

Special Report - "Imperialism's New Clothes" Exploring the Idea of Influence in Economic Warfare: From Fair Competition to Criminal Conspiracies

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When leaders determine their political and economic strategies, they always take key parameters like influence, seduction, guile, manipulation, and deliberate disinformation into account—that is, they rely on all the usual tools of soft power, which combine with those of hard power to form an extremely effective offensive line. This has been the approach since time immemorial, even if the concepts it presses into service have, of course, evolved over time.

As researcher and journalist Ali Laïdi explains:

"From Stone Age conflicts to the NSA's mass economic surveillance, very little has really changed. What we have is an evolution of form, as the weapons being used in these constant economic struggles evolve. Human beings have always sought to protect their own means of subsistence, and to annex those of others. During the Neolithic period, exchanges did not exist as such; violence was the only means available to seize the surplus amassed by other groups or to drive them away from fertile territory. In antiquity, people relied on cunning, secrets, and lies to settle their trade disputes. The Middle Ages saw the rise of the merchant. Bypassing state structures altogether, merchants banded together in a network of cities, forming powerful trade leagues capable of imposing their privileges, organizing economic blockades, and even declaring war on anyone threatening their interests."¹

Globalization has led to an unprecedented proliferation of all these traditional methods. There are no spaces remote enough, no time frames too small for these

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¹ Ali Laïdi, *Histoire mondiale de la guerre économique* (Paris: Perrin, 2016), cited in "Puissance et influence dans la guerre économique : le décryptage d'Ali Laïdi", *Communication & Influence* 76 (September 2016): 3.

polymorphic strategies, that work to destabilize political and economic power relations, affecting them in positive or negative ways. Most people tend to equate these methods to a form of manipulation, of disinformation, even of propaganda, words which bring to mind the Cold War era! English and American writers, who use the word “influence” to mean a set of techniques compelling its objects to make decisions that are not in their own best interest, have only served to reinforce this negative perception.

Influence can also, however, be viewed in a more positive light, as a means to open up new horizons. As Alain Juillet points out: “influence makes it possible to convince people to consider new points of view, to change their own thought paradigms, to revise their basic principles.” He then adds:

"What brings about this shift is the new evidence they find themselves confronted with, and that forces them to rethink. In short, one could say that the more intelligent a person is, the easier he/she will be to influence, precisely because influence presupposes a certain analytical ability, and requires people to differentiate between what they “usually” think and the new material presented to them, which they must analyze to see if it is valid. Any sound argument can therefore lead them to revise their conclusions, and, thereby, to alter their own position. That is where the process of influence begins."²

As François-Bernard Huyghe puts it, “influence, which always works conjointly with other forms of power, triggers a series of shifts and replacements. It compels people to change their words or actions, without relying on force, quid pro quos, contracts, or any other form of coercion. It shifts the center of gravity of power.”³

Let us then consider how these strategies of influence, both positive or negative, express themselves concretely in the sphere of economic warfare, and how they end up disrupting established practices, altering power relations, and generating significant returns on investment for those relying on them.

The Vital Role of Influence in Economic Competition

To find an example of how influence can be used in a positive way, we need look no further than Harley Davidson’s excellent high-end branding, exemplified by the music video *Live by it*.⁴ Although Harley Davidson sells motorcycles, what they really are in the business of selling is the American dream. In this video, there is

² Alain Juillet, *Communication & Influence*, Hors-Série 1 (June 2009): 1-2.

³ François-Bernard Huyghe, *Maîtres du faire croire* (Paris: Vuibert, 2008), 9.

⁴ See http://www.dailymotion.com/video/x9hho3_great-harley-davidson-film-harley-d_auto

no mention of the motorcycles' technical advantages, the focus is rather on certain core values that speak of the American west in the popular imagination. They are expressed through a series of words and images that show a group of bikers' epic ride through various mythical American landscapes, and that conveys a strong sense of a community bound together by common values. Harley Davidson deliberately draws on the mythical aura of its products and on the cultural associations triggered by the company name. What a video like this one goes to show is that in the realm of economic warfare, victory does not belong to the companies that have the best products (the video makes no claims about the company's superior quality or technology) or to those whose products deliver the best performances, but rather to those companies who benefit from the positive public image forged by their own powerful identities.

