

ISP POLICY FORUM: THE PRIVATIZATION OF DIPLOMACY AND SECURITY

Editor's Note: *Globalization, deregulation, and marketization are restructuring the relationship between public and private actors in the twenty-first century. It appears to many observers as if governments are giving up their traditional prerogatives and delegating to the private sector functions that are central to the state. These include critical areas of state control including diplomacy and security affairs. This ISP Policy Forum explores the following questions:*

- *To what degree can we say that diplomacy and security policy are being “privatized”?*
- *What has caused the changes we identify in the relationship between the public and private sectors?*
- *What are the policy implications of the increasing participation of the private sector in diplomacy and security policy?*

Brian Hocking explores the changing nature of national diplomatic systems and the emergence of what he labels “catalytic” diplomacy. Deborah Avant analyzes the increased use of private military services and the implications this holds for state control. Virginia Haufler examines how international diplomacy has incorporated the private sector into conflict prevention strategy. These three pieces illustrate important changes in international policymaking regarding the role of the private sector.

Privatizing Diplomacy?

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Developments are occurring in the realm of diplomacy that challenge assumptions as to its character and operational principles. Central to these is the erosion of the dominance of the professional diplomat as the agent of the state in its international dealings. Looked at in its broader context, of course, this should hardly be surprising since—despite the fact that diplomacy transcends any one phase in the evolution of the international system—it appears to sit logically with images of a transformational, post-Westphalian order. Thus we find the diplomatic milieu inhabited by a growing diversity of actors, which certainly poses a far more complex image of international interactions than does the traditional intergovernmental perspective. In some contexts, nongovernmental organizations (NGOs) are portrayed as opponents of government, disrupting World Trade Organization summits and, for example, helping to defeat the attempt to frame a Multilateral Agreement on Investment. On the other hand, governments rely extensively on NGOs in humanitarian assistance and for the delivery of foreign aid programmes. Without NGOs, the agreement to outlaw the use of landmines, would, in all probability, not have seen the light of day. On another plane, firms are assuming a central role in key areas of trade policy and in developing global strategies in the battle against HIV-AIDS.

What should we make of this? In what sense, if any, is it appropriate to talk of the *privatization* of foreign policy and diplomacy—the theme adopted for this forum? It is one that, as the following discussions of the contracting out of military services and the contribution of the private sector to conflict prevention clearly demonstrate, poses significant questions. Many of these are related to the impact of forces usually summarized in shorthand form as globalization and regionalization. The proposition that governments are adapting the management of their external policies and the means through which they seek to execute them in the light of these pressures has become as familiar as those relating to the domestic realm. Indeed, of course, one key theme is the erosion of traditional distinctions between the domestic and the foreign. The proposition that states, confronted by challenges to their legitimacy and capacity to act, are assigning more and more functions to the private sector, whose authority rests in part on its expertise in specific policy areas, has become a recognized phenomenon (Cutler, Hauffler, and Porter, 1999:4–5).

The purpose of this discussion, however, is more general in scope and seeks to examine the way in which “national diplomatic systems” (NDSs) are adapting to the impact of domestic and international forces. I use this term to refer to nationally based systems of diplomatic representation comprising overseas missions—both bilateral and multilateral—overseen by a central government department, traditionally designated as the “foreign ministry.” These systems have been subject to adaptation determined by systemic, state-level and internal bureaucratic forces. My argument here is that whereas much of the earlier phases of change occurred within the boundaries of the state and the bureaucratic system itself, the current phase is characterized by the need to operate outside the boundaries dictated by the logic of territoriality, issue-sectors, and conventional distinctions between public and private (or state and nonstate) actors. The demands placed on all actors in a postmodern, multicentric world order necessitate the creation of varying forms of network, or public–private partnerships, in which material resources, knowledge, and legitimacy are traded. So much may seem familiar, although it has not impacted to the degree that might be expected on discussions of the nature and role of diplomacy, whose credentials continue to be exchanged, as it were, primarily between governments.

This suggests, however, that the image of *privatizing* diplomacy may be too simple, implying as it does a one-way process in which the institutions of the state are in some sense being replaced by private actors, however these may be defined. Such a proposition, I suggest, is not only misleading and simplistic, but fails to recognize the significant role that agents of the state continue to play in the context of the emergent structures of global governance. Nor does it help us answer the questions as to why NDSs continue to exist and what they do. Why have they not been rendered redundant or simply collapsed under the twin forces of internal bureaucratic-political pressure and the external challenges confronting the state? Although the cynical might respond, with some justification, that the answer lies in a mix of governmental inertia and the application of diplomatic skills to self-preservation, it seems plausible that these very skills together with the characteristics of intergovernmental networks serve a function in changing policy milieus. But what? And how might we characterize the “value-added” that NDSs confer on what seem to be the more broadly configured networks that the demands of global governance pose? Much of the contemporary literature on globalization is of little help here as it largely ignores diplomacy, assuming—as with foreign policy more generally—that globalization has emptied it of any lingering significance. (Christopher Hill’s recent review of foreign policy notes that in 995 pages of some of the leading globalization texts, foreign policy receives not a single mention [2003:13].)

