Our Man In...
The Role of Ambassadors / Diplomats in the 21st Century

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Caveats

• First, the title – “Our man in...” I will in point of fact be offering an overview of the evolution of diplomacy from the historic times when diplomats were always men. I will then discuss significant changes in the diplomat’s job description, as characterised by today’s equality of opportunity in the field for both men and women. But, a significant part of the lecture will reveal to what a high degree traditional skills remain at the heart of the diplomat’s brief.

• Second, I should like to make it clear that not all diplomats nor countries represented in London or elsewhere have the same goals and priorities. Some are more concerned with international security issues, some with state-crafting, some with securing aid, some in influencing international policy (be it security, political or economic policy) some in maintaining and building a cordial relationship with the host country and some to further enhance their bilateral trade and diplomatic engagement.

• Third, I am aware that both in the UK and in other countries there are many seasoned diplomats, who superbly master those skills that I will outline in my talk. So the main purpose of this lecture is to provide an overview of what I think the role of today’s diplomat should be and to encourage London diplomats to become more commercially active in securing more bilateral and multilateral trade and investment both from and in the UK.
Key issues

• Management skills in the field of diplomacy.
• Are international conferences just “medieval jousting” or proactive engagement?
• Ways to present the national “brand”?
• Are ambassadorial cultural knowledge and geographical expertise being devalued?
• Diplomat’s plenipotentiary powers versus over-cautious government communication?
• Essential points of view for today’s aspiring diplomat?
• Benefits of diplomats partnering with business analysts?
• How best to keep abreast of economic and business trends?
Evolution of diplomacy from the historic times

• Diplomats were traditionally known as “our man in...” whatever far flung country was considered worth a diplomatic outpost.

• Generally, “he” (and it was always a man) was there to be the eyes and ears of the government back home.

• Occasionally he would have to deal with a crisis on-the-spot when communication with home base took too long.

• On situations when a conflict was about to start, by the time authorisation on whether or not to use force or which side to support, had arrived a dispatch might already have been sent stating: “we’ve won”, or “we’ve lost” with the ambassador having had to take decisions without the consent of his bosses.

• The aspect of becoming the decision maker, the man on the spot, was often a significant attraction in career diplomacy. Diplomacy, even in the last century, was still more or less a cosy social club, where diplomats under orders of their governments would negotiate peace or threaten with war over a glass of champagne.

• As global communications became faster, contacts between political leaders became just a phone call away. So, ambassadorial staff were in danger of becoming errand boys.

• Does this tell us that diplomacy as a career is in danger of losing its appeal?

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The changing nature of the diplomat’s role in the 21st century

• With the turn of the twenty-first century, business and financial affairs went global.

• The same old great powers were now hunting for new markets to feed their economies just as new nations were emerging to join in the competition.

• The competition became a new version of “survival of the fittest”.

• Trade and investment became the new territories to be conquered.

• This was now where national interests were to be best-served.

• Ambassadors came to be more like “team leaders”.

• Some of them possessed skills common in the field of commerce, a natural link to becoming managers in the field of diplomacy.

• Competitiveness in the old world of international relations had once been just a variation on knights jousting for the honour of their monarch.

• **Jousting had simply been transformed into international conferences with fudgy communiqués as the outcome.**
The flag as a symbol of a national ‘brand’

• ‘Flying the flag’ was once a symbol of territorial dominance – in effect the standard displayed by armed forces.

• The flag these days is more often a symbol of a national ‘brand’, presenting the country in question as a reliable and profitable partner.

• Some branding experts, sometimes rightly so, criticise governments’ level of expenditure in branding.

• You cannot successfully promote a state and its business opportunities on offer, if you don’t do the home work

• The best way to promote the national brand is to root out corruption and to provide first class infrastructure both physical and regulatory and legislative

• The key element to successful FDI promotion, where there is an image crisis, is the improvement of perceptions towards a country in question

• Does all this shift towards commercial diplomacy tells us that the classic job description of the ambassador, characterised by an in-depth cultural knowledge and geographical expertise, is in danger of being ‘binned’?
The role of the youth in 21st century diplomacy

• In the new global economy it is crucial that diplomats are able to engage with the younger generation
• Today, the youth are far more pro-active
• They are increasingly driving the agenda in both the political and economic spheres

LAD and IBDE provide regular opportunities for our students to take up IBDE internships and we are discussing with our partners the opportunity for professional apprenticeships
The role of media and social networking
Governments’ approach

• The role of media and social networking is developing into a major factor for the newly-evolved ambassador.

