

India's rise in Africa

IAN TAYLOR*

The holding of the second Africa–India Forum summit in Addis Ababa in May 2011 highlighted the burgeoning political and economic ties between New Delhi and the African continent.¹ It also reflected the growing significance of interest in Africa on the part of a diverse group of developing nations, of which China and India are perhaps the most noteworthy. China's increasing involvement in Africa has been well analysed and discussed;² India's connections with the continent have by comparison been *relatively* overlooked.³ Yet the increasing salience of India's interest in Africa has important implications, representing a further diversification of Africa's international relations away from 'traditional' North–South linkages and arguably contributing to a greater range of options for the continent. In the light of these considerations, this article seeks to provide an insight into some of the main implications of the growing Indian relationship with Africa.

Foundations

Although Indo–African relations can be traced to ancient times,⁴ and Africa is host to a long-established Indian diaspora, in recent years a new set of dynamics has been emerging that is rapidly expanding relations. In 2010/11 Indo–African trade reached US\$4.5 billion and is expected to grow beyond US\$7.5 billion by 2015.⁵ In contrast to the Chinese, who largely concentrate on state-to-state deals, extractive industries and infrastructure development, the Indian presence in Africa is largely

* I would like to thank the anonymous reviewers for their extremely helpful critiques. Any errors remain my own.

¹ O. Bakano, 'India, Africa open second trade summit', Agence France-Presse, Addis Ababa, 24 May 2011.

² See D. Bräutigam, *The dragon's gift: the real story of China in Africa* (Oxford: Oxford University Press, 2009); I. Taylor, *China and Africa: engagement and compromise* (London: Routledge, 2006); I. Taylor, *China's new role in Africa* (Boulder, CO: Lynne Rienner, 2009).

³ Though see N. Suri, 'India and Africa: a contemporary perspective', in V. S. Sheth, ed., *India–Africa relations: emerging policy and development perspectives* (Delhi: Academic Excellence, 2008), pp. 1–16; E. Mawdsley and G. McCann, 'The elephant in the corner? Reviewing India–Africa relations in the new millennium', *Geography Compass* 4: 1, 2010, pp. 81–93; E. Mawdsley and G. McCann, eds, *India in Africa: changing geographies of power* (Oxford: Fahamu, 2011).

⁴ R. Beri, 'India's Africa policy in the post-Cold War era: an assessment', *Strategic Analysis* 27: 2, 2003, pp. 216–32; S. Bhattacharya, 'Engaging Africa: India's interests in the African continent, past and present', in F. Cheru and D. Obi, eds, *The rise of China and India in Africa: challenges, opportunities and critical interventions* (London: Zed, 2010).

⁵ V. Noury, 'Trade levels grow by 400% in five years', *African Business*, Jan. 2012, p. 35.

commercially driven, private, and facilitated by the Export–Import Bank of India and the Confederation of Indian Industries. This is not to say that the Indian state is not actively involved, but rather that state support for Indian commercial activities in Africa is more limited than that offered by Beijing to Chinese players involved on the continent.⁶ Sectorally, Indian commerce is concentrated in the telecommunications, pharmaceuticals and manufacturing sectors, with a growing presence in the energy domain.

From the Indian state's perspective, the highest priority attaches to energy security (see below) and the ambition to be taken seriously as an important global player.⁷ The latter imperative feeds off the rhetoric around India's assumed materialization as an emerging power.⁸ While the debate over India's status remains unresolved,⁹ there is no question that New Delhi's elites entertain aspirations to see the country emerge as a Great Power with a permanent seat on the UN Security Council. Discursively, a 'narrative promoted breathlessly by India boosters' has already constructed an India on the cusp of realizing such ambitions.¹⁰

Equally, as India's economy continues to grow, the country's capitalist interests are ambitious to extend their commercial reach. This drive is situated within a wider context in which the quest for economic growth has to a large extent superseded previous ideological articulations of Indian foreign policy. Africa, now portrayed by Prime Minister Manmohan Singh as 'a major growth pole of the world',¹¹ is seen as offering significant opportunities for new investment sites, export markets and capital accumulation for Indian-based interests.¹² Accordingly, 'economic activity between Africa and Asia is booming like never before'.¹³ In the contemporary context, the first sign of this new upsurge of activity was perhaps the launch in 2002 by the Export–Import Bank of India (Exim) of its 'Focus Africa' initiative, initially targeting Ethiopia, Kenya and Mauritius with the extension of lines of credit to support the three countries' imports of goods and services from India.¹⁴

With India's economy one of the fastest growing in the world, the intensification of Indo–African ties is perhaps predictable. Analysts forecast annual growth rates for India averaging 8.4 per cent until 2020,¹⁵ and it has been suggested that by 2042 India will have surpassed the United States as the world's second largest economy, behind China.¹⁶ Some of these studies may reflect a premature Indian

⁶ Interview with Indian diplomat, Accra, Ghana, 24 Jan. 2012.

