The transformation of diplomacy at the threshold of the new millennium

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1. **Introduction**

For a decade, globalisation has become a buzz word in academic and political discussions. The fact that such a phenomenon of growing internationalisation and integration exists, is virtually the only generally accepted point. How new this phenomenon is and what its consequences are, are issues of much discussion.

Diplomats and civil servants in the ministries of Foreign Affairs are also aware of their changing environment. They are confronted daily with new actors, new agenda items and new working methods in a profession which generally evolves only very slowly. Up till now they have not been asked very often about their impressions. A research project on the long term evolution of diplomacy, conducted in the course of 1998 in cooperation with the Belgian Ministry of Foreign Affairs, has attempted to systematise the impressions within more than twenty ministries of foreign affairs and international organisations. (The questionnaire used can be found in the annexe.)

The general conclusion of this research is twofold. On the one hand it seems that all ministries concerned are involved in administrative reforms as a result of the awareness that globalisation creates new needs, but that in most cases the available human and financial resources have been frozen or cut back. On the other hand most ministries are inclined to minimalise the impact of globalisation on the conduct of diplomacy. Traditional bilateralism does not seem, at least in the corporate culture of the ministries, to suffer from real decline; the opposite conclusion appears more appropriate.

The results of the research are incorporated in this essay which deals with the impact of globalisation on diplomacy. 'Diplomacy' is used here in the sense that Brian White gave it: 'a communication process between political entities'. This is probably the best general description of the work diplomats as accredited representatives of states are supposed to do.[1] This general description is all the more suitable because it highlights the permanent function of diplomacy, whatever form of 'political entity' is involved. But it also offers other advantages. It distinguishes the content (which can be described as foreign policy) from the way in which this content is sold (which is diplomacy). It equally shows that there is a difference between the person who decides on the content and the person who delivers the message, which explains the frustration of many a lonely diplomat abroad who believes that his ideas and convictions are not heard enough by his government. Finally, this description avoids the problem of reducing diplomacy to the more peaceful aspect of international relations, i.e. negotiations as opposed to war, thus ignoring the fact that in the past, negotiations and war were often stages in the international relations of a state: peaceful if possible, but using violence as the *ultima ratio regum*.

Only in one respect does this description fail. Injustice is being done to the profound transformations undergone by diplomacy since 2,500 BC, when the city-state of Ebla (in what is now called the Middle East) sent an agent to the kingdom of Hamazi, carrying with him the oldest diplomatic document now available.[2] That is why this description is also too general to detect such transformations in the (near) future, in a time in which international

relations themselves seem to undergo a profound transformation, and communication between countries is no longer limited to formally accredited state representatives.

In this paper the following thesis is explored. The evolution of diplomacy cannot be separated from the evolution of political systems. Diplomatic changes run in a parallel way to changes in the organisation of political power. The 'new' diplomacy, which came into existence between the fifteenth and the seventeenth centuries at the same time as the territorial state, began to represent so-called territorial interests, because economic (commercial diplomacy) and political power (military diplomacy) in this new political system were intrinsically linked to land and territory. At the end of the twentieth century the possession and exploitation of territory are no longer an indication of political and economical power. Power has partly moved elsewhere, away from the territorial state. On the international scene new actors, new working methods and new agenda items appear, which anticipate post-territorial diplomacy, defending interests which are no longer linked to land and territory.

How fundamental this diplomatic change will be, depends on the answer to the question whether we are witnessing an adjustment of the state system today or a real 'time break', a systemic transformation comparable to the transition of the medieval world order to the modern state system.

Just as the sixteenth century, the end of the twentieth century is described by a number of authors as a period of transition towards a fundamentally different political order in which the state as the organisation of political power will be replaced by an alternative form of political management.[3] This is the basic thesis defended by those who consider globalisation as a unique historical event and a qualitative break with the past.

The diplomatic changes at the end of the twentieth century can, however, also be analysed as a mere change, comparable to former changes undergone by diplomacy: changes which did not affect the core of the organisation of political power, i.e. the central role of the territorially defined states. This idea is supported by authors who believe that globalisation at the end of twentieth century has its own specific characteristics, but does not in fact fundamentally differ from former stages of globalisation. What we experience now, according to this idea, is an adjustment of the state system.

Two additional preliminary considerations are of relevance with regard to the argument here. The first is that the definition of dates and turning points is always highly conventional. In human sciences delimiting these are not as important as it is in natural sciences to quantify precisely at which moment water vaporises; what matters is the description of the underlying process, and the explanation of why it takes place. Political processes are like earthquakes, with a long history of minor shifts until a critical point is reached.

The second consideration is that the concentration on the effects of globalisation and therefore the possible perception of a 'time break' and a concomitant systemic transformation of diplomacy are mostly characteristic of the political and academic debate in industrialised countries. Even though globalisation is a worldwide phenomenon, not all continents are influenced by it in the same way. If the characterisation by the British diplomat Robert Cooper is followed, one can speak of a diplomatic development which applies mainly to

'post-modern' states. These states are states which are no longer interested in acquiring territory or using violence in their foreign policy, and where the distinction between internal affairs and foreign policy has faded almost entirely.[4]

2. **The Westphalian transformation of diplomacy**

The Peace of Westphalia in 1648 is nowadays generally considered to be the moment of birth of the modern territorial state, and with it the modern state system and modern diplomacy. How profoundly diplomacy has changed, becomes evident when the diplomatic actors, the structure and organisation of diplomacy and the diplomatic agenda before and after 'Westphalia' are compared.

2.1. The actors

Before Westphalia everyone who had any form of power was involved in diplomatic work: merchants, lawyers, princes and kings, pope and emperor. Diplomacy was an instrument of the powerful who had the wealth to pay for it, not of the sovereign.[5] If any hierarchy was involved at all, the representatives of the pope and the emperor came first, because both these centres of power succeeded, long after they had lost their actual position of power, in maintaining a ritual power that gave Europe a semblance of Christian unity and identity. They were also helped by the fact that there were no alternative centres of power that could take over the role of ultimate referee.[6]

After Westphalia the states affirmed themselves as the new centres of power and also as the exclusive incarnation of sovereignty. Diplomacy became an essential attribute of this new kind of sovereignty and monarchs watched carefully over the fact that their citizens would no longer be granted this right. Diplomacy thus became the exclusive channel for official relations between independent states, which reflected the new concentration of power.

2.2. The structure and organisation of diplomacy

Whereas medieval diplomacy and its predecessors were temporary and intermittent, diplomatic representation after Westphalia became permanent. The pre-Westphalian diplomats can best be described as messengers who returned to ‘civilian’ life after they had performed their 'diplomatic' duty.[7] The most striking innovation of Westphalian diplomacy was therefore the generalisation of a trend in Italian Renaissance diplomacy, i.e. the resident ambassador.[8] Diplomacy was no longer a part-time job. A new professional category emerged: the diplomats who distinguished themselves by the specificity of their profession, i.e. the inter-state relations, and by their own standards and traditions. As a logical complement to the resident diplomatic agent,[9] a centralised system was developed in the capitals for the treatment of the information obtained by their envoys. It was Richelieu, who, in 1624, was the first to set up a centralised ministry of foreign affairs, which grouped together the various international competences previously distributed among several state secretaries.[10]

This diplomacy was bilateral, i.e. limited to relationships between two states. Confidentiality became important, which made the nationality of the diplomat an important issue. Before Westphalia, it was not necessary that the issues at stake were dealt with by one’s own citizens. Local agents were often used. They were a kind of 'honorary consuls' who were not

citizens of the countries they represented. They were 'mercenaries' whose skills were recognised by everyone (in Western Europe they were often Italian or Swiss)[11]. After Westphalia this changed and the diplomat's nationality became the same as that of his principal.

2.3. The diplomatic agenda

The Italian city-states lay the basis of what would become the double agenda of diplomacy for centuries: commercial issues and security. The Italian city-states had become wealthy as a result of the crusades. Northern Italy had become the prime trade route between the north-west of Europe and the eastern Mediterranean and Asia. In order to facilitate trade and to ensure the continuation of their prosperity and power, the Italian princes from the thirteenth century onwards saw the need for formalised inter-state agreements, so that they could do away with the cumbersome feudal laws which were common in those days.[12] The need of the Italian city-states for a permanent form of diplomatic presence abroad was also stimulated by the need for timely information and direct contacts within a framework of changing coalitions between powerful city-states which each strived for influence, prosperity and, therefore, power. Italian Renaissance diplomacy originated as a result of the need of an equilibrium between basically similar, expansionist city-states. This need was further strengthened by the rise of stronger and bigger states such as France and England, which could become important allies or enemies in the internal Italian struggle for power. By the fifteenth century a kind of diplomacy had therefore arisen in Italy which can be considered as the direct ancestor of modern diplomacy.[13] A generation later this new idea of permanent diplomatic presence was taken over by the larger states outside Italy.

