



Course Title	Rational Decision-Making and Negotiation
Category	Religion, Ethics & Law
Class Time	Winter Session: January 8th – 26th 2018 Track C Weekly schedule Monday: 5.05 pm – 6.35 pm & 6.45 pm – 7.30 pm Tuesday: 1.30 pm - 3 pm & 3.20 pm – 4.50 pm Wednesday: 1.30 pm - 3 pm & 3.20 pm – 4.50 pm Thursday: 9 am - 10.30 am & 11.00 am - 12.30 am
Course Level & Target Group	Advanced undergraduate students (at least 2 nd year) and students with an academic background that qualifies them to participate in the course. The case studies discussed will mostly– but not exclusively – take the perspective of a lawyer. However, the course is recommendable and explicitly open for students of all subjects. Except basic calculation skills, no prior knowledge is required.
Course Language	This course is taught in English, including readings in English. For the understanding of the texts and the discussions in class a language level B2 or higher (Common European Framework of Reference for Languages) is required.
ECTS	5 ECTS (45 contact hours)
Instructor	Tim Engel, LL.M.

Course Description

Every day's challenge of attorneys is to reach settlements and court decisions most favourable for the client. For this purpose, they do not only have to apply the law, but must make a lot of strategic decisions and wise steps in complex negotiations. This course will introduce theories of and methods for rational decision-making and negotiation by giving an insight into probabilistic reasoning, institutional economics, behavioural decision science, social and cognitive-behavioural psychology and principled negotiation theory. Based on the theoretical groundwork, the course is to be understood as an experiential learning experience.

It will be highly interactive, due to plenty team-exercises and class games, in which the students will have to find strategies to create value, settle a dispute and make a good deal. In the last week, the students will mainly engage in moot negotiation practices, starting from simple two-party encounters to complex multi-party deal-making. Besides those fictional scenarios, the course will give an insight into the actual challenges to political negotiations of the German government. Therefore, a member of the German government will be invited to share his or her experiences (*tba*).

Course Objective & Learning Outcomes

The course's objective is to improve the students' skills to make rational decisions in strategic settings and negotiation scenarios. They will learn

- how to inform intuition by rational decision analyses,
- how to cope with information asymmetries,
- how to prospect their own and counterparties biases, and
- how to apply the theories and methods learnt in negotiations.

Negotiations in real life are one-time events. The course provides the unique chance to run negotiation scenarios in different groups of students under the same conditions. It allows students to test and evaluate various negotiation strategies, to compare the challenges and results of the different negotiation groups and, thus, to learn from everyone's experience.

Suggested Readings

For preparation students are suggested to read the following book sections:

1. Jackson et al., *Analytical Methods for Lawyers*, 2nd ed (2011), Ch. 1.1. to 1.2.F. (p. 1-21), Ch. 2.1 to 2.6 (p. 33-58);
2. Kahnemann, *Thinking, Fast and Slow* (2012), Ch. 11 (p. 119-129), Ch. 26 (p. 278-288), Ch. 29 (310-321), Ch. 34 (p. 363-377);
3. Fisher/Ury/Patton, *Getting to Yes – negotiating an agreement without giving in*, revised ed., 2012, Ch. I.1 (p. 3 – 15), Ch. II.3 (p. 42 – 58ff);

Additional material or further selections might be provided by email in December.

Course Schedule

I. PART: RATIONAL CHOICES AND DECISION ANALYSIS

- Expected Value, Risk and Uncertainty; Decision-making under Incertitude
- Construction of a Decision Trees
- Decision Analysis in litigations: Fee Shifting, Time Value of Money
- Value Creation by Contracting
- Decision Tree Exercises and Application

II. Part: Information Asymmetries

- Information asymmetries from an economic perspective
 - prisoners' dilemma, game of Chicken
 - principal-agent conflicts
 - introduction to game theory
- Information Asymmetries from a Legal Perspective
 - Insider Trading
 - Consumer Protection
 - Corporate Law and Governance
 - Precautionary Principle
- Application and Exercises
- Introduction to weeklong Class Game

III. PART: 'IRRATIONALITIES' IN DECISION-MAKING

- Introduction to Behavioural Economics
 - Heuristics and Biases
 - Winner's Curse in Strategic Settings and in Competitive Auctions
 - Kahnemann's and Tversky's 'Prospect theory' and its Application
- Fairness and Ethics in Negotiation
- Analysis and Evaluation of weeklong Class Game

IV. PART: NEGOTIATION THEORY & PRACTICE

- Introduction to the Principled Theory of Negotiation
- Negotiation Exercises
- Case study and experience report about a political negotiation of the German government (*tba*)
- Collection of Essays
- Wrap-up Game

Assignments

Students are expected to participate in class discussion and games and to prepare an essay, analysing experiences and outcomes of the weeklong class game by referring to the theories and concepts learnt in the course.

