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Kishan S Rana: An open letter: diplomacy with growth in mind

Domestically, embassies must become part of economic agencies' planning; globally, these must help businesses in understanding potential foreign markets

Dear Ms Swaraj,

This is my first open letter to a holder of such high office. I will focus on how India's diplomatic system can contribute to stronger economic growth, but will also touch on governance issues.

The ministry of external affairs is the custodian-manager of India's 120-odd embassies and nearly 50 consulates; their owner are the people, acting through their government. Through these missions, and the comprehensive aid programme operated by the ministry's Development Partnership Administration, it delivers on external economic policy. A persistent problem is that other economic agencies do not use these assets in their plans. As an ambassador in Germany in the early years of economic reforms, I could count on the fingers of one hand occasions when we were asked by commerce or industry ministries to deliver on anything, or even give data. Yet, when a key department's secretary phoned from Delhi one Saturday, seeking a German technical agency's support on a proposal coming up at a Washington, DC, meeting in two days, embassy colleagues found the home number of a director-general who could decide - not easy in privacy-sensitive Europe - and it took but one phone call to get support. The biggest task at home is to embed the ministry in the decision-making ethos of the agencies.

Abroad, how can embassies contribute to national growth?

First, sharpen embassies at their cutting edge, that is, promotion activities for exports, foreign direct investment mobilisation and local economic outreach. In 2007, a report from the government auditor on the working of commercial wings in Indian missions noted that barely two per cent of funds were tapped for promotion, and even this was underused. One method would be to create a fund, say, of Rs 2 crore, for which embassies compete with actions that contribute to trade or investment flows. This British method, used also by Australia, not only leads to productive local projects, but also builds a set of practices that other embassies could emulate. Equally useful is the Canadian method of sustained focus on two or three countries where economic activities do not match the potential. France is one such country; India's presence in its import basket is significantly smaller than in neighbouring Germany. In Africa, this involves

looking beyond South Africa - to the western or central regions. At the end of the year, results are assessed and accordingly, focus shifts to other countries.

Second, train officials better. Developing countries simply do not have companies or industry associations that can afford consultants to produce market reports for new products or untapped markets. Located on the ground, India's embassies and consulates are assets that can do that, even if inadequately at the start. When Consul-General Alok Prasad encouraged his commercial staff in Frankfurt to produce the first of these in 1993, we knew that our initial surveys of the potential for export of soft toys or workwear were not quite professional. But we learnt by doing, and the quality of our reports improved over time, even without training. Today, skill development is easier, to transform our missions into professional teams.

Third, ask Indian businesses what they expect from our missions and how they assess their on-ground experience in obtaining such help. As far as I know, the ministry has never sought such assessments. Canada employs a computer-based survey that randomly selects its businesses for feedback, to improve objectivity. Another way is to work with major business associations - the Associated Chambers of Commerce and Industry, the Confederation of Indian Industry and the Federation of Indian Chambers of Commerce and Industry - to obtain information regularly. It is always worthwhile to work on improving delivery, and help embassies and officials that underperform, not punish them.

Fourth, managing diaspora outreach involves a balance between harnessing their desire to contribute to the motherland and making these the centre of our embassy actions, which alas happens seldom. But there is no gainsaying their role as participants and contributors to economic promotion abroad.

For instance, The Indus Entrepreneurs came into existence in the Silicon Valley as mentors to young information technology professionals; they turned their attention to India some years after gaining popularity. Wisely, they chose their name and ambit of action on a South Asian platform, reaching to India's neighbours. That is an exemplar of professional diaspora action, worth replicating in other fields, through discreet encouragement by embassies.

Finally, let me offer a few thoughts on the governance half of India's national objectives.

Some actions are simple. We need a citizen's charter for the ministry: what this ministry and its missions abroad can do for the ordinary people. We need not reinvent the wheel; lots of good models are available. A much deeper challenge is how the ministry delivers on its foreign commitments - not in terms of treaty obligations, where we tend to be meticulous, but in decisions taken with foreign countries, especially to enhance relationships. In candid discussions among officials, this is acknowledged as our weakest point; not because someone's desire to sabotage or delay, but owing to sheer lack of management supervision. Look to

the relation with any neighbour and ask what were the bilateral decisions taken in the past five years, announced or not, and what is the status on these? One reason is an overworked set of officials, especially in the key territorial units. Another is top-level management capacity. The problem is compounded when there are various ministries to work with and cajole into harmonised action. Such external-internal tasks are intertwined.

All of India wishes you well in your huge and varied responsibilities as the external affairs minister.

Kishan S Rana

A former diplomat, the writer is an honorary fellow at the Institute of Chinese Studies in New Delhi