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Introduction by Srinath Raghavan

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Introduction by Srinath Raghavan, Centre for Policy Research in New Delhi

David Engerman has written an outstanding account of the impact of the Cold War on India's economic development policies in the first three decades after the country's independence. Historians of the Cold War have long regarded India as a peripheral player. Although there has lately been a spurt of scholarly interest in India's encounter with the Cold War, the existing historiography remains somewhat misshapen.¹ It tends to focus all but exclusively on geopolitics and security. Most of these works concentrate on India's relationship with either the United States or (to a far lesser extent) the Soviet Union. Furthermore, these books are written primarily from the perspective of the superpowers and pay limited attention to India's own efforts to navigate the complexities of the Cold War. *The Price of Aid* departs from previous works in all these respects.

Engerman places 'development politics' at the center of his account of the economic Cold War in India. As he aphoristically puts it, "officials in the superpowers used development aid as a Cold War weapon while constituencies in recipient nations used the Cold War as a development weapon" (9). By so doing, Engerman punctures the notion that a country like India was somehow on the periphery of the Cold War. On the contrary, his account demonstrates the extent to which both superpowers regarded India as a crucial testing ground for their ideas and policies of development. But Engerman also argues that the pursuit of Cold War development assistance distorted the political economy of India and indeed contributed to the institutional decline that was so marked a feature of Indian politics by the mid-1970s. The book will be of wider interest to international historians beyond those studying India's position in the Cold War. Since the publication of Odd Arne Westad's pathbreaking *The Global Cold War*,² the image of the Cold War as a contest of competing American and Soviet modernities has acquired much purchase amongst historians. Yet few accounts have demonstrated this dynamic in any detail. Engerman's book, therefore, will provide the coordinates for wider debates on the ideology and political economy of the Cold War in the Third World.

The five reviewers—Manu Bhagavan, Amit Das Gupta, Andreas Hilger, Tanvi Madan, and Paul McGarr—have high praise for the book and largely concur on its merits. They underscore the sheer range of issues Engerman covers under the rubric of development assistance: food and foreign exchange, heavy industry and atomic power, and trade and military transfers. They admire his wide-ranging research in American, Soviet, British and Indian archives and private paper collections. Madan rightly observes that Engerman has accessed more archival sources than any previous historian of India/South Asia and the Cold War. In particular, Engerman's deep research in the recently declassified documents in National Archives of India enables him to restore agency to Indian political leaders and bureaucrats. The reviewers appreciate the gritty detail in which Engerman covers the bureaucratic pulling and hauling within the Indian government over development aid. They also point out the care with which Engerman analyzes the interplay of personalities, ideas, and policies.

¹ Rudra Chaudhuri, *Forged in Crisis: India and the United States since 1947* (New Delhi: HarperCollins, 2014); Paul McGarr, *The Cold War in South Asia: Britain, the United States and the Indian Subcontinent* (Cambridge: Cambridge University Press, 2013); Robert Rakove, *Kennedy, Johnson and the Nonaligned World* (Cambridge: Cambridge University Press, 2013); Nico Slate, *Colored Cosmopolitanism: The Shared Struggle for Freedom in the United States and India* (Cambridge: Harvard University Press, 2012);

² Odd Arne Westad, *The Global Cold War: Third World Interventions and the Making of our Times* (New York: Cambridge University Press, 2007).

Finally, the reviewers admire Engerman's vivid narrative style and his ability to carry the reader with him despite the daunting detail.

Inevitably, the reviewers also have their share of criticism. A common problem identified in different ways is the lack of adequate contextualization of the story being told in this book. The multi-dimensional character of the Cold War is not adequately registered in Engerman's account. Bhagavan points out that India "was not simply a supplicant during the Cold War." Rather it was an active player in a range of international crises. By leaving out this aspect, Engerman risks providing a one-eyed account of India's Cold War. Hilger and Das Gupta observe that Engerman makes hardly any mention of the other important actors that were involved in India's developmental efforts during this period: Britain, West Germany, Japan, and several Communist countries that competed with each other to access India. McGarr underlines the importance of specter of Communist China in motivating the Kennedy administration to ramp up aid to India.

Another recurring critique is the absence of any quantitative metrics by which Engerman's claims about the ineffectiveness of foreign aid programs and India's own plans can be measured. While Engerman provides considerable detail on particular programs, we do not get a good handle on the baselines by which he offers his judgements. Indeed, Madan thinks that "the book perhaps overemphasizes how much Indian economic policies (problematic and positive ones) were primarily the result of external assistance. Hilger takes this point further to question one of Engerman's central claims. It is not clear, he notes, that "the transnational alliances pro and contra capitalist or socialist cooperation contributed to the so-called 'deinstitutionalization under Indira Gandhi." Put differently, economic aid from superpowers was arguably not the main source of problems for Indian political economy during this period. Das Gupta wonders if it makes analytical sense to club together economic aid and arms deals under the umbrella of "development politics." The latter, he points out, was driven as much by concerns about the availability of technological know-how as it was by financial considerations.

In short, the quality of Engerman's book, and this debate, attest to the fact that the study of India/South Asia and the Cold War is no longer on the intellectual periphery of international history.

Participants:

David C. Engerman is Professor of History at Yale University. From 1999 until 2018, he was on the faculty of Brandeis University, where he had been teaching since receiving his Ph.D. from the University of California, Berkeley. *The Price of Aid* is his third book.

Srinath Raghavan is Senior Fellow at Centre for Policy Research in New Delhi. He is the author of several books on the international history of modern South Asia, including, most recently, *Fierce Enigmas: A History of the United States in South Asia* (New York: Basic Books, 2018).

Manu Bhagavan is Professor of History and Human Rights at, and Senior Fellow at the Ralph Bunche Institute for International Studies. He is the author of *The Peacemakers* (HarperCollins, 2012) and *Sovereign Spheres* (Oxford University Press, 2003) and the (co-) editor of 4 other books. He is currently writing a biography of Madam Vijaya Lakshmi Pandit, the world's first celebrity diplomat from the Global South. Manu's edited volume on India and the Cold War is in production with the University of North Carolina Press and is expected in 2019. His Quartz essay on global authoritarianism went viral internationally and was translated into German as the lead, cover article of the May 2016 *Berliner*

Republik magazine. He is the recipient of a 2006 Fellowship from the American Council of Learned Societies and is an elected member of the Pacific Council on International Policy. He regularly appears in the media to comment on global affairs.

Amit Das Gupta holds a Ph.D. degree from FAU Erlangen-Nürnberg with a thesis on West German South Asia Policy (*Handel, Hilfe, Hallstein-Doktrin. Die bundesdeutsche Südasienspolitik unter Adenauer und Erhard, 1949-1966*, Husum: Matthien, 2004). Since 2013, he has worked as senior researcher with the Historical Department of the University of the Federal Army, Munich. In 2017, he published a biography of Indian Foreign Secretary Subimal Dutt, *Serving India. A political Biography of Subimal Dutt (1903-1992), India's longest serving Foreign Secretary* (New Delhi: Manohar, 2017). and together with Lorenz M. Lüthi from McGill University, Montreal, coedited a volume on the war between China and India in 1962, *The Sino-Indian War of 1962. New Perspectives* (New Delhi: Routledge, 2017). A monograph of the impact of officers of the Indian Civil Service on Indian foreign policy will be published in 2019. He is currently investigating donors' strategies in the development consortia for India, Pakistan, and Turkey.

Andreas Hilger is academic coordinator of the Russian-German project on 'Soviet and German Prisoners of War and Internees' at the German Historical Institute in Moscow and teaches at the Universities of Heidelberg and Hamburg. His publications include: *Sowjetisch-indische Beziehungen 1941 - 1966. Imperiale Agenda und nationale Identität in der Ära von Dekolonisierung und Kaltem Krieg* (Cologne: Böhlau, 2018, forthcoming), and co-editor, *India in the world since 1947. National and Transnational Perspectives* (Frankfurt/Main: Peter Lang, 2012). He is currently working on a book about international history since 1945.

Tanvi Madan is Fellow in the Foreign Policy program and Director of The India Project at the Brookings Institution. She holds a PhD in Public Policy from the University of Texas at Austin. Madan is completing work on a book manuscript, "Fateful Triangle: How China Shaped U.S.-India Relations During the Cold War."

Paul McGarr is Associate Professor in American Foreign Policy at the University of Nottingham in the United Kingdom and author of *The Cold War in South Asia, 1945-1965* (Cambridge University Press, 2013). He is currently writing a book on the history of Anglo-American secret intelligence and security interventions in India and Pakistan.

Review by Manu Bhagavan, Hunter College and the Graduate Center-The City University of New York

Over the last several years, China has embarked on a dramatic planning scheme known as the ‘Belt and Road Initiative,’ intended to invest in infrastructure, forge connectivity, and foster trade. BRI, as it has come to be called in shorthand, is a sign of China’s rise and its beneficent vision, according to advocates. But India has not quite seen it this way. Instead, China’s fellow Asian giant has accused its northern neighbor of hegemonic designs and harmful intent. Belt and Road will lead to ever-greater Chinese control, it says. With access to sensitive locations and resources, it adds, China could undermine national sovereignty, and ultimately create a new form of international supremacy. India has, as a result, called on China to be heedful of such concerns in taking BRI forward, while at the same time reaching out to competitors like Japan to create alternative arrangements.¹ Such diplomatic jockeying—with its underlying mistrust, resentment, and antipathy veiled by grand proclamations of brotherhood and paeans to a more unified future—represents the continuing centrality to contemporary international affairs of what David Engerman calls ‘development politics.’

The Price of Aid is Engerman’s timely, authoritative account of the origins of these modern politics of development, which he traces back to the mid-twentieth-century. Over nine chapters, an introduction and a conclusion, he carefully unpacks how foreign assistance, financial or material, came to be fraught terrain that countries needed to tread with utmost care and finesse. Aid combined good intentions with foreign policy stratagems, and so usually came with strings attached and almost always carried unintended consequences. This was made manifestly more complicated by the fear and animus of the Cold War, which drove the battling U.S. and USSR to see every action and reaction as an act of potential benefit and harm to themselves and their respective enemy. Newly independent India, initially marginal to superpower strategies, rather swiftly came to be seen as a key pivot point in global affairs, on which the whole ‘Third World’ turned (345).

