



Carnegie Endowment in India: Promoting US Leadership With Indian Corporate Wealth

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In 2016, India had 280 think tanks, ranking as the country with the fourth largest number of think tanks after the United States, China and Britain. The number of think tanks in India has more than doubled in the past 10 years.

Think tanks conduct research on government policy, organise conferences and produce publications. In doing so, they engage with the government, private sector, academia and media.

They try to inform and influence government policy and their sources of funding are from the government and private sector. The Institute of Defense Studies and Analysis and Indian Council of World Affairs are examples of government-funded institutions. Prominent private sector funded think tanks include Observer Research Foundation, which receives funds from Reliance Industries, and Gateway House, which is funded by the Mahindra group.

Most claim to be independent and not subject to influence from their funders. Such claims merit investigation especially since these institutions try to exert influence on the government. When think tanks with origins in one country open offices in other countries, it is worth asking why.

In this two-part series, The Wire investigates why the Carnegie Endowment of International Peace and Brookings Institution, two top-ranked and influential American think tanks, set up India offices, and examines their links to Indian industry and government.

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New Delhi: Days before India's prime minister visited the US on June 25-26, 2017, a new development was reported with regard to the F-16 fighter aircraft which the US is trying to sell to India.

The development was that Tata Advanced Systems, the aerospace and defence arm of the Tata Group, and American defence contractor Lockheed Martin announced a partnership to build the F-16 aircraft for the Indian Air Force. The duo are in competition with the Gripen aircraft manufactured by Saab, a Swedish company. The Indian government is yet to make a decision on the deal estimated to be worth billions of dollars.

A prominent advocate of the deal happens to be Ashley Tellis – a well-known Indian-American strategist and senior associate of the Carnegie Endowment of International Peace. The Carnegie Endowment is a 100-year-old Washington-based think tank which recently opened its newest centre in Delhi.

Tellis, who has given statements and published research on the advantages of F-16s to India, was tipped to be the US ambassador to India. He was also appointed the Tata Chair for Strategic Affairs, established by the Carnegie Endowment in April 2017. In a [press release announcing the chair](#), Tellis said his relationship with the Tatas – who fund both the Carnegie Endowment and Carnegie India – goes back many decades.

[Carnegie's most recent annual report](#) (2016) lists both Tata Sons and Lockheed Martin as funders; the former contributed in the bracket of \$100,000-\$249,000 while Lockheed Martin Corporation's contribution was in the category 'up to \$24,999'.

Think tanks are known to receive an assortment of funding from governments, companies and foundations, which means that Carnegie's funding is not unusual. Think tanks also adopt a range of positions on issues depending on the direction in which they want government policies to take shape.

However, these connections between Tata, Lockheed Martin and the Carnegie Endowment, their investments in each other and clearly intersecting interests, raise questions about the positions taken by think tanks on issues and why corporates invest such large sums in them.

In response to questions from *The Wire*, Tellis said there was no conflict of interest involved in Carnegie's funding and his championing of F-16s. "My conclusions about the F-16 and F-18 were published several years before I was appointed to the Tata Chair and before Tata or Lockheed Martin ever contributed to Carnegie. My analysis about the fighter competition stands on its own merits," he said.

While one of Tellis's articles on F-16s was [published in 2009](#), a second [came out in 2016](#) and a [third in August 2017](#). Ratan Tata became a trustee of Carnegie Endowment in 2013 and Lockheed Martin funded Carnegie between July 2015 to June 2016.

Atul Bhardwaj, adjunct fellow at the Delhi-based Institute of Chinese Studies, points to another of Tellis's works which [urges India to develop](#) its next generation nuclear-powered aircraft carrier with US support. "Think tanks like Carnegie sell dreams of making India a great power equipped with sophisticated defence technology. They build threat scenarios that shape the national security outlook of the country and their foremost objective is to shape elite opinion," he says.

Responding to this reporter's email on whether the links between Tata, Lockheed Martin and Carnegie create a conflict of interest for the think tank, Shivnath Thukral, managing director of Carnegie India, said,

"Carnegie scholars never submit work to donors for pre-review, approval, or any other direction and do not accept funding from organisations that seek to influence our research. The only substantive Carnegie Endowment report involving the F-16 was the 'Dogfight' report written by Ashley Tellis in January 2011, based on his own independent analysis and rigorous research. Tellis received no funding for writing the report. He continues to stand by his conclusion that the American F-16 (Lockheed) and F-18 (Boeing) are the most cost effective solutions for India's needs."

