spoke candidly about his experiences as a negotiator during his tumultuous term as president.

What was the situation in Ecuador when you took office?

The country was on high alert. Troops from both countries were poised at the border between Ecuador and Peru, ready for battle. For roughly 200 years, this border had been in dispute, and fighting broke out regularly. There was a long tradition of the leaders of the two countries not speaking to each other. Just seven days into my presidency, I made a risky decision. I decided that I wanted to meet face-to-face with the president of Peru, Alberto Fujimori, and try to negotiate a peaceful settlement to this long-standing dispute to avoid an imminent war.

How did you approach the negotiations?

Initially, we were suspicious of each other, though we both were mindful that the alternative to a peace agreement was continued war and instability in our countries. Rather than confronting President Fujimori as an adversary, I sought to understand him and his interests. I consulted with Roger Fisher, who urged me to approach Fujimori with respect for his seniority, as Fujimori had been president of his country for eight years.

I went to the president and asked him for his ideas. How did he think we should settle this dispute? Hearing what he thought would give me a deeper understanding of all the issues and the right to expect the same active listening from him. It didn't mean I had to agree with his views.

What kind of relationship did you develop with President Fujimori?

I worked hard to establish rapport with him. When you have good rapport with the other person, even your worst

adversary, seemingly intractable problems can suddenly feel solvable. On the other hand, when you don't have rapport, even small annoyances can seem insurmountable. I also assumed that once we both understood our interests, his actions would be revealed as rational behavior rather than as personal whims. Then I could develop possible scenarios and theories for how he would be likely to respond.

Even with good rapport, there were substantive differences to resolve. How did you handle them?

I was psychologically open to trying innovative approaches. I started a process of negotiation that allowed us to look creatively at the problem. We met 10 times over a period of three months in different Latin American capitals and in the United States. We tried many different techniques, including a process of facilitated joint brainstorming that encouraged both sides to offer options without having to commit.

We took personal responsibility for finding agreement. Fujimori, for example, marginalized a minister who was not on board with what we were doing.

What were some creative solutions that you developed together?

The Rio Protocol of 1942 had temporarily settled a full-scale war between Ecuador and Peru but did not end the disagreement over border issues. President Fujimori and I asked the guarantor countries of the Rio Protocol—the United States, Brazil, Argentina, and Chile—to make a definitive proposal. We convinced the congresses of both Peru and Ecuador to accept the proposal in advance, whatever it might be. In other words, both countries, in effect, gave a blank check to the guarantor countries. Without calling it one, we entered into an arbitration process.

One portion of the disputed land, a key military site known as Tiwintza, was extremely important to both countries. It was the site of a historic and vitally important military victory for Ecuador, and its loss would be a blow to our national identity. The creative formula proposed by the guarantors was to have Ecuador maintain one square kilometer of land within Peru. Under this arrangement,

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Interview with Jamil Mahuad *(continued)*

Ecuador had ownership, while Peru held sovereignty. Although this was an unusual and controversial arrangement, this solution satisfied the pride of both countries and allowed both to “keep” Tiwintza.

To avoid future confrontations, both countries took a large part of the disputed area and made it into a demilitarized park owned and maintained by both nations. Also included in the settlement was a treaty guaranteeing Ecuador’s free navigation on the Amazon, a mutual security agreement to avoid future conflicts, and a border-integration agreement that would stimulate economic development. Fujimori and I signed the peace accord in an emotional ceremony in Brasilia on October 26, 1998.

Once you had an agreement, what gave you confidence that it would be sustainable?

We had developed a relationship that could carry us forward to a continuing partnership. When a negotiation is finished, you have a contract or an agreement. But as Roger Fisher likes to say, “An agreement does not resolve problems. It just creates a new framework for dealing with them.” You can have great documents with no practical use if you haven’t built a relationship for the future.

We built many bridges between the civil societies of both countries and identified important infrastructure projects to be financed by international cooperation. We incorporated so many individual actors from Ecuador and Peru in the peace process that thousands developed a sense of proprietorship. They now have personal reasons to defend the peace as their own child.

What was the effect of the peace agreement on your country?

Overwhelmingly good, even spectacular in some areas. Binational projects flourished, and we have had five years without border incidents. The U.S. State Department had called the dispute between Ecuador and Peru the “longest armed conflict in the Western Hemisphere.”

But, ironically, peace brought problems I didn’t anticipate. When we were no longer at war, we were able to cut the defense budget significantly, and there was no longer an obvious role for the military. This left some of the military very unhappy, much more so than I was aware of at the time. In addition, the absence of a unifying external enemy allowed many national, preexisting problems to surface.

What other political challenges did you face?

Ecuador faced its worst economic crisis since the Great Depression. The price of oil fell below production costs, and the country was also devastated by El Niño.

I didn’t feel that I had the time, space, or clarity to begin a negotiation process with all of the parties involved. Instead, I tried to deal with the economic problems by forming the usual political alliances and imposing the will of the government.

Although I was making economic decisions that I thought were in the best long-term interest of Ecuador, I had lost the confidence of many, including the Indian people. They formed an alliance with a sector of the military who were angry at being pushed aside after the peace settlement with Peru and who were suffering the effects of the economic crisis. They stormed the presidential palace and congress, overthrew the government, and established a new one, and I was forced to flee the country.

As you reflect on what happened, what can you say about your leadership style?

In my mind, a leader’s job is to invite the people to face the truth and accept their role in working out a solution. Leaders can be tempted to offer false solutions to a conveniently masked reality. This can be good electoral politics, but it’s a disastrous leadership style.

In the peace process, I believe I was an effective leader. I invited the people of Ecuador to face a harsh reality, and they were able to do this with integrity, courage, and national honor. In contrast, the economic crisis proved too overwhelming, and it was easier to look for scapegoats than to face the truth.

What rules of negotiation have you developed for yourself?

Identify your own personal style of communicating, negotiating, making decisions, and leading. In the beginning, clarify and express your understanding of the situation. During the process, double-check your presumptions and be prepared to destroy your own hypotheses.

Also, remember that most negotiations are fundamentally about human relationships, which vary from person to person. You must have genuine curiosity about a person to learn their true interests. Always perform as yourself; never act a part. ♦

Jamil Mahuad is now a senior research fellow at the Program on Negotiation at Harvard Law School, where he is writing and reflecting on his experiences as a world leader. **Susan Hackley** is managing director of the Program on Negotiation. They can be reached at negotiation@hbsp.harvard.edu.

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