⁷ V. Sahni, 'India's foreign policy: key drivers', *South African Journal of International Affairs* 14: 2, 2007, pp. 21–35.

⁸ See B. Nayar and T. Paul, *India in the world order: searching for major power status* (Cambridge: Cambridge University Press, 2003); S. Cohen, *India: emerging power* (New Delhi: Oxford University Press, 2001).

⁹ See A. Narlikar, 'All that glitters is not gold: India's rise to power', *Third World Quarterly* 28: 5, July 2007, pp. 983–96; B. Mundkur, 'Incredible India: the inconvenient truth', *Asian Affairs* 42: 1, 2011, pp. 83–97.

¹⁰ Quotation from D. Malone and R. Mukherjee, 'Polity, security and foreign policy in contemporary India', mimeograph, Centre d'études et de recherches internationales (CÉRIUM), Montreal, n.d., p. 3.

¹¹ *Times of India*, 24 May 2011.

¹² S. Agrawal, *Emerging donors in international development assistance: the India case* (Ottawa: International Development Research Centre, Partnership and Business Development Division, 2007), p. 7.

¹³ H. Broadman, 'China and India go to Africa: new deals in the developing world', *Foreign Affairs* 87: 2, 2008, p. 97.

¹⁴ Noury, 'Trade levels grow by 400% in five years', p. 35.

¹⁵ T. Poddar and E. Yi, *India's rising growth potential*, Goldman Sachs Global Economic Paper no. 152, 2007, p. 9.

¹⁶ S. Ganguly and M. Paredesi, 'India rising: what is New Delhi to do?', *World Policy Journal* 24: 1, 2007, p. 10.

triumphalism.¹⁷ However, Indo-African interactions do need to be seen within the context of a growing and ever more assertive India.¹⁸ Having moved away from the 'Hindu rate of growth',¹⁹ India's economic trajectory has set in motion a new relationship with India.

History

There is a long history of contact between India and Africa, and in particular of Indian commerce with the East African seaboard.²⁰ Colonization led to the inclusion of both the Indian subcontinent and large areas of Africa into the British Empire,²¹ which then made possible the development of a considerable Indian diaspora in Africa (8 per cent of the global Indian diaspora is located in Africa).²² Critically, 'India's independence in 1947 inspired nationalist movements and provided a model for decolonisation and independence',²³ particularly in Africa. However, while Gandhi may have 'laid the moral foundations for Indo-African relations, it was Jawaharlal Nehru who gave the relationship its political structure', embedding a robust South–South solidarity in India's foreign policies.²⁴ Fundamental to Nehru's objective was the 'gradual creation of friendly, cooperative, and mutually constructive relationships between India and the various countries of Africa'.²⁵ Nehru in fact referred to Africa as a 'sister continent'.²⁶ However, the constraints imposed by the Cold War and India's objective material poverty confined such assertions for the most part to the sphere of rhetoric: India remained a distant relative at best.

Indeed, it was only with the end of the Cold War and the beginning of India's exponential economic growth that Indo-African relations have moved substantially forward. This altered context has been accompanied by a greater 'pragmatism and

¹⁷ See e.g. G. Mathew, J. Ganesh and N. Dayasindhu, *How India is riding on globalization to become an innovation superpower: innovation geo-dynamics* (Oxford: Chandos, 2008); P. Nanda, ed., *Rising India: friends and foes* (New Delhi: Lancer, 2008); S. Sanyal, *An Indian renaissance: how India is rising after a thousand years of decline* (New Delhi: World Scientific Publishing, 2008). In its wilder moments, this line of argument gives rise to assertions such as this: 'From year 1 to 1820, China and India provided the world's two largest economies. By 2050, we will return to the historical norm' (K. Mahubani, 'Can Asia re-legitimize global governance?', *Review of International Political Economy* 18: 1, 2011, p. 132).

¹⁸ As Saith puts it, 'Expressions of Indian triumphalism, whether over recent economic performance, or on the ascribed virtues of Indian democracy *as-is*, come mainly from India's new flamboyant transnational elite; the majority constituting the other India, however, still remain expectant onlookers, waiting for the breeze of benefits to touch their lives': A. Saith, 'China and India: the institutional roots of differential performance', *Development and Change* 39: 5, 2008, p. 753. See also A. Goldstein, N. Pinaud, H. Reisen and Xiaobao Chen, *The rise of China and India: what's in it for Africa?* (Paris: OECD Development Centre Studies, 2005).