Emerging countries reached this conclusion a long time ago, which is why they have often relied on their best-performing domestic companies as a spearhead to conquer Western markets. Brazil is an interesting case in this regard. Very early on, General Golbery do Couto e Silva let this idea shape his overall geopolitical policy and his plans for the country's future, in close collaboration with the Itamaraty, Brazil's Ministry of External Relations.

However, far from remaining the prerogative of Brazil's military and diplomatic personnel, the tools of soft power are now also wielded by the companies that have joined in the government's efforts. In the words of geographer Hervé Théry, who knows the country in and out, "these companies, that have recently stepped onto the international scene, play an increasingly active and influential part; having shed their initial passivity, they now seem to be unhampered by any third-world inferiority complex. Many entrepreneurs from the agribusiness, mining, and manufacturing sectors actively seek to conquer foreign markets." By skillfully exploiting all the images traditionally associated with Brazil in the popular consciousness (beaches, pretty girls, music, football, a certain zest for life, and a generally dynamic outlook), private actors have greatly contributed to strengthening Brazil's foreign influence; these include "major multinational corporations like Embraer, la Vale, or Petrobras, but also large medium-sized companies that know how to use the country's selling points and that have acquired significant shares of the market in certain niche sectors."⁵

In addition to appealing to the popular imagination, there are also other ways of exerting influence, for instance by relying on rational arguments, or by seeking to spread certain types of knowledge, in order to gain a competitive advantage, or to shift the balance of power in the economic field. Based on the descriptions of Pierre Fayard, a specialist of Sun-Tsu, this appears to be the case in certain Japanese knowledge communities. Fayard points out that "in Japan, information is action, which is why the relational space that links together facts, objects, and living things is the focus of attention, for this malleable vacuity is the matrix of everything that will be, or rather, of everything that is in the process of becoming."⁶

⁵ Hervé Théry, *Le Brésil, pays émergé* (Armand Colin, 2014), 188-190.

⁶ Pierre Fayard, *Le réveil du samouraï: culture et stratégie japonaises dans la société de la connaissance* (Dunod, 2007), 153

Pierre Fayard further argues:

"In the evolution of these strategic knowledge communities, [we can see] a clear break with the usual way in which an organization relates to its field. Structurally hybrid, these organizations adapt to a constantly changing reality by collaborating to find the best solutions. Twenty-first century clients and users are educated and well-informed, they communicate with each other, exchange views and information and thereby also broaden each other's horizons. To forget this is to forgo the chance of drawing on their collective intelligence. Because the interaction between them is so rich, it triggers a wealth of creativity, which does not benefit a single actor, but rather the entire company with its community of clients and users. In a world where value increasingly springs from the ability to produce knowledge, the "together" strategy appears to win over the "against" strategy."⁷

Working "together," however, is only possible where there is a common intellectual ground, which, in turn, presupposes an ability to debate, to think together, and to legitimately seek to influence others in order to win them over.

Let us turn to a French example of how influence can be exerted through the diffusion of knowledge, and in this specific case through the Grenoble School of Management's 2009 decision to organize a Geopolitical Festival, and to set up a website on which students and staff—but also external actors like managers or business executives looking for synthetic information on areas of strategic interest to them—can access a series of geopolitical analysis notes, known as CLES, *Comprendre les Enjeux Stratégiques* (Understanding Strategic Issues).⁸ By establishing a connection between the institution and the field of geopolitics, this initiative has helped to make the school more attractive to potential students.

In one of the aforementioned CLES papers, the geographer and former ambassador Michel Foucher highlights the interconnection between geopolitics, geoeconomics, and influence strategies. He argues that:

"Influence is really a form of geopolitics and cannot be reduced to the simple idea of promoting French culture abroad. People turn to France because they are looking for a different way of discussing world issues, one that does not conform to the standard discourse of Western globalization. That is why it is so important to visibly participate in international intellectual debates. Many countries expect France to defend a rather different, more Tocquevillian

⁷Fayard, *Le réveil du samouraï*, 223.

