

Commerce: Part of the Foreign Policy Toolkit



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Commercial diplomacy recognizes that government and business have overlapping interests — and their unified message carries great weight.

Following World War II, the United States and our allies helped shape a rules-based system that promoted openness, creativity and political and economic freedom across the globe. From the Marshall Plan to the Berlin airlift to our intervention in the Balkans and many other examples, we have relied on our unquestioned military, economic and diplomatic power to secure, solidify and strengthen that postwar system.

Seven decades later, it remains squarely in our national interest to continue providing the strong and sustained leadership needed to maintain this rules-based system, even as we welcome the contribution of responsible rising powers.

Yet we must recognize that the tools at our disposal have evolved. The world is too complex, the challenges too deep and the players too diverse for us to depend on the projection of military and diplomatic strength alone. In the 21st century, America's unmatched commercial might must be an essential part of our foreign policy toolkit, which means our government must learn to embrace the potential of "commercial diplomacy."

During more than 20 months as secretary of commerce, I have traveled to 31 countries and met with heads of state, economic ministers and more than 1,600 U.S. and international business leaders, including those of one-third of the

Fortune 500 companies. Some of the nations we visited have enormous consumer markets, as in India and China; others have small and struggling markets that need investment and growth to support domestic political progress, reduce conflict and provide stability, as in Tunisia and Ukraine.

Despite different challenges and perspectives, I have observed three important constants from these experiences: First, people desire economic freedom — the chance to earn a good living, start a business and support a family; second, foreign governments want American companies to invest in their countries; and third, foreign citizens want U.S. products and services.

At the Commerce Department, we recognize that these factors — the desire for economic opportunity mixed with the demand for American business — represent a tremendous, but underappreciated, asset that can help shape a well-functioning, rules-based international economic order for the 21st century.

That is where commercial diplomacy comes into play. Unlike our other tools of national power, effective commercial diplomacy is, essentially, a public-private partnership — a recognition that the U.S. government and U.S. businesses have overlapping interests around the world, and that we are more likely to achieve our shared goals by working together.

Our vision of commercial diplomacy brings business leaders to the table as advocates and emissaries, in concert with government officials, when and where our interests align. Commercial diplomacy is about better coordination between the public and private sectors, and it is

about leveraging our business community's knowledge and on-the-ground relationships to advance our common interests.

Both the U.S. government and the nation's business community want to increase stability and improve the rule of law in foreign markets. This reduces causes of conflict, improves individual prosperity and quality of life and helps businesses gain access to new opportunities. When a business executive with the authority to make multimillion- (or billion-) dollar investment decisions joins U.S. officials in arguing to a foreign leader that a particular policy inhibits greater investment in that country, our argument becomes far more persuasive than if we make it alone. Rather than telling foreign leaders why a certain policy may be "bad," we are, in effect, showing them the positive results that come from changing it. That combined message — which is the heart of commercial diplomacy — takes on a new level of effectiveness and lets the foreign leader know that taking difficult reform steps can yield tangible progress at home.

The Commerce Department's approach to commercial diplomacy stems from a simple fact: The world looks very different now from how it did 70 years ago. Unlike in the postwar era, globalization, rapid technological change and the rise of emerging economies mean that the United States must embrace a multidimensional approach to global leadership that utilizes commerce as an essential means to meet our policy goals. By embracing the power of commercial diplomacy, we can and will secure America's role in shaping, defining and advancing progress and prosperity in the 21st century.

IMPORTANT CONSTANTS

1

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2

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3

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