Assessment Components

A minimum of 80% class attendance is required. The final grade will be composed of active participation during class discussions (2 ECTS points) and a 5 pages' essay, analysing experiences and outcomes of the weeklong class game by referring to the theories and concepts learnt in the course (3 ECTS points). Failure to fulfil one of the mentioned components results in failure of the class.

Expectations & Policies

Preparation for lively discussions in the classroom: be on time, have at least the required readings completed and points in mind for discussion or clarification.

Assignments: complete all assignments according to the specified requirements on schedule including handing over to the lecturer.

Commitment in class: pay particular attention to the lecturer and respect differences of opinions (classmates', lecturers, local constituents engaged with on the visits).

Academic guidelines: Comply with academic integrity policies (such as no plagiarism or cheating, nothing unethical), especially the academic honor code and the student code of conduct (see FAQs on www.huwisu.de).

Attendance policy: No unexcused absences are permitted. Students must contact their class teachers to catch up on missed work – to excuse absence please contact the HUWISU office (80% class attendance are required).

Field trips: if classes involve a field trip or other external visits, these require attendance as well as appearance in time – transportation difficulties are never valid reasons for an excused absence.

Cultural Extra-curricular Activities

HUWISU offers a fine selection of interesting extra-curricular activities and aims to give all participants an unforgettable stay in Berlin. Your program includes excursions, sport activities and social gatherings providing you the opportunity to get to know the city, the university and your classmates better and to meet students from all parts of the world. The costs for these offers are included in the course fees.

Below you will find examples of previously offered cultural activities. You will be informed about the respective cultural program after your enrolment via email as well as during the course period.

Political and historical guided tours:

- **Federal Chancellery (Bundeskanzleramt):** It's the central coordination point for the entire government policy. The office is in constant contact to departments and other authorities.
 - **German Parliament (Bundestag):** As the highest organ of the legislative in Germany it's elected by the German people. In practice Germany is governed by a bicameral legislature, of which the Bundestag serves as the lower house and the Bundesrat equals the upper house.
 - **House of Representatives (Abgeordnetenhaus):** It's the state parliament (Landtag) of Berlin and located in the center of the reunified city. Together with the Martin Gropius Bau, the Topography of Terror and the Bundesrat, it presents an arresting contrast to the flair of the new Potsdamer Platz.
 - **Topography of Terror:** A permanent exhibition with focus on the central institutions of the SS and police during the "Third Reich" and the crimes they committed throughout Europe. With the help of mostly photographic material, visitors are led through the major themes of the exhibition's five main segments.
 - **Political Archive:** As the "memory" of the Federal Foreign Office it preserves the files on German diplomacy since 1867, as well as the international treaties signed by the Federal Republic of Germany and its predecessors in title. The records are preserved, processed and made available for academic research.
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Cultural guided tours:

- **Kreuzberg Tour:** Kreuzberg has emerged from its history as one of the poorest quarters in Berlin in the late 1970s to a cultural center of today's Berlin. A unique area and one of the hippest neighbourhoods in Berlin with many bars, pubs and clubs.
- **Berlins Museum Island (Museumsinsel):** was awarded UNESCO World Heritage Status in 1999 and is an ensemble of five museums: Old Museum, New Museum, Old National Gallery, Pergamon Museum and Bode Museum.
- **Berliner Dom:** Berlin's largest and most important Protestant church is located on the Museum Island.
- **Daytrip to Potsdam:** Be inspired by the illustrious attractions of the UNESCO's World Heritage while under way through the city of Potsdam. Immerse yourself in the history and present of Potsdam and discover many palaces, gardens, and historic quarters such as the "Holländisches Viertel" or the "Nikolaikirche".
- **Exhibitions:** Berlin is known for its unique galleries and exhibitions, that is why we will visit at least one during the Winter University.

Social gatherings

- **Welcome Get-Together:** We invite you to meet all participants as well as the HUWISU staff in a relaxed atmosphere.
- **Ice Skating:** A fun outdoor sport activity for everyone; even for those who have never been on ice-skates before. Afterwards you may head out for hot beverage to warm up from the inside.
- **Farewell Party:** At the end of the Winter University we will come together to celebrate the exciting time with HUWISU.

Your Instructor

Tim Engel is a research assistant and doctoral candidate at University Bremen and assistant of Prof. Grundmann at Humboldt University of Berlin. He studied law at Humboldt University Berlin and King's College London.

His research focusses on risk regulation and governance, European administrative law, regulation of financial institutes, and theory of negotiation. He studied Analytical Methods for Lawyers and Negotiation with Mihael Jaeklik at King's College London, as well as Negotiation and Dispute Resolution with Toby Berkman and Carri Hulet at Harvard University in Cambridge, USA.

Please note that the course and its syllabus are subject to change. Last update: September 2017