



Report

The new development diplomacy in middle-income countries

The changing role of traditional donors in India

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A visit to an integrated child development services and skills centre in Dehi. Credit: World Bank.

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Acronyms

AAGC	Asia Africa Growth Corridor
AFD	Agence Française de Développement
BRICs	Brazil, Russia, India, China and South Africa
DAC	Development Assistance Committee
DPA	Development Partnership Administration (India)
DFID	Department for International Development (UK)
GPPD	Global Partnership Programme for Development
GoI	Government of India
HSR	high-speed railway
IFI	international financial institution
LIC	low-income country
LMIC	lower middle-income country
MIC	middle-income country
MINT	Mexico, Indonesia, Nigeria and Turkey
ODA	Official Development Assistance
SDG	Sustainable Development Goals

1 Introduction

Realist theories in international relations have long proposed that foreign aid is an instrument enabling the pursuit, promotion and defence of donor national interests (Morgenthau, 1962: 302). Unlike the tools of ‘hard’ military or economic power, realists view aid as a softer mechanism for framing agendas, and persuading and eliciting good will towards the donor (Nye, 2011: 20–21). During the Cold War, Western aid lubricated strategic military and political alliances with a view to containing communism and promoting liberal democracies (Alesina and Dollar, 2000). While the ‘golden age’ of aid that prompted the Millennium Development Goals may have led some to believe strategic considerations for aid-giving were a thing of the past, geopolitical and commercial interests have remained important influences on aid allocation decisions of all donor states (Fleck and Kilby, 2010; Fuchs and Vadlamannati, 2013; Gulrajani and Calleja, 2019). And yet, there is a tangible difference from the Millennium Development Goals era. Whereas development used to sit alongside diplomacy as a distinct but related policy arena, we are now witnessing greater intermingling between a donor’s development and wider strategic interests. Traditional donorship is now in a state of palpable flux (Gulrajani and Swiss, 2019).

Development diplomacy refers to the repurposing of aid in such a way that it claims to service public diplomacy ambitions and aspirations while simultaneously achieving development goals. This repurposing is particularly evident in the evolving contexts of Northern engagement with middle-income

countries (MICs). The rising power and influence of emerging markets provides the backdrop for Development Assistance Committee (DAC) donors reframing their bilateral development cooperation. Over the last 15 years, 35 low-income countries, home to around five billion people and producing a third of global gross domestic product, have achieved MIC status.¹ These emerging markets represent attractive investment, trading and commercial opportunities and offer traditional donors the prospect of cultivating vital new allies. In contexts such as these, the rationale, modes and partnerships of traditional aid donors are in considerable evolution.

Meanwhile, 28 countries are projected to leave the DAC list of Official Development Assistance (ODA) eligible countries by 2030, potentially re-setting relations with former donors based on the principles of shared equality and respect.² Donors’ domestic pressures of fiscal austerity and public scrutiny also encourage the recalibration of aid as an instrument of both domestic and development benefit. Development diplomacy thus provides an expression of the potential for dual rewards and mutual prosperity that manifests itself through greater interdependency between donors’ development and foreign policy, transforming the ‘charitable’ model of Western aid into a diplomatic relationship between sovereign states.

Development diplomacy constitutes a new phase in bilateral development cooperation befitting contemporary economic trends and geopolitical realities. How Western donors balance the potential opportunities and risks

1 In 2019–2020, countries that are formally classified as middle-income have a *per capita* gross national income of between \$1,026 and \$12,375. The boundary between lower and upper middle-income countries currently lies at \$3,955. See <https://blogs.worldbank.org/opendata/new-country-classifications-income-level-2019-2020>

2 www.oecd.org/dac/financing-sustainable-development/ODA-graduation.pdf

deriving from the repurposing of traditional aid will shape the contours of the next decade of development cooperation. In this paper, we explore the conceptual and empirical practice of development diplomacy in a single middle-income country. India is a distinctive and important site of contemporary development diplomacy; as a large and powerful emerging economy that still faces significant development challenges. Development diplomacy in India involves traditional donors negotiating these contrasting and somewhat incongruent dynamics, treading a fine line between their geopolitical, economic and poverty reduction ambitions.

Our conceptual starting point is informed by a review of key academic literatures in development studies and diplomacy. After presenting the conceptual framework for development diplomacy, we examine factors that enable its application to three bilateral donors (France, UK and Japan) operating in India. Our analysis is informed both by our reading of this literature, but also by interviews and discussions with civil servants, observers and academics, as well as our own direct experience of the Indian setting. We conclude by drawing on this source material to account for some of the emerging opportunities and risks deriving from development diplomacy.

2 What is development diplomacy?

2.1 Introduction

Deriving from the Greek word *diploma*, meaning an official document or state paper, diplomacy is associated with the conduct and negotiation of international relationships through peaceful means (Cooper et al., 2013; Rozental and Buenrostro, 2013). Diplomacy is an instrument of governmental foreign policy that seeks to foster change in the international behaviour of states (Chin, 2013). While foreign aid has always serviced national domestic interests, the changing political economy of development cooperation set against a backdrop of emerging market growth and influence has reinvigorated calls to anchor development cooperation within diplomatic objectives and instruments. The current directions of development diplomacy reveal attempts to recalibrate donor relations with and within emerging economies. This has implications for soft power, discursive positioning, institutional configurations, and operational activities. In this section, we aim to define development diplomacy by presenting its main analytical components.

2.2 Development diplomacy as soft power

Development diplomacy is a specific form of public diplomacy that builds bilateral relations on the basis of activities that are presented as promoting the development and wellbeing of developing countries (Pamment, 2016; Zielińska, 2016). Public diplomacy has a long history of promoting a country's soft power, including its ability to obtain desired outcomes through attraction and persuasion rather than coercion

or payment (Nye, 2011; 2019). Public diplomacy is the use of instruments by a 'sending' country to influence perceptions, preferences, and actions of foreign citizens in a 'receiving' country in favour of the sending country's interests (Custer et al., 2018). To create this soft power, countries deploy development resources, knowledge and know-how, their historical, political and cultural values, the strength and breadth of their networks (including their universities, think tanks and media institutions), their legal and social policies and their shared connections to transmit their appeal and attractiveness. And conversely, a country's soft-power that includes a state's brand, history and reputation are critical resources for bilateral relationship-building, even if effects can be hard to identify or measure, and may be significantly different from those that were intended.

