Part One
International Trade as Diplomacy

1 Diplomacy and international trade: an introduction

International trade is no longer just about buyers and sellers, shipping and marketing, firms and distributors. Nor is it only about customs officials and border inspections, tariffs and quotas, export subsidies and import licences. Over the past three millennia, international trade has moved from being a series of infrequent journeys to meet unknown peoples, to exchange the familiar for the exotic for the benefit of rulers and elites, to being today a primary driver of global economic growth. International trade as a percentage of world economic output has increased from around two percent in the early nineteenth century to nearly 35 percent in the year 2000.1 Trade today is an inescapable, indispensable component of a global economy that enables the world’s billions to work, earn a living, and consume and invest the fruits of their labours. Without international trade, there can be no global economic prosperity. The dramatic increase in trade relative to overall global economic activity is a metaphor for the increasing necessity for people across the world to engage with one another: to deal with each other’s differences and to do business with one another. Alongside this great rise in international trade has been a parallel increase in another fundamental and essential human activity: diplomacy.

Until recently, diplomacy that addressed international trade issues tended to be viewed as a narrow and technical subset of diplomacy,

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Peripheral and subordinate to international security issues. But the diplomacy that makes international trade possible and profitable is no longer just about nation-state governments, bilateral trade liberalization treaties, multilateral trade organizations and Free Trade Areas. Trade diplomacy as it has evolved to this day is about much more than that, as the following story attests. In 2008, a Canadian energy transportation company, TransCanada, proposed to build an 875-mile pipeline that would transport Canadian oil pumped from tar sands fields in Alberta, Canada south across the Canada-US border through the north central United States to a hub in the US state of Nebraska, from which it would be distributed for refining and consumption in the United States and for re-export to third countries. But in order for this trade to flow through a newly constructed pipeline, first TransCanada would have to obtain a Presidential Permit issued by the US Department of State certifying that the ‘Keystone XL’ pipeline would serve the US national interest. The national interest in this case was constructed broadly, including foreign policy, energy security, economic growth and the environment. The pipeline project soon attracted media attention as it faced opposition from civil society organizations (CSOs) contending that the pipeline’s route would traverse the environmentally sensitive Sand Hills region of Nebraska. Support for the project was deep on both sides of the border, including the Canadian government, Canada’s energy industry, the US energy industry (shale oil pumped in the Dakotas would also benefit from the pipeline), US consumers, US political supporters of energy independence from non-North American energy and pro-business, pro-trade groups. Opposition to the project, in addition to those concerned about sensitive regions that the pipeline would traverse, attracted ‘dark Green’ adversaries of US consumption of tar sands oil and fossil fuels more broadly. During the review process the Nebraska legislature approved rerouting the pipeline so it would avoid passing through the Sand Hills and their delicate ecosystem. As of early 2015, the project remained stalled awaiting the issuance of a final environmental impact statement by the State Department, which was required before the US President could make a final determination of whether constructing the pipeline was in the national interest.

US Representative Tim Griffin, a member of Congress who represented the second district of Arkansas from 2011 to 2015, became involved directly in the diplomacy surrounding the pipeline debate for several reasons. Whilst the pipeline itself would not pass through Griffin’s Arkansas district, a major pipe producer, Welspun Tubular, employed over 600 Arkansans in Griffin’s district. The job security of Welspun’s mostly high-skilled workers was dependent upon the demand for pipe