



India's Foreign Aid Policy: contradictions of becoming a global player?

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- ✎ **Why do ‘traditional’ / ‘like-minded’ / DAC donors give aid?**
- ✎ **India as a development partner**
- ✎ **Country / region-wise aid given by India**
- ✎ **Mapping India’s aid to SAARC nations**
- ✎ **How, when and where?**
- ✎ **Discussion - 20 minutes**

Why do 'traditional' / 'like-minded' / DAC donors give aid?

Deriving from deliberations from the 1970s onwards, the factors for giving aid can be classified into two broad categories: **egoistic behavior** – linking aid to the self-interest of the donors, and **altruistic behavior** – relating it to recipient needs and merits (Berthelemy 2006) .

- Strategic needs

- Bilateral trade (exports + imports)

- Geopolitical reasons

- Energy, Fuel and Food security

- Social and Economic infrastructure

- Debt burden/defensive lending: the practice of extending new loans purely to ensure that existing loans are repaid

- Voting pattern in the UN: Studies show that Japan gets influenced by this; another recent example is USA

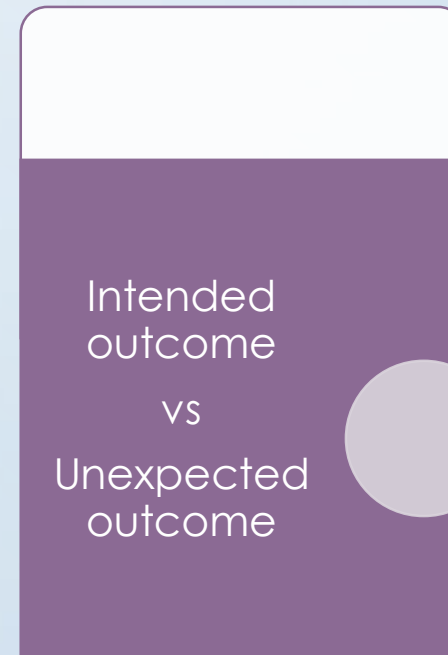
- Colonial past: for example Great Britain, France

- Political alignment: "An administration that is two standard deviations more politically aligned with the donor receives \$20 million more Official Development Aid on average during an election year as opposed to a non-election year" (Qian 2014).

India as a development partner

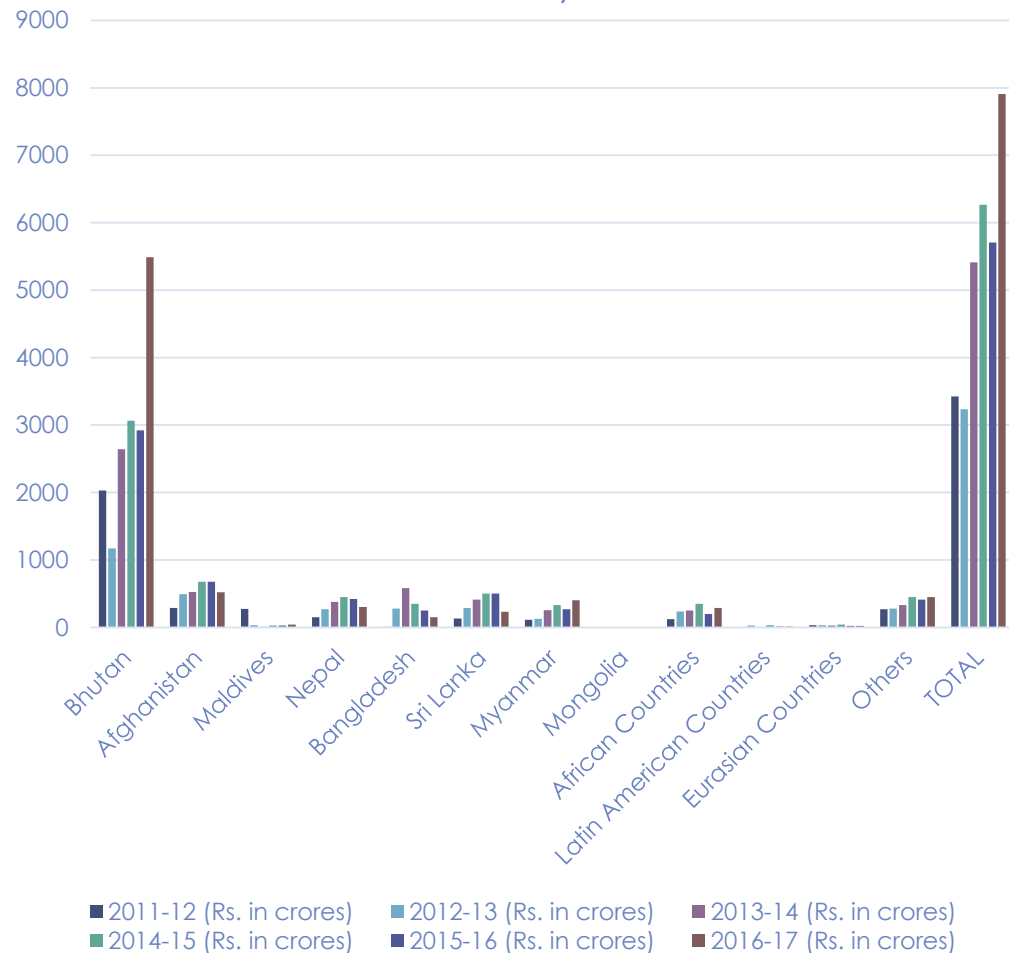
- Non-DAC donor
- South-South cooperation
- Largest aid recipient country until the mid-1990s
- Aid programme can be divided into two main phases: from 1947 to 2002, and from 2003 onwards
- Multi-lateral bodies such as BRICS, IBSA
- Partnership activities with 142 countries