Development diplomacy is thus not only a vehicle for cultivating soft power but relies only on soft power resources to achieve its public diplomacy goals. For example, the growth of Southern actors providing development assistance may be partly oriented towards cultivating an image and legitimacy of a modern state, which in turn may give that state access to potential 'hard' economic, strategic or security benefits (Gulrajani and Swiss, 2017; 2018). This transition relies on existing soft power resources, however, including Southern values such as non-interference, solidarity and equality (Fukuda-Parr and Shiga, 2016; Mawdsley, 2012). Admittedly, not all soft power is benign; donors' intention can involve servicing a full range of foreign policy interests through development engagements and investments (Farias, 2014; Zielińska, 2016). This sets the backdrop for

development work mediated through diplomatic engagements between sovereign state partners.

2.3 Development diplomacy as narrative and strategy

The classic goal of diplomacy is the promotion, pursuit and defence of the national interest (Cooper et al., 2013: 24). Nonetheless, this analytical framework for the contemporary functions of diplomacy seems anachronistic in a world involving a complex set of actors pursuing multiple goals and navigating manifold interests. Diplomacy is a constant balance between idealist normative values and pragmatic material interests. Competitive foreign policy that pursues unilateral benefits and power is ill-suited to a globalising world where reducing collective threats requires international cooperation (Blodgett Bermeo, 2018; Carter, 2016; Cooper et al., 2013; Engel, 2014; Fukuda-Parr and Shiga, 2016; Gulrajani, 2017; Gulrajani and Calleja, 2019; IDS, 2015; Kaul, 2017; Keijzer and Lundsgaarde, 2017; Rabinowitz and Greenhill, 2018). The national interest is no longer exclusively defined by the achievement of private benefits, but also by global public benefits derived from peace, healthy environments and global economic stability, among other things. Resolving global challenges is in the national interest of most, if not all, states even if, claims to mutual gains are also susceptible to exaggeration and discursive posturing.

Development diplomacy is thus founded on claims of greater intermingling of domestic and international interests. Skilful ‘sustainable development diplomacy’ navigates the fine lines and connections between a state’s interests, overseas cooperation, their own national development, and foreign policy objectives (Papa and Gleason, 2012). Development is a multi-purpose Swiss army knife, resting on a moral claim that donors can maintain a principled and robust commitment to development, even as they derive unilateral benefits (Van der Veen, 2011: 2). Western donors are increasingly explicit and publicly articulating the desire for domestic dividends from their global development spending in vocabulary such as ‘shared prosperity’, ‘mutual benefits’

and ‘win-wins’. And yet, this implicitly risks the underlying classification of this expenditure as ODA that must target the economic welfare and development of developing countries (Keijzer and Lundsgaarde, 2017). Moreover, it incentivises donor moral hazard as priorities, attention and resource shift towards cultivating vested national interests through the medium of development policy (Collier, 2016). A common dilemma for DAC bilateral donors thus seems to be how to craft an approach that balances domestic economic advantages, geopolitical priorities and recipient needs (Milner and Tingley, 2013). Table 1 gives a flavour of these statements to illustrate the language and framing of development diplomacy among various DAC donors.

2.4 Institutional configurations of development diplomacy

While professional diplomats embedded in foreign ministries remain permanent custodians of state interests and political agendas in the international realm, diplomacy no longer occurs in the seclusion of private members’ clubs of yesteryear. Now, diplomats must scan the external horizon, both beyond foreign ministries and also beyond government itself, for relevant expertise. This is because the domains of international foreign policy extend beyond the high politics of war and peace to include subjects as varied as health, science and information technology, education and law (Cooper et al., 2013: 29). Moreover, the reach and weight of public opinion on foreign policy has meant a wider range of actors can now influence the objectives and trajectory of a state’s foreign relations, as well as serving as diplomatic actors themselves. In the development arena, one might even say this has led to the democratisation of diplomatic activity, with international officials, civil society, journalists, voices on social media, multinational corporations, think tanks, academia and citizens now important influencers. Development diplomacy is thus enabling and reflecting transitions in global and regional governance. Not only are longstanding organisations such as the UN and international financial institutions (IFIs) slowly obliged

Table 1 Some examples of development diplomacy narratives

Country	Development diplomacy narratives	Source
Denmark	'Danish development cooperation should be strengthened as an integrated part of Denmark's foreign and security policy through innovation and sharper prioritisation with other policy areas and in interaction with sectors across the whole of society. Through development cooperation, Denmark should invest in a world of progress and sustainable growth benefiting the developing countries as well as the Danish welfare state and Danish businesses. Such efforts could also be a bulwark against crises abroad that have direct consequences for Denmark's security and prosperity.'	Danish Diplomacy and Defence in Times of Change (2016)
Ireland	'We believe that expanding our overseas development assistance is in Ireland's strategic self-interest. It is an investment in a better and safer world, in developing new markets, in influence, and in friendships. As a small island, open to the world, it is also the right thing to do. Effective international development cooperation is an essential foreign policy tool.'	A Better World: Ireland's Policy for International Development (2019)
Czech Republic	'The Czech Republic's development cooperation and humanitarian assistance is an expression of solidarity, a key instrument of foreign policy, and an investment into the country's own security.'	Development Cooperation Strategy of the Czech Republic 2018–2030 (2017)
Austria	'The Austrian Federal Government is committed to efficient development cooperation geared to interests. In response to ongoing pressure to migrate and in the event of wars, famine and natural disasters, it is important to provide local aid to those in need and help them build a future in their own country. Development cooperation is therefore also a means of advancing Austria's rational self-interest by alleviating the causes of irregular migration and forced displacement.'	Working together. For our world. Three-Year Programme on Austrian Development Policy 2019–2021 (2018)
Australia	'Australia's development assistance is focused on the Indo-Pacific and promotes the national interest by contributing to sustainable economic growth and poverty reduction. We work with partners to achieve the SDGs by helping to strengthen the private sector and supporting human development. Our development assistance is an important aspect of Australia's contribution to global prosperity and stability.'	Foreign Policy White Paper (2017)
Netherlands	'This policy document shows how the government is responding to these international challenges and opportunities in the interests of the Netherlands. In doing so, it fleshes out various policies announced in the coalition agreement, making clear in particular that Dutch development cooperation – as an integral component of foreign policy – will target the root causes of poverty, migration, terrorism and climate change. In addition, the document explains how the government is approaching its ambition to maintain the Netherlands' position as one of the top-five most competitive economies in the world.'	Investing in Global Prospects: For the World, For The Netherlands. Policy Document on Foreign Trade and Development Cooperation (2018)

to change in response, but new regional multilaterals such as the BRICs Development Bank and the Asian Infrastructure Investment Bank are also a focus of diplomatic energies and relations. In this tangled web, 'network diplomacy' is a new norm for building inter-state relationships and is arguably characteristic of development diplomacy (Cooper, 2013; Cooper et al., 2013; Zielińska, 2016).