The double agenda of diplomacy was a perfect mirror of the interests of the rulers. Territorial issues took up a central position, which was also reflected in political philosophy from the seventeenth century onwards.[14] The security or acquisition of territory was the central issue, because the creation of wealth and therefore political power was a direct result of the possession and exploitation of land. The possession of land, in a mainly agricultural community, was the source of economic and political independence and therefore power. Closely related to this were the dynastic marriages which had both a material (expansion of land) as well as a political goal (termination of conflicts). Territorial expansion was the way to control new wealth generating means.[15]

Commercial diplomacy in essence involved the trade of what was produced in one's own territory. Early modern mercantile colonialism served the same goal: the enrichment of the monarch and therefore the strengthening of his power. Security policy and alliance diplomacy aimed, depending on what was considered to be most profitable, at the acquisition of new land or at securing one's own territory. The formation of alliances, negotiations and war were thus alternative ways to reach the same goal and absorbed for a long time the major part of the resources and revenues of the modern state.[16]

The Westphalian state was an historic actor in the true meaning of the word. Both in its absolutionist form and, afterwards, in its national form, the territorial state became the locus of all power: economic, political as well as military. It was the state that created the market,[17] generated wealth, improved the infrastructure, stimulated technology and guaranteed the necessary security for all this. The economic resources of the state were the basis of its military and therefore diplomatic power. Outside the state there was no real or virtual power

because of the disappearance of the two dominant medieval institutes, i.e. the papacy and the Holy Roman Empire, which up till then had shared together the power and the legitimacy to give sense to the world as it was known then, and to order it. The territorial state now became the universal standard for political organisation, which bundled all political functions into the concept of 'sovereignty' along territorial lines, leading to the termination of the normative chaos of the late Middle Ages, the political chaos of the religious wars (although 'civil' wars would be a better term) and the economic particularism of medieval society.[18]

The international system became a state system based on the self-regulation by the new centres of power, allowing no appeal against their rulings. 'Self' was the keyword of the international conduct of states: self-restriction, self-evaluation and self-help.[19]

The new diplomacy mirrored this political-territorial order because it was the instrument for pursuing the interests of these new centres of power outside their own jurisdiction. Diplomacy without power, according to Frederick the Great, was like an orchestra without a score. This diplomacy can therefore be considered to be the classical period of diplomacy, because between 1650 and 1850 the European states were of the 'perfect kind'. Rulers owed no allegiance upward nor downward. They were absolute in their power to conduct foreign policy. The diplomatic elites were moreover often interrelated and shared at least common values.[20]

Territorial diplomacy always turned, like strings in a DNA structure, around the same elements: commercial and economic interests as the source of power on the one hand, and the balance of power, the formation of alliances and deterrence as a means of securing interests on the other. Sometimes commercial diplomacy was more important, e.g. during the decades after the French-German war of 1870-1871, but at other times the diplomacy of security prevailed, as was the case during the Cold War.

3. **The two profound mutations in modern diplomacy**

The modern state system possesses, however, a dynamic of change, originating from the changes the state undergoes and therefore also the changes in the relationships between states and diplomacy. 'C’est dans la politique intérieure de l’Etat que se trouve la clé des évènements d’ordre extérieur, des attitudes et des campagnes diplomatiques, des négociations, des alliances, des guerres et des traités. Les démarches diplomatiques d’une Etat sont l’expression des idées qui dominent ceux qui le gouvernent, et le peuple en général. Ils portent, en outre, le cachet de l’organisation des puissances publiques de l’Etat.'[21]

As a result of the changes in the functioning of the state the new diplomacy underwent two important alterations in the period after the beginning of the Westphalian world order. The first was internal to the state and occurred when the sovereignty of the state shifted from monarch to nation. The second was connected to the evolution of the state system and occurred when increasing interdependency and quickening globalisation created a new kind of diplomacy, namely multilateral diplomacy. The political-territorial order, of which the state was the incarnation, remained unchanged, however, and possessed enough authority and legitimacy to put aside all alternatives, from Napoleon to Hitler. The two mutations in

modern diplomacy are therefore essentially changes in the structure and organisation of diplomacy.

3.1. Shifting competencies in sovereignty and diplomacy

Under the influence of the French and American Revolutions of the eighteenth century, inspired by the ideas of the Enlightenment, and carried by the emergence of a new social class, i.e. the middle class, the authority of the monarchs, legitimised by the power of God, eroded slowly all over Europe. Sovereignty shifted towards the people and came into the hands of institutions which claimed to represent the people. The loss of international power of the monarchs also meant a parallel loss of diplomatic power. The 'International of princes', which had guaranteed the stability of inter-state relationships for centuries, gradually lost its power during this evolution.

The government slowly took over complete responsibility for the conduct of foreign policy and therefore became the exclusive repository of the external sovereignty of the state. The role of the minister increased, while the freedom of action of the professional diplomat decreased. From a highly ranked dignitary he became a highly ranked civil servant, dependent of and subordinate to the government. Even if it can be said to represent a mere modernisation of the direct meetings between the monarchs of the past, ‘governmental diplomacy’ became increasingly important between the two World Wars: the ministers themselves entered into direct negotiations with their foreign colleagues. This resulted in feelings of frustration among the older generation of diplomats, who thought that this ministerial involvement was a dangerous form of amateurism, even more so because politicians were vulnerable to the pressure of public opinion.[22]

3.2. The emergence of multilateral diplomacy

As long as the power of the states was based on the creation of national wealth, and the interaction with other states was limited to the preservation of the balance of power, diplomacy was exclusively bilateral. The industrial revolution, technological evolution and imperialism at the end of the nineteenth and the beginning of the twentieth centuries, resulted, however, in an increased interdependence between the states. At the end of the nineteenth century it was possible for the first time to speak of a global market in which goods, services, capital and persons could move freely all over the world, and peoples of all continents began to produce goods for export as parts of an international division of labour.[23]

The outbreak of the first World War temporarily halted this acceleration of globalisation, but it was resumed between the two World Wars. Especially the smaller trading nations realised that economic wealth was no longer an exclusively national issue. Because of the world-wide Depression following the Crash on Wall Street, larger nations as well, and especially the United States, began to realise that multilateral economic cooperation could be in their own interest. The final breakthrough of economic multilateralism came after the second World War, when the open world order, guaranteed by Bretton Woods, and the European construction provided an increasingly integrated financial-economic basis which ensured wealth and political stability in the Western part of the world.

The influence of economic multilateralism on the diplomatic actions of the states only became apparent after the first World War. In 1919 there was a first significant breach with the past when the League of Nations was created. Historically, as the first multilateral organisation, it lay at the basis of multilateral diplomacy. Not only the then revolutionary principle of collective security was important, but also the administrative and political mechanisms established in the form of a permanent Secretariat, Council and Assembly.[24] This actually represented a broadening of the functionalist approach, as embodied by the nineteenth century international organisations, to the more political domain.

Multilateralism, which had started economically as well as diplomatically between the two World Wars, underwent a strong expansion after 1945. While diplomacy before the war was largely bilateral, with an embryonic form of multilateralism, diplomacy after the war became increasingly more multilateral. Pre-war intermittent multilateral diplomacy became permanent now that diplomatic representatives were accredited to international organisations.

The growth of international organisations, from the United Nations over the European Community to other specialised organisations, led to a multiplication of permanent multilateral forums where diplomats from different countries could meet, sometimes on a daily basis, and where the interests of a large number of partners had to be taken into account.

As a result of these developments, diplomacy underwent drastic changes. The intimacy of bilateral relations had to make way for the openness of multilateral diplomacy, which was sometimes disparagingly described as board of directors' diplomacy. The advocates of bilateral diplomacy felt themselves to be on the defensive, because this classical form of diplomacy seemed to be doomed.[25]

3.2. The diplomatic continuities

The profound mutations mentioned above did not change diplomacy in a fundamental way, because the core unit, i.e. the territorial state, remained the political organisational mechanism *par excellence*. The state as a social construct changed because of changes in society. Diplomacy underwent a parallel evolution. What remained unchanged, was the state as the locus or centre of power. The state still largely provided the framework for the creation of wealth. Internationally, the state kept on writing the score for the diplomatic orchestra. The comparison of actors, organisation and agenda proves the extent of continuity in diplomatic practice.

The central and exclusive principal of the diplomat was still the state. The fact that at the end of the nineteenth century a number of international organisations were established, did not represent a major difference in this respect. These public international organisations reflected the increasing complexity of economic, social, technical and cultural interconnections in the modern world, and the inability of the territorial states to anticipate this adequately in an environment of self-help. They represented a new kind of organisational effort of the states to find an answer to the difficulties and possibilities of the unseen flow in goods, services, persons and ideas. But in the end they represent a system at the service of the states, with the

aim of helping them to maintain fully their sovereignty and therefore legitimacy.[26] They do not represent new, alternative centres of power.

Governmental diplomacy expanded. Directs contacts which used to be incidental, were now institutionalised through multilateral diplomacy. Even so, the resident diplomat, now complemented with the resident permanent representative in international organisations, remained the backbone of diplomacy. Indeed, the political representative, according to Henry Kissinger, 'is not hired as a whiz kid on technical answers but to supply a sense of direction to the diplomatic dialogue.'[27]

Bilateral diplomacy proved to be much more resilient than was originally thought. Not only was it a strong symbol of political independence for the numerous new states after 1945, but it also acted as an indispensable complement to multilateral diplomacy in various areas.[28]

The extent of the diplomatic agenda increased, however. This was the result of the fact that the state, especially between 1945 and 1973, had begun to cover more and more fields of activity.[29] Although there were different issues on the agenda, commercial diplomacy and the security dimension continued to dominate diplomatic activity. Between the two World Wars the emphasis lay on commercial diplomacy, whereas the security aspect was all important during the Cold War. During this last period the neglect of the commercial aspect led to criticism in certain countries where it was said that diplomacy should concentrate on supporting commercial activities. This was the case, for instance, in the Duncan report (1969) in Great Britain.[30] In Europe, the neglect of the commercial dimension, however, was relative, because from 1955 onwards, more and more attention was paid to the expansion of a European customs union in the form of the European Community.