¹⁹ S. Joshi, 'From the "Hindu rate of growth" to "unstoppable India": has the services sector played a role?', *Service Industries Journal* 30: 8, 2010, pp. 1299–312; see also I. Ahluwalia, *Industrial growth in India: stagnation since the mid-sixties* (Delhi: Oxford University Press, 1985).

²⁰ P. Prasad, *Foreign trade and commerce in ancient India* (New Delhi: Abhinav, 2003).

²¹ And of course, to a lesser extent, the French and Portuguese empires (Pondicherry, Karikal, Yanam, Mahé and Chandernagor, and Goa, Daman, Diu and Dadra and Nagar Haveli respectively).

²² See A. Dubey, *Indian diaspora in Africa: a comparative perspective* (New Delhi: MD, 2010).

²³ D. Yergin, *The commanding heights* (New York: Simon & Schuster, 1998), p. 82.

²⁴ W. Range, *Jawaharlal Nehru's worldview: a theory of international relations* (Athens, GA: University of Georgia Press, 1961); B. Nanda, *Indian foreign policy: the Nehru years* (New Delhi: Vikas, 1976).

²⁵ R. Park, 'Indian–African relations', *Asian Survey* 5: 7, 1965, p. 350.

²⁶ A. Sharma, 'India and Africa: partnership in the 21st century', *South African Journal of International Affairs* 14: 2, 2007, p. 20.

a sober realization of new challenges facing both India and Africa as they get ready to take their place under the global sun'.²⁷ Indo-African ties are now motivated by both economic and political considerations.²⁸

The role of the Indian diaspora, a historical legacy of India's membership of the British Empire, needs to be considered as its existence constitutes a radical difference between India and most other international actors involved in Africa, most notably China. There is at present great interest within India in what are termed People of Indian Origin (PIOs) in Africa, many of whom are relatively assimilated. According to one study, 'in a 2006 survey of 450 business owners in Africa, almost half the respondents who were ethnically Indian had taken on African nationalities (with most of the other half retaining their Indian nationality), compared with only four percent of firm owners who were ethnically Chinese (the other 96 per cent had retained their Chinese nationality)'.²⁹ PIOs are currently seen by New Delhi as having the potential ability to facilitate cooperation and communication between Africa and India, as well as to serve as economic agents for Indian commercial interests.³⁰ This last point needs to be carefully managed by New Delhi, as historic resentment against economically powerful ethnic Indians has long been a feature of a number of African countries, not least in East Africa.³¹ Here, African confusion of African citizens of Indian descent with new arrivals from India complicates perceptions of 'Indian' activities.³²

Political ties

Indian foreign policy is rooted in Nehru's inclinations towards multilateralism and South-South solidarity,³³ although there is a debate under way as to the future direction of India's diplomacy.³⁴ Indian peacekeepers have now been involved in over 40 UN peacekeeping missions,³⁵ many of them in Africa—a contribution that demonstrates New Delhi's willingness to support the UN system in practical terms, particularly in the quest for peace and security,³⁶ and also reflects the

²⁷ R. Singh, 'India, Africa ready to embrace global destiny', press release, Indian Ministry of External Affairs, 25 Jan. 2006.

²⁸ As a historical aside, this contradicts Mahatma Gandhi's own prediction that 'the commerce between India and Africa will be of ideas and services, not manufactured goods against raw materials after the fashion of Western exploiters': quoted in S. Naidu, 'India's African relations: playing catch up with the dragon' (Los Angeles: Globalization Research Center / African Studies Center, UCLA, 2007, p. 1).

²⁹ Broadman, 'China and India go to Africa', p. 99.

³⁰ Interview with Indian diplomat, Accra, Ghana, 24 Jan. 2012.

³¹ G. McCann, 'Ties that bind or binds that tie? India's African engagements and the political economy of Kenya', *Review of African Political Economy* 37: 126, 2010, pp. 465–82; G. McCann, 'Diaspora, political economy and India's post-colonial relations with Kenya' in Mawdsley and McCann, eds, *India in Africa*, pp. 108–24.

³² In the context of long-standing enmity and racism towards people of Indian descent in East Africa, this confusion at times threatens positive views of India. This is a problem which New Delhi is largely powerless to address (interview with British diplomat, Dar es Salaam, Tanzania, 4 Jan. 2012).

³³ Agrawal, *Emerging donors in international assistance*, p. 7; S. Gopalan, *India and nonalignment* (New Delhi: Spick & Span, 1984).

³⁴ H. Pant, *Contemporary debates in Indian foreign and security policy: India negotiates its rise in the international system* (New York: Palgrave, 2008).

³⁵ M. Jobelius, *New powers for global change? Challenges for international development cooperation: the case of India*, Dialogue on Globalization Briefing Papers no. 5 (New Delhi: Friedrich Ebert Stiftung, 2007), p. 8.

