

Exercising Influence: Corporate, Governmental and NGO Diplomacy

A half-semester course for the Ford School, University of Michigan, Spring 2020
Taught by a team of Richard Boucher (Career Ambassador) and Carolyn Brehm (former Vice President for Global Government Relations & Public Policy at Procter & Gamble)

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Office and office hours not yet assigned.

The course is designed to explore through readings, group exercises and discussion how governments, corporations and civil society advocate to shape and influence foreign and economic policy outcomes. Increasingly, society's most difficult problems require collaborative engagement and solutions from government, business and the social spheres. How do public and corporate diplomats work together to resolve issues in the real world?

Learning Goals

The learning goals of the course are for students to understand major emerging foreign and economic policy issues, the impact of policies on key stakeholders, how to craft strategies, identify allies and obstacles, and how to cooperate effectively to resolve issues in the real world. Students will also learn to speak, write and present concisely and with a focus on results.

Requirements

We will take up six current international issues, role-play the interactions, analyze the issues and players in some detail, identify potential solutions and how to reach them. Students will be required to complete approximately 100 pages of readings each week, conduct independent research on their player and position as well as the positions of others, and review supplemental videos and podcasts. They should also be prepared to write a one-page position memo each week, give one or more five-minute presentations to the class on an aspect of the issue and write a final paper on a corporate, non-government organization or government strategy as part of a group project.

For the final project (due April 21), students will be divided into groups of four or five. Each group will pick an international challenge and identify the group's goals and strategy. Within the group, each student, playing an assigned role, will write a two-page (single-spaced) memo on an international issue for a government or corporate leader laying out their goals, targets, and actions within that strategy. At the last class, each team will have five minutes to present their strategy and actions, and five more to respond to questions.

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Grading and Class Participation:

Participation	Weekly writings	Presentation	Final Paper
30%	30%	20%	20%

In addition to the two instructors, we may invite knowledgeable outsiders to provide real-world perspectives and to answer questions during class.

Each week will take up a different topic; all readings must be completed before the first class on the topic in order to inform the activity. One class per week will be devoted to a role-playing exercise and a discussion of what we learned from it. The other class will be devoted to deeper discussion, including student presentations on particular issues.

Active, informed, thoughtful and constructive class participation is a major assessment criteria for the course. Students are expected to come to class fully prepared to engage in a critical analysis of the issues raised in the readings. Strong and effective class participation is characterized by: mastery of the assigned material; ability to identify key issues, synthesize information (including making connections or exploring contrasts with previously assigned readings); and respectful examination of the contributions of their peers and effective facilitation in clarifying different points of view, thereby contributing to the learning of the whole group.

FORD SCHOOL OF PUBLIC POLICY INCLUSIVITY STATEMENT

Members of the Ford School community represent a rich variety of backgrounds and perspectives. We are committed to providing an atmosphere for learning that respects diversity. While working together to build this community we ask all members to:

- share their unique experiences, values and beliefs
- be open to the views of others
- honor the uniqueness of their colleagues
- appreciate the opportunity that we have to learn from each other in this community
- value one another’s opinions and communicate in a respectful manner
- keep confidential discussions that the community has of a personal (or professional) nature
- use this opportunity together to discuss ways in which we can create an inclusive environment in Ford classes and across the UM community.

Accommodations for Students with Disabilities: If you believe you need an accommodation for a disability, please let your instructor know at your earliest convenience. Some aspects of courses may be modified to facilitate your participation and

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progress. As soon as you make your instructor aware of your needs, they can work with the Services for Students with Disabilities (SSD) office to help determine appropriate academic accommodations. Any information you provide will be treated as private and confidential.

Student Mental Health and Well-Being Resources: The University of Michigan is committed to advancing the mental health and wellbeing of its students. We acknowledge that a variety of issues, such as strained relationships, increased anxiety, alcohol/drug problems, and depression, directly impacts students' academic performance. If you or someone you know is feeling overwhelmed, depressed, and/or in need of support, services are available. For help, contact (CAPS) and/or (UHS). For a listing of other mental health resources available on and off campus, visit: <http://umich.edu/~mhealth/>.

Please review additional information and policies regarding academic expectations and resources at the Ford School of Public Policy at this link:

<http://fordschool.umich.edu/academics/expectations>

Week One

March 10: Introduction: Companies, governments and organizations need diplomats to advance their issues in the global environment. How do they operate? How do they interact? We'll start with a short exercise and then talk about the practicalities of making policy in a complicated, social environment.

