

**Training Programme on
Economic Diplomacy**

Jaipur, India, March 24-26, 2014

A Report of Participants' Feedback



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Introduction

CUTS organised a training programme on “Economic Diplomacy” for Indian government officials at Jaipur during March 24-26, 2014. This training programme was a sequel to the training programme that was earlier organised at Jaipur during January 19-21, 2009 for senior level government officials. In 2007, CUTS organised three such programmes of junior, middle and senior level targeted towards government officials and representatives from business and international organisations handling international affairs and negotiations.

The Department of Commerce, Ministry of Commerce and Industry, Government of India is supporting these training programmes, which seeks to fill the vacuum that exists in terms of an absence of institutional base on commercial and economic diplomacy. The said training programme was attended by Eleven officials from Ministry of Communications & Information Technology, Ministry of Environment & Forests, Ministry of Agriculture & Cooperation, Ministry of Road, Transport & Highways, Ministry of Power, Department of Telecommunications, Department of Biotechnology, Centre for WTO Studies, Department of Animal Husbandry, Dairying and Fisheries, National Highways Authority of India and National Medicinal Plants Board.

The training programme brought experts/resource persons together to explore and deliberate various aspects of economic diplomacy. In three days of the programme, participants sharpened their skills on economic diplomacy through lectures, real life experiences of resource persons, simulation exercises, group discussions, etc. Participants acknowledged that learnings they derived from the training programme proved to be extremely valuable. Based on the feedback received from the participant and resource persons, the programme was successful in terms of:

- quality of participation;
- resource persons;
- resource materials; and
- administrative and logistical arrangements.

Some comments on the programme

Training has given me good understanding of overarching framework of economic diplomacy. It will certainly help me in discharging my duty as Deputy Economic Advisor in Trade and Environment Division

Abhay Kumar (Deputy Economic Advisor, Ministry of Environment & Forests)

Inputs from a practiced diplomat provided an alternate outlook towards diplomacy as a whole

A.D.James (Deputy Secretary, Ministry of Road, Transport & Highways)

Exposure to how various departments/ministries handle economic diplomacy for trade and investment in their respective sector was an unexpected value add from the programme

Tulika Pandey (Scientist F, Department of Electronics and Information Technology)

Importance of parameters are realised through this training programme and most probably it will influence the planning and structuring of argument

Rajnesh K. Gaur (Scientist C, Department of Biotechnology)

All the spokesperson were of high dignity and we got a chance to grab from their experience

Vijay Kumar Sharma (Project-Director, National Highways Authority of India)

Objectives

The objectives were to:

- meet the imperative of having trained government officials at various levels who are involved in commercial and economic diplomacy;
- ensure coherence between India's domestic policy on trade and investment-related issues with international commitments; and
- enhance skills by developing/strengthening capacity for taking effective part in trade and investment negotiations and implementation aspects of related international agreements.

Scope

The programme covered the following areas related to commercial and economic diplomacy:

- Economic Diplomacy Today
- Domestic Regulatory Environment for Effective Economic Diplomacy
- India's Strategy on Trade and Investment Negotiations

Participants

Participants were from various territorial divisions of Ministry of Communications & Information Technology, Ministry of Environment and Forest, Ministry of Agriculture & Cooperation, Ministry of Road Transport & Highways, Ministry of Power Department of Telecommunication, Department of Biotechnology, Centre for WTO Studies, Department of Animal Husbandry, Dairying and Fisheries, National Highways Authority of India, National Medicinal Plants Board.

Resource Persons

Resource persons were comprised of eminent experts, practitioners and academicians in the field of commercial and economic diplomacy and related matters. They are:

- Kishan S Rana, Former Ambassador to Germany & Professor Emeritus, Diplo Foundation
- Sanjeev Ahluwalia, Independent Consultant on Economic Regulatory Issues
- Bipul Chatterjee, Deputy Executive Director, CUTS International

Opening

Pradeep S Mehta, Secretary General, CUTS International warmly welcomed all the participants to the programme and presented a brief background of CUTS. In his opening remarks, he highlighted the need for placing greater emphasis on Economic Diplomacy as universally recognised and emphasised that politics may no longer drive economics as economics is increasingly driving politics. Economic considerations are at the forefront of efforts to achieve foreign policy goals. Countries have been slower in recognising this than others have been disadvantaged especially those in the developing world and India is learning its importance.

Mehta articulated that Economic Diplomacy, therefore, is not about trade negotiations but it entails promotion of trade & investment; achieve objectives in energy security and realisation of political objectives through economic action by subsuming commercial activities. Its footprints extend to intergovernmental multilateral agencies such as the WTO, World Bank, the IMF, UNCTAD, UNDP, and agencies active in economic affairs, joint commissions and other bilateral and regional groups that deal with economic activities, issues relating to aid, technology, and science & technology agreements that impact, and matters relating to tourism promotion and the country brand – though this also connects with public diplomacy.