⁸ Accessible at <http://notes-geopolitiques.com/>

position in their foreign policy. They are routinely disappointed, however, because this expectation is not in line with France's current, very American-centered positioning on a number of issues."⁹

Ideas and intellectual debate play a key role in the implementation of influence strategies, an idea that I will return to presently. So, for instance, it is hardly a coincidence if Michel Foucher has also edited an *Atlas de l'influence française (Atlas of French Influence)*, which includes contributions from more than 50 specialists who outline the various facets of France's international influence. In the introduction, significantly entitled "Power and Influence, Benchmark and Standard" (*Puissance et influence, repère et référence*), Michel Foucher argues that today, power strategies need to work hand in hand with influence strategies, and that no entirely political approach can be successful if it does not also seek to integrate economic initiatives:

"What we learn from the French experience is that public policies of influence are typically developed and adopted at critical historical junctures, in order to compensate for what can no longer be obtained through traditional power strategies, and to restore the country's position in a changing world. It would be misguided to believe that a state's image only depends on its economic performance. Attempts to reduce foreign policy to a mere promotional campaign designed to sell "the French brand" overlook everything that France has brought to the world and everything that it still has to contribute."¹⁰

Influence as a Key Weapon in Information Warfare

An important thing to bear in mind when considering notions like soft, smart, or soft power, is that in the end, they can all be boiled down to two things: might and power. Claude Revel, a former interministerial delegate in charge of economic intelligence, has repeatedly insisted on the fact that influence must be understood as a weapon, that is, as a means of acquiring power over other people, and of annihilating differing opinions in order to replace them with the bearer's own views.¹¹ In its "light" version, influence can be understood as the ability to control other actors—and even entire systems—in order to defend one's own interests and to achieve certain ends.

In the 1990s, Joseph Nye introduced the notion of soft power, the idea that

⁹ Michel Foucher, interviewed by Michel Fiorina, "Géopolitique de l'influence: Michel Fiorina s'entretient avec Michel Foucher", CLES: *Comprendre les Enjeux Stratégiques* 32 (February 2014): 3. <http://notes-geopolitiques.com/wp-content/uploads/2014/02/CLSHS32.pdf>

¹⁰ Foucher and Fiorina, "Géopolitique de l'influence", 13.

¹¹ Claude Revel, *La France, un pays sous influence?* (Paris: Vuibert, 2012).

a nation's influence cannot be reduced to the power wielded by the state, but also stems from its ability to fascinate and attract outsiders by its culture, its values, or its way of life. Claude Revel has devoted a lot of attention to the exorbitant power wielded by norms that force us to submit, like the Romans at the battle of the Caudine Forks, to the conditions and criteria laid out by their creators, often with their own personal interests in mind. Business lawyer, Olivier de Maison Rouge, adopts a similar approach in a recent article entitled "The Geopolitics of Law: The Other Battlefield of Economic Warfare" (*La géopolitique du droit: l'autre champ de bataille de la guerre économique*).¹²

Projecting an attractive image, appealing to the imagination, invoking reason, spreading knowledge, establishing norms, and applying regulations are all important components of soft power strategies, which are immensely influential since they determine how tomorrow's battles will be fought. They amount to a form of mental conditioning. Hence the central importance of information warfare.

A 2006 report from the General Secretariat for National Defense highlights what is at stake in this information war:

"There are many allusions in the economic game to technical or financial information being manipulated for specific ends. What the word "manipulation" brings to mind are various schemes designed to deliberately misrepresent reality by altering certain aspects of it, and to exploit these changes in order to gain influence. Such destabilizing strategies are designed to alter an earlier equilibrium and to impact the activity of the persons, groups, or organizations at which they are targeted negatively."¹³

What complicates matters is the sheer scale of today's information society. A range of new actors have emerged alongside traditional forces:

"Civil society is increasingly getting involved in the economic and political game. Typically opting for the underdog approach, civil society groups rely to a great extent on highly targeted, Internet-based actions, particularly suited to small groups with little manpower and few technical means at their disposal. This has allowed non-governmental organizations, unions and associations benefiting from a positive public image and enjoying an increasing degree of legitimacy to make their voice heard