- Chipman, John. "Why your Company Needs a Foreign Policy." *Harvard Business Review*, Sept 2016. <https://hbr.org/2016/09/why-your-company-needs-a-foreign-policy>
- Heinz, W.J. Et al. (2013) "Spinning gold: The financial returns to stakeholder engagement," *Strategic Management Journal* 35 (12), pp. 1727-1748. <https://onlinelibrary.wiley.com/doi/epdf/10.1002/smj.2180>
- West, Sean and Dohitesh Dhiwan. KPMG "The CEO as Chief Geopolitical Officer," *KPMG Global*, March 2018. <https://assets.kpmg/content/dam/kpmg/xx/pdf/2018/03/the-ceo-as-chief-geopolitical-officer.pdf>
- Anne-Marie Slaughter, How to Succeed in the Networked World: A Grand Strategy for the Digital Age, *Foreign Affairs*, November/December 2016. <https://www.foreignaffairs.com/articles/world/2016-10-04/how-succeed-networked-world>

March 12: Venezuela. What are we going to do about Maduro? The Venezuela crisis involves humanitarian, geopolitical, corporate and military considerations. Governments including China, Russia, the US and regional players, companies from Citgo to foreign investors, plus humanitarian organizations are all engaged. What role does each have and how do you reconcile or do battle with competing interests?.

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- John F. Kennedy, Address at a White House Reception for Members of Congress and for the Diplomatic Corps of the Latin American Republics, March 13, 1961
[http://americanempireproject.com/empiresworkshop/chapter1/TheTwentiethCentury-CompletingTheRevolution/WeMustCompleteTheRevolutionJFK\(1961\).doc](http://americanempireproject.com/empiresworkshop/chapter1/TheTwentiethCentury-CompletingTheRevolution/WeMustCompleteTheRevolutionJFK(1961).doc)
- Remarks by President Obama, Santiago Chile, March 21, 2011,
<https://obamawhitehouse.archives.gov/the-press-office/2011/03/21/remarks-president-obama-latin-america-santiago-chile>
- Organization of American States, Resolution on the Situation in Venezuela, June 5, 2018,
http://www.oas.org/en/media_center/press_release.asp?sCodigo=S-032/18
- Naim and Toro, "Venezuela's Suicide", *Foreign Affairs*, Nov-Dec 2018,
<https://www.foreignaffairs.com/articles/south-america/2018-10-15/venezuela-suicide>
- Laura Gamboa Gutiérrez, "Why Venezuela's Regime Hasn't Collapsed," *Foreign Affairs*, May 30, 2019,
<https://www.foreignaffairs.com/articles/venezuela/2019-05-30/why-venezuela-regime-hasnt-collapsed>
- Jorge G. Castañeda, John Bolton Tried to Unseat a Dictator. He Failed, *New York Times*, Oct. 8, 2019,
<https://www.nytimes.com/2019/10/08/opinion/john-bolton-maduro.html>
- Sue E. Eckert, "Assessing the Effectiveness of UN Targeted Sanctions," December 2019, forthcoming paper.
- Clifford Kraus, "'It's the Only Way to Get Paid': A Struggle for Citgo, Venezuela's U.S. Oil Company," *New York Times*, October 17, 2019.
<https://www.nytimes.com/2019/10/17/business/energy-environment/citgo-venezuela-creditors.html>

Activity: Corporate representatives will meet with US government officials to consider sanctions, their effects and next steps to influence Venezuela's regime and with international and local non-governmental partners to address the migration crisis impacting neighboring countries.

Week Two

March 17 and 19: Data Protection & Privacy: The US needs to update national laws to protect consumers in the face of more stringent requirements in international markets and increasing number of US states taking action. What are the rules? What are the facts? What about data localization laws? What are the corporate interests beyond the big tech companies? How do you inform and influence government policy when laws are made by old men who don't know what Facebook is? We'll hold a hearing of the Senate Committee on Commerce to discuss privacy and related issues.