4. **Towards a post-territorial form of diplomacy**

Within the European context, multilateralism gradually evolved into supranationalism. As the codification of multilateralism, supranationalism was an innovation in the sense that parts of domestic sovereignty were now formally transferred from the national to the international level, where they were the responsibility of autonomously operating authorities. Even where one could not speak of a formal delegation of authority, a number of these international organisations developed their own 'corporate identity' and tried to maximise their authority.

With the advent of multilateralism, the boundaries between domestic policy and foreign policy faded, resulting in a 'domesticising' of international relations. This 'domesticising' means the delegation of the decision-making power with regard to international relations to other agents than the ministry of foreign affairs. 'Domesticising' here thus refers both to the increasing part of the international dimension in the domestic political decision-making process and to the direct incorporation of domestic agents, responsible for the sectors involved, in the international decision-making process. This trend is often wrongly linked to the increased complexity of international politics: it is in the first place the result of multilateralism and supranationalism. As competencies were shifted from the level of the state to a level above the state, domestic actors responsible for the sectors involved felt increasingly less the need for a central organ as far as their relations with colleagues in similar sectors in other states were concerned.

We first needed to reach the end of the Cold War before it was possible to wonder about whether the situation at the end of the twentieth century is similar to the situation in the sixteenth century, i.e. whether we are experiencing a systemic transformation of the political system. Such a 'time break', however, would imply that the territorial state no longer is the exclusive locus of economical, political and military power.

Globalisation has become a buzz word in the political discussion as well as in academic research. Conclusions concerning the 'withering' or the retreat of the state ascribed to this process, are, however, largely at odds.

In what follows, it is assumed that we are now witnessing a unique period in which three overlapping tendencies coincide. Today we are experiencing, firstly, a new acceleration of globalisation while, secondly, at the same time being confronted with the effects of a deliberate and ideologically motivated policy of liberalisation, deregulation and exclusion of the state from economic life.[31] We are, thirdly, confronted with a profound transformation of the productive structure, partly caused by technological innovations and by the transition from an industrial economy to a service-oriented economy in the industrialised states.[32]

None of these three phenomena are new in themselves. They are cyclic processes which have occurred before and later disappeared again. They usually take place in different times and are the result of different developments. This time they occur simultaneously, which makes the current national and international environment so unique. Whether this combined occurrence leads to a systemic transformation of the state and the state system, will now be examined.

4.1. The state: no longer the source of all power ?

As a political system, the state distinguished itself from its predecessors by its territorial principle and sovereignty. Both characteristics have now evolved in such a way that the once central and exclusive role of the state has become more vague. Some argue that the creation of wealth and prosperity is no longer a national issue. In this argument, they refer to three factors: the economic resources of the national territory have become too small; private agents have taken over the task of creating wealth, and the states have been forced to retreat in a merely supporting role: wealth is no longer seen in function of territory, but in function of post-territorial elements.

Whereas after Westphalia states played a crucial role in the creation of an economic basis which exceeded the local level, it has now become clear that this national territory has become both inefficient and, at least partially, irrelevant for a major part of the economic activity.

Only a few decades ago states were still classified according to the amount of their natural resources. In the past the states competed with each other for the possession of territory and 'wealth-creating resources within territories, whether natural or man-created'.[33] Today, they compete for market shares in the world economy. In the light of such a competition, territory is no longer the most important basis for the creation of wealth. The world is gradually

moving towards the emancipation of land as a determining factor for production and power. The downsizing and relocation of production capacity will soon result in a situation where states no longer have all the components of a technologically advanced economy within their own borders.[34] Wealth and power are increasingly generated by private transactions which take place more often across state borders than within. The increasing importance of transactions and organisational connections across national borders, is therefore the cornerstone of globalisation.[35] Instead of producing goods and rendering services mainly by and for people living within the same state, more and more goods are now produced by people from different states, aiming at a world rather than a local market.[36]

Not only has trade become more important than ever as a carrier of economic progress[37]; the impact of trade on the power of the state has increased by nature of its changed character. These changes concern the fact that trade is no longer the exchange of goods between national productive systems, but a flow of goods and services within productive networks operating globally rather than nationally. What used to be clear national transactions, i.e. companies whose main activity and headquarters were located within the borders of one state and which could rely on the support of 'their' government with regard to their international activities (export markets and/or the creation of a liberal-economic framework), are now often transactions between branches of one company.[38] A number of these companies have now even become a-national, which becomes evident for example in the composition of their management or in the fact that they exploit the tax systems of the different states in which the company is located.[39]

This increased transnational character of economic activities is even more strengthened by the fact that important sources for the creation of wealth have become non-material. The most striking example of this is of course, financial markets, which do not only represent the most liberalised and globalised segment of economic activity, but which have also become a-national and a-territorial *par excellence*. This is also the case for the present-day information technology. Information is a nonmaterial source of wealth because it applies knowledge to labour in order to create value by increasing productivity. Pursuing wealth has now, again at least in part, been replaced by pursuing knowledge and by the application of knowledge to production means. To some ideas and technology are therefore more important resources than steel companies or agricultural land.[40] Industrial and agricultural employment has decreased even more strongly during the past two decades in favour of the service sector, which now, in some states, contributes three times more to the creation of national wealth than the industrial sector. Territory as a source of economic and therefore political power becomes increasingly less relevant.

Notwithstanding this description, it seems unwarranted to think of this development as if the process of economic globalisation has reached its peak. Economic activity may have exceeded the national level, but it is still mainly organised around three economic regions (the USA, the European Union and the Asia-Pacific) rather than being globalised.[41]

Admittedly, there has been a qualitatively important evolution in the sense that companies, rather than states, now possess the main keys for the creation of wealth: access to foreign markets, up-to-date technology and capital markets.[42] States have now become dependent, with regard to the creation of wealth, on sources not controlled by them, in a way which has never occurred before. Companies are now considered to be the most important creators of

wealth and have therefore acquired a new basis of power and legitimacy which they did not have before or only to a lesser extent.

The changed relationship between state and companies has led, according to some, to an important change in the nature of the state. The state is said to have evolved from a welfare state to a 'competition state'.[43] Although there is no generally agreed definition of a competition state, the concept is usually explained in terms of the belief that national competitiveness is the key to economic growth and rising standards of living, with the result that domestic policy areas (such as education, taxation or health) have to be seen within a global context. Furthermore, this notion implies the belief that competition is not promoted by demand-side policies (which dictated state intervention during the Bretton-Woods era), but by supply-side policies, so that the state's role can be reduced to creating conditions necessary for growth.

As during the Depression years, states now engage in competition. However, the way chosen to do this is wholly different. There is no protection of one's own economy by means of competitive devaluations and 'beggar-thy-neighbour' policies to stimulate export, but rather an extreme form of opening up to market forces in order to increase industrial productivity and in this way improve competitiveness which should, in turn, lead to investments. In this way it is thought to be possible to regain high-quality industrial jobs that may have been lost to foreign competitors.

To the extent that the state is no longer the source of absolute power, its post-Westphalian claim to exclusive sovereignty is no longer tenable. Developed as a reaction to social and political chaos in the sixteenth en the seventeenth centuries and because of the political need for legitimation of the state as the new centre of political power, this sovereignty was always of an exclusive nature, especially for the major powers. Now sovereignty has to be shared both on a level above the state (international law, supranational and international organisations) and on a level below (regions with their own sovereignty). The growth of a transnational society is another challenge to the legitimacy of the state, because territorial identity is far less dominant over other forms of identity than in the past.

As emphasised in the conclusion, one should bear in mind, however, that this hollowing out of the state has not occurred as a consequence of anonymous and objective developments. Quite the contrary, the withdrawal of the state is man-made, a result of human decisions, that is, of ideologically motives and governmental decisions.

4.2. Globalisation of the new challenges

As in the last quarter of the nineteenth century, we are witnessing an acceleration of globalisation. A century ago, this was accompanied by cosmopolitanism, the awareness of a global dimension, at least among a small (liberal) minority. Today this awareness of the global dimension of issues that used to belong only to the domestic political agenda, is much more widely present. Environmental issues, drug trafficking, organised crime, human rights, migration and the proliferation of weapons of mass destruction have become topics of which decision-makers and a significant segment of public opinion realise that the consequences are

not limited to one's own territory and to which individual states on their own are unable to provide a satisfactory solution.

This inadequacy and the inherent difficulty of all international cooperation (especially after the considerable increase in the number of states after the Cold War) has led to a situation where the present degree of international regulation lags behind current needs. This is a contributory factor in the apparent 'unruly' character of the current international community, especially in financial and economic terms.

