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Cultural Exchange and the Corporate Sector: Moving Beyond Statist Public Diplomacy?

Traditionelle Ansätze zur Analyse öffentlicher Diplomatie verstehen diese Aktivitäten als die Mittel und Wege für Nationalstaaten, ihre Interessen und Werte gegenüber einer internationalen Zielgruppe zu platzieren, um damit ihr Profil zu stärken, nützliche professionelle und praktische Verbindungen zu etablieren und ein – national wie international günstiges Umfeld für ihre außenpolitischen Aktivitäten herzustellen. Rezente Studien haben der Rolle des privatwirtschaftlichen Sektors bei der Weiterentwicklung der Ansichten und Denkweisen über nationalstaatliche Diplomatie sowie betreffend die Effektivität einschlägiger Aktivitäten vermehrt Aufmerksamkeit geschenkt, das Hauptaugenmerk verblieb jedoch auf einer Optimierung staatlicher Diplomatie unter Anwendung unternehmerischer Methoden (z.B. "place-" und "nation-branding"). In diesem Beitrag liegt der Fokus jedoch auf drei Beispielen von Corporate Public Diplomacy, die auf einen stärker eigenständigen Ansatz hinweisen, der außerhalb des staatlichen Paradigmas operiert. Alle drei Beispiele stammen aus dem spezifischen Feld der Austauschprogramme: das Atlantic & Pacific Exchange Programm, das von Rotterdam in den Niederlanden aus betrieben wird, das Institute for Cultural Diplomacy in Berlin und Business for Diplomatic Action in Washington DC. Der Beitrag fragt nach den Motiven hinter diesen Aktivitäten und geht der Frage nach, in welchem Ausmaß diese für eine neue privatwirtschaftlich angeleitete öffentliche Diplomatie stehen, die neben oder sogar getrennt von staatsbasierten Interessen operiert.

Keywords: Kulturelle Diplomatie, Corporate Public Diplomacy, Austauschprogramme,

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Introduction

The traditional approach to understanding public diplomacy has been to view it as the means by which a nation-state projects its interests and values to an international audience, in order to raise and improve its profile, build up useful professional and practical connections, and develop a favourable environment – both domestic and international for its foreign policy activities. This state-centred approach has predominantly been focused around the activities of the United States, the country from which the term public diplomacy comes and, since 9/11, the country whose approach to this field has been the most closely examined. Several in-depth studies of the United States Information Agency (1953–1999) dominate this field (Henderson 1969; Dizard 2004; Cull 2008). Recent studies have sought to expand attention beyond the United States, but often within a diplomatic history/international relations paradigm due to "the perceived need to frame the research agenda with respect to questions of power and policy." The result is that

scholars "still prioritize actions at the level of the nation-state in general" (Etheridge/Osgood 2010, 7).²

In contrast to the dominant US-based, state-centric approach, the focus here is on how public diplomacy activities have begun to move in other directions, sometimes in tension with the traditional statist model. While there has been much reference to the merits of 'soft power' in international politics, it is noticeable that this concept is still largely referred to as an additional means by which states can wield influence over opinion and behaviour. This is particularly so in the writings of the concept's godfather, Joseph Nye (Nye 2004), and has fed through into detailed studies of soft power as an additional element for analysing contemporary US foreign policy (Parmar/Cox 2010). The emphasis remains on crafting a successful public diplomacy as a goal-driven strategy for achieving national interests. This model has been loosened somewhat by the advocates of a 'new public diplomacy', seeing a more pivotal role for the private sector in involving and mobilising domestic audiences around foreign policy goals. Public diplomacy is becoming less simply the projection of a message in the national interest and more the interaction and collaboration of the state with various stakeholders, be they publics or private organisations. Central to this is a revamped understanding of what the apparatus of diplomacy should actually consist of, moving from the traditional, static architecture of embassies and high-level meetings towards a more flexible approach working through shortterm, goal-driven public-private alliances (Hocking 1999; Melissen 2005). But even here, the focus continues to be on how to adapt state-based mechanisms to the online 'global village' and a fast-paced media/digital environment, stressing that "public diplomats have to recognise they are members of complex networks and identify their position within these networks" (Fisher/ Lucas 2011, 8).

