

## **ESRC-ICSSR Call for Collaborative Research**

### **The future of UK-Indian trade and cross border investment in a changing global environment**

#### **Call specification**

##### **Summary**

The Indian Council of Social Science Research (ICSSR) and the UK's Economic and Social Research Council (ESRC) invite joint applications for collaborative projects between Indian and UK researchers focusing on the future of India-UK trade and investment relations in the context of a changing global environment (exemplified not least by the UK's prospective departure from the European Union and threats to the global trading system posed by an apparent drift towards protectionism). In particular, the funders wish to encourage projects that identify the challenges and opportunities associated with strengthening India-UK bilateral trade and investment relations against this changing international environment, together with the associated policy alternatives facing both countries if they are to take full advantage of the potential for closer mutually beneficial engagement in the trade and investment spheres.

Proposals are invited which address one or more of the following interrelated topics;

1. India-UK trade and investment in a global context;
2. Drivers of India-UK bilateral trade and investment relations;
3. Technology, innovation and trade in services;
4. India-UK socio-cultural interdependencies and trade and investment relations

##### **Background of the funders**

The ESRC is an international leader in funding academic research in the social sciences. It fosters international collaboration with a wide range of partners and, through joint schemes, enables UK social scientists to collaborate on challenging global issues with the very best international researchers from around the world.

The ICSSR is, an apex social science body fully funded by the Government of India through Ministry of Human Resource Development, New Delhi, mandated for promoting social science research. Among its objectives, as per MOA, the ICSSR is mandated "to advise the Government of India on all such matters pertaining to social science research as may be referred to it from time to time, including collaborative arrangements in social science research with foreign agencies" and it "also assists Indian social scientists to develop research outside India".

##### **Funding**

Funding of up to £1.3million is available from ESRC, with a maximum of £406,250 at 100% full economic cost (fEC) available per proposal, of which ESRC will contribute 80% fEC (£325,000) per proposal. Funding of up to INR25 lakhs per proposal is available from ICSSR. It is expected that up to four research projects will be awarded under this call.

ESRC-funded costs of each grant will be issued and managed by the ESRC in accordance with its normal research funding guidelines and procedures <https://esrc.ukri.org/funding/guidance-for-applicants/research-funding-guide/>

ICSSR-funded costs of each grant will be issued and managed by the ICSSR in accordance with its normal guidelines. Applicants should liaise closely to ensure that both ESRC and ICSSR-supported elements of the proposal abide by all regulations for both funders.

Each grant will require a UK Principal Investigator (PI) and an India based PI who will equally share leadership and project management for each project. Each PI will apply for funding to support their specific component of the team grant from their respective funding agency. The funding agencies also expect the costs on each side to accurately reflect the research effort to be carried out. It is expected that the research effort on both sides should be comparable.

### **Call objectives**

The aims of this call are to enhance the evidence base on the challenges and opportunities associated with India-UK bilateral trade and investment relations by taking advantage of research strengths in the UK and India and to enable the creation and uptake of research outputs/outcomes with key stakeholders (i.e. policy makers, decision-makers) in both countries.

### **Thematic focus - background**

The proposed call for research comes at a time of substantial change in bilateral India-UK trade relations and in the wider international trading environment. Bilateral trade between the UK and India has grown rapidly over the last 10 years, reaching over £20 billion by value in 2018. Direct investment flows are similarly substantial: The UK and India have been top five investors in each other's economies since 2010. There are over 400 UK companies operating in India, employing over 450,000 people. Similarly, there are about 800 Indian companies operating in the UK, employing more than 100,000 people and making a significant contribution to the economy. Both the UK and Indian governments have expressed a wish to see trade and investment flows expand; India has taken substantial steps through a range of government initiatives to support export industries, improve ease of doing business and attract investment, whilst the UK's focus on improving access to fast-growing emerging markets such as India has only been reinforced by the desire for new trade relationships post-Brexit. Potential barriers to a stronger trading relationship remain, in part resulting from constraints imposed by existing trade or domestic economic policies in both the UK and India; however both governments have committed to exploring the necessary steps that would allow for a more ambitious bilateral trading relationship in future.