Adapting National Diplomatic Systems

Current debates regarding the nature of contemporary foreign policy and diplomacy appear to suggest that it is being pulled in two apparently contradictory directions. One might be termed the *publicization* of foreign policy—that is to say the growing emphasis on the need to engage in strategic public diplomacy. A growing emphasis on the significance of communication with publics, particularly in the wake of 9/11, is preoccupying ministries of foreign affairs (MFAs) around the world and recognizes the growing significance of image in world politics and the need to develop strategies for harnessing it in the interests of policy goals. The other direction is that of *privatization*, as the foreign policy agenda for governments fragments in the sense that different issue areas demand the assemblage of linkages with other, nonstate, actors. Both reflect responses to perceived effects of globalization and both indicate changing relationships between governments and domestic and international constituencies. Among other things, this trend is eroding the distinction between the public and the private in the management of an area—external policy—which might be assumed to be highly resistant to such a process. Thus, to take one example, we know that firms are now critical players in environmental negotiations. Beyond this, firms are increasingly locked into a web of interactions with governments and civil society organizations, particularly nongovernmental organizations. In many instances, top-down, hierarchical models of foreign policy and diplomacy are being transformed into a dynamic triangular pattern of relations between governments, firms, and NGOs. It is in this context that the image of privatization gains substance as authority is dispersed beyond states and to a variety of domains ranging from transnational corporations to the various representatives of civil society.

But we only have to look at some recent and current examples of this growing triangular relationship to see that the patterns underlying it are as diverse as they are extensive, and that they are capable of rather differing interpretations. It is possible to see the phenomenon of privatization of diplomacy from the following contrasting perspectives:

- At one extreme, states are being emptied of functions; globalization is witnessing the end of the state and, therefore, of foreign policy. Diplomacy is replaced by global governance structures and authority is relocated from public to quasi-public and to private agencies. Put another way, diplomacy as an activity is emptied of special meaning and significance: everyone—or no one—is a diplomat now.
- Roles are being exchanged with other actors—particularly business and NGOs. Firms begin to act like states in certain respects and vice versa. This is reflected in the growing emphasis on image and state “branding” as governments use corporate techniques to establish a distinctive voice and identity in the cacophony swirling around the international system. Large companies seek to develop their own task-defined diplomatic structures to serve their particular needs and develop local expertise—as in the case of Shell and Nigeria—that national diplomatic services would find hard to rival.
- Private actors become foreign policy agents—key functions are being delegated to the private sector—as in the case of NGOs and humanitarian aid. This may be for reasons of economy or expertise. Nongovernmental organizations may have a capacity to act in areas where national governments are unwelcome, have little knowledge, or are not prepared to venture.
- State functions are being shared with private actors: private and public actors become partners in managing complex issues. This can be seen in both bilateral and multilateral diplomacy. In the case of the latter, the essential role

of business in promoting Third World development policy has been proclaimed in the United Nations (UN) Global Compact and the UN Commission on the Private Sector and Development. During his time as UN Secretary-General, Kofi Annan has repeatedly stressed the bases for the creation of mutual interest as development policymakers come to appreciate the value of private sector resources and firms recognize the commercial advantages of supporting UN and national development strategies. Thus, for example, business has become increasingly involved in combating HIV-AIDS in Africa.

- Governmental diplomacy is directed *against* private sector diplomacy, whether this constitutes the representatives of civil society or the business community. One recent example of this is the pressure exerted by the British Government on the world's second-largest cigarette maker, British American Tobacco, to end its operations in Burma. In this case, the triangular configuration of private interests saw the Blair government aligned with the NGO community represented by the Burma Campaign U.K.

Clearly, these perspectives are not mutually exclusive and elements of two or more may be woven together in specific circumstances. Nor do they exhaust the possibilities of private-public interactions in the diplomatic milieu. The point to stress at this stage, however, is that privatization as a phenomenon in the conduct of contemporary diplomacy demands that we disaggregate its patterns in the shifting sands of world politics. In doing so, it can be seen that national diplomatic systems are adapting to the demands of very different dynamics and that modes of national diplomacy reflect differing internal and external pressures. One way of configuring the resultant stresses and strains is in terms of two contrasting models for nation-based diplomacy: a traditional, hierarchical model and a more diffuse and pluralistic network model.

Taking the first (hierarchical) model, we are presented with an image of diplomacy that stresses the centrality of intergovernmental relations in which the foreign ministry and the national diplomatic system over which it presides acts as a *gatekeeper*, monitoring and controlling the interactions between domestic and international policy environments and funnelling information between them. To be sure, national diplomatic systems have been required to adapt to pressures from within states and society—so, for example, the conduct of diplomacy is diffused more widely throughout bureaucratic systems—and from a rapidly changing external environment. But the emphasis tends to be on top-down processes within which private actors have limited scope for direct involvement in the shaping or execution of foreign policy.

