
Book Review

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Economic Diplomacy: India's experience

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Kishan Rana is a widely published author, former Indian Ambassador and Professor Emeritus at DiploFoundation. Bipul Chatterjee, his co-editor, is the Deputy Executive Director of the Indian NGO, CUTS International¹, which is also the publisher of this book.

The book consists of 25 chapters (plus introduction and concluding remarks), all except five written by serving or former members of the Indian foreign service. The chapters are divided into five topics. I agree with Emeritus Professor Berridge² that the exposed three chapters clearly indicate the broad meaning given by the editors to the term economic diplomacy: 'Export promotion'; 'Investment and economic aid'; and 'Managing networks and the regulatory environment' (the other two are 'Context and objectives' and 'Today's challenges'). A lengthy introduction at the beginning of the book on 'The role of embassies' gives a clear and concrete perception of the editors' view on the role of diplomacy in economy.

What makes this book interesting for presentation in *International Journal of Diplomacy and Economy (IJDipE)*, is that it gives a very close and in-depth look at how business oriented Indian diplomats see their work, what are the obstacles and good practices in combining economy and diplomacy. Or as Ambassador Rana said in a personal conversation: "this is a collection of 24 case studies which present a mosaic of how economic diplomacy works on the ground". The book provides a clear perspective of the close or (in my personal opinion) inseparable distinction between economy and diplomacy, which is one of the focus points of interest in *IJDipE*.

The foreword to the book is given by H.E. Nirupama M. Rao, Foreign Secretary of India on the topic 'Economic diplomacy – changing contours'. Foreign Secretary speaks about globalisation that radically transformed the contours of international economic relationships between countries, throwing up new challenges and complexities in the economic, social, political and cultural spheres. Foreign Secretary consents to the scope of *IJDipE* stating that "with the ever increasing integration of markets, economies and cultures, the term diplomacy itself has undergone an enormous change in connotation". Having in mind the fact that India is one of the 'gazelle' economies in the world (BRIC countries); we cannot overlook the comment made by the Foreign Secretary regarding India's economic interests (e.g., economy) and India's international relations (e.g.,

diplomacy). She states: “the focus of our economic diplomacy has shifted towards the need to protect and promote our economic and commercial interests abroad and to exploit the opportunities thrown up by the fast integrating world”.

As already mentioned, a bit longer introduction by the editors, begins with a short passage of conceptualising economic diplomacy and puts forward the reasons for differentiation with commercial diplomacy. On this stage, I have to agree with the editors that (although academically relevant) for business enterprises, industry bodies consultants and all those directly involved in international economic activities, such distinctions are not of great interest. Since the business community is the true customer of economic diplomacy, we have to keep the focus on them. The authors continue with the description of origins of diplomacy where they highlight the four different stages of it (promotion of trade, networking, country promotion and regulatory phase).

The focus in the 24 essays is on the role that embassies and consulates can play, as the public service overseas outposts of the country, to help the home enterprises and businessmen. Arjun Asrani speaks about experience in Japan and reflects consular work – often seen as routine or ‘low diplomacy’. However, with some minor changes in the work - the number of visa refusals can be minimised on a short turn. Anup Mudgal describes his experience in Mexico on how diplomats have to provide clear indication of the areas where home enterprises should concentrate. He describes the organised approach where they identified product lines which had demand in Mexico and possibilities of competitive supplies from India. Sujan Chinoy speaks about experiences in China and Australia and the economic promotion activities like special reports and publications on different sectors of the economy and concrete promotion events for the export of Indian mangos. Shiv N. Malik essay narrates experience in relation to important negotiations in Japan, as seen by the head of a public-sector enterprise.

The next section of essays is concentrated on export promotion. A. Gopinathan speaks about exports of frozen meat and tea from India to Egypt. He highlights the activities that the mission carried out to get the suspension on import of Indian meat lifted. Harsh V. Shringla narrates the local problems that had to be traversed in regard of supplying granite from India for the Ben Gurion airport in Israel. V.S. Seshadri essay (on exploiting footwear market in the USA), illustrates the manner in which trade shows can be used. Trade shows are actually one of the oldest instruments of promotion, but are often neglected. Amar Sinha speaks about problems, which occur (too) often in international business – when local businessmen marshal support from the local authorities, to the point of misusing the legal process. The essay is on the travails of an Indian software company in an unnamed Asian country. Apoorva Srivastava narrates the way business connections were developed with the French fashion industry through business delegations. The last essay in this section is authored by M.P.M. Menon and speaks about his experience in the Gulf region. He focuses on UAE and the close cooperation of the ambassador, Indian trade promotion agency, the royal family of Dubai and Confederation of Indian industry on a promotional event in Dubai.

The subsequent section speaks about investments and economic aid. The first is on investing in pharmaceutical industry in Brazil by S. Swaminathan where Indian embassy facilitated acquiring permissions and clearances and helped getting acceptable financing and tax rebates. Talmiz Ahmad writes about the role of the Indian embassy in regard of promoting UAE investments to India. He describes the manner in which the promotional role is played out on the ground by expanding the embassy’s knowledge base in regard to

Emirati financial and corporate institutions, establishment of personal contact with these organisations and investments advisors, as well as encouraging Indian organisations to visit UAE. Navdeep Suri's essay and the one by Gurjit Singh (covering respectively India's successful foray into Francophone West Africa and the management of technical aid as a driver of relations in Ethiopia) provide an authentic portrait of India's aid diplomacy.

The following paragraph speaks about 'managing networks and the regulatory environment'. Amar Nath Ram writes about his Brussels experience covering a range of issues between India and EU. Siddhartha Mitra narrates the importance of bilateral free trade agreements (FTA), as also the operation of the law of unexpected consequences. He writes about India's first bilateral FTA, with Sri Lanka, signed in 1999. Leela K. Ponappa provides an insider view describing in fine detail the internal process and the negotiations behind an FTA with Sri Lanka. Tarun Das speaks about the interaction between official diplomatic establishment and non-state actors. Editor Kishan S. Rana covers in his essay also the role of diaspora and other non-state actors in San Francisco and elsewhere. Mohan Kumar describes a very important issue for India – the WTO negotiations and especially the Doha Round negotiations.

The last section is entitled 'today's challenges', and is therefore not surprisingly beginning with Latin America. Deepak Bhojwani writes on his experience on covering Indian oil diplomacy in Latin America. N. Srinivasan talks about Image-building, focusing on the role played by the leading industry association CII, acting with Indian missions in organising car rallies in the South Asian countries. Jawed Ashraf sketches the progress of the on-and-off hydropower projects with neighbouring Nepal. Rajiv Bhatia essay describes India's strategic partnership with South Africa looked at the economic and political context of a key bilateral relationship. Som Mittal covers possible areas of partnership between an industry and the Indian missions. In concluding thoughts editors discuss mostly the situation of economic diplomacy in India and provide policy recommendations for Indian Government.

If I do have to point out one thing that is missing in the book, I would have to agree with Sanjaya Baru³ who says that "the book's weakness is that it gives just a flavour". As mentioned before, this first-hand experience and knowledge of Indian diplomats is of great importance and represents an excellent basis for further research. However, the essays could be upgraded with more analytical approach. Nevertheless, the book is in my opinion unique and provides valuable experiences of Indian diplomats, which are applicable also to other (smaller) countries.

If authors, writing about economic diplomacy, were in the last decade mostly talking about economic diplomacy as a phenomenon where more and more new actors are playing a long, the book provides clear and concrete evidence for this thesis. It covers the relations of diplomats with NGOs, multilateral organisations, private business enterprises, multinational enterprises, etc. It covers the activities of diplomats connected with export promotion, investment promotion, development aid, etc., which are all the topics of *IJDipE*.

In my opinion the book should be a 'must' for every diplomat dealing with economic issues. And as I sincerely believe that every diplomat is in fact dealing with economy (from Ambassador to III. Secretary), the book is in fact relevant for all diplomats.

Notes

- 1 More on <http://www.cuts-international.org/>.
- 2 More on <http://gberridge.diplomacy.edu/Teaching/display.asp?Topic=BookReviews2011#rana>.
- 3 More on <http://www.business-standard.com/india/news/the-businessdiplomacy/433586/>.