The subcontinent was newly released from nearly two centuries of colonial profiteering. It was most concerned domestically with lifting millions out of poverty and building self-sufficiency to stand on its own feet. It was very sensitive to asserting and maintaining its freedom of thought and action. But it needed help in order to build capacity and expertise, and in a bipolar world, this meant turning to the Soviet Union and the United States.

In the aftermath of World War II, the Soviet Union was primarily occupied with the revolutionary potential of prospective collaborators. But by the early 50s, it came to grudgingly accept that there were alternative paths countries might take to progress (48, 58-61, 125). Providing specific forms of assistance, for big projects primarily, could thus help showcase Soviet achievements and win hearts and minds to facilitate the ultimate ascendance of its way of life. India seemed the perfect place to put this into practice.

Following its victory over the Axis powers, the United States had used aid plans to rebuild Europe and Japan but was not particularly keen to expand beyond this limited scope, at least outside of its traditional sphere of

¹ Cf. Talmiz Ahmad, “Why India Needs to Take a Fresh Look at China’s Belt and Road Initiative,” *The Wire*, 2 July 2018, <https://thewire.in/diplomacy/india-needs-to-take-a-fresh-look-at-the-belt-and-road-initiative-proposal>, accessed 20 July 2018.

influence. Once the Soviets started investing in India, however, things changed quickly and the U.S. saw aid as critical to the containment of Communism. It looked for ways to get involved in India.

The book is divided into three sections. The first is foundational, explaining how, in the decade following the symbolic division of Berlin, India developed its relationships with the Cold War West and East, and came to be seen as an alluring friend, and possible asset, to both sides. The second part explores development politics from the mid-fifties to the mid-sixties, when the triangular system of competitive aid matured and expanded to reach its widest girth, leading to unhealthy and weighty repercussions. The third section examines and diagnoses the ills that each side had to deal with as a result.

Engerman jumps back and forth between American, Soviet, and Indian points of view, careful to reveal debates and dissent within states as much as between them. *The Price of Aid* hence highlights the role of bureaucrats, functionaries, and influencers as much as national leaders. In lesser hands, this could easily have devolved into a convoluted or even a dull narrative. It is a testament to the writer's great skill that we have instead a meticulous, well-organized, and balanced rendering that commands attention. The range of topics is astonishing: foreign exchange, steel and other heavy industries, food transfers, friendship agreements, atomic power, oil, trade, and military acquisitions. The panoply of characters is even more so: the scientists-turned-statisticians P.C. Mahalanobis and Pitamber (Pitambar) Pant, the diplomats T.N. Kaul and P.N. Haksar, noted economists I.G. Patel and S. Boothalingam, and ministers Morarji Desai and T.T. Krishnamachari, along with nuclear physicist Homi J. Bhabha. All of these make up a cast of lesser known but key figures on the Indian side, with similar actors featured from the American and Soviet camps.

Engerman knows his material, and understands its complexity, and so is able to convey it in a lucid and accessible manner, spruced up by colorful language and sly, winking humor throughout. American geopolitics, for instance, is likened to a game of Risk (76); a Western policy known as the Big Push is called "pushiness" (240); and seasoned but distant political relations are related to declining intimacy between partners (344).

The book sheds light on matters large and small. We learn, for instance, just how wary India was of China in the months before the Sino-Indian War of October 1962. Jawaharlal Nehru, India's legendary first prime minister, in fact anticipated a military attack and strategized internally how best to prepare for it. He agonized over what to do: "A purchase from Americans could help India prosecute a war against China, he said, but a purchase from the Soviets might keep India out of a war...[as] the MiG-21 could deter China." True to form, Nehru was keen to reduce tensions and avoid conflict and so opted for the Soviet purchase (198). But the bluster of his defense minister, V.K. Krishna Menon, and the use of other Soviet equipment, led the Chinese to register their displeasure with the USSR. Premier Nikita Khrushchev then secretly delayed delivery of the MiGs, informing China but not India. This upended the Indian strategy and essentially greenlit the Chinese incursion that followed (204).

The Price of Aid is centrally about the problem of a postcolonial, impoverished country trying to assert and maintain its independence while sincerely trying to woo the Great Powers as friends and genuinely trying to deal with massive domestic needs. Among many takeaways: the Cold War actually spurred assistance to developing nations, here represented by India, each side trying to outdo the other and win points for their team. Khrushchev personally calculated that Soviet aid "catalyzed" 70% of the aid India got from the West (126).

But neither liberals and conservatives in the West, nor communists in the East ever really distilled the concepts of aid or development from imperialism. The Soviets at least made a few rhetorical gestures in this direction (297), but both sides failed to fully grapple with the historical legacy of colonial exploitation or to deal with its enduring features. “Foreign assistance...[still] breeds moral obligations and induces a sense of dependence,” Nehru astutely observed (57).

India, of course, was not simply a supplicant during the Cold War. In international crisis after crisis, it was Indian diplomats, peacekeepers, and bureaucrats who fanned out across the globe to intervene, de-escalate, and mediate, from Korea to Congo, from South Africa to the Suez Crisis. At least early on, it was India to which much of the decolonizing and “non-aligned” world looked, for inspiration and guidance, and in some cases even assistance. And it is these points that bring into relief some interesting ground Engerman has left underexplored.

We never really grasp the broader setting in which decisions are taking place. The CIA and KGB, for example, were running many ongoing covert operations all over the world, including throughout the subcontinent. Engerman acknowledges but underplays this (127, 198), and does not get into Moscow’s support for the Communist Party of India’s attempt to overthrow the state soon after independence, (although this is possibly implied on 98), or Washington’s achievements in setting up front organizations like the Indian Committee for Cultural Freedom, (which is mentioned on 105 sans its connection to the intelligence community).² USAID played a significant role in funneling American assistance to India, but was also used to facilitate secret interventions elsewhere, notably in Latin America (cf. 233). Indian officials knew about this (319), but it is not clear what precisely they knew and when. Did such information influence Indira Gandhi’s successful removal of “all Americans working on economic aid” in early 1972 (331)?

Inversely, Engerman’s even-handed critique, by focusing on political machinations and bureaucratic maneuvering everywhere, results in some overdrawn portraits of nefariousness (see, for example, 108), especially on the Indian side. Mahalanobis, the visionary founder of the Indian Statistical Institute (ISI) in Calcutta and the great don of the country’s planning process, comes under especially harsh, and somewhat unfair, scrutiny. Engerman is withering in his assessment: Mahalanobis was a shrewd manipulator and “haughty” political operator with sinister (but unclear) motives, overly infatuated with Soviet Premier Joseph Stalin personally, and out only to secure his own “parochial goals” (93-94, 114). To shore up this take, Engerman sees a plot in Mahalanobis’ extension of invitations to experts from around the world, the cosmopolitan nature of the guests and their views serving as mere cover to legitimize the planning czar’s personal power and preformed proclivities. Yet the ISI and its rival Delhi School of Economics attracted every luminary in the field of economics, including three of the first four winners of the Nobel Prize (as Engerman points out on 89). Political leanings were no bar, as even conservatives like Milton Friedman and liberals like Max Millikan (who worked with Walt Rostow, a key shaper of American foreign policy) were welcomed (if not embraced), the latter even managing to set up a professional arrangement between the ISI and the Massachusetts Institute of Technology (108-110). Whatever his personal shortcomings, Mahalanobis (and his peers) ultimately nurtured an environment that gave rise to a generation of eminent economic thinkers across the ideological spectrum, the ranks of which include Amartya Sen, Jagdish Bhagwati, Pranab Bardhan, and

² Ramachandra Guha, *India After Gandhi* (New York: Ecco/HarperCollins, 2007, 71.); Srinath Raghavan, *The Most Dangerous Place: A History of the United States in South Asia* (Delhi: Penguin/Allen Lane, 2018).

Manmohan Singh (114). These facts are pointed out in the book, which makes the depiction of Mahalanobis as an unyielding hardliner particularly confusing.³

Baselines and benchmarks are, for the most part, not provided, so some of the book's claims about the effectiveness or ineffectiveness of Indian planning or foreign aid programs become difficult to judge objectively. The absence of detailed data keeps the book from getting too technical, however, and the notes make reference to a wide range of expert studies.

Still, it would have helped to have specified some of the target goals India set, as well as the metrics used to gauge advancement. Were officials concerned with inequality, malnutrition, mortality rates, and maternal health? If so, what kind of impact, if any, did aid have on these specific indicators? This question is especially pertinent in light of the book's discussions of food transfers and the Green Revolution. Elsewhere, we learn that American "technical advisers" working on community development "operated at a high ratio of rhetoric to resources; small sums of money and the efforts of a handful...were expected to yield extraordinary results in both production and social change." (73) But what if the results were merely pretty good? Would that have been not bad? Some sketch of a cost-benefit analysis would have cleared this up.

Numbers are offered in a few places, predominately in the last third of the book and particularly to reveal ways in which various aid projects came up short. Public sector plants built with Soviet assistance were, in one case, "to produce 82,000 pieces of metal equipment weighing 29,000 tons, but had delivered only 1,200 pieces weighing 500 tons." (288) On the other hand, Indian oil consumption rose three-fold between 1954 and 1966, all from public sector output (283).

A loose comparison towards the end is offered to demonstrate the damage India suffered: the country's "Hindu rate of growth" of .3% (1961-1966) and 1.2 (1969-1974) per capita is shone in a poor light against South Korea's 8.7% (304).⁴ Yet the reasons for this disparity are not discussed. Is this because of the close-mindedness or ideological views of India's leaders; poor policy choices; its past subjugation; its gross inequities; India's (or South Korea's) place in the economic Cold War; and/or Great Power machinations? Engerman only points to the controversy these questions continue to generate.

Such niggling notwithstanding, *The Price of Aid* is a singular accomplishment, a wide-ranging international history written with painstaking attention to detail. India's choice to create a "multi-structural" economy (340) was intentional, circumscribed by the Cold War itself. It was, much as New Delhi's approach to human rights, an attempt to find the best from East and West and marry them together, showing by example that co-existence was not only possible, but desirable.⁵ At the same time, it was a strategic way to keep from falling too far into the orbit of one or the other power, thereby losing its autonomy. It is a mistake to conclude that

³ Atanu Biswas, "Understanding the Legacy of Prasanta Chandra Mahalanobis, the Father of Indian Statistical Research," *The Indian Express*, 29 June 2018, <https://indianexpress.com/article/explained/understanding-the-legacy-of-prasanta-chandra-mahalanobis-the-father-of-indian-statistical-research-5237839/>, accessed 20 July 2018.

