

Rebuilding America Through Exports

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In his State of the Union address, President Obama noted his intention to double US exports to grow our economy out of this recession. As a businessman and former US Ambassador, I could not agree more. This speech must be a clarion call. Millions of Americans are jobless, many thousands have lost homes, and we all—Democrats and Republicans—see the future with great concern and anxiety. Wall Street is shaky and Main Street is miles from revival. Can we rise to the challenge posed by new major competitors like China, India, Russia, etc.? Yes we can, but we clearly need a major shift in our economic strategy and foreign commercial trade policy.

Our focus on defense projects since 2001 may have dulled the competitive skills we need to win foreign business. American companies that helped win the Cold War now lack the vital predatory instincts of companies from our competition. Iraq's recent award of oil field projects gave a lion's share of contracts to European, Russian and Chinese companies, but a kitten's share to US firms. We are fast losing ground to aggressive foreign competitors.

According to one media report, one major factor in winning those Iraqi contracts was the Chinese diplomats who served in Iraq long enough to learn flawless Arabic and a deeply nuanced understanding of Iraqi politics, and become key assets in a strategy designed solely to help China's firms win business. Clearly, these foreign companies have the robust support of their governments to help them win major contracts, which they see as critical to their nation's diplomatic and strategic outreach. Were American diplomats not as effective in promoting US business there?

There can be no doubt that globalization closely ties economic and political ambitions. Nations who aim to supplant the United States as the world's leading economic power do not want to share political power. If we lose economic leadership, we will inevitably lose political influence and ideological primacy. In 1910, Britain was the world's pre-eminent economic power, but by 2010 it had lost both its global economic and political leadership. That could also happen to America.

For 20 years we have followed the belief that the advent of capitalism would change political structures, and freedom and democracy would accompany economic progress. But China, Russia and other nations will not be content to establish a strong economic presence in a country without also contesting American political interests there. These newly emergent economic powers are threats to our national security and long-term survival. No nation can easily regain lost political influence. We must stop the economic bleeding and rebuild financial muscle, and not rely on military power alone. But this strategy requires actively promoting international financial interests, more aggressively pursuing and executing global projects, and a willingness to effectively battle our foreign competitors.

Sixty years ago, American economic power was able to eradicate fascism, and open the world to an economic progress and prosperity unparalleled in history. We then blunted the appeal of communism by showing the world the benefits of capitalism. But America's altruism over the past half century is now under direct threat, and the world will be a far worse place if American economic leadership—and open markets—are destroyed by our economic frailty. This is a matter of urgent national security. We must boost our global competitiveness by helping our companies to identify, track and win international opportunities, and create a powerful commercial presence around the world.

The President's goal of doubling our exports is exactly on point. But government cannot do the job alone—we need a strong partnership with the private sector, and to give our companies the tools they need to succeed. That means vital business intelligence—not just military and political. American firms must become aggressively global, and forcefully challenge our competitors everywhere in the world. Helping our businesses compete globally will help end our recession, as the emergence of a huge middle class overseas, hungry for and able to afford our goods, will offset the decline in US domestic demand and restore millions of lost jobs.

As Ambassador, I saw how government can help American business win international contracts. First and foremost, we must push American business beyond our domestic market. President Obama's goal of fighting for economic leadership will allow our government to use its clout to press for American companies to win business and contracts in overseas markets. Just as China sees its embassy as the outpost for Chinese economic and business interests, we must re-think our entire foreign strategy so business and investment become a key driving force of our diplomacy.

In my tenure, I helped many companies overcome the challenges they faced. My background as an entrepreneur gave me very useful insights on what kind of help these US companies needed. My intervention helped one American company become a world leader in its sector, creating opportunities (and jobs) for many other US firms. We must similarly give every US ambassador and US diplomat the skills to help our companies succeed. And we must craft a strategic plan, designed by those with the relevant experience, to revitalize our entire approach with the same comprehensive direction that America has historically used to overcome challenges to our leadership.

All international business people and all ambassadors know the threats to our economic leadership and want to forge effective government-business alliances to defeat those threats, and make a better world for our children and grandchildren. If global economic leadership falls to a non-democratic country, we will suffer. We must not lose this fight. We must implement a strategy to contain and overcome these threats, just as we defeated fascism and communism. The question is: Are we ready to go for the prize and ensure we remain at the front of this race?