

Globalized Diplomacy

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In many countries people believe that the impact of external events on their daily lives is sharper, and more immediate, than ever before. Terrorism is one such global concern; further, trade fluctuations, loss of jobs at home, currency swings, and even foreign cultural influences, are perceived as threats. Migration is another interconnected, home-external issue, both for the origin countries that are the sources of economic migrants, and the receiving states. These are all facets of our interconnected world, a product of relentless globalization.

Let us consider the 21st century environment of world affairs, and the manner in which diplomacy has adapted to the post-Cold War world, dominated as it is by eco-political interdependence. Forces that operate within countries, as well as external factors, have transformed the way the countries deal with one another. Foreign ministries and the other agencies that handle external relations have to make room for multiple actors, new subjects in the international agenda, and technology driven changes. We may call this ‘globalized diplomacy’.

Some countries, large, medium-sized and small, manage their external relationships much better than others; the key lies in clarity of objectives, and mobilization of all available resources, clearly prioritized, in harmony with national objectives. In diplomacy effectiveness depends not on more money or people, but on sound actions, optimizing the talent that resides within diplomatic services, and in working out effective arrangements for a whole-of-government approach in managing external relationships.

Why *globalized* diplomacy? A short generation back, economic diplomacy emerged as a major component of external relations, in some ways even overshadowing political diplomacy; export promotion and FDI¹ mobilization became priority activities for most countries. We also saw the rise of cultural, education and even science & technology diplomacy. None of these segments have declined in importance, but in the past 15 years, political diplomacy has regained salience, and at the same time has become more open and complex than before. The techniques of relationship building and conflict resolution have also become more sophisticated, and require measured responses.

The MFA and the foreign affairs environment

Diplomacy is the system of the inter-state communication and issue resolution. As world affairs have evolved, diplomacy as the process of dialogue and accommodation among states, has also adapted, responding to opportunities. The volatility of world affairs has accentuated change, to the point that some foreign

¹ Foreign Direct Investment (FDI) is investment by foreign enterprises in the production assets and the service industry in the receiving country; it is distinguished from portfolio investment which is foreign investment in the shares and bonds traded on the stock market. FDI is considered the best form of foreign investment because it creates physical assets and jobs in the receiving country, and is not nearly as volatile as other forms of investment, as it cannot be liquidated in a hurry. All countries, rich and poor, compete to attract FDI.

ministries (MFAs) treat reform as a continual, incremental activity. Current framework conditions for diplomacy are:

- The MFA is no longer the monopolist of foreign affairs. The MFA has to partner all branches of government, since each of them has its set of external activities.
- These agencies will respect the MFA for the contribution it makes to their agenda, not for its notional primacy in foreign affairs. This is a hard lesson for many MFAs.
- Subject plurality compels the MFA to listen to outside expertise, while also struggling to cultivate in-house knowledge. Professional diplomats need to be both generalists and expert in some specific fields; collectively, they are the MFA's pool of expertise.
- Many non-state actors are the MFAs permanent dialogue partners, stakeholders — e.g. the media, culture academia, societal, NGOs, S&T, business and other activists. Some of them harbor grievances over past neglect by the MFA.
- The working environment is polarized. At one end: crisis, conflict prevention, movements of peoples and refugees, serious insecurity, plus physical and health hazard. At the other end, traditional exchanges continue among privileged interlocutors, marked by elegant receptions and the trappings of old fashioned diplomacy.
- The MFA professionals confront dangers of personal hazard. They also deal with increasing inter-cultural diversity. All of them need sound training, motivation.
- The work focus of professional diplomats has shifted from high diplomacy, (involving issues of peace and security, or the negotiation of sweeping inter-state accords); many of these are handled directly by heads of government and their offices. The professional now works mainly on low diplomacy: issues of detail, such as building networks aimed at specific areas, trade and other economic agreements, public diplomacy, image building, contacts with influential non-officials, consular diplomacy, and the like.
- Consular protection and emergency actions have become increasingly important, owing to the impact of terrorism and natural disasters, and the demand of home publics.

In most countries, the diplomatic network is tasked with multiple demands on a wide range of issues at just the time when public service resources and manpower in most countries face cutbacks. Do more, with less, is the exhortation.