The starting point for the current analysis shifts the focus away from the state towards the corporate sector as an independent actor in public diplomacy activities. In recent years there has been a growing involvement of corporate interests in government-run public diplomacy programmes as a means to benefit from public-private cooperation, increase the impact, and expand the funding base. The calls for reform on US public diplomacy following 9/11 included many suggestions for outsourcing the task away from government, such as with a new Corporation for Public Diplomacy (Peterson et al. 2003). The Fulbright Program in the Netherlands now relies on around 60% of its funding from corporate sources, on top of what is provided by both the US and Dutch governments (which has been gradually declining for several years). In July 2010 the J. William Fulbright Prize for International Understanding, established in 1993 "to recognize individuals who have made extraordinary contributions to fostering international awareness and understanding" (and for the first fifteen years funded by the Coca-Cola Company), was given to Bill and Melinda Gates for their philanthropic work via the Gates Foundation.³ This is not just an American phenomenon. The role of business in the public diplomacy campaigns of the United Kingdom in recent years has been increasingly apparent (Lee 2004, 50-54). State-corporate cooperation in public diplomacy is therefore close – but it is arguably still largely set in a context dominated by nation-state interests. Some, coming out of the business/marketing field, have placed corporate interests at the centre of the debate. Important studies over the past decade on 'nation-' and 'place-branding' have provided valuable insights – one might say established a particular public diplomacy 'school' - into how nations, in collusion with the private sector, have been able to redefine their image and their message to the rest of the world, often with commercial as well as diplomatic benefits in mind. The corporate lexicon, agenda-setting and marketing strategies have become central to how nations (and increasingly regions and cities) position themselves in the global market-place of products and ideas. While there continues to be debate as to the overall merits of these approaches, the strong implication is that not to do so will mean a rapid loss of influence and impact as others successfully raise their public profiles (Anholt 2004, 2007; Dinnie 2008). Once again, however, the focus remains on improving the effectiveness and leverage of the nation-state in the global environment.

The linkage between corporate interests and public diplomacy will be explored here through three examples that demonstrate new dimensions of business involvement in a field of activity often neglected: exchange programmes. The three cases to be examined are the Atlantic & Pacific Exchange Program, run out of Rotterdam in the Netherlands; the Institute for Cultural Diplomacy, based in Berlin; and Business for Diplomatic Action, in Washington DC. Exchanges are interesting in this respect because the impulse to establish people-to-people contacts is arguably quite different from the incentives behind projecting a message and engaging a 'public'. Before turning to the case studies, a brief overview of the relevance of business in the public diplomacy matrix will be provided.

The Business Link

The link between (international) business and the fostering mutual understanding is almost as old as Classical Liberalism itself. Richard Cobden, the intellectual leader of the Anti-Corn Law League in 1840s Britain, proclaimed the value of free trade not just for its financial benefits but also for "the far loftier motives of securing peace between nations." (Ceadel 2006, 193–194). Cobden's version of commercial liberalism combined three central claims: free trade reduces the likelihood of wars driven by mercantilism; the disruption of trade through war is too costly to consider; free trade brings with it an expansion of social contacts and communication between peoples that will naturally lead to a reduction in conflict (Viotti/Kauppi 2010, 123). Added to this is the important point that Liberal International Relations thinking does not consider the state to be the sole primary actor in global politics. In the early 1990s a string of books put forward the argument that the advent of a truly global market was rendering the state more or less irrelevant (Wriston 1992; Ohmae 1995).

The linkage between US diplomatic and business interests has been close for more than a century. The Open Door policy of Secretary of State John Hay in 1899–1900 linked access to foreign markets (in the initial case of China) with an overarching Cobdenite belief that greater cross-border interaction and interdependence would lead to a decline in conflict overall. Describing the approach as "informal empire," William Appleman Williams correctly identified that this non-military form of expansion "was conceived and designed to win the victories without the wars. In a truly perceptive and even noble sense, the makers of the Open Door Policy understood that war represented the failure of policy" (Williams 1978, 47, 57). Over forty years later Andrew Bacevich reinvigorated this interpretation of US foreign relations by emphasising that "US grand strategy during the Cold War required not only containing communism but also taking active measures to open up the world politically, culturally, and, above all, economically" – in short, a "strategy of openness" (Bacevich 2002, 4, 6). US business interests obviously took these themes seriously, seeing as they portrayed an expanding marketing reach as beneficial for all (particularly producers and consumers). Beyond the market per se, business also lay behind major philanthropic ventures pursuing similar paths to interdependent progress, such as foundations and Rotary business clubs (de Grazia 2005; Rosenberg 1982).