⁴ "The Hindu rate of growth" is a phrase coined by economist K.N. Raj, as Engerman points out on page 304.

⁵ Manu Bhagavan, *India and the Quest for One World: The Peacemakers* (Houndmills: Palgrave Macmillan, 2013).

the experiment simply failed. Indeed, considering the vicissitudes of development politics in the current global authoritarian moment, it seems well worth arguing just how much India got right, and how much it achieved, in the face of overwhelming constraints. *The Price of Aid* brilliantly provokes the debate.

Review by Amit Das Gupta, Universität der Bundeswehr, München

David Engerman tells the story of the economic rivalry between the Soviet Union and the United States in India from 1946 to the mid-1970s. The book not only provides an excellent overview but in several chapters covers new ground. This is particularly true for Indo-Soviet relations after 1962, when the focus changed from industrial projects for the public sector to arms deliveries. Indo-U.S. economic relations after the Bangladesh War, when the Nixon Administration further reduced commitments, are another aspect hardly investigated before in such detail. The author has done extensive research in various archives of all three countries. That the documentary evidence on the Soviet side is much less dense than that of India, let alone the United States, is well-known. Inevitably, the book gives evidence that Soviet decision-making often remains in the dark, in part due to the lack of private papers of protagonists. Notwithstanding this inevitable imbalance, Engerman has written a well-balanced and also well-written account.

The book, however, offers much more than the stretching out a story which in parts has been told already. The history of economic relations and aid usually focuses on projects, processes, statistics, and the interaction of governments that are considered to have been acting as a whole. Engerman, on the contrary, adds individuals and institutions, an approach popular with modern diplomatic history but not elsewhere. Thereby, he first highlights the role of individuals in decision-making processes, among them names that hitherto have rather been overlooked. The findings regarding internal discussions in the three countries are most valuable. Even more intriguing is the author's decision to investigate how individuals and institutions used cooperation with partners abroad to bolster their positions in domestic discussions. This resulted in highly relevant new insights and should set high standards for future researchers.

Whereas the role of American Ambassador Chester Bowles had been investigated in much detail,¹ and Indian economic Ambassador B.K. Nehru is given a prominent role in most studies of Indo-U.S. relations, Engerman has done the reader a great favour by looking into the biographies of other protagonists. Every student of Indian (economic) history is aware of politicians and officials like T.T. Krishnamachari, K.D. Malaviya, S. Bhootalingam or C. Subramaniam. While they are usually mentioned rather in the passing, Engerman has analysed their impact and efforts in much detail. The same is true for the Director of the USAID office in Delhi, John P. Lewis, Soviet economic expert S.A. Skachkov, and the State Committee for Foreign Economic Connections (GKES). The most intriguing of those stories certainly is that of P.C. Mahalanobis, a physicist who, by inviting leading foreign economists to India managed to improve his standing there to an extent that he largely shaped the Second Five-Year Plan.

When analysing the impact of individuals and institutions, however, it is not clear why the Indian Ministry of External Affairs (MEA) has not been given any role at all. British India during the Great Depression was a highly regulated economy. Among the economic measures during the world war, various provinces fixed prices. The colonial government also took an active role in overcoming food crises and backwardness with a whole series of programmes aiming at a sort of green revolution and industrialisation. The most relevant was the 'Grow more Food' campaign, launched in 1942, which clearly set the tone for similar combined Indo-U.S. efforts in the following decades. There was a debate about post-independence planning in the Indian National Congress and among industrialists, but those who actually planned and implemented programmes

¹ Howard B. Schaffer, *Chester Bowles. New Dealer in the Cold War* (Cambridge: Harvard University Press, 1993).

were mostly Indian civil servants, most notably from the Indian Civil Service (ICS). With independence, many ICS officers commanded extensive knowledge of economic issues, and the MEA became an ICS stronghold. Its top ranks, among them Foreign Secretary Subimal Dutt, earlier Secretary for Agriculture in famine-ridden Bengal, or even more Secretary-General N. Raghavan Pillai, who had risen in the Economic Department and until 1953 served as Commissioner General for Economic and Commercial Affairs in Europe, were true economic experts.

The MEA played a distinguished role among the Indian ministries in the Nehruvian years, the Prime Minister acting as the Foreign Minister as well. Its secretaries were regularly asked for their advice on issues which had nothing to do with foreign affairs. The history of the Bhilai steel plant offers evidence in this regard. Although an agreement had been signed in early 1955, nothing was settled until the arrival of Soviet leaders Nicolai Bulganin and Nikita Khrushchev towards the end of the year. On the contrary, in an inter-departmental meeting before their arrival, the secretaries, throughout anti-communist, agreed not to sign any agreements as they would come with a political price.² They were proven true among others by Khrushchev's propaganda speeches, abusing Indian hospitality and courtesy. The actual breakthrough for the steel plant and many more projects, especially the issue of credits, was negotiated between Pillai and Deputy Foreign Minister Andrei Gromyko. Pillai, however, is not mentioned in this book, and this is true for the preeminent role of the Indian Ambassador in Moscow K.P.S. Menon as well. Whereas Indians never overcame their pride in negotiations with western countries, Menon during his nine-year term together with Indian visitors pestered the Soviets with all sorts of requests. This well-known and most relevant phenomenon is only slightly addressed by Engerman, and we are provided with no analysis for the reasons for this behaviour.

When discussing the struggle between pro-Western and pro-Soviet forces within India, one also wonders why the author mentions the meeting between V.K. Krishna Menon and Foreign Minister Vyacheslav Molotov in September 1946 but leaves out the most consequential part of it. Molotov not only demonstrated a lack of interest in India (39-40). He also refused to provide food grains the Interim Government under Vice-President Nehru had asked for, missing the chance to support Indian 'progressive forces' against the colonial government.³ Most important, however, was that Menon ignored his instructions, suggesting political and military cooperation. This caused an uproar in Delhi, allowing Menon's adversaries to bury his dreams of establishing a sort of second foreign ministry in London responsible for India's relations with European countries including the Soviet Union.⁴ Those relations were for nine years left in the hands of those who had no sympathies for Moscow at all.

Engerman's decision to count arms deals under economic relations is likely to cause some debate. It is, of course, true that there are no fixed market prices for fighter jets. It still makes a difference that Pakistan received jets completely financed by the U.S. whereas India paid for other equipment. That it paid a 'political'

² Amit Das Gupta, *Serving India. A political Biography of Subimal Dutt (1903-1992), India's longest serving Foreign Secretary* (New Delhi: Manohar, 2017), 236.

³ Ankit, Rakesh, "India-USSR, 1946-1949. A false Start?", in Madhavan K. Palat, *India and the World in the first Half of the twentieth Century* (New Delhi: Routledge, 2018), 161.

⁴ National Archives of India, MEA, file 20(4)-EUR/47.

price does not really change the pattern. Whereas Engerman's approach regarding the shift of Soviet support from industrial projects to arms deliveries makes sense, it does not when discussing the starting point, the MiG 21 deal, if one takes into consideration a little more of its prehistory (194-203). India wanted to produce its own fighter jet, the HF 24, and for this purpose had employed a team of German engineers in Bangalore. The prototype was ready in 1960 but lacked an engine, which Delhi sought, first from western countries.⁵ Only after those attempts failed did India ask for a modified Soviet engine, but it was turned down as well, for Moscow was not willing to provide support for jets developed by Germans.⁶ All this was did not concern financial issues, but – as with civilian nuclear power – was a case of the denial of know-how. None of the superpowers had an interest in an indigenous Indian supersonic fighter jet, the first of its kind to be produced and probably much sold in the developing world. Given Indian need, someone, however, had to provide Delhi a jet. When the Soviets finally and hesitantly responded positively, the United States was relieved to have got rid of the burden, as Engerman himself indicates when mentioning American approval of the MiG 21 deal.

In general, lack of contextualisation is the most problematic aspect of this book. As Odd Arne Westad has emphasised, the Cold War was not merely a confrontation between two superpowers, but a multi-theatre and multi-actor affair.⁷ The two military blocs were by no means monolithic – on the contrary, smaller members pursued a policy of their own that was not necessarily in line with the superpowers. William Glenn Gray has given a striking example with his analysis of the German-German rivalry which took place mostly in the developing world, and I myself have published on the South Asian part of that rivalry, including the German-German part of the Economic Cold War.⁸ These studies would have been relevant for Engerman's research, as they show to what extent in particular American decision-making was influenced by U.S. partners. Paul McGarr has shown how the United States until deep into the Kennedy years let the UK take the lead shaping its South Asia policy. The initiative for the stillborn Kashmir-talks in 1963, for example, originated in London rather than in Washington. Furthermore, it was Secretary of State for Commonwealth Relations Duncan Sandys pursuing a line resulting in Indian gratefulness for western helpfulness in the war with China transforming in hostility.⁹

The Economic Cold War in India knew much burden-sharing, which has not been given sufficient attention in the book. The changing positions of the superpowers cannot be fully understood when ignoring the impact of their allies. When Washington in the early years focused on agriculture, it could do so fully aware that its

⁵ Raghavan, Srinath, "Military technological Innovation in India: A Tale of three Projects", *India Review* 17:1 (2018): 122-141; Amit Das Gupta, *Handel, Hilfe, Hallstein-Doktrin: die bundesdeutsche Südasienspolitik unter Adenauer und Erhard 1949 bis 1966* (Husum: Matthiesen, 2004), 310-311.

⁶ Das Gupta, *Serving India*, 413-414.

⁷ Odd Arne Westad, *The Global Cold War. Third World Interventions and the Making of our Times* (Cambridge: Cambridge University Press, 2005).

⁸ Das Gupta, *Handel*.

