

'I want to understand what works here'

Article in French-language business weekly Trends-Tendances

U.S. Ambassador in Belgium since 2009, Howard Gutman is quite interested in businesses, and also in Belgian shops and restaurants, having some ideas on the way to run them.

Ambassadors, especially those from the United States, defend their businesses abroad. Howard Gutman, Ambassador in Brussels, is no exception. And he knows what he is talking about since he was a business lawyer in Washington for many years. Since his arrival in Belgium, he has been visiting the country and businesses. He observes and asks questions. 'I was doing law in Washington DC, but my clients were mainly businessmen. I am not a career diplomat. There are 35 or 37 Ambassadors that are picked by the President in countries where you need to

represent that particular President: Japan, Canada, Mexico, NATO, the EU, and Western Europe. He does not pick these Ambassadors among career diplomats,' Ambassador Gutman explains.

Trends-Tendances: Are these Ambassadors personal representatives?

HOWARD GUTMAN: Yes. Well, they represent the country but in Belgium, they do not want someone who could represent George Bush one day and then Barack Obama the next. You need to be consistent with the policy of the Administration.

Trends-Tendances: Ambassadors chosen by the President were often generous donors during the campaign. Was this your case?

HOWARD GUTMAN: No. It is traditionally the case but it is less so this time for a couple of reasons. The campaign did not have people who were just involved with fundraising. The campaign had people who were involved in the campaign, like me, writing speeches, meeting with labor unions, and reviewing policy. Everyone who worked on the campaign did everything and all Americans wanted to see Barack Obama. The notion of the 70-year-old person who is wealthy and who was just asked to contribute money, we did not have those kind of people on the campaign. The Obama Ambassadors generally are younger, they were in the middle of their career, usually a successful career, and they have school-age children. It is my case, I have a son here. No school age child of Ambassador had ever lived in this house before.

Trends-Tendances: Did you know Belgium?

HOWARD GUTMAN: For me, Brussels is most like Washington. I spent 27 years in Washington working as a lawyer and also advising people in Government. Brussels reminds me of Washington, with its diplomatic community, and its think tanks.

Trends-Tendances: when visiting your internet site, what is striking is that you visit the entire country, all cities, villages, plants, carnival in Malmedy, the Duvel Moortgat brewery...

HOWARD GUTMAN: I think I have visited 235 communes

Trends-Tendances: it is somewhat like campaigning to be elected in Belgium

HOWARD GUTMAN: A little bit. I do not seek to be elected, but it is not much different than a campaign. It was not a secret that relations between Belgium and the United States had suffered. It was generally the case throughout Europe. That was our fault. We have a President and an Administration whose values are no different than Belgium but we want to rebuild the partnership and to do this you need to meet with people, drink local beers, go to Knokke, to the Ardennes, to Tournai.

Trends-Tendances: How do you cope with the Belgian political situation, which is rather complex, especially now that we do not have a Government?

HOWARD GUTMAN: One has to pick one's language carefully. People say that this country has no Government, but it is not the right language because this country has a Government, a phenomenally experienced Government. Let's compare two situations. My country had elections, we have a Government,. But we do not have a 2011 budget – *note: the interview took place on March 29* - and we might have to close in the next two weeks. Belgium had an election, it supposedly has no Government but it has the most responsible 2011 budget, an outline of a responsible 2012 budget, and it is in Libya together with France and the United States intervening in an operation that was launched in the framework of the UN. People say that Belgium has no Government but Steven Vanackere is a very talented Foreign Minister, Pieter De Crem is a very talented Defense Minister, and Yves Leterme and Didier Reynders are also very talented Ministers.

Trends-Tendances: during your visits to businesses, what do you try to find out?

HOWARD GUTMAN: I want to understand what works here. And see what the U.S. does best here in Belgium. For instance I was struck by Nike. This business is fascinating. Its logistic center for Europe, the Middle East, and Africa, is located here in Belgium. Nike has found that it could save money here by producing all their goods in Asia, then send them by barges to Belgium, unpack them all, repack them all and distribute them throughout Europe by barges and rail rather than flying from Taiwan to Russia. It is less expensive and lowers its ecological footprint. I also learned from Pfizer. It quickly became clear to me that if your business is logistics, or if your business is high capital requirement and low labor requirement, or is high intellectual capital, or if your business depends on the French, Dutch, or German market, then you are no where better than in Belgium.

Trends-Tendances: what are the observations that you hear from U.S. businesses?

HOWARD GUTMAN: On the positive side, Americans love the lifestyle in Belgium, the quality of the intellectual workforce, and the excellent central location. Some complain about cultural differences that make Belgium unique but might jeopardize some businesses.

