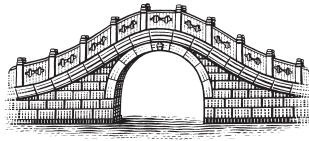


POLICY ANALYSIS

# Developing India's Foreign Policy “Software”

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**KEYWORDS:** INDIA; INTELLECTUAL INFRASTRUCTURE; FOREIGN POLICY FORMULATION; INSTITUTION BUILDING

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## EXECUTIVE SUMMARY

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This article outlines significant shortcomings in India's foreign policy institutions that undermine the country's capacity for ambitious and effective international action, and proposes steps that both New Delhi and Washington should take, assuming they aim to promote India's rise as a great power.

### MAIN ARGUMENT

India's own foreign policy establishment hinders the country from achieving great-power status for four main reasons: (1) The Indian Foreign Service is small, hobbled by its selection process and inadequate midcareer training, and tends not to make use of outside expertise; (2) India's think-tanks lack sufficient access to the information or resources required to conduct high-quality, policy-relevant scholarship; (3) India's public universities are poorly funded, highly regulated, and fail to provide world-class education in the social sciences and other fields related to foreign policy; and (4) India's media and private firms—leaders in debating the country's foreign policy agenda—are not built to undertake sustained foreign policy research or training.

### POLICY IMPLICATIONS

For India to achieve great-power status, a number of improvements to its foreign policy software will be required:

- expand, reform, pay, and train the Indian Foreign Service to attract and retain high-caliber officers
- encourage the growth of world-class social science research and teaching schools in India through partnerships with private Indian and U.S. investors, universities, and foundations
- invest in Indian think-tanks and U.S.-India exchange programs that build capacity for foreign policy research
- bring non-career officers into the Indian Ministry of External Affairs and other parts of the foreign policy establishment as term-limited fellows to improve outside understanding of the policy process
- support the efforts of Indian researchers to maximize public access to material related to the history of India's foreign policy by way of the 2005 Right to Information Act

Today most discussions of the future geopolitical order assume India is rapidly scaling the heights of great-power status. Recent U.S. policy toward New Delhi—including the Bush administration's civilian nuclear cooperation agreement ratified in October 2008—has been predicated on an optimistic projection of India as a powerful U.S. strategic partner. Some U.S. policymakers see in India a potential counterbalance to China's power in Asia, whereas others simply believe that the United States cannot afford to overlook the potential global influence of an Asian state with over a billion citizens and a steadily growing economy. As a result, a strong bipartisan consensus exists in Washington for seeking more extensive ties to India and for encouraging New Delhi's international ambition and capacity for action. The Obama administration has signaled its hope that India will be a U.S. partner in facing “the great common challenges of our era—strengthening the global trade and investment system, addressing transnational threats such as nuclear weapons proliferation, terrorism and pandemic disease, and meeting the urgent danger that is posed by climate change.”<sup>1</sup>

India may not fulfill Washington's ambitious vision for the country, however, as significant bottlenecks leave its ascent less than assured. Chief among these impediments is India's physical infrastructure. Relative to China, India has underinvested in roads, ports, power plants, and many other features that have already transformed the Chinese landscape and are rapidly turning Beijing's great-power aspirations into reality.

So there is no doubt that the “hardware” of the Indian state needs urgent attention if New Delhi ever intends to play a major role in world affairs. Fortunately, prominent Indian leaders, both inside and outside government, are seized by these issues. Yet how adequate is India's “software”—the intellectual and institutional infrastructure needed to exercise power on the international scene? India must make progress on this largely overlooked front as well. Institutions charged with researching, formulating, debating, and implementing foreign policy are too often underdeveloped, in decay, or chronically short of resources. In particular, India's diplomatic service, think-tanks, and universities are not yet up to the task of managing an agenda befitting a great power. As a result, even a wealthier and more powerful India may remain politically inconsequential, unable to set forth and implement a realistic global agenda or to exercise international leadership.

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<sup>1</sup> James Steinberg, “Opening Remarks” (conference remarks, “The U.S.-India Nuclear Agreement: Expectations and Consequences,” the Brookings Institution, Washington, D.C., March 23, 2009, 15)  
 ~ [http://www.brookings.edu/~media/Files/events/2009/0323\\_india/20090323\\_india.pdf](http://www.brookings.edu/~media/Files/events/2009/0323_india/20090323_india.pdf).

Because India is still far from reaching its economic potential, the country's institutional deficiencies are not yet debilitating. Over time, however, these weaknesses will shape the tone and even the substance of its foreign policy. If present trends hold, India's world-view will be parochial, reactive, and increasingly dominated by business interests rather than by strategic or political concerns. In response, Washington would need to scale back its bullish vision of the potential for U.S.-India strategic partnership.

These trends are not set in stone: India can undertake a series of reforms and investments to develop its foreign policy software, thus expanding the country's capacity to conceive and implement ambitious policies with global reach. Furthermore, if the U.S. government is committed to building a partnership with New Delhi as a true great power, Washington should also lend a hand.

This article is divided into four sections:

- ≈ pp. 76–83 examine the current state of India's foreign policy institutions: bureaucracy, think-tanks, universities, media, and private business
- ≈ pp. 83–89 highlight India's deficiencies by drawing comparisons with India's contemporary and historical peer group
- ≈ pp. 89–92 outline the defining characteristics of Indian foreign policy if private sector media and corporations continue to outpace public sector, research, and educational institutions
- ≈ pp. 92–96 propose specific reforms and investments by India and the United States to reduce the gap between India's great promise and current practice

## INDIA'S FOREIGN POLICY INSTITUTIONS AND EXPERTISE

Although the Indian system is heavily dependent on the nation's bureaucracy for foreign policy formulation and implementation, think-tanks, universities, the media, and private business also play a role in the policymaking process. Together, these five types of institutions make up India's foreign policy software. By most accounts, this software requires a serious update if India is to hope to achieve great-power status. Maximizing the capacity and effectiveness of these five institutional sources of foreign policy prowess will provide a major boost to India's effort to secure a seat at the table of the world's top global players.

