

PRIVATE SECTOR ORGANIZATIONS AND THEIR ROLE IN ECONOMIC DIPLOMACY

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Abstract— In an economically driven global environment, private sector organizations have taken on a more significant role in influencing government policy, particularly in foreign relations. The study examines the interface between the business sector and government in conducting economic diplomacy, using the Philippines as a case. While it is the usual perception that the government, through its central foreign policy implementing body – the Department of Foreign Affairs - is solely responsible for developing bilateral relations with other countries, it is argued that private sector organizations representing business enterprises are also actors in economic diplomacy using their foreign linkages, overseas business transactions, and trade promotion activities. This paper addresses the central question: How do private sector organizations play a role in economic diplomacy? The study examines two prominent private sector organizations, the Philippine Chamber of Commerce and Industry (PCCI) and the Philippine Exporters' Confederation Inc. (PHILEXPORT), and the mechanisms through which they establish foreign linkages on behalf of the local business community. Document analysis and a case study approach are adopted to determine how activities of these significant private sector organizations, particularly those relating to trade promotion, complement the government's policy to develop the national economy by having economic diplomacy as an instrument. The study also aims to shed light on how the organizational cultures of said private sector organizations affect their ability to work with the government in pushing the country's trade and export performance to a level comparable.

Index Terms—*Economic diplomacy, non-state actors, private sector organizations, trade promotion, Philippine foreign relations*

INTRODUCTION

Diplomacy is a foreign policy tool that is used to achieve development. It is, however, commonly perceived as the sole domain of the national government and its foreign policy implementing body - the Department of Foreign Affairs (DFA) in the case of the Philippines.

It is the usual perception that the government, through its central foreign policy implementing body – the DFA – is solely responsible for the conduct of foreign relations and diplomacy. Yet the broad scope of development requires the participation of various sectors, including private sector organizations, for they also have a stake in it. As they pursue their concerns, they become active players in external relations through their foreign linkages.

External relations are not limited to Philippine diplomatic and political ties with other countries. Economic activities, including trade, are also important aspects. Private sector organizations representing business enterprises are also foreign policy actors using their foreign linkages and overseas business transactions. However, this role is overlooked because of the limited interaction between the DFA, for example, and the private sector in synchronizing economic objectives are in foreign policy. Their interactions are mostly limited to the DFA's information dissemination on trade missions during official visits and requests for materials and speakers. Moreover, information exchange on results (e.g., of trade delegations' meetings for monitoring purposes) is lacking.

No less, the national leadership believes that the government's effort to pursue the country's development cannot be realized without the participation of the private sector. The need to work closely with the private sector is necessary since (1) the private sector has resources (e.g., financial/ capital resources, information, and technical expertise, among others that the government lacks; (2) trade, finance, technology, commerce, and investments are the private sector's domain; and (3) the private sector's role in national development is duly recognized.

The main question this paper seeks to address is: How do private sector organizations play a role in economic diplomacy? More specifically, (1) What aspects of economic diplomacy do they contribute to? (2) What are their foreign linkages that serve as vehicles for promoting economic diplomacy? (3) How do their organizational values affect their role as partners of the government?

The Philippine Chamber of Commerce and Industry (PCCI) and the Philippine Exporters' Confederation, Inc. (PHILEXPORT) are private sector entities that handle specialized functions and diverse missions at the same time and support and complement the government's economic policy framework. These organizations' trade promotion activities run parallel to those of the government, although they are in closer coordination with the government's economic agencies. This paper seeks to underscore the contributions of private sector organizations in economic diplomacy, as seen in the foreign linkages and trade and export promotion programs of the PCCI and PHILEXPORT. While PSOs are not widely recognized as key players in international affairs; by examining the international mechanisms through which they operate, one cannot ignore their significance in forging public and private sector partnerships in promoting diplomacy and foreign economic policy.