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- Farrell, Henry & Newman, Abraham. "The Transatlantic Data War: Europe Fights Back Against the NSA" *Foreign Affairs*. 14 December 2015.
<https://www.foreignaffairs.com/articles/united-states/2015-12-14/transatlantic-data-war>
- IT Governance UK. EU General Data Protection Regulation Infographic. May 25, 2018. <https://www.itgovernance.co.uk/eu-gdpr-infographic>
- European Commission. "US-EU Privacy Shield Fact Sheet." July 2016.
http://ec.europa.eu/justice/data-protection/files/factsheets/factsheet_eu-us_privacy_shield_en.pdf
- Government Accounting Office, "Internet Privacy: Additional Federal Authority Could Enhance Consumer Protection and Provide Flexibility," *GAO 19-52*, January 2019, <https://www.gao.gov/assets/700/696437.pdf>
- Senate of the United States. Text of Senate Resolution 523. May 24, 2018.
<https://www.congress.gov/115/bills/sres523/BILLS-115sres523is.pdf>
- Lane Powell PC. "Voluntary Compliance: The Business Case for Adopting the GDPR in the US." June 22, 2018.
<https://www.lanepowell.com/Our-Insights/141110/Voluntary-Compliance-The-Business-Case-for-Adopting-the-GDPR-in-the-US>
- Binacottie and Ciocca, "Regulating Data Superpowers in the Age of AI", October 23, 2018, *Peterson Institute*,
<https://www.piie.com/blogs/realtime-economic-issues-watch/regulating-data-superpowers-age-ai>
- Davina Garrod, Jenny Arlington & Rachel Claire Kurzweil, "The case of Schrems 2.0 – the challenge to Standard Contractual Clauses allowing personal data transfer outside the European Union," *AkinGump*, July 10, 2019,
<https://www.akingump.com/en/experience/practices/cybersecurity-privacy-and-data-protection/ag-data-dive/the-case-of-schrems-2-0-the-challenge-to-standard-contractual.html>
- Katie Branson, "Federal Consumer Data Privacy Legislation in the 116th Congress", May 13, 2019,
<https://er.educause.edu/blogs/2019/5/federal-consumer-data-privacy-legislation-in-the-116th-congress>

Activity: You will conduct a hearing of the Senate Committee on Commerce to consider privacy legislation and consult with corporate and civil society representatives.

Week Three

March 23 and 26: Cybersecurity. A botnet of 100,000 'things,' including refrigerators, sent out three quarters of a million pieces of spam per day. A group, reportedly backed by the North Korean government, attacked Sony pictures, hijacked ATMs into disgorging \$13.4 million from an Indian Bank and stole \$81 million from the Bangladesh Central Bank. Welcome to the new world of cyber attacks. The realization that cyber problems are different seems to have led to a proliferation of bad analogies,

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proposals for closing or limiting openness and threats of regulation and automatic retaliation. Everyone knows that norms are needed but finds it hard to establish them. Attempts at conversations at NATO, or hosted by the UN or bilaterally, such as between the US and China, have failed to establish any standards or rules.

Reading:

- Schmitt and Vihul. "International Cyber Law Politicized: The UN GGE's Failure to Advance Cyber Norms." *Just Security*. June 30, 2017.
<https://www.justsecurity.org/42768/international-cyber-law-politicized-gges-failure-advance-cyber-norms/>
- Nye, Joseph. Can Cyberwarfare Be Regulated?, Oct 2, 2019, *Project Syndicate*,
<https://www.project-syndicate.org/commentary/can-cyberwarfare-be-regulated-by-joseph-s-nye-2019-10>
- Nye, Joseph, Eight Norms for Stability in Cyberspace, *Project Syndicate*, December 4, 2019.
<https://www.project-syndicate.org/commentary/eight-norms-for-stable-cyberspace-by-joseph-s-nye-2019-12>
- National Counterintelligence and Security Center. Foreign Economic Espionage in Cyberspace 2018. July 24, 2018.
<https://www.dni.gov/files/NCSC/documents/news/20180724-economic-espionage-pub.pdf>
- United States District Court Southern District of New York, Indictment United States v. Zhu Hua. December 12, 2018.
<https://www.justice.gov/opa/press-release/file/1121706/download>
- Eileen Yu, "North Korea reportedly stole \$2B in wave of cyber attacks," *ZDNet*, August 7, 2019,
<https://www.zdnet.com/article/north-korea-reportedly-stole-2b-in-wave-of-cyber-attacks/>
- Andrew Eversden, "Black Hat: How uncertainty in the cyber domain changes war," *FifthDomain*, August 8, 2019,
<https://www.fifthdomain.com/show-reporters/black-hat/2019/08/08/how-uncertainty-in-the-cyber-domain-changes-war/>
- Andy Greenberg, "New Clues Show How Russia's Grid Hackers Aimed for Physical Destruction," *Wired*, September 12, 2019
<https://www.wired.com/story/russia-ukraine-cyberattack-power-grid-blackout-destination/>
- Video, Mikko Hyponnen, Securing the Future, Talk on October 16, 2019,
<https://www.youtube.com/watch?v=qZtpqXoNXpI>