³⁶ U. Bava, *New powers for global change? India's role in the emerging global order*, Dialogue on Globalization Briefing

persistence of Nehruvian values.³⁷ This commitment to the ideal of the Third World also lies behind New Delhi's efforts from time to time to open up political space within multilateral institutions where developing countries might cooperate to exercise greater leverage. As part of this strategy, India has at times underwritten the financial cost of providing for such cooperation.³⁸

As part of its general commitment to multilateralism, India has long been a proponent of both a cooperative new world order and the common interest of the developing world in combating global inequality.³⁹ This rhetoric plays out well across Africa and has historically enabled New Delhi to project itself as the spokesperson of the global South,⁴⁰ a role for which India often (even if only implicitly) competed with China.⁴¹ Indeed, in emphasizing the claimed mutual interests behind Indo-African ties, the Indian government has asserted that 'India's contemporary Africa policy is aligned to a confluence of interests around justice in the global order leveled at increasing the leverage and influence of their [its] respective global positions and promoting a new international order'.⁴² The resonance of this stance in many parts of Africa is confirmed by the assertion of Jean Ping, chairperson of the African Union Commission, that 'Africa is paying special attention to developing relations with emerging powers of the South. Our common aim is to promote multilateralism as a paradigm in international relations'.⁴³ The desire by both India and the African Union to reform the United Nations Security Council and secure permanent seats has been a consistent theme in recent Indo-African relations.⁴⁴ This pursuit is not driven solely by the demand that India and Africa be allowed to occupy their 'rightful places' in world affairs; as Vines suggests, a 'disadvantage suffered by India in its competition against China for trade with Africa is that India does not have the weight of a permanent seat on the UN Security Council, as China does, to provide a political spine to its Africa policy'.⁴⁵

India's diplomatic strategy can no longer be said to be fundamentally grounded in an idealism predicated on South-South solidarity. Contemporary Indian foreign policy is more pragmatic than previous incarnations, and although New Delhi retains an interest in non-alignment and rhetorical notions of South-South commonality, the focus these days is very much on the importance of national interests, particularly economic in nature, 'even while India lacks a unifying

Papers no. 4 (New Delhi: Friedrich Ebert Stiftung, 2007).

³⁷ J. Chiriyankandath, 'Realigning India: Indian foreign policy after the Cold War', *Round Table* 93: 372, 2004, p. 200.

³⁸ A. Hurrell and A. Narlikar, 'A new politics of confrontation? Developing countries at Cancun and beyond', *Global Society* 20: 4, 2006, p. 7.

³⁹ Interview with Indian diplomat, Accra, Ghana, 24 Jan. 2012.

⁴⁰ S. Narayan, *Trade policy making in India* (Singapore: Institute of South Asian Studies, National University of Singapore, 2005), p. 2.

⁴¹ N. Ford, 'Indian connection gathers new momentum: with the emergence of China and India, Africa's traditional trading partners are changing', *African Business*, Nov. 2006.

⁴² Quoted in Naidu, 'India's African relations', p. 2.

⁴³ *Times of India*, 25 May 2011.

⁴⁴ Interview with Indian diplomat, Accra, Ghana, 24 Jan. 2012.

⁴⁵ A. Vines, *India's Africa engagement: prospects for the 2011 India-Africa Forum* (London: Programme Paper, Chatham House, 2010), p. 10.

strategic vision'.⁴⁶ A wider move within India away from socialist-inclined economic policies to those more in line with neo-liberalism has left Indian diplomacy somewhat up in the air. However, in the policy realm, India might be said to be following in the economic (and hence geopolitical) footsteps of China, a position that tends to occupy the minds of India's policy-making and intellectual community.⁴⁷ Initial hopes that China and India had a great deal in common, captured in the neologism 'Chindia',⁴⁸ have somewhat dissipated. A surging economy within India requires new markets and new sites for Indian investment opportunities. Indeed, 'since 1991 ... India has begun to liberalize its economy in a belated effort to achieve the growth and investment seen in China, as well as to stave off bankruptcy'.⁴⁹ Competition with Chinese companies for productive investment locations is almost certainly providing the stimulus for recent Indian efforts. This takes place within a broader context in which China and India are likely to remain locked in a 'great power contest' contending for economic and political influence.⁵⁰ As Brahma Chellaney of the Centre for Policy Research in New Delhi asserted, 'India is massively playing catch-up to China in Africa, and only in recent years is it trying to engage the continent in a serious way'.⁵¹ This point will be developed further below.