Meanwhile, the broader ambitions of the Sustainable Development Goals (SDGs) and the salience of the global public goods agenda nudge line ministries into exploring and implementing the global dimensions of their

domestic policy mandates. This has opened up space for line ministries to assume greater importance in the domestic institutional landscape of development (Lundsgaard, 2014; 2016). Development diplomacy thus cuts across 'swathes of governmental business spread across many different departments' (Cooper et al., 2013: 18). As the range of government actors with development engagements expands, so too do the risks of duplication and incoherence grow (Gulrajani and Swiss, 2019). Donor administrative systems are thus increasingly reforming to support agendas seeking to coordinate and integrate foreign

policy and development themes, and encompass a wider set of line departments.³ Recently, for example, there have been formal mergers between development and foreign policy departments, including in Canada and Australia, where political rather than performance imperatives appear to be driving integration processes (Gulrajani, 2010; 2018). Southern providers are also increasingly setting up development cooperation units and agencies within the formal remit of their foreign affairs departments (Aneja and Ngangom, 2017). Despite this, such institutional innovations have yet to completely resolve the challenges of cross-governmental coordination and consensus in matters relating to development policy.

2.5 Development diplomacy as operational toolkit

Putting development diplomacy into practice relies on a mix of financial and non-financial instruments. The shift away from concessional grants to soft loans, for example, underpins a move away from direct poverty reduction investments towards a public-private investment strategy focused on infrastructure and productive sectors where loans can be more easily serviced. Donors are increasingly using debt finance, equity investment, guarantees and other risk management instruments to engage directly

with the private sector in MICs in a strategy known as ‘blending’ (Attridge and Engen, 2019). Donors usually channel this investment through their development finance institutions, with growth in this particular funding stream one of the fastest growing components of bilateral ODA budgets.

Donors also have non-financial instruments at their disposal to practise development diplomacy. Knowledge-based technical assistance is commonly used to lubricate bilateral cooperation and showcase national expertise and can take multiple forms: secondments, exchanges, research studies, cultural symposia, experimental projects, etc. All countries, large or small, Northern and Southern, possess the potential capacity for knowledge-sharing. This gives all states the possibility of engagement in development diplomacy, generating the risk of over-supply tied to a provider’s consultants. Knowledge is now framed as the primary currency of all development cooperation providers, raising questions about donor capacity, skillsets and organisational configurations to best meet recipient demand and needs.⁴ Triangular cooperation provides a related vehicle for bilateral development diplomacy. Here, a state can mine their own knowledge and experience with a view to sharing these with a Southern partner to support a third party beneficiary (Farias, 2014; McEwan and Mawdsley, 2012).

3 Falling budgets for diplomatic activities may also be a driver of integration with development (Cooper et al., 2013).

4 For example, in Australia, recommendations include ensuring staff are able to engage in policy dialogue and manage knowledge-based programmes and portfolios; work in a cross-disciplinary manner; engage the capabilities of their locally-engaged staff better, and have better access to tools to assess progress and the impact of economic partnerships at country level (Australian Office of Development Effectiveness, 2018).

3 Catalysts of development diplomacy in India

3.1 Introduction

This section will explore the factors that motivate donors to recalibrate their development assistance to India. We divide these into three categories: global factors, India-specific features, and donor-specific factors. In the first, a changing global geography of power is prompting traditional donors to reassess their operational approaches in MICs. This is especially the case in India, where its attractiveness as a destination of foreign capital and its overseas development investments inform expectations of their own donors. Finally, we examine the domestic political contexts of three bilateral donors (France, Japan and the UK) and how these contexts shape their engagements with India.

3.2 Global factors

ODA now accounts for a much smaller share of the finance available to developing countries than it did 15 years ago, especially within MICs.⁵ As these countries have grown economically, so too has their ability to mobilise domestic resources and foreign direct investment.⁶

Moreover, MICs are believed to be in a better position to afford loan repayments and borrow from capital markets. Providing *grant finance to MICs is thus seen to be a misallocation of ODA resources* given the concentration of extreme poverty in the 29 least developed countries (Manuel et al., 2018).⁷ A pragmatic approach to MICs now recognises the importance of looking beyond aid to address bottlenecks in structural transformation on a platform of reduced inequality and sustainable development (Gu and Kitano, 2018).

Additionally, the SDG framework widens the range of activities possible in the name of global development. This also matches the desire for a more expansive understanding of development cooperation by many countries that have traditionally been recipients (Davies and Pickering, 2015; Pickering et al., 2017; Prizzon and Schmaljohann, 2016). *MICs are concerned about jobs, investment and economic growth, with a particular interest in mobilising resources for large-scale infrastructure projects.* Past focus on water, sanitation and basic transportation infrastructure is being increasingly overshadowed by demand for the more

5 https://ec.europa.eu/europeaid/sites/devco/files/erd5-full-report_en.pdf

6 Notwithstanding greater access to capital markets and domestically mobilised resources, historically only a small number of countries have made the transition from lower MICs to upper MIC status.

7 In this logic, donors should prioritise grants for LICs with limited access to international finance and opportunities for domestic revenue-generation. While the proportion of people living in extreme poverty is projected to fall from 11% in 2013 to 5% in 2030 (Manuel et al., 2018), 400 million people are expected to be still living in extreme poverty by 2030, 84% will be concentrated in fragile states and 56% in least developed countries (LDCs).

sophisticated requirements of second-generation industrialisation and innovation, including in areas like energy, cyber-technology and climate-friendly urbanisation (Abiad et al., 2018). In the process, donors are re-orienting themselves towards a ‘development as growth’ model that pushes the production frontier of emerging markets outwards, with infrastructure finance becoming an arena of competition for influence among donors (Australian Office of Development Effectiveness, 2018).

Southern countries have a long history of providing development assistance to other developing nations. In recent years this has exploded in terms of volume, scale and geographical reach. Such development assistance that is broadly comparable with what the DAC defines as ODA is estimated by some at \$32 billion (gross) in 2014, representing 17% of the current DAC total (Benn and Luijckx, 2017).⁸ *As Southern MICs expand and elevate their own development cooperation portfolios and agendas, they in turn expect greater horizontality, mutual benefits and non-interference in their relations with DAC donors.* For example, survey data suggests MICs desire relationships based on ‘win–wins’ through trade, cooperation through regional and multilateral forums, knowledge exchange and joint learning (Davies and Pickering, 2015: 42). *Overall*, Northern development diplomacy is partly a response to Southern demands for quality investment and mutual respect, as well as the need to leverage influence without the incentive of aid as a financial flow.