Activity: As corporations, government representatives or experts play a series of Cybergames to deal with hackings and disruptions.

Week Four

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March 31 and April 2: Arctic Ambitions. Whether for hydrocarbons, minerals, fish or shipping, the Arctic is opening up. We'll examine the unique diplomacy of the region, the legal background and environment of the Arctic while trying to separate dreams from reality.

- "The Ilulissat Declaration," Arctic Ocean Conference, Ilulissat, Greenland, 27-29 May 2008. <https://www.arctic-report.net/en/product/859/>
- Government of Canada, Agreement to prevent unregulated high seas fisheries in the central Arctic Ocean, <https://www.dfo-mpo.gc.ca/international/agreement-accord-eng.htm>
- Dorothea Wehrmann, "Look North: The Arctic Council as an example for the management of transboundary challenges?", *German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE)*, November 6, 2019, <https://blogs.die-gdi.de/2019/11/06/look-north-the-arctic-council-as-an-example-for-the-management-of-transboundary-challenges/>
- Hannah Hoag, "Sea Ice Retreat Could Lead to Rapid Overfishing in the Arctic", March 17, 2017 in *The Atlantic*, <https://www.theatlantic.com/science/archive/2017/03/fishing-at-the-top-of-the-world/519639/>
- Alexandra Carlton, "Fish going North: new routes, new trade, new disease in the Arctic," December 2019, Abstract. <http://www.research.kobe-u.ac.jp/gsics-pcrc/sympo/2019-PLS12/PCRC-ArCS-special-session.html>
- Tatiana Schlossberg, "Cashing In on a Warming Arctic In Maine, some see the melting ice to the north as an opportunity," February 12, 2019 in *The Atlantic*, <https://www.theatlantic.com/science/archive/2019/02/artic-ice-melt-could-open-maine-trade/582349/>
- Ivan Stupachenko, "10 nations to jointly study marine resources of the Arctic," *SeaFood Source*, June 19, 2019, <https://www.seafoodsource.com/news/supply-trade/10-nations-to-jointly-study-marine-resources-of-the-arctic>
- Troell, M., Eide, A., Isaksen, J. et al. "Seafood from a changing Arctic," *Swedish Royal Academy, Ambio* (2017) 46(Suppl 3): 368, October 27, 2017. <https://doi.org/10.1007/s13280-017-0954-2>.
- Audio: Alaska Public Media, Prospect of commercial fishing in central Arctic Ocean poses big questions for science, Ravenna Koenig, *Alaska's Energy Desk - Fairbanks* - March 5, 2019. <https://www.alaskapublic.org/2019/03/05/prospect-of-commercial-fishing-in-central-arctic-ocean-poses-big-questions-for-science/>

Activity: Meeting of the Arctic Council to set rules for exploration of fisheries and other prospects in the Central Arctic.

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April 7 and 9: Trade Wars!!!! While governments fight, businesses try to adjust. How are trade wars pursued and, sometimes, settled? Who influences the outcome? How can companies adjust their supply chain and marketing strategies, manufacturing and sales while trying to protect their interests. Play the trade wars card game and figure out the longer term implications.