During the 1990s India was actually shutting diplomatic missions in Africa as an economizing measure. By the beginning of 2012 it had 33 embassies, high commissions and consulates-general across the continent and the Indian Ministry of External Affairs was expanding the scope of its diplomatic activity by setting up three joint secretariats to manage the three regional divisions that cover the continent.⁵² India has also copied China's Forum on China–Africa Cooperation (FOCAC) in developing its own Africa–India Forum summit, primarily in pursuit of its 'aim to change the world's perception of India—from being a recipient to being a donor—in order to boost its global political standing' but also in the 'realization that political ties have lagged behind the growing economic ties between India and certain African countries'.⁵³

The first India–Africa summit was held in New Delhi in April 2008 and 'marked the culmination of India's renewed focus on Africa'.⁵⁴ That summit gave rise to two declaratory documents. These were the India–Africa Framework for

⁴⁶ C. Malone, *Does the elephant dance? Contemporary Indian foreign policy* (New York: Oxford University Press, 2011), p. 73.

⁴⁷ See Saith, 'China and India'; S. Dutta, 'Managing and engaging rising China: India's evolving posture', *Washington Quarterly* 34: 2, 2011, pp. 127–44; M. Malik, *Clash of the Titans? China and India: great power rivals* (Boulder, CO: First Forum Press, 2011).

⁴⁸ J. Ramesh, *Making sense of Chindia: reflections on China and India* (New Delhi: India Research Press, 2005). Note that Pant dismissed this notion of Chindia as a 'nonsensical term': H. Pant, *The China Syndrome: grappling with an uneasy relationship* (New Delhi: HarperCollins India, 2010), p. 138.

⁴⁹ C. Alden and A. Viera, 'The new diplomacy of the South: South Africa, Brazil, India and trilateralism', *Third World Quarterly* 26: 7, 2005, p. 1088.

⁵⁰ J. Holslag, *China and India: prospects for peace* (New York: Columbia University Press, 2009), pp. 162–4.

⁵¹ *Sydney Morning Herald*, 25 May 2011.

⁵² Interview with Indian diplomat, Accra, Ghana, 24 Jan. 2012.

⁵³ P. Kragelund, 'Back to BASICS? The rejuvenation of non-traditional donors' development cooperation with Africa', *Development and Change* 42: 2, 2011, p. 596.

⁵⁴ Kragelund, 'Back to BASICS?', p. 596.

Cooperation Forum and the Delhi Declaration. Both documents stressed the usual ambitions of South–South cooperation, capacity-building and pursuit of mutual interests. Of more significance was the summit's proposal to develop a plan of action and various follow-up mechanisms to ensure implementation, a clear replication of FOCAC's own institutional framework.⁵⁵ After the summit New Delhi announced a number of measures, including a US\$5.4 billion concessionary credit line over the next five years and duty-free access to 85 per cent of India's total tariff lines, with a unilateral granting of preferential duty access to 9 per cent of India's total tariff lines for Africa's 34 least developed countries (LDCs).⁵⁶

At the policy level, trade has been a crucial element of these meetings, operating alongside New Delhi's commitment to liberal multilateralism which seeks to open up global markets for Indian exporters. This is reflected in India's close coordination with leading African countries on the Doha Round of negotiations at the WTO and in Indian membership of the India, Brazil and South Africa Dialogue Forum (IBSA), formed in 2003.⁵⁷ Such alliances have 'created a new dynamic in international relations, drawing together the three most powerful economies of the southern hemisphere in a regional axis for the first time',⁵⁸ and raise important questions *vis-à-vis* global governance.⁵⁹ According to one analysis, such processes may reflect a wider movement whereby the engagement of emerging economies such as India may allow African economies to bypass the conditionalities imposed upon the continent by the western-led international financial institutions.⁶⁰ Accordingly, such activity may also signify the nascent formalization of the global South's growing resistance to the North's agenda-setting.⁶¹ India's penchant for multilateral trade agreements may also serve to profit some African economies by precluding economically predatory—if not destructive—behaviour arguably intrinsic to the WTO's unified methodology.⁶²

Indian aid to Africa

As noted above, India has emerged in recent years from being an aid recipient to become an important aid donor.⁶³ This process is intimately linked to India's rapid economic growth: 'Development aid, or rather, a shift from mostly being an aid

⁵⁵ I. Taylor, *The Forum on China–Africa Cooperation (FOCAC)* (London: Routledge, 2011).

⁵⁶ Indian Ministry of External Affairs, *India–COMESA relations* (New Delhi, 2011), p. 2.

⁵⁷ See I. Taylor, "The South will rise again"? New alliances and global governance: the India–Brazil–South Africa Dialogue Forum', *Politikon: South African Journal of Political Science* 36: 1, 2009, pp. 45–58.

⁵⁸ K. Lai, 'India–Brazil–South Africa: the Southern trade powerhouse makes its debut', *Panama News* 12: 6, March–April 2006, p. 4.

⁵⁹ A. Narlikar, 'Power and legitimacy: India and the World Trade Organization', *India and Global Affairs* 1: 1, Jan.–March 2008; A. Narlikar, 'New powers in the club: the challenges of global trade governance', *International Affairs* 86: 3, 2010, pp. 717–28.