As recipients of aid strengthen their profiles as providers of development cooperation, sometimes alongside their ongoing status as recipients, the normative mission and moorings of DAC donors are destabilised. Non-DAC providers are perceived to have

greater latitude to achieve their commercial, trade and geopolitical aims through the more strategic deployment of their development cooperation, posing pointed challenges to the Western liberal order within which traditional donors are situated (Gonsior and Klingebiel, 2019; Pamment, 2016). In response, *traditional donors are actively seeking alternative templates for their development engagement, arguably looking Southwards for inspiration and opportunities.* This has led some to conclude that Northern donors are undergoing a process of ‘Southernisation’ as the traditional separation between North from South starts to blur (Bracho, 2015; Kragelund, 2015; Li and Carey, 2014; Mawdsley, 2015; 2018).⁹

3.3 India-specific factors

The first situational factor driving donors’ embrace of development diplomacy in India is *the country’s explosive growth following a period of market reform and economic liberalisation in the 1990s.* In 2007, India ‘graduated’ from low-income country status to become a lower middle-income country. While the years preceding its graduation marked a period of rapid economic growth, India’s growth rate has now slowed, though its geopolitical ambitions and influence remain considerable, especially regionally.

At the same time, India has made limited inroads in addressing income, social and spatial inequality.¹⁰ Upon its graduation, 33.6% of India’s population still classified as poor. Notwithstanding ongoing development challenges, India seeks to project its identity and reputation as a muscular and confident emerging power. Thus, partly in response to international criticisms of nuclear tests that India conducted in 1998, the Indian 2003–2004 budget speech is considered a turning point in India’s role

8 Calculations of the comparative size and terms of non-DAC development spending are inevitably provisional; this is further complicated by the blurred distinctions between aid-like flows, and other forms of soft financing and other official flows (Bracho, 2015: 19).

9 Conversely, some suggest that aid from emerging donors ‘strongly resembles’ the activities of DAC donors 20–30 years ago (Kragelund, 2011: 587).

10 According to a report by Oxfam (2018), the top 10% of India’s population holds approximately 77% of the country’s national wealth (www.indiatoday.in/india/story/oxfam-world-inequality-report-2018-india-1436211-2019-01-22)

as a destination and provider of development assistance: the country pledged to only accept bilateral aid that was untied and provided by five selected countries (Germany, Japan, Russia, UK and the US) and the European Union.¹¹ After the Indian Ocean tsunami of 2004, India made a point of refusing offers of external assistance for disaster relief, and it did so again in 2018 when it refused foreign humanitarian assistance after flooding in Kerala.¹² At the same time, India received over \$6 billion of ODA in 2017, still making it the world's top ODA recipient in absolute terms. These dynamics highlight the complexity of India's identity as a middle-income country keen to establish and project its economic ambition and geopolitical power. In response, DAC donors are obliged to recalibrate the nature of their bilateral relations away from the traditional hierarchical model of a donor and recipient (Roychoudhury, 2013).

The second driver of donor transitions in India derives from *its increasingly significant role as a provider of development cooperation*.¹³ India has a long engagement as both a benefactor and recipient of development assistance. Over the last decade or so, this has become an even more important foreign policy tool for India and a means to exercise a more assertive approach to world affairs (Aneja and Ngangom, 2016; Mawdsley, 2014). And yet, the Government of India's 2003 decision to reduce bilateral ODA inflows is no longer actively upheld. Almost all DAC donors distributed some amount of ODA to India in 2017. Table 2 lists the top 10 donors to India over the 2013–2017 period, where we see a consistent presence of five bilateral donors: Japan, France, Germany, the UK and the United States.

As both a provider and a recipient of aid, India seeks to project a different identity from Western donors and aid-dependent developing countries.

Established in 2012, India's Development Partnership Administration (DPA) sits within the Ministry of External Affairs and speaks to the idea of development as a key instrument projecting India's soft power globally. Alongside the DPA, the Department of Economic Affairs within the Ministry of Finance gives interest-equalisation support to India's Export–Import (Exim Bank), allowing it to provide concessional lines of credit. Much of this external assistance is allocated to sub-continental neighbours in a bid to strengthen India's geopolitical influence and gain advantage over regional competitors such as China and Pakistan, and to resource-rich African countries to ensure natural resource security, as well as to optimise trade and investment opportunities (Roychoudhury, 2013).¹⁴ India also appears to be more welcoming of triangular cooperation, using partnerships with traditional donors as a means to navigate regional political challenges and overcome its own capacity constraints as a provider of development assistance (Paulo, 2018).

Meanwhile, India's attractiveness as a destination for foreign capital and investment, and its sizable demand for public investment and advanced technical knowledge, attracts donors into relationships premised on sovereign equality rather than Western superiority. For example, India is no longer looking to DAC donors just to enable *access* to their technologies, but to lay down the foundation for the *transfer* of these technologies in such a way that facilitates local manufacturing and employment generation – and indeed, to internationalise Indian technologies outwards. And yet, donors remain concerned that technology transfer undermines their own industrial and commercial competitive advantages and in many cases prefer providing access over direct transfer. Against the backdrop of India's growing power and assertiveness,

11 www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/416.pdf

12 www.ndtv.com/kerala-news/on-uae-aid-kerala-ministers-reminder-centre-cant-pay-for-rebuilding-1904361

13 India's development assistance budget for 2012 was comparable to Austria's foreign aid budget for the same year (www.iilj.org/wp-content/uploads/2017/02/Mullen-Indias-development-assistance-2003.pdf)

14 There is some evidence suggesting that commercial and political self-interest dominate India's aid allocations (Fuchs and Vadlamannati, 2013).

Table 2 Top 10 bilateral DAC donors to India

	2017	2016	2015	2014	2013
1	Japan	Japan	Germany	Japan	Japan
2	Germany	Germany	Japan	Germany	Germany
3	France	France	France	France	United Kingdom
4	United States	United States	United Kingdom	United Kingdom	France
5	United Kingdom	United Kingdom	United States	United States	United States
6	Norway	Italy	Norway	Italy	Norway
7	Switzerland	Norway	Switzerland	Norway	Australia
8	Italy	Switzerland	Italy	Australia	Switzerland
9	Australia	Spain	Canada	Denmark	Sweden
10	Canada	Canada	Australia	Sweden	Italy

Notes: Donor ranking assessed by total ODA commitments and measured in \$ million.