Trends-Tendances: like what?

HOWARD GUTMAN: For instance there is a retail shopping in Maasmechelen, an outlet center. We have many similar discount malls in the U.S. They have them in The Netherlands, but there shops are open on Sunday. It is not the case in Belgium because people fear that it would hurt other retailers. I think that this could be changed if more shops were willing to open on Sunday. This could be done by recruiting part-time workers. There are places where the Mayor or Governor tells me that he has a 25-percent unemployment rate but they do not create the jobs that could solve that. Look at restaurants. In the U.S., I do not know of any that closes for a day off. It does not mean that people work more than 38 hours per week. It means they have part-time employees. It is a cultural question. Here a family restaurant would prefer to open only 5 or 6 days in order not to have to hire people. In the U.S., they recruit unskilled workers to wash dishes so that the restaurant can remain open every day. Same thing for the capacity. Most restaurants here only have 10 tables. They do not hire anybody. Look at the Belga Queen on Friday and Saturday night. It is packed, with hundreds of customers and dozens and dozens of employees and in the back there are unskilled workers who are able to work to wash dishes and to clean tables. That does not change the fundamental character of Belgium, it enhances it. But initiatives need to be taken for unskilled workers. You can have many Starbucks without hurting traditional cafés. It works for Le Pain Quotidien, and for Paul. Every Starbucks would hire ten people, train them, and put them right to work.'

Trends-Tendances: Is it a question of regulation or of mentality?

HOWARD GUTMAN: Both, but you have to first change the regulation. You have to say, if we want to go from 25 percent off unemployment among youth in certain areas to 7 percent, you have got to think about it and address the issues. In Knokke, the season is there months at the most. There is a restaurant on the boardwalk that can be closed for two weeks in August for family vacation! In the U.S., they would

hire someone to keep the restaurant open. But obviously you need to have labor laws that allow part time hiring. So when I meet mayors and Governors who ask me to help attract U.S. businesses, I tell them OK but we need help. A TGI Friday's, which is all over London, will have thirty employees, skilled and unskilled. That is more than many restaurants in Belgium. Charles Picqué is interested to see them in Brussels. But you need to have a favorable environment in terms of regulation. At the Embassy, we have created a program to encourage American franchises in Belgium. We have studied the hundred largest American franchises to see which ones are in the UK but not in Belgium and to try to understand why.

Trends-Tendances: Do you also intervene in big dossiers like GM Antwerp which shut down last year?

HOWARD GUTMAN: I talked with Kris Peeters a lot. But this had nothing to do with us. GM is a private company, a very sophisticated one with a large board that does not need the U.S. Embassy to make its business decisions. There was a misperception because the U.S. had bought stocks, some people thought we had a say in the company but we had no voting stocks. Kris Peeters told us that, since the U.S. Government is a shareholder, maybe it could influence on a decision but if you look at the ownership of GM, the U.S. Government has no voice on the board.

Trends-Tendances: Since you were a lawyer, have you aTTended a trial in Belgium?

HOWARD GUTMAN: I have plans to go and see a Belgian case but have not yet had a chance to do so. But what shocks me as an American lawyer is that, in all courthouses in the U.S., there are metal detectors, X-ray machines, and security checks. In Belgium, there is often nothing.

Trends-Tendances: Belgium is perhaps less dangerous....

HOWARD GUTMAN: I do not know, but one day a man entered into the court house in Brussels, shot and killed a judge, and left. He then walked all the way from the Palais de Justice to here, walked by the museum and got here, in the Park of Brussels, with his gun. And do you know who caught him? A security guard of my residence.

Trends-Tendances: what do you plan to do after your tour as Ambassador?

HOWARD GUTMAN: I do not know yet, but I do not want to go back to being a trial lawyer. But I know so much about the United States and Belgium, so I could maybe sit on boards, be a consultant for businesses and Governments, give speeches, or facilitate business deals. But going back to fight a case in Washington, no, I do not think so.

Trends-Tendances: You do not feel like pleading again...

HOWARD GUTMAN: No. In Washington I do not think it would be a good idea, even if it is rather profitable

Trends-Tendances: Is it more profitable to be a lawyer or an Ambassador?

HOWARD GUTMAN: In the U.S., Ambassadors' income is all public, it is on file. Let's say I would need to be Ambassador during 20 years to make what I make as a lawyer in one year. So I made a choice. I worked hard during 27 years to earn a living but I never made a difference. Here I am doing this job to serve my country and to help change the world and make a difference.'