Private Sector Organizations and Economic Development

Globalization and open regionalism have pushed countries toward opening their economies, allowing smaller players, particularly business units, to compete for overseas markets. Naisbitt (1994: 6, 10) asserts, "As the world integrates economically, the parts are becoming more numerous and smaller and more important. The bigger the world economy, the more powerful its smallest players." The correlation between capital inflows and legal-administrative state capacity is a reflection of one particular dimension of state – society relations: the depth and intensity of

the relationship between states and capitalist firms, foreign and domestic, that are engaged in the production of complex export goods. Southeast Asian states dependent on capital inflows generated by such firms have built legal-administrative state capacity, whereas those dependent on less discriminating forms of capital have been neglectful. Larsson, T (2013:17)

The escalating focus on government support for the international expansion of the small business sector is evident through extensive research interests. Within this context, academic exploration has also emerged regarding the contribution of business support organizations to the internationalization process of SMEs. While the more recent findings of Hutchinson et al. (2007) dispel the prior myth in the literature that only large retailers have the capacity for international success, smaller firms do face a greater number of barriers to expansion as a result of more limited resources and capacity to sustain international operations. Therefore, it is important to not only investigate the nature of business support relevant to the retail sector, but the extent to which government and consultancy organizations can facilitate the process of internationalization, helping retailers overcome barriers to foreign market expansion.

Private Sector Organizations and Business Support

In this light, private sector organizations have taken on a more significant role in nation-building and foreign affairs. Private sector organizations are companies, associations, foundations, confederations, and other non-government entities involved in commerce, trade, and other business-related activities. These organizations have service-oriented goals in that they work for the interests of their members, beneficiaries, and society in general. Their search for markets, sources of materials and products, and business tie-ups have implications for national development.

As globalization accelerates, economic diplomacy and the involvement of non-government actors in its pursuit become more prominent. Moreover, governments increasingly utilize economic tools to pursue foreign policy interests that stem from domestic goals and the environment. The body of literature has focused on the role of government support in overcoming barriers to small enterprises. The role of facilitating factors that business support organizations play in the process of internationalization has been neglected (Hutchinson and Fleck, 2009: 544, 568). Okano-Heijmans, M. (2011:16,17) notes while “the state is the primary actor in economic diplomacy, at the business end of economic diplomacy are found the cooperative efforts by government and business that aim to achieve commercial objectives that advance national interests including trade and investment promotion.”

Another terminology used to refer to Private Sector Organization is Business Support Organization. Kim and Chandrasekhar (2023) defined Business Support Organizations (BSOs) as a diverse array of entities spanning non-profit, public, and for-profit sectors, dedicated to fostering local business development. They serve as pivotal contributors to the cultivation and maintenance of regional economies. Functioning as conduits of knowledge, BSOs facilitate connectivity between local businesses, governmental bodies, and peer or social support

organizations. Their overarching aim is to provide resources, guidance, and networking opportunities, thereby fortifying the economic landscape of their respective regions.

In the context of UK retail internationalization, Hutchinson et al (2009) highlighted the role of government and private organizations towards companies who have yet to decide to expand overseas and those who have decided to internationalize. (1) assist in addressing the capability of the company for overseas expansion and/or identifying the relevance of the product /services being offered to the international market. (2) can assist in finding the most appropriate route to internationalization (those who already decided to internationalize). (3) connect companies with the right partner in the foreign market via trade fairs and other networking events. (4) provide limited funding for companies seeking to expand business overseas (usually limited to small companies).

Economic Diplomacy

Economic diplomacy is a “soft power” instrument utilized by developing countries seeking to promote their economies through foreign channels. It encompasses critical decision-making and negotiation processes shaped by global economic dynamics. It involves a multitude of stakeholders from both governmental and non-governmental spheres. International and regional organizations play a significant role in shaping diplomatic agendas, compelling actors to align with their policies. Notably, private-sector entities are increasingly recognized for their contributions to economic diplomacy. These entities, spanning from businesses to civil society organizations, collaborate with governments in various capacities. They offer expertise, share experiences, and provide valuable insights for policy formulation. Additionally, they promote social responsibility initiatives and contribute to the development of human capital, thereby enhancing the effectiveness of economic diplomacy efforts (Imai, 2022).