The first exchanges organised with US government involvement were educational in character: the Boxer indemnity for Chinese students in 1908, the Belgian-American Educational Foundation for two-way exchanges in 1920.5 But prior to WW II – with the exception of the short-lived Committee for Public Information during WW I - it was the private sector that dominated US cultural interchange with the rest of the world. The educational establishment, backed by philanthropies such as the Carnegie Endowment, the Rockefeller Foundation, and the Guggenheim Foundation, created key institutions to facilitate this: The American Council on Education, the Institute for International Education, and the American Council of Learned Societies, all in the space of 1918–1919 (Scott-Smith 2008, 49–74; Bu 2003). As a structural partner, the US government came to this field relatively late with the creation of the Division of Cultural Relations in the State Department in 1938, following in the wake of similar ventures by France, Britain, the Soviet Union, and Nazi Germany (McMurry/Lee 1947). While WW II saw the solidification of US government interest in exchanges as a means to influence opinion and improve relations, business interests were never far away, as shown by Nelson Rockefeller's initiation of the Office of the Coordinator of Inter-American Affairs as an independent agency focused on Latin America (Rowland 1947; Maxwell 1971). That continent provided the inspiration twenty years later for one observer to plead for a new (US) corporate public diplomacy: "a new dialog with the developing world" to "share the bounty made possible by modern technology" (Kingsley 1967, 428).

All of the major legislation that lay the groundwork for expanding exchanges in the post WW II world stress the inherent state-private cooperation required to run them. The 1946 Amendment to the Surplus Property Act (1944), which initiated the Fulbright Program, effectively channeled funds from the sale of government-owned equipment into educational exchange. While business was originally not considered to be a part of its operation, Fulbright has nevertheless always stemmed from a foundation of commercial enterprise (Johnson/Colligan 1965, 331). The 1948 Information and Educational Exchange Act (Smith-Mundt Act) directed the Secretary of State "to utilize, to the maximum extent practicable, the services and facilities of private agencies." The 1961 Fulbright Hays Act made this connection more explicit:

Foreign governments, international organizations and private individuals, firms, associations, agencies, and other groups shall be encouraged to participate to the maximum extent feasible in carrying out this Act and to make contributions of funds, property, and services which the President is hereby authorised to accept. (Johnson/Colligan 1965, 336)

While the educational aspect may have been dominant, the role of private sector involvement was always crucial. Since the end of the Cold War and the demise of ideological imperatives for justifying US government support for exchanges, private sector funding has become increasingly important. The Coca-Cola-funded Fulbright Prize of 1993 is a case in point. But the more interesting case is in terms of business operating public diplomacy outlets for both particular and general interests. This public-private partnership has been escalated since the 1990s within a broad trend of promoting private sector solutions for what were previously public sector problems. 'Outsourcing' has been the mantra since the early 1990s (and already much in evidence before then), such that in the US an enormous "shadow government" of contractors has been created to carry out what were previously government tasks (Stanger 2009).⁷ Public diplomacy has likewise also come under pressure from various commentators to be 'deregulated'. In 2002 Mark Leonard called for moving traditional diplomats and diplomacy out of the way in favour of building in-

ternational relationships via NGOs, diasporas, and political parties. While not mentioning business directly, the article is replete with corporate wisdom for post-9/11 public diplomacy, such as this quote from two advertising executives: "The answer is not more information, but a different form of engagement" (Leonard 2002, 52).

The question that remains, however, is to what extent the outsourcing of public diplomacy tasks (and the empowering of private corporate actors in this field as a result) is creating new forms of public diplomacy separate from immediate state interests. Corporations have their own interests, which may vary from marketing/branding concerns to active public engagement (and the two can easily merge). Thus Marc Drapeau of Microsoft has described corporate public diplomacy "as actively shaping the *communications environment* within which corporate activities are performed, and reducing the degree to which misperceptions complicate relations between the company and its customers" (Draper 2010). Others have pointed to the connections between corporate public diplomacy and corporate *social responsibility*, covering human rights—"a shaky human rights footprint will cause any number of risks ranging from within operations to reputation" (Deri 2010)—and good governance initiatives such as the Voluntary Principles and the Global Compact concerning ethical labour and environmental business practices, particularly in conflict zones or authoritarian states (Haufler 2010).

