

Economic diplomacy as a strategy of foreign policy

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IN the traditional sense, diplomacy is political diplomacy. This means that diplomats are primarily engaged in political relations because close or strong political relations lead to relations in other areas including economic and trade. Empirical evidence suggests economic relations are not initiated in a significant way in a political vacuum in which there is a lack of trust.

In earlier times, trade diplomacy was accompanied by gunboat diplomacy. That meant that if any country failed to pay back the money for goods sold, warships would go to threaten that country. For example in 1902-03, naval units from Britain, Germany and Italy blockaded the coast of Venezuela to compel that country to make payment to them.

In modern times, New York Times columnist, Thomas Friedman, the 2002 Pulitzer Prize winner, wrote that "the hidden hand of the market will never work without the hidden fist. McDonald's cannot flourish without McDonnell Douglas--the first designer of the F-15 war aircraft and the hidden fist that keeps the world safe for Silicon Valley's technologies is called the US Army, Air Force, Navy and Marine Corps."

What do they indicate? This means trade is backed always by might. If trade is not successful, other coercive measures are adopted to make it successful.

Modern economic diplomacy

It seems that the term "economic diplomacy" did not emerge before the seventies. Economic diplomacy in the past was known as trade diplomacy.

Economic diplomacy is concerned with economic policy issues, e.g. work of delegations at standard setting organisations such as WTO. Economic diplomats also monitor and report on economic policies in foreign countries and give the home government advice on how to best influence them. Economic Diplomacy employs economic resources, either as rewards or sanctions, in pursuit of a particular foreign policy objective. This is sometimes called "economic statecraft".

Economic diplomacy is the decision-making, policy-making and advocating of a country's business interests. Economic Diplomacy requires application of technical expertise that analyses the effects of a country's economic situation on economic interests of other countries. Versatility, flexibility, sound judgment and strong business skills are all needed in the execution of Economic Diplomacy.

In brief, economic diplomacy

Engages contacts in foreign institutions, businesses, and international



organizations, to advance country's economic interests seeks to resolve bilateral trade disputes and negotiate with trading partners to liberalize world trade seeks to formulate official policy for development and facilitates negotiation on trade-related agreements and treaties engages development partners and transnational companies to promote markets co-ordinate trade policy, oversee enforcement export and import controls promote policies and interests in international and bilateral arena.

In the seventies, nationalization of industries took place in South Asia. The economy of South Asia was one of the most regulated economies outside the Communist block. Sri Lanka first liberalized it in 1977, Bangladesh in 1980, Nepal in 1986, Pakistan in 1989 and India in 1991.

Nationalization of industries brought in turn the embassies in picture. That means if jute products are to be sold to other countries, assistance of embassies were sought and Commercial Wing of the embassy was directly involved in making it easier to sell that product either to government-owned industries or to private sector. Thus an embassy was directly involved in selling a product.

Economic globalization has increasingly made economic diplomacy a significant factor in foreign policy. Economic globalization has made it increasingly difficult to draw a clear cut distinction between what are domestic and what are international components of a product as economies of various countries are integrated. For example, the parts of Air Bus 380 are being manufactured not only in Europe but also in Australia.

Issues in economic diplomacy

One of the features of economic diplomacy is that private sectors are involved in the decision-making process to retain products in the global or regional competitive market. Since productivity per hour is the main ingredient in making a product competitive, modern industrial technology is important. That is why government and private sector cooperation is imperative.

Economic diplomacy may face certain issues within the country. First, there is a tussle between politics and economic interests. For example, can Bangladesh private sector export or import any product from Israel? Here political considerations outweigh economic interests.

Second, when government chooses policies, private sectors are not often consulted and in certain cases government has to adhere to international pressure to reach an internationally good result. Such pressure is not comfortable to private sectors. For example business enterprises favour protectionism and do not want to face competition from foreign products in the country. However, international obligation makes government deregulate market to foreign products.

Economic diplomacy may operate in three levels: (a) bilateral, (b) regional and (c) global.