- Alexander Hamilton, "Report to Congress on the Subject of Manufactures", 1791, Excerpts.
- Douglas A. Irwin. Clashing over Commerce: A History of U.S. Trade Policy (University of Chicago Press, 2017). Introduction.
- AmCham China, February 26, 2019, "Growth Continues Amid Heightened Uncertainty,"
<https://www.amchamchina.org/about/press-center/amcham-statement/growth-continues-amid-heightened-uncertainty>
- Gary Clyde Hufbauer (PIIE), "Trump Repeats Mistakes of Nixon, Carter in Trade War with China," *Peterson Institute*, August 13, 2018.
<https://piie.com/commentary/op-eds/trump-repeats-mistakes-nixon-carter-trade-war-china>
- Website: Trump's Trade War Timeline: An Up-to-Date Guide, Chad P. Bown (PIIE) and Melina Kolb (PIIE), regularly updated at :
<https://piie.com/blogs/trade-investment-policy-watch/trump-trade-war-china-date-guide>
- Ren Ping, "What is the Essence of the US Provoking a Trade War", *People's Daily*, August 10, 2018 via Google Translate. Chinese Version: 美国挑起贸易战的实质是什么, 任平《人民日报》, 2018年08月10日.
http://paper.people.com.cn/rmrb/html/2018-08/10/nw.D110000renmrb_20180810_1-05.htm
- OECD Policy Brief: Trade Implications of Global Value Chains.
<https://www.oecd.org/trade/topics/global-value-chains-and-trade/>
- He Huifeng, "Samsung: China smartphone factory closure leaves local community counting the cost," *South China Morning Post*, December 11, 2019.
<https://www.scmp.com/print/economy/china-economy/article/3041389/samsung-china-smartphone-factory-closure-leaves-local>
- Keegan Elmer, "US-China trade war is a gift that keeps on giving for Vietnam," *South China Morning Post*, May 8, 2019.
<https://www.scmp.com/news/china/diplomacy/article/3009405/us-china-trade-war-gift-keeps-giving-vietnam>

Activity: Negotiate trade agreements in a variety of formats.

Week Six

April 14 and 16: Belts and Roads. Chinese companies and banks are offering money and projects in deals that are perhaps too good to be true. Some companies think they might be able to join in. Some government officials like the side benefits. Some country leaders fear that China is buying unprecedented influence that can't be repaid. Almost nobody doesn't care. You figure it out and decide how to make the most of it.

- Xi Jinping, "Working Together to Deliver a Brighter Future For Belt and Road Cooperation," Keynote Speech At the Opening Ceremony of the Second Belt and Road Forum, April 26, 2019
<http://www.beltandroadforum.org/english/n100/2019/0426/c22-1266.html>
- Dem Boys Seh, "China want Guyana dance to Chinese music," *Kaieteurnews*online, August 08, 2019.
<https://www.kaieteurnews.com/2019/08/08/china-want-guyana-dance-to-chinese-music/>
- Yasheng Huang, "Can the Belt and Road Become a Trap for China", *Project Syndicate*, May 22, 2019,
<https://www.project-syndicate.org/commentary/china-belt-road-initiative-trap-by-yasheng-huang-2019-05>
- Tritto and Camba, "The Belt and Road: The Good, the Bad, and the Mixed," *TheDiplomat*, April 15, 2019,
<https://thediplomat.com/2019/04/the-belt-and-road-the-good-the-bad-and-the-mixed/>
- Yuen Yuen Ang, "Demystifying Belt and Road: The Struggle to Define China's "Project of the Century"," *Foreign Affairs*, May 2, 2019,
<https://www.foreignaffairs.com/articles/china/2019-05-22/demystifying-belt-and-road>
- Mike Bird, "Hitting the Gas on Japan's Belt and Road," Aug. 2, 2019, *Wall Street Journal*,
<https://www.wsj.com/articles/hitting-the-gas-on-japans-belt-and-road-11564732215>
- World Bank, *Public Private Partnerships website*, *WorldBank.com*,
<https://www.worldbank.org/en/topic/publicprivatepartnerships>
- Shahar Hameiri and Lee Jones, "China challenges global governance? The case of Chinese international development finance and the Asian Infrastructure Investment Bank," *Chatham House, International Affairs, Volume 94, Number 3*. May 4, 2018. <https://academic.oup.com/ia/article-abstract/94/3/573/4992402>
- David Dollar, Understanding China's Belt and Road Infrastructure Projects in Africa, *Brookings*, September 30, 2019,
https://www.brookings.edu/wp-content/uploads/2019/09/FP_20190930_china_bri-dollar.pdf
- Haq, Riaz. CPEC Financing: Is Pakistan Being Ripped Off By China? *Blog: Haq's Musings*. July 29, 2017.
<http://www.riazhaq.com/2017/07/cpec-financing-is-pakistan-being-ripped.html>

Activity: Your country and firm will negotiate with Chinese envoys over the terms of a project.

April 21: Final class:

Group presentations. 10 minutes each.