⁶⁰ S. Chaturvedi and S. Mohanty, 'Trade and investment: trends and prospects', *South African Journal of International Affairs* 14: 2, 2007, p. 54.

⁶¹ Hurrell and Narlikar, 'A new politics of confrontation?', pp. 1–3, 8.

⁶² Narayan, *Trade policy making in India*, p. 7.

⁶³ In London, such developments triggered a somewhat bitter debate about whether Britain should continue delivering aid to India, not helped by Pranab Mukherjee, India's Finance Minister, reportedly dismissing British aid to India as 'a peanut in our total development exercises': quoted in 'India tells Britain: We don't want your aid', *Daily Telegraph* (London), 4 Feb. 2012.

recipient to also being a donor [is] perceived ... as a means to acquire more international political leverage and ultimately obtain a seat in (an enlarged) UNSC.⁶⁴ However, as there is no central agency managing disbursements of Indian development assistance it is difficult to ascertain exactly how much India gives. In 2006 it was suggested that New Delhi's development assistance programmes were at an annual level of over US\$350 million,⁶⁵ while in 2009 'according to the various existing sources India's annual financial volume for development cooperation is currently estimated as being in between half a billion and one billion US\$'.⁶⁶ At the second Africa–India Forum summit in May 2011, it was announced that US\$700 million would be made available to establish new institutions and training programmes across the African continent.⁶⁷ In terms of geographical distribution, African states rank second in amounts disbursed, after India's immediate neighbours.

It is noteworthy that India was the first Asian country (in 2005) to become a full member of the Africa Capacity Building Foundation (ACBF), after guaranteeing US\$1 million to the ACBF to build capacity for sustainable development and poverty alleviation. A number of existing capacity-building projects in Africa exemplify the focus on developing a string of higher education and vocational training institutions. The India–Africa Institute of Information Technology in Ghana, for instance, will offer courses in computer software in consultation with Educational Consultants India, a state-run consulting firm. The India–Africa Institute of Foreign Trade, based in Uganda, is to be set up over the next five years and will offer full-time and part-time Master of Business Administration degrees. The India–Africa Diamond Institute is to be based in Botswana and will, in collaboration with the Indian Diamond Institute, offer accredited diplomas and certificates in diamond processing, assortment and grading, gemology, jewellery designing and manufacturing, computer applications and management programmes. Finally, the India–Africa Institute of Education, Planning and Administration in Burundi will provide academic and professional guidance to agencies and institutions engaged in educational planning and administration in Africa.⁶⁸ In all, 19 training institutes were to be set up across Africa by India, reinforced by an action plan launched in March 2010 which outlined a detailed strategy for accelerating bilateral engagement in various sectors. According to one report, 'The AU will determine the location of the institutes, the host country will provide the land and construct the buildings and India will run the centers for three years, after which they are intended to be self-sustaining.'⁶⁹ Later, in March 2012 at the Eighth India–Africa Project Partnership conclave in New Delhi, India's Additional Secretary for East and Southern Africa in the Ministry of External Affairs, Gurjit Singh, was quoted as stating that India was 'committed to build

⁶⁴ Kragelund, 'Back to BASICS?', pp. 594–5.

⁶⁵ P. Khanna and C. Mohan, 'Getting India right', *Policy Review*, no. 135, 1 Feb. 2006, p. 47.

⁶⁶ German Development Institute, *India's development cooperation: opportunities and challenges for international development cooperation*, Briefing Paper no. 3/2009, p. 2.

⁶⁷ *Times of India*, 24 May 2011.

⁶⁸ *New York Times*, 24 Feb. 2011.

⁶⁹ G. Price, *For the global good: India's developing international role* (London: Chatham House, Report, 2011), p. 4.

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over 100 capacity building institutions in Africa'. Institutions that were set up by India in Africa for pan-continental use were then listed as including the India–Africa Institute of Foreign Trade, India–Africa Institute of Educational Planning and Administration, India–Africa Diamond Institute, India–Africa Institute of Information Technology, India–Africa Institute of Agriculture and Rural Development, India–Africa Food Processing Cluster, India–Africa Integrated Textile Cluster, India–Africa Centre for Medium Range Weather Forecasting, India–Africa University for Life and Earth Sciences and the India–Africa Civil Aviation Academy.⁷⁰

India's emphasis in providing aid has gradually shifted from political aid (channelled through the United Nations, the Organization of African Unity and the Non-Aligned Movement to support African anti-colonial struggles) to development aid.⁷¹ New Delhi has deployed developmental assistance in part as a means of attempting to balance Chinese activities, in part to help facilitate the opening up of new market opportunities and also to reinforce India's position within multilateral institutions and thereby to enhance the country's international presence and prestige.⁷² As one report put it, '[with] India's reform towards economic liberalization, privatization and globalization the country's foreign policy became also increasingly influenced by geo-economic considerations'.⁷³