*Bureaucratic Guardians: The Indian Foreign Service*

Prior to India's independence in 1947, the British managed the country's foreign relations and made little effort to develop an indigenous cadre of trained diplomats. During the Indian state's formative years, Prime Minister Jawaharlal Nehru is widely viewed as having conducted his own, personalized foreign policy, depending on trusted friends and relatives for advice. The Indian Foreign Service (IFS) was originally cobbled together from the Indian Civil Service (ICS) and defense forces, and the nation's diplomatic presence was limited to a few foreign capitals.<sup>2</sup>

Today the IFS remains remarkably small. The Ministry of External Affairs (MEA) is one of India's leanest ministries in part because the MEA has no natural domestic constituency or champion—unlike, for instance, the ministries governing railways or commerce and industry. With fewer than eight hundred professional diplomats and an annual budget of just over half a billion dollars in fiscal year (FY) 2006–07, the service is stretched across 119 resident missions and 49 consulates around the world.<sup>3</sup> IFS officers staff the Ministry of External Affairs in New Delhi; as is the case in most parliamentary democracies, partisan political leaders occupy only a very few jobs at the top of the ministry. Although several thousand additional personnel manage support and logistical functions at the MEA, these individuals are not equipped to handle substantive policy initiatives, suggesting a deeply inefficient allocation of resources within the organization. As retired Indian diplomat Kishan Rana explains, the MEA's "tooth to tail ratio" is extremely low.<sup>4</sup>

Though IFS members tend to marvel with pride at how their diminutive corps manages to keep up with the increasing demands of India's global engagement, critics—friendly and otherwise—suggest it is well past time to expand the service. As one U.S. diplomat put it, the IFS may be right-sized for Malaysia but is certainly not for a country with India's global aspirations.<sup>5</sup> Moreover, the IFS's small numbers run up and down the ranks, from junior to senior officers. Consequently, in contrast to organizations with an up-or-out promotion scheme where underperformers are weeded out over the course of a career, nearly everyone in the diplomatic service rises to the upper echelons.

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<sup>2</sup> Judith M. Brown, *Nehru: A Political Life* (New Haven: Yale University Press, 2003), 247.

<sup>3</sup> Kishan S. Rana, *Asian Diplomacy: The Foreign Ministries of China, India, Japan, Singapore, and Thailand* (Malta and Geneva: DiploFoundation, 2007), 50.

<sup>4</sup> *Ibid.*, 51.

<sup>5</sup> Author's interview with a U.S. government official, New Delhi, September 2007.

The IFS is further hobbled by its selection process, which remains firmly rooted in the old civil service tradition. Diplomats enter the service by taking the same nationwide examination as the much larger Indian Administrative Service. By the numbers, this process is highly competitive: of the roughly 300,000 who initially apply to take the written exam each year, 1,500 are interviewed in person and only 300 are accepted into the entire national bureaucracy.<sup>6</sup> Of these, 20 or so enter the IFS. These impressive statistics, however, cannot mask the fact that India's diplomats should really possess a different set of skills and interests than their peers in the civil service, skills better identified through a separate examination process. The fact that the highest scorers on the exam tend to choose non-IFS careers also reflects poorly on the relative prestige and appeal of the foreign service. By some accounts, India's extensive affirmative action system and increasingly uncompetitive government pay rates have also diluted the academic caliber of new batches of IFS entrants.<sup>7</sup> Although a 21% pay raise for all of India's federal employees in 2008—the first salary increase in twelve years—has no doubt been celebrated by existing bureaucrats, such an increase may not be enough to attract the entry-level standouts who now lean toward the more lucrative private sector.<sup>8</sup>

Charged with the implementation and much of the formulation of India's foreign policy, diplomats in the MEA tend not to cultivate or rely on outside expertise. Like many governments, India runs a closed-shop bureaucracy, with few opportunities for lateral entry or temporary rotations. Yet the MEA's parochialism is also exacerbated by the fact that India suffers from what one prominent former policymaker has termed a "culture of security," in which information concerning government processes is so tightly held that outside researchers find it exceedingly difficult to conduct relevant policy research.<sup>9</sup> Indian scholars find their government famously tight-lipped when it comes to information-sharing.<sup>10</sup> India's foreign policy and military archives are essentially closed. Popular histories are more often penned by retired officials than by policy analysts or historians because only the retirees know what they did in office.

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<sup>6</sup> Rana, *Asian Diplomacy*, 52; and UPSC: Preliminary Exam, available at <http://www.indicareer.com/competitive-exams/UPSC-civil-services-priliminary-examination.html>.

<sup>7</sup> Author's interview with a senior Indian foreign policy official, New Delhi, October 2007; and author's interview with a senior Indian journalist and foreign affairs analyst, Washington, D.C., January 2008.

<sup>8</sup> Amy Kazmin, "India Approves Pay Rise for 5m Federal Workers," *Financial Times*, August 15, 2008.

<sup>9</sup> Author's interview with a retired senior Indian national security official, New Delhi, October 2007.

<sup>10</sup> Anit Mukherjee, "Let Generals Have Their Stories..." *Indian Express*, June 7, 2007.

Indian law buttresses the bureaucracy's insular tendencies by imposing penalties for the public disclosure of information. The Official Secrets Act prevents former policymakers from conducting policy relevant work or research for two years after retirement, thereby placing a severe damper on their contribution to public debate or scholarship.

Because daily operational responsibilities stretch MEA policymakers thin, some recent efforts have been made to outsource discrete analytical tasks to a handful of Indian think-tanks, including the Indian Council for Research on International Economic Relations (ICRIER) and the Institute for Defence Studies and Analyses (IDSA). But these efforts are infrequent and suffer from deep official concerns over the potential for leaks. The MEA's in-house policy planning office is widely panned as irrelevant, disconnected from serious policy concerns, and incapable of high quality output.<sup>11</sup> A large portion of MEA policy formulation and debate is apparently conducted by in-person or phone conversations rather than through careful written analysis, though this pattern may be changing.<sup>12</sup>

The creation of the National Security Council (NSC) in 1998, which is headed by the prime minister, has allowed some limited injection of outside ideas into the policy process. Reporting to the NSC is the National Security Advisory Board (NSAB) of approximately twenty members, staffed by non-governmental experts from various fields. Yet given that many NSAB members are retired military or civil officials, this influential body still reflects a strong insider tradition and may be ill-suited for offering new or creative policy advice.

Finally, the MEA serves as a strict gatekeeper for India's other ministries when in interaction or exchanges with foreign counterparts on agricultural, science, or other sorts of technical fields. With the MEA's scarce personnel and severe time limitations, the agency's procedures are often blamed for retarding, rather than facilitating, constructive engagement.

### *From the Sidelines: India's Think-Tanks and Universities*

Think-tanks modeled along American lines are by no means a necessary precondition for high quality foreign policy research and analysis. Nonetheless, independent or quasi-governmental institutions offer one way to fill gaps in

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<sup>11</sup> Author's interview with a senior Indian foreign policy official, New Delhi, October 2007; author's interview with retired senior Indian Foreign Service officer, October 2007; and Rana, *Asian Diplomacy*, 55.