Yet there is more to this concept than simply export promotion (van Veenstra/Yakop/van Bergeijk 2010) and the co-opting of the term 'public diplomacy' to refer to the expanding interests, roles and responsibilities of corporations. The issue here is to what extent we might identify corporations as separate actors in the international environment, pursuing public diplomacy programmes independent of the activities of nation-states. As Ordeix-Rigo and Duarte argue, corporate diplomacy is therefore much more than simply a form of assistance for existing state-run programmes, but an activity whereby "the corporation represent[s] the country, or some associated values," as an independent actor in its own right. As corporations become more closely involved in social issues and policy solutions, they take on matters of public interest in ways that not only aim to empower individuals but also "develop organizational social capital" for the corporation itself (Ordeix-Rigo/Duarte 2009, 555, 560):

By trying to be recognized as a symbol of one country or of a certain number of values abroad, corporations also become holders of a greater symbolic power [...]. [B]y taking over some of the traditional state functions (by means of their foundations or of social responsibility initiatives) they are also acquiring the status of an interlocutor in a nongovernmental environment. (Ordeix-Rigo/Duarte 2009, 557)

A useful field to test out to what extent this is the case is to look at how non-state actors — either corporations or corporate-NGO conglomerates — utilise exchange programmes to achieve certain socio-political ends beyond the simple aim of economic gain. The questions to be considered with the case studies are the following: How did these exchange activities evolve out of corporate interests? To what extent do these activities represent an independent form of corporate public diplomacy separate from any identifiable national interests? Can we identify here a distinct 'corporate public diplomacy'?

Business for Diplomatic Action

Business for Diplomatic Action (BDA) was formed in 2002 by Keith Reinhard of DDB Worldwide, the advertising/communications company devoted to the creative development of brands. Reinhard locates the origins of BDA in the immediate post-9/11 period in "the notion of looking at America as a brand – as a brand in trouble." A seventeen-country opinion survey was the result, to test on-the-street views on the United States. The aim thereafter was to 'boost' the positives ("our 'can-do spirit', our youthful enthusiasm, and pop culture") and target the negatives (exploitation, mass culture, arrogance, and materialism) of 'brand America'. Reinhard: "I know about how consumers perceive brands and what brands in trouble need to do to change their negative perception." BDA has since brought in an expanding networks of corporate partners to improve the image of the US abroad.

In recent years BDA has moved into running exchange programmes. In 2006 BDA teamed up with Young Arab Leaders, a non-profit independent organisation established by the leaders of Jordan, Bahrain, and Dubai in 2004. The partnership hired Zogby International to conduct a survey of 18-35 year olds in the United Arab Emirates to assess their ambitions, and needs for personal development.¹⁰ Out of this came the Arab American Business Fellowship Program (AABFP) in 2007, which "brings high-potential young executives from leading Middle Eastern companies to the United States to learn about American business, society and culture, and sends young American executives to the Middle East for the same purpose." The 2010 AABFP emphasises its unique status in focusing on business leaders of the future to "foster corporate success as well as cross-cultural understanding." AABFP is run in close collaboration with other private institutions in the US exchange programme apparatus such as the Center for Citizen Diplomacy and the National Council for International Visitors. With AABFP functioning well as a regional pilot, plans have now been laid for a new Global Fellowship Exchange Program, run together with the State Department and the private Entrepreneurs Organization.¹² The first step in this direction was 'A New Beginning: Innovation and Entrepreneurship,' which brought 28 delegates from 28 different countries, each with a track record in creativity and innovation, to the US in September-October 2010 for a three-week series of training and best-practice seminars and workshops on entrepreneurship, small business start-ups, and corporate social responsibility. 13 Social media such as Facebook are now being used to maintain the network following the return of the delegates to their home countries. 14 Plans for a follow-up focused on the Maghreb have since run into problems due to the widespread social unrest in the region, have been set up and15

With major financial backing from PepsiCo, the Dow Chemical Company Foundation, and ExxonMobil, Reinhard has significantly stated that "this program aims to be the 'Fulbright Foundation of the Business Sector'." Yet BDA's vision is inherently limited, in that it stays within the thinking of Brand America – in other words, while it talks the talk of providing personal betterment and mutual understanding, it walks the walk of improving the image of the United States abroad. The national interest is also served by using these programmes as platforms through which to overcome the 'reverse brain drain' – the extent to which foreign students receive high-quality eduication and training at US institutions but then depart for their home countries where they establish enterprises in competition with American business concerns. Hence the New Beginning website refers to the purpose of the programme as linking those "forward-thinking" individuals who are "keenly interested in establishing and expanding business relationships with colleagues and peers in the United States." The infrastructure of the programme is

also largely run through US embassies, the State Department's International Visitor Leadership Program, and associated private institutions within the United States. In other words, the BDA is functioning as a form of extended outreach for the US government. As a result it does not escape the statist paradigm of public diplomacy, and largely perpetuates the notion of nation-states aiming to achieve advantages by communicating better and offering opportunities for self-empowerment.