⁹ Paul McGarr, *The Cold War in South Asia. Britain, the United States and the Indian Subcontinent, 1945-1965* (Cambridge: Cambridge University Press, 2013): 192-215.

partners rivalled the Soviet Union regarding building and later financing industrial plants in India. The ‘German’ Rourkela steel plant is mentioned, but not its true relevance, even though the story has been researched in much detail.¹⁰ Being state-of-the-art, it easily outdid ‘Soviet’ Bhilai, which in its initial form produced merely railway tracks, thus demonstrating western technological superiority. Even more relevant for this book would have been the extension of the plant after India’s defeat against China in late 1962. As the West German government financed an annex for the hardening of steel, needed for armoured carriers and tanks, it became the only major industrial project in India financed by donors with an immediate military aspect.¹¹

As Engerman mentions in the passing, West Germany and Japan played a significant role (179). Both attempted to compensate for their limited political influence, a result of defeat in the world war, with their economic power. In fact, unlike in the ‘political’ Cold War with the superpowers and the veto-powers of France and the UK dominating, in the ‘economic’ Cold War Bonn and Tokyo were truly great powers, with West Germany single-handedly outdoing the combined aid of the Soviet bloc. Both used their economic muscle for pursuing their own goals, and thereby strongly influenced all debates around aid. Surprisingly, whereas the beginnings of India Consortium are discussed in the book as well as developments after 1965, the period in between is ignored. Without providing proof, Engerman—incorrectly, in my view—argues against the findings of earlier studies that the consortium was mostly an American affair (333). Indeed, the U.S. largely failed to dominate the debates around the sums India could absorb, the types of aid, and the conditions of loans—and the World Bank played a role of its own.¹² This is shown by two of many examples: West Germany initially provided the ‘free money’ B.K. Nehru was after, simply writing a cheque for the Indian Ministry of Finance. Canada gave comparatively little money, but in the forms of grants,¹³ a ground-breaking approach leading straight into the debate around India’s debt service (313-321).

In all likelihood, this is the first book on superpower rivalry in India that mostly leaves out Pakistan. The Kashmir dispute and Pakistani concerns regarding arms sales to India are given some space. Both the Indus Water and the Aid for Pakistan Consortium, nevertheless, are not mentioned once. As a U.S. ally, Pakistan protested against non-aligned India receiving that much money, and without much economic logic another consortium was established. It not only absorbed considerable sums that were no longer available for India. Bonn for example introduced a per-head quota for aid to the South Asian antagonists, much to the detriment of India. Most importantly, the tremendous success of the Pakistan Consortium until 1965 had a strong impact on all of the discussions around India. Providing the book with at least some context of that kind

¹⁰ Corinna Unger, *Entwicklungspfade in Indien. Eine internationale Geschichte, 1947-1980* (Göttingen: Wallstein, 2015).

¹¹ Das Gupta, *Handel*, 309.

¹² John White, *Pledged to Development. A Study of International Consortia and Strategy of Aid* (London: Overseas Department Institute, 1967); Amit Das Gupta, “Development by Consortia. International donors and the Development of India, Pakistan, Indonesia and Turkey in the 1960s”, in Marc Frey, (ed.), *Comparativ* 4:19 (2009) (Leipzig: Leipziger Universitätsverlag, 2009): 96-111.

¹³ Ryan Touhey, *Conflicting Visions. Canada and India in the Cold War World, 1946-76* (Vancouver: University of British Columbia Press, 2015).

would not necessarily have extended its size. President Lyndon B. Johnson's 'short-tether policy'¹⁴ or the Bangladesh crisis of 1971,¹⁵ for example, have been researched in such detail that there was no need to reiterate well-known facts on so many pages.

In sum, this book is a must for everyone interested in superpower rivalry in the Cold War and its economic aspects, for its chapters covering new ground, its relevant archival findings, and its innovative approach. It would, however, have had even more relevance had it been less selective regarding decisive actors and institutions and less silent on multilateral aspects of the Economic Cold War.

¹⁴ Marcel Beareth, *Waffen, Weizen und Kredite für den indischen Subkontinent. Die amerikanische Südasienpolitik unter Präsident Johnson im Dilemma zwischen Indien und Pakistan, 1963-1969* (Stuttgart: Steiner, 1990).

¹⁵ Srinath Raghavan, *1971. A global History of the Creation of Bangladesh* (New Delhi: Permanent Black, 2013).

During the Cold War, the antagonistic superpowers considered independent India as an attractive forum for demonstrating the advantages of their social and economic model. Simultaneously, it seemed to be an important fulcrum for winning non-aligned countries. The general competition could not but attract the keen interest of contemporary academic observers who left scores of in-depth studies and overviews behind.¹ At the same time, development workers and institutions in the global ‘North’ and ‘South’ engaged in increasingly complex debates about the best ways toward their particular visions of the ‘modernity’, justice, affluence, self-reliance, and sustainability of societies worldwide.² It is only in recent years that authors like Odd Arne Westad or projects like the Cold War International History Project (CWHIP) and the Parallel History Project on Cooperative Security (PHP) have highlighted the general, intensive interplay between given Cold War calculations and the processes of decolonization and post-colonial state and nation building respectively.³ Now, David Engerman’s book applies an understanding of this interdependency to decisions and practices of development policy in India from the 1940s until the 1970s.

The focus on India does not need any elaborate justification. Due to the sheer enormousness of economic and social challenges, it appeared to be a significant laboratory for different conceptions. Thanks to India’s international relevance in the non-aligned movement, in Asian affairs, and as an active intermediary in socialist-capitalist antagonisms, it proved to be of special importance for the systemic competition. The period is also well-chosen. It allows the author to cover the genesis and important transformations of the fundamental aspects, mechanisms, and parameters of international decision-making processes. The study interweaves a close examination of bilateral and domestic political decision-making and academic discussions with concrete case studies about economic projects and approaches. In doing so, Engerman succeeds in describing how “officials in the superpowers used development aid as a Cold War weapon while constituencies in recipient nations used the Cold War as a development weapon” (9). The author located the necessary empirical basis for this approach in an impressive spectrum of international archives, among them the useful depositories of the Russian Academy of Sciences or the Russian Economic Archive, United States Presidential Libraries from Truman to Nixon, the Rockefeller Archive Center, and, of course, the National Archives of India (NAI), and the Nehru Memorial Museum and Library (NMML).

¹ See, e.g., Jerry F. Hough, *The Struggle for the Third World. Soviet Debates and American Options* (Washington, D.C.: Brookings Institution, 1986).

² For exemplary discussions within the framework of the UN and the World Bank see, e.g. Olav Stokke, *The UN and Development. From Aid to Cooperation* (Bloomington: Indiana University Press, 2009); Devesh Kapur, John P. Lewis, and Richard Webb, *The World Bank. Its First Half Century, Vol. 1: History* (Washington, D.C.: Brookings Institution Press, 1997).

³ Odd Arne Westad, *The Global Cold War. Third World Interventions and the Making of our Times* (Cambridge: Cambridge University Press, 2005); Christopher E. Goscha and Christian F. Ostermann, eds., *Connecting Histories. Decolonization and Cold War in Southeast Asia, 1945-62* (Washington, D.C.: Woodrow Wilson Center Press, 2009); Parallel History Project, Global Cold War, <http://www.php.isn.ethz.ch/lory1.ethz.ch/collections/colltopic5f74.html?lng=en&id=94903>, accessed 8 June 2018.

In developing his narrative, Engerman masters with amazing ease the combination of different perspectives, dimensions, and levels that emerged from piles of documentary evidence and secondary literature. In the given context, the incomplete account of the Soviet changes of position with regard to the important MiG-deal of 1962 appears to be the exception that proves the rule (211-216). Engerman rightly notes that the temporary Soviet suspension of deliveries of the promised MiGs in the immediate run-up to the Indo-Chinese border war weakened Indian proponents of Indo-Soviet cooperation in the armament sector. Nevertheless, by the end of November 1962, Soviet leader Nikita Khrushchev, in a conversation with Indian ambassador T.N. Kaul, revived the original schedule.⁴ Therefore, Indian supporters of the Soviet military-economic option could argue from a re-strengthened position and had regained a certain room for maneuver, not only in Delhi's bureaucratic infighting, but also in subsequent Indian-Pakistani-Western negotiations about the Kashmir problem.

All in all, Engerman's study compellingly discusses in detail the important developments, constellations, and mechanisms of international economic cooperation under the conditions of Cold War. Among them, to name just a few, were the built-in possibility – or danger – of political utilization of economic courses; the complex relations between military and economic cooperation; the influence of Indian economic development and problems on Washington's or Moscow's developmental approaches; the contradictory interrelation between 'aid' and dependence; and finally, the inseparable links between foreign-policy orientations and external economic inclinations on the one hand, and conflicts about economic policy or general power struggles in Delhi on the other. Again and again, Indian protagonists used "superpower aid and attention as weapons in their own internal disputes" (50). Some time ago, Itty Abraham's book about the Indian atomic program indicated the importance of foreign relations for the implementation of individual Indian visions in the contested fields of development and economic policy.⁵ Engerman's research aptly demonstrates the general extent of such interplays and reveals the corresponding driving forces and mechanisms in virtually all decisive sectors.

So, for instance, the leftist Minister of Natural Resources (later Oil Minister) Keshav Dev Malaviya purposefully used both Soviet and Eastern European expertise and material support alike to establish an independent Indian oil industry. The organization of the new industrial branch did not merely signal a strong commitment to economic self-determination against Western oligarchic enterprises. At the same time, it served as an instrument to expand the public sector, thus promoting advancement towards his vision of an Indian 'socialistic pattern of society.'

Analogously, after the first five-year plan and through successful machinations, the director of the Indian Statistical Institute, Prasanta Chandra Mahalanobis secured his enormous influence on emphases and aims of Indian planning. This section makes for especially fascinating reading. While P.M. Mahalanobis basically managed to exclude Western capitalist theorists and theories from the process, opponents like Braj Kumar

⁴ Records of Conversation Nikita Khrushchev with T. N. Kaul, 24 November 1962, NMML, T. N. Kaul Papers, Correspondence with Nehru, and Deng Xiaoping during meeting of Sino-Soviet Party delegations, 8 July 1963, Federal Archives, Foundation Parties and Mass Organisations of the GDR in the Federal Archives, Berlin (SAPMO-BArch), DY 30/3608, 90.

⁵ Itty Abraham, *The Making of the Indian Atomic Bomb. Science, Secrecy, and the Postcolonial State* (London: Zed Books, 1998), 59-63, 77-79, 82-89.