<sup>12</sup> Author's interview with a mid-level Indian foreign policy official, Washington, D.C., January 2008; and Rana, *Asian Diplomacy*, 72.

official policymaking capacity. As a general rule, India's foreign policy think-tanks lack sufficient access to the information, expertise, and resources required to conduct world-class, policy-relevant scholarship. The Official Secrets Act, closed archives, and tight-lipped bureaucratic culture of the MEA (and other government agencies) are largely responsible for the inadequate flow of information.

First-hand policymaking expertise is plentiful in India's most prestigious think-tanks, but, as is the case throughout South Asia, such expertise is possessed almost exclusively by retired ambassadors and other post-career government officials. With no avenue to conduct meaningful policy analysis outside government, midcareer Indian policymakers have no incentive to leave government service. Conversely, with no means to enter the foreign policy civil service at any rung above the bottom, junior researchers outside government seldom find ways to gain first-hand insight into the policy process. Indian think-tanks are therefore characterized by a sharply bifurcated personnel structure that privileges senior staff and offers younger scholars no ready path for career advancement, through either government service or research.

Likewise, India's corporate sector has not fully embraced the peculiarly American model of sponsoring independent research organizations and providing no-strings-attached grants. The best think-tanks can depend on multiple streams of funding in order to retain balance and independence. Aside from a few notable exceptions, most of India's new mega-rich entrepreneurs have steered clear of supporting public policy research.

Even so, foreign policy think-tanks in India are undoubtedly richer now than in the past. In addition to government-funded programs such as IDSA (which is an appendage of the Ministry of Defence), a small crop of independent institutions has emerged in New Delhi, including the Observer Research Foundation, Delhi Policy Group, and Institute for Peace and Conflict Studies. Still, think-tank resources and growth have not kept pace with Indian economic expansion. As with the MEA itself, nearly all of these institutions find it hard to compete with India's private corporations in attracting and retaining bright new talent.<sup>13</sup> As one member of an Indian think-tank lamented, "I can barely find a PhD from an Indian university capable of writing a single high-quality page of English text."<sup>14</sup>

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<sup>13</sup> Author's interview with an Institute for Defence Studies and Analyses (IDSA) fellow, New Delhi, October 2007.

<sup>14</sup> Author's interview with a fellow at an Indian think-tank, New Delhi, July 2006.



Indeed, an important part of the trouble in attracting qualified personnel stems from the woeful state of India's university system. In a June 2007 speech in Mumbai, Prime Minister Manmohan Singh acknowledged that "almost 2/3rd of our universities and 90% of our colleges are rated as below average on quality parameters."<sup>15</sup> Numerous studies and commissions have identified glaring deficiencies in India's public institutions of higher education, which are at once highly regulated and poorly funded. Typically, these reports stress how India's universities are not meeting the needs of the Indian masses.<sup>16</sup> Yet for the purposes of improving Indian foreign policy formulation and analysis, the quality of top-tier elite institutions, particularly in the social sciences, is most relevant. In engineering, medicine, and management, private investment and new private institutions are filling the gaps in India's public universities.<sup>17</sup> The social sciences, however, have no such benefactors.

In India as in many other countries, social science research has trouble attracting the best and brightest students, who tend to gravitate to the hard sciences, medicine, business, and technology. As a rule, India has also had a relatively weak tradition of studying other regions, social science methodologies, and foreign languages.<sup>18</sup>

The graduate program at Jawaharlal Nehru University (JNU) in New Delhi is considered India's gold standard in the field of international relations. Many of India's best policy analysts in think-tanks and government have spent time there. Yet the quality of the JNU program is suffering from a lack of state investment. Poor resources hurt efforts to recruit and retain world-class faculty, and the intrusion of a quota-based student selection process further dilutes incoming classes already drained by competition from other more lucrative or prestigious fields.<sup>19</sup> The JNU campus has always been a famous training ground for left-leaning student politics, but the campus is not presently capable of preparing India's next generation of foreign policy analysts or practitioners to a world-class standard. Nor are there signs that other Indian universities are filling this gap.

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<sup>15</sup> "PM's address at the 150th Anniversary Function of University of Mumbai," June 22, 2007, Prime Minister of India's Office website, available at <http://pmindia.nic.in/speeches.htm>.

<sup>16</sup> Pawan Agarwal, "Higher Education in India: The Need for Change," Indian Council for Research on International Economic Relations (ICRIER), ICRIER Working Paper, no. 180, June 2006.

<sup>17</sup> Devesh Kapur and Pratap Bhanu Mehta, "Indian Higher Education Reform: From Half-Baked Socialism to Half-Baked Capitalism," Harvard University Center for International Development (CID), CID Working Paper, no. 108, September 2004.

<sup>18</sup> Patricia Uberoi, "Looking Back and Looking Ahead" (unpublished review of China Studies Workshop, October 2007).

<sup>19</sup> Author's interviews with Jawaharlal Nehru University graduates now working in the field of foreign policy research, New Delhi, 2007 and 2008.

### *Leading the Way: India's Private Sector and Media*

Over the past decade India's entrepreneurial private sector has begun both to assume a leadership role in the international arena and to take on some minor functions traditionally filled by a government's foreign policy apparatus. Major Indian corporations such as Infosys, Tata, and Reliance are internationalizing their operations and presenting a new face of India to the world. This trend is likely to continue despite the global economic downturn that has shrunk India's real GDP growth from 9% in 2007–08 to a forecasted 6.2% in 2008–09 and 6.1% in 2009–10.<sup>20</sup> In an early sign of the Indian business community's international aspirations, global elites were treated to an extravagant "India Everywhere" advertising blitz at the 2007 World Economic Forum in Davos. The campaign was conceived by a public-private partnership that raised \$4 million from 22 companies and the Ministry of Commerce, and was intended to highlight India's "brand" as a tech-friendly, rapidly growing, free market democracy.<sup>21</sup>

Playing a central role in the "India Everywhere" campaign was the Confederation of Indian Industry (CII), India's most prominent business advocacy group. On the occasion of India's 60th anniversary in 2007, CII was again at the forefront, managing a dizzying array of celebratory events in New York that ran the gamut from business to culture to politics. CII has expanded its operations to include a wide variety of events and exchanges, including a high-profile series of "strategic dialogues" with the U.S.-based Aspen Institute, an activity that would typically fall under the purview of a think-tank. Well-funded and energetic, the CII is putting its stamp on India's international image and developing relationships more rapidly than its counterparts, whether in the nonprofit world or in government. CII does not, however, maintain a research or think-tank program.