At the same time, both countries need to respond to wider challenges to the existing multilateral trading regime: The mutual gains to be derived from free trade have been a very long-standing and generally accepted principle of mainstream economic theory, and the growth in international trade and investment over the past forty years has arguably been a primary driver of the unprecedented improvement in living standards and reduction in poverty achieved globally. However, the current multilateral trading regime (and 'globalisation' more generally) is facing a number of challenges, driven in part by specific perceived grievances relating to allegedly unfair trading practices or associated issues relating to, for example, intellectual property, but also reflecting deeper issues concerning the costs and benefits from trade and the impact of trade policy on domestic policy objectives.

Note that although projects will be funded for a period of 36 months, an important element of this call is that successful applicants are asked to produce after twelve months an initial synthesis document summarising the current state of evidence in their chosen area of enquiry, together with the outstanding research issues to be pursued in the remaining term of the grant. This material will form the basis of an event to be arranged by the funders which will aim to bring grant holders and interested

parties from the policy and business communities in India and the UK together so as to gain an early understanding of the state of existing research on key questions of policy and practice as well as identifying common research themes and priorities emerging across the successful projects.

### **Research areas**

The call invites proposals for research in the following interdependent areas. **Annex A**, which summarises the research issues which were identified in a workshop organised by the ICSSR and ESRC in March 2019, provides further details of the issues which might be addressed in prospective research projects. **Proposals may cover one or more of these areas but research should ultimately focus on the implications for India-UK trade and investment relations.** The Funders will aim to recommend a balanced portfolio of projects.

#### India-UK trade in a global context

Recent years have seen unprecedented pressures on the multilateral international trading system, reflected in rising protectionism, lack of agreement on needed reforms of the WTO regime, a proliferation in bilateral trade agreements and a stalling in the trade and development agenda. Proposals are invited which consider the future of UK-India trade relations in this wider context: what are the implications for India-UK trade relations of recent developments? How could India and the UK cooperate in promoting WTO reforms, given a shared interest in promoting multilateral trade and in encouraging trade as a means of stimulating economic development? What would a shared agenda for reform look like?

#### Drivers of Indian-UK bilateral trade and investment relations

Recent years have seen important developments in Indian-UK trade relations, reflected in India's liberalisation agenda and significant growth in UK-India bilateral trade and investment. Nevertheless, the UK has tended to underperform as against other advanced economies in Indian markets and important barriers to stronger bilateral trade and investment relations remain, complicated by ongoing uncertainties as to the UK's ultimate economic relationship with the EU. Proposals might evaluate how much policy changes in recent decades have served to increase the openness of the Indian economy and how this could enhance the prospects for UK-India trade and investment. Specifically, what lies behind the UK's relative underperformance as a trading partner in recent years and what steps can be taken to reverse it, irrespective of Brexit? In the event of the UK assuming responsibility for an independent trade policy following withdrawal from the EU, what additional steps will the Governments of India and the UK be able to take to address barriers to trade and investment?

#### Technological, innovation, services and trade

The UK and India both have a comparative advantage in services, which are an important share of both countries exports, increasingly facilitated by new technology which acts as a 'trade enabler' for service industries, exposing previously sheltered sectors to international competition. What opportunities does this open up for bilateral trade between the two countries and for cooperation in related spheres such as technology transfer, regulation and standards, data security and transfer of skills and knowledge?

#### India-UK socio-cultural interdependencies and trade

The Indian global diaspora has played an important role in influencing trade and investment relationships, both directly through remittances and indirectly through cultural affinities. This is especially so in the case of India-UK relationships given that individuals of Indian origin living in the UK total 1.45m, or 2.3% of the population, whilst Indian-owned companies are both major UK employers and also important direct investors. Projects might consider how cultural factors shape

the collective identity of members of the Indian diaspora and how these in turn influence economic decision making and ultimately trade and investment patterns. What does this mean for the influence of the Indian diaspora on UK-Indian trade relationships and how should UK and Indian policy makers respond in order to maximize the potential of the diaspora and shared cultural values to reinforce trade and investment links?

### **Co-ordination and Knowledge Exchange**

Successful applicants will be expected to attend a knowledge mobilization event with key policy stakeholders in India in 2021. The funders will arrange this meeting and will provide the successful applicants with further details. All applicants should include in their budget travel costs for attending this meeting.

### **Data collection**

We encourage applicants to take innovative approaches to data collection and use, look to fill gaps within existing data, and consider ways in which their data could be preserved and made available to others for secondary analysis. It is part of our data policy that datasets generated from ESRC-funded research, including through data linkage, should be available for re-use and deposited in an appropriate repository where possible.