Bilateral economic diplomacy is a major part of economic relations. Governments facilitate a favourable environment for private sectors to conduct business or trade. It is the private sector that does business. For example, Indian rice of 5 lakh tones to Bangladesh is being imported through private sectors.

Regional economic diplomacy is ordinarily carried through regional free trade agreements. For example, SAFTA (South Asia Free Trade Agreement) has been agreed by all SAARC countries. That means liberalization of economies may be easier to accept if it is done through regional grouping.

WTO trade talk under the Doha

Round is part of economic diplomacy. Negotiation needs skill and adequate understanding of the complexities of trade rules. Although WTO promotes free trade, critics say it does not promote fair trade as it has become a vehicle of corporate hegemony.

In economic diplomacy, the civil society and NGOs monitor and evaluate the performance of governments and business enterprises and demand greater accountability and transparency of their actions.

Economic diplomacy is after all the means to advance trade and economic interests at all levels. Therefore government and private sector must cooperate and work hand in hand. The distinction between internal and foreign affairs has been replaced by a multi-actor participation in economic diplomacy headed by Foreign Office.

During the Cold War, an absence of armed conflicts was considered a success. At the dawn of the 21st century, there is a different definition of success. It is judged by interactions through economic diplomacy to advance country's economic gains in the globalized and competitive world.

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The operation, codenamed "Azada Wosa" or "Be Free"

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THE operation, codenamed "Azada Wosa" or "Be Free" in Pashtun, has great tactical importance for the occupation forces. The 2,300 troops of the 24th Marine Expeditionary Unit, which only arrived in Afghanistan seven weeks ago to reinforce the NATO-commanded International Security Assistance Force (ISAF), were hurled last week into a major assault on insurgent strongholds near the town of Garmser in Helmand province. The guerrillas in that area are mostly supporters of the Taliban Islamic fundamentalist movement, which was overthrown by the 2001 US invasion.

Garmser is believed to be one of the main assembly points for Taliban fighters moving from mountain bases along the Afghan-Pakistan border to link up with insurgent units across the rebellious ethnic Pashtun provinces of southern Afghanistan. It is also a key transit route for smuggling Afghan opium and heroin to Pakistan, one of the principal ways in which the insurgency finances itself. British troops, who are responsible for NATO operations in Helmand, have fought desperate battles to hold a base in the town, but have been unable to either control it or prevent Taliban movements.

According to Taliban sources cited on May 2 by Asia Times Online, the insurgents have offered only minimal resistance to the US operation. Their tactics is to bottle up hundreds of the newly arrived American troops trying to secure Garmser, while they concentrate on attacking occupation forces further north.

A series of other attacks have taken place that have pushed total US/NATO fatalities this year to 5621 American, 9 British, 9 Canadian and 17 from other countries that have troops taking part in the occupation.

Australian commando Jason Marks was killed and four others wounded by small arms fire in Uruzgan province on April 27 when Afghan fighters ambushed Australian troops as they assembled for an attack on an alleged Taliban position.

Air strikes had to be called in to disentangle the Australians. The same day, insurgents attacked an US/Afghan army base in the eastern province of Kunar, near the Pakistan border. They were driven off by artillery and air strikes.

On April 28, clashes between Taliban and US troops took place in Nimroz province and Ghazni province, with no reported American casualties. Another Australian soldier was wounded during a firefight in Uruzgan.

Two American troops were killed in separate incidents on April 29. Jonathan Yelner, a 24-year-old member of an Air Force maintenance unit, was killed by a roadside bomb planted outside the huge US airbase at Bagram, in central

Afghanistan. Army sergeant David McDowell, 30, was killed by guerrilla small arms fire near Camp Bastion, the main NATO base in northern Helmand province.

Also on April 29, a suicide bomber detonated explosives among members of a government opium poppy eradication team in the province of Nangarhar. Eighteen people were killed and at least 31 wounded.