Indian journalists and media pundits are also engaged in a lively debate on India's foreign policy agenda. Massive readership of Indian newspapers and the proliferation of electronic media outlets have enabled more extensive international news coverage, although most media attention remains focused on local and national issues. The small number of full-time foreign correspondents, all based in a handful of major cities such as Washington, D.C., and London, still hampers international reporting.

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<sup>20</sup> Economist Intelligence Unit, "Country Briefings: India," *Economist*, December 19, 2008 ~ <http://www.economist.com/COUNTRIES/India/profile.cfm?folder=Profile-Economic%20Data>.

<sup>21</sup> "Delhi in Davos: How India Built Its Brand at the World Economic Forum," Knowledge@Wharton, University of Pennsylvania ~ <http://knowledge.wharton.upenn.edu/article.cfm?articleid=1394#>.

Despite these limitations, India's newspapers now play a primary role in foreign policy debate. Major issues such as the India-U.S. nuclear deal are hashed out in impressive, sometimes excruciating detail, bolstered by commentary from a stable of well-known former government officials. In the MEA, news and op-ed pages from three or more Indian newspapers are considered required daily reading.<sup>22</sup>

The extensive resources available to the private sector, industry groups such as CII, and the media have turned these groups into leaders in articulating and debating India's foreign policy agenda. Yet it should come as no surprise that the incentive structures within these organizations are geared toward short-term, profitable, or high-profile agendas. These groups are not built to undertake sustained policy research or training and should not be expected to fill gaps left by government, think-tanks, or universities, even if appearing at a superficial level to provide similar services.

#### INDIA IN PERSPECTIVE

In April 2007 Indian foreign secretary Shiv Shankar Menon cited personnel figures from the foreign services of other states to advocate a doubling of MEA's total personnel.<sup>23</sup> Although making perfect comparisons of personnel data across countries is difficult, large developing states such as Brazil and China have at least 50% more professional diplomats than India's paltry 669.<sup>24</sup> Mid-sized developed countries such as Germany and the United Kingdom have roughly 5 times India's numbers, and the United States has between 20 and 30 times more personnel (including foreign and civil service engaged in foreign policy). Singapore, a city-state of only 4.5 million citizens, has nearly 500 foreign service officers and ministers.<sup>25</sup> **Figure 1** provides a comparison of personnel in foreign services.

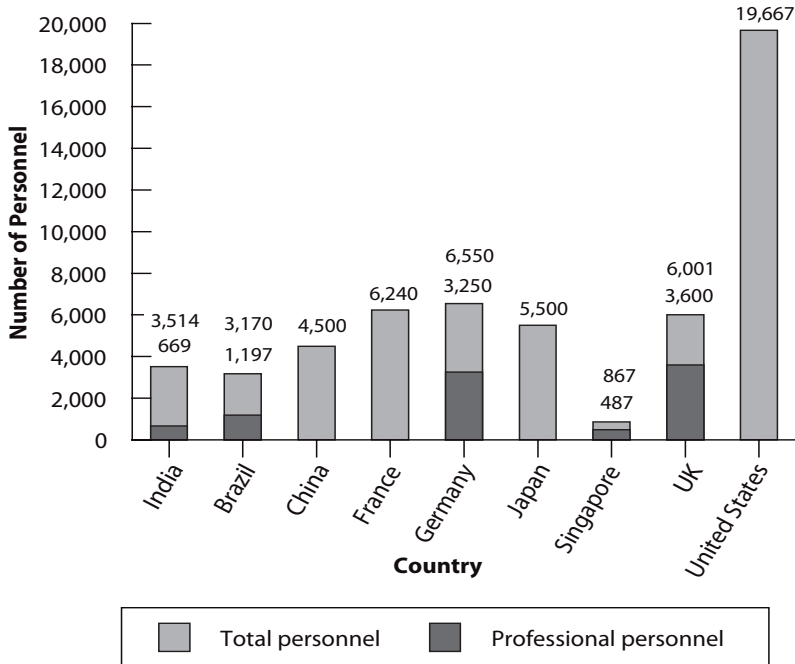
<sup>22</sup> Author's interview with a senior Indian Ministry of External Affairs official, New Delhi, October 2007.

<sup>23</sup> "EA to Double Its Strength in Five Years," *Hindustan Times*, June 3, 2007.

<sup>24</sup> Brazil has 1,197 diplomats; China has 4,500 total, but does not distinguish between professional and "second tier" personnel. For Brazil, see "Lista de Antiguidade" [List of Seniority], Departamento do Serviço Exterior, September 2, 2007, 2; for China, see Rana, *Asian Diplomacy*, 24; and for India, see "Annual Report 2006–2007," Government of India, Ministry of External Affairs, 173 ~ <http://www.mea.gov.in/>.

<sup>25</sup> For Germany, see "The Foreign Service—A Resilient and Mobile Force," Auswärtiges Amt website ~ <http://www.auswaertiges-amt.de/diplo/en/AAmt/AuswDienst/Mitarbeiter.html>; for the UK, see "Capability Review of the Foreign and Commonwealth Office 2006–07," UK Civil Service, 10 ~ [http://www.civilservice.gov.uk/documents/capability/pdf/Capability\\_Review\\_FCO.pdf](http://www.civilservice.gov.uk/documents/capability/pdf/Capability_Review_FCO.pdf); for the United States, see "Department of State FY 2006 Performance and Accountability Report, Mission and Organization," U.S. Department of State ~ <http://www.state.gov/s/d/rm/rls/perfrpt/2006/html/76514.htm>; and data for Singapore is derived from e-mail correspondence between an intern at the Council of Foreign Relations (CFR) and the First Secretary (Information) at the Embassy of Singapore, October 5, 2007.