¹² Olivier de Maison Rouge, "La géopolitique du droit: l'autre champ de bataille de la guerre économique", *Syndicat Français de l'Intelligence Economique* (newsletter) 5 (March 2016): 10-3 <http://synfie.fr/index.php/actualites/lettre-trimestrielle/finish/5-lettre/500-lettre-d-information-du-synfie-mars-2016> p.10

¹³ Secrétariat général de la Défense nationale, *Synthèse générale du groupe de travail sur les manipulations de l'information stratégique dans le domaine économique et financier* (October 2006), 1.

on the world stage in order to further their ends. Manipulating information is one of the strategies relied on by pragmatic and voluntarist public actors, who seek to increase their own influence by launching information campaigns designed to protect their own economic and industrial interests."¹⁴

Harming Some People, Deceiving the Rest: The Dark Side of Influence

All this has led to the rise of a new tool in the scramble for power: influence communication. As we have seen, it can be used for positive ends, as when an organization seeks to promote its own distinctive identity or brand in order to attract customers, partners, or new adherents. It can also be put to more nefarious ends, however, like seeking to influence institutions or to weigh in on various processes, especially of a legislative or regulatory nature. In its darkest guise, influence communication can, as Eric Delbecque and Christian Harbulot point out, have devastating effects:

"Slowly but surely [it can] undermine the image or reputation of the targeted actor. Anti-smoking campaigns, for instance, provide us with a prime example of this, since they have managed to tarnish the image of the tobacco industry permanently. The various strategies that form the heart of influence communication are both very hard to define and difficult to counteract, since they are not technically illegal. Yet this specific subset of the strategies of influence communication warrants our full attention, because this is what we mean by "information warfare." These days, anticipating this type of attacks is compulsory for any organization wishing to control its image and to safeguard its reputation."¹⁵

Criminal organizations, for one, have long ago understood the potential of soft power to extend and increase their operations. Just in the last few years, we have witnessed every conceivable variation on the use of influence communication for criminal ends. Police superintendent Jean-François Gayraud provides a detailed analysis of these strategies in his recent work *L'art de la guerre financière (The Art of Financial Warfare)*.¹⁶ He shows, for instance, how remarkably efficient it can be to rely on a "providential fog" of communication and information in order to throw sand into the eyes of one's opponents or of the authorities. What this strategy does is to distort images, rather than to blur vision itself.

Dissecting the laws of financial counterfeiting, Jean-François Gayraud

¹⁴ Synthèse générale, 1-2.

¹⁵ Eric Delbecque and Christian Harbulot, *La guerre économique* (Paris: PUF, 2010), 59.

¹⁶ Jean-François Gayraud, *L'art de la guerre financière* (Odile Jacob, 2016).

particularly highlights the importance of the first of them, the ability to make false statements in order to carry out real acts of predation.¹⁷ The aim, as he explains, is to forge false theories and concepts that can then be used to underpin future criminal operations, and to endow them with an aura of legitimacy.

Following this logic, financial predators have invented a form of “newspeak” designed to conceal their operations. As Jean-François Gayraud points out, the best way of altering reality is to give a carefully slanted description of it. The aim is nothing short of restricting the very boundaries of thought. Hence, their reliance on a pretentious jargon that conceals cynical operations of large-scale predation under a gloss of professional and academic respectability.¹⁸

Criminal organizations are fully aware of the subtle links that exist between influence and power, and know that combining them can yield astounding results. The rise of this arsenal of soft power has radically altered existing power relations, as Eric Delbecque convincingly explains:

"In the past, a nation's firepower determined its international standing. Influence strategies could complement a nation's military moves on the international chessboard, but they were only of secondary importance. Today, the opposite is true: influence strategies do not only reflect, but also shape the very nature of the confrontations between different actors in the many spheres where human collectivities, cultural models, and private organizations compete. The aim is no longer to aggressively overcome rivals, but rather to gently rob them of their freedom of movement (in a stealthy and perfectly hypocritical way), to restrict their choices, to limit their possibilities and their earning prospects by subtly altering the global environment in which they evolve, in order to bring about their gradual downfall, all the while cementing one's own supremacy."¹⁹

Concluding Remarks

All this points to the central importance of three key parameters, which represent as many conundrums:

1. People underestimate the essential role played by ideas in the power games set in motion by political and economic challenges.