Thukral's response also stated that Carnegie Endowment "as a whole" never received funding from Lockheed Martin. When this reporter pointed out that Carnegie Endowment's 2016 annual report listed Lockheed Martin Corporation as a donor, he said:

"Our earlier response was regard to Carnegie India which has not received funds from Lockheed Martin – Carnegie India is a registered Section 25 company subject to Indian laws including the FCRA. Lockheed Martin is a member of the Carnegie Endowment's Global Council – a group of individuals and corporations who provide general support not tied to any specific program, center, project, or scholar."

That Lockheed Martin funds Carnegie is not a surprise, since it is known to fund think tanks. But it is ironic that its funding should be accepted by a think tank whose founder, Andrew Carnegie, considered war to be the "foulest blot upon our civilization."

However, Carnegie is not alone in its advocacy of Lockheed fighters for India. In 2015, *The Intercept* ran an article showing that the conservative Heritage Foundation worked to restore funding for Lockheed Martin's F-22 fighter jet which the Pentagon had decided to cut. More interestingly, the Heritage Foundation, in a June 20 article titled 'Heritage Expert Influences Production Move on F-16s', said that it had championed the production of F-16s in India since it would help protect American jobs.

In the US, which is home to the largest number of think tanks in the world, the issue of whether think tanks further corporate agendas is hotly debated. That debate has still not taken off in India because of their relatively small numbers and the lack of clarity around their work. Yet the arrival of heavyweight American 'brands' like Brookings and Carnegie, and their funding by Indian industry, have certainly been noticed.

Lobbying tool of US commercial interests

Ajai Shukla, who writes on defence and strategy for *Business Standard* provides the background:

"An ambitious US-India defence framework agreement signed in 2005 marked the acceleration of defence commerce. The 2008 India-US nuclear deal and balancing against increasing Chinese activities in the South China Sea resulted in greater strategic convergences. Track-II dialogues with the US were also underway, organised by organisations like the Aspen Institute. But a key area of interest for the US and other countries was that India was fast emerging as a major buyer of arms and had lucrative projects in oil, gas and infrastructure."

According to Shukla, the presence of foreign think tanks is not the sinister 'CIA hand' that Indira Gandhi would refer to. "It is a lobbying tool for a plethora of commercial interests," he says.

In the last decade, three US think tanks have set up their India offices – the Aspen Institute, Brookings Institution and Carnegie Endowment. Each of these are set up as Indian entities and seek to raise Indian funding.

When one considers the work of think tanks in general, there is little clarity around their methods of working and impact, or how they use their funding. But most think tanks are established with the intent of informing and influencing government policy. The methods of trying to influence government policy are diverse – employing retired government and defence officials, collaborating with ministries on research projects, convening conferences and inviting ambassadors and joint secretaries, serving or retired, to launch books and reports.

Prime minister's first book launch

Weeks after the BJP was voted to power, Narendra Modi presided over what was probably his first book launch at his 7 Race Course Road residence as prime minister. The book, *Getting India Back on Track: An Action Agenda for Reform*, was published by Carnegie Endowment. The book, according to its blurb, “broadly coincides with the 2014 Indian elections to spur a public debate about the program that the next government should pursue in order to return the country to a path of high growth.”

The book was launched prior to the setting up of Carnegie in India. The groundwork for establishing Carnegie India had started earlier – in 2011, a delegation from the Carnegie Endowment met an array of Congress leaders including then Prime Minister Manmohan Singh and shared plans to set up a South Asia centre in Delhi.

Prior to Delhi, Carnegie had already established its centres in the Middle East, Russia, Europe and China. With its headquarters in Washington DC, it is known as one of the oldest international affairs think tank of the US. What is its role in the US?

Inderjeet Parmar, author of *Foundations of the American Century: The Ford, Carnegie and Rockefeller Foundations in the Rise of American Power*, says, “These institutions emerged to cope with massive changes that the US was undergoing in the areas of urbanisation, immigration and industrialisation in the early 1900s. They emerged out of corporate wealth, were staffed by elites and usually connected with US State Department or other government agencies. They wanted to develop American leadership to replace the British and French rule, and also to challenge communism and socialism abroad. They viewed the problems of the American state as their own.”