However, not all present-day tendencies are moving in the direction of a disorderly international system. Indeed, there are clear tendencies towards global regulation, in the sense of partial and functional steps in specific and clearly defined areas. The conventions concluded after the global conferences of the nineties are examples of 'pockets' of global governance with respect to biodiversity, climate change, etc… Not only do they serve as reference points for further action; they also develop a dynamic nature of their own because of the built-in obligation for regular verification of the commitments agreed upon.

In the same way the establishment of the International Criminal Court, in the summer of 1998, is considered by some as proof of a development towards a form of global governance. This Court is indeed the most important concrete decision of the United Nations (UN) in the last few years. This permanent 'Nuremburg' court illustrates not only the a-territorial logic of many recent developments, such as the evolution of the mass media and the emergence of transnational social movements (sometimes institutionalised into global nongovernmental organisations); it is equally indicative of the evolution towards a transnational society, as it was suggested for the first time by Raymond Aron at the beginning of the sixties.[44]

4.3. Consequences for diplomacy

The fact that the present world order is moulded both by territorial states and nonstate actors is already an essential change with respect to the modern or 'Westphalian' state system. The extent of this change appears clearly when the actors, the structure and organisation and the agenda of present day diplomacy are compared with the Westphalian modern diplomacy.

4.3.1. New actors

The emergence of new actors, with transnational and non-territorial interests and a proper policy autonomy, creates the impression of a return to the pre-Westphalian diplomatic situation when numerous autonomous actors were active on the international scene and sent their envoys abroad to advance their interests. Nowadays, according to F. von Nordenskjöld (of the Auswärtiges Amt, Bonn), there is less and less difference between the job of a diplomat and the numerous other international professions.[45]

In principle, states continue to be the most important actors on the international scene, but they are confronted with powerful competitors. A number of new diplomatic actors can be distinguished.

Sub-national actors

The trend towards devolution in many states has led to an increase in regional authorities which, on the strength of their own legal personality, develop diplomatic activities that are no longer subordinate to the central (national) diplomacy of their country. This phenomenon is especially present within the European Union.

Three intertwined and mutually influencing developments are occurring here.[46] First, regional policy becomes increasingly important (next to agricultural policy, this is the most important expenditure in the budget of the Union and therefore one of the more prominent issues dealt with in Agenda 2000). Second, in the exercise of its powers the Union increasingly enters the domain of the regional prerogatives. Third, the regions are organising themselves in influential interest groups across existing state borders. As a result, the regions become new actors: their regional offices with the European Union increased from 22 in 1989 to 135 in 1996.

At present, their formal and direct power with regard to decision-making is still limited to the Committee of the Regions, and (since Maastricht) to participating in the negotiations in the Council provided they have been given a mandate by the member state (and if they can bind the member state as a whole). On the other hand, their formal but indirect power can be seen as more important in cases where regions have to be consulted internally according to formal procedures in the member state prior to the determination of the national (federal) point of view. This is the case in Belgium with regard to certain policy topics.

In the future, the role of these sub-national actors will probably increase, partly as a result of the process of bureaucratic power maximisation. The unusual reserve displayed by former chancellor Helmut Kohl in the June 1997 European Council in Amsterdam with respect to further European integration is attributed to the attitude of the German *Länder*, primarily Bavaria which, as one of the richer *Länder*, is no longer willing to maintain the present level of financial contribution to the European Union.

A similar evolution outside Europe is noted by George Kennan with respect to American states and regions, some of which already opened their own mini-foreign offices, which directly conduct aspects of their relations with other countries, often bypassing Washington.[47] The trend can also be perceived in the elaboration of unilateral trade sanctions against third countries by state and local authorities in the United States.

Supranational actors

Here too the European Union is the most obvious sign of the emergence of a whole new kind of diplomatic actor. It has become a global and autonomous diplomatic actor in its own right, be it mainly in domains belonging to the 'first pillar' and those falling under community decision-making: commercial policy, macro-economic policy (in particular the currency), development cooperation, environment. In the last domain, the European Union has acquired a significant international profile in the last 25 years by signing more than 400 international conventions.[48]

Mainly with respect to these domains the European Union has an external representation network that functions autonomously from the member states. Originally set up within the framework of the dialogue with the ACP countries, its scope has now become global with its own representations in 123 countries and international organisations, 108 of which are fully-

fledged delegations. And with its own accredited diplomatic corps the European Union possesses its own international legal status, which is the reflection of the original, post-national character of the Union. Its jurisprudence has precedence over the national laws of the member states, even if this has a direct influence on the inhabitants of these member states.[49]

American diplomacy still has not familiarised itself fully with the European Union as a global actor. The United States keep finding it difficult to deal with this mixture of sovereign states and an autonomous supranational organisation.[50]

A-national actors

Two new actors, not linked with territory and possessing a proper diplomatic dynamic, have emerged: firms and nongovernmental organisations. The way in which both are able to influence international relations is symbolised by the power struggle between Shell and Greenpeace with respect to the Brent Spar in 1995, with the states looking on from the sidelines.

The ideologically motivated retreat of the state from macro-economic regulation from the eighties onwards, created a vacuum that was filled by the market and the business world. The decreased budgetary and personnel capabilities of the state to conduct its own international relations (cf. infra) facilitated the tendency (which in itself is not really new) whereby states call on enterprises to act as primary instruments of their foreign policy.[51]

Susan Strange quite correctly points out that two new types of diplomacy now, in addition to classic interstate diplomacy, shape the international system and are largely lost on conventional writers on international relations.

On the one hand, there is a 'state-firm' diplomacy. Since companies hold the most important keys to the creation of wealth, the state is forced to negotiate with the business world. A state can still be the gatekeeper to its territory, but if a transnational company (TNC) refuses to invest, the state cannot force it to do so. Even if the TNC does intend to invest, the state still has to make itself attractive for this company and enter into competition with other states. Firms have become, just like states, authorities exercising control over national and global economic development.

On the other hand, there is a 'firm-to-firm' diplomacy whereby corporate takeovers and strategic alliances between companies from different countries or between branches of the same group increasingly determine future trends in economic growth, employment and trade.[52]

As far as the second group of a-national actors, the NGOs, is concerned, their growing diplomatic intervention is obvious. Twenty years ago they were protesting outside the doors of UNCTAD and they had to gather information from the dustbins of the national delegations. Now, large numbers of them have been involved in the preparation of the global UN conferences since the beginning of the nineties and they extensively get the floor in plenary meetings.[53]

However, their influence is unequal. They are absent in commercial and economic dossiers (as a result of the weakening of the international and national trade unions), but strong with respect to development cooperation, the environment (especially in the eighties) and humanitarian matters. They also have an increasing influence in shaping norms, values and moral standards. Amnesty International and other human rights organisations are not only a factor in the domestic decision-making of numerous states; but they are also increasingly accepted as informal negotiation partners in international negotiations. When in July 1998 in Rome the International Criminal Court was negotiated, they were involved from the beginning. They could participate as observers in the preparatory activities, they were involved in the preparation of the official position of many states and some of them were even members of the national delegations.

Also, with regard to preventive diplomacy and post-conflict peace building, there is a growing willingness on the part of the NGOs to play a role both in internal and international conflicts, a role they describe as 'field diplomacy'. The results are not univocal. Efforts of, for example, International Alert (London), the Carter Center (Atlanta) of Sant'Egidio (Rome) in conflicts in Mozambique, Central Africa, Kosovo or Algeria were successful only if the parties involved were willing to reach an agreement. The willingness of the NGOs to play the role of go-between in difficult and dragged out conflicts is all the more striking as many states no longer seem to have the ambition to do so. Some states in effect use NGOs in order to avoid having to take the risks associated with diplomatic initiatives of their own.

Increased autonomy of international organisations
A fourth striking new trend is the increased autonomy of both intergovernmental organisations and the functionalist international organisations.

With regard to the former, it can be noted first that the trend which started under Boutros Boutros-Ghali towards larger diplomatic autonomy of the United Nations has been maintained under his successor. Boutros-Ghali had a permanent staff of 20 to 25 representatives at his disposal which in itself was already a quadrupling compared to the situation under his predecessors. Secretary-General Kofi Annan seems to continue this trend. At present there are 32 special and/or personal representatives of the Secretary-General in function.

It is Kofi Annan's opinion that the United Nations can only play a vital part in the future if the world organisation establishes new partnerships with NGOs and other actors from civil society. He repeatedly emphasised that without their support there would never have been an International Criminal Court. The Secretary-General counts on these groups in his attempt to strengthen the UN. Hence his proposal to organise at the eve of the year 2000 a 'Millennium Forum', parallel to the formal 'Millennium Summit' of the General Assembly, at which NGOs and other representatives of civil society can present and discuss their proposals and concepts for a strengthened world organisation.[54] Kofi Annan implicitly asks the governments not to stand in the way of the organisation of this forum.

The ambition of diplomatic autonomy of the United Nations goes even further than that. Within the UN system there is a marked tendency today to search also for also new partnerships with another a-state actor: large private firms, considered part of civil society as well. Whereas increased cooperation with the NGOs offers the United Nations an expertise

which often exceeds that of the states, private firms offer both new financial means and potential management capabilities in domains where the governments of the member states have retreated .