FIGURE 1

*Diplomatic Personnel*

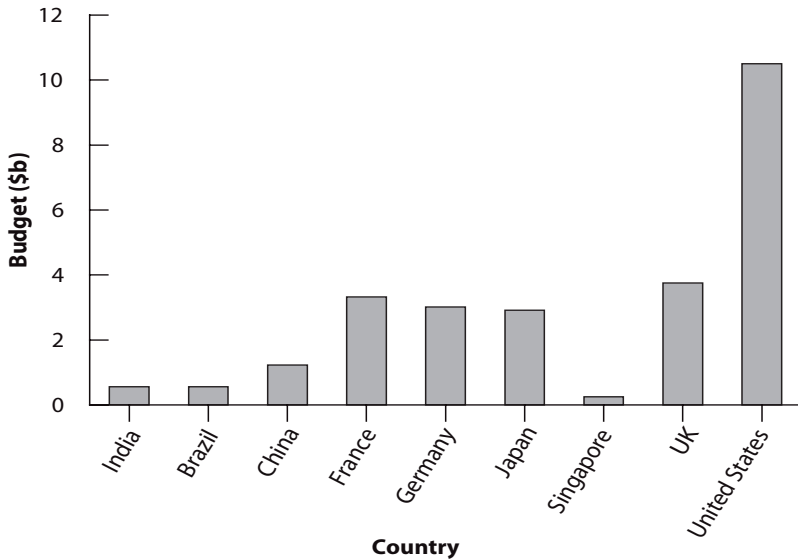
*Source:* For India, see “Annual Report 2006–2007,” 173; for Brazil, see “Lista de Antiguidade,” 2; for China, see Rana, *Asian Diplomacy*, 24; for France, see “The Ministry of Foreign and European Affairs in Numbers,” *France Diplomatie*; for Germany, see “The Foreign Service”; for Japan, see Ministry of Foreign Affairs; for Singapore, e-mail correspondence with the First Secretary (Information) at the Embassy of Singapore; for the UK, see “Capability Review,” 10; and for the United States, see “Department of State FY 2006.”

India’s resource gaps are not quite as striking with respect to the operating costs associated with foreign affairs. Indian figures (\$563.2 million in FY 2006–07) are virtually identical to Brazil’s (\$562.8 million in FY 2006), roughly half of China’s (\$1.23 billion in FY 2005), and significantly below nations such as the UK (\$3.75 billion in FY 2006), Germany (\$3.02 billion in FY 2006), France (\$3.33 billion in FY 2007), and Japan (\$2.92 billion in FY 2007).<sup>26</sup> The United

<sup>26</sup> Because different states categorize foreign operating expenditures differently, a perfect comparison is impossible; these are best estimates based on publicly available data. For Brazil, see “Orçamento para 2006 Ministério das Relações Exteriores Detalhamento de Ações” [2006 Ministry of External Relations Budget—Plan of Action], Brazilian Ministry of External Relations; for China, see “Main Items of Budgetary Expenditure of Central and Local Governments (2005),” *China Statistical Yearbook 2006* (Beijing: National Bureau of Statistics of China, 2006), 288; for the UK, see “Foreign and Commonwealth Office Resource Accounts 2006–07,” 28; for Germany, see “Foreign Policy and the 2006 Federal Budget,” Bundesregierung; for France, see “The Ministry of Foreign and European Affairs in Numbers”; and for Japan, see “Budget—Annual Reports on Financial Information,” Ministry of Foreign Affairs of Japan.

States spent over \$10 billion on foreign operations in FY 2006. Some portion of these disparities can be chalked up to different accounting procedures or purchasing power parity, but it is still clear that India's official foreign policy operations are nowhere near those of other countries. **Figure 2** illustrates a comparison of the operating costs of these countries' foreign services.

FIGURE 2  
*Foreign Ministry Budgets—A Comparison*



*Source:* For India, see "Outcome Budget 2007–08," Ministry of External Affairs, 4; for Brazil, see "Orçamento para 2006 Ministério das Relações Exteriores Detalhamento de Ações"; for China, see "Main Items of Budgetary Expenditure of Central and Local Governments (2005)," 288; for France, see "The Ministry of Foreign and European Affairs in Numbers"; for Germany, see "Foreign Policy and the 2006 Federal Budget"; for Japan, see "Budget—Annual Reports on Financial Information"; for Singapore, e-mail correspondence with the First Secretary (Information) at the Embassy of Singapore; for the UK, see "Foreign and Commonwealth Office Resource Accounts 2006–07," 28; and for the United States, see "FY 08 Congressional Budget Justification," U.S. Department of State, 13–15.

An India-specific review of foreign policy infrastructure reveals a number of shortcomings, but the urgency of India's deficiencies is best highlighted by comparisons with the country's contemporary and historical peer group. China is the best contemporary example of a rising global power, and the United States at the beginning of the twentieth century provides a suitable historical comparison.

*A Contemporary Comparison:  
Foreign Policy Infrastructure Development in China*

China offers one model of how a rising global power can cultivate national intellectual infrastructure. For one, the Chinese system selects and trains diplomats in a more targeted manner than the Indian system. Unlike India's MEA, China's Ministry of Foreign Affairs (MFA) maintains its own entrance exam in addition to the standard national public service exam. Whereas India's Foreign Service Institute is not an accredited university, 30% of Chinese MFA personnel receive degrees from the China Foreign Affairs University. Furthermore, unlike in India, midcareer coursework is standard in China, and senior diplomats are required to take additional classes before major promotions. Finally, the larger Chinese service is internally competitive compared to the Indian service; individual promotions are hard-fought and merit-based rather than assumed.<sup>27</sup> In sum, compared with India's MEA, one would expect China's MFA to benefit from relatively more targeted recruitment, extensive and ongoing training, and competitive promotion path, not to mention overall size and resource base.

India has no shortage of think-tanks. In fact, by one measure, India has more think-tanks than any other state in Asia. Global comparisons are difficult to interpret, however, because quantitative measures do not necessarily translate into quality or influence. Even so, it is worth noting that, unlike Japan or China, India had no think-tanks ranked in the global top 25 (excluding U.S.-based think-tanks) and only one, IDSA, ranked in the global top 50.<sup>28</sup>

A qualitative study of China's foreign policy think-tanks suggests that these institutions have grown markedly over the past several decades, driven by an expansion of Beijing's political ambition, resource base, and international connectivity.<sup>29</sup> That said, because many of China's think-tanks are closely tied to organs of the state, they are less likely to play an independent, objective role in policy analysis or debate relative to some of their Indian counterparts. Still, in recent years Chinese institutions devoted to the study of international relations, economics, and defense policy have expanded considerably. Younger Chinese scholars in these fields are far more attuned to Western analytical

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<sup>27</sup> Rana, *Asian Diplomacy*, 26, 59.

<sup>28</sup> James McGann, "The Global 'Go-To' Think Tanks: The Leading Public Policy Research Organizations in the World," Think Tank and Civil Society Program, University of Pennsylvania, 27, available at [http://www.foreignpolicy.com/files/2008\\_Global\\_Go\\_To\\_Think\\_Tanks.pdf](http://www.foreignpolicy.com/files/2008_Global_Go_To_Think_Tanks.pdf).