The Domestic Interface

In the past, when external affairs drew limited attention from home publics, and a national consensus generally supported the country's foreign policy, the diplomatic machine was insulated from political crosscurrents. It used to be said that politics ended at the country's borders. That has changed radically.

Also altered is the old distinction between policies as determined by the political leaders, and its execution by an a-political diplomatic system. The mutual roles are now more permeable, and the boundary is less clear-cut. Professional diplomats are no longer insulated from home politics.

Most countries retain the model of a politically neutral civil services (e.g. the UK and its former colonies); at the top levels, officials have to be politically acceptable. In the case of Germany, after World War II, civil servants were encouraged to hold their own political affiliation (they even serve in party secretariats on deputation). The French *Grandes Ecole* graduates have long been in a revolving door covering the civil services, politics and the corporate world. The US has a highly politicized system of appointment to top administration jobs, including ambassadorships.² In many developing countries politics intrudes more into the public services than before; in many Latin American and African countries most envoys sent abroad are political appointees.

The injection of new issues in the international arena (democracy, human rights, universal standards of governance, public accountability), leads to borderline situations where envoy activism in foreign countries can lead to political acclaim at home (for instance, as with several US and other Western envoys in Kenya who pushed for the democratic process in the past 15 years), or political embarrassment (e.g. British Ambassador Craig Murray in Uzbekistan in October 2004, when his criticism of that government's rights record was initially supported from London, but his subsequent consorting with opposition groups led to his recall³).

Foreign ministry professionals have to factor the domestic political impact into their actions; in the British Foreign Office, every proposal that goes to the minister must set out the expected public impact of the proposed decision. These officials sometimes also find themselves mobilized in support of the political agendas at home. In Canada and Japan, envoys attending annual conferences are mobilized to speak to public audiences in different towns on the country's foreign policy—we may call this public outreach, but it is also a form of political support for the government. Envoys find it essential to include home political constituencies in building outreach and support for their work. As one Western envoy put it, diplomats are no longer insulated from home politics.

² In the US, all appointments at the federal level at and above the rank of assistant secretary of state, and the appointment of envoys abroad, need congressional concurrence, which further brings politics into the high appointments.

³ Murray initially was applauded by the British FCO for his vigorous championship of the need to improve human rights in Uzbekistan, and cited in HR surveys. But when he questioned the wisdom of treating that government as an ally in the war against terrorism, and went public with his criticism of using information gathered from suspected terrorists by use of torture by the Uzbek government, he was recalled. Charges of personal misconduct were also leveled against him in a very public showdown, heavily reported in the British media. Developments in 2005 in Uzbekistan have borne out the truth of his warnings.

All too often, developing countries have not fully optimized their diplomatic process to produce better whole-of-government working methods, or to mesh the diplomatic system with the rest of their governmental network. This is a real organizational challenge.

The ICT Revolution

Information technology and communications (ICT) has impacted strongly on the functioning of diplomatic systems, though the core tasks of relationship management are unaltered. One direct consequence is that the relationship between the foreign ministry and the embassy abroad is much closer, and the bilateral embassy has gained in importance.

The internet provides innovative means for extending outreach to wide streams of publics, foreign and ones own. The foreign ministry website, supplemented by the websites of embassies provides a starting point. The 'intranets' based on the web, also called 'virtual private networks' permit confidential exchanges within a country's diplomatic and public services. Canada has been a leader in the application of net-based communications, for export promotion and for domestic public outreach.

Other changes:

- The emergence of the 'global information village' has reduced reaction time. Official spokesmen of foreign ministries have to react on events as they occur; embassies are similarly expected to convey local reactions to a range of issues, as they emerge. It has also increased the frequency and diversity of inter-state communication.
- Inside the MFA communications are flatter. ICT permits drafts and proposals to go direct from the desk-officers to the top officials, with copies sent to the intermediate hierarchy. (In the British and German Foreign Offices, submissions from desk-officers cannot be changed by seniors, but go with their comments or alternative suggestions; embassy recommendations are similarly un-alterable.) This adds to responsibility for young officials, and demands higher standards.
- Small countries seeking efficiency prioritize ruthlessly, concentrating on bilateral tasks of direct importance, and on major global and regional issues.
- Changes have taken place also in the communication and reportage formats, which make for speed and effectiveness. Since it is pointless to compete with global news networks on breaking news, reportage must focus increasingly on the country's core interests, political, economic and others, and *anticipate* developments.