¹⁷ Gayraud, *L'art de la guerre financière*, 91.

¹⁸ Gayraud, *L'art de la guerre financière*, 116-117.

¹⁹ Eric Delbecque, *L'influence ou les guerres secrètes*, (Paris: Vuibert, 2011), 17 ; for another work on the same issue see Christian Harbulot, *La main invisible des puissances* (Paris: Ellipses, 2007).

2. In a similar way, they do not realize the important role played by communication strategies in these power games.
3. Keeping these blind spots in mind is essential if we wish to become more aware of our weaknesses. If we forget the importance of influence strategies, we cannot formulate and implement our own strategies.

1. As Jean-François Gayraud points out, what makes predation possible in the first place is the ideas that give it a veneer of legitimacy and thereby help to conceal it. Everything begins with ideas, and here Gayraud cites John Maynard Keynes' General Theory in support of his claims: "The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influence, are usually the slaves of some defunct economist."²⁰ To grasp the logic of criminal actions, it is essential to first understand the intentions behind them, and to that end, to recognize the central importance of thought. Hence, the pressing need to rid ourselves of our "technological fetishism," which is all the more problematic as our comfortable and naive trust in technology's ability to find answers keeps us from venturing into the perilous realm of thought. In this sense influence can, as we saw earlier with Alain Juillet, be viewed in a positive light as an attempt to revive classical rhetoric, and to defend freedom of thought against intellectual conformity.²¹

2. The second aporia pertains to the tendency, among specialists of economic intelligence, to routinely overlook the importance of communication. This shortcoming has already been pointed out by Thierry Libaert and Nicolas Moinet, who have shown that communication and information-sharing systems are of pivotal importance for today's organizations.²² Either out of complacency or fear, however, most actors in the field of economic intelligence appear reluctant to take this parameter into account, a tendency that Alain Juillet and I have already criticized:

"In France, the world of communication and that of economic intelligence hardly overlap. They are shockingly ignorant about each other, relying as they do on a crude set of preconceptions made up of stereotypes and even of caricatures. Communication specialists tend to view economic intelligence as a suspicious activity for spooks, taking place in smoke-filled backrooms,

²⁰ John Maynard Keynes, *The General Theory of Employment, Interest and Money* (London: Macmillan, 1976), 383.

²¹ Alain Juillet and Bruno Racouchot, "Les stratégies d'influence ou la liberté de l'esprit face à la pensée convenue", *Revue Internationale d'Intelligence Economique* 4 (2012):.89-102.

²² Thierry Libaert and Nicolas Moinet, "La communication, dimension oubliée de l'intelligence économique", *Communication & Organisation* 42 (2012): 161-74.

whilst economic intelligence actors contemptuously dismiss communication work as glitzy and superficial. The persistence of this type of divide based on fiction rather than fact is all the more surprising as we live in a time when the creation, circulation, integration, and processing of information represent a key component of success in the fields of politics, economics, and culture alike. As such, it also prevents us from successfully defending and promoting our interests."²³

3. The last and most important of these three aporias is the strategic void that afflicts us, and that has been described in such striking terms by Philippe Baumard.²⁴ To face the challenges of the modern world and those that still lie in store for us, we need to open our eyes and to once again learn how to think critically. Strategy is nothing less than “the ability to define a fundamental purpose—an intent—that safeguards not only what is, but also what will be, while setting out the conditions for their successful growth.”²⁵ The new game of ideas that influence has set in motion requires us to seriously engage with fundamental ontological issues. We cannot claim that we wish to be part of this world if we do not also seek to truly understand who we are and what it is we want to achieve. Like all great periods of transformation, the crisis that looms ahead of us, wreathed in the smoke of war, could also prove to be a chance of rebirth. In the words of Hölderlin, where there is danger, there grows also that which saves.

²³ Alain Juillet et Bruno Racouchot, "L'influence, le noble art de l'intelligence économique", in "La communication, dimension oubliée de l'intelligence économique", *Communication & Organisations*, n° 42, Presses universitaires de Bordeaux, 2012, p. 161

²⁴ Philippe Baumard, *Le vide stratégique* (CNRS, 2012).

²⁵ Baumard, *Le vide stratégique*, p.15-16.