Source: OECD.Stat

diplomatic negotiation is increasingly the precursor to ultimate donor adaptation and engagement.

Overall, India is building the case for a leadership role as a non-Western great power capable of building development coalitions across the South. It presents Southern assistance as materially different from the North in its construction of win-win relationships that will bring development gains to India and its partners (IDS, 2015; Mawdsley, 2012). India has a complex identity: a middle-income country with a colonial past and persistently high rates of domestic poverty and inequality, an increasingly attractive destination of foreign capital, and an ODA recipient that is simultaneously a practitioner of South-South cooperation. Therefore, DAC donors must craft a strategy that takes these somewhat disparate and sometimes contradictory elements into account.

3.4 Donor-specific factors

Here we look at three aid donors operating in India – Japan, the UK and France – to understand the domestic drivers of transitions aligned with development diplomacy. These countries have vastly different histories with India, although all

three countries have been disbursing aid to India for some decades.¹⁵ Japan is the largest bilateral donor in India, committing \$4.4 billion in ODA to India in 2017 (Table 3), while India is also Japan's largest recipient. Japan has long had an outlier reputation in the DAC for its dominant focus on economic growth and infrastructure development, which makes it an obvious choice to explore. We focus on the UK given its colonial history and strong institutional connections to India in the post-Independence period. In the case of the UK, the recent reduction in the quantum of aid provided (India is now the UK's 17th-largest recipient) is less revealing than the way it is being re-purposed. Finally, we selected France as it is a substantial donor with access to a range of financial instruments (for example, hard and soft loans, grants, equity) that support the advancement of the full spectrum of opportunities in emerging markets. French President Macron, highlighted the diplomatic stakes involved when he expressed his desire to make his country 'India's best partner in Europe,' replacing Britain as India's 'gateway to Europe'.¹⁶

3.4.1 Japan

In recent years, a number of factors have led Japan to consolidate and formalise a more

15 The UK and Japan starting in 1958, and France in 1968.

16 www.dw.com/en/emmanuel-macron-wants-france-to-replace-britain-as-indias-gateway-to-europe/a-42917838

Table 3 Total ODA commitments to India (\$ millions)

	France	Japan	United Kingdom
2008	20.5	2,605.0	614.5
2009	19.9	1,303.1	758.2
2010	162.7	2,060.4	275.2
2011	20.1	1,725.1	153.5
2012	79.1	2,533.4	201.7
2013	171.3	2,967.8	325.9
2014	335.1	2,868.5	254.4
2015	301.7	782.0	216.8
2016	171.5	3,235.4	97.0
2017	306.1	4,423.5	102.4

Source: OECD.Stat

strategically-driven approach to aid. Japan has used ODA in ways that pushed the boundaries of DAC norms. Its current approach to development policy and finance increasingly look like a model to emulate rather than an outlier to criticise.

In early 2013, after two decades of economic stagnation, Japanese Prime Minister Abe unveiled an economic policy package to revive and reinvigorate the Japanese economy. This went hand in hand with the cabinet-approved Revitalisation Strategy seeking to actively use ODA to capitalise on emerging market growth and support small and medium enterprises.¹⁷ Moreover, until very recently Japan's constitution prevented it from participating

in foreign conflicts, curtailing this particular dimension of its national security agenda. But constitutional amendments in 2015 enabled Japan to pursue a policy based on the 'proactive contribution of peace', formally articulated in Japan's inaugural National Security Strategy of 2013.¹⁸ The strategy called for strengthening international peace and security as a means for Japan to secure its own national security interests, and articulated a strong, complementary and strategic role for Japanese ODA in this process.¹⁹

Against the backdrop of these economic and political developments, in 2015 Prime Minister Abe appointed a committee to review Japan's 'ODA Charter' – a document laying out the philosophy and guiding principles of Japanese ODA.²⁰ This committee recommended that Japan's ODA policy be explicitly aligned with its national interests.²¹ This was the first time that the Ministry of Foreign Affairs directly acknowledged and defended the application of Japan's national interest in the administration of its aid policy.²² To assert and reinforce this shift towards a more strategic understanding of aid, Japan replaced the term ODA in the title of its charter with 'development cooperation' to signal the beginning of a new relationship with partners, premised on mutual strategic interests and reciprocity.²³

There appears to be strong strategic convergence between New Delhi and Tokyo

17 <https://nationalinterest.org/feature/japans-new-national-security-economy-24307>

18 <https://thediplomat.com/2015/10/gauging-japans-proactive-contributions-to-peace/>

19 www.cas.go.jp/jp/siryoku/131217anzenhoshou/nss-e.pdf

20 This charter has seen three iterations to date, in 1992, 2003 and 2015. Although the 2003 version of the charter recognised the need for ODA to contribute towards 'Japan's own security and prosperity,' it stopped short of invoking its own 'national interest' as policy (Ministry of Foreign Affairs 2015).

21 www.mofa.go.jp/files/000067701.pdf

22 Although the charter permits the use of ODA for 'non-military' purposes only, critics argue that the fungibility of funds may enable Japan to effectively deploy these funds towards military ends and runs counter to DAC guidelines. For example, Japanese ODA has in the past been used to help Vietnam and the Philippines – both of which are involved in territorial disputes with China – to procure military and dual-use equipment (Pejsova and Lockman 2016). Whilst Japan appears to be pushing the boundaries of international norms and domestic regulations to accommodate the securitisation of its ODA, it does not yet appear to be doing this in the context of its relationship with India.

23 Interview on 5 June 2018.

on the containment of China's influence in the Asian region and beyond. This shared agenda has prompted Japanese engagement in geopolitically-sensitive locations within India, as well as collaboration with India on joint infrastructure investment projects in third countries.²⁴ Japan is currently the only country that India has accepted as a development partner in these highly sensitive locations, and this is considered testament to Japan's strategic value for India. Japan is also collaborating with India on the Asia–Africa Growth Corridor (AAGC) to advance its 'Free and Open Indo-Pacific Strategy' as a counterweight to China's Belt and Road Initiative.²⁵ Although the AAGC is the most frequently cited example of triangular cooperation involving India and Japan, there are several other joint projects in various stages of development, such as the Chabahar port in Iran, the Trincomalee port in Sri Lanka and the Dawei port along the Thai-Myanmar border. The geographical reach of these joint engagements speaks to the strength of the strategic partnership between Japan and India.