Thus, Economic Diplomacy has a wider implication and needs a whole of government approach. It calls for partnerships with many actors, according to Mehta. He cited an example that governments and embassies, the main actors, facilitate and provide services, while business enterprises are the predominant and direct beneficiaries. Simultaneously, exports, investments and technology acquisition generate employment, contribute to higher tax revenues and help the country's socio-economic growth.

In view of the above, Mehta then articulated that this programme will thus cover not only the meaning of Economic Diplomacy but will further impart training on how to practice Economic Diplomacy. It will enunciate on how domestic regulatory environment, such as prioritising sectors; building in trade-offs; taking note of new interest groups (business associations, civil society organisations); ensuring compliance with domestic regulatory regime can all help in furthering effective economic diplomacy.

In short, this training programme will not only provide the knowledge of the subject but will further add value by providing the 'Wisdom' to practise the skills of Economic Diplomacy which no other training programme elsewhere would provide. He informed the participants that CUTS has held these training programmes successfully in the past. The success and the usefulness of the programme can be measured by the statement by S N Menon, Former Commerce Secretary, Government of India – *"I wish I had undergone such training in the past and have learnt a lot from this event."*

He concluded by wishing the participants an enriching discussion during the programme on the aspects of Economic Diplomacy and appealed to the participants to gain as much as wisdom as they could from the eminent experts/faculties of this programme.

Kishan Rana, Former Indian Ambassador to Germany and Professor Emeritus Diplo Foundation in his opening remarks expressed that in today's interconnected world subjects whether it is agriculture, biotechnology or internet governance, all are handled keeping in view both the domestic and external interface and countries are effectively merging these interface to achieve greater economic development. He opined that at the end of the day, every country wants in all its affairs, be it domestic or regional or external, to present a whole of government face to produce policies that are essentially common through the government. Such an approach calls for working with a range of domestic partners because whole of government façade is anyone larger i.e. the whole of country presentation. In this context he underlined the importance of participation of non-state actors and for better coordination between several players for effective economic diplomacy.

He further put forward an interesting question to the audience – should India give priority to state enterprises in economic promotion work against private sector enterprises or should they be treated equally? The participants thus were engaged in the session from the beginning and provided varied range of answers. Rana articulated that the question has no one answer but one can certainly stimulate the thought process and which is one of the objectives of this training programme. He further said that the aim of this programme is also to stimulate sharper questions that need to be thought about, the issues that the participants would need to address in while in jobs and to facilitate to look at those issues from a different perspectives & in a wider framework. While concluding his opening remarks, Rana applauded the Department of Commerce, Government of India for supporting the programme and welcomed CUTS and Centre for WTO Studies, for coming together to conduct the programme.

Amit Singla, Deputy Director (Trade Policy Division), Department of Commerce, while making his opening remarks, expressed his pleasure to speak on behalf of Department of Commerce in the training programme. He further expressed that it is a challenge to speak in presence of two eminent personalities Am Rana and Pradeep S Mehta, who are a reservoir of tactical experience and contemporary knowledge on the subject of economic diplomacy.

In his address, Singla dealt with three important aspects that are vital for effective economic diplomacy. Firstly, the global shift towards market based and outwardly oriented development. He articulated that a gradual global shift towards more market based and outwardly oriented development around the world is witnessed in last few years especially in the emerging economies which have enabled millions of its population to become integrated in global economy for the first time. There has been a quadrupling of global volume of trade in goods between 1980s-2003 which is twice the rate of growth the world GDP. He further expressed that the establishment of the WTO has accentuated the importance of multilateral economic diplomacy and has led to a broadening of international discussions on areas of the economic diplomacy. India is an integral part of this system and in this context the economic interests have increasingly become prime movers of India's international relations and economic diplomacy has attained eminent significance.

According to him, growing importance of the emerging market economies is one the salient features of the global economy and ever deeper integration of these economies in global economic system is of vital importance. He pointed that there have been a significant changes in trade & investment patterns in trade and a trend of increasing role of emerging economies is witnessed especially the BRICS countries and shifts in organisational structure in global production. In this context, he opined that leading economies will need to provide leadership that commensurate with their growing importance in the global system. Emerging economies lead together with the new pace in the changes in their economies. He underlined India's economic reforms in 1991, subsequent increased growth rate and its importance in India assuming a leading role in the global economic system.