The American media tycoon Ted Turner is a symbol for this autonomous quest for new actors and new forms of cooperation within the UN system. In the summer of 1997 Turner pledged $1 billion over ten years to the UN (representing the profit he made in the first nine months of that year). Turner also committed himself to persuade other entrepreneurs to collaborate with the United Nations. Just as Turner, Bill Gates transferred $1.7 million over 3 years to the Population Fund of the United Nations (UNFPA). The pharmaceutical company SmithKline Beecham (together with the World Bank) put a patent worth $2 billion at the disposal of the World Health Organisation for the fight against elephantiasis.

Some national delegations fear that if such contributions develop into a trend, the role and influence of the business world on what is an intergovernmental organisation could become too large to the detriment of the member states.

As far as other international organisations are concerned, the autonomous role of the IMF and the World Bank is well-known. The functionalist international organisations, many of which came into being at the end of the nineteenth century, also appear to adapt themselves to an international environment in which states no longer play as prominent a role as in the past. The International Telecommunication Union (ITU) is adapting to the rapid changes in the telecom environment and in particular to the privatisation of the telecommunication companies. The World Intellectual Property Organisation (WIPO) has developed working relations with the private sector. The International Standard Organisation (ISO) might also be a model for the international organisation of the future.[55]

4.3.2. Structure and organisation of diplomacy

'Private' multilateralism

The model for the future for which the ISO is supposed to stand according to some observers, amounts to a system of self-regulation by the (private) actors concerned in their specific sphere of activity resulting from the retreat of the state. In this way an international framework might emerge which would be able to provide for the stability of and predictability for the management of the global collective goods in spite of the absence of a regulating public authority.

Within the UN system the belief in this form of global management based on self-regulation is very much alive. According to some of UN civil servants the coinciding in 1997 of Kofi Annans reform plans (the so-called Track II proposals of July 1997) and the Turner initiative improved the image of the organisation in the nongovernmental segment of society. A few years ago large companies would not have come to the United Nations because they considered the institution to be irrelevant. This attitude, it is said in UN headquarters, has now changed and the UN is now seen as a good instrument for global administration – not in the sense of a regulatory body, but as an instrument of management. There is strong confidence in New York that in the end it is better to base the involvement of the business

world in the social and ecological dimension and in sustainable development, not on compulsory public regulation, but on voluntary commitments of the business world iself.

Forging such partnerships is considered necessary as a consequence of the retreat of the state in these fields. Thinking along these lines is very much alive within the Development Programme of the UN (UNDP). Some are looking for close cooperation with firms and pension funds. The aim of the advocates of this alliance is not simply to tap alternative financing sources, since the official development aid has steadily decreased over the decades. They point out that these private firms have signalled their readiness to cooperate with an organisation such as the UNDP jointly to develop programs, both in the third world and in Central and Eastern Europe, to further the stability of these countries. It is in their interest that a repetition of crises such as the one in Southeast Asia is avoided. Governments are only expected to supply the minimal infrastructural and institutional environment necessary to make possible this new form of international partnership between nongovernmental organisations and the financial and economic world. They are no longer expected to act as active actors in these domains.

The emergence of new actors, and in the first place, the increased role of the business world, is justified by referring to the decreasing amount of public development aid and the increase of private capital flows, the withdrawal of the national states from economic regulation and the resulting necessity to involve the new actors directly in domains such as the management of global problems and sustainable development. For some, multilateralism in the UN system has to become ‘private’ rather than inter-state, because it is no longer the states but the firms that are responsible for regime building (establishing norms and standards) and the policing of this, in cooperation with NGOs and international organisations operating autonomously.

The Internet offers a good illustration of this kind of internationale interaction, based on self-regulation. Although partly evolved from a government initiative, the Web has become a domain in which the providers are said to do everything possible to exercise such a degree of self-organisation and self-control that public regulation becomes unnecessary. A extreme illustration of the consequences of this trend can be seen in the declaration of independence of ‘the People of Internet’ launched in May 1997. Basing themselves on the American declaration of independence, the Finnish initiators ambition to be recognised as an independent, nonterritorial ‘nation’.[56]

The erosion of the central role of the ministry of Foreign Affairs

Obviously, diplomacy has not been completely privatised, as some nonstate diplomatic actors want to believe. States still play an essential role in the international system and through their interaction, multilateralism has become increasingly all-embracing. Most all intergovernmental meetings, conferences and negotiations are now preceded by formal or informal interstate consultations. This means that states voluntarily limit their freedom of decision-making by accepting to take into account in advance the views of other states. Some regret (a little premature, as will be shown below) that this has happened at the expense of bilateral diplomacy.[57] Multilateralism, as we described earlier, was moreover accompanied by its twin trend of domesticising of international relations, as a result of which other departments than that of Foreign Affairs developped their own international networks.

To cope with growing multilateralism, states have been compelled to carry out internal adaptations to their diplomatic decision-making process. A central characteristic of this adaptation is the declining role of the ministry of Foreign Affairs as the central channel for diplomatic relations with other states.

The process of adaptation is again most visible in the European Union. The Dutch scholar Alfred van Staden has rightly pointed out that the place where European policy is prepared in the future will become the most important touchstone for the future importance of the ministry of Foreign Affairs.[62] The problem is under discussion in most EU countries as the ad-hoc formulae now in fashion are generally thought insufficient for the co-ordination needs of European policy making.

The main reason resides with the fact that European policy can no longer be called 'foreign' although it cannot be labelled entirely domestic either. European decision-making carries important domestic consequences. As a first obvious result, the role of the heads of state and government on the diplomatic scene cleary has increased.

Heads of government are forced into a more active co-ordinating and arbitrating role with respect to international decision-making because of their role as the core referee in domestic affairs and because these policy domains increasingly cross borders both in terms of content and instruments.

A second consequence is that the influence of the ministry of Foreign Affairs decreases in as much as the autonomy of other, so-called technical, ministries increases. The recent revaluation of European cooperation in the 'third pillar' offers a good illustration of the enhanced international autonomy of ministers of Internal Affairs and Justice. In these matters, the ministries of Foreign Affairs no longer have an important role to play.

Within the European context, this evolution expresses itself institutionally in the decreasing role of the General Affairs Council. This Council is composed of the ministers of Foreign Affairs of the member states. Its original role as co-ordination centre for European policy has long been superseded. The growing diplomatic autonomy of the other ministers and the increased role of the European Council (of heads of state and government) have caused the General Affairs Council to evolve *de facto* into a 'Council for foreign policy' so that the horizontal co-ordination of the activities of the various European councils has fallen into a vacuum. This reflects, by the way, the lack of policy co-ordination in most of the member states themselves.

Most Councils (such as Ecofin, Agriculture or the recently created Euro 11) have started to lead a life of their own and civil servants and diplomats adopt a more independent and autonomous attitude (cf. infra).

To fill the co-ordination vacuum in European decision-making, various proposals have been tabled in the course of 1998. They include the appointment of a 'Minister of European Affairs' under the direct authority of the prime minister or the creation of a new General Affairs Council, consisting of deputy prime-ministers of the member states. The Belgian minister of Foreign Affairs, Erik Derycke, has suggested in a similar vein that as European affairs take up so much of his time, the next government would do well to appoint a Secretary

of State for European affairs. Inevitably, such proposals will further affect the position of the ministry of Foreign Affairs.[58] In London, Paris and Helsinki, EU co-ordination is already a formal competence of the Prime Minister (sometimes shared with the head of state).

This evolution threatens to reduce the ministry of Foreign Affairs to a sheer technical ministry accepted at best by other ministries in a role of an 'escort service': Foreign Affairs puts its services (international infrastructure) at the disposal of other ministries, which otherwise develop their own autonomous diplomacy.[59] In the European context, this evolution seems inescapable as the border line between domestic and foreign policy will no doubt continue to wane.

The diminished role of the ministry of Foreign Affairs is also expressed in budgetary and personnel cuts. In most states in the past twenty five years, there has been a systematic decrease in the share of the ministry of Foreign Affairs as a percentage of total public spending, sometimes by as much as half, as in the United States and Great-Britain, compared to a rather modest, but nonetheless continuous decrease in France.[60] In Belgium the personnel of the ministry of Foreign Affairs has decreased by a third over the same period.

Adaptations in the diplomatic apparatus

Ministries of Foreign Affairs have reacted in various ways to this (threat of a) reduced role.