3.4.2 UK

The UK–India relationship is profoundly shaped by intertwined colonial histories. Ideas, practices and cultures travel in both directions, set within what was historically a structurally uneven and exploitative context. These shared features continue to positively facilitate interactions, but the UK's colonial past attracts sharp criticism and produce ongoing sensitivities (Tharoor, 2017). UK–India development diplomacy is unavoidably shaped by this history.

India has long been one of the largest recipients of UK ODA. Before 1997, UK ODA operated from within the wider Foreign and Commonwealth Office and Colonial/Commonwealth Development Corporation family. In 1997, the Department for International

Development (DFID) was created to manage and deliver UK ODA, for which it became almost entirely responsible. DFID was a champion of the emerging poverty reduction agenda of the time (most notably codified in the Millennium Development Goals) and the Paris aid effectiveness agenda. In India, DFID focused its efforts on large-scale poverty reduction schemes in poorer states such as Bihar and Odisha, and provided budget support for those states considered well-governed, such as Andhra Pradesh. Over this time, UK aid to India was institutionally distanced from foreign policy in Whitehall, although central government retained overall control. Together with the focus on poor states, this neutralised – or might even be seen to have (deliberately) run counter to – the use of ODA for diplomatic purposes. A stated ethical foreign policy made a virtue of not primarily leveraging national interests in UK aid policy.

The question of whether and how the UK should give ODA to India has long been debated within both countries. Famously, in 2012 India's finance minister Pranab Mukherjee told the Indian parliament: 'We do not require [UK] aid. It is a peanut in our total development spending'. Indian civil society organisations and poor state governments, on the other hand, were much more positive about the value of UK ODA. In the UK, these debates pre-date the elections of the coalition Conservative/Liberal Democrat government in 2010, and the Conservative government in 2014, but they accelerated under these two regimes.

There is widespread misconception in the UK that 2015 would mark an ODA 'exit' from India. But the intention had always been to transition to a new model. The key features that have emerged are:

- an exit from large-scale poverty programmes and thus from many civil society partnerships

24 For example, Japan has invested its ODA in road network infrastructure projects in Northeast India to enhance connectivity between India and Southeast Asia (Baruah, 2016). It has also financed a diesel power plant project in the strategically located Andaman and Nicobar Islands, a region considered to be critical for India's maritime influence in the Indian Ocean. Both sets of infrastructure projects have been designed to check and counter China's rise in the region.

25 Through AAGC, India and Japan state that they aim to strengthen connectivity between Asia and Africa, as well as between the Indian Ocean and the Pacific Ocean, and generate stability and prosperity on both continents.

- a far smaller budget (from roughly £300 million per annum to £30 million per annum), although considerably more flows to and through India through ‘global ODA’ funds
- a closer working relationship with the Indian central government
- a focus on jobs and economic growth opportunities
- a growing focus on investment and private-sector-led growth with explicitly ‘mutual’ benefits
- working with the Government of India (GoI) as a development partner in third country settings.

The 2015 UK aid strategy paper, ‘UK Aid: Tackling Global Challenges in the National Interest’, is an exemplar of the dual global/domestic orientation that frames development diplomacy in India, as well as throughout Britain’s development engagements.²⁶ Recent and current UK governments have an active agenda of routing more ODA through departments other than DFID, which in 2018 only accounted for 74.9% of the total ODA spend (DFID, 2019). Development diplomacy is driven by cross-Whitehall country business plans that bring together all aims into a single diplomatic strategy. This is supplemented by cross-government funds such as the Prosperity Fund and the Conflict, Stability and Security Fund, which are overseen by the National Security Council.

The UK’s ‘transition’ away from its traditional donor role in India did not go entirely smoothly (ICAI, 2016). Some programmes over-ran the 2015 deadline, but more problematically, many civil society organisations felt undercut by the move. DFID staff experienced profound ruptures in their work, official relationships and overall functioning in India. Some years later, and the UK is still trying to identify and consolidate its new direction in India. The post-2015 Global Partnership Programme for Development (GPPD), for example, is a UK-funded programme

that is intended to find ways to support Indian development partnerships towards goals. Working primarily with Delhi-based think tanks, it is an agenda that is still finding its feet.²⁷ There are tentative signs of a trilateralism or triangular development cooperation emerging, such as DFID’s work with EXIM Bank to assist with their Lines of Credit intended for third countries. In the meantime, it would seem that the Prosperity Fund appears encumbered by legislation designed for more traditional forms of ODA.

Cultivating robust British-Indian relations is challenging without the leverage of substantial soft loans (as in the case of Japan–India relations for example, in Japan), and in the context of considerable domestic political turbulence in the UK, including domestic assaults on DFID. This puts considerable pressure on the formulation and pursuit of whole-of-government ‘development diplomacy’ and reveals what a complex and distributed process it can be in practice.

3.4.3 France

In many ways, the France–India partnership is emblematic of the recent shifts and developments that have taken place to re-orient French ODA, and of DAC relations with MICs more broadly. Prompted by both internal and external considerations, including changes in the Agence Française de Développement’s (AFD) leadership in the early 2000s and the global financial crisis of 2008, France’s ODA strategy became more decisively strategic in both substance and application. This was reflected through revised institutional guidelines, new aid strategies and instruments, shifting sectoral allocations and greater work with non-traditional development partners.

Under Jean-Michel Severino’s stewardship from 2001 to 2010, AFD emerged as the principal intellectual and operational government actor on development. Over the decade, AFD’s identity as a development bank arguably took

26 www.gov.uk/government/publications/uk-aid-tackling-global-challenges-in-the-national-interest

27 In the interests of transparency, we note that one of the authors of this paper, Mawdsley, is in receipt of India–UK Global Partnership Programme on Development (GPPD) funding as a part of this programme.

precedence. Sovereign loans and non-sovereign loans to public sector enterprises, local authorities, public institutions and NGOs are now its dominant modality of assistance.²⁸ A shift from grants to loans and a range of other innovative, non-grant instruments facilitated the flow of assistance into newer, areas of development, such as global public goods, intended to benefit both developing and developed countries alike. France has also begun to engage partners beyond the French ‘zone of influence’ in Anglophone sub-Saharan Africa to accommodate economies better positioned to receive and repay loan-based assistance. In 2008, the AFD established a presence in India, although it was only in 2015–2016 that India featured for the first time among the top 15 recipients of French ODA.