• The twenty-four hour news cycle has significantly altered the role of the diplomat.

• Now embassy staff must be able to hit the pause button on reacting to breaking news and then be able to provide HQ with the significance on the ground of what’s happened.

• Suddenly, “our man in...” needs some of those classic analytical skills to spot what is unreliable and what are crucial factors for policy-making going forward.

• “Once more it is the trade craft of centuries coming to the fore”, to quote a serving British diplomat.

• But, as the old French saying goes (and French was for centuries the language of diplomacy): “plus ca change; plus c’est la meme chose”,

• As one serving British Ambassador recently noted: “diplomacy is a ‘Darwinian’ profession – things evolve and adapt to the new because they work”.

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• It is clear that a number of diplomats, especially at the ambassadorial level, in their function as managers of their teams, take up the PR responsibility.

• They will engage actively and directly with the audiences in the host countries as well as globally via Twitter and Facebook.

• But, a great number of diplomats despite evolution of social media are still being constrained in this function by their home governments.
Diplomat’s plenipotentiary powers versus over-cautious government communication?

- Government’s approach to constrain diplomats regarding use of social media (SM) is of course, in stark contrast with what a classical definition of an Ambassador was about:

- Ambassadors being diplomats of the highest rank, formally representing the head of state, with plenipotentiary powers (i.e. full authority to represent the government).

- This clearly tells us that before the development of modern communications, ambassadors were entrusted with extensive powers;

- They have since been reduced to spokespersons for their foreign offices.

- However, it is important to note that in smaller, less strategically important countries, particularly where the diplomat’s country has significant influence, Ambassadors are freer to operate and communicate

- In these countries Ambassadors are seen as celebrities, commenting on every issue on television or social media
• Here at LAD we recently hosted a highly successful conference on “Diplomacy and Social media”.

• The one key issue that was discussed was: “Whether social media is a blessing or a curse”, which still very much depends on individuals’ points of view. This was clearly visible during the conference.

• While some speakers were advising that where social media is concerned the one thing that diplomats should do is to “shut up”

• Others were very keen to encourage as much as possible, that diplomats be more open and engage proactively with stakeholders via twitter and LinkedIn.

• Some were perhaps wisely suggesting that when it comes to twitter if you do not know how it works better seek some training or do not engage.

• In other words “either do it well or not do it at all”.
The benefits of social media for diplomatic engagement
LAD Conference

- The new digital space, which might be seen to carry risks of the incautious pressing of the send button, can be an important tool for the knowledgeable diplomat.

- A diplomat serving in a Middle East hotspot points out that Twitter, skilfully used, can be a means to subtly “pick arguments” to stimulate a difficult discussion.

- Social media is also a means for diplomats at risk to be virtually out and about. Particularly if they are seen as targets of various terrorists groups.

- A former British Ambassador, Charles Crawford, was far from convinced, for instance, that diplomats should ‘do’ Twitter and Facebook.

- While acknowledging their value in terms of conveying information, especially in a crisis, he felt that neither are appropriate settings in which to discuss policy.

- Charles is right when sensitive issues are concerned. But, some policy can be more effective if there was a prior open consultation.

- Twitter could be a useful tool in gaging the interest of various audiences and stakeholders.
The role of social media in building a commercial network

IBDE Case Study

• The wide range of social media clearly play an important role in successful trade and investment promotion for any diplomatic mission.

• Through SM they can facilitate a successful communication between potential investors and government bureaucrats responsible for their business sector governance.

• In today’s global economy the needs of production facilities and clients require effective communication across languages, cultures, and political systems.

• Diplomats need the appropriate technological skills to maximise the benefits of social media as a tool for effective FDI promotion.

• LinkedIn is a hugely useful tool in building an exclusive professional network that could benefit diplomatic missions’ needs.

• It’s proven to be tremendously useful in sourcing the right speakers for IBDE high-level events.

• LinkedIn is also useful in maintaining that working relationship even when your contacts move to a different company, for example.
• HM Government has made it clear that promoting UK commercial interests will be central to its foreign policy.