Nehru never tired of attempting to re-direct Indian strategies by means of Western support. Since the mid-1950s, serious foreign exchange problems seemed to provide appropriate opportunities. B. K. Nehru, at that time a high-level official in the Indian Ministry of Finance, started projects for extensive international financing. In doing so, he was fully aware that the Soviet Union could not render the necessary financial support and that Western partners would strongly favor radical reformulations of India's economic plans. Finally, his argument was that "taking Soviet aid" "would endanger" the much more considerable and needed "American aid" (178). Disharmony within the Indian administration was so endemic that B. K. Nehru in his negotiations with Western representatives used his own calculations about Indian needs for foreign capital in the next planning periods, thus ignoring any data from the responsible Planning Commission (183).

Significantly, K.D. Malaviya as well as B. K. Nehru demonstrated a certain ambivalence in their national and international economic approaches. Malaviya did not shy away from using technical aid and Western supplies for his project. His flexibility reflected general problems concerning the availability and quality of Soviet material. On the other hand, Nehru's endeavors in Washington supported the large-scale Third Five-Year Plan that was designed along P.M. Mahalanobis' and Jawaharlal Nehru's ambitions. A strong insistence on Indian independence in economic and political affairs alike often seemed to be the common denominator of quarrelling bureaucracies, politicians, and their different perspectives. The clear dichotomy between opposing camps that is noted by Engerman did not always play out in concrete actions. Therefore, from my point of view it is less obvious that the transnational alliances pro and contra capitalist or socialist cooperation contributed to the so-called 'deinstitutionalization' under Indira Gandhi (304). From the outset, informal networks and institutional structures in independent India overlapped. Borders of responsibilities and competence between state, party, or social stakeholders remained blurred, and organisational installations proved to be fluid. From this point of view, the given developments in the fields of aid and development seem to have been a symptom of the deep-seated problems and contradictions of state and nation building in India since 1947.

The analyses of Indian planning and oil industry, the cases of P. C. Mahalanobis, B. K. Nehru, and K. D. Malaviya are just a small portion of Engelman's rich study. He carves out in detail the increasing importance of arms deliveries from the Soviet Union as well as the successive move from technical aid to financial support in the Indo-U.S. relation. He discusses the negative implications of the U.S. Public Law 480-program for Indian agriculture, the political significance of project-aid versus non-project-aid, the debates about rupee-devaluation, and the so-called 'Green Revolution.' He reconstructs decision-making processes and repercussions with regard to, among others, Bhilai, Bokharo, the Heavy Engineering Corporation (HEC) in Ranchi, and the Damodar Valley Corporation. In so doing, he supplies a close description of the development of American approaches from reservations to activism to financialization, and an equally impressive account of Soviet ideas from project-aid to militarization. All in all, Engerman provides a multi-faceted and insightful picture of the interconnected developments of Cold War and decolonization. The focus on economic policy significantly enhances our knowledge about Indian, bilateral, and multilateral relations in an extremely important, but often neglected dimension during crucial periods of the second half of the twentieth century. At the same time, the book raises questions which should comprehensively inform future debates. I will touch upon two of them.

First, my reading of Soviet documents about economic relations with India from Joseph Stalin to Leonid Brezhnev attaches more importance to Soviet ideological calculations. The Kremlin in its support for heavy industry projects in the Indian public sector always had Soviet experiences in industrialization and the simultaneous cultural conversion of the Soviet society in mind. In public and internal debates, the code word

'Magnitogorsk' represented the Soviet expectation that precise socialist investment in India would contribute to the growth of a real Indian proletariat. The emerging steel cities would imbue the whole Indian society with new, pro-socialist cultural values. Khrushchev himself described corresponding Indian industrial sites as "equivalent of our Magnitogorsk...where new people grow and are tempered" – a telling phrase borrowed from Nikolay Ostrovsky's famous Soviet socialist realist novel.⁶ Soviet economic cooperation was intended to fortify and to fasten the Indian march towards socialism. This domestic aspect seems to be underestimated in Engerman's discussions about Soviet motivations (129, 275). Soviet partners from the very beginning calculated that they would have large-scale influences on Indian developments. Incidentally, since the mid-1950s, increasing trade relations had the important function of distracting India from the capitalist system. On the other hand, any malfunction in Indo-Soviet economic cooperation was constituted a serious loss in prestige and in socialist perspectives in India. From this point of view, the Soviet Union had to pay its own price of aid in ideological terms as well.

This leads to a second factor in the economic USSR-U.S.-India triangle that needs further exploration. The failure of Soviet economic offensives in the framework of Cold War competitive coexistence might have contributed to the erosion of East European socialist cohesion on the one hand and to the sharpening of inner-socialist conflicts with, above all, China on the other. Basically, socialist support for India was a common project of the Comecon countries. In addition, the extension of foreign economic relations, especially trade relations, with India (and other states in Asia, Africa, and Latin America) was expected to alleviate socialist economic problems in terms of foreign exchange, food supply, and consumer goods. Especially during the 1960s, the difficulties of real existing socialism in the Eastern Bloc led to inter-socialist competition for Indian (and other) markets as well as products, and not to ideological or economic advances of the Comecon. Concrete developments of Soviet-Indian economic relations not only put a strain on the Comecon economies; in addition, they weakened the Soviet position vis-à-vis Chinese (or Cuban) allegations concerning 'wrong', that is too much economic and insufficient revolutionary strategies worldwide. All in all, a broader integration of the diversity of world socialist approaches and a closer look at the influence of socialist-socialist cooperation or antagonisms on the Soviet-Indian economic contacts could add important dimensions to the given interpretations of economic as well as military cooperation. The same might apply to differences within the capitalist world, where, for example, West German or Japanese export interests shaped their role in the Aid-India Consortium (AIC). So, in addition to plentiful new, important insights in the economic cold war in India, and by widening the interpretative tools and frameworks for analyses of Cold War and post-colonial international relations, Engerman's study contributes to the opening of new research perspectives on global economic relations since 1945.

⁶ Indian Embassy Moscow, Political Report for March 1960, National Indian Archives, New Delhi (NAI), 8 (39) Eur (E)/60; Indian Embassy Moscow, Political Annual Report 1960, 5 January 1961, 34, NMML, K. P. S. Menon Papers, 5, and Records of Conversation Nehru with Khrushchev, 1 March 1960, NMML, Subimal Dutt Papers, 24; Nikolaj Ostrovskij, *Kak zakaljalas stal* (Moscow: Molodaya Gvardiya, 1932-1934).

Review by Tanvi Madan, The Brookings Institution

China's One Belt One Road or Belt and Road Initiative has us once again discussing the issues of grants and loans, the motivations of the loan-givers and the recipients, the impact of financial flows and development projects on geopolitics, societies and economies, and whether such efforts are worthwhile (and for whom). Even if it had not been published in the midst of this debate, David Engerman's extremely well-researched *The Price of Aid: The Economic Cold War in India* would be a must read; the current environment only makes it more so. The book offers both a better understanding of the past, as well as historical context—and indeed some lessons—for the present.

The Price of Aid sheds significant light on the economic dimension of the Cold War, which is understudied (even compared to, for instance, the literature on security assistance). It also joins recent works like Rudra Chaudhuri's *Forged in Crisis: India and the United States Since 1947* and Paul McGarr's *The Cold War in South Asia: Britain, the United States and the Indian Subcontinent, 1945-1965* in providing a new perspective on the superpower competition and South Asia.¹ *The Price of Aid* outlines how, in the context of that rivalry, foreign aid was used as an instrument of policy in Moscow and Washington. It also assesses how that competition and aid became tools for Indian officials, who had their own plans and priorities. As Engerman puts it pithily (and memorably), “the superpowers used development aid as a Cold War weapon while constituencies in recipient nations used the Cold War as a development weapon” (9). It is worth noting that while the book is mostly about what is generally considered development aid, i.e. economic assistance, the author does not neglect the military assistance that both the United States and particularly the Soviet Union extended to India.

In the economic Cold War, Engerman asserts that India was not peripheral, but central to the superpowers. He argues that their competition shaped India, and India, in turn, shaped it. In doing so, he helps bust the myth that India and its prime ministers stayed aloof from the Cold War. To the contrary, even if Indian policymakers did not like the superpowers' geopolitical and ideological battle, they very much used it for their own purposes. And the author shows that those policymakers did not have the same goals or preferences (in terms of policies or partners), thus helping get us beyond the idea that there was a monolithic Indian view during—and about—the Cold War.

A key theme of the book revolves around the agency exercised by Indian policymakers. Researching official and personal papers, Engerman uses protagonists to tell the story of how ‘development politics’—as he defines it, the entanglement of aid competition and domestic politics—played out in the Indian case. Thanks to this, we get a better glimpse of personalities beyond the usual suspects. These include founder of the Indian Statistical Institute P.C. Mahalanobis, head of the Atomic Energy Commission Homi Bhabha, and Finance Ministry official and later Indian ambassador to Washington B.K. Nehru. Engerman demonstrates that these individuals—and India more broadly—were not just objects in the Cold War, but subjects in their own right,

¹ Rudra Chaudhuri, *Forged in Crisis: India and the United States Since 1947* (New York: Oxford University Press) and Paul M. McGarr, *The Cold War in South Asia: Britain, the United States and the Indian Subcontinent, 1945-1965* (New York: Cambridge University Press, 2013).

exploiting American and Soviet competition. They did this alone, but sometimes also in coalition with like-minded counterparts in the U.S. and USSR.

The Price of Aid also provides a much-needed analysis of the economic dimension of both the India-U.S. relationship and the India-Soviet one. Many of the books about U.S. relations with India—or South Asia more broadly—during the Cold War have not tended to focus on the crucial economic angle. An exception is Dennis Merrill's *Bread and the Ballot: the United States and India's Economic Development, 1947-1963*, which outlined how geopolitical and economic dynamics intersected and interacted.²

The Soviet perspective that Engerman includes in the book is particularly welcome. The India-Soviet relationship is under-researched and *The Price of Aid* helps close some of the gaps. For a diplomatic history student with Russian language expertise looking for a dissertation topic, there remains scope for an updated history of that relationship. For Indian audiences used to reading about the dynamics between American and Indian policymakers, this book will offer a view of why the latter have been wary of dependence on all external partners—and not just the U.S. It complicates the picture of Moscow as a benign, unproblematic and always reliable benefactor that still prevails in many quarters in India. Engerman demonstrates that Soviet officials and experts, like their American counterparts, had their own ideas about what India should do, and did not hesitate to use economic and military aid as leverage.