Okano-Heijmans, M. (2011) attempted to compile tools and expressions involved in economic diplomacy. They claimed that countries are more successful if they increase the number of activities, conceive of new ways to conduct economic diplomacy, or terminate activities that have proven unsuccessful. She furthered that to succeed in economic diplomacy, the government must resolve trade-offs between tools and expressions by balancing national interests and its foreign policy strategy at large. It is crucial to carefully manage connections and consistently explore current and potential economic diplomacy activities.

Many governments have seen economic diplomacy representation as a vital tool to diminish export barriers and foster economic growth. Fernandes, A; and Fortes, R. (2022) see Economic Diplomacy as the use of political means as leverage in international negotiations to enhance national economic prosperity, and the use of economic leverage to increase the nation's political stability. Other scholars argue that economic diplomacy is but government trying to reconcile three types of tensions: (1) politics vs economics; (2) international vs domestic pressures; and (3) government vs other actors. Okano-Heijmans (2011) Peternel and Gress (2021) noted the importance of economic diplomacy to Croatia as its economy depended heavily on export trade.

They presented a Croatian economic diplomacy model that underscores diplomatic networks' effectiveness and positive influence on the country's export trade. In the case of Indonesia, Triwahyuni (2022) and Margiansyah (2020) point to the need for economic digital diplomacy to overcome the challenges faced by Indonesia's financial sector during the COVID-19 pandemic. Fernandes and Fortes (2022) measured economic diplomacy through the number of Portuguese foreign offices and observed a positive impact on Portuguese merchandise exports.

In the Philippine setting, economic diplomacy has been a cornerstone in foreign policy in pursuit of the national development agenda. Its objectives are to promote trade through exports, enhance tourism, secure foreign loans and investments, engineer science and technology transfer, and expand labor markets. Introduced during the Marcos Sr. administration in the 1970s, economic diplomacy, later dubbed as development diplomacy, has been adopted by subsequent administrations as a significant foreign policy thrust. After restoring democracy through People Power in 1986, the Corazon Aquino administration adopted economic or development diplomacy to "design and harness foreign relations in the active pursuit of rapid national recovery and sustained long-term growth and development" through Executive Order 239. Then DFA Secretary Raul Manglapus articulated development diplomacy as the "harnessing and managing of all available resources of the nation, internal and external, public and private, official and non-official, in the active pursuit and availing of opportunities abroad in the four vital areas of trade, investment, finance, technology, and aid." Economic diplomacy was employed by subsequent administrations, including the Marcos Jr. administration, which also sought to transform the national economy into one comparable to neighboring developed economies.

The DFA is aware that economic diplomacy requires a purposeful, tightly organized, and adequate support information program to improve the image of the Philippines as an attractive country to trade with and invest in. In this regard, the government must also seek the private sector's support and cooperation to translate economic diplomacy into pragmatic action.

The DFA initiated the Economic Diplomacy Program which aims to provide diplomats with an in-depth comprehension of the Philippine trade and commerce by engaging and networking with Filipino businesses. It seeks to capitalize on overseas opportunities and advancements in science, technology, and educational connections. Likewise, it hopes to facilitate the establishment of "sister-city" relationships and promote people-to-people exchanges.

Palma (2003) attempted to look at the role of institutions in strengthening bilateral trade. He argued that trade interests in the form of intent to offer products and services are communicated through various channels. The channels available are government trade and diplomatic agencies or through the industry sector concerned. The private industry sector has organized business councils, which fall under the supervision of the Philippine Chamber of Commerce and Industry.

In terms of the extent of action/ attention taken, private business councils such as PCCI have more direct action taken through their members in coordination with the Department of Trade and Industry (DTI). In terms of inputs to bilateral agreements, PCCI usually endorses its position to DTI.