• Lobby partners on trade liberalisation, deregulation and public financial management for growth and poverty reduction.

• Meet with British and other businesses to exchange views and information.

• Provide general advice on economic context or trade related issues, including background briefings for UKTI, FCO, trade missions and British businesses.

• Fund programmes which help improve the enabling environment for business and generate commercial opportunities for all.

• IBDE, in partnership with various British Embassies, has organised bilateral Business and Economic Forums funded by FCO as part of the UK’s global effort to put trade and commercial interests at the heart of foreign policy.

• Similarly, IBDE has organised a significant number of trade and investment events with foreign Embassies based in London.

• *Some of the above extracts were taken from the UK Gov Guidance for DFID, UKTI, FCO Staff
The role of diplomats in trade and investment promotion
Importance of technically trained diplomats

• Given the complexity of present day economic relations among nations, there is an ever greater need for trained and technically competent diplomats.

• Technical competence should encompass negotiation skills and an ease in deploying various tools and techniques of negotiation.

• This is especially important given that in today’s global economy the key role of diplomatic missions has increasingly become to act as champions of economic development.

• Today's commercial diplomat must be able to make a significant contribution to the promotion of bilateral as well as multilateral trade and investment.

• In essence, ambassadors need to have an understanding of international business fluctuations and economic trends, including relevant statistics.

• It is particularly important that they are well informed about their national economies, especially with respect to business and investment opportunities in order to attract targeted FDI.
The role of diplomats in trade and investment promotion

- For diplomats in particular this role of promoting successfully their countries’ strategic commercial interests is crucial because as mentioned earlier attracting FDI has become the central focus of strategic economic planning.
- Adequate strategic planning is crucial not only for developing economies but also developed ones.
- Although one should note that for commercial diplomats to be able to successfully fulfil this new role, they need to have a good understanding of how the business world operates.
- Any improvement in this direction, particularly in emerging markets, will significantly increase the potential for more trade and investment.
- This means more jobs and general improvement of living standards of both their country and the host country.
- But, is the Ambassador of today able and capable to engage in such commercially complex regulatory issues, so as to promote its countries economic interests effectively?
• Keeping abreast of economic and business trends can be greatly enhanced through establishing good relations with investment promotion agencies.

• These quasi-governmental organisations are key in attracting FDI as they offer the benefit of their links to the government.

• They may provide assistance to investors in getting regulatory approval and lobbying authorities on behalf of foreign companies.

• They are also more effective at attracting FDI than subunits of ministries.

• Therefore a strong partnership between diplomatic missions in a host country and investment promotion agencies would undoubtedly enhance the prospect for an increase in FDI.
The role of diplomats in trade and investment promotion
Business and governments’ role in achieving successful FDI

• Of course a win-win scenario in attracting FDI requires both business and policymakers to play their roles.

• Governments should first and foremost seek to create effective cooperation between government agencies and diplomatic missions as well as to devise a proper legislative and regulatory framework at home.

• The governments should establish the necessary infrastructure as well as the necessary regulations and standards to ensure productive investment.

• Individual businesses should organise the economic resources needed for the production of goods and services desired by consumers in the most efficient manner.

• Prior to any major investment in a particular country, it is the responsibility of business to hire experts in commercial diplomacy to:
  • perform a thorough and comprehensive analysis of the particular regulatory or policy decision under review,
  • Perform a thorough analyses on the commercial and policy issues at stake, including the legal ramifications, the broader macroeconomic implications, and public attitudes.
The role of diplomats in trade and investment promotion

Best practices

• Going further, diplomats should encourage their countries to develop and implement strategies for disseminating best practices to key audiences in governments and host country development organisations.

• Particularly they should forge good relations with universities, think tanks, trade associations, civil society as well as with other relevant stakeholders - e.g. via internet, trainings, case studies, workshops, videoconferences, etc.

• Investment promotion agencies and diplomatic missions should develop targeted and general communications/public diplomacy products.

• And, crucially, a diplomat serving in the UK or in other international business centres should definitely take advantage of opportunities to engage proactively through those international events where the trade opportunities of all the countries participating can be efficiently and successfully promoted.

• In addition the diplomats in question can influence certain policy debates that may impact the national interests of the country he or she represents, whether on commercial, security, or political issues.