Please see the ESRC research data policy ([www.esrc.ac.uk/datapolicy](http://www.esrc.ac.uk/datapolicy)) for further guidance. This is also applicable to ICSSR.

### **Sharing research data**

If the proposal involves the sharing of data across institutions or countries, applicants are expected to consider what data will be shared across UK-India borders and how this will be managed to ensure the research project runs successfully and within the planned schedule. Data protection in both countries is complex and getting the permission for accessing data can take a long time. Please start this process as early as possible and consider the legal systems in both countries.

### **Research impact**

Researchers are encouraged to be innovative in the kinds of user engagement, communications and research uptake activities they undertake during and beyond the period of research funding. It is important that applicants appreciate that outreach and engagement activities in themselves do not constitute impact. The development of a clear impact strategy and conceptualisation will be important to ensure that research impact is achieved. When completing the impact summary section of the form, applicants may find it helpful to refer to ESRC guidance on developing an impact strategy ([www.esrc.ac.uk/research/evaluation-and-impact/developing-an-impact-strategy](http://www.esrc.ac.uk/research/evaluation-and-impact/developing-an-impact-strategy)). Costs for impact generating activities should be costed into the proposal.

### **ESRC-eligible applicants**

Proposals should have a lead applicant from each country. The lead applicant from the UK should be listed as the Principal Investigator (PI) of UK proposal and must be based at a Research Organisation that is eligible for UKRI funding.

### **ICSSR-eligible applicants**

Applicants must be employed in a research or academic position in a recognised research or academic institution – either publicly funded university/college recognised by the UGC or a publicly funded research institute or ICSSR research institute. They must also hold a PhD or equivalent qualification.

### **Capacity-building**

We particularly welcome the inclusion of Early Career Researchers (ECRs) in research teams for this call. The UK-India element of funding will not cover UK PhD studentships.

## How to apply

Funding of up to £1.3million is available from ESRC, with a maximum of £406,250 at 100% full economic cost (fEC) available per proposal, of which ESRC will contribute 80% fEC (£325,000) per proposal. Funding of up to INR25 lakhs per proposal is available from ICSSR. The ICSSR funding for the initiative comes from its programme on international collaboration. It is expected that up to four research projects will be awarded under this call.

It is expected that the ESRC funding will be used to support the UK component of the partnership and that ICSSR funding will support the Indian component.

A UK-based lead partner and an India-based lead partner should be identified, each of whom will lead on the joint writing of the proposal and its submission in their respective countries.

The UK-based lead partner should ensure the application is submitted via the Je-S system. If the UK application comes from multiple institutions, then the application should be made on a single Je-S form from the UK-based lead partner's host institution. The India-based lead partner should ensure they email ICSSR by the closing date.

## ESRC submission

Proposals must be submitted by 16:00 GMT on **5 December 2019** via the UKRI Joint electronic Submission (Je-S) System that includes all supporting documents as requested below.

Please consult the following additional documents:

- Je-S guidance
- UK addendum

Supporting documents to be jointly written (where applicable) and attached to the proposal:

- Case for support (six pages max)- **this should be jointly written**
- Justification of resources (two pages for the resources requested from ESRC)
- Pathways to Impact (two pages max)
- CV (two pages max for each named researcher)
- Management Plan (two pages max)
- Data Management Plan (three pages max)
- International Funding Agencies Resource form (includes two pages for justification of resources requested from ICSSR and CVs for all named researchers)

## ICSSR submission

An email containing the International Funding Agencies Resource form should be emailed to [adinchargeics@gmail.com](mailto:adinchargeics@gmail.com) by 21.30h on **5 December 2019**. ESRC will share some details from the Je-S submission with ICSSR as part of the joint peer review process.

For submission to ICSSR please refer to the following documents:

- International Funding Agencies Resource form
  - This includes information on the research team, costs applied for and their justification.

## Assessment of proposals

The Full Proposal will be assessed by peer review and a joint UK-India panel. Recommendations for funding will only be made for proposals that receive competitive reviews in both the UK and India assessment processes. The common Case for Support including the Joint Proposal Form allows for a joint peer review via the process below. Please be aware that information from your proposal will be shared with ICSSR. Proposals will undergo peer review within the country they were submitted. The joint panel will be asked to assess the proposals against the assessment criteria. Funding decisions will be made in April 2020.