Another business support organization considered to be influential in the Philippines is the Confederation of Philippine Export Association (PHILEXPORT). Both PCCI and PHILEXPORT members are Filipino merchants that have linkages with the academe and media. They collaborated with scholars to conduct research that promotes knowledge dissemination and innovation. In addition to that, both organizations have close connections with policy makers allowing them to have a voice in policy making (Hongfang, 2003).

Framework for the Study

The framework for the study tackles three main components. The first refers to private sector organizations as actors. Here, the PCCI and PHILEXPORT’s mandate, mission, vision, goals, and guiding values as part of the organizational cultures are examined.

They bear upon the second component of the mechanisms for economic diplomacy, namely, trade and export promotion programs and external linkages.

These impact the third component, the production of national and sectoral outcomes in the form of increased trade, exports, investments, and expansion of domestic business among the members and clientele of these private sector organizations.

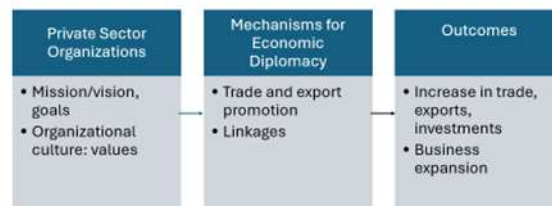


Figure 1. Framework of Analysis

Methodology

An etic approach was adopted, emphasizing the outsider's categorization of meaning and reading of reality, using presumable objective methods such as document analysis, surveys, and interviews. A case study method was used to evaluate the PCCI and PHILEXPORT's organizational structures, thrusts, linkages, and activities. Relevant documents such as charters, reports, and work programs were used as supplementary data sources. The PCCI was chosen as one of the private sector organizations relevant to the pursuit of economic development for the following reasons: (1) It is a strategic organization that brings together a large group of business enterprises engaged in trade and investment; (2) It is the principal organization representing industry and commerce in the country, and is consulted on matters and issues affecting the economy' (3) It is the acknowledged representative of the business sector, and is represented in consultative bodies involving government and the private sector; (4) It has provided inputs to the government's Philippine Development Plan and has incorporated the Plan's objectives into its own programs; and (5) Its work is relevant to the Philippines' external relations specifically trade and investment by identifying prospective joint ventures; new products, services and source of supply' possible foreign investors and customers; organizing trade fairs and exhibits; sending and receiving trade and investment missions' entering into bilateral agreements with other chambers of commerce abroad; and thus provide contacts for local businesses. The PHILEXPORT was chosen as another significant organization because: (1) It is the largest export organization, comprising 75 percent of the total export producers in the country; (2) It is duly recognized by the government and is represented in the Export Development Council (EDC), a private sector-government coordinating body that recommends export development policies to the President; and (3) It has also provided inputs to policy formulations. One of its contributions was the formulation of a Medium-Term Philippine Export Development Plan incorporated into the Medium-Term Philippine Development Plan.

THE PCCI

The PCCI's roots can be traced back to the late 19th century when the chamber movement in the Philippines started with creating the Camara de Comercio de Filipinas (Philippine Chamber of Commerce) composed mainly of Spanish companies. During the American period in 1903, the Chamber of Commerce of the Philippines (CCP) was born. This was followed in 1951 by the establishing of a separate association known as the Philippine Chamber of Industries (PCI) which represented the interests of industries that were growing at that time.

The two voices in Philippine business – commerce and industry – eventually became one with the merger of the CCP and PCI in July 1978. Since then, the PCCI has been mandated as the “sole official representative and voice of the entire private business community” and “the representative of the private sector in international business forums.” The PCCI's mission is to serve as the “voice” of Philippine business to ensure business growth and foster community development. It also sees itself as a government partner and a constructive critic. Among its objectives are (1) to help enhance the country's role and status in the community of nations; and

(2) to establish and maintain harmonious relationships with private sector organizations of other countries as well as foreign and international institutions. In 2020, the PCCI together with the Technical Education and Skills Development Authority (TESDA) and the Federal Institute for Vocational Education and Training jointly initiated the Cost-Benefit Study on Dual Training System in the Philippines. The result of the study provides the empirical evidence in identifying the critical constraints in the Dual Training System (DTS) in the Philippines, as well as to provide appropriate policy recommendations for TESDA on how to expand and improve the DTS program. This is just one of the initiatives of the PCCI to promote the local industry and push for evidence-based policy making in the Philippines.