On April 30, one Czech soldier was killed and four others wounded by a roadside bomb in Logar province. Czech forces only assumed command over ISAF's "Provincial Reconstruction Team" in Logar on March 28.

A Fijian-born British soldier, Ratu Babakobau, was critically wounded on May 2 when his vehicle struck a mine in northern Helmand. He was declared dead on arrival at the Camp Bastion hospital. Three other British troops and one Afghan were wounded.

On May 5, a civilian helicopter contracted by the US military was hit by small arms fire in Kunar province and forced to make an emergency landing. There were no reported casualties. Yesterday, one Canadian soldier was killed and another wounded during a clash with insurgents in Kandahar province.

In almost every engagement with Afghan guerrillas, the US and ISAF forces rely on air support from helicopter gunships or fighter-bombers to avoid casualties. Attacks on alleged Taliban targets are also overwhelmingly carried out by aircraft.

As many as 10 air attacks are carried out every day in Afghanistan. Often, civilians are killed or maimed by these indiscriminate bombings, fuelling hatred for the occupation and creating fresh recruits for the insurgency.

The dependency on air power underscores the fragility of the US/NATO hold on Afghanistan. Some 64,000 foreign troops are trying to occupy a country the same size as Iraq but which has a far more rugged terrain and a largely rural population.

The US-funded and equipped Afghan National Army consists of less than 70,000 personnel and has no independent air support or logistic systems.

By comparison, the failed Soviet occupation of Afghanistan during the 1980s involved 108,000 troops at its peak, with over 300,000 pro-Moscow Afghan government troops and police.

Like the Soviet forces, the far smaller US-led occupation only controls the main cities and selected strategic positions. The Taliban and other insurgent groups are able to operate largely unhindered across large parts of the countryside.

The insurgents are also backed by divisions within the NATO-commanded International Security Assistance Force, which has responsibility for security in all

the country except the eastern provinces, where some 14,000 US troops operate independently of NATO.

ISAF is made up of roughly 50,000 troops from 40 different countries, with many national contingents consisting of only a few hundred personnel.

The inevitable command and logistical difficulties arising from its diverse composition are compounded by various national cautions placed on the use of troops.

More than a third of the ISAF personnel, including the large contingents of German, French, Italian, Spanish and Turkish troops, are not allowed to deploy into southern Afghanistan, where the insurgency is most active. American, Canadian, British, Dutch and Australian troops are bearing the brunt of the fighting.

Demands by the US, British and Canadian governments, the major European powers both lift these limits and send extra troops to Afghanistan and this have been largely ignored.

In the wake of the NATO summit in Bucharest during April, France announced extra 700 troops for the eastern provinces to free up US forces to fight in the south. Georgia, which is seeking NATO membership, has promised to send 500 troops.

Small numbers of troops are being sent by Croatia, Poland, the Czech Republic and Romania. The Bush administration ordered an extra 3,500 US marines to Afghanistan in January. The total reinforcements, however, fall far short of the 7,000 to 8,000 extra troops that NATO commanders declared that they urgently needed at the beginning of the year.

The US attempt to quash the Afghan people and turn the country into a pliable client state in Central Asia has dragged on now for over six-and-a-half years. So far, it has cost the lives of more than 800 American and NATO troops and tens of thousands of Afghans.

The estimated financial cost of the occupation was over \$120 billion at the end of 2007. However, little aid has been provided to end the appalling social conditions facing most of the population.

The New York Times reported the Bush administration is considering ordering an additional 7,000 US soldiers to Afghanistan in 2009 because of "growing resignation that NATO is unable or unwilling to contribute more troops".

Such a deployment would move American troop numbers in Afghanistan to over 40,000 and further step up the death and destruction.

The war has no end in sight. The unstated position in Washingtonone shared by both Republicans and Democrats that tens of thousands of American troops will be killing and dying in Afghanistan for the next decade or more.

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Roadrunner breaks computer speed barrier

IBM and scientists at Los Alamos National Laboratory have built the world's fastest supercomputer and will use it to simulate nuclear detonations as a way of assessing the U.S. nuclear stockpile without actually exploding warheads.