<sup>29</sup> *China Quarterly* devoted an entire issue to Chinese think-tanks. See *China Quarterly* 171 (September 2002).

approaches than they once were and are also far more likely to tap into—and advance—world-class research efforts.<sup>30</sup> Prominent institutions include the China Institute for Contemporary International Relations, with 150 research professors or associates; the Chinese Academy of Social Sciences, with dozens of research institutes and thousands of scholars covering a wide array of regional and functional issues; and the China Institute of International Studies, which serves as a research arm for the Ministry of Foreign Affairs. Armed with an increasing number of internationally educated and multilingual scholars, these institutions (as well as smaller ones outside Beijing such as the Shanghai Institute for Strategic Studies) provide policymakers with a level of technical expertise currently unmatched in India.


Finally, even a rough-and-ready comparison between India's universities and the global competition reveals glaring weaknesses. In the Shanghai Jiao Tong University's academic ranking of world universities for 2008, only two of India's universities cracked into the world's top four hundred, whereas China placed sixth in the top three hundred. And in the *Times Higher Education* magazine's world university rankings for 2008, China placed seven universities ahead of India's best, with the top Chinese university ranking 50th.<sup>31</sup> Moreover, no Indian institutions were ranked in the *Times'* top 75 social science schools for 2008, whereas three Chinese universities were ranked in this category.<sup>32</sup>

Although none of the global ranking systems are geared to compare the quality of university programs in a single sub-discipline such as international relations, there is no evidence to suggest that many Indian institutions break their general pattern of mediocrity in this area. In fact, as Amitabh Mattoo notes, despite the fact that the study of international relations enjoyed a "favorable climate for intellectual growth in the first few years following India's independence," in recent decades China has more than caught up in this academic discipline.<sup>33</sup>

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<sup>30</sup> Bonnie Glaser and Phillip Saunders, "Chinese Civilian Foreign Policy Research Institutes: Evolving Roles and Increasing Influence," *China Quarterly* 171 (September 2002): 603.

<sup>31</sup> "Academic Rankings of World Universities—2008," Center for World Class Universities, Shanghai Jiao Tong University  [http://www.arwu.org/rank2008/Top500\\_EN\(by%20rank\).pdf](http://www.arwu.org/rank2008/Top500_EN(by%20rank).pdf); and "World University Rankings 2008: The Top 200 World Universities," *Times Higher Education* (THE)  <http://www.timeshighereducation.co.uk/hybrid.asp?typeCode=243>.

<sup>32</sup> "THE-QS World University Rankings 2008: Social Sciences," *THE*  [http://www.topuniversities.com/worlduniversityrankings/results/2008/subject\\_rankings/social\\_sciences/](http://www.topuniversities.com/worlduniversityrankings/results/2008/subject_rankings/social_sciences/). Note that University of Delhi was ranked at 82nd and JNU was ranked 91st.

<sup>33</sup> Amitabh Mattoo, "Upgrading the Study of International Relations," *Hindu*, April 21, 2009.

## *Lessons from the Past—The United States*

At present, India's foreign policy institutions are underdeveloped in both absolute and relative terms. India's material wealth and power are growing, however, and the country's foreign policy infrastructure could well follow. The United States took precisely this path over the course of the twentieth century; thus, the U.S. historical experience might offer useful clues about India's future trajectory.

At the end of the nineteenth century, U.S. industrial production was already the largest in the world; however, it was not until the Cold War was underway in the mid-1950s that the United States vastly enlarged its foreign service to over 3,000 officers.<sup>34</sup> As late as 1924 the diplomatic service numbered only 122 men.<sup>35</sup> As in India today, the paltry salary offered to U.S. diplomats in the early twentieth century limited the candidate pool significantly.<sup>36</sup> World War II and subsequent Cold War build-ups created the massive military and governmental machinery capable of sustaining a global foreign policy. The expansion of supporting institutions for research and education has tended to follow periods of government expansion.<sup>37</sup>

U.S. social science research surged during the post-World War II period, in no small part due to an influx of émigré scholars from continental Europe as well as to the overall growth of U.S. universities boosted both by the homecoming of veterans and by the subsequent baby boomer generation.<sup>38</sup> The academic field of international relations, as distinct from political philosophy or history, only emerged in the United States during the early Cold War.

This overview suggests that investment in the intellectual infrastructure of U.S. foreign policy has more often been a lagging indicator of overseas activity, not a leading one. The United States made early investments in foreign policy infrastructure more in response to international events than from preconceived national strategies. Once in place, the bureaucratic and

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<sup>34</sup> Paul Kennedy, *The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000* (New York: Random House, 1987), 202; and John E. Harr, *The Anatomy of the Foreign Service: A Statistical Profile* (New York: Carnegie Endowment for International Peace, 1965), 9.

<sup>35</sup> William Barnes and John Heath Morgan, *The Foreign Service of the United States: Origins, Development, and Functions* (Washington, D.C.: Washington Historical Office, Bureau of Public Affairs, Department of State, 1961), 213.

<sup>36</sup> *Ibid.*, 201.

<sup>37</sup> One study of private U.S. think-tanks identifies four periods of growth: post-World War I, post-World War II, the early 1960s, and the 1980s. See James G. McGann, ed., *Think Tanks and Policy Advice in the United States* (London: Routledge, 2007), 9.

<sup>38</sup> Thomas Bender, "Politics, Intellect, and the American University," in *American Academic Culture in Transformation: Fifty Years, Four Disciplines*, ed. Thomas Bender and Carl E. Schorske (Princeton: Princeton University Press, 1997), 18 (see footnote 6 for elaboration); and Charles E. Lindblom, "Political Science in the 1940s and 1950s," in Bender and Schorske, *American Academic Culture*, 245.



competitive characteristics of government agencies, universities, and think-tanks provided supply-side incentives for expanded budgets and programs.<sup>39</sup>

Placed in the context of the historical experience of the United States, India's present underinvestment in foreign policy infrastructure looks less surprising. Yet whereas the United States survived the first half of the twentieth century largely on the strength of its geographic isolation and disproportionate economic clout, India finds itself in a much more challenging position. The globalization of the world economy and the precarious neighborhood in which India resides suggest that New Delhi would benefit from cultivating a dynamic intellectual infrastructure more proactively than the United States did one hundred years ago.

### THE FUTURE OF INDIA'S FOREIGN POLICY

A great power has the ability to actively shape its environment, not just respond to it. India's growth in material wealth has already translated into greater influence internationally, but the question remains: to what end will India use its increased stature? To some degree, economic imperatives will dictate India's foreign policy interests: access to markets, energy resources, and the mitigation of threats, whether security or economic.

That said, important aspects of India's foreign policy will be determined by the country's software as much or more than by its hardware. If current trends hold—particularly if the private sector media and corporations continue to grow relative to the public sector and maintain their ability to attract the most talented members of India's workforce—we should anticipate an Indian foreign policy that is business-first in orientation, and regional, reactive, and one-track in implementation.