Trade and Investment Promotion Program and Foreign Linkages

Trade promotion is a significant program of the Chambers that contributes to economic diplomacy. The Chamber initiates contacts between local and foreign businesses through sending and receiving trade missions, hosting bilateral council meetings, and participating in regional groups and other international organizations. This program is essential as it helps address the needs of Chamber members to increase contacts and business opportunities at home and abroad.

The International Affairs division is tasked to carry out trade promotion activities. The division's major work areas cover business councils and Memorandums of Understanding, which facilitate the exchange of trade missions. Aside from this, the division also organizes international conferences, disseminates information on trade fairs and trade missions, and occasionally does business matching when the need arises. In handling the international affairs aspect of the Chamber's work, the division must interface with other units, particularly the Communications group, which inputs the list of foreign businesses into their database, linking them to the local members' product line. As regards incoming trade missions, correspondence is usually received by the International Affairs division from the DFA. The division looks for counterparts per sector or product line with the help of the Communications group. Once matched, they list possible interested members who might want to meet with the business delegation. The Communications group also assists in coming up with a list of PCCI members who may join trade fairs and exhibitions. The International Affairs divisions also coordinate with the Research Group in cases where PCCI position papers are needed for international discussion. They collaborate on trade relations, business opportunities, and problems encountered in trade and investments. The Research Group studies specific issues affecting business and industry and provides relevant data to the International Affairs division when preparing background materials for business council meetings and ASEAN-CCI conferences.

The Chamber assists in integrating the local business community into the world economy through the following mechanisms:

(1) Trade and Investment Missions

The PCCI regularly receives foreign businessmen and trade missions coming to the country. The PCCI, through its membership listing, identifies members meeting the mission's

requirements, depending on the area of interest of these visiting businessmen, and they are invited to one-on-one meetings to explore possible tie-ups.

The Chamber also regularly sends trade missions and delegations to various countries and international conferences as exploratory missions or in fulfillment of bilateral agreements with other countries or foreign organizations. These visits and bilateral exchanges pave the way for joint ventures and increased business contacts with foreign counterparts.

The PCCI is the leading private sector organization tasked to organize and coordinate with incoming trade delegations from other countries because it is assumed that by approaching the PCCI, the rest of Philippine business is reached. The particular role of the PCCI gives it prestige and status before the foreign business community.

(2) Bilateral Councils

Bilateral councils, under the auspices of the PCCI, are also used as venues to promote trade and investment in the Philippines. Some of these councils are the Philippines-Australia Bilateral Council (PABC), the Philippine-European Business Council (PEBC), and the Philippine-Chinese Business Council (PCBC). Business councils help forge bilateral ties between the Philippine business community and those of other countries. While these councils operate mainly in training, investment promotion, and commercial activities, they serve as instruments for productive economic relations with East Asia, Europe, and Asia Pacific.

(3) International Chamber Organization

On the multilateral level, the PCCI's external relations role is seen in its involvement in international chamber organizations. The PCCI's continued active participation in the ASEAN Chamber of Commerce and Industry (ASEAN-CCI) and the Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI) likewise contributed to the PCCI's promotion of trade and investment in the Philippines. Through its membership in the ASEAN-CCI and CACCI, the PCCI can also contribute in mapping out the course of cooperation in ASEAN and the Asia-Pacific.

(4) Other International Organizations

The PCCI has established ties with other international institutions that provide resources integral to implementing its programs. The European Chamber of Commerce of the Philippines provided funds to the PCCI and the PHILEXPORT to manage the Business Cooperation Network (BC-NET), a computer-based matchmaking system used to help businesses forge joint venture agreements with members of the European Community.