- Starting from the conviction that co-ordination is power (to paraphrase Francis Bacon), one finds in most ministries of Foreign Affairs an enhanced concentration on this co-ordination function, so that a 'farming out' of international dossiers to other departments can be avoided as much as possible. This can take on different shapes. In Great-Britain diplomats receive a more specialised training so that their expertise is equal to that of the technical ministries. In other states such as France one tries to put diplomats at the head of the international divisions of other ministries. Elsewhere experts from other ministries are introduced in the department itself as well as in the foreign embassies and the delegations. This phenomenon has become so important in the United States that less than thirty percent of overseas personnel now comes from the State Department. The American ambassador more and more often plays the role of animator of a multidisciplinary team of technicians in which the traditionally trained diplomat is in the minority.[61]
- Most ministries of Foreign Affairs especially want to keep this co-ordination function in European affairs. In view of the growing close interrelation of domestic and foreign dimensions in a EU context, in the European states European policy has become the primary and most visible focus of foreign policy. The European directorates have developed into the beating heart of foreign policy and into one of the most prestigious and most important diplomatic sections of the ministry.
- All ministries of Foreign Affairs state that they pay increased attention to individual assistance to compatriots abroad – a consular function which, until a few years ago, was considered not very prestigious. This consular assistance (which is depicted by some as a refined kind of travel insurance service) is also used to justify the need to uphold an extensive international network of (bilateral) embassies and consulates in the eyes of both members of parliament and public opinion.
- Increased attention is paid to the cooperation with and sometimes the mobilisation of NGOs in policy design and conception and sometimes policy implemention. In this way one tries to meet the criticism of the unrepresentativeness of official diplomacy. There is

no doubt that, verbally at least, NGOs acquired more importance in the diplomatic decision-making process. The extent to which they effectively play a role still differs very much from state to state and depending on the issue. The political sensitivity of the political leaders for the power that NGOs are able to muster for certain themes is an important factor in the latter's political weight.

- The declared need for modern management skills. A strikingly simultaneous trend among most (Western) ministries of Foreign Affairs is the greater emphasis on management problems. If an organisation invests a lot of energy in its own management this can be seen as a sign that it is conscious of being (having become) dysfunctional. In this matter as well, the State Department has clearly gone the farthest. The introduction of organisational principles from the business world is thought to make the diplomatic apparatus perform as well as the private sector. This emphasis on so-called 'modern management' largely reflects the more general trend of the eighties to introduce market mechanisms into the public sector. It is moreover accompanied by a shift in emphasis from policy conception tot policy implementation. Blueprints for global (and even European) political architectures are largely absent from most diplomatic activities. The diplomatic agenda has become much more mundane again. Moreover, the fact that ministries of Foreign Affairs have in this way lost the monopoly on the design of general policy is not regretted by all. According to Craig Johnstone, in charge of internal reform in the State Department, foreign policy today is not so much about analysis and policy conception, but about program management. According to Johnstone, designing and developing a policy came first during the Cold War, but now implementation is the most important aspect, approximating the activities of a traditional private sector company.[45]

Contemporary diplomacy furthermore displays two other characteristics that could have important consequences in the long-term.

- The emancipation of the multilateral diplomat: because the multiplication of technical decisions is more and more often left to him, the diplomat gains more autonomy in some multilateral forums. The instructions of the governments are usually restricted to general policy options or delicate matters. This trend is again very obvious in the decision-making within the European Union (for example, the Coreper-I context), certainly in the period 1987-1992.[63]

A recent example of how this trend, inherent to multilateralism, can derail, is supplied by the negotiations on a Multilateral Agreement on Investment (MAI). Launched by the OECD governments in May 1995, these negotiations were conducted very discretely for a long time, in accordance with standard OECD practice. The negotiations were hardly followed by the national states so that the ministers neglected the possible political fall-out of an agreement. Most national representatives received almost no instructions from their home capitals and those who were conscious of the political aspects felt themselves in a minority position against the 'ultra liberal technocrats' of the OECD. It was only when criticism grew from the NGO side, that the MAI negotiations shifted from the technocratic to the political level.[64]

- A greater use of local staff: various states have recently switched to an increased use of qualified local personnel, even for some confidential dossiers (political section). The *Auswärtiges Amt* and the Foreign Office have probably proceeded the farthest in what in a certain sense can be called a return to the pre-Westphalian use of diplomatic 'mercenaries'. In the foreign delegations of the European Union local staff equally take up a relatively important place.[65] According to some, future diplomats will be stationed

> less and less abroad, where their tasks will be taken over by local personnel. On the other hand, they will be used more often in their own country where they will have to strengthen the capacity of the central departments and carry out tasks which, before, had been executed by the overseas ambassador.[66]

This combination of bilateral and multilateral diplomacy, private and public, ad-hoc and permanent diplomacy, gives the current diplomatic structure and organisation a cobweb-character, without main threads as it seems. This in itself signals a major change with respect to Westphalian modern diplomacy, dominated and shaped by inter-state interaction.

4.3.3. Diplomatic agenda

Post-territorial global problems

As a consequence of domesticising and growing multilateralism, the diplomatic agenda of today has become 'total'.[67] Since the end of the Cold War most attention has probably turned to so-called 'global problems' which have little to do with the classic territorially defined themes such as military security and traditional commercial diplomacy.

In the 'euphoric' period following the end of the Cold War, the United Nations seemed on its way to becoming a central institution for the management of transnational problems of a social and economic nature. A quick succession of global conferences saw the light: environment and development (Rio, 1992), human rights (Vienna, 1993), population (Cairo, 1994), social development (Copenhagen, 1995), women (Peking, 1995). Together they formed the blueprint of an ambitious global agenda (described by some as an agenda for the 'sustainability of mankind'), based in some cases on legally binding conventions and regular follow-up conferences. It gave the impression that, in the international community, there existed a strong conceptual basis for the United Nations to play a central role in the global management of this transnational agenda, because it was judged that such problems had taken on a size that transgressed the capacity of each of the individual member states effectively to solve them.[68]

These themes are prime examples of the new, nonterritorial and a-national dimension of contemporary international relations.

A new kind of bilateral diplomacy ?

Still, such global, transnational and a-national items on the agenda have gained less in importance than would seem logical at first sight. Ministries of Foreign Affairs appear to abandon traditional bilateral diplomatic culture only very slowly. Multilateral delegations repeatedly complain about the lack of follow-up capacity and even interest from their home department. In UN affairs the gap between the American delegation at the UN and the State Department is well known. Most ministries of Foreign Affairs change over only gradually to internal reforms that must ensure the follow-up of these items on the agenda. These subjects are increasingly carried and stimulated often by the new diplomatic actors which have a special focus (and consequently a larger expertise) in these matters. Often they prefer a system of self-regulation above an active intervention of the states.

Contrary to what could be expected (and feared by some) bilateral diplomacy has not disappeared. In three domains at least a renewed emphasis on bilateralism can be detected.

First, there has been a revival of unilateralism in a number of states in the last few years. To some, its apparent simplicity contrasts favourably with the inherent complexity of multilateralism. This might simply be a temporary disillusionment with the active multilateralism prevalent immediately after the Cold War. In the United States, in Congress especially, there however is clearly a growing distrust of multilateral institutions and a fear of losing American sovereignty and control over its own policy. This became clear in the American refusal to support the International Criminal Court. The 'aggressive multilateralism' with which the first Clinton administration started, has since then been replaced by an 'aggressive bilateralism', according tot European observers.

A similar tendency can however be seen at work in Europe as well. Since the 1997 European Council of Amsterdam, Germany expresses an increased resistance against further European integration. This was voiced in a joint letter by Helmut Kohl and Jacques Chirac (in June 1998) that was interpreted as an attempt to strengthen the Council (and consequently the governments) at the expense of the Commission and community decision-making. It is unclear in how far the German government led by Gerhard Schröder will confirm or reverse this reborn emphasis on 'national interests'.

The increase in the number of 'international contact groups' or caucuses of large states is another illustration of this trend towards a renewed confidence in bilateralism (amongst great nations) to the detriment of institutionalised multilateralism.

Second, bilateral diplomacy continues to provide an important and sometimes even essential platform for multilateral diplomacy. Results which can only be obtained through multilateral agreement often need a thorough bilateral preparation and follow up in order for multilateral solutions to be effective.

Third, a clear reinforcement of bilateral diplomacy can also be detected in a field where it is possibly least expected, namely in commercial matters. This is obviously contrary to the widespread thesis of economic globalisation and the marginalisation of the states that runs parallel with it. Diplomats on the contrary make no secret about the fact that their first task is to look after the commercial interests of the state that they represent.[70]

Since the end of the Cold War, states, i.e. ministries of Foreign Affairs (together or in competition with departments of commerce), have shown aggression with regard to bilateral commercial activities that can only be compared in intensity with the commercial diplomacy of the European states in the second half of the nineteenth century or with the dollar diplomacy under the American president William Howard Taft.

A major difference, however, with this previous phase of commercial diplomacy is the changed relation between state and enterprise as described above. The nineteenth-century states supported 'their' enterprises because of the existential link between companies and political authorities. Today, this connection is not only far more indirect but, in addition, the power relationships between both actors have changed to the disadvantage of politics. This sometimes gives the impression that the official diplomacy of the states has become part of the business planning of global companies. This renewed commercial bilateralism confirms the main argument of the analysts of the competition state.

5. **Conclusion**

He who has power, conducts diplomacy. An analysis of the changes in the role and functions of diplomacy has to start from the evaluation of the power factor in international relations. Back in 1716, de Callières already noted that diplomacy is an outstanding example of political activity.

In essence, political power is based on the ability to create and secure wealth generating means. Its durability is very much determined by the ability to legitimise this power afterwards. After the Peace of Westphalia the state affirmed itself as the most adequate organisation of political power because it offered an economic basis that was stronger than the alternative types of political systems and because it succeeded in legitimising itself by means of the doctrine of sovereignty. For 500 years the state has been an outstanding historical actor, strong enough to fend off any attacks on its exclusive sovereignty.