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The role of diplomats in trade and investment promotion
The importance of international events

• A significant number of international business is being carried out virtually via skype-conferencing etc, however, IBDE activities clearly indicate that the face to face personal contact is still very important in today’s global marketplace

• IBDE events are well placed to provide the initial stimulus in developing international business and trade opportunities to both UK businesses that seek international partners and those businesses that are seeking to expand into the UK.

• We are the only organisation that champions the concept of commercial diplomacy – proactively engaging diplomats with the business world on key issues including:
  • energy security and opportunities
  • investment in infrastructure and securing long-term finance
  • international banking and finance regulation
  • Exploring access to funding
  • Promoting trade & investment
  • Debating key economic policies and opportunities, which all ultimately contribute to both global prosperity as well as sound economic policies.
The role of diplomats in trade and investment promotion

The importance of international events

- IBDE has also played a key role at the International Festival for Business 2014 and will continue to play a key role at the IFB 2016.
- IFB is supported and funded by the UK Government.
- The IFB 2014 which took place in Liverpool during June and July 2014 hosted 415 business events and 68,600 delegates from 92 countries across the globe.
- £300m of business and 10,000 jobs are expected to be generated in the next three years as a result of the IFB 2014.
- Given the Festival was a huge success the UK Government has committed the funding for a re-run of the IFB in Liverpool in 2016.
- Should you wish to find out more about IBDE planned activities during the IFB 2016, please contact us at events@ibde.org
- Please also feel free to speak to Chris Heyes, Head of IFB 2016 International Team and the Liverpool “Embassy” in London. www.ifb2016.com
• In essence, the essential mind-set of the aspiring diplomat of today, man or woman, should be somewhat similar to that of any individual representing a business. One has to:
  • Know your product
  • Know your customer base
  • Understand the company’s business plan
  • Possess the communications and networking skills of a great salesman
  • Possess strong negotiating ability to influence policy
  • Have the ability to speak with great confidence at various events and conferences of significant interest to his/her country’s national interest
  • Have the capacity to make important decisions when the situation is pressing
The essential mind-set of the aspiring corporate diplomat of today

- The same goes for Businesses. Their senior management need to acquire diplomatic expertise to be able to forecast and plan for international crises so as to adjust their trading activities when a crisis occur.
- Business/corporate diplomats must possess the senior-level capability to build and maintain successfully relationships with external stakeholders.
- This is especially important given firms are increasingly looking for growth and revenue opportunities abroad in emerging markets and foreign markets.
- In these foreign markets, they will have to interact with stakeholders who differ in their economic philosophies and ideologies, who have different histories, language and cultural backgrounds.
- Having government affairs teams, and communication teams with no diplomatic experience and expertise is simply a recipe to failure, paying millions of pounds in fines.
- This is becoming even more relevant in the 21st century, due to an ever-increasing global business interconnectedness and the ever changing nature of intra and international conflicts.
Exchange of business and diplomatic expertise

• Exchange of business and diplomatic expertise is crucial for successful international business operations

• Interestingly, an ambassador recently retired after long service in many of the world’s hotspots is now running a risk management business, investing in and selling on just the kind of analytical results on which his twentieth century career was founded.

• Diplomatic representatives should aim towards an enhanced partnership with such expert organisations so together they can serve the commercial interests of their country, supporting the needs of their businesses when entering a new market.

• So, the significant potential activities for the next generation of diplomats rest in putting their skills at the service of government, business and NGOs.

• The recent co-operation between the major UK pharmaceutical company Glaxo Smith Kline and the US National Institute of Health on the fast-tracking of an Ebola vaccine is an indication of where the future of international relations is heading.

• Today’s ambassador must own the cross-departmental brand.
This question is particularly relevant given that the simple definition of commercial diplomacy is that it function as a subset of economic diplomacy, which in effect deals with economic policy issues such as in multilateral organisations like the World Trade Organisation etc.

Economic diplomacy for the purpose of this lecture is generally defined as the use of traditional diplomatic tools such as intelligence gathering, lobbying, representation, negotiation and advocacy to further the foreign economic policies of the state.

Commercial diplomacy focuses on building networks of diplomats and business groups based in overseas missions to promote trade and investment as well as business advocacy.

In common parlance, ‘commercial’ and ‘economic’ are often used interchangeably for the same set of activities.