Essentially, the Chamber's foreign network contributes to economic diplomacy, especially facilitating direct business contacts between local business enterprises and their counterparts abroad. Their information dissemination efforts are also integral in providing the local business community with financial and technical assistance to improve the business environment in the country.

the Philexport

Another private sector organization actively promoting export trade is PHILEXPORT, an umbrella organization for the Philippine exporters' sector. It is an association of over 2,000 exporting companies, about 80 percent of which are SMEs, and 75 percent of which account for the country's total exports. It assists exporters to develop their capabilities and sell their products abroad. Furthermore, it also advocates policy reforms to make the domestic environment more export-friendly. PHILEXPORT was born in October 1991 out of a merger between two exporter's organizations – the Confederation of Philippine Exporters (COPE) and the Philippine Exporters' Confederation. Its primary mission is to provide efficient delivery of services to its members, such as providing information on export-related matters, assistance in documentation, and advocating exporters' interests. It has vowed to lead the export community and work with the government to pursue export-led national growth and development. The organization has a more profound mission – to help bridge the Philippines' foreign exchange gap to enable repayment of foreign debt.

Its Promotions Division handles export promotional activities and joint ventures, which involve receiving letters from embassies and the DFA, sourcing potential partners from members, and verifying information about foreign buyers. It assists in organizing trade fairs and coordinates one-on-one meetings with exporters to service incoming trade missions. The work centers on facilitating information access from foreign buyers and exporters. The assistance provided to members who wish to participate in international trade fairs goes beyond preparations in the home office and extends to the actual venue abroad. Selected officers or staff would accompany their members on site. Trade facilitation is more personalized as Promotions Division staff often touch base with their clientele.

Export Promotion Programs and Linkages

PHILEXPORT provides export promotion services such as advising and facilitating export document requirements; buyer-seller matching by providing information on sources of products and raw materials to export members and prospective buyers; and investment matching by disseminating information on export-oriented joint ventures. It also develops training programs and seminars for its members in cooperation with foreign institutional partners namely, the United States Agency for International Development (USAID), the German Agency for International Development (GTZ), the Flemish Foreign Trade Board, Canadian International Development Agency (CIDA), International Labor Organization, International Trade Center (ITC), Japan International Cooperation Agency (JICA), Japan External Trade Organization (JETRO), the Swedish International Enterprise Development Cooperation, and the Center for the Promotion of Imports from Developing Countries, an agency of the Netherlands government, which promotes imports from developing countries.

Specific export sectors reaped benefits from activities from these partnerships, leading to increased export performance. These sectors include furniture, housewares, automotive parts,

food ingredients, and paper and paper products.

PHILEXPORT also assists in the effort to widen market access for Philippine exports through regional and bilateral preferential trade agreements. The EU has funded a four-year project called ARISE+PH with the involvement of PHILEXPORT and the International Trade Center in its implementation. It aims to give Philippine exports more access to the EU market through the trade privileges granted under the Generalized System of Preference (GSP+).

Organizational Values of PSOs

An examination of the PCCI's and PHILEXPORT's organizational values and guiding beliefs reflect the following:

Partnership with government

The Chamber is duly-recognized as the “Voice of Philippine Business”. Since it was mandated by the government to pursue the collective interests of the business community, its suggestions and recommendations to the government have weight in policymaking. While an arms-length distance to government is needed to maintain independence, the Chamber and PHILEXPORT live by their commitment to work with the government as a supportive partner and a constructive critic. This value is essential because the government can promote the interests of the private sector and extend assistance to its members regarding support services and policy reforms. By doing so, any attendant expansion of business and trade would improve the national economy.

They also believe the private sector should lead in spurring economic growth. It has more resources, is more efficient, and can reduce red tape. Related to this is the belief that the business sector should be heard because it is “closer to the ground”.