The supercomputer called Roadrunner has broken a speed barrier - a petaflop of sustained performance - that eluded computer makers for several years. A petaflop is 1,000 trillion operations per second.

Working at that speed, the computer can perform the complex simulations the National Nuclear Security Administration (NNSA) needs to be confident that aging U.S. nuclear warheads still work properly, said Thomas D'Agostino, NNSA administrator.

The computer, which IBM says will fill 21 tractor trailers, will be shipped to Los Alamos in New Mexico in July. It was built and is being tested in an IBM plant in Poughkeepsie, N.Y.

Once it's installed at Los Alamos, it will be used to analyze the performance of nuclear weapons and for other classified military work, including simulations that will support U.S. troops in Iraq, D'Agostino said.

The computer will perform very complex simulations to study warhead performance from multiple perspectives in space and time, said Michael Anastasio, director, Los Alamos National Laboratory.

To be confident that U.S. nuclear weapons still work as expected 30 to 40 years after they were built, the NNSA wants to run three-dimensional simulations of the primary chemical explosion that squeezes the plutonium core tightly enough to set off the nuclear explosion, said Hans Kristensen, director of the Nuclear Information Project at the Federation of American Scientists.

Among other things, the computer must accurately calculate the propagation of the pressure front of the chemical explosion, Kristensen said. Pressure from that explosion must be absolutely uniform on the nuclear core so that the core explodes with the desired yield.

The Roadrunner's speed means "we can solve problems faster," D'Agostino said. Problems that used to take six months to solve now might be solved in a month, he said.

IBM says Roadrunner is twice as fast as IBM's Blue Gene, the previous speed record holder, and six times faster than the next fastest supercomputers.

In addition to monitoring nuclear weapons, Roadrunner computers are expected to have numerous commercial uses, Turek said.

The computer's modeling capability should enable it to help design more efficient engines, better ship hulls and superior aircraft, he said.

The financial services industry may use Roadrunner supercomputers to better predict market activity, and pharmaceutical companies can use it to simulate how drugs will react in the body, IBM says.

Germany mulls major boost to Afghan force

Germany is debating a major increase to its force in Afghanistan, a NATO source said June 9, as pressure mounts on Berlin to play a greater security role in the insurgency-hit country.

The source, speaking on condition of anonymity, said that the government could ask parliament to approve in October a new mandate for a maximum of 6,000 troops, compared to some 3,500 at the moment, according to NATO figures.

Other figures being discussed range from 4,500 to 5,000.

Germany's contingent is based near Masar-i-Sharif in northern Afghanistan, and its NATO allies have been trying to convince Berlin to deploy them to more hostile areas such as the south, where the Taliban-led insurgency is strongest.

But Germany maintains that reconstruction is every bit as important as fighting, and has been reluctant to move them for the 53,000-strong NATO-led International Security Assistance Force (ISAF).

Expansion might not mean that the troops will be sent elsewhere. In April, the German army's chief of staff said he wanted more troops in northern Afghanistan following a string of attacks on its soldiers and Afghan helpers there.

Wolfgang Schneiderhan told the Focus weekly that German operations in the north were stretching it to the limit.

"That takes away flexibility for me to react quickly to any worsening in the situation. I will argue this when the extension of the mandate comes up for discussion in the autumn," he said.

Since 2002, 26 German troops have been killed in Afghanistan.

The ISAF mission will be a major topic on the agenda of talks between NATO defence ministers at allied headquarters in Brussels on June 12 and 13.

Source: www.defensenews.com

The myth of 'Weapons of Peace'

FIRDAUS AHMED

CELEBRATIONS attending the tenth anniversary of Pokhran II were unsurprisingly muted. This projected India as a responsible nuclear power, while having internal political utility of denying credit to the current opposition party for tests conducted in its earlier tenure at the helm. The commentary attending the anniversary, however, has generally been along two lines. The first is on how nuclearization has contributed to India's security while the second is on how India is lagging behind in relation to its adversaries. Along the latter direction, there is even motivated talk of a 'missile gap' opening up with Pakistan.