Within this wider framework, Exim has been a major agent in disbursing Indian aid and financial support to Africa—for instance, lending capital to the Common Market for Eastern and Southern Africa (COMESA) to be used to acquire goods from India.⁷⁴ The bank has also financed Ethiopian sugar production, agricultural development in Botswana, and rural electrification and water provision in Ghana.⁷⁵ These schemes make up around 30 per cent of total Indian aid to sub-Saharan Africa (SSA).⁷⁶ Exim extends lines of credit to governments, parastatal organizations, commercial banks, financial institutions and regional development banks to facilitate the export of eligible commercial products on deferred payment terms subject to concessional interest rates of around 4 per cent.⁷⁷ Its 'Focus Africa' programme facilitated the financing of exports to members of the Economic Community of West African States (ECOWAS), for example.⁷⁸ These credit lines are not aid strictly defined (their purpose is not development but the advancement of Indian trade and investment opportunities) so much as officially supported export credits.⁷⁹ However, they are an integral part of what New Delhi sees as its assistance to Africa.

⁷⁰ 'India to build 100 institutions in Africa for human development', *Thaindian News* (Bangkok), 19 March 2012.

⁷¹ D. McCormick, 'China and India as Africa's new aid donors: the impact of aid on development', *Review of African Political Economy* 35: 1, 2008, pp. 73–92.

⁷² Jobelius, *New powers for global change?*, p. 4.

⁷³ German Development Institute, *India's development cooperation*, p. 1.

⁷⁴ Beri, 'India's Africa policy in the post-Cold War era'.

⁷⁵ Chaturvedi and Mohanty, 'Trade and investment', p. 65.

⁷⁶ Agrawal, *Emerging donors in international development assistance*, p. 7.

⁷⁷ German Development Institute, *India's development cooperation*, p. 2.

⁷⁸ R. Beri, 'Africa's energy potential: prospects for India', *Strategic Analysis* 29: 3, 2005, p. 387.

⁷⁹ P. Sinha, 'Indian development cooperation with Africa', in Cheru and Obi, eds, *The rise of China and India in Africa*.

About 60 per cent of Indian aid is directed towards technical assistance.⁸⁰ This reflects the central position of human resource development in India's development efforts in Africa. Notably, at the second Africa–India Forum summit in 2011, Manmohan Singh announced the establishment of a number of new institutions aimed at providing technical assistance. These included an India–Africa Food Processing Cluster, an India–Africa Integrated Textiles Cluster, an India–Africa Centre for Medium Range Weather Forecasting, an India–Africa University of Life and Earth Sciences, and an India–Africa Institute for Rural Development. The Indian Prime Minister also proposed the establishment of an India–Africa Virtual University and pledged 10,000 scholarships for Africans to attend it. On top of this, he announced 400 new scholarships for African graduates and 500 more training positions under the Indian Technical and Economic Cooperation Programme (ITEC). This means that India will offer 2,500 ITEC training positions every year for the next three years. 'Our total commitment for the next three years by way of scholarships to African students will stand at more than 22,000,' Singh declared.⁸¹

Unlike the West and China, India funds projects directly rather than supplying grants,⁸² in a non-transferable method of aid that is arguably open neither to abuse nor to conditionalities.⁸³ However, unlike Chinese aid, Indian assistance does not offer predatory African regimes the opportunity to avoid governance reform.⁸⁴ Indeed, emanating as it does from the world's largest democracy, aid from New Delhi arguably reinforces good governance and accountability when there is political space to do so,⁸⁵ although it should be noted that India has 'attached more weight to solidarity with fellow developing countries and the defense of its own national security interests without a reference to ideology at the operational level'.⁸⁶ In other words, outright democracy promotion is not yet embedded in India's foreign policy, largely because of the persistent influence of Nehruvian views on state sovereignty. This stance does seem to be changing,⁸⁷ but at present it does appear that

if India is not currently feeling the heat of Western opprobrium to the extent of China in Sudan, it is most likely only because India is hiding behind China to the extent that it is a smaller investor and trader, it is a democracy and considered more multilateral in its foreign policy. India may one day face the same pressure and the same dilemmas as China over the balance between sovereignty and, for instance, concern for human rights.⁸⁸

⁸⁰ Agrawal, *Emerging donors in international development assistance*, p. 7.

⁸¹ Reported in *Times of India*, 25 May 2011.

⁸² Agrawal, *Emerging donors in international development assistance*.

⁸³ Jobelius, *New powers for global change?*, p. 3.

⁸⁴ Jobelius, *New powers for global change?*, p. 5.

