

**Thumbnail Image:**



Jan 28, 2017 by *Christopher N. Smith*

## **Citizen Diplomacy: The Secret Sauce of Foreign Direct Investment** <sup>[1]</sup>

A ribbon-cutting ceremony at a gleaming new factory is always a triumphant and joyous occasion. It represents the culmination of years of hard work and collaboration. In today's globalized economy, often these new investments come from abroad.

Like the recipe for any fine fare, the process of obtaining a sizable foreign investment consists of many ingredients. Public diplomacy, sub-national diplomacy, and citizen diplomacy are all important parts of the formula.

While all three are important, it is the latter that can make the difference between the thrill of victory and the agony of defeat. Foreign investors pay close attention to attitudes and opinions in cities where they consider locating a facility. These attitudes and opinions can either be an effective closing argument that seals a deal or a torpedo that sinks a sale. Communities that are finalists for consideration will soon find themselves under a microscope. Places with a

positive aura will prosper, while those that exude negativity will find themselves on a perpetual list of the “also-rans.” A strong esprit de corps is the product of the collective efforts of many individuals. Conversely, a bad reputation can easily be obtained. Rude personal behavior and bombastic online written communications can quickly erase the goodwill created by others.

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In most foreign direct investment scenarios, key management officials will relocate to the new facilities, many of whom bring their families with them. A question that is often asked is “will our people be happy if they move to your city?” No matter how good economic incentives may be, if the family of a manager is not happy, the manager is not going to be happy and productivity will suffer accordingly.

Quality of life factors such as the availability of the arts, culture, shopping, education, medical facilities and quality housing are important, but many localities can offer these. What can really distinguish one locality from another are the individual efforts of the people there. This is where the role of citizen diplomacy becomes critical. A warm, friendly, welcoming and inclusive community is the cherry on top of the sundae.

Such engagement needs to go far beyond those with a vested financial interest wining and dining the brass. It should include the average citizen waving and saying hello, freely offering to assist newcomers who need directions, a recommendation for a good restaurant, having children that invite the new kids in town over to play, and most importantly, taking time to welcome someone to town and letting them know that you are glad they are here.

Such efforts can be taken by independent initiative or as part of a more organized structure. The adventurous can be creative and do direct outreach or stage a private event. For those who want to get involved in a group, chambers of commerce, civic clubs and other organizations are always keen to add energetic volunteers to their ranks to assist in economic development efforts. But even those less involved can play a role simply by being courteous to all they meet.

Like it or not, each resident is part of an equation that builds a general reputation for a community. In the cyber world of the twenty-first century, this includes the mighty internet. It is not uncommon for companies, foreign or domestic, to read online local media when searching for a place to locate.

So, bloggers take note. While constructive criticism is an important part of a free society, excessive and unjustified bashing of a community can take its toll. The disgruntled and uninformed seize upon comments sections on news sites to vent real or imagined frustrations.

A positive article about a privately funded initiative to welcome representatives of a major investing nation to a city is spun as a waste of taxpayer dollars even though no public funds were spent on the event. The opening of a new foreign Consulate is decried as an unnecessary diversion of local revenues, when in fact it is the foreign country investing money and adding jobs to the local economy. Some will use a story about a potential new investment as a vehicle to expose all the warts in a community which may shoo the investor away. Others

will insert very local political disagreements in the discussion on stories totally unrelated to the same. Most every city in the world will have its share of curmudgeons, so a bit of online negativity can be expected everywhere. But, as they say, “Where there’s smoke, there’s fire.”

These comments can be read from anywhere in the world. A corporate executive of a foreign company once offered these words of praise to a city where his company chose to locate a factory: “While I am sure you have some disagreements locally, we never hear about them. You do an outstanding job presenting a unified front to those of us from out of town.”

Successful and winning communities follow the advice of the old Johnny Mercer song and “accent-tchu-ate the positive.” So be a good citizen diplomat. You are the secret sauce in the recipe of success.

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