Potential lines of enquiry for this thesis



Country / region-wise aid given by India as per the MEA Annual Reports

Country/Region wise aid given by India in the last 6 years



| Country/Region | 2011-12 (Rs. in crores) | 2012-13 (Rs. in crores) | 2013-14 (Rs. in crores) | 2014-15 (Rs. in crores) | 2015-16 (Rs. in crores) | 2016-17 (Rs. in crores) |
|---------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Bhutan | 2030.00 | 1171.06 | 2640.5 | 3065.99 | 2919.40 | 5490.00 |
| Afghanistan | 290.00 | 491.16 | 525.00 | 676.00 | 676.00 | 520.00 |
| Maldives | 273.00 | 30.00 | 10.00 | 25.00 | 25.00 | 40.00 |
| Nepal | 150.00 | 270.00 | 380.00 | 450.00 | 420.00 | 300.00 |
| Bangladesh | 8.00 | 280.00 | 580.00 | 350.00 | 250.00 | 150.00 |
| Sri Lanka | 133.00 | 290.00 | 410.00 | 500.00 | 500.00 | 230.00 |
| Myanmar | 111.82 | 125.00 | 255.00 | 330.00 | 270.00 | 400.00 |
| Mongolia | 2.00 | 1.00 | 1.50 | 2.50 | 2.50 | 5.00 |
| African Countries | 124.00 | 237.50 | 250.00 | 350.00 | 200.00 | 290.00 |
| Latin American Countries | 0.50 | 27.61 | 5.00 | 30.00 | 15.00 | 15.00 |
| Eurasian Countries | 30.00 | 30.00 | 25.00 | 40.00 | 20.00 | 20.00 |
| Others | 270.55 | 280.60 | 329.65 | 449.32 | 410.32 | 447.82 |
| TOTAL | 3422.87 | 3233.93 | 5411.65 | 6268.81 | 5708.22 | 7907.82 |

Mapping India's aid to SAARC nations

| Variables Countries | Receiving funds from India at least for the last four decades | Transethnic kin | Intra-state conflict in the last four decades (Uppsala Conflict Data Program) | Negotiating Capacity (my own analysis from limited readings) | India's superpower rivalry with China | Tensions with India | Positive Implications of Aid that's known (my own analysis from limited readings) | Advantages/Disadvantages |
|------------------------|---|-----------------|---|--|---------------------------------------|---------------------|---|---|
| Afghanistan | X (since 2001) | X | ✓ | X | ✓ | X | ✓ | - War-torn country. |
| Bangladesh | ✓ (since 1971) | ✓ | ✓ | ? | ✓ | ✓ | ? | - Language (Bengali) - Approaching the govt. + Easy access through NGOs |
| Bhutan | ✓ (since 1950s) | ✓ | X | X | ✓ | X | ✓ | - Large part of the aid goes for hydro-power projects - 3 completed, 4 more under construction + Language + Easy access through NGOs |
| Maldives | ✓ (since 1965) | ✓ | X | ? | ✓ | X | ✓ | - Language (Dhivehi) - Approaching the govt. and the community |
| Nepal | ✓ (since late 1940s) | ✓ | ✓ | X | ✓ | ✓ | ✓ | - Approaching the govt. + Language (hindi) + Easy access through NGOs + Multi-purpose development programs + First country to receive aid from India |
| Sri Lanka | ✓ (since 1980s) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | - Approaching the govt. + Language (tamil) can understand most of it but cant speak + Easy access through NGOs + Multi-purpose development programs + Has been receiving aid from India for a long time |

How, when and where?

Multi-method Approach using Qualitative tools

- Case Study
- Document Analysis – will include analysing financial figures
- Discourse Analysis

Possible data collection sites

- Ministries in India and recipient countries
- Hydropower sites in Nepal and Bhutan
- Housing project in Sri Lanka
- Healthcare infrastructure

2018

Literature review (ongoing)
Document Analysis (May onwards)
Discourse Analysis (May onwards)
Elite Interviews with administrators in MEA, GoI (Nov-Dec)

2019

Data collection from field areas through FGDs/interviews
Elite Interviews with the administration in recipient countries, including Indian representatives
Data organising and analysis

2020

Interviews with NGOs, journalists, think tanks
Elite Interviews with ex-administrators in India
Elite Interviews with the new government and administrators in India
Field visits

2021

Data organising and analysis
Thesis Writing

THANK YOU!