#### *Business-first*

India's business leaders and industry associations are already out front in "rebranding" India. Yet even India's most active multinationals are still in the early stages of breaking free of the long-intrusive tentacles of the Indian state. Despite loosening of the famous "license-quota Raj," the state retains a great deal of leverage over Indian corporations, in part because they are still at the mercy of official regulatory and procurement decisions.<sup>40</sup> In addition, sectors

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<sup>39</sup> Author's e-mail communication with Andrew May, January 9, 2008.

<sup>40</sup> Author's interview with a senior Indian executive at a heavy industrial firm, New Delhi, April 2007.

of the Indian economy essential to business—such as electricity, gas, and water supply—are still predominantly state-owned.<sup>41</sup> So even though India's new entrepreneurs and industrial titans represent some of the country's most dynamic and energetic leaders, they have yet to play a dominant role in Indian foreign policy.

Still, if India's economy liberalizes and expands—both reasonable assumptions—the business elite will have a louder voice in political circles and a greater incentive to influence foreign policy. In many ways, India's big business is likely to support policies that also benefit the United States. A business-first India is likely to press for more open trading regimes and the elimination of Non-Aligned Movement rhetoric from the lexicon of India's diplomats. India would probably also pursue a regional strategy intended to create a stable environment for trade and economic growth, including improved relations with neighboring Pakistan and Bangladesh.

What is good for Indian business, however, is not necessarily good for the United States or the world. Just as China has forged ties with some of the world's most odious regimes in order to access energy, mineral, and other natural resources, India's capitalists are likely to be driven more by rupees than by broader strategic or humanitarian compulsions. India's thirst for energy could steer the country closer to Burma, Iran, Russia, Sudan, or other states that pose regional or global threats but offer ready access to fossil fuels.

Furthermore, as the Indian and Chinese economies grow, Indian business may find that looking east is more profitable than looking west. Rather than actively balancing or offering a passive but U.S.-friendly counterweight to China, a business-led India of the future might instead privilege relations with Shanghai over those with Silicon Valley. Just as many Americans lost their manufacturing jobs to Chinese competition, many others will fall victim to India's providers of information technology and services. U.S.-India economic competition could thus prove detrimental to the bilateral political relationship.

### *Regional*

Although India's business interests may globalize, a weak foreign policy infrastructure would limit the scope of Indian ambition, directing New Delhi toward a narrow, regional agenda. Invariably, India's troubled neighborhood—Sri Lanka, Bangladesh, Nepal, Pakistan, and Burma—will demand some degree of attention from New Delhi's decisionmakers and

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<sup>41</sup> Observer Research Foundation, *Observer Statistical Handbook—India 2006–07* (New Delhi, Rupa and Co., 2006), 63.

strategists. Historical and contemporary ties between India and neighboring states might further encourage and facilitate a parochial sub-continental perspective, thereby distracting New Delhi from global aspirations and even from its nascent strategic partnership with Washington.

In order to escape this regional stranglehold, India must work overtime to cultivate expertise on issues and relations with areas that were never a part of the British Raj. Asia—east, west, and central—is a natural target for the expansion of India's activity and influence. Yet without bolstering New Delhi's capacity to conduct diplomacy, non-governmental policy analysis, and rigorous scholarly work, the Indian state will remain handicapped in exploiting opportunities in Asia, not to mention opportunities farther afield.

### *Reactive*

Running an overly lean foreign policy apparatus almost guarantees that India will have trouble anticipating and acting ahead of future trends. A fire-fighting or just-in-time approach to foreign affairs, no matter how efficient, is bound to be reactive rather than proactive.

The post-Cold War world, especially Asia, still has relatively few new regional or functional multilateral regimes, despite burgeoning economic, military, and political activity. Over time, new institutions will likely emerge while old ones will reform or expand. New economic heft will give India a seat at the negotiating table. In these and other scenarios, India may be powerful enough to say "no" in order to protect core national interests, but New Delhi may lack the creative capacity to formulate and implement alternatives.

In addition, when future world crises do occur, particularly those demanding humanitarian or military intervention, India's increased material power and wealth will place a greater onus on New Delhi to act. Under these conditions, an India more brawny than brainy would be at the mercy of others to establish the terms of contributions.

### *One-track*

U.S. officials familiar with the past several years of Indian diplomacy already recognize a major cost associated with India's tiny foreign service: it can be nearly impossible to advance several policy priorities in parallel. India's few circuits are too quickly overloaded. The U.S.-India nuclear deal and associated negotiations occupied the bulk of the MEA's energy for several years, forcing a raft of other laudable goals—agriculture, science and technology, space, defense, and democracy promotion—off to the side. To

some degree, any hierarchical organization will suffer from bottlenecks in the decisionmaking process unless authority is delegated downward. At present, the MEA's professional staff is so small that senior officials are forced to take up duties that more junior colleagues could handle.

As India scales up membership in global and regional institutions and forges new and closer ties with a wider range of states, the MEA's bandwidth will become even more stressed. Ruthless prioritization only goes so far; like a cellphone network during an emergency, many calls will be dropped. Unless the MEA increases its capacity to manage multiple issues simultaneously, India will have a difficult time building a reputation as a reliable global partner, particularly in crisis management.

#### STRENGTHENING INDIAN INSTITUTIONS

Projecting into the future, though none of these traits is devastating, together they will leave India punching well below its weight in dealing with tough international problems. That scenario will come as a disappointment to those U.S. strategists who seek in India a powerful, democratic Asian partner for the United States. Assuming that a more assertive and ambitious foreign policy from New Delhi is desirable, several specific reforms and investments could go a long way.

The most obvious would be an expansion of the IFS and MEA. Investment and reform in this area have been on the agenda for decades, with little progress to show. Foreign Secretary Shiv Shankar Menon's plea in April 2007 to double the size of the MEA has so far achieved about as much traction as earlier pleas. Most of the time the MEA is running simply too fast to spare the time to reconsider and reform operations in a sustained way. Even under the best of circumstances, bureaucracies have trouble reforming themselves. Realistically, only a considered decision from the top political leadership in New Delhi will produce change.

Unfortunately, expanding the MEA is not as simple as hiring several thousand new recruits. The rapid expansion of incoming foreign service classes could create a bottom-heavy institution with too few mid-level officers. The introduction of a lateral entry program might help the agency address deficiencies but would also demand training and education efforts designed to transform midcareer professionals into diplomats and foreign policy strategists. India's Foreign Service Institute would be the obvious venue for these efforts, and the United States and other nations might help to round out an expanded program by contributing experienced visiting faculty.