The Price of Aid is the result of extensive research in India, Russia, the U.K. and the U.S. It would not be an exaggeration to say that Engerman has accessed more archives than others have for books on the Cold War and/in South Asia (Srinath Raghavan's *1971: A Global History of the Creation of Bangladesh* comes closest³). Among Indian sources, he has also made greater use of papers available at the National Archives of India (the official archives, where the Ministry of External Affairs and other ministries deposit their old files) than others have in the past.

There is little doubt that this book will be essential reading for scholars of the Cold War, Indian history, and economic history. It should also be for development economists and policymakers as they seek to develop many belts and many roads in and across nations.

Addressing two elements would have helped enrich this work even further: the first is where and how development politics and its practitioners fit within their larger contexts; the second is the question of the value of aid.

Engerman provides working-level practitioners' perspectives, but we do not get a sense of their relation to the larger whole i.e. where they fit in among the political and policy establishment, or of the nature and extent of their power and influence. In the Indian case, the way the government was structured and functioned, the political leadership—led by Jawaharlal Nehru, Lal Bahadur Shastri and Indira Gandhi—had strong views of its own. These leaders exercised considerable, albeit not unconstrained, power and, thus, agency of their own.

² Dennis Merrill, *Bread and the Ballot: the United States and India's Economic Development, 1947-1963* (Chapel Hill: University of North Carolina Press, 1990).

³ Srinath Raghavan, *1971: A Global History of the Creation of Bangladesh* (Cambridge: Harvard University Press, 2013).

The book, for example, does not quite persuade the reader that it was Mahalanobis whose preferences played a greater role in shaping initial Indian economic policy than Nehru, who seems to play more of a bit part in the narrative. As Engerman effectively shows, the Prime Minister was not the only relevant policymaker in India, but, nonetheless, he was a critical one. The author could make the case that Mahalanobis influenced Nehru's decisions, but it would then have been useful to outline how and when he did so. In some ways, Engerman's assessment of the Indian aspect at least suggests that development politics is better understood as the interaction between aid competition and bureaucratic—rather than domestic—politics.

Relatedly, this reviewer would have liked to have seen a bit more on how development politics interacted with the broader geopolitical, ideological and political dynamics at play. These dimensions help explain why, as Engerman notes, bureaucrats and experts started winning more arguments. As Louis Menand's *The Metaphysical Club* persuasively showed, ideas can be around for a while, but it is when they 'fit' a certain context that they get widely adopted and operationalized.⁴ These broader trends also help explain why—beyond sunk costs and inertia—American and Soviet policymakers persisted with aid programs despite their frustrations with Indian performance. For example, in 1965, when U.S. ambassador to the UN Arthur Goldberg suggested to a fed up President Lyndon Johnson that the U.S. should give up on India and let it "go communist," Johnson stopped him, noting, "I don't know, that's what they said [former Secretary of State] Acheson did with China."⁵ It is understandable, however, that some aspects will be left untapped in a book like this that covers considerable ground.

Finally, there is the element that the book's title throws up: the price of aid. Engerman effectively highlights the paradox of a country seeking autonomy through aid or independence through dependence. There were no doubt adverse effects of that foreign aid, on policies and people, as he shows, including the moral hazard it could create (arguably letting Delhi delay or avoid some necessary choices). But the book perhaps overemphasizes how much Indian economic policies (problematic and positive ones) were primarily the result of external assistance. One of the biggest strengths of this book is that it gives Indians agency, and there were a lot of decisions—independent of aid politics—that contributed to the fate of the Indian economy. For example, as the author notes, Indira Gandhi's major decision to turn left economically in the late 1960s was primarily a political decision, and not the result of aid politics. The book makes a strong argument that external assistance was *an* influence on Indian economic policy, but it does not make the case that it was *the* influence. Similarly, Engerman asserts effectively that countries can use—and give—aid badly, but is less convincing on the suggestion that foreign aid in and of itself is bad. As he acknowledges, assistance did "erode...sovereignty," but it also "helped create a world of sovereign states" (8).

The book is persuasive on the point that aid had its downsides, but aid was also not without upsides. To mention just one example, American aid helped establish the Indian Institutes of Technology, which, for all the debate around them, continue to contribute to both the Indian and American economies. It is no doubt difficult to answer counterfactuals (what path would India have taken without aid?) or to assess whether the giving and taking of aid was worthwhile. For instance, one of the strategic purposes of American aid was to

⁴ Louis Menand, *The Metaphysical Club: A Story of Ideas in America* (New York: Farrar, Straus, and Giroux, 2001)

⁵ Conversation between Johnson and Goldberg, November 18, 1965, Lyndon B. Johnson Library, Tape WH6511.07, Program No. 6, Citation 9184.

ensure that India remained a democracy. A key reason for accepting it was that Nehru believed it helped his fledgling democratic government 'deliver the goods' at a crucial juncture in India's evolution as a polity. Given that context, looking back, how does one define success? (Especially if one compares India's political development to that in countries where the U.S. poured in billions in military assistance like Egypt or Pakistan). Perhaps a cost-benefit analysis is better left to economists, but the book does leave one still wondering: was the price of aid worth it?

Review by Paul McGarr, University of Nottingham

The economic dimension of India's Cold War has suffered from a relative dearth of scholarly attention. Broad studies interrogating the emergence of modernization theory, nation building, and the weaponization of developmental aid by the Soviet and American superpowers have touched tangentially on the Indian subcontinent.¹ Much of the specific focus placed on South Asia's international relations post-1947 has, however, been directed at the diplomatic, military, and cultural aspects of India's relationship with the United States and the former Soviet Union.² The few works that have directly addressed the economic interventions made by Moscow and Washington in the Indian subcontinent are now either dated, or adopt a narrow chronological or thematic approach to questions of international aid.³ David Engerman's comprehensive new study of the politics of developmental economics in India is therefore extremely welcome since it addresses what up until now has been a notable lacuna in the literature on South Asia's Cold War.

At its heart, *The Price of Aid* argues that, in India's case at least, developmental aid that was extended to New Delhi by Washington and Moscow proved to be very much a double-edged sword. Engerman suggests that far from accelerating the modernisation and growth of a post-colonial Indian economy burdened with an enervating legacy of British imperial underinvestment and neglect, American and Soviet aid had a number of unforeseen and largely negative consequences. The drive for national autonomy and state sovereignty that independent India's first prime minister, Jawaharlal Nehru, placed at the center of his Congress Party's agenda came to be qualified and constrained by political strings superpower donors attached to their aid dollars and roubles. Though lauding their Indian assistance programs in a common language that emphasised a selfless and almost philanthropic commitment to helping nascent post-colonial nations achieve economic

¹ Notably, Michael Latham, *The Right Kind of Revolution: Modernization, Development and U.S. Foreign Policy from the Cold War to the Present* (Ithaca: Cornell University Press, 2011) and *Modernization as Ideology: American Social Science and "Nation Building" in the Kennedy Era* (Chapel Hill: The University of North Carolina Press, 2000); Carol Lancaster, *Foreign Aid: Diplomacy, Development, Domestic Politics* (Chicago: University of Chicago Press, 2007); Nick Cullather, *The Hungry World: America's Cold War Battle Against Poverty* (Cambridge: Harvard University Press, 2010); and more recently, Frank Gerits, "Bandung as the Call for a Better Development Project: US, British, French and Gold Coast Perceptions of the Afro-Asian Conference (1955)," *Cold War History* 16:3 (August 2016): 255-272.

² See, for example, Robert J. McMahon, *The Cold War on the Periphery: The United States, India and Pakistan* (New York: Columbia University Press, 1994); Dennis Kux, *India and the United States: Estranged Democracies, 1941-1991* (Washington, D.C.: National Defense University Press, 1993); Rudra Chaudhuri, *Forged in Crisis: India and the United States Since 1947* (London: Hurst & Co., 2014); Andrew Rotter, *Comrades at Odds: The United States and India, 1947-1964* (Ithaca: Cornell University Press, 2000). Much less has been written on Indo-Soviet relations, see, Vojtech Mastny, "The Soviet Union's Partnership with India," *Journal of Cold War Studies* 12:3 (Summer 2010), 50-90; Robert Horn, *Soviet-Indian Relations: Issues and Influence* (New York: Praeger, 1982); Arthur Stein, *India and the Soviet Union: The Nehru Era* (Chicago: University of Chicago Press, 1972).

³ For instance, Dennis Merrill, *Bread and the Ballot: The United States and India's Economic Development, 1947-1963* (Chapel Hill: University of North Carolina Press, 1990); Kristin L. Ahlberg, "'Machiavelli with a Heart': The Johnson Administration's Food for Peace Program in India, 1965-1966," *Diplomatic History* 31:4 (September 2007): 665-701; Nicole Sackley, "Village Models: Etawah, India, and the Making and Remaking of Development in the Early Cold War," *Diplomatic History* 37:4 (2013): 749-778.

independence, aid supplied by the United States and the Soviet Union, as Engerman convincingly demonstrates, had precisely the opposite effect. Here one illuminating statistic is especially telling. Some 90% of all external aid supplied to India arrived not in the form of grants or gifts, but in the shape of loans, often not denominated and repayable in foreign currency (3).

The term “development politics” (52) is employed by Engerman to characterise the interplay between Indian, American, and Soviet actors with a stake in the international assistance game, both inside and outside government. A nuanced picture is constructed of the connective webs of national, regional, and individual self-interest that drove different aid agendas. The reader is reminded that it was not only American and Soviet stakeholders that sought to leverage aid in pursuit of political, social, or economic advantage. Indian politicians, policy advisors, and businessman all identified an opportunity to exploit an influx of superpower aid to further domestic agendas, from the promotion of local pork barrel projects to efforts at influencing the direction of national economic policy. Prasanta Chandra Mahalanobis, founding director of the Indian Statistical Institute, proved especially adept at capitalizing on the array of foreign economists, agriculturalists, and planners that descended upon India to advance his own domestic agenda. Specifically, specialists from abroad helped Mahalanobis to legitimise and give bureaucratic currency to his push for a centrally planned Indian economy with a strong emphasis on publicly-owned heavy industry (91).

