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# Sunday Strategist: Negotiation Strategies for Donald Trump (And You)

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You're in a tough negotiation and things aren't going well. Should you cut a small deal and leave the hardest issues for later, or push for the whole enchilada? It's a question that most of us have faced in business or our personal lives.

My Bloomberg colleagues Shawn Donnan, Jenny Leonard, and Steven Yang reported on Oct. 31 that President Donald Trump's strategy of doing a small trade deal with China now and then one or two bigger ones later is [running into trouble](#).

Chinese officials are privately casting doubts about reaching the long-term deal that Trump wants, which would include a change to the regime of government subsidies that Chinese companies benefit from. So it could be that phase one is the only phase Trump will ever get. The near-term deal is said to include a resumption of Chinese purchases of U.S. farm goods and aircraft and some protection of U.S. intellectual property, among other measures. On Nov. 1, the Chinese Ministry of Commerce said the two sides had achieved "consensus in principle" on a phase one deal.

Deepak Malhotra, a Harvard Business School professor and author of *Negotiating the Impossible*, says cutting a small deal first can make sense if it builds good will and propels the parties toward a bigger deal later. That's known as confidence-building in statecraft (e.g., Nixon's ping-pong diplomacy with Mao Zedong in 1971). A big deal can fail if it's too much, too

soon. “Some issues are just easier solved sequentially,” Malhotra says.

But going small is not always the right strategy. Malhotra teaches his students that widening the scope of a negotiation can often produce better results. If there are more elements in a deal, “it allows both sides to have some wins,” he says. The Trans-Pacific Partnership trade deal was like that—an ambitious deal that involved painful compromises but on net was a plus for all 12 Pacific basin nations involved.

Malhotra says the charitable interpretation of Trump's negotiating position is that he's building momentum for something really great down the road. The uncharitable interpretation being, “politically, Trump needs a win.” If the narrow deal is all Trump ever manages to get, it will raise questions about why he put American consumers, farmers, and manufacturers through a costly tariff war.

Trust is a critical ingredient. There's a saying that nothing is agreed until everything is agreed. That's intended to give each side the courage to offer big, potentially unpopular concessions, knowing it can pull them off the table if they don't lead to a final deal. Earlier this year, the U.S. accused the Chinese of [backtracking](#) on concessions. Now, as the latest Bloomberg story reveals, it's the Chinese who are worried about the Americans not following through.

Eswar Prasad, an economist at Cornell University's Dyson School of Applied Economics and Management, says that a small deal can pave the way to a bigger deal, but it also “might

mean that more fundamental disagreements never get resolved.” Prasad, who has followed the U.S.-China talks closely, says, “A mini-deal that generates some easy wins for both sides but doesn’t resolve the fundamental underlying economic tensions” may not be enough.

James Green, who was the senior U.S. trade official in Beijing from 2013 to 2018, and is now a senior adviser to the consultancy McLarty Associates, adds, “The challenge with a smaller agreement is that you give away leverage that you might use later on. Is one in the hand really worth two in the bush?”

So, basically, a big mess. Maybe someone should volunteer to stage an intervention.

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(Corrects last name of writer in second paragraph to Yang.)

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