Yet until the IFS begins to pay employees at a level commensurate with other high-skill career paths, talented and patriotic Indians will seek other ways of serving their nation. India's tendency to underpay government officials is not unique to the MEA, but other civil servants have more opportunities to exploit privileged positions—whether through graft and corruption while in office or by securing lucrative post-retirement sinecures. Though IFS perks—such as overseas housing—help to ease the financial pinch, even greater incentives will be required to lure and retain the best and brightest of India's new generation.

Similar wage disparity issues apply to India's educational institutions and think-tanks, where salaries are uniformly too low to lure and retain India's best and brightest. Humanities and social science programs need to join their counterparts in engineering and business by privatizing operations and rationalizing government regulations.

Although Indian corporations have fewer profit-driven reasons to invest in schools of foreign relations or regional studies, the business of private higher-level education is taking off in other parts of Asia precisely because states are unable or unwilling to meet the need. Singapore and the United Arab Emirates (UAE) are investing in partnerships with established brand name academic institutions in the United States and Europe. Although some private Indian universities have forged ties with well-respected U.S. counterparts, the trend has not extended to social sciences education.<sup>42</sup> India should consider creative public-private arrangements that would encourage the growth of world-class social science research and teaching schools. Admittedly India faces real political barriers to massive education reform; thus, the door to private and international investment may need to open gradually, perhaps through an expansion of pilot projects and targeted university programs rather than through wholesale systemic reform. Private Indian and U.S. investors, institutions, and foundations will need to take the lead.

Until more Indian institutions of research and graduate education reach world-class standards, training outside the country will be the most practical way to build a cadre of scholars, analysts, and practitioners. The U.S. university system already educates more students from India than from any other country—over 90,000 as of 2007–08—but the vast majority of visiting

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<sup>42</sup> The Indian School of Business, for example, has associations with the University of Pennsylvania's Wharton School and Northwestern University's Kellogg School. See the Indian School of Business <http://www.isb.edu/KnowISb/associateschool.shtml>.

students do not receive training in social science, policy, or history.<sup>43</sup> An expanded fellowship program that targets these fields could help to shift the balance, especially in postgraduate education.

Other exchange programs would also help. The U.S. State Department regularly opens a small number of positions to officers from other allied states, including France and the UK, as a means to expose these officers to Washington's labyrinthine bureaucracy. To the extent that security and classification hurdles can be overcome, a similar program would certainly build bilateral connections and provide Indian officers with a comparative window into the U.S. process.

Greater U.S. assistance in terms of education, training, and exchanges would also help to build the capacity of Indian think-tanks. The Indian government should consider greater investments in these institutions, either directly—as in the case of IDSA's move to a new, larger campus in February 2007—or indirectly, by outsourcing more substantial research projects to independent scholars. More generous private investment is also necessary, but India's new generation of business elites has yet to follow in the footsteps of the Rockefellers, MacArthur, Carnegie, or the many other American philanthropists whose investments revolutionized and now maintain the capacity of the United States for policy innovation and research. Some of the U.S. philanthropic institutions that are more global in approach should seek opportunities for joint investments with Indian counterparts to expand Indian think-tanks or build new ones.

Devoting greater resources to think-tanks, however, will not necessarily improve the quality of research or policy relevance unless several other changes are made. Above all, researchers require greater access to government information, both historical and contemporary. The Indian government should consider ways to bring non-career officers into the MEA and other parts of the foreign policy establishment as term-limited fellows. The U.S. government has a hiring category of "technical appointee," designating individuals who are neither permanent civil servants nor political selections vetted by the White House. These technical appointees serve a maximum of four years and offer outside expertise—academic, scientific, or private sector—that might not otherwise reside in the bureaucracy. In return, appointees benefit from seeing the internal processes of the U.S. government. A program of this sort might

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<sup>43</sup> "Open Doors 2008: Report on International Educational Exchange," Institute of International Education, November 17, 2008 ~ <http://opendoors.iienetwork.org/?p=131534>; and CFR research associate's e-mail communication with country manager of the United States-India Educational Foundation.

simultaneously enhance India's foreign policy capacity and build a larger group of independent analysts with understanding of how the government functions.

India's Official Secrets Act deserves a share of the blame for stifling public discussion of national security and foreign policy issues. The act is one piece of the broader closed-door culture of the foreign policy bureaucracy that must be eliminated. Though certain security and intelligence issues are specifically exempted, the 2005 Right to Information (RTI) Act might offer scholars a chance to access government documents that have long remained off limits. The act is similar to the U.S. Freedom of Information Act in that it offers a mechanism for individuals to request information and for the government to adjudicate whether that information should be released. Journalist Kuldeep Nayyar has petitioned the government under the RTI Act to release the Indian Army's classified Henderson-Brooks Report, which analyzes the 1962 Sino-Indian War.<sup>44</sup> Declassification of this report, which the Ministry of Defence is resisting, would be a door-opening achievement for Indian foreign policy scholars. If Nayyar's effort fails, India's think-tank community should band together to exploit responsibly the provisions of the RTI Act so as to maximize collective access to information. Other ambitious archival projects outside India—such as the Cold War International History Project at the Woodrow Wilson International Center for Scholars—might provide relevant models for information-sharing and online publication of declassified government documents.

### *India's Future World Role*

Today popular enthusiasm concerning India is infectious. From many perspectives, particularly with respect to economic growth and entrepreneurial activity, much of the enthusiasm is also well-deserved. Yet when it comes to Indian foreign policy, there is a serious danger that expectations of greatness will go unmet. By extension, widely held U.S. aspirations for a global strategic partnership with India could also fall short. India is simply failing to build the institutional and human capacity sufficient to meet the demands of an effective global leader.

To be sure, the situation is not irreversible. History shows that the economic power of the United States outpaced U.S. diplomatic capability for over half a century. In India's case, however, there is no proximate catalyst

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<sup>44</sup> "India Might Reveal Its 1962 War History," *Daily Times*, January 31, 2009.

to spur New Delhi into action. On the contrary, the costs associated with India's failure could go unnoticed for a long time; for the moment, India's foreign policy limitations are more likely to manifest themselves as missed opportunities than as obvious blunders.

If current trends hold, though, eventually the gap between promise and practice will become a more significant liability to India, and one that is far more costly to bridge. Investments today—by the Indian government, private sector, and close partners in the United States—can help make it more likely that India's future is defined not only by great power but also by the capacity to harness that power effectively for the national and international interest. ◆