Or, as Engerman neatly puts it, “the superpowers used development aid as a Cold War weapon while constituencies in recipient nations used the Cold War as a development weapon” (9). Little of this, of course, was unique to India. Development politics, in one guise or another, was an important facet of the Cold War from its very inception, and not least in the manner which the United States sought a strategic windfall from Marshall aid on both sides of Europe’s Iron Curtain.⁴

Still, as the Cold War went global in the 1950s, and Moscow entered into an economic competition with the United States to win friends and influence people across the developing world, India loomed large in the thinking of policymakers sitting in Foggy Bottom and the Kremlin. In the immediate aftermath of Indian independence, the nation was dismissed by the United States as strategically insignificant and derided by the Soviets as a stooge of British imperialism. It took some time before India came to be recognised by the superpowers as a valuable Cold War prize by dint of its untapped economic potential, (contested) claim to a leadership role amongst Afro-Asian nations and, from Washington’s perspective, capacity to act as a democratic bulwark against communist expansion in Asia.

By the late 1950s, as Engerman notes, India was no longer a Cold War backwater and had been transformed into a testing ground for the utility of external aid and competing American and Soviet versions of modernity. Moreover, the Indian experience came to drive the broader practice (and shape the theoretical basis) of international aid across the developing world. In essence, the Indian subcontinent was turned into a superpower laboratory for development politics where the utility of a range of different approaches and techniques, from localized community development projects to central planning initiatives, played out.

The Price of Aid illustrates that the reservations of Indian leaders over the price that the nation would have to pay for external aid were wholly justified. Indeed, the seeds of future tensions and recriminations were evident from the very beginning of the superpowers’ economic interventions in South Asia. In 1951, as food supplies

⁴ See, for example, Ben Steil, *The Marshall Plan: Dawn of the Cold War* (New York: Simon & Schuster, 2018).

in India came under pressure and a famine threatened, the Truman administration's efforts to persuade the U.S. Congress to approve a transfer of wheat to the subcontinent were hedged with a quid pro quo surrounding the provision of Indian atomic materials to the United States. In response, Nehru raged that Washington was attempting to foist a deal on his government that stripped India of its "self-respect" and compromised its "sovereignty" (55). Throughout the Cold War, India's resentment at conditions attached to developmental assistance by the United States and, increasingly, the Soviet Union, gave lie to the notion of superpower altruism and proved politically toxic. The flagship American Food for Peace programme, or the Agricultural Trade and Development Assistance Act (Public Law 480), which dated from 1954, came to represent, as one Western journalist based in New Delhi reflected, "an object lesson in how to give aid and win enemies."⁵

Paradoxically, the American and Soviet support lavished on India during the Cold War had little impact on the nation's economic performance. Despite accounting for as much as one-eighth of all overseas U.S. aid at its mid-1960s peak, India's economy resisted transformation into an Asian 'tiger.' As Engerman underlines, Indian growth rates between the early 1960s and mid-1970s ranged between 0.3 percent and 1.2 percent. Such an anaemic performance compared poorly with South Korea's growth rate of 8.7 percent (304). Worse still, in India population growth largely nullified what little economic gains were banked. Having only gained real momentum in the late 1950s, American interest in bankrolling Indian development flagged badly under the Johnson administration in the mid-1960s and was effectively abandoned once Richard Nixon entered the White House. Likewise, by the early 1970s, the Soviets had jettisoned grandiose plans for Indian industrialisation that were embodied in Moscow's sponsorship of such high-profile projects as the Bhilai steel works. Once Soviet premier Nikita Khrushchev had been ousted by colleagues with a less sanguine view of developmental assistance, the Kremlin moved out of the economic aid business and became the developing world's principal armourer. While ranging over the entire Cold War period, *The Price of Aid* is then, essentially, an account of an intensive but relatively brief period of economic adventurism in India on the part of the United States and the Soviet Union.

It is a little hard on Engerman to demand more from such an illuminating and compelling study of Cold War economics in India, but serious critical engagement with any work of scholarship necessitates some reflection on matters of emphasis and omission. I would, for instance, have welcomed more sustained discussion on the extent to which narratives surrounding a Sino-Indian 'race' for economic influence in post-war Afro-Asia fed into U.S. domestic debates on developmental aid. Senator John F. Kennedy made much of the fact that Communist China appeared to be outpacing Indian growth rates and, in doing so, threatened to tarnish the appeal of liberal capitalism to post-colonial states. In 1959, Kennedy suggested to American voters that:

...no struggle in the world deserves more time and attention from this [Eisenhower's] Administration – and the next – than that which now grips the attention of all of Asia...that is the struggle between India and China for the economic and political leadership of the East...We want India to win that race with Red China. We want India to be a free and thriving leader of a free and thriving Asia.⁶

⁵ "Not so quiet Americans," *The Guardian*, 28 October 1972.

⁶ Kennedy speech delivered at Riverside, California, 1 November 1959, *The Strategy of Peace* (New York: Popular Library Publishers, 1961), 177-78.

Once in the White House, President Kennedy continued to use the spectre of Communist China to rationalise his administration's calls for an unprecedented programme of U.S. economic assistance for India. Given the economic competition that India and the People's Republic of China are presently engaged in to secure markets and resources in Africa and elsewhere across the developing world, it would have been valuable to see some reflection on the role played by the superpowers in promoting notions of Sino-Indian economic competition.⁷

Similarly, the somewhat narrow economic focus that *The Price of Aid* places on the Soviet and American superpowers does tend to obscure the important, if necessarily subsidiary roles, played by other states in the story of Indian development. Little, if anything, is said of the British, West German, Japanese, or Czechoslovakian contributions in this area. As other studies of Cold War India have shown, so-called second-tier nations could, and did, exert considerable agency in post-colonial India, often by frustrating, delaying, or qualifying the plans hatched by their Soviet and American partners. This is not to say that Engerman falls into the trap of treating the question of Indian developmental aid as a crude duopoly, in which only the raw economic and military power of Moscow and Washington counted. But greater engagement with a wider array of international protagonists would have usefully complicated the nature and impact of external forces on the Indian economy. One might, in addition, apply this critique to the space afforded to Indian actors in Engerman's study. Fascinating insights are offered on the importance of luminaries such as Mahalanobis, and on how an Indian elite of politicians, academics and engineers responded to an influx of external aid. Reflections on receptions to, and agency exercised by, ordinary Indians with respect to American and Soviet aid programs are, however, absent. Did the average Indian care about development politics? Were non-elite Indians able to subvert development agendas?

Perhaps unsurprisingly, given the author's background and expertise in Soviet history, the *Price of Aid* is more illuminating and revelatory when addressing Moscow's interventions in India, an area which, as indicated previously, is in need of far greater scholarly attention. In contrast, chapters focusing on American military aid to India following the Sino-Indian war of 1962 and the saga of PL-480 food grain shipments offer much less that is new or surprising. Numerous studies have examined these facets of American interaction with India in exhaustive detail.⁸ Readers already acquainted with the rich literature on Indo-U.S. relations may, in consequence, find the *Price of Aid* to be an amalgam of the highly enlightening and the somewhat familiar.

In light of current debates that have called into question the equity and sustainability of economic models rooted in globalisation, free markets, and liberal capitalism, it would have been fascinating to hear more of Engerman's thinking with respect to the ethics of international aid. *The Price of Aid* studiously avoids taking a firm position on whether the American or Soviet economic model had the strongest moral claim in an Indian context. The Soviets may, Engerman observes, have won some economic Cold War battles in the subcontinent, but it was America's vision of modernity that ultimately carried the day. Quite so. But, given

⁷ Fantu Cheru and Cyril Obi (eds.), *The Rise of China and India in Africa: Challenges, Opportunities and Critical Interventions* (London: Zed Books, 2010).

⁸ Notably, McMahon, *The Cold War on the Periphery; Kux, Estranged Democracies*; Paul M. McGarr, *The Cold War in South Asia: Britain, the United States and the Indian Subcontinent, 1945-1965* (Cambridge: Cambridge University Press, 2013); Srinath Raghavan, *War and Peace in Modern India: A Strategic History of the Nehru Years* (New Delhi: Permanent Black, 2010).

the chronic problems of poverty, malnutrition, illiteracy, and wealth-inequality that persist in India, ought any suggestion of Western economic triumphalism be appropriately qualified? The Chinese premier, Zhou Enlai, famously observed during Nixon's visit to Beijing in 1972 that it was too early to tell if the French Revolution had been a success. Although it remains a moot point whether Zhou was referring to the events of 1789 or 1968, if we assume the former, which is, after all, much more gratifying, should the sagacity of India's turn away from state planning and towards to free-market capitalism be viewed as equally contingent?

That Engerman's absorbing and timely interrogation of the development politics of India's Cold War illuminates fruitful avenues for further scholarship, and raises, perhaps, as many salient questions as it provides answers, is a testimony to its importance rather than a reflection of any shortcomings. *The Price of Aid* is a magnificent book that is sure to become an indispensable work of reference for scholars and students with an interest in the nexus between diplomacy and economics and broader North-South exchange. In revitalising and reimagining the politics of developmental aid in the Indian subcontinent, *The Price of Aid* challenges readers to reconsider and revise established interpretations of the Cold War in South Asia. I know that I did.

Author's Response by David C. Engerman, Yale University

It is humbling to be the subject of a roundtable review with such an impressive group of scholars engaging with one's work so thoroughly and so thoughtfully. For this I would like to express my gratitude to the H-Diplo editors and of course to the reviewers themselves. I have enjoyed working in overlapping areas with these reviewers, and have learned tremendously from their writings. Their scholarship, past and present, demonstrates just what an exciting moment this is for the study of independent India's foreign relations. I am proud to be a part of it.

I am especially glad that the reviewers, by and large, seemed to start from the same place I did: the book's argument about Development Politics. I use the term to describe the intersection of domestic politics and geopolitics that played a key role in debates over economic policy (and broader economic visions) in India as in so many other recipients of aid during the latter half of the twentieth century. Fierce internal debates over the economic future of independent India drew on the tangible and intangible resources of the Cold War powers. Indian politicians and civil servants drawn to central planning and large-scale industry in the public sector sought (and found) support from the aid programs of the Soviet Union and other socialist nations. By the same token, their domestic antagonists, who were interested in an India participating in global flows of goods and capital and in an agriculture-first strategy, sought connections with the United States and its allies. And a parallel process took place in donor nations: American and Soviet officials engaged in their own respective debates about the ways to engage the newly independent nations that came to be called the 'Third World.'