Supporting domestic business for global competitiveness

Both PSOs are well aware that making Philippine business and export globally competitive is a priority. The Chamber and PHILEXPORT share the government's view that trade liberalization brings about better access to quality products at the best prices, while offering opportunities for Philippine businesses to flourish and for Filipinos to improve their livelihood. The organizational values and beliefs of the PCCI and PHILEXPORT show that they are creating cultures that help their work in export and trade promotion, focusing on improving the capacity of the business sector to compete in the current global economy. Their emphasis on competitiveness also allows for a more outward-looking orientation supporting economic diplomacy.

CONCLUSION

As lead private sector organizations, the PCCI and PHILEXPORT have a part to play in Philippine economic diplomacy through their international linkages and trade promotion work.

As facilitators and conduits for international business exchange, these organizations help expand the domestic private sector's knowledge of the opportunities for increased trade and business ventures and foreign technical assistance through their institutional mechanisms. The PCCI manifests its role in economic diplomacy through (1) trade promotion work conducted mainly through foreign linkages with international funding organizations, business councils, and international chamber organizations; (2) organizing trade and investment missions; and (3) participation in consultative bodies that provide business sector input to government policies such as APEC and AFTA.

Global and regional developments create the conditions for these organizations to be more outward-looking, bearing in mind the demands and pressures of the external environment on its members or clientele. These affect the goals and objectives of both organizations in bringing their clientele, especially the SMEs, to the global economy.

PHILEXPORT, for its part, also has strong foreign linkages with international partner institutions and participation in consultative bodies such as Steering Groups for APEC. These two organizations use their organization tie-ups and foreign networks to bridge domestic business with opportunities for trade abroad.

While the PCCI and PHILEXPORT are not the sole contributors to attaining national economic development, they nevertheless contribute to specific outcomes that may help achieve it, such as helping increase business, exports, and trade. And while these outcomes are more directly felt in the sectoral and membership levels, they also impact the nation.

The President and the government recognize both organizations as lead private sector agents. These organizations enjoy the government mandate to represent the private sector. This recognition enables them to acquire government support effectively. However, they believe the latter can still do much to ensure a suitable economic and political climate for business to flourish. Their guiding philosophies are consistent with their goals and supportive of trade promotion. The values of competitiveness and partnership with the government are in consonance with their mission to represent and lead the Philippine business community.

Private sector organizations are essential input sources for foreign policy formulation because of their role in implementing such policy, which is grounded in economics. In this respect, the DFA should actively seek to include private sector organizations in determining programs of action in pursuit of economic diplomacy since trade promotion is one of its significant components by obtaining feedback on the goals and targets set by the DFA in the conduct of economic diplomacy, and by establishing an effective communications system through regular dialogue, and exchange of information along the lines of work areas that the DFA monitors, there would be a more synchronized approach between government and the private sector on foreign policy matters. Trade promotion would require a better government understanding of how private sector organizations operate.

The government (specifically, the DFA), PCCI, and PHILEXPORT are clear on the boundaries within which they operate, as gleaned from the previous interviews with officers from these organizations. The DFA, PCCI, and PHILEXPORT are keen to be part of a formal foreign

policy-making and implementation process. The Philippine President is the chief architect of Philippine foreign policy. All these inputs and institutional mechanisms used by the DFA, other government agencies, and the said private sector organizations aim to guide the President in drawing up an overall economic agenda. It is from there that foreign policy will subsequently emanate.

The DFA and the two private sector organizations are comfortable with the idea that they each operate within their domain. However, partnership with the government can be enhanced with the awareness of the value brought by the private sector in external relations through trade promotion. Economic intelligence needs to be strengthened in Philippine economic diplomacy. This is where the private sector can contribute. A communication mechanism can be put in place whereby information sharing and inputs to economic diplomacy through dialogue between the DFA, the DTI, the Philippine Trade and Investment Center (PTIC) in particular, and these private sector organizations can be made. This presents an opportunity for re-assessing and reformulating new foreign policy models, showing more clearly private sector demands and interest in the foreign policy process.

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