## **Assessment criteria**

Proposals will be assessed by a joint panel established between ICSSR and ESRC. The criteria for the selection of proposals will include:

### Strength of International Collaboration

- What is the added value of the UK-India cooperation to the research proposal, including the complementary nature of the UK and India teams?
- Does the proposal involve any UK-India comparative elements and if so how does this add value to the work proposed?
- Is the distribution of work between the UK and India partners appropriate? i.e. is it truly collaborative?
- Relevance of the proposal to addressing the call challenges- how appropriate and developed is the collaboration between the UK and Indian researchers in addressing the call challenges?

### Originality / Potential Contribution to Knowledge

- Is the proposed research likely to make an original and significant contribution to knowledge?

### Fit to Call

- Does the proposal meet the ambitions outlined in the call specification?
- Does the proposal cover the one or more of the identified research areas outlined in the call specification?
- Does the proposal address key challenges or policy questions associated with UK-India trade and investment relations?

### Research Design, Work Plan and Research Team

- Are the objectives of the proposal clearly stated?
- Are the research methods and framework for analysis suitable to the aims and objectives? Are they clearly defined, rigorous and feasible?
- Is the timescale and scheduling of the work appropriate and realistic?
- Are the qualifications and competencies of the participating team members appropriate to the international collaboration within the proposal?

### Value for Money

- Is the proposal overall good value-for-money for the total costs involved?
- Are the costs requested clearly justified?
- Are the costs included in the proposal 'appropriate' (i.e. are they focused on and necessary for building sustainable partnerships)?

### Knowledge exchange, Impact and Outputs

- Are the planned outputs of the proposal appropriate? Have the applicants made adequate plans to disseminate the results of the collaboration?
- Where relevant, have appropriate arrangements been made for engaging potential users (e.g. business and industry) at relevant stages of the project?
- Is the collaboration likely to have significant social or policy impact beyond the academic community?

### Ethical considerations

- Are any potential ethical issues addressed appropriately and comprehensively in the proposal?
- Have applicants made appropriate plans for data storage and providing access to data for other researchers?
- Does the Data Management Plan appropriately address issues around data sharing across borders?

### **Key dates**

- Call launch – September 2019
- Deadline for proposals – 16:00 GMT on **5 December 2019** and 21:30 India (+ 5.30 GMT)
- Panel meeting – March 2020
- Funding decision – April 2020
- Grant start date – May 2020

### **Key contacts ESRC and ICSSR**

- Paul Sanderson and Alexa Mills, ESRC  
Email: [UKIndiaTrade2019@esrc.ukri.org](mailto:UKIndiaTrade2019@esrc.ukri.org)
- In-charge, International Collaboration Programme  
Indian Council of Social Science Research (ICSSR)  
JNU Institutional Area  
Aruna Asaf Ali Marg, New Delhi – 110 067  
Telephone: 91-11 – 26742832  
Email: [adinchargeics@gmail.com](mailto:adinchargeics@gmail.com); [madhukar806@gmail.com](mailto:madhukar806@gmail.com)

### **Je-S helpdesk**

- Email: [jeshelp@rcuk.ac.uk](mailto:jeshelp@rcuk.ac.uk)  
Telephone +44 (0)1793 444164  
Available Monday-Friday 9.00-17.00 (excluding public or other holidays)

### **Annex A:**

# ESRC-ICSSR workshop on the future of UK-Indian trade and cross border investment in a changing global environment, 5<sup>th</sup> March, 2019, Delhi

## Identified Research Agenda

As part of the consultation activity that helped shape this call, the ICSSR and ESRC organized a workshop on India-UK trade and investment in Delhi in March 2019. The research issues identified are summarized below.

### India-UK trade in a global context

Recent years have seen unprecedented pressures on the multilateral international trading system, reflected in rising protectionism, lack of agreement on needed reforms of the WTO regime, a proliferation in bilateral trade agreements and a stalling in the trade and development agenda.

The following research issues were identified;

- How are the gains from trade distributed in a globalised world economy? Should those who are relatively disadvantaged be compensated? What is the appropriate policy response? Are there specific implications for the UK and India or India-UK trade relations?
- What is 'fair trade' given that trading partners may not share common standards and values relating to e.g. labour market regulation, environmental protection or approaches towards the protection of intellectual property?
- How does the present WTO-based regime need to be reformed in terms of rules, dispute settlement, transparency and monitoring and dealing with specific issues such as with intellectual property rights to ensure continued support for an open, rules-based multi-lateral trading system and its associated benefits?
- How could India and the UK cooperate in promoting reform, given a shared interest in promoting multilateral trade, strengthening the WTO, and in encouraging trade as a means of stimulating economic development? What would a shared agenda for reform look like?

