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At a time of brutal global competition and no prospect of a major war, you'd think American foreign policy would be highly supportive of business interests. Think again, for the Bush Administration and CEOs of U.S. multinationals seem to be living in two incompatible worlds.

In the commercial universe, most of America's largest companies earn over a third of their revenues abroad. They are not just our primary exporters but also our major importers and are deeply integrated into global networks for finance, information, and supplies. About \$1.6 trillion of foreign exchange changes hands every day. Management teams and workforces are multinational, and companies have made alliances with foreign companies, governments, and universities. The nightmare of CEOs is that bitter confrontations will disrupt the momentum for more open borders.

The Bush team appears to inhabit another planet. Among the few policies reflecting an understanding of an interconnected world has been its push for freer trade in the Americas. Otherwise, the Administration's foreign policy risks poisoning key relationships. It aggravated most major governments with its plan to build a national missile shield. It insulted European officials by deep-sixing the Kyoto accords on global warming. It humiliated the South Korean leadership by distancing itself from Seoul's peace efforts with Pyongyang. Although it has since been sensibly cautious in securing the return of the spy plane crew, the Administration early on needlessly chilled relations with China by branding it a "strategic competitor." And it called Moscow an "active proliferator" before broader policies toward Russia were in place.

In a world in which politics, economics, and social issues are so intertwined, America's go-it-alone machismo is sowing the seeds for a backlash from the very countries whose cooperation we will need on a host of global economic issues. That's why I'd like to see some of America's top business leaders request a private meeting with President Bush to express concern about the dangerous drift of his foreign policy. Among those present should be General Electric (GE) Chairman and CEO Jack Welch, Intel (INTC)

Chairman Andy Grove, Enron (ENE) Chairman Kenneth Lay, Goldman Sachs (GS) Chairman and CEO Henry Paulson, and AOL Time Warner (AOL) Chairman Steve Case, all of whom have extensive international experience and are well known to the President.

They should explain that globalization is the most powerful force acting on all governments, economies, and societies, and that an international strategy must be based on ramping up economic engagement. This requires cooperative efforts not just to free up trade and investment but also to strengthen regulatory systems for banking, stock trading, antitrust, intellectual property rights, cyberspace, and corporate governance. This must occur both within countries and on a global scale. We need better arrangements for environmental protection and social safety nets to cushion change. Moscow and Beijing need to be integrated into global markets, and the International Monetary Fund, the World Trade Organization, and the World Bank require strong support. There will be scarce progress on any of these issues if the U.S. continues to say what it doesn't want without offering alternatives, and if it proceeds with its high-handed, unilateral approach.

**EUROPE'S IMPORTANCE.** CEOs also should criticize the Administration's obsession with Asia and Latin America. The top priority for American foreign policy should be closer ties with the European Union, the world's largest and second-most-powerful economic unit. Without the cooperation of the EU, there can be no global trade negotiations and no way to stabilize world markets in a financial crisis. In fact, there can be no meaningful progress on any big economic issue.

Because President Bush lacks international experience, business leaders need to educate him about the magnitude of the obstacles he faces to make globalization work. These include slowing economic growth and faltering stock markets, a growing number of bilateral trade deals that undercut prospects for more global agreements, and widening income gaps between rich and poor. Add to that soaring resentment of America's domineering image and substantial skepticism about the effects of global trade among many thoughtful U.S. citizens. Ending the cold war may have been simple by comparison.

It would be ironic if a Republican Administration staffed with many former business executives pursued a diplomatic strategy that sets back our most

important companies. Yet absent a U-turn in strategy, this could easily happen, and the damage will overshadow any short-term corporate benefits of tax cuts and regulatory relaxation. Business leaders can't completely reverse the Bush Administration's foreign policy, but acting together personally behind the scenes, they may have more power than they think. Now is the time to use it.

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