As a result, the state became the bearer of the international system. It offered an alternative for the too diffuse medieval power distribution based on the economic and military power of feudalism and the ritual power of the pope and the emperor. By ‘bearer’ is meant the actor who has the power to combine the economic, political and military power in a durable way so that the international system remains stable. Stable is used here in the sense of a guarantee for permanent order or, expressed differently, the capacity to absorb changes.

It has become a platitude to argue that the concept of international relations as a state-centered system of diplomatic relations is now outdated. New actors have emerged with international interests and a power base of their own, separate from that of the states and untied to territory. The state system gives the impression, just as its predecessor in the pre-Westphalian period, to be a cobweb system, without dominant actors. Diplomatic actors of all kinds are again at work. Alternative channels have come into being in addition to the resident diplomat. Moreover, just as that of Christendom in the Middle Ages, the agenda has once again a strong non-territorial dimension.

The basic cause of all this lies in the erosion of the once exclusive power position of the state as a political system. Is this a foreshadowing of an alternative political organisation that can take over the once exclusive role of the state ? Some consider the rise of these new actors as the precursor of a new, global civil society and of a multilayered system of global governance without strict hierarchy and built on the self-regulation each in their own field, of the actors concerned. If this is the case we can speak of a ‘time break’, comparable to the transition from the Middle Ages to Modern Times.

These new diplomatic actors nevertheless present a major difficulty, due to the usually narrow angle of approach and the limited scope of their interests and so the often mutually conflicting character of these. This applies to NGOs, international organisations (with the exception of the EU and the United Nations) and to global firms. This leads to the question to which extent can a political system (any political system, be it national or international) be ‘without a centre’. Susan Strange articulates an identical concern with the double question of how much anarchy is too much, i.e., how disorderly can an international system be, and

where should the authority (the legitimate power) come from if the present centrifugal process of diffusion of power continues ?[71]

Power needs, moreover, a certain degree of legitimacy to be sustainable. One also has to take into account that in international negotiations, concessions and trade-offs are often accepted in the expectation of compensation in other sectors. States were able to manage an international system of conflicting interests, because they represented both a sovereign and an all-purpose political system.

The realisation of the limits of an international system based on self-regulation practised by the actors concerned, has recently become apparent in two domains where the marginalisation of the states had gone the farthest, namely in the international financial architecture and the Internet.

In the first domain the difficulty to manage a political system without a core, is illustrated by the events in Southeast Asia. Due to the spiralling crisis that started in July 1997, state intervention in the financial market no longer is a dirty word. The impotence to stop the deflationary spiral in the region, has not only led to the current discussions about a new architecture for the international financial system. The crisis has also led to the rediscovery of the merits of Keynesian macro-economic demand-led intervention and has perhaps straightened the path for a renewed legitimacy of a strengthened form of public authority that fits the global dimension of the problems.

The revitalisation of the state has also been raised in connection with the Internet. The Clinton administration has for a long time tried to force Internet providers to apply self-regulation in order to prevent public regulation. With the protection of the privacy of the Internet users at stake, some in the United States have apparently come to the conclusion, since the summer of 1998, that self-regulation has not yielded sufficient results. In Europe this conclusion was reached earlier. In April 1997 the German provider CompuServe was sentenced for the transmission of pornographic and nazi material via the Internet. In October 1998 the European Union adopted a system of regulation in order to protect personal privacy on the Web.

Public regulation of economic life is a philosophical question, one that goes back to the great ideological discussions of the nineteenth century, but of which the political implications are still just as important. In the past the relationship between economic power and public regulation was characterised by its cyclic character in which periods of liberalisation and deregulation alternated with strong government intervention in economic life.[72]

What, at one stage, is seen as new and radical transformations, appears, when looked at closely, less new. In the past as well, there has been repeatedly talk of the death of the (nation) state. Kant, Marx and, more recently, pluralist transnationalism in international relations theory predicted, each in their own way, the end of this form of political organisation. But the state nevertheless managed to keep its supremacy. On further reflection, the emergence of non-state actors with a non-territorial power base and diplomacy is not so new. As early as the nineteenth century, the Rothschild bankers' family was an early example of a major non-state actor with an a-territorial power base and an autonomous diplomatic activity in its own right. The Rotschilds' influence was so important that they were able to

stir not only small states such as Belgium, but also superpowers such as Russia and Turkey to war or peace. And, four centuries earlier, was the influence of the Italian Reanaissance bankers upon the international relations of the young territorial states any less than Rothschilds ? The Rothschilds and the Renaissance bankers came and went, but the state still exists.

As the international reaction upon the South-East Asia crisis and the limits on the Internet indicate, we are perhaps witnessing the real end of what was in fact a post-Cold War transition period. It is thus not imaginary that today the final point has been reached of what is called the 'de-governmentalisation' of international relations.[73] In this case, there will be no 'time break' and the state as a political system will be able to recover from its temporary loss of legitimacy and power to which the bearers of the pre-Westphalian world order succumbed.

After all, this loss of power of the states was no consequence of anonymous and politically neutral trends in economic or technical spheres but of a combination of decisions of political origin which, parallel to structural changes such as a new acceleration of globalisation and a transformation of the production structure at the end of the twentieth century, have resulted once again in a process of power diffusion, which might prove to be only temporary.

Still, there are limits to a possible revitalisation of the states and to the reversal of the diffusion of power. In view of the structural, post-territorial character of the above mentioned developments a return to the *status quo ante* is indeed not possible. The international system of tomorrow thus might ultimately become a combination of revitalised states and forms of global public governance, with regional instruments (such as the EU) as the binding agent.

In such a case, we are not witnessing a systemic transformation of diplomacy, but mere pure mutations of diplomatic practice as have already occurred in the Westphalian, modern world order. The diplomatic agenda and organisation are adapting to changing circumstances, but the state keeps functioning as a central actor. This presupposes, however, that the current trend of neglect of the international dimension in politics will be turned around and that the trust in multilateral arrangements and in international co-ordination will ultimately prevail over the siren song of a reborn unilateralism. The legitimacy of the states, and consequently their sovereignty, can be restored only if they have the power to develop adequate international arrangements for the management of the post-territorial agenda.

(The transformation of diplomacy at the threshold of the new millennium. Leicester, University of Leicester, Centre for the Study of Diplomacy, DSP Discussion Papers, nr. 48, 1998)

ANNEXE

In the course of 1998, in cooperation with the Belgian ministry of Foreign Affairs, an inquiry was carried out into the long-term evolution of diplomacy in the light of the impact of globalisation and the emergence of transnational and post-territorial agenda items and actors. To this purpose the following questionnaire was proposed to some 20 ministries of Foreign Affairs (mainly of OECD countries), as well as to three international organisations (the European Union, the UN and the UN Office in Geneva).

1. Content of the diplomatic activities

1.1. Do global ('transnational') problems take up a more important place in the diplomatic activities than in the past ? This question is to be understood with particular reference to: drug trafficking and organised crime, monetary and economic globalisation, environmental issues, human rights, population and migration questions and proliferation. How are daily diplomatic activities being affected by these phenomena ?

1.2. Is increased attention being paid to consular assistance to compatriots abroad ?

2. The functioning of diplomacy

2.1. How are the above-mentioned global problems treated organisationally in each country ? (to be defined per problem area)

- Creation of separate desks, cross-cutting functions
- 'Farming out' problems to other ministries (Justice, Environment …) which acquire direct negotiation powers for these problems
- The co-ordination by Foreign Affairs of ministries and governmental and nongovernmental organisations
- Privileged cooperation with certain ministries (Finance, Defence, Justice ..)
- Integration within Foreign Affairs of other ministries and/or agencies (e.g. development cooperation, foreign trade)
- An increased role of the head of state/government

2.2. (Complementary to 2.1.) Which global problems are being co-ordinated by the ministry of Foreign Affairs and which are no longer followed up by the ministry of Foreign Affairs ?

2.3. Can one talk of increased multilateral diplomacy and if so, does this happen at the expense of bilateral diplomacy ?

3. Internal organisational aspects

3.1. Describe the evolution of the budget of the ministry of Foreign Affairs between 1945 and nowadays:

- in real figures
- as a percentage of public expenditures

When making the comparison one needs to take into account, if required, the takeover of specific budget lines by other ministries and/or agencies in case of a changed package of assignments.
For federal states (such as Belgium, Germany) a similar calculation has to be made for the regions.

3.2. Can one speak of a change in personnel management:

- broader knowledge base at the moment of recruitment
- hiring specialists in specific matters on a contractual or other basis
- the stationing of persons not belonging to Foreign Affairs in embassies and delegations abroad on a permanent or other basis (as a consequence of privileged cooperation with specific other ministries)

3.3. Can one speak of a guideline or pattern when closing existing posts and opening new ones ?

3.4. How large is the growth and the size of the 'diplomatic service' of the international organisation you are accredited with ?

4. New diplomatic actors

4.1. Have other than governmental actors acquired a considerable share in diplomatic decision-making ?

4.2. To what degree can one refer to a takeover by international organisations of specific parts of the diplomatic agenda (e.g. trade policy by the EU) ?