Singla further articulated that India and China were world's leading economies till 17th century. And the 21st century is also touted to be the Asian century and India will be a lead player managing its transition from a low income country to the higher income country. He said we India moves towards attaining its erstwhile position, Economic Diplomacy is of great significance.

The focus of economic diplomacy thus is not only to protect country's economic interest but also promote economic interest and to exploit opportunities by fast integrating world through various trade agreements, transfer of technology, increased foreign direct investment, energy security and so on. He concluded by thanking CUTS and Centre for WTO Studies to organise the training programme.

Shailja Singh, Assistant Professor, Centre for WTO Studies, expressed that in the highly interconnected world it is paramount importance government officials are well versed with intricacies economic diplomacy & therefore at the request of Department of Commerce, the Centre for WTO Studies has partnered with CUTS. She looked forward for free exchange of ideas and information in the training programme.

Expectations of Participants

At the beginning of the inaugural session, participants were requested to express their expectations from the training programme. Their responses are summarised below:

- To understand the basic principles and the concept of commercial and economic diplomacy
- To have an in-depth discussion and not just at the general level
- To enhance knowledge on the role of economic diplomats, more specifically in the current difficult global economic environment.
- To understand the diplomatic practices around the world
- To prepare process and essentials of requisite homework before entering into negotiations
- To understand tariff negotiations and SPS issues (as country like India which is advancing, should be able to penetrate well in such negotiations and take advantage in trade and investment)
- To increase understanding about relationship between trade and environment, how issues related to environment are dealt in economic diplomacy and trade negotiation.
- To identify areas of complimentary between negotiating countries

Closing and Evaluation

In the closing session Bipul Chatterjee and Archana Jatkar expressed sincere gratitude and mentioned that the participants found this training programme enlightening and educative. This training programme will be of great use to them. Chatterjee hoped and mentioned that these programme could have multiplier effect in the sense that how you transfer this knowledge in skills to the others and the Department can add the value and also increase the output of investment which Commerce Ministry has made.

In this session, it was reiterated that successful negotiations can only be achieved through consultation and cooperation where both parties could achieve a win-win situation. Chatterjee elaborated on the concepts of conflict, which could take the form of confrontation or co-operation/negotiation.

Chatterjee further recalled various modes of negotiations such as bilateral, plurilateral, multilateral and multi institutional were described. He reiterated the two concepts of distributive bargaining and integrative bargaining in negotiations. The former looked at negotiations from the perspective of a zero sum game and therefore based itself on the

concept of Zone of Possible Agreement (ZOPA) with a reservation price and an aspiration price.

The participants were then asked to provide general views on the programme. Participants expressed that the training programme provided them with better understanding and exposure of various aspects related to economic diplomacy. They appreciated and acknowledged the rich experience and expertise of resource persons, quality of resource material and overall administration of the training programme. They evaluated the training programme as shown below:

Participants provided a few recommendations, which are summarised below:

- Inclusion of more case studies and simulation exercises in the training programme
- Invite more participation from government sectors, such as the Ministry of Commerce, External Affairs, Ministry of Finance, etc. in the programme
- Modules should hit the topic from different angles and multiple directions. Sector specific modules may be developed
- More speakers should be involved in the programme
- Restrict the course with a brief introductory, and outlining the issue and giving more time to case studies
- Alter the pedagogy of the training course to facilitate higher degree of exchange of experiences through discussion
- All relevant stakeholders should be brought in this field with inputs from each stakeholder groups (government, civil society, private sector, academic, technical experts etc.)
- Case study on NAMA negotiations for full day or two day would be beneficial

Conclusions

To conclude, following are some of the highlights of the training programme:

- The programme helped participants in understanding the basic economic diplomacy and utilisation of learned skills
- Participants were happy with the arrangement and with the view that the organisers managed the training programme efficiently
- Participants consistently found that the sessions were very interesting and enriching
- Case studies have imported group actions, thoughts among the participants and widened outlook and nuances of economic diplomacy and its underlying strategies.
- Training programme provided know how about the common problems related to economic diplomacy and its impact on decision making.
- The discussions among participants during simulation exercise and case studies were very fruitful and cohesive. It encouraged the participants in generating new ideas and skills in the field of and economic diplomacy and offered the platform to apply concepts of lecture in discussion.
- Participants found that programme triggered the enthusiasm and set their mind-set towards the economic diplomacy in day to day working and possibly gaining more inside through networking and effluence the support, decision making in the government.

- This training programme provided opportunity to participants to think over the concept in a systematic manner of the economic diplomacy that they practice at their work place.
- More than sixty per cent of the participants wanted to attend similar training programmes in future and some of them were keen that such a training programme could be organised for all levels of government officials so as to enable decision making on building strategies in respective fields. A few of them also wished for an advance level programme if topics pertaining to their area of work are incorporated – in other words, there is a need for offering customised training.

