



Strategies of Diversification: India's Pursuit of Independence while Dealing with Dependence

Event Summary

November 29, 2024

- CSEP hosted its 29th Foreign Policy and Security Studies Tiffin Talk on 'Strategies of Diversification: India's Pursuit of Independence while Dealing with Dependence' with **Tanvi Madan**, Senior Fellow- Foreign Policy, Brookings Institution, Washington D.C.
- The discussion focused on India's foreign policy approach of diversification, its historical roots, post-colonial identity and implications for autonomy.
- The discussants were **Rajesh Rajagopalan**, Professor - International Politics, Jawaharlal Nehru University and **Constantino Xavier**, Senior Fellow, CSEP. The talk was moderated by **Shruti Jargad**, Research Analyst, CSEP.
- The discussion included participants from various Indian government institutions, diplomatic missions and embassies, multilateral organisations, private sector and industry, academic institutions and think tanks from India and abroad.
- This series of closed-door research seminars is curated by **Constantino Xavier**, Senior Fellow, CSEP and **Shivshankar Menon**, Distinguished Fellow, CSEP. It focuses on contemporary, evidence-based research with policy relevance to bridge Delhi's scholar-practitioner divide.

Historical Context and the Evolution of Diversification

From the very moment of its independence, India sought to establish a distinct presence in the global order, prioritising sovereignty and independence of action. The speaker discussed how this orientation emerged in part from its colonial past, during which India had been drawn into global conflicts like the World Wars without agency. These experiences fostered a desire for autonomy and shaped a policy that consistently emphasised diversification as a safeguard against over-reliance on any single power. The speaker argued that the goal was not to seek permanent allies but to cultivate numerous partnerships, which provided flexibility and reduced vulnerability.

According to the speaker key historical events reinforced the rationale for this approach. The wars India faced in 1962, 1965, and 1971 amplified the need for diversification. These conflicts revealed the limitations of relying on a narrow set of partners, as India encountered situations where its needs for military or economic assistance were not fully met. These lessons pushed Indian policymakers to explore a broader array of re-

lationships to ensure the country was better positioned in future crises. Similarly, structural shifts in the global order—such as the fall of the Soviet Union, the liberalisation of the Indian economy in the 1990s, and the subsequent rise of new regional powers—offered India opportunities to expand its strategic partnerships.

The speaker also highlighted that India's diversification strategy was not purely pragmatic. Legacy interests, such as historical ties with other nations and the Indian diaspora, often nudged the country toward certain choices, even when those choices were suboptimal. For example, longstanding connections to the British Commonwealth and cultural links with Southeast Asia played a role in shaping India's outreach.

Strategic Flexibility and the Debate Between Diversification and Hedging

Diversification, as noted by participants, has been a hallmark of Indian foreign policy, reflecting its desire for global agency and adaptability, enabling it to navigate shifting global dynamics while preserving its strategic autonomy. A central theme in the discussion was the tension between diversification and hedging. Diversifi-

cation, as outlined by participants, is a deliberate strategy aimed at reducing over-dependence on any one partner and ensuring flexibility in foreign policy. It reflects India's agency, allowing it to engage with a broad spectrum of countries while maintaining the freedom to make independent decisions. Hedging, on the other hand, is considered a defensive approach, employed by states that feel vulnerable in an unpredictable international system.

India's approach to diversification was highlighted as unique, driven by its geopolitical heft and the variety of options available to it. Historically, India has emphasised the importance of maintaining a broad and balanced set of relationships. This is evident in its non-alignment policy during the Cold War, which sought to navigate the bipolar global order without becoming overly reliant on either the United States (US) or the Soviet Union. Participants argued that this approach was not just a necessity but a reflection of India's strength at the time. Unlike weaker states that had no choice but to align with one bloc, India was able to chart its own course, leveraging its relatively strong position in the global order.

Participants acknowledged the challenges of diversification, noting it is not a low-maintenance strategy but requires constant engagement, institutional capacity, and adaptability to shifting dynamics. The line between diversification and hedging often blurs, especially in today's complex environment marked by China's rise, US unpredictability, and regional challenges. Unlike the Cold War era, when bipolarity limited options, the post-Cold War period has offered India greater flexibility to deepen ties with partners like Japan, Australia, and the European Union. However, this expanded flexibility also demands careful navigation of a complex web of relationships to balance opportunities and risks effectively.

Contemporary Relevance

Participants emphasised that while India was relatively stronger during the Cold War, it has since been overshadowed by China's rapid rise. This shift in the balance of power has made India's tilt toward the US more pronounced, reflecting a pragmatic response to changing global dynamics. However, closer alignment with the US also raises questions about the sustainability of India's diversification strategy. Can India maintain its broad network of partnerships while deepening ties with Washington? Or does this closer relationship with

the US risk undermining the very autonomy that diversification is meant to protect?

Today, the need to hedge against the uncertainties of global politics is a key driver of India's diversification strategy. The unpredictability of US policy, particularly during the Trump administration, highlighted the risks of over-reliance on any one partner. This has reinforced India's commitment to maintaining a diverse set of relationships, not just with traditional partners like Russia but also with emerging powers in East Asia, Africa, and the Middle East.

Despite challenges, diversification remains a cornerstone of India's foreign policy. Participants noted that this approach allows India to maximise its gains while minimising its risks, ensuring that it remains a relevant and influential player in the international system.

Lessons from History and Future Directions

The discussion concluded with reflections on the lessons India's historical experiences offer for its current foreign policy. Participants highlighted the importance of understanding the path dependencies and legacy interests that continue to shape India's decisions today.

Looking ahead, participants emphasised the need for India to refine its approach to diversification. While this strategy has served India well in the past, it cannot be a substitute for a clear and coherent foreign policy. India must focus on building stronger domestic capabilities, both economic and military, to complement its international efforts. Additionally, participants stressed the importance of institutional capacity in sustaining a diversified foreign policy. Without strong institutions, India risks spreading itself too thin, undermining the very flexibility and autonomy that diversification is meant to provide.

Ultimately, diversification is not just about managing relationships with other countries; it is about maximising India's agency and ensuring its long-term strategic autonomy. To achieve this, India must strike a balance between maintaining a broad network of partnerships and focusing on its core strategic objectives. By learning from its past experiences and adapting to the changing global environment, India can ensure that its diversification strategy remains a powerful tool for navigating the complexities of the 21st-century world.

All content reflects the individual views of the participants. The Centre for Social and Economic Progress (CSEP) does not hold an institutional view on any subject.

*This summary was prepared by **Anindita Sinh**, Research Analyst, CSEP.
For queries, please contact **Gurmeet Kaur**, Events Manager, CSEP at GKaur@csep.org.*

Centre for Social and Economic Progress (CSEP)

6, Second Floor, Dr. Jose P. Rizal Marg, Chanakyapuri, New Delhi, India



Centre for Social and
Economic Progress



@CSEP_Org



@csepresearch



Centre for Social
and Economic
Progress



www.csep.org