Institute for Cultural Diplomacy

In a short video clip on the Institute for Cultural Diplomacy's website, founder and director Mark Donfried, going beyond Nye's model of soft power, states that "the private sector is beginning to realise, actually in a quicker way than the public sector, that soft power can also be very beneficial to doing business abroad." Since its founding in 1999, the Institute (ICD) has been able to develop a powerful profile by exactly utilising this growing awareness in the business world of the value of inter-cultural interchange. A not-for profit, non-governmental organisation based in Berlin, the ICD's goal has been to facilitate "constructive intercultural relations" in the interests of long-term peace between nations. Economic and social interdependency and the ready availability of information make it imperative to assist in smoothing out damaging misunderstandings and stereotypes. The primacy of economic interests is shown by the ICD's Cultural Diplomacy in the Global Economy programme, which looks to nurture cross-cultural economic "bridges" to encourage socially responsible business practices abroad. Diplomacy in the Global Economy programme in the surface of the private abroad.

ICD's formula – a public (or cultural) diplomacy entrepreneur in a market still dominated by national interests – has been very successful. Instead of government interests partnering with NGOs to achieve specific goals – a key part of the so-called 'new public diplomacy' that Mark Leonard, Jan Melissen and others have proposed (Melissen 2005, 3–27) – ICD functions as a flexible independent private sector operator taking on 'contracts' to facilitate specific bilateral or inter-regional interchange for specific needs. Examples include a series of bilateral Young Leaders Forums such as the Canada meets Germany Program (established 2003) and Germany meets Turkey (2006), creating an expanding network of connected individuals. In contrast to other NGOs with a specific mission, the Institute's very purpose has been to adapt and respond to the interests of its patrons. ICD has also combined with local institutions to literally take over (physically and intellectually) space previously occupied by the US government, such as its involvement in the re-opening of the Amerika Haus Berlin after its closure by the State Department in 2006.21 Throughout, the language of mutual understanding and dialogue is paramount, with Berlin the perfect backdrop as the capital city of a country that has overcome its own share of division through history. While the Advisory Board is packed old-style with former diplomats, 22 the partners list displays a much more 21st century combination of public and private sector patrons.²³ Yet ICD cannot fully escape the pull of national interest, and while it portrays itself as being in a certain sense post-national, there is a strong indication that it actually functions as an extended arm of German public diplomacy (as the impressive list of German sponsors indicates).24

The site of Berlin is also an ideal pivotal location from which to pitch a transatlantic (the European-American Relationship Program), East meets West (the Europe meets Russia Young Leaders Forum, the Germany meets Turkey Forum) and North meets South (the Experience Africa Program) dialogue, a 'soft power' image which the German government can only benefit

from. It is worth noting that the ICD was originally settled in Paris due to initial backing from the Institut Francais des Relations Interantionale and Pierre Buhler at Sciences Po, but the move to Berlin fitted the ICD's outlook better. Financial backing from the cultural section of the German Foreign Ministry began in 2003, and the benefits of Berlin being a cheap city with a vibrant (multi)cultural environment were obvious.²⁵ For these reasons, while the Institute has become an effective front office for non-state (corporate) cultural diplomacy, ostensibly placing bilateral and multilateral networking – and the multiplier effects they can have beyond the immediate participants – above any narrow national interests, it does seem underneath as if it still fits within the nation-state public diplomacy paradigm. As Donfried says quite openly, "I don't believe any organisation is neutral," since every NGO "has an agenda."²⁶

The Atlantic & Pacific Exchange Program

The Atlantic Exchange Program (later the Atlantic & Pacific Exchange Program or APEP) was established in June 1983 by Bob Williams, a journalist with *Business Week, Forbes*, and Reuters Financial News Services. From 1978, as US correspondent for the Dutch daily *Algemeen Dagblad*, Williams also filed regular reports on American developments for the Dutch media. From this platform in Dutch-American affairs, in his own words, "in early 1981, I began to explore the possibility of establishing a small, totally independent exchange program linking the Netherlands and the United States." Early support came from Dutch political and business circles, and the city of Rotterdam provided downtown office space. From the very beginning the funding base was broad – by 1995 Williams could report that around 100 organisations were providing 1.3 million Dutch guilders (around \$750,00) in "through annual membership fees," indicating the corporate stakeholder approach to this venture. By that stage the Pacific dimension to the operation had been added, and APEP could count amongst its contributors the Bank of Japan.²⁸

Although Williams does not mention it, the political context of Dutch-American relations at that particular time was quite charged. Widespread public resistance to the placement of US Gryphon cruise missiles following NATO's Dual Track modernisation decision in 1979 had put the Dutch government under pressure not to comply, and this stand-off continued up until 1985 (van Diepen 2004). There was also considerable concern over the foreign policy of the Reagan administration in general, for instance in Central America (Bosscher 1998). Yet the APEP deliberately bypassed these concerns in favour of establishing a depoliticised space for Dutch-American interchange, with themes chosen that enabled participants to take part without the concern that they were part of a broader 'propaganda' effort to improve bilateral relations. Williams identified three reasons for APEP's success: "we do not use the exchange program or any other device to attempt to persuade any participant politically"; "we are not in business and thus have no product or service to sell"; "we are continually marrying our global network to the global network of ... key political, governmental and business leaders." As a result, APEP stood apart from the majority of exchange programmes that either facilitated student/academic interchange or operated as "propaganda devices" to "influence public opinion in the target country."

There is no doubt that the arrival of APEP was greeted with open arms by many in the political world and beyond who felt that the broadly positive state of Dutch-American relations needed to be reconfirmed and not undermined by public concerns over security issues. The wide political support given to the Program by Dutch political parties – including the Labour party, despite its solid opposition to Cruise missile placement in the early years – is a testament to how

Williams successfully positioned the initiative in a difficult socio-political landscape. From the start it operated with a management structure that included both Dutch and American business and government officials involved in everything from securing funding and selecting participants, a quite unique bilateral public-private effort.³⁰ The first Dutch participant on the programme was Rein-Jan Hoekstra, at the time *chef de cabinet* to Prime Minister Ruud Lubbers (himself an advocate of Williams' operation), who went in 1985 to study the separation of powers and the working of the US government apparatus. At first hesitant to accept, Hoekstra returned impressed with the meetings that were provided, and considers his views on the United States to have been significantly broadened as a result.³¹ The first American participant around the same time was Dave Gribbin, then chief assistant to Senator Dick Cheney (a member of APEP's US selection committee).

As the Cruise missile issue evaporated with the end of the Cold War and the immediate need for focusing on Dutch-American contacts declined, APEP reconfigured itself into a gateway for establishing useful governance and business contacts between West and Far East. By 1995 the Progam was operating four offices - Rotterdam, Washington DC, Seattle, and Tokyo - in a "global triangular base" that was running exchanges between 14 different nations. 32 The expanding horizons of Dutch multinationals and banking interests after the end of the Cold War played a key role here, especially as APEP was able to develop links with new sites such as China.³³ This shift from national interests to global corporate concerns is particularly significant, since the nature of the exchange experience changed with it. Whereas in the beginning three-week programmes for individuals were arranged on a bilateral (US-Netherlands) basis, by the 1990s business and government sponsors were able to 'order' specific tailor-made programmes for small groups that fit their expertise or training requirements. Alongside these tailor-made programmes, for several years APEP has been developing thematic tours for mixed public-private delegations that link experts and relevant policy officials in a particular field, such as energy conservation or the uses of social media. An important detail of these public-private ventures is that the theme and the itinerary are set by APEP itself, deliberately avoiding the opportunity for special interest groups (be they of a political or commercial nature) to slant the message of the tours in specific directions. Significantly, APEP also shifted to requiring participants (or sponsors) to pay for all the costs of the trips, causing the US input to decline because it became less worthwhile for American participants to pay to come to the Netherlands (although efforts have been made since 2006 to rebuild the Dutch-American dimension).³⁴

Conclusion

These three examples provide useful insights into the outlook and operations of corporate public diplomacy in the exchanges field, and it is worth ending with some comparisons and final reflections. While the BDA has become a major corporate operator in exchanges, its origins – post-9/11 concerns over the negative image of the United States in the world – remain its principal *raison d'etre*. Arguably it has therefore not moved far from the classic statist model of public diplomacy as an additional tool for securing foreign policy interests. However its bravado title – Business for *Diplomatic Action* – places it firmly within the outsourcing trend of the 1990s and the outlook that the private sector can achieve much more much better than an inefficient government apparatus. The message is that government should leave not only large sectors of civil society over to practical corporate know-how (health care, education) but also the practice of diplomacy

itself – the very core of inter-state interaction. Having said that, it is not as if BDA is seeking to represent an alternative United States opposed to the federal government – it still sees itself, and has been fully accepted as, a partner in the pursuit of 'US national interests'.

In contrast the ICD and APEP represent interesting moves to establish a form of 'stateless' cultural interchange operating as much, if not more, according to corporate interests as nationstate concerns. Both act as channels and for for building (young) professional networks that are not attached to any particular state's foreign policy interests (although such interests are often present though a state being one of several stakeholders in the process). This raises the question of to what extent it matters who the sponsor of an exchange actually is. A state-sponsored exchange arguably promotes the goal of improving mutual (cross-border) understanding within the context of this being to the nation-state's advantage (this is certainly the American perspective and is predominantly the government-sponsored model). A corporate-sponsored exchange, on the other hand, can still be motivated by mutual understanding, but the context is altered – the possible gain in the form of a changed socio-political outlook in relation to a specific nation-state is less relevant. While participation in both forms of exchange offers the opportunity for personal and professional fulfilment and advancement, the corporate version ideally lays this out free of any political subtext. Mark Donfried has been careful to address this point with the ICD. insisting on its position as a separate institution from any single state agenda. In this way new spaces can potentially be opened up that are free of overt and – thinking here of the Cold War's legacy of manipulative 'fronts' - covert political baggage. Place remains important, as the examples of Berlin for ICD and the Netherlands (a country traditionally renowned for being open to the world) for APEP demonstrate. This demand-driven 'floating public diplomacy' – floating loose from nation-state moorings, that is – perhaps represents not so much the dislocation of business from national affiliation, as the merger of corporate and national actors and interests delivering public goods within a single borderless global market, or – perhaps better said – a global society. Of course, such channels cannot be open to everybody. The elitist nature of these enterprises, both in terms of expertise and entrepreneurial potential, separate those who meet the corporate meritocracy's standards from those who will always be excluded, at the same time that the consumerist ideology of one-world all-inclusiveness continues to be perpetuated. Hierarchies abound, but they cut across the logic of the traditional state system (Sklair 2002; Freeland 2011). While Cobden's post-state Liberal ideal has therefore not yet been reached in toto, the corporatestyle public diplomacy operations examined here indicate that in some areas it is already being achieved. The question for the future is whether these will remain interesting anomalies or whether they are actually pioneers for new forms of corporate-led social interaction that could challenge traditional state-focused public diplomacy activities.

NOTES

- 1 I would like to thank two anonymous reviewers for their insightful comments on an earlier version of this article. Responsibility for the final version rests with the author.
- 2 A good exception to the US-focus of most public and cultural diplomacy writing is Jessica Gienow-Hecht & Mark Donfried (eds.), Searching for a Cultural Diplomacy (New York: Berghahn Books, 2010).
- 3 See http://www.fulbright.org/saluting-leadership/2010-fulbright-prize (accessed 1.1. 2010).
- 4 While philanthropy has occupied an important place in the running of exchanges over the past century or more, ranging from the Rockefeller Foundation in the early 20th century to George Soros and the Open Society Institute

- in the late 20th century (Stone 2010), this is a unique field separate from specific business interests and therefore falls outside of this study.
- 5 On the BAEF see http://www.baef.be/documents/home.xml?lang=en (accessed 4.10. 2010).
- 6 'United States Information and Educational Exchange Act,' PL. 402, Series 15: Subject Files 1953–2000, Box 48, USIA General Records, RG 306, National Archives, Washington DC (hereafter NA).
- 7 Stanger dates this trend back to the Eisenhower administration. These processes have since been occurring in all democracies to varying degress, with the US by far the most extreme example.
- 8 See for instance http://www.ddb.com/freshstuff.html (accessed 4.10. 2010).
- 9 See 'Keith: The Business for Diplomatic Action, Part Four,' Madison Avenue Journal, January 2009, http://www.madisonavenuejournal.com/2009/01/05/keith the business for/ (accessed 4.10. 2010).
- 10 See 'YAL (UAE Chapter) announces partnership with leading international organization for youth development,' 4.3. 2006, http://www.ameinfo.com/cgi-bin/cms/page.cgi?page=print;link=79378 (accessed 4.10. 2010). John Zogby is the author of *The Way We'll Be: The Zogby Report on the Transformation of the American Dream* (New York: Random House. 2009).
- 11 See http://www.businessfordiplomaticaction.org/files/AABF 2010.pdf (accessed 4.10. 2004).
- 12 See http://www.businessfordiplomaticaction.org/who/keith.html (accessed 4.10, 2010).
- 13 See the New Beginning website run by the Entrepreurship Organization at http://anewbeginning.eonetwork.org/ (accessed 2.3. 2011).
- 14 See http://www.facebook.com/pages/A-New-Beginning-Entrepreneurship-and-Business-Innovation/1546548 04559975 (accessed 2.3, 2011).
- 15 For an enthusiastic endorsement of this event see Cari Guittard, 'Entrepreneurship as Democracy,' 14 July 2010, Public Diplomacy Magazine, University of Southern California. Online, available at http://publicdiplomacymagazine.com/foreign-policy-and-public-diplomacy/ (accessed 1.3. 2011).
- 16 'Keith: The Business for Diplomatic Action, Part Four,' Madison Avenue Journal, January 2009, http://www.madisonavenuejournal.com/2009/01/05/keith_the_business_for/ (accessed 4.10. 2010).
- 17 See http://anewbeginning.eonetwork.org/ (accessed 2.3. 2011).
- 18 See http://www.culturaldiplomacy.org/index.php?en abouticd (accessed 4.10. 2010).
- 19 Ibid.
- 20 See http://www.culturaldiplomacy.org/culturaldiplomacyandtheeconomy/index.php?en_about_about-cd-in-the-global-economy (accessed 4.10. 2010).
- 21 See http://www.culturaldiplomacy.org/amerikahausberlin/index.php?en_about (accessed 4.10. 2010).
- 22 See http://www.culturaldiplomacy.org/index.php?en_advisoryboard (accessed 4.10, 2010).
- 23 See http://www.culturaldiplomacy.org/index.php?en partners (accessed 4.10. 2010).
- 24 The German Foreign Ministry, the Bundesministerium für Wirtschaft und Technologie, the Bundeszentrale für politische Bildung, Deutsche Bahn, Deutsche Bank, the German Academic Exchange Service (DAAD), and Deutsche Kultur Interantional, to name a few. See http://www.culturaldiplomacy.org/index.php?en_partners (accessed 5.10. 2010). The Canadian representation is also strong, suggesting that the ICD also managed to establish itself by initially offering an extended site for Canadian public diplomacy activities in Germany.
- 25 Mark Donfried, telephone interview with the author, 2 November 2010. Donfried also states that the ICD received funding from the Bundes Ministerium fur Wirtschaft und Technologie, which was disbursing money saved from the original Marshall Plan counterpart funds in the late 1940s.
- 26 Ibid
- 27 Bob Williams, 'The Atlantic and Pacific Exchange Program,' (n.d.: 1995?), APEP archive, Rotterdam (hereafter APEP). I would like to thank Robin Doeswijk at APEP for making this and other documents available for me.
- 28 Ibid.
- 29 Williams, 'The Atlantic and Pacific Exchange Program,' APEP.
- 30 Atlantic Exchange Program, Annual Report 1985, APEP.
- 31 Rein Jan Hoekstra, interview with the author, The Hague, 10 January 2008. Rumours of Williams' connection with the CIA were widespread at that time, but according to Hoekstra these suspicions were overcome by the fact that Dutch political and business circles were deeply worried about the state of relations with the United States, and APEP offered a way to alleviate this.
- 32 Williams, 'The Atlantic and Pacific Exchange Program,' APEP.
- 33 Lia Rosenbrand and Elaine Springford (APEP), interview with the author, Rotterdam, 28 March 2007. Whereas in the early 1990s groups of Chinese came to the Netherlands eager to explore Western business and governance methods, by the late 1990s there were more trade delegations and groups of lower government officials from the Chinese provinces.
- 34 Ibid.

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