A strategic understanding of aid, predicated on the notion that external development assistance could directly benefit France’s own

national interests, continued to infuse France’s development thinking beyond AFD’s leadership under Severino. In 2013, the French Foreign Minister declared economic diplomacy to be an integral part of France’s development assistance strategy. The AFD’s current strategy, *Towards a world in common* (2018–2022), invokes the value of ‘mutual interests’ as a basis for guiding relations between France and its Southern partners.²⁹ Following the historic Paris climate deal of 2015, and the recalibration of the AFD’s strategy to position the Paris Agreement at its heart, climate-friendly development has emerged as an important priority of French ODA. In the context of emerging economies such as India, this includes supporting country efforts to ‘bear a significant share of the challenges in adopting low-carbon, socially and economically inclusive models’. Thus, the AFD allocates nearly 90% of its funding in India towards sustainable development.

28 Moreover, AFD’s private sector subsidiary, Proparco provides commercial loans to the private sector.

29 www.afd.fr/en/afd-group-2018-2022-strategy-summary

4 Opportunities and risks of development diplomacy

4.1 Introduction

India represents a paradigmatic case of an aid recipient whose growing economic influence has resulted in greater political assertiveness and leverage over its traditional bilateral partners. In turn, global and domestic imperatives in France, the UK and Japan also contribute to a common desire to reap domestic economic and geopolitical rewards from the development cooperation provided to India, while positively contributing to India's development ambitions and needs. As global and donor-specific factors catalyse the practice of development diplomacy in India, what kinds of opportunities and risks are being created? While such an analysis will inevitably be tentative and require multiple levels of analysis, we nonetheless offer a discussion of the emerging possibilities.

4.2 Opportunities

Development diplomacy aims to cultivate *goodwill and political capital* between India and its bilateral donors. Terms such as 'win-win', 'partnership', 'strategic' and 'special' are frequently invoked in DAC donor strategies and policies to suggest and acknowledge parity in their relations. Highlighting shared political values such as democracy, respect for rule of law and good governance is clearly pitched at distinguishing and celebrating India. These vocabularies of development diplomacy implicitly project cultural and political affinities that support donor soft power gains. Within

this rhetoric is the possibility for *real material mutual gains*. Donors are certainly more forthright in seeking these domestic benefits in India. We see obvious signs of convergence between France, the UK and Japan on the one hand, and India on the other, in seeking to secure their respective interests through ODA transactions. For example, investment in India's urban transition allows DAC donors to marry their economic ambitions with their developmentally oriented objectives, where there is desire to make this urban growth environmentally and socially sustainable and to sell technologies and encourage exports. France, the UK and Japan are all investing in (or are keen to invest in) India's Smart Cities initiative, aimed at rejuvenating and reviving India's urban areas sustainably by accelerating public and private investment into public transportation, energy-efficient buildings, adequate water and electrical supplies, sound governance, affordable housing and robust digital connectivity. By aligning with the GOI strategic priority on urban transition, donors reap economic dividends, meet India's demand for greater public investment in public infrastructure, as well as support for the transition towards greater environmental sustainability and improved quality life for many millions.

There is also the potential for donors to cultivate a powerful strategic ally in India. Earlier, we referred to shared regional suspicions of China providing an important backdrop for growing development cooperation between Japan and India. To illustrate this with another

example, a \$12 billion Japanese investment in a high-speed rail (HSR) linking India's financial hub, Mumbai, to the economic hub of Ahmedabad is motivated by a narrative linked to 'strategic, quality infrastructure ODA' (Jain, 2019). The HSR project provides Japan with opportunities to achieve its economic goals but also satisfy Tokyo's strategic imperative to guide infrastructure and connectivity in the Asian region. It also competes with China's generous infrastructure financing and 'cheque-book' diplomacy (Jain, 2019). Conversely, France promotes development diplomacy to cultivate an ally in India on climate change, a key area of AFD technical competency and comparative advantage. For example, the AFD is interested in co-financing India's Exim Bank to enable India to disburse loans for solar energy projects in Francophone Niger and Burkina Faso under the International Solar Alliance initiative, which India is leading. France's co-financing is part of a broader political agenda to engage India as a partner in the protection of global public goods and international norm-setting, particularly in spheres where France plays a leadership role. France looks to India as a co-defender of multilateral action and a Southern advocate in the fight against climate change, particularly as countries such as the US withdraw from transnational global initiatives.

Development diplomacy also allows donors to showcase their unique brand and reputation. For example, Japan's reputation is closely linked to its ability to create infrastructure of the highest possible quality. Its deployment of high-end technology (in particular, its *shinkansen*, or bullet-train technology) to deliver on speed, efficiency and reliability, and its flawless track record in safety and prudent financial management are all reputational assets. In the case of France, reputation is closely linked to sectoral knowledge or French *savoir faire* in urban planning. Finally, as a former colonial power in India, the need for the UK to cultivate and re-engineer its reputation and image is perhaps more acute than it is for either Japan or France. An important element of the UK's reputation and brand-building in India involves the reinforcement of claims to shared values and cultural bonds between the two countries.

People-to-people exchange is encouraged through initiatives such as the Chevening scholarships, which allow Indian students to pursue educational opportunities provided by British universities, as well as cultural initiatives promoted by the British Council. That said, the hardening of the UK visa regime for Indian students is the cause of much resentment by India, with a lack of cross-governmental vision and cohesion a serious problem in taking forward the development diplomacy agenda.

4.3 Risks

Dualities in India's identity as a developing country and influential global actor still prompt fractured responses on the part of DAC donors. If India is experiencing dualities in its status as both a provider and recipient of development cooperation, so too are DAC donors as they champion development causes with more powerful and influential counterparts. Even as DAC donors attempt to become more responsive and sensitive to the GOI developmental priorities, they continue to be guided by their own deeply entrenched instincts to transmit their individual ideas, values, vision and approaches through their development partnerships. While development diplomacy is predicated on the idea of shared benefits and respect for territorial autonomy, MICs such as India will inevitably engage in these transactions with attentiveness and some degree of caution. As India's strategic value and relevance to DAC partners has grown, so too has its negotiating capacity and its ability to set the terms and conditions of its development partnerships with DAC donors. Not only has this exacerbated competition between donors vying for influence, it has also necessitated greater space for negotiating and brokering compromises within bilateral relations. Donors are nudged into the territory of diplomacy due to GoI policy strength and preferences.