The training programme proved to be extremely valuable and successful in all aspects (i.e. resource persons, resource material, administration and logistics, etc). However, to improve the future training programmes, participants suggestions were invited which are summarised as below:

- Reasonable concerned officials from the Ministry of Agriculture, Department of Commerce, Department of Revenue, Department of Economic Affairs, Ministry of External Affairs etc. could participate
- Participants urged to include more modules and case studies in the session, keeping in view that it should also not be repetitive
- Participants was in favour of conducting more training programmes specific to trade negotiations
- They also suggested on increasing the component of domestic economic diplomacy alongside the discussion of international economic diplomacy.
- More interactive session especially in advance courses with participation of officials attending the programme
- Participants urged for some arrangement of sight-seeing, to include in the training programme
- Participants and resource persons may increase citation and reference of live examples and situations to extract real learning experience.
- Few of them were of the view that the time period of training programme could have been of longer duration, say for one week with many case studies pertaining to different sectors and different aspects

Summary of Participants' Feedback

The feedback form was designed with two types of questions: open-ended and close-ended. The analysis of open-ended questions has been described in the first part of feedback analysis report (as recommendations, highlights and suggestions), while the analysis for close-ended questions are given below. Responses on specific aspects of this training programme are analysed by deriving an average mean. The model is described below by taking the example of responses received on “quality of presentation”. In the feedback form we asked participants to rate each of the sessions on a scale of 1-10, where 9/10 represents Excellent and 1 represents Bad.

Table 1: Average Mean Value of the Participants' Response

Data Value	Frequency (Responses received from participants on the scale of 1-10)	Frequency X Data Value
1 (<i>Bad</i>)	None	0
2 (<i>Poor</i>)	None	0
3 (<i>Poor</i>)	None	0
4 (<i>All right</i>)	None	0
5 (<i>Good</i>)	1	5
6 (<i>Good</i>)	3	18
7 (<i>V Good</i>)	1	7
8 (<i>V Good</i>)	4	32
9 (<i>Excellent</i>)	2	18
10 (<i>Excellent</i>)	None	0
Sum	11	80
Mean	80/11 = 7.27	

Figure 1 represents the average score (mean) on “overall management” of this training programme.

Figure 1: Overall Management of the Training Programme

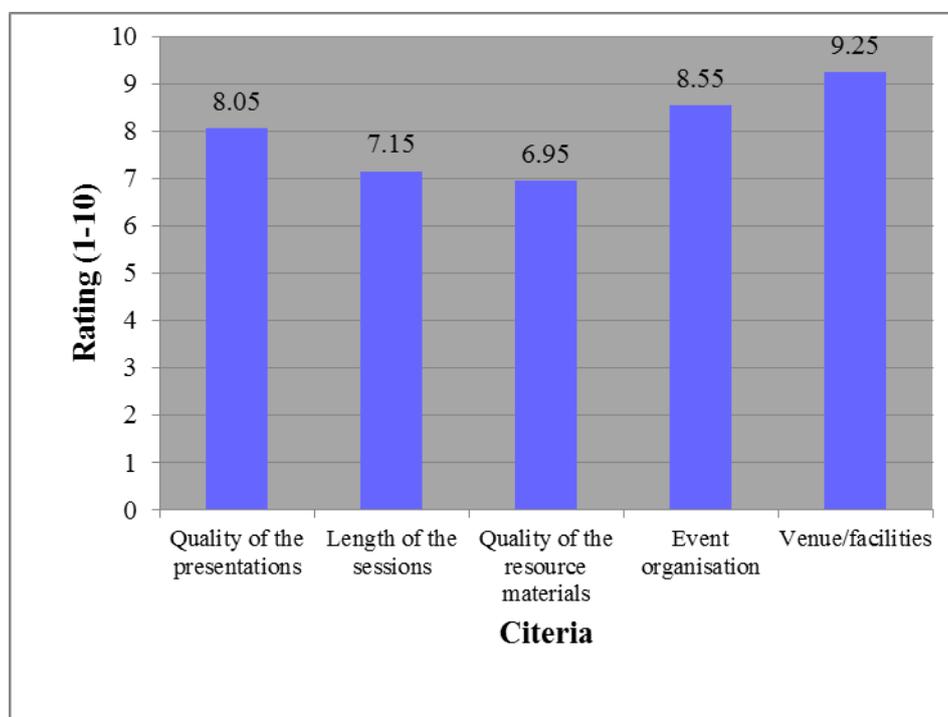


Figure 2 represents average score on quality of different sessions.

Figure 2: Average Score of sessions during Training Programme

