

ORAL HISTORY

Economic Diplomacy in a Globalized World: Evolving Role of the Ministry of External Affairs

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Indian Foreign Affairs Journal (IFAJ): Having studied Economics at college level and having served in various capacities dealing with economic and commercial work in the Ministries of Commerce and External Affairs and in our Missions abroad, you must have found economic work in Brussels both a challenge and an opportunity. Please tell us about your Brussels experience.

Amar Nath Ram (ANR): In late 1993 I was nominated to serve in Brussels as Ambassador to the European Union. The EU, as our largest economic partner, accounting for approximately 30 per cent of our global economic exposure, had been an important collaborator in trade, investments, joint ventures, technology, services and tourism, as also potentially in political and strategic terms. I was acutely conscious of my daunting responsibilities and was humbled and excited by the challenges and opportunities that awaited me at a crucial time in our potentially promising relations with the EU in a rapidly changing global environment.

By the autumn of 1995, we were substantially able to give added thrust to our relations with the EU in the changed context. The fourth-generation cooperation and partnership agreement had been finalized. This was expected to lead to new opportunities and imperatives. India's "graduation" in some vital sectors from the EU's scheme of generalized tariff preferences for developing countries was imminent. A perception was evident that the relationship would soon need to move away from one largely based on development cooperation and trade preferences to greater and broader content and reciprocity. The Joint Commission mechanism also needed to be made more broad-based, recognizing India's growing and evident potential. The European Commission (the executive arm of the EU) undertook and finalized a new strategy paper with due emphasis on strengthening and broad-basing

relations with India, an exercise in which we at the Embassy were closely associated and provided inputs.

At the political level, India became one of the few Asian countries to have a Foreign Minister-level “Troika” annual dialogue (comprising the EU’s current, immediate past and the next President) with the EU with a broad-based political agenda going beyond bilateral concerns to cover issues of global and regional interest to both. This paved the way for the summit-level annual dialogue to be in place in 2000, and eventually a strategic partnership. For the first time, political and security issues like transnational crime, drugs and terrorism were discussed at the experts level on an institutionalized basis and arrangements for cooperation agreed upon. The volume of trade and investments grew impressively, making the EU the single biggest growth area for India’s exports. Tie-ups in technology, joint ventures and the services sectors also registered an upward trend.

Our sustained efforts to reach out to opinion-makers and policymakers included a special focus on influential institutions like the European Parliament. We were able to gather a number of important members of the European Parliament under the umbrella of a newly formed Friends of India group. Likewise, we were able to set up an Eminent Persons’ Group, which included two Nobel Laureates, leading intellectuals, eminent cultural personalities and other opinion-makers. In our effort to inform students and young academics about present-day India and to instil an interest in India-related studies, we were, with the support of the Antwerp Indian community, able to establish the first Centre for India Studies in the EU at the Antwerp University.

Briefly, by the end of 1995 India-EU relations in all spheres had begun to show rapid all-round growth and expansion. The EU’s policies towards India reflected somewhat greater sensitivity to our core concerns due largely to the growing importance of India, and showed a much better understanding of India’s aspirations in the emerging global order. Yet, there remained major political and economic issues to be addressed in a Europe still pursuing “protectionist” policies and displaying a lingering cold war mindset on subcontinental equations.

IFAJ: It was about this time that you were reassigned to the Ministry of External Affairs (MEA) as Secretary (Economic Relations). What were your expectations?

ANR: In late autumn of 1995 (soon after the Troika meeting in Brussels attended by our External Affairs Minister), in the context of the ongoing economic reforms, I was reassigned to MEA headquarters as the first full

Secretary responsible for international economic relations (Secretary, Economic Relations). I looked forward to serving at the nerve centre of policy formulation, implementation and coordination, particularly in the context of the new opportunities that needed to be explored and exploited. The challenge of shaping and implementing policy prescriptions in a new globalized unequal and largely market-driven economic order, increasingly weighted against developing countries, needed to be countered by Indian diplomacy.

IFAJ: What were the challenges like, awaiting you in your new untested responsibility?

ANR: To discharge my new responsibilities in Delhi effectively, I needed clarity about my duties. Prime Minister P.V. Narasimha Rao, his Principal Secretary (Shri A.N. Verma), the External Affairs Minister (Shri Pranab Mukherjee) and other Ministers and officials gave me an idea of what was expected of me. I also had separate discussions with the Foreign, Finance, Commerce, Industry and other Economic Secretaries. It soon became clear that the MEA's turf and specific responsibilities in international economic affairs needed to be properly defined, identified and carved out. At that time, foreign trade, investments and WTO-related matters largely fell within the jurisdiction of the Ministry of Commerce; matters concerning development assistance, international financial institutions and global economic fora were largely in the domain of the Ministry of Finance; and industrial collaborations, foreign investments and technology-related issues were the preserve of the Ministry of Industrial Development. MEA, for all practical purposes, had a residual role largely of coordination and providing political inputs to the economic ministries.

The impression I gathered, on the other hand, seemed to suggest a larger and a more proactive role for economic diplomacy in the reform scenario. Even as I was acutely conscious of the MEA's primacy as a coordinating ministry for international economic diplomacy, I was aware of the difficulties in gaining acceptance for a separate niche area of responsibility for the MEA in the new context. It seemed necessary to carve out a purposeful role for the MEA, mindful of the turf sensitivities that might lie ahead and the need not to tread on too many toes by ensuring that we carried the other ministries with the new evolving brief.

IFAJ: There was, apparently, no clarity about your specific brief. Still, what were the specific matters that needed to be clarified?

ANR: What compounded matters was the MEA's own pressing political preoccupation with immediate neighbours, the major powers and, often, fire-

fighting operations not in the Ministry's control. Economic diplomacy and the four divisions, *inter alia*, dealing with multilateral economic relations (MER), bilateral economic matters (ED), technical cooperation (ITEC) and investment promotion (IPU) were largely seen to be peripheral. There even appeared to be a perception that an assignment in these divisions was like being consigned to the backwaters!

Not surprisingly, only a small fraction of the MEA's large and growing budget was earmarked for economic work and less than 10 per cent of its personnel were assigned economic or commercial responsibilities. Many of the commercial posts in our Missions abroad were sustained by the budget of the Ministry of Commerce and some of the personnel manning these posts belonged to the Commerce Ministry. Even within the MEA, a large chunk of the cooperation budget was with Political (territorial) Divisions rather than with the Economic Division. Due to other pressing preoccupations, it was not easy to focus on economic diplomacy.

Arguably, more than anything else a mindset change was warranted to reflect the changing concerns, priorities and opportunities of the day. This was a challenge that had to be faced within the Ministry. I must add, however, that I received the fullest support of the political leadership and the Foreign and other Secretaries to carry forward my responsibilities within the constraints outlined above.

IFAJ: What was your understanding of the leadership's thinking? Were you able to get an adequate insight into their thinking?

ANR: Yes, I was fortunate to get a direct sense of Prime Minister Narasimha Rao's vision for and the purpose of economic reforms, of which he was the conceptualizer and architect. Rao, conditioned and nurtured in the Nehruvian socialist environment, was a quintessential socialist. He was not doctrinaire but a pragmatist par excellence. To the extent I was able to understand his philosophy and purport, for him economic reform was a means to achieve his purpose, a necessity of our times; but reform, in his scheme of things, did not give licence to anyone to alter the basic tenet of our tested socialistic ethos. The socialist philosophy had to be preserved under all circumstances. As I understood, what he wanted was development that would be all-encompassing, inclusive, pro-poor, and egalitarian and whose benefits would trickle down, first and foremost, to the poorest. If I recall right, he was the first to use the expression "reforms with a human face". Growth for him could not be measured in statistical terms alone; it had to serve the socio-economic objectives of our tested model of development. In other words, in

his view, growth alone was not equal to development. Economic reforms, for Rao, were a means of advancing our socialist objectives, recognizing the imperatives and compulsions of a new global order. I believe he was not willing to give unfettered discretion to the market to determine our future, even though he was willing to consider selective short-term pragmatic adjustments. The market – and the private sector – had to be a part, not a determining part, of our priorities of development and growth. I personally saw Rao agonize over some inevitable fallout of economic reforms which, in his view, were not in consonance with his larger vision for the country. He personally saw to it that we stayed on course and did not become unintended victims of the pulls and pressures of globalization.

In any case, his approach was calibrated, calculated and careful. India's international economic relations, for Rao, had to reflect the domestic compulsions, imperatives and priorities. In other words, they had to be a part of our overall thinking on issues like development, growth, trade, investments, capital and technology flows, etc. which were all integral to a new global economic architecture and decision-making order. Rao had a vision and had conceptualized economic reforms to reflect his ideas for an India which soon was to stand on the threshold of decisive change.

IFAJ: Was there a substantial change in thinking after the change of governments in 1995 and 1996?

ANR: Not really. In due course I was also able to familiarize myself with the policy direction of Prime Ministers Deve Gowda and Inder K. Gujral and the new Ministers of External Affairs. Prime Minister Gujral, particularly, had a very clear vision of the necessity and inevitability of our growing political and economic engagement through mutual interdependence and integration with our neighbours in South, West, Central and South-East Asia and Asia-Pacific, our extended neighbourhood. This was understood by all as an important part of the "Gujral Doctrine". He was clear about the importance of South-South cooperation. He willingly added to my overall responsibilities relations with Asia-Pacific, particularly South-East Asia and Africa, recognizing that economic diplomacy in these regions had a profound and deep impact on political relations. ASEAN in any case at that time had a mainly economic orientation and ARF (ASEAN Regional Forum) and other Asia-Pacific organizations had an organic link with ASEAN and its economic impulses. I also received support and guidance from Minister of State Salim Sherwani, who was keenly observing India's "Look East" policy and who contributed to its deepening by giving appropriate directions. Relations with Africa too needed an economic focus to serve our larger objectives. However, the compulsions of running

coalition governments inevitably slowed down and even thwarted major new reform initiatives which, in turn, temporarily impacted negatively on our international economic exposure.

IFAJ: How were you able to translate this evolving approach into your work priorities? Were you able to define the focus areas of your evolving responsibilities? And how would you describe these?

ANR: Indeed, it was a process which evolved. After surveying and studying the scene and discussing the issues with the Foreign Secretary and other colleagues – and after many conversations with my counterparts in the economic ministries – it became clear that we in MEA, within and in the accepted amplification of the existing allocation of work orders, would need to carve out our niche role and responsibility, inter alia, to additionally – not exclusively – focus on the evolving framework. This comprised several aspects, and may be listed as follows.

- a) Creating, enlarging and sustaining a predictable and assured economic space in which India could, with advantage, secure, pursue and advance its long-term economic and commercial interests in a rapidly changing globalized and regional economic order, posing new challenges and offering new opportunities. Multilateral economic diplomacy had to be more proactive, purposeful and directly linked to India's economic interests, capable of meeting the emerging challenges.
- b) Promoting mutually beneficial institutionalized arrangements with India's major and emerging economic partners, including neighbours, to ensure economic and energy security, markets, materials, scarce resources, high technology, capital and investments.
- c) Advancing a "vested" interest in mutual economic integration, interdependence, connectivity and linkages, particularly with neighbours.
- d) Making technical cooperation an instrument of promoting India's political, commercial and economic interests. Furthering South-South cooperation was integral to this.
- e) Recognizing the imperatives of the MEA's brief, to become useful to the other economic ministries by providing the MEA's unique political and international perspectives on ongoing economic developments (e.g. in relation to WTO, UNCTAD, G-15, G-77, NAM, G-8, IMF, UN and other fora, in bilateral economic commissions, joint commissions and sub-commissions, etc.) requiring coordination and liaison with the other ministries/institutions.

- f) Ensuring that the MEA and India's Missions became more proactive and useful in economic and commercial work. This was to be done by refashioning the economic desks in the MEA and making the Ministry's regular interaction with our Missions, relevant ministries, apex chambers of commerce, commodity boards, media, ITPO (Indian Trade Fair Authority), etc. more meaningful. In the Foreign Investments Promotion Board (FIPB) and other bodies, of which it was a member, the Ministry hoped to provide value addition through its unique political perspectives.
- g) Coordinating the projection and promotion of India's unique core competencies, among others, in emerging thrust areas of knowledge, high technology, tourism, services, soft power and its attributes, human resources development, Diaspora, education, medicine, etc. (apart from the traditional focus areas of exports, investment and technology tie-ups and promotion).
- h) Providing inputs and insights on the emerging global economic order and its implications for India. The MEA had to become a focal point for politico-economic assessments and inputs. Strategic economic interests had to be advanced through economic diplomacy to the extent possible.

At the MEA we broadly pursued this approach in India's evolving framework for economic diplomacy, though care had to be taken to retain flexibility and to ensure that the approach reinforced the country's larger objectives. In other words, economic diplomacy at most times needed to reflect India's political priorities and compulsions. Gradually, the Ministry's core competency, especially the coordinating role in international economic relations and economic diplomacy, began to be recognized and the Ministry was increasingly seen to be articulating the country's views and shaping responses. As an integral part of all inter-ministerial consultations and delegations representing India in important meetings at home and abroad, the MEA's usefulness was well established. We were also co-opted as members on important government boards, etc. Briefly, we provided the MEA's inputs and insights to the government's economic decision-making process.

IFAJ: ASEAN and Asia-Pacific were an important part of your responsibility. How did the "Look East" policy fit into your framework of economic diplomacy? Was it integral to it since Africa also was a part of your charge?

ANR: I believe that it was no coincidence that India's evolving relations with South-East Asia and Asia-Pacific and the task of consolidating, implementing and carrying forward the nascent "Look East" policy fell within the purview of my new responsibilities. I had been associated with this policy from its

very inception, first briefly as Additional Secretary in the Ministry and immediately after that as Ambassador to Thailand and Permanent Representative to UNESCAP (UN Economic and Social Commission for Asia-Pacific).

The political leadership saw Asia-Pacific, particularly South-East Asia, as extremely important for India's long-term political, strategic, economic, and defence interests. Fortunately, by early 1995, India's institutionalized links with ASEAN and its bilateral relations with the ASEAN countries had acquired a critical mass in terms of economic, trade, investment and technology links. India had, since 1993, been sectoral dialogue partner of ASEAN in the areas of trade, investment, tourism, science and technology. India's bilateral economic links with ASEAN members were also growing rapidly. The political climate was much more propitious, the clouds of misunderstanding over Cambodia having lifted following Prime Minister Narasimha Rao's historic visits to Thailand in 1993 and to other South-East Asian countries in 1994–1995. There was a remarkable visible change in the ASEAN perception of India after the end of the cold war and economic reforms in India. The ASEAN members recognized India's now evident potential and had great expectations from this country in the political, strategic and economic spheres. ASEAN's own "Look West" policy, which in a way mirrored India's "Look East" policy, provided an opportunity for a quantum leap in India's all-round relations with South-East Asia. Prime Minister Rao himself articulated his thinking on some of these issues in the famous Singapore Lecture of September 1994.

IFAJ: Was India's growing engagement with ASEAN central to India's "Look East" policy? Did the policy also include the entire Asia-Pacific space?

ANR: Against the background mentioned above, by end 1995 India was poised and prepared to upgrade its institutional links with ASEAN. The Bangkok ASEAN Summit of December 1995, with the active support of Singapore, Thailand and others, gave this opportunity and India was offered full dialogue partnership with ASEAN. This was a framework of an exclusive relationship reserved only for countries like Japan, US, Australia, Korea and some others: even China was not yet a full dialogue partner of ASEAN.

This major milestone in India's evolving partnership with ASEAN at once catapulted India into a higher trajectory of relations with South-East Asia and ensured for it an enlarged economic space in the fastest growing region of the world. The snowball effects of this were soon to follow in India's relations with Japan, Korea, Australia and even China, outside South-East Asia. What

followed is a remarkable success story of India's growing integration with the economies and institutions of Asia-Pacific. India gained membership of the ARF in 1996. Subsequently in 2002 it attained summit-level partnership with ASEAN, and membership of the East Asia Summit (EAS) in 2005. India and ASEAN also signed a Free Trade Agreement (FTA) in 2009. Enhanced bilateral economic cooperation agreements were actively pursued with Singapore, Thailand, Japan, Korea, China, and Malaysia. Coordinated action was also taken up in areas like tourism, security (ASEAN Defence Ministers Meetings – ADMM), civil aviation, agriculture, taxation and investments. This growing bilateral and multilateral partnership with the Asia-Pacific countries made this region India's largest and fastest growing economic partner in less than two decades of the "Look East" policy.

IFAJ: What was the role of sub-regional groupings like BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation)? Specifically, how did BIMSTEC fit into India's policy priorities in South-East Asia?

ANR: Even as relations with ASEAN and Asia-Pacific were growing and intensifying, many saw the Bay of Bengal space as a potential area for sub-regional cooperation among the littoral and some hinterland countries. SAARC's progress was frustratingly slow and limited and additional options needed to be explored. Accordingly, in 1996, the moribund Thai proposal to create a sub-regional economic space comprising India, Thailand, Myanmar and Sri Lanka was revived. By 1997, this became a reality with the Bay of Bengal sub-regional economic space called BIMSTEC coming into being with Bangladesh, and later Nepal and Bhutan, as additional members.

At a meeting in Bangkok in December 1997, which I attended on behalf of India, the member countries signed an agreement setting up BIMSTEC. A plan of action for cooperation in the agreed areas was adopted (today BIMSTEC is poised to become a free trade and investment area). BIMSTEC was in line with India's policy of creating a predictable and assured economic space to further its economic interests. In a way, it complemented and supplemented ASEAN and SAARC. At the same time, although progress in some cases was slow, India was also discussing the possibilities of similar regional and sub-regional cooperation with other neighbouring sub-regions in South-East Asia and to the West and beyond (IO-ARC, Mekong-Ganga Cooperation, Pacific Forum, GCC, SADC, MERCOSUR, etc.) apart from consolidating its institutional and bilateral links with the European Union, Central Asia and Africa.

The growing institutionalized bilateral and multilateral economic and

commercial linkages with India's extended neighbourhood, creating mutual interdependence and advantage, was a conscious policy choice to make the relationship strong, stable, enduring, broad-based, and able to withstand pressures of political vicissitudes or exigencies, if any. It also created options for India's diversified economic needs. Economic content, it was felt, additionally would help promote strategic and political convergences and thus further India's foreign policy objectives.

IFAJ: In this context, how did the global economic landscape appear to you?

ANR: The global scene was not only uneven and full of challenges but also highly competitive and complex, requiring a clear understanding. India's quest for assured and predictable economic space did not end with regional, sub-regional or extra-regional economic arrangements. We recognized that simultaneously we would need to meet and counter the challenge of protectionist and other non-tariff barriers – both trade and non-trade related – if we were to keep our heads above water and prosper in an increasingly protective and competitive environment in an unequal playing field. The Uruguay Round of Trade Negotiations and the newly formed WTO provided India both opportunities and challenges. The MEA played its part in meeting these challenges and optimizing opportunities under a new and unfamiliar dispensation.

Protectionism in Europe and the US was assuming new dimensions and market access for India's trade in goods and services was becoming increasingly difficult. For example, the "social clause", environment, technical and quality standards, health and sanitary requirements, etc. were all being used selectively to create barriers for India's fledgling exports. The MEA, in a supporting role, was closely involved in preparing the government's brief on these issues for the Singapore WTO Ministerial Meeting and in other fora. Our Missions in Brussels, Geneva and the Western capitals took up these issues forcefully and with some success. India also articulated its concerns regarding the global economic system and institutions which were heavily weighted against developing countries, and highlighted the need for reform to ensure a fair and level playing field. These views, resonating the concerns of the developing countries, were reflected in India's positions in fora like the G-8, G-77, UNCTAD, G-15, NAM, etc. The MEA also played a key role in providing policy inputs for meetings like the World Economic Forum at Davos, G-8 and subsequently in the G-20 conclaves.

IFAJ: How did India pursue its objectives bilaterally?

ANR: Apart from regional and sub-regional arrangements, the MEA also

participated in negotiating and finalizing bilateral agreements with India's major economic partners. A number of investment, trade, civil aviation, technology, tax, joint venture and other arrangements were negotiated by the Ministries concerned with the MEA's inputs. The MEA was also an integral part of a large number of Joint Commissions, delegations and groups that were responsible for carrying this process forward. Likewise, India's Missions, increasingly, were contributing to trade promotion including through exhibitions and other special events. Being the first point of contact with a potential investor, importer or exporter, the Missions were required to upgrade their commercial and consular services. At the bilateral level, we were becoming conscious of the strategic implications of economic diplomacy.

IFAJ: Was South-South cooperation integral to India's approach?

ANR: South-South cooperation had always been an integral part of India's economic diplomacy. However, by the late 1990s, with India's emergence as a potential economic power, the matrix of its approach underwent a slight shift. While at the global level India continued to strongly advocate the cause of the developing countries in consonance with its NAM and G-77 commitments, bringing into focus the problems of the poorest of the developing countries, at the bilateral and institutional levels India continued to extend considerable technical, financial and human resource cooperation to the countries of the South, particularly in Africa, Asia and in its immediate neighbourhood. India, therefore, at once was a voice of the developing countries and a major cooperating country, walking the talk by example. India's gradually growing clout and membership of fora like the G-20 made its voice heard with greater attention and respect. Also, India's possible future role in the management of the global economic order made it possible for it to articulate the concerns of the developing countries with greater credibility and more purposefully. The MEA gradually became a focal point within the Government for coordinating and articulating this approach, with India's now higher-profile participation in the major global and regional economic conclaves. India was ready to use its growing economic and technical cooperation programmes to reflect the larger political and other purposes of its foreign policy objectives.

IFAJ: Tell us something about India's technical cooperation programme and its significance for the country's economic diplomacy.

ANR: The MEA always had a sizable technical cooperation budget and a somewhat incoherent programme (Indian Technical and Economic Cooperation – ITEC). In the new globalized market-driven era of fierce

competition and struggle for markets and resources and in the context of the limited opportunities available, India's technical cooperation programme had to reflect, *inter alia*, its overall economic priorities, and also serve India's larger foreign policy objectives. India made conscious efforts to dovetail its technical cooperation programmes to its foreign policy priorities in its immediate neighbouring countries, in the emerging economies of South-East Asia, Africa, and in resource-rich countries of Central Asia, West Asia and beyond. India made an attempt to move away from purely training and technical cooperation to undertaking projects in agriculture, industry, technology, mining, etc., based on requests and the core competencies of the receiving countries (e.g., farming projects in Burkina Faso and some other countries, computerization in Senegal, feasibility studies in Africa, etc.).

The private sector was encouraged to become a partner in this endeavour. Even where humanitarian assistance was extended, India tried to focus on what it could do best and most efficiently, also at the same time promoting the country's image. In the process, India also evolved geographical and sectoral priorities for its growing technical cooperation programme. The ITEC programme, quite clearly, needed to be redefined and restructured, a task that I understand is now under way.

IFAJ: With the MEA's evolving role in the domestic decision-making process in economic matters, did your role and responsibility alter?

ANR: Yes. The MEA's participation in the work of the FIPB, ITPO, EXIM Bank, Indian Institute of Foreign Trade (IIFT), Research and Information Service (RIS) and other think-tanks and inter-ministerial bodies was largely supportive and coordinating. But where possible, we were able to provide inputs from our unique perspective. Our role and relevance were increasingly evident in trade and investment negotiations, taxation agreements, WTO matters, etc. In the FIPB and other bodies the MEA's role was mainly to bring its "political" inputs into focus, thus enabling a more balanced decision to emerge. Indeed, the Chairman of FIPB and Secretary Industrial Development, in a rare gesture, acknowledged this in a letter to me, lauding the MEA's contribution. We also endeavoured to use the RIS, funded by the MEA, more purposefully for focused studies, projects, etc. (e.g. the ASEAN Eminent Person's Lecture).

IFAJ: The MEA's face abroad is its commercial wings, which have come in for some criticism. Would you agree?

ANR: The Commercial Wings of our Missions abroad needed to be brought in tune with the realities of globalization and economic reforms. From the

headquarters we had to help them become more useful, efficient and proactive. The Missions were encouraged to set up physical targets, action plans and become more sensitive to promoting the country's commercial objectives. The Economic Desk in the Ministry was designated as the focal point for electronically responding to commercial enquiries and liaising with apex chambers of commerce and commodity boards for transmitting complete and helpful information. Likewise, the Ministry's Investment Promotion Desk, in tandem with the apex chambers of commerce, was required to assist the chambers in providing "escort" service to targeted investors.

The Missions were also encouraged to streamline visa services for businessmen and commercial visitors. Indeed, some Missions like the one in Brussels started issuing visas across the counter. The MEA also liaised with the Ministry of Civil Aviation, Air India and the Department of Tourism. Since many commercial posts abroad were supported by the budget of the Ministry of Commerce, an effective system of consultation and coordination, particularly in regard to selection of suitable personnel and their briefs, was evolved.

IFAJ: How would you sum up the MEA's evolving role in the early years of economic reforms in India in a globalized world?

ANR: The first years of economic reforms in India for some of us in the MEA were necessarily a period of learning, adjustment and finding our feet. We had to become a useful and indispensable agent of change and of promoting our national foreign policy goals. Even as we sought to evolve a harmonious, complementary and mutually reinforcing working arrangement with the other economic ministries, we at the MEA were conscious of our unique role in the changed environment. We saw international politics and economics increasingly overlap. No economic decision was purely economic. Likewise, politics had a major economic dimension. This intertwining of international politics and economics had begun to reinforce the immutable logic of a political economy, in which diplomacy had an integral and crucial place. For the MEA, it was a challenge to carve out and sustain a space for itself. That we were able to make this happen in the early years of economic reforms in India in an increasingly complex and competitive international environment of globalization is a measure of the modest success for which we have reason to feel satisfied.

However, this was only the beginning. As international politics increasingly assumes an economic content and a determining dimension, the MEA will, no doubt, be required to play a more central role in the management and conduct of the country's external economic relations. For this, the MEA will need to reorder its own priorities, personnel policy, training and structures.

Tomorrow's world will increasingly be driven by economics and bread-and-butter issues. Is the MEA preparing itself for that tomorrow? I have no doubt that the Foreign Service is equal to the task and is equipped to meet the emerging challenges.

IFAJ: Thank you very much, Sir, for sharing the insider perspective on economic diplomacy in a globalized world, and, perhaps the still evolving role of the Ministry of External Affairs.

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