The Ambassador of the 21st Century should be able to master both these concepts in addition to his/her diplomatic negotiation skills in handling subtly politically charged issues.
Economic tools as alternative to war

- Economic diplomacy employs economic resources either as rewards or sanctions, in pursuit of a particular foreign policy objective.

- EU-US sanctions, being used in relation to the Russian - Ukraine crisis, are a recent example of this policy.

- Sanctions, of course, are a very serious tool in international relations, and as a former Ambassador said recently to me; “this is, as you know, the last foreign policy action before war”.

- But, economic tools may in fact represent a significant alternative to war as was proved conclusively in the role played by sanctions in bringing apartheid to an end in South Africa without a shot being fired.

- More recently, the impact of sanctions on Iran’s economy may arguably be considered to have been a key factor in the positive outcome in the recent nuclear negotiations between the P5+1 and the Iranian regime.
• With reference to the P5, it is interesting that in another major forum for diplomats - the UN Security Council members can bring forward the interests of their allies to this influential debating chamber where resolutions have force in international law.

• Amongst major world powers, there is currently an increasing trend towards maintaining a significant force of so-called “boots on the ground”, available on an on-going basis.

• In this international context the trained diplomat increasingly becomes a key player in implementing the alternative option to war.

• LAD academic expertise and the IBDE seminars offer diplomats a unique opportunity to ensure that diplomats gain the adequate skills in engaging more effectively in complex international security issues as well as economic and regulatory issues.
Ambassador’s role in crisis management

- Despite the modern capacity for rapid deployment of emergency aid, the ambassador's role during a specific crisis or disaster remains to be first on the scene with consular services.
- He/she should be able and capable both of managing the crisis and also comforting those affected compatriots in the country where their mission is based.
- A former FCO diplomat recently said to me: “at a time of Japan's earthquake crises 20 years ago just holding the hands of those affected British nationals was as important as managing major aid deployment.”
Concluding remarks

• In short, if one looks at the principles of diplomacy, trade and commerce, you will notice that they have not changed significantly over centuries but the tools in achieving objectives and the ways that we engage ourselves with key stakeholders have been totally transformed.

• In the present fast-paced phase of globalisation, the drivers of this process have been the developments in communication and computer technologies, advanced logistics and long-distance service provision.

• Public and private communication analysis (especially in the field of economics, politics, law and international relations) has significantly increased.

• The need to keep abreast of developments in securing trade and investment opportunities can be readily maintained by a regular exchange of business and diplomatic expertise.
Concluding remarks

• Both interests can be served by the exchange of expertise on a regular basis to facilitate up-to-date dissemination of current trends in acceptable global trade policies and in addition to discuss new directions for future negotiations.

• As a result, the role of the today’s Ambassador should clearly encompass most, if not all, the skills we mentioned today, to ensure their successful and productive engagement with key stakeholders in both the world of business and politics.

• LAD academic expertise and IBDE activities provide a useful template to develop such successful reciprocal engagements

• This engagement will certainly be leading to:
  • proper and transparent business input on national economic and trade policy-making
  • securing greater global prosperity through commercial diplomacy and IBDE’s trade and investment promotion events.

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IBDE Forthcoming Events
Contact: events@ibde.org

-IN CONVERSATION WITH-
Date: Tuesday, 9 June 2015, Europe House, London, SW1P 3EU

7TH INTERNATIONAL BANKING & FINANCE FORUM
Date: Friday, 26 June 2015, Thomson Reuters, 30 South Colonnade, Canary Wharf, London E14 5EP

-IN CONVERSATION WITH-
Date: Thursday, 9 July 2015, Europe House, London, SW1P 3EU

ANNUAL GLOBAL ECONOMIC FORUM 2015
Date: Thursday, 17 September 2015, LAD, 102 Middlesex Street, City of London E1 7EZ, United Kingdom

THE EUROPEAN ENERGY FORUM 2015
Date: Monday, 5 October 2015, Europe House, London SW1P 3EU, United Kingdom

LONDON ACADEMY OF DIPLOMACY - PUBLIC LECTURE SERIES
Date: 28 April 2015, from 18.00, London Academy of Diplomacy, 102 Middlesex Street, City of London,
Date: 30 April 2015, from 18.00, London Academy of Diplomacy, 102 Middlesex Street, City of London,