This strength may bestow New Delhi with greater autonomy and leverage over other national actors, including state governments and civil society groups that are also involved in advancing development agendas. For example, the success of bilateral development diplomacy

in India derives from deference and sensitivity to the GoI's agendas and strongly harmonising ODA with national policy priorities. Yet it appears to also be displacing poorer states such as Bihar, Jharkhand and Odisha as the operational loci for overseas donors, and is substantially reducing direct donor engagement with grassroots civil society organisations in favour of centralised bureaucrats and political elites. The latter are additionally hampered by restrictions on foreign funding, particularly those working on human rights and democracy.³⁰ An insistence on shared mutual benefits cannot be taken at face value, as domestic returns from overseas spending may favour some segments of society over others. For example, there are concerns that Japan's investment in the HSR project could result in the forceful and illegal acquisition of land and the displacement of local communities in Gujarat.³¹ In relative and absolute terms, donors in India are engaging less with civil society and more with the private sector, partly responding to central government directions steering them away from civil spaces but also driven by their own strategic incentives. Networked diplomacy in the Indian context is notable for who it includes, as well as who it excludes.

Clearly, diplomatic win-wins are not always the same as development win-wins. While the SDGs provide an umbrella framework where collective development gain may be achieved, the simultaneous achievement of global and national goals may be a tall order, especially in MIC countries possessing strong policy preferences and where donor trade imperatives rank highly. For example, the UK, France and Japan all regard India as a valuable market for the sale of military hardware, goods which are demanded by India. Here, the fulfilment of donor commercial imperatives can plausibly undermine the cause of sustainable development and peace. Whilst the UK and France are well established arms exporters, Japan has only

recently entered into this market following the reversal of a self-imposed arms export ban in 2014. While it is unclear if DAC donors use ODA to 'buy influence' with the Indian government, a diplomatic and media storm blew up in 2012 when the GOI awarded a £6.3 billion fighter jet contract to France. Some British MPs made strident comments about the decision, stating it demonstrated a lack of 'gratitude' for UK aid. The implication that India needed to reciprocate British ODA with political favours was much resented within India. Meanwhile, Japan is currently negotiating to sell US-2 amphibious search and rescue aircrafts to India. Whether and how the strength of its ODA partnership with India will influence these negotiations remains to be seen. The risk is that donors trade off a stronger concentration on the endemic poverty challenges in India for the sake of furthering strategic interests.

The 'diplomatisation' of development may incentivise a return to tied aid on both sides of the aid transaction. DAC donors are starting to push the boundaries of DAC's norms and soft rules, including on tied aid. For example, although the AFD, France's key development institution, respects the Organisation for Economic Co-operation and Development (OECD) rules on tied aid, in practice we observe that it acts as a powerful facilitator for the deployment and use of French expertise, knowledge and resources in partner countries. In India, the AFD's soft loans supports efforts to facilitate the entry of French companies into the Indian market by focusing on sectors where France has expertise and by actively encouraging French companies to bid on tenders. For example, the Smart Cities Club, located within the Economic Services division of the French Embassy, liaises closely with French companies already active in India to encourage them to invest in India's Smart Cities initiative. The AFD also regularly meets with members of the Smart Cities Club to better understand the issues they

30 www.civicus.org/index.php/media-resources/news/interviews/2698-strict-legal-restrictions-on-foreign-funding-hit-india-s-ngos

31 <https://timesofindia.indiatimes.com/city/ahmedabad/bullet-train-project-jica-agrees-to-meet-protesting-farmers/articleshow/66060883.cms>

are facing in India, and in doing so facilitates networking and information dissemination. As technical assistance falls outside the purview of tied aid as per the DAC regulations, France is able to effectively promote the use of French expertise and knowledge in partner countries without falling foul of these regulations. Thus, even aid that is untied in principle may be tied in practice.³²

At the same time, India is beginning to adjust its own policies, demonstrating some flexibility in the acceptance of tied aid. For example, Japan's position as a valued and trusted

development partner has allowed it to accept a sizable concessional loan from Japan under the latter's 'Special Terms for Economic Partnership' initiative. This ties financing of the HSR project connecting Ahmadabad to Mumbai to the utilisation of Japanese technologies. Although India does not, in principle, accept tied ODA from DAC donors, it seems to make the exception for Japan.³³ However, even here, India allegedly pushed back on several of the loan's terms and conditions,³⁴ suggesting a clear intent to maintain control and ownership over this strategic investment.

32 <https://eurodad.org/files/pdf/1546810-unravelling-tied-aid-1530880935.pdf>

33 Interview June 2017. See also www.livemint.com/Politics/AXIyUTEJaxNtX0Yv7npPiO/Is-Japans-bullet-train-loan-the-best-deal-India-has-ever-ha.html

34 The Modi administration is reported to have negotiated a decrease in the mandated procurement percentage of 30%. It also sought to reduce the volume of imports from Japan, encourage Japanese companies to build more manufacturing facilities in India and train more Indian personnel (*Financial Express*, 2015). India thus appeared to succeed in negotiating an agreement that aligned well with their own national development priorities.

5 Conclusion

Since its inception, the modern ‘development’ endeavour has been an instrument of public diplomacy and soft power. However, the economic growth and political strength of MICs has by necessity required a maturing of bilateral relations with their traditional donors. The shifting contours of global power and influence demand a new template for donors engaging in and with MICs. While much of the analysis to date on foreign aid to MICs has focused on how their economic transition has shifted the size, nature and terms of development finance (Alonso et al., 2014; Jalles d’Orey and Prizzon, 2019), we have adopted an approach anchored in comparative donor political economy within a single MIC setting. While limited to the Indian case, we believe this paper points to some wider trends taking place as DAC donors and their MIC partners evolve their development cooperation. The framework of development diplomacy analytically dissects the donor transitions taking place in many MICs, allowing for a more structured comparative examination of how donors are evolving their strategic orientations and operations.

What might constitute ‘success’ in building development diplomacy is an inherently normative judgement, which is likely to vary between different stakeholders. Some will prioritise stimulated trade and economic outcomes; others will place geopolitical influence and collective action more highly. Others still will focus on distributional implications, and ask whether the shifts in actors, instruments and partnerships will enhance or undermine poverty reduction and tackling inequality, or indeed, contribute to global public goods in a meaningful and effective way. There is no singular position from which to state that development diplomacy is a success or not. For now, we see a series of opportunities and risks emerging in the Indian context. Although the current refashioning of development is predicated on the idea of synergies with diplomatic interests, configurations and narratives, whether and how this actually serves the development agendas of partner countries – and different stakeholders and actors therein – requires deeper interrogation and analysis.

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