Developing and transition countries face hard choices in applying ICT. First there is the element of cost, for hardware and software, and the need to replace the

system after barely three to five years.⁴ Further, doubts over the security of intranets and other VPN systems inhibit countries such as China and India. In contrast many of the smaller countries have been less inhibited by security worries. But the opportunity cost of not using modern communications is much higher, though this is usually not taken into account by countries that shy away from full exploitation of ICT options.

A Matrix of Globalized Diplomacy

Issue	Classic diplomacy	Globalized diplomacy
The home partners	Major line ministries active in external issues, office of the head of government, parliament. Minimal contact with the media and business.	Virtually all official agencies, plus non-state partners from business, the media, academia, thinktanks, S&T, civil society, NGOs.
The external partners	The foreign ministry, the offices of the heads of government & state, the parliament, regional governments, the ministries of direct concern in dialogue — plus arms length contact with the media and business	All the above, with a special focus on the non-state actors, and the sub-state agencies like provincial governments, city & local administrations; plus ethnic diaspora communities, students and others from home based in the assignment country.
Subjects in international dialogue	Main focus on ‘high diplomacy’, i.e. issues of peace, security, cooperation.	Huge diversity; MFA cannot master all dossiers, must leave technical subjects to functional ministries, while playing coordination role.
Style of external affairs governance	MFA-centric, limited role of other agencies	Each agency has external role; MFA is the coordinator and networker; ‘Whole government’ approach.
Role of Head of Government	Sporadic; infrequent summit meetings	MFA supervised by Head, and his Office, as no other ministry; frequent bilateral, regional and global summits.
Typical diplomatic service	Highly professional, career stability, limited interchange with other government branches; respected public image. High morale. Routine methods of HR management.	Blend of professional career track and lateral entry, frequent churning; increasing ‘in’ and ‘out’ placements; publics question relevance. Morale level variable, depends partly on quality of HR management.
Role of embassies abroad	To advise home government, implement policy, promote relationships. Set pattern of embassy-MFA dialogue.	Blurring of role distinction between the MFA and embassy, embassy may act as co-manager of relationships. Continual dialogue with MFA

⁴ In 2000 the British FCO spent £250 million on its intranet and confidential communication networks. By 2005 it is due to replace most of the systems at even higher cost.

Multilateral Diplomacy

Has multilateral diplomacy overtaken bilateral diplomacy in importance? Such assertions are made from time to time, but this is a non-issue. Both play their role, as processes through which countries pursue policy objectives. Some issues can be effectively handled only in a multilateral forum. But as someone has observed, all diplomacy is bilateral, in the sense that countries take positions on global issues on the merits of the case, and on the basis of the quality of relations with the country sponsoring the issue under debate. Simply put, bilateral and multilateral processes are the two legs of the international system. And we should not leave out regional diplomacy, which is a special form of the multilateral process.

Multilateralism has grown dramatically in the past three decades. The start of the annual UN General Assembly session, in the third week of September, has become a global forum that draws 50 to 70 heads of state/governments, and scores of foreign ministers. Several thematic global summits meet each year. MFAs deploy their best diplomats in multilateral diplomacy.

- When complex functional issues are debated it is the line ministries that take the lead; the MFA's diplomats play a support role. Over the years, these agencies have built considerable subject negotiation expertise.
- Professional diplomats bring to the table wide negotiation expertise, including knowledge of interconnections between the issues that are in play, and mastery over one or more major foreign languages.
- Mastery of conference technique is treated in most diplomatic services as part of the professional's compendium of skills, honed through training and exposure to bilateral, regional and multilateral negotiations.
- Officials from most ministries need exposure and training in relation to multilateral work, including negotiations. Intercultural management is another discipline that needs attention.