[1] White, Brian (1997), Diplomacy, in: Baylis, John and Smith, Steve (ed.), The globalization of world politics, New York: Oxford University Press, p.251

[2] The example is borrowed from White (1997). See also: Polk, William R. (1998), Neighbors and strangers. The fundamentals of foreign affairs, Chicago: University of Chicago Press, p. 237

[3] The notion of 'time break' can be compared (even if it is not exactly the same) to the notion of 'temps mondial', as used by Laïdi, Zaki (1994), Un monde privé de sens, Paris: Fayard, or to the notion of 'tectonic change' by Elkins, David J. (1995), Beyond sovereignty. Territory and political economy in the twenty-first century, Toronto: University of Toronty Press, pp. 17-18

[4] Cooper, Robert (1997), The post-modern state and world order. Quoted in : The Economist, 20 December 1997

[5] Guenée, Bernard (1993), L'Occident au XIVe et XVe siècles, Paris: Puf, p. 215

[6] Hinsley, F.H. (1966), Sovereignty, London: C.A. Watts & Co, p. 160; Guenée (1993), p. 68

[7] Polk (1997), p. 252

[8] Anderson, M.S. (1993) The rise of modern diplomacy 1450-1919, London: Longman, pp. 5-6

[9] Watson, Adam (1982), Diplomacy. The dialogue between states, London: Eyre Methuen, p. 107

[10] Granet, Pierre (1939), L'évolution des méthodes diplomatiques, Paris: A. Rousseau, p. 46. On the central role of the ministry of foreign affairs, see also: Webster, Charles (1961), The art and practice of diplomacy, London: Chatto & Windus, p. 37

[11] Polk (1997), pp. 237-240 and 253

[12] Knutsen, Torbjörn L. (1992), A history of International Relations theory. An introduction, Manchester/New York: Manchester University Press, pp. 25-27

[13] Anderson (1993), p. 3

[14] Murphy, Alexander B. (1996), The sovereign state system as political-territorial ideal: historical and contemporary considerations, in: Biersteker, Thomas J. and Weber, Cynthia, State sovereignty as social construct, Cambridge University Press, pp. 86 and 95

[15] Evans, Peter (1997), The eclipse of the state? Reflections on stateness in an era of globalisation, World Politics, 50, October, p. 66

[16] Guenée (1993), p. 214; Stuurman, Siep (1995), Staatsvorming en politieke theorie, Amsterdam: Bert Bakker, p. 70

[17] A very clear synthesis of the relation between state and (free) market can be found in: Vanthemsche, Guy (1997), Les paradoxes de l'État. L'État face à l'économie de marché. XIX & XXe siècles, Brussels: Labor, 95 pp.

[18] Elkins (1995), pp. 6 and 40

[19] Claude, Inis L. (1984), Swords into plowshares. The problems and progress of international organisation, New York: McGraw-Hill, p. 23

[20] Howard, Michael (1994), The world according to Henry. (From Metternich to me), Foreign Affairs, 73,3, pp.

132-140

[21] 'It is in the domestic policies of the state that you can find the key to the changes in foreign policy, diplomatic behaviour and campaigns, negotiations and alliances, wars and treaties. The diplomatic actions of a state express the prevailing ideas of those who govern it, and the public in general. They also carry the mark of the organisation of the public powers of the state.' Granet (1939), p. 10. For a similar analysis, see: Hamilton, Keith and Langhorne, Richard (1995), The practice of diplomacy, London/New York: Routledge, pp. 240-241

[22] Hamilton and Langhorne (1995), pp. 159 and 165-167

[23] Palmer, Robert R. and Colton, Joel (1995), A history of the modern world, New York: Alfred A. Knopf, p. 605

[24] Ibid., p. 159

[25] Berridge, Geoff R. (1995), Diplomacy. Theory and practice, London: Prentice Hall, pp. 32-34

[26] Claude (1984), pp. 34-38

[27] Quoted in: Watson (1982), p. 122

[28] See also: Berridge (1995), pp. 34-52

[29] Hamilton and Langhorne (1995), p. 183; Watson (1982), p. 178

[30] On the Duncan report, see: Hamilton and Langhorne (1995), p. 220; Watson (1982), pp. 143-144

[31] A good description of the ideological background of privatisation and deregulation (even if one does not agree with the underlying assumption) can be found in: Yergin, Daniel and Stanislaw, Joseph (1998), The commanding heights, New York:Simon & Shuster

[32] This statement is further elaborated in: Coolsaet, Rik (1997), 'Pouvoir et mondialisation', in: Memento Défénse-désarmement 1997, Brussels, Grip, pp. 153-166

[33] Strange, Susan (1995), The defective state, Daedalus, spring, pp. 55-56 [??Vol]

[34] Rosecrance, Richard (1996), The rise of the virtual state, Foreign Affairs, 75, 4

[35] Evans (1997), p. 65

[36] Strange, Susan (1997), The erosion of the state, Current History, November 1997, p. 365

[37] World development indicators 1998, Washington: World Bank, pp. 30 and 310-313

[38] Stopford, John and Strange, Susan, with Henly, John S. (1991), Rival states, rival firms. Competition for world market shares, Cambridge: Cambridge University Press, pp. 16-18; Evans (1997), p. 66

[39] Elkins (1995), pp. 11-12; International Herald Tribune, 8 December 1997; Drucker, Peter (1997), The global economy and the nation-state, Foreign Affairs, 76, 5, p. 168

[40] Wriston, Walter B. (1997), Bits, bytes and diplomacy, Foreign Affairs, 76, 5, p. 176

[41] World development indicators (1998), pp. 326-329

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44 Aron, Raymond (1962), Paix et guerre entre les nations, Paris: Calmann-Lévy, pp. 113-119

[45] Le métier de diplomate. Speech by F. von Nordenskjöld (Auswärtiges Amt), Paris, 14 December 1995

[46] Vos, Hendrik (1998), Regio's in de Europese Unie. Naar een model om hun identiteit te meten, Gent : Faculty of Political and Social Sciences, unpublished doctoral thesis, academic year 1997-1998, pp. 23-24, 51 and 438-440

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[49] De Schoutheete, Philippe (1997), Une Europe pour tous, Paris : Odile Jacob, pp. 38-39

[50] Financial Times, 10 December 1997

[51] Garten, Jeffrey E. (1997), Business and foreign policy, Foreign Affairs, May/June

[52] Strange (1997), p. 368

[53] De Meyer, Rudy (1995), NGO's : waakhond of schoothond ? Samenleving en Politiek, Vol. 2, 3

[54] UN-documents A/51/950 (para 86); A/51/950/add.7; A/52/850. Some of the data concerning the UN was collected as part of a series of interviews and meetings at the UN headquarters, April 1998.

[55] The Transformation of International Governance : the Shell Global Scenarios 1995-2020, Genève: Centre for applied studies in international negotiations (CASIN), 8-9 May 1997

[56] http:/www.independence.xgw.fi

[57] Kennan (1997), p. 207

[62] Van Staden, Alfred (1998), Controverse bij een jubileum, Internationale Spectator, 52, 3

[58] Interview with E. Derycke in : De Standaard, 6-7 June 1998

[59] See on this subject e.g.: Adaptation des Services des Affaires Etrangères à la mondialisation. Speech by F. von Nordenskjöld (Auswärtiges Amt) on the colloquium of the ENA (National school for administration) sur la réforme de l'Etat, Paris, 25-26 November 1997

[60] The share of the State Department in the total government budget had fallen from 2.5% in 1984 to 1% in 1997. That of the FCO (London) from 1.55% in 1975 to 0.36% now. In 1984, the Quai (Paris) received 0.97%. By 1998 this had fallen to 0.91%.

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[45] Strategic planning and international affairs in the 21st century. Speech by L. Craig Johnstone, Conference Series on International Affairs in the 21st Century, Washington : State Department, 18 November 1997

[63] Beyers, Jan (1997), De verhouding tussen politiek en bestuur in het Belgisch Europabeleid, Res Publica, 39, 3, pp. 400 and 408; interviews with Philippe de Schoutheete in Knack, 21 October 1997 and in European Voice, 4 December 1997

[64] Interviews with the (former Belgian) minister of Finance Philippe Maystadt (who was also in charge of Economic Affairs and Foreign Trade) in Le Soir of 9 and 10 April 1998

[65] At the beginning of 1998 they comprised 649 civil servants (463 of which of Level A) and 1750 local people

[66] Von Nordenskjöld (1995)

[67] Hamilton and Langhorne (1995), p. 183

[68] The World Conferences. Developing priorities for the 21st century, New York : UN (1997), p.v

[70] Two strikingly clear statements to this effect come from the (present) American ambassador in Paris, Felix Rohatyn, and the (former) American ambassador in Brussels, John Blinken. See respectively International Herald Tribune, 18 June 1998 and De Morgen, 18 July 1998.

[71] Strange (1995), pp. 71-72

[72] Krugman, Paul (1995), Cycles of conventional wisdom on economic development, International Affairs, 71,4

[73] Dr. Vladimir Petrovsky, head of the UN Bureau in Genève, quoted in : DSP Newsletter 4, Leicester: University of Leicester, May 1998, p. 21