

A shift from geo-strategy to geo-economy.

The concept of 'economic statecraft' is defined by Princeton's Prof. David A. Baldwin as using economic means to meet foreign policy goals. China is perhaps the best example in this regard. China owes its historic rise to its economic statecraft. By owning and embracing the concept, China of today is the world's second largest economy; it is projected to become the world's largest economy in the next two years. This has all happened in a pretty short period of five decades. China all along maintained its foreign diplomacy focused on its economic goals and utilised it to secure from USA the status of the most favoured nation with free access to its humongous market - now stuffed all over with Chinese products. China of today, on account of its strong economy and the Chinese economic engagement in all corners of the globe, is now flexing its political muscle in global diplomacy and economy. It is now positioned next to the US in terms of global influence. Fifty years ago, such eminence was unimaginable. This in essence is the strength of economic statecraft. The West too, since years, has recognised the need and importance of economic statecraft and the diplomats and embassies of European countries, the US, Canada, etc., are now proactively playing the role of business representatives and facilitators. Lately, the Arab Gulf states, notably Saudi Arabia, the UAE and Qatar, diverted their traditional diplomacy to economic statecraft where their business interests drive their global diplomacy. Pakistan has not yet embarked on the track of economic statecraft nor has it recognized this concept as a way leading to economic and diplomatic excellence. Our diplomacy remains conventional and limited to traditional protocols that at times exhibit appeasement and subservience. The diplomats and the embassies are neither geared nor delegated the mandate to focus on economic statecraft. For Pakistan, the opportunity to embrace economic statecraft has never been so compelling as today. India built up its diplomacy and supremacy over smaller South East Asian countries through economic statecraft and flooded their markets with Indian consumer products - much like its captive home market. But, now with South Asian Association for Regional Cooperation (SAARC) more or less redundant and with China's entry in these markets, India's diplomatic and economic influence in the region is waning. There is a significant chunk of business in consumer products in these Asian emerging markets which Pakistan can carve out for itself through economic statecraft. Emerging markets in Central Asia, Eastern Europe, the Middle East and Africa are also the areas where Pakistan can cash in on business and trade opportunities through economic statecraft. Pakistan has so far managed its presence in overseas markets largely in textiles, carpets and leather products through business-to-business relations. Its presence in consumer market, food products, light and heavy engineering and services is negligible. A strong presence in these segments requires country branding and this is where economic statecraft comes in as a door opener. This requires comprehensive reforms and a changed mindset in our; foreign policy, foreign missions and diplomats' training. The time is now ripe to begin the diplomacy of economic statecraft.