According to Parmar, the strategy of ‘exporting institutions’ has been going on for a long time, especially in China. “In India, these institutes try to influence and socialise the Indian elite into the international order promoted by the US. This elite consists of university academia, people who have spent many years at the higher rungs of government service, business leaders and the media,” he adds.

Carnegie India, of course, contests the idea that it is a conduit for American influence. During the recent launch of Carnegie India, the management of Carnegie stated that it was “less interested in amplifying directives from Washington than it was ... in bringing international perspectives to bear in Washington.”

To place this claim in perspective, however, it is necessary to understand the logic behind Carnegie’s expanding global footprint in the first place. In 2007, the Carnegie Endowment articulated its vision for creating the world’s first ‘global think tank’. Though India is not explicitly mentioned, the vision provides a clear rationale for why the think tank wanted to expand abroad.

Describing the vision, Carnegie’s former president Jessica T. Matthews said the think tank was globalising out of a deep conviction that this was the best way to advance core US national interests. “History has shown that a dominating world power has paradoxically a greater than normal need to understand in depth what others’ interests are. This is because of the sheer scope of its interests and because dominance engenders resistance, resentment, and often fear. So deep engagement is an essential strategy for managing dominance.”

“We live in a world where critical issues have moved beyond national solutions, because they reside in the global commons or because they require the cooperation of many countries. Whether trade or terrorism or nonproliferation or climate change, US leadership is needed as never before,” she said.

Taken together, these statements from Carnegie’s top leadership suggest Carnegie in Washington and its centres abroad are working to preserve US leadership and its core interests by mapping – but also moulding – the interests of other powers like India onto the policy matrix in Washington.

What constitutes core US national interest? This could mean everything from maintaining a unipolar world, balancing the rise of China, preserving its security and protecting its economy to boosting American companies’ business interests. Not all of these interests necessarily complement India’s.

Intersecting interests of American and Indian corporate wealth

But it is not the case that American-origin think tanks in India promote only American interests. If that was the case, Indian corporates would not have made a beeline to fund them. Carnegie India receives funding from both Indian and international donors, including prominent names from Indian industry such as C.K. Birla, Kiran Mazumdar-Shaw, Shobhana Bhartia, Sunil Mittal, G.M. Rao and Tata Sons.

Even as the US is a major source of foreign direct investment for India, Indian corporates have increasing investments abroad, with acquisitions in nearly every part of the world. According to India’s Ministry of External Affairs, more than 65 large Indian corporations have invested about \$17 billion in the US. For some of these companies, like Tata Sons, it has become profitable to be in the US.

A report by the Cato Institute shows how individuals and Indian corporations have driven the India-US relationship much more than governments. “Indian industrial houses once cowered in fear of being crushed by US multinationals, but have now become multinationals in their own rights. Many have become global giants, making acquisitions in every continent,” the report states, citing several examples of Indian acquisitions abroad.

Thus, even as the outsourcing of American jobs to India is a bone of contention, Indian and American companies continue to collaborate. The partnership between Tata and Lockheed Martin to build F-16s in India is just one example. Several high-level forums exist to take forward the business ties between the two countries.

At one level, Carnegie in India represents the intersecting interests of Indian and American corporate wealth. That’s the main reason Indian corporates fund such institutes, which are not only high profile but also have access to the highest levels of government. These institutes also encourage research and policy making that promotes free markets and liberalisation of economies.

For example, the Carnegie Endowment publication launched by Modi in 2014 was essentially an argument for the centrality of markets in driving economic growth, and a critique of the welfare state. The foreword was written by Ratan Tata, a member of Carnegie’s board of trustees, while Bharti Enterprises’ chairperson Sunil Mittal was present at the launch.

Both Tata and Mittal played an important role in bringing Carnegie to India. At the launch of the think tank in Delhi, Carnegie president William Burns – a former senior official in the US State Department who was closely involved in implementing the US-India civil nuclear agreement – thanked both Tata and Mittal for their vision and drive in expanding the Carnegie platform to India. [A video from the launch](#) shows Mittal stating that it was his personal mission to see that the think tank established its centre in Delhi, marking its South Asia presence. Mittal also personally accompanied the Carnegie delegation when it met Congress and opposition leaders in 2011 to announce plans to launch a think tank in Delhi.

With similar visions driving them, Indian industry and American think tanks are leveraging each others' advantages to exert influence on the government of the day.