**Revisiting the Foreign Office**

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Is diplomacy the only agenda a country’s foreign office has? Packing people-to-people relations or de-escalating issues through negotiations and adding in the niceties to stabilize foreign relations is an outdated and counterproductive idea. I am certain many diplomats will disagree with me but if you could bear till the end, you just might see how the role and function of the foreign office can be overhauled.

John Roos, USA’s ambassador to Japan (2009-2013) and a diplomat once said, “Diplomacy is fundamentally working with people, bringing people together to deal with difficult issues.” No disrespect to the attorney and diplomat here but it is such a half-cooked statement. I mean if you look at diplomacy merely as a tool used by wordsmiths sure it’s just that. However, what if we have misunderstood it all these years or may not be utilizing the diplomatic powers to the fullest? What most foreign offices do is aid their citizens in the host country, establish goodwill through a certain set of activities, keep an eye on policies and politics and when the ship sails, pull out their people. In the words of John Dingell, “War is the failure of diplomacy.”

The problem with Roos’s statement is that he sees diplomacy as fundamental to bringing people together and working with them. However, I believe the fundamental of bringing people is through establishing sound economic relations. From the silk route to the amber road, trading routes have always had the power to transform cities, impacting cultures and how we operate in our daily lives. The traders were learned and equipped to represent the monarchs and top hierarchy of their land and they did so with finesse. In today’s world when the global supply chain has become ever more critical, it’s mindboggling to know that we are breeding a generation of diplomats who are merely trained negotiators – word smiths as I call them. A fleet of good-looking men and women who are ready to smile and sit through hours-long cultural events and more just to give a country a nice facelift? But is this the facelift we need?

The SIFC has set an ambitious FDI target of 100 billion US dollars in three years. My previous article critically analyzed SIFC and the key success factors Now let’s revisit Pakistan’s foreign office in the context of playing its part in the economic growth. This article will open a new avenue for potentially meeting that FDI goal through appointing “commercial counsellors.” Pakistan ranks 60th in terms of inward FDI with technology and business services as the primary source of attraction. The World Bank states that Pakistan needs to make big changes to its policies and growth path if it wants to stop climate-related disasters, which will require substantial investment.

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According to the State Bank of Pakistan, first seven months of FY 2023, net foreign portfolio investment also posted negative growth with USD 14 million in outflows. During the period under review, the total amount of foreign investment, which includes FDI, portfolio investment, and foreign public investment, fell by 118%. According to Business Recorder, the total amount of foreign investment in the country from July to January of FY23 was -$341.4 million. In the same period of FY22, USD 1.875 billion was invested.

To stop relying on international lenders for its financial needs, Pakistan needs a team of technocrats appointed through the foreign office in all important trading nations. Since China has been one of Pakistan’s largest lenders, I will assume it is a major FDI player. Appointing commercial counsellors in China should be done in 2 ways. Clear regional segregation and an industry-wise dividend portfolio. The reason for this is China is not only a huge market, but it is also extremely diverse in its production and production needs. Another factor supporting the case of commercial counsellors for Pakistan is the fact that businesses in China are evolving rapidly. Also, as the inward FDI continues to move to India – making it one of the biggest recipients of FDI in 2022 nearly three times greater than China, the country needs to maintain its international competitiveness and one way to do it is by expanding its production to a cheaper country like Pakistan.

Much of the work of commercial counsellors would consist of reporting economic developments in the host country to the federal government. This report must be distributed to all relevant Ministries concerned with economic and trade issues. The reports generated by the commercial counsellors must cover a wide range of topics, including general analyses of economic developments, evaluations of applications for development aid, and detailed descriptions of legislative and administrative measures that may have a direct or indirect impact on the commercial relations between the host country and Pakistan. When it comes to measures that have an immediate impact on trading conditions, such as changes in customs duties, quotas, or foreign exchange allocations for imports, the reports are sent out promptly so that exporters can take the necessary steps. The Foreign Office may also distribute these reports to interested business circles.

In recent years, development aid has opened up a vast new sphere of activity for the commercial counsellor, one in which traditional social and humanitarian considerations play an equally important role as economic factors. Commercial counsellors can work closely with humanitarian or developmental project lenders to propose areas and projects of interest in Pakistan. As we are all aware of the impact of climate change in Pakistan – this could foster great development projects in the country by attracting potential international partners through FDI.

Export promotion has been a huge grey area for Pakistan. The commercial counsellors being trade ambassadors of the country must also always keep in mind its export portfolio. By intelligently linking the exports with the needs of the host country, we can open new gateways of promotion for our SME services sectors and more. All of this is possible and practical, only if we are willing to undertake necessary action and make changes to our Foreign Office’s structure, its purpose and execution. Pakistan has produced many great businessmen who can willingly act as its commercial counsellors and help the nation on to a path of economic sustainability and growth.

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