The skills involved in multilateral work are: 1. Liaison, negotiation, representation, and conflict-resolution, involving the craft of communication, advocacy and persuasion. 2. The work is labor-intensive, with great effort in building personal ties, aimed at getting colleagues to tilt in one's favor, within their 'zone of discretion'. 3. The envoy often has latitude for local improvisation; good MFAs ensure that this is given to their representatives on the spot. 4. Committee or conference management is a special skill, aimed at getting into the 'inner group' that plays a key role at each. 5. Chairing a meeting needs sensitive judgment of the mood, and anticipating problems before they emerge. 6. Knowledge of procedures and rules is indispensable.⁵

⁵ See Rana, *The 21st Century Ambassador*, pp.109-11.

Economic Diplomacy

In handling their economic diplomacy countries pass through four stages:

- **Salesmanship:** the main focus is on export promotion and FDI mobilization, with some countries adding technology acquisition activities.
- **Networking:** this involves partnerships with business chambers, companies, think-tanks, and the other non-state actors, both abroad and at home.
- **Image promotion:** this has emerged as a mainstream activity, and also involves public-private partnerships.
- **Regulation management:** this too is a new activity, involving the planning and negotiation of FTAs, bilateral and regional, and management of the WTO provisions, including anti-dumping actions, and supporting the home countries multilateral economic actions.

Typically, countries move up the value chain in undertaking the above activities, but with the difference that those handling economic diplomacy have to concurrently manage all the tasks, without shedding the less-sophisticated actions. Thus, salesmanship remains a core activity even when image promotion or regulatory initiatives are added to the tasks.

Who handles economic diplomacy?

We find 4 broad methods in use in different countries in the way economic diplomacy is handled.

1. **Unified:** One method is to combine the foreign ministry with the ministry handling foreign trade, and often, foreign investment mobilization as well. We see this in the Caribbean (Barbados, Dominica, Grenada, Santa Lucia), Scandinavia (Denmark, Finland, Norway, Sweden), the South Pacific (Fiji, Marshal Islands, Samoa, Solomon Islands, Vanuatu), and some other countries (Australia, Canada, Mauritius, New Zealand and South Korea, Swaziland). South Africa considered this option in 1997-89, but abandoned it. When implemented, it ensures harmonization between commercial and political diplomacy. The Scandinavian countries also bring into the MFA the management of their external aid (as does Japan), which is also logical. Denmark has one of the best structures, handling all these four tasks, within a single integrated structure.

More small countries should find the above combination profitable, as a means of improving their external outreach, and avoiding turf battles on WTO and other external trade policy issues. It also ensures better mobilization of the diplomatic apparatus for the advancement of trade and investment interests. It is perhaps not applied in more countries owing to vested interests, but it has

the great merit of mobilizing the diplomatic machine fully in the service of economic diplomacy.

2. **Joined-up:** UK offers a different, practical model, with its ‘joined-up’ arrangement between the Foreign Office and the Board of Trade, which together supervises Trade Britain and Invest Britain, which is run from the FCO by officials from both the ministries. That is a method that also deserves scrutiny.
3. **Outsourcing:** Singapore handles all the promotion work for exports and investments through special agencies that work under the Trade Ministry, but with close harmonization with the MFA. The MFA also leaves to the Trade Ministry the regulatory work, including negotiation of FTAs, but there is no sense of competition between the economic ministries and the MFA.
4. **Competition:** In a majority of countries the MFA and the economic ministries are in turf battles, of varying degrees of sharpness. A direct consequence is that usually, the country’s diplomatic network is not used to optimal advantage for the purpose of advancement of the country’s economic objectives. A singular exception is Brazil, where it is the MFA that handles the regulatory work, as well as WTO negotiations, with the Trade Ministry playing a subsidiary role.

Key issues

Seen from another perspective, economic diplomacy involves handling three principal tensions between pairs of activities or actors: economic/political, domestic/external, and state/non-state.