### Drivers of Indian-UK bilateral trade and investment relations

Participants noted developments in Indian trade policy reflected in the liberalisation agenda of recent years and the growth in UK-India bilateral trade and investment noted above. Nevertheless, the UK had tended to underperform as against other advanced economies in Indian markets and important barriers to stronger bilateral trade and investment relations remained. Ongoing uncertainties as to the UK's ultimate economic relationship with the EU were an additional complication in identifying how to address these issues going forward.

- How much have policy changes in recent decades served to increase the openness of the Indian economy to trade and investment by reducing existing barriers and facilitating new activity? Is it possible to quantify this taking into account all relevant elements including, for example, tariffs and quotas, non-tariff barriers, trade facilitation and finance and measures of ease of doing business?
- What has been the domestic impact of such policy changes in terms of growth and employment by sector and by region? What policies might be appropriate to mitigate or reverse the impact on these areas or sectors adversely affected?
- How can micro-data be used to gain a better understanding of global supply chains and their relevance to UK/India trade patterns?
- What domestic bottlenecks at industry and sectoral level continue to constrain Indian trade performance and how should they be addressed?



- What has been the sectoral and regional impact on employment and productivity of direct investment in the Indian economy?
- What are the prospects for UK-India bilateral trade and investment? What are the barriers and constraints on a closer relationship and what reforms or policy changes are necessary to address them? Specifically, what lies behind UK relative underperformance as a trading partner in recent years and what steps are necessary to reverse this?
- Given continued uncertainty regarding the UK's eventual relationship with the EU, what positive steps can nevertheless be taken irrespective of this to address barriers to trade and investment and to improve collaboration in areas of mutual interest such technology, regulation and standards, data security, intellectual property rights and environmental standards?
- How can the UK and India's aid agenda be used to facilitate trilateral trade between the UK, India and recipient countries?

#### Technological, innovation, services and trade

Participants noted the UK and India's comparative advantage in services and the relative importance of services as a share of both countries exports. The role of technology as a 'trade enabler' for service industries was also emphasized, as well as the importance of 'servicification' in underpinning the competitiveness of manufacturing.

- What has been the actual and potential impact of new technology in exposing previously sheltered sectors such as services to international competition?
- What opportunities does this open up for countries such as the UK and India, which have a comparative advantage in technology-facilitated services?
- What trade rules would support beneficial take up of new technology and growth in services trade?
- How has 'servicification' enhanced the competitiveness of UK/India manufacturing?
- What scope is there for bilateral India-UK cooperation in this area and in related spheres such as regulation and standards, data security and transfer of skills and knowledge?

#### India-UK socio-cultural interdependencies and trade

Participants acknowledged the importance of social and cultural factors in shaping economic decisions and the need for interdisciplinary research to investigate them and understand the resulting policy implications. Specifically, attention was drawn to the important role of the Indian global diaspora in influencing trade and investment relationships, both directly through remittances and indirectly through cultural affinities. This is especially so in the case of India-UK relationships given that individuals of Indian origin living in the UK total 1.45m, or 2.3% of the population, whilst Indian-owned companies are both major UK employers and also important direct investors in India. The following research issues were identified:

- What are the underlying cultural processes that shape the collective identity of members of the diaspora and how do these shape economic decision making, skill and knowledge transfer and ultimately trade and/or investment patterns?
- What does this mean for the influence of the Indian diaspora on the pattern of Indian trade in general and UK-Indian trade relationships in particular?
- How do diaspora attitudes shaping, for example remittances or direct investment, differ according to age and generation?
- Do diaspora investors attitude to investment differ significantly from other investors, for example, in terms of preferred sector or aversion to risk?
- How should policy makers respond in order to maximize the potential of the diaspora and shared cultural values to reinforce trade and investment links? What are the implications for policy, including that relating to investment incentives, immigration or education?

- How can the potential of the 'business - cultural – education nexus' be maximised through investment in skills and education and cross border collaboration and partnerships in these areas?