A number of decisions about the book's parameters followed from focusing the book around this argument, and the reviewers identify some of the implications of those decisions. Rather than address their detailed and stimulating comments one by one, I would like to consider them in three clusters: about the choice of national actors under consideration, about the range of Indian actors, and about the call for more systematic assessments of superpower aid and Indian economic policy.

First, a number of the reviewers' comments note topics and actors that, they believe, did not receive sufficient attention in *The Price of Aid*. The book is basically triangular, focusing almost exclusively on Indian, American, and Soviet actors - though I also worked in British and German (West and especially East) state archives. It's refreshing to see a book that covers three national political spheres criticized for being too narrow; not so long ago, that kind of focus might have been considered broad. International history today is continually expanding its horizons.

Different reviewers suggest different directions for expansion. Andreas Hilger, a leading expert on Soviet and Eastern European relations with India, not surprisingly suggests more attention to the socialist bloc. He rightly notes that socialist nations' aid programs with India served to complement those nations' economic relationships with the Soviet Union. The same was also true in a political sense, as projects of "economic cooperation" (the preferred term for aid in the USSR and most other socialist states) established a small but significant autonomous sphere of foreign relations. Indeed, Amit Das Gupta points out in his review (building on his pathbreaking work on West German aid for India) that the inter-German competition for

friends and partners in the Third World marked a special case.¹ Das Gupta also wished for more attention to dynamics within the western alliance. Considering (to my mind with some exaggeration) Germany and Japan “truly great powers” in the Third World, he calls for a wider range of western actors.

But I might flip around Das Gupta’s comment. He is right to note that aid from the Soviet Union and the socialist bloc was small in comparison with Western aid. This is a familiar refrain; one 1972 study of Soviet aid to India, for instance, concluded that “nowhere has such small substance cast such great shadow.”² In my view, the discrepancy between “substance” and “shadow” - between the material aid provided and the political import of that aid - indexes Soviet “soft power.” That Soviet aid, as penurious as it was, could have such prominence in Indian politics shows how the USSR played a role as economic model and not just a donor - in India and among many newly independent nations of Asia and Africa. Indeed, one chapter of *The Price of Aid* tracks the transformation of the Soviet aid to India from inspiration to armory: as the ‘Soviet model’ lost its luster, Soviet relations with the non-aligned Third World became more focused on military rather than economic transactions. And if, as Das Gupta predicts, the book’s discussion of military aid proves controversial, at least I can cite for support other scholars arguing implicitly or explicitly that historians could and should pay more attention to flows of armaments and military expertise, and should link these topics to other aspects of foreign relations.³

I have sympathy, then, for all of these calls for expanding the number of actors. The book would undoubtedly have been empirically richer (and certainly a good deal longer) with systematic consideration of other major players in Indian economic aid. And the inclusion of additional aid providers—the two Germanies, Japan, and the United Kingdom (though none of the reviewers stress its absence)—would have revealed additional dynamics within the respective Cold War alliances. Yet would they have contributed significantly to the book’s central argument about Development Politics? My focus on Soviet and American aid relations with India revealed—I hope—a dynamic appearing beyond these three nations; I am not yet convinced that adding additional countries would have materially altered my depiction of that dynamic.

Das Gupta is definitely correct to point out that Pakistan was a crucial part of India’s relationships with the Cold War superpowers. The longstanding and troubled relationship between the United States and Pakistan inevitably shaped diplomatic, economic, and military calculations in both countries and many others besides. Pakistan does appear intermittently in *The Price of Aid*, but through the eyes of one or another central actor. Since my focus is Development Politics, though, the nature and nuances of Pakistan’s policies (domestic and

¹ Amit Das Gupta, *Handel, Hilfe, Hallstein-Doktrin: die bundesdeutsche Südasienspolitik unter Adenauer und Erhard 1959 bis 1966* (Husum: Matthiesen, 2004).

² Asha Laxman Datar, *India’s Economic Relations with the USSR and Eastern Europe, 1953 to 1969* (Cambridge: Cambridge University Press, 1972), 263.

³ For recent examples of attention to military elements of U.S. power, see Brooke L. Blower, “Nation of Outposts: Forts, Factories, Bases, and the Making of American Power,” *Diplomatic History* 41:3 (2017): 439-459. Brian DeLay, “How Not to Arm a State: American Guns and the Crisis of Governance in Mexico, Nineteenth and Twenty-First Centuries,” *Southern California Quarterly* 95:1 (Spring 2013): 5-23. Vanessa Ogle, “Writing Histories of the Global One Percent as International History,” for conference “What Is International history Now?” Sydney, July 2018; cited with permission.

foreign) are less relevant. I had thought that the Indus Waters negotiations and treaty would provide a means to discuss at least one element of Indo-Pakistani economic relations, but the chapter fragment I drafted on the topic did not have sufficient depth to illustrate the dynamics that defined the argument, so it ended up on the cutting-room floor. And while Das Gupta is of course right about the existence of the Aid to Pakistan Consortium, which was created just as an informal group of western nations providing aid to India reconstituted itself as a formal consortium.⁴ Yet I do not know how a more extensive explication of that consortium would illuminate my central argument.

Other reviewers identified shortcomings in my treatment of Indian actors in particular. Their comments run the gamut, with Tanvi Madan calling for more focus on Prime Minister Jawaharlal Nehru (1947-1964) while Paul McGarr wants more attention to “ordinary Indians.” In each case, these criticisms have great merit. In many issues around economic policy and international economic relations, Nehru seems to have been guided by firm principles: Non-Alignment, economic self-sufficiency, and the avoidance of political ‘strings.’ These principles were capacious enough to encompass disagreement about what they meant in practical terms. Nehru, furthermore, could be maddeningly inconsistent in applying these principles to the barrage of specific decisions coming up to Cabinet or his office.⁵ Similarly, I fully agree with McGarr that the broad-based politics of Indian development, including the interests and experiences of “ordinary Indians” has been an underexplored yet crucial task for historians. Such bottom-up accounts, including historical ethnographies of specific development projects and the role of development (and Cold War geopolitics) in electoral politics, would be enlightening. Yet as an international historian, I see my work as only pointing the way toward such accounts, which are best undertaken by those with different training, expertise, and interests.

As for the brilliant and energetic statistician-turned planner Prasanta Chandra Mahalanobis: I can see why Manu Baghavan considers my depiction of “The Professor” to be too harsh. For the record, I consider Mahalanobis to have been an extraordinarily intelligent and ambitious scholar and a very effective player in domestic policy debates. He was, I think, pursuing ‘parochial’ goals—but that hardly distinguishes him from any of the other actors, Indian and otherwise, whose actions and motivations I explore. And I will confess that I was struck by both the extent and the content of Mahalanobis’s interactions with Soviet *nomenklatura*; the hundreds of pages by and about Mahalanobis in the Soviet Academy of Sciences archive reveal him trying to become a major impresario of Indo-Soviet relations.⁶ Mahalanobis was hardly alone in using such connections to bolster his own vision and his own domestic role, but his ties to the USSR constitute a particularly impressive and well-documented case.

⁴ Amit Das Gupta, “Development by Consortia: International Donors and the Development of India, Pakistan, Indonesia and Turkey in the 1960s,” *Comparativ* 19:4 (2009): 96-111.

⁵ Distinguished historian C.A. Bayly termed Nehru’s ideology an “amalgam,” though if so the amalgam was composed of some very different ideological materials—C.A. Bayly, “The Ends of Liberalism and the Political Thought of Nehru’s India,” *Modern Intellectual History* 12:3 (November 2015): 605-626.

⁶ For a brief account of these contacts, see “The Professor Goes to Moscow,” *Economic and Political Weekly* 53:7 (17 February 2018), 29-32.

Third, and finally, come the questions about judgements of Nehruvian economic policy and the benefits of aid, about which Baghavan, Madan, and McGarr in particular would like to hear more. Such comments came at a propitious moment for me; I read them on the way back from a conference at which I heard the criticisms of the emerging literature on development aid leveled by two thoughtful scholars of the USSR's international economic connections, Alessandro Iandolo and Chris Miller.⁷ They note the great irony that scholarly critiques of development aid programs (and particularly western programs) typically enumerate the flaws of government-sponsored aid. Iandolo and Miller observe that such critiques of development resonate with the anti-aid criticisms made predominantly by those on the political right.

The Price of Aid is certainly susceptible to Iandolo and Miller's critique; it tries to show ways in which official development aid eroded Indian government structures. Development Politics offered numerous ways to undermine governing institutions in New Delhi, as ministries and agencies used external resources to shape or undercut decisions by the Planning Commission and the Cabinet - a dynamic contributing to the political turmoil of the late 1960s and 1970s. I did not intend to suggest that external aid was the sole determinant of these crises, which had complex and multifaceted origins. Nor did external donors make Indian economic policy. But I do hold that few major economic decisions could ignore international responses, which could provide economic as well as political resources.

Any reasonable 'cost-benefit analysis' of aid should account not just for the economic but also the political impacts. To be sure, historians have tended to dwell - as Iandolo and Miller note - on the political and social costs of development rather than on economic benefits. Assessing the full economic and political benefits (as well as the costs) would be an interesting project - but not mine, at least in *The Price of Aid* or in this response.

The question of the overall effectiveness of the Nehruvian economic experience has attracted serious debate, especially in India. Indeed, the very public 2013 dispute between Jagdish Bhagwati and Amartya Sen was in part a referendum on Congress Party's economic policy. Yet undertaking that assessment requires entirely different methods and sources from those employed in *The Price of Aid*.

In sum, I do not see *The Price of Aid* as the final word about India's Cold War, or even just its economic elements. It was intended to be a contribution to our understanding of the practice of development; the panel of reviewers here, given their own considerable expertise, have focused on diplomatic topics. I hoped that the book would bring new material and new ideas into the discussion, to open up and not close off any new threads.

So I would consider the book a success if in a few years, H-Diplo organized another such roundtable for a future book in our field, presenting new and more expansive perspectives even as they challenge my conclusions here. And as much as I admire this group of reviewers, such a roundtable could mix these expert voices with those of younger scholars, some of whom are cited in the roundtable's extensive endnotes. And finally, I hope that Tom Maddux will be organizing that roundtable, yet another instance of his major contribution to the field over many years.

⁷ Alessandro Iandolo and Chris Miller, "Rethinking the State in the State of the Field: Markets and Governments in Development Historiography," presented at "What Is International History Now?" Sydney, July 2018. Cited with permission.