1. **Economic versus political:** These objectives may be in harmony, but more frequently each perspective leads to different sets of actions. For instance, it may make good economic sense for India to terminate the concessions given to foreign investors who route FDI into India through Mauritius under their bilateral investment treaty, but on political grounds that special arrangement can only be changed gradually, in a way that preserves the special relationship with that country. Similar political calculations may mitigate in favor of giving unilateral preferences to small neighbors under a regional FTA, especially if they happen to be LDCs. Conversely, when economic circumstances are difficult, the need for concessional aid may be more important than any political consideration, as was India’s experience in the early 1980s, when economics guided the foreign policy. Seen another way, the political approach, as distinct from one guided by economics, usually involves taking a longer, holistic view.
2. **Domestic versus external:** As a consequence to globalization, the border between internal and foreign issues is blurred, and most policy actions have

consequences both at home and abroad. From one perspective, the MFA is the one agency that has no sectoral external agenda of its own, except the advancement of the totality of the nation's overseas interests. This does *not* place the MFA in a superior position to the functional ministries, but gives it a role of coordinator in relation to all of them. In practice the MFA has to earn that position, by gaining the trust of the other government partners. When it does this well, it automatically moves to the higher plane of the *networked* agent for external affairs. In other words, the country needs an effective mechanism for mediating between domestic and external perspectives, to evolve well harmonized policies.

3. **State versus non-state actors:** In very many sectors, public private partnerships are the dominant mode in effective governance. But shifting to this mode involves mindset transformation for civil servants. Multi-stakeholder diplomacy is a popular theme today, but it does not lighten the tasks of governance for the state agencies. Rather, after consultation with an expanded range of not-state actors, the government still retains the responsibility for choosing a path in the midst of conflicting advice, and making the necessary calculations that produce an optimal policy. At the end of the day, NGOs and other representatives of civil society (and that definition includes business associations, academia, think-tanks and the like), are all representatives of special interest groups; policy cannot be made exclusively on the basis of their recommendations. Thus the role of good governance is not reduced, but is *transformed*.

Annex: Human Rights and Governance

In pursuit of global standards of democracy, human rights, good governance, a kind of universal charter of citizen rights is under evolution, led by Western countries. The sovereignty doctrine no longer provides an effective shield for countries that blatantly transgress these norms. This is international law in the making — still amorphous, selective in application, often driven by a fickle cycle of world media attention, interspersed with long spells of neglect.

Democracy is broadly acknowledged as a universal right, but its application in inter-state relations is conditioned by other over-riding bilateral and regional objectives driven by national interest, security or other compulsions; its proponents often end up supporting undemocratic regimes. **Human rights** are closely monitored today, and enter the inter-state dialogue, but again, HR violations are treated with selectivity. **Good governance** is even harder to enforce, but gross abuse in some countries results in foreign aid cutoff, and even sanctions.

In his second Inaugural Speech of January 2005 President Bush made freedom around the world his main theme (the word ‘freedom’ used 29 times; ‘liberty’ 15 times). Asserting that ‘the survival of liberty in our land increasingly depends on the expansion of liberty throughout the world’ he warned governments ‘with long habits of control’ that the US would support freedom in their countries. Observers wondered if this meant seizing high moral ground, and a new set of policies. But as before, other calculations of foreign regime stability, and existing alliances, have conditioned the implementation of these principles.

- The US and some others produce global surveys, joining international NGOs, with their extensive annual reports, on application of these universal norms (e.g. Amnesty, Transparency International).
- On the ground, pressure to improve human rights involves foreign governments in partnerships with these non-state actors, even if joint actions are often tacit, becoming public in rare cases.
- In the affected countries, foreign states cannot really substitute for the actions that must come from domestic publics; external pressures have their limits (e.g. as seen in Myanmar, Zimbabwe).
- Subjectivity in application weakens the moral argument (e.g. Western disinterest in African conflicts).

It is the powerful countries that generally project their values on the others. It is questionable if such policy is consistent with the enormous plurality of economic and political situations, cultures, religions and other differences that exist across the globe, and whether international law supports an expanding range of ‘universal’ social and economic standards, beyond what the UN Charter and international covenants lay down.

A final point on value promotion: do we consider that the regimes that are undemocratic and are subjected to sanctions, actually gain from the lack of contact with the outside world — e.g. the regimes in Myanmar or Iran or Zimbabwe would find it much harder to control its populace if the latter had extensive contact with the outside world? Do we consider this paradox?

It may be safer to pursue responsible governance as a global objective, i.e. variable systems adapted to the ethos and circumstances of different states, where the key criterion is governments that are accountable to their people, and act as responsible members of the world community. That is perhaps the more realistic global goal.

Background Reading

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