Commercial Diplomats in the Context of International Business

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Summary
Drawing on literature from various disciplines that directly address commercial diplomacy (diplomacy, political economy and international marketing) as well as empirical research, this article brings to commercial diplomacy the approach of management and organizational science. Methods used include qualitative case study research from in-depth semi-structured interviews with numerous commercial diplomats and related stakeholders, such as concerned business firms. A large share of the data was gathered in Switzerland. Naray analyses the roles of commercial diplomats by creating a framework composed of three main groups of roles — facilitation (F), advisory (A) and representation (R) — or ‘FAR’. These three roles cut across activity areas such as trade promotion, investments, ‘made-in’ and corporate image, cooperation in science and technology, and the protection of intellectual property. Two key dimensions of factors that shape the nature of commercial diplomacy are identified: organizational (such as arrangements between ministries and trade-promotion organizations, etc.); and individual (education, background and motivation). Implications arising from the organizational dimension concern organizational design, seeking effective arrangements between the commercial diplomat’s organizational unit and the headquarters. The individual dimension implies rethinking recruitment and talent management. If governments are to reorganize their commercial diplomacy, these two dimensions should be considered and acted upon.

Keywords
commercial diplomacy, commercial diplomat, role of commercial diplomats, trade promotion, export promotion, investment promotion (FDI), promotion of international business, trade representation

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Introduction

Commercial diplomats are state representatives with diplomatic status who are working for business promotion in a broad sense between a home and a host country. Commercial diplomacy aims at encouraging bilateral business through a series of roles that commercial diplomats perform in various activity areas, such as trade promotion, investment promotion, and cooperation in science and technology. This definition focuses on the business-promotion aspect rather than the negotiation of trade policy and its regulatory framework, by drawing on Berridge and Barder’s definition, quoted also by Saner and Yiu: ‘commercial diplomats […] are either civil servants and specially trained diplomats or representatives of chambers of commerce of trading associations seconded to national embassies located in important foreign markets’.1 This article’s main concern is the specialized professional commercial diplomat (CD), and/or the equivalent function, which may also be fulfilled at ambassadorial level. The function rather than the official status is therefore stressed.

Commercial diplomats located abroad undertake activities in the field of promoting (in a broad sense) trade, investment and tourism, cooperation in science and technology (S&T), and the protection of intellectual property rights (IPR). They are usually staff members of a diplomatic mission or heads of a ‘commercial representation’ abroad with a diplomatic status. The term commercial diplomat may cover various denominations, such as commercial counsellor, commercial attaché, trade representative or commercial representative. Certain business-promotion tasks accomplished by CDs may also be assigned simultaneously or separately to other diplomatic institutions, such as consular diplomacy, and in particular to honorary consuls.2 In addition, non-diplomatic institutions such as most trade-promotion organizations (TPOs), chambers of commerce and other trade-support institutions should be considered as the broader context of business support around commercial diplomacy.

Growing Concern

Commercial diplomacy is an issue of growing concern for governments and business alike. According to Porter,3 governments — like business firms — should elaborate strategies and policies to create the best conditions to sustain their