⁸⁵ A. Vines and E. Sidiropoulos, 'India and Africa: India calling', *The World Today* 64: 4, 2008, pp. 26–7.

⁸⁶ C. Mohan, 'Balancing interests and values: India's struggle with democracy promotion', *Washington Quarterly*, Summer 2007, pp. 99–115.

⁸⁷ Price, *For the global good*, pp. 19–20; S. Chaulia, 'BJP, India's foreign policy and the "realist alternative" to the Nehruvian tradition', *International Politics* 39: 2, 2002, pp. 215–34; C. Mohan, *Crossing the Rubicon: the shaping of India's new foreign policy* (New Delhi: Penguin Viking, 2003).

⁸⁸ BBC News, 24 May 2011; see also L. Patey, 'India in Sudan: troubles in an African oil "paradise"', in L. Patey and D. Large, eds, *Sudan looks east: China, India and the politics of Asian alternatives* (Oxford: James Currey, 2011).

Of course, Indian aid to Africa is not an expression of altruism. India, like all other countries, actively uses its development assistance to promote specific political objectives. Indian aid not only helps to facilitate an increase in Indian economic activity across Africa, but also serves to project India as a major power and gain a support constituency. Indeed, New Delhi views Africa as a source of potentially vital support (and important voting power) in international institutions. As part of this, Indian diplomacy seeks to encourage the belief that India is a long-time supporter of Third World interests. In this context, Indian policy-makers are looking to portray New Delhi as the largest, wealthiest and most diverse non-western democracy.⁸⁹

The Indian economic presence in Africa

Interestingly, the first major Indian venture overseas was a textile mill in Ethiopia, set up in 1959 by the Birla Group.⁹⁰ In the past few years India–Africa trade has grown rapidly, from US\$3.39 billion per year in 2000 to around US\$53 billion in 2010/11.⁹¹ ‘Trade between India and Africa has grown by more than 400 per cent in the past five years and is expected to grow at a rapid pace.’⁹²

Currently, total investments by Indian firms in Africa—leaving aside the headline events such as the US\$10.7 billion deal by which Bharti Airtel, an Indian telecommunications company, bought Kuwaiti telecom firm Zain’s African assets—are hard to gauge. This opacity in total Indian FDI to Africa is a result of a number of factors. First, the variety of financing mechanisms used by Indian investors in Africa confuses matters. Generally, assistance to FDI has been given through joint ventures and wholly owned subsidiaries and through the provision of financial support, such as export credits. Investments from private Indian companies are likely to be counted as FDI, while transactions relating to state-owned enterprises often involve financing instruments and are not listed as FDI.

The role of Mauritius confuses matters further. Mauritius is in fact India’s single largest offshore investor: between 2000 and 2009, US\$49 billion of FDI was routed through Mauritius to India, making up 42 per cent of India’s total FDI during this period.⁹³ Much of this is actually capital originating from non-African sources (including companies owned by resident and non-resident Indians) that is rerouted through Port Louis for a variety of licit and illicit reasons, most obviously tax avoidance.⁹⁴ Equally, Mauritius has displaced Singapore as the favourite destination for Indian corporate FDI. In 2010/11, Indian FDI into Mauritius stood at US\$5

⁸⁹ Bava, *New powers for global change?*, p. 2.

⁹⁰ P. Athukorala, ‘Outward foreign direct investment from India’, *Asian Development Review* 26: 2, 2009, pp. 125–53.

⁹¹ V. Haté, ‘India in Africa: moving beyond oil’, *South Asia Monitor*, no. 119, 10 June, 2008, p. 1; B. Majumdar, ‘India plans to triple trade with Africa, deepen ties’, Reuters (New Delhi), 2009; India–Africa Invest, ‘India–Africa partnership: gaining currency’, <http://www.indiaafricainvest.in>, 2012, accessed 15 May 2012.

⁹² *Business Standard*, 19 May 2011.

⁹³ A. Vines and B. Oruitemeka, ‘Engagement with the African Indian Ocean rim states’, *South African Journal of International Affairs* 14: 2, 2007, pp. 155–68.

⁹⁴ *Times of India*, 7 Feb. 2012.

billion—a figure that must be seen in the context of Indian companies seeking to take advantage of Mauritius' offshore financial facilities and favourable tax conditions; the final destinations for much of this investment are actually in Africa, even though they are counted as 'Mauritian' FDI. In this way, Mauritius plays a role comparable to that of FDI from Hong Kong to China.⁹⁵

Notwithstanding these difficulties of measurement, it is true that Indian investment in infrastructure projects and enterprises has increased dramatically in recent years. Officially, New Delhi has 'urged African nations to encourage Indian industry to grow its footprint in the continent'.⁹⁶ It might be argued that Indