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Premium

Shuffling of trade negotiators: Trade ministry looks to retain institutional memory

Experts pointed out that the country's negotiating strategy cannot rely on transferable generalist civil servants and could need a separate service to handle trade negotiations.

Written by [Ravi Dutta Mishra](#) , [Aggam Walia](#)

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Commerce and Industry Ministry has started looking at ways to strengthen India's negotiating capabilities for FTA with UK, EU (File Image)

Faced with tough negotiators from the United Kingdom (UK) and the European Union (EU), the Commerce and Industry Ministry has started looking at ways to strengthen India's negotiating capabilities. Among other things, this exercise is likely to focus on plugging loopholes that emanate due to the loss of institutional memory on account of the routine transfer of key civil servants steering extended trade negotiations.

Among the multiple steps under consideration, the Ministry is working on preparing a set of fresh standard operating procedures (SOP) on streamlining trade talks. Earlier, the Ministry had a 60-page SOP with details of approaching trade negotiations. Multiple former and current negotiators, and trade experts who attended the two-day "Chintan Shivir" organised on May 16-17 underscored that India is facing a systemic problem when it comes to negotiations amid fast changing contours of trade talks that go beyond traditional areas such as tariffs concessions to labour and environment.

Experts pointed out that the country's negotiating strategy cannot rely on transferable generalist civil servants and could need a separate service to handle trade negotiations. To build institutional memory, the ministry should revive

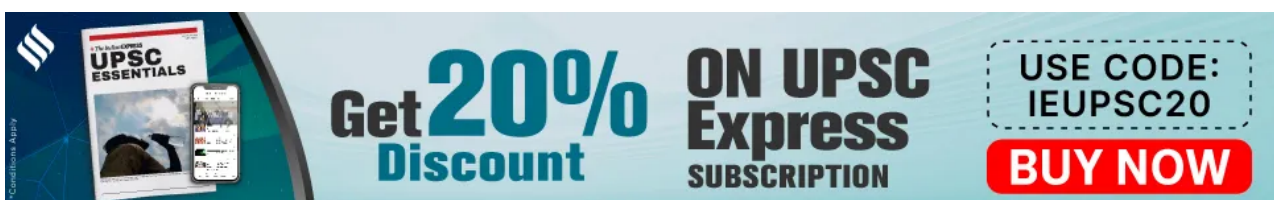
practise of extensive record keeping on negotiations as well as regular briefing of Cabinet, Parliament as well as the core ministries.

Lack of efficient file-keeping

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Due to the lack of permanent institutional structure and efficient file keeping of negotiations held earlier, India's bilateral and multilateral talks fall short while facing subject matter experts, especially from developed nations who tend to deploy considerably larger teams of negotiators and researchers with decades of experience.

A source, seeking anonymity, said that the ministry does not have an efficient database and that is one of the reasons it feels that institutional memory is missing. "If all information is confidential, how will you have a database? There is a serious shortage of accountability, record keeping, mapping of research deliverables that needs to be addressed. A third party audit of the expenses incurred could reveal the depth of the problem," the source added.



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“The discussions involved ways in which we can improve our negotiating capacity. We are trying to address the certain challenges such as loss of institutional memory when officers playing key roles in negotiations are transferred. We are working to formulate a SOP to negotiate FTAs and the process involves core ministries who are actively participating in the process. A draft SOP is ready and will be circulated among the ministries,” a government official said.

Large deals pending

India is currently in talks with the UK, EU, Oman, and Australia to sign FTAs and with the Association of Southeast Asian Nations ([ASEAN](#)) to review the trade deal signed in 2009. The government has hinted at plans to restart negotiations with the Russia-led Eurasian Economic Union (EEU) too after the general elections.

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While India has been able to handle early harvest deals and negotiate with countries who have accommodated India's style of functioning, trade deals with more competitive countries such as the UK and EU have been stuck for years. India had earlier decided to exit from the China-led Regional Comprehensive Economic Partnership ([RCEP](#)) deal after years of negotiations.

According to [Arpita Mukherjee](#), Professor at ICRIER, trade agreements are becoming more and more complex. She said India's trade partners conduct detailed studies in areas ranging from the impact of trade agreement on India's informal labour to mapping entire product value chains and how goods flow after FTA.

“We have not done such deep research in India,” Mukherjee told [The Indian Express](#). “India has one of the best trade negotiators, but there is an information and process gap. Even after the FTA, our exporters find that their competitors have a better deal. We spend a lot of time in tariff negotiations as we are a high tariff country. If we can streamline unilateral tariffs and lower them, and focus on other areas like having time bound Mutual Recognition Agreements (MRAs) to address non-tariff barriers, the benefits of trade agreements will be more,” she added.

Briefing Cabinet, Parliament

According to experts, as new officers join the table with little knowledge on what was negotiated before, India loses out on institutional memory-wise. Experts suggest detailed reporting and periodically informing the parliament and cabinet about the negotiations. “In negotiations, officials become experts very quickly, negotiate, and then go off. The old files get consigned and become untraceable. New people come and they have little idea about what was negotiated. So, institutional memory-wise, we are very weak. Other countries have dedicated negotiation sort of institutional structures, where the same people are doing it for 30-40 years,” a high ranking former trade officer said.

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Abhijit Das, who has extensive experience of directly negotiating at the World Trade Organization says that India need not look at other countries to revive good practices in trade negotiations. “There has to be very clear instructions that if a negotiator goes for a meeting he puts down a detailed report on what happened in the meeting. Before going for any negotiating meeting, each official had to get the brief for the meeting approved and on return file a detailed report on what happened in the meeting. This was a system which we used to follow absolutely religiously. That is what creates the institutional memory,” Das said.

“There is a need for bit more transparency in the negotiations. We should periodically inform Parliament and Cabinet about the progress of the negotiations. Keeping different ministries in the loop is also very useful, particularly agriculture which is a sensitive subject,” Das said.

According to Pradeep Mehta, Secretary General, CUTS International, India needs clarity on the motivation behind the FTA, what it wants to achieve and how FTA can help to get there. “Our negotiation capacity has significantly improved over the years. We now need a strategy to properly channelise our FTA efforts. We need to enter into deals which work well, with partners who have complementary trade interests. However, we cannot rely on transferrable generalist civil servants to do the work. We need a service at par with IAS, consisting of trade economists and lawyers who report to the minister directly.”

Need for permanent institution

A former trade official suggested the creation of an institutional structure in these various centres namely, Centre for WTO studies, Centre for Trade and Investment Laws and Centre for Regional Trade. “You give them that institutional capacity so that they should be the institutions which coordinate the negotiations, and it remains permanent,” the official said. A query emailed to the Commerce Ministry on Tuesday remained unanswered till press time.

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In the last couple of years, a number of lead negotiators for key trade deals have moved out of the Commerce Ministry. For instance, Joint Secretary in the ministry of Commerce and Industry Srikar K Reddy leading the talks with UAE has now assumed the role of Consul General of India at San Francisco. Former lead negotiator for the India-Australia Economic Cooperation and Trade Agreement was appointed as the Chairman of the New Delhi Municipal Council (NDMC).

India is currently negotiating with Australia to broad base the trade deal. The chief negotiator for the India-UK FTA, was recently appointed as Minister (Economic), High Commission of India, UK. The official, however, is expected to keep continuing working towards strengthening India UK trade and economic relations, including early conclusion of FTA negotiations.

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