Celebratory anniversaries are not the appropriate time for sober reflection. Instead their aftermath provides a better vantage point. A critical look here reveals the obverse side of nuclearization, lost in the official - strategist-purveyed - point of view.

India's expansive Dravet Nuclear Doctrine (DND), adopted in wake of the Kargil war, gained partial official endorsement by the Cabinet Committee on Security in January 2003. India has promised that "(N)uclear retaliation to a first strike will be massive and designed to inflict unacceptable damage." This is certainly an improvement on the earlier formulation of the DND: "any nuclear attack on India and its forces shall result in punitive retaliation with nuclear weapons to inflict damage unacceptable to the aggressor."

There appears to be a move away from massive retaliation in case of "any nuclear attack" to one only in case of "first strike." There is doubt over whether the distinction between the "first strike" and "first use" is sufficiently appreciated. Taking the press release of the

National Security Council Secretariat at face value, it may be conceded that the security establishment prefers obfuscation to enhance deterrence of first use by the adversary.

The reformulation of January 2003 is important in that it brings India's case for use of nuclear weapons generally in line with the advisory opinion of the International Court of Justice (ICJ) on the legality of nuclear weapons of 1996. The ICJ had pronounced that "it cannot reach a definitive conclusion as to the legality or illegality of the use of nuclear weapons by a State in an extreme circumstance of self-defence, in which its very survival would be at stake." The Wikipedia definition of 'first strike' has it that it is "a preemptive surprise attack employing overwhelming force" aimed at depriving the victim of the ability to strike back. A 'first strike' is by definition one disarming nuclear retaliatory capability, making it a combination of counter-force and decapitating strike. This would be of the order constituting threat to existence of the state, enabling the response deemed permissible by ICJ. A befitting reply with nuclear weapons would not be illegal.

However, the manner of retaliation promised as "massive" enough to result in "unacceptable damage" is believed to be "counter value" or of city-busting nature. This would run India's case afoul of the requirement of "proportionality" that governs self-defence under Charter Article 51. It is also questionable under international humanitarian law that prohibits indiscriminate effects on combatants and civilians or causes unnecessary suffering, and harm greater than unavoidable to achieve legitimate military objectives. This, incidentally, was a point in India's written submission to the ICJ in its



consideration of the case. Lastly, it would be within the prohibited methods or means of warfare intended, or may be expected, to cause widespread, long-term and severe damage to the natural environment.

While targeting details may remain outside the public domain, legal considerations must inform them in order that the moral high-ground - critical to the political outcome of the conflict - is not lost sight of. That this has not been done is evident from the comfortable advocacy witnessed of targeting nine to ten cities in retaliation. This would bring the genocide convention into consideration.

Ongoing improvements in accuracy of delivery systems,

miniaturization of warheads and missile defence make a wider menu of options possible, including nuclear war-fighting aimed at terminating any exchange at the lowest level of escalation. The possibility of pre-emption entering the reckoning and an arms race, provoked by missile defence, is on the cards in future. The American logic of preventive war and preemption has already found echo in Indian strategic thinking. Having earlier followed the Americans in including the possibility of nuclear resort against chemical and biological weapons, future evolution of Indian thinking along this direction cannot be ruled out.

A future arms race, provoked by

developments in missile defence, cannot be discounted. India and Pakistan, not being signatories to the NPT, are not even bound by the strictures of the ICJ that the "obligation" of negotiations in good faith towards nuclear disarmament goes beyond that of a mere "obligation of conduct" but is one "to achieve a precise result." On this account, India's recourse to advocacy of universal nuclear disarmament is naive, and on that count, appears Machiavellian.

So long as nuclear weapons exist, the threat these pose needs foregrounding, lest these be mistaken as 'weapons of peace' by default.

By arrangement with IPCS, New Delhi.