By contrast, the network model provides a fundamentally different picture of how diplomacy works in the twenty-first century and, thereby, the significance of its public-private dimensions. Underpinning the various definitions of networks is the proposition that they are now indispensable in managing increasingly complex policy environments through the promotion of communication and trust. In this sense, a policy network can be defined in terms of nonhierarchical, interdependent, and relatively stable relationships embracing a variety of actors who share common policy goals and who exchange resources in pursuit of these goals. This is the fundamental principle on which Reinecke's concept of global public policy networks rests (Reinecke, 1998). Starting from the premise that globalization has highlighted the deficiencies of governments, both acting alone or in concert, in terms of their scope of activity, speed of response to global issues, and range of contacts, he identifies the significance of emergence of networks incorporating both public and private sector actors. It is not that multigovernmental institutions are

irrelevant but that the more diverse membership and nonhierarchical qualities of public policy networks promote collaboration and learning and speed up the acquisition and processing of knowledge. Contrary to assumptions of control exercised by the agents of government over international policy, the emphasis here is on the limitations confronted by all actors—both state and nonstate—in achieving their policy objectives. Confronted by ever more complex, multifaceted security agendas, there is a necessity to establish policy networks of varying scope and composition, which bring together governmental actors, CSOs, and business. I have described this elsewhere as “catalytic” diplomacy, a form of communication that acknowledges that a range of actors has the capacity to contribute resources to the management of complex problems, whether these assume the form of knowledge and financial resources or, less tangibly, the conferment of legitimacy on processes and outcomes (Hocking, 1999). There are numerous examples of these network processes in a variety of areas. The example of the Ottawa Process relating to land mines is one of the most oft-cited examples. More recently, as Virginia Hauffler discusses later in this forum, the establishment of the Kimberley Process dealing with the problem of the sale of illicit “conflict” or “blood” diamonds is a good example of where an NGO, Global Witness, acted as a catalyst to a process in which national diplomats, especially British and American, the European Union (EU) Commission, together with journalists and De Beers, the global diamond firm, each contributed to the establishment of a diamond regime.

In this context, rather than acting as gatekeepers, intent on guarding the internal from the external, the domestic from the “foreign,” diplomats are increasingly becoming *boundary-spanners*. This recognizes that while, on the one hand, boundaries are becoming increasingly porous rather than being fixed and permanent, they are also becoming significant sites of activity in which actors capable of performing the role of mediators or brokers assume a special significance (Ansell and Weber, 1999). Included among these are to be found, for example, a diversity of actors: lobbyists, think tanks, and epistemic communities. The role of the diplomat in the context of a diplomacy where the public and the private become intermeshed is increasingly focused on a coordinating role defined not so much in the assertion of control over policy processes but in facilitating information flows and sharing the management of complex issues with a range of governmental and nongovernmental actors. This leads us back to the question posed at the beginning of this discussion: What do national diplomatic systems do in such an environment?

One response is that the NDS has a valuable role to play relating to its traditional role as agent of communication. The demands of global governance have not sidelined the state and its agents. Rather, the NDS becomes an agent promoting what Hirst and Thompson have termed the “suturing” functions of the state, that is, tying together the actors and agencies in multilevel political environments: “the policies and practices of states in distributing power upwards to the international level and downwards to subnational agencies are the sutures that will hold the system of governance together” (Hirst and Thompson, 1996:184). In a similar vein, Rosenau suggests a critical role for diplomats who are well placed to assist in the creation and legitimization of new patterns of social contract between individuals and the plethora of intermingling spheres of authority that are emerging alongside the state (Rosenau, 1990:40–41). But what kind of role? One answer is to look to the traditional role and skills of diplomacy, which Cohen defines in terms of cross-cultural communication, to act as an “interpretive and conjunctive mechanism” (Cohen, 1999:16). Globalization, if anything, serves to reinforce the need for the traditional skills associated with this function. Discharging them assumes different forms, however. If a considerable sector of contemporary diplomacy involves the creation of networks of public and private actors that incorporate more traditional

forms of bilateralism and multilateralism, then the NDS becomes both a participant and more than that, an “enabler–facilitator” helping to fashion and manage coalitions of government, NGO, and business interests. In the words of one British diplomat involved in the processes surrounding the conflict diamonds issue that ultimately led to the establishment of the Kimberley Process: “the old concept of leaderless transgovernmental coalitions won’t work anymore. We now have to work to build broader coalitions, and our job is to look for sockets and to plug in wherever we can.” Just how significant that role can be, and how reliant private interests can be on the traditional skills of diplomacy are illustrated in the role of practitioners such as Stuart Eizenstat in his management of the tortuous domestic–international diplomacy generated by the long-running controversy over the Swiss banks because of their links with Nazi Germany and treatment of Holocaust survivors’ accounts. Here was a classic demonstration of the limits of private diplomacy and the value-added that professional diplomacy can contribute to the management of complex issues.

In short, private actors have a clear and expanding role in contemporary diplomacy but it is a more complex one than the idea of “privatization” implies. Public–private relations are multifaceted. Private actors may act as opponents of government, as agents and as comanagers within global policy networks. Against this background, the NDS retains a critical role in the late transitional state system, but one where the claims of the gatekeeper role are being redefined in terms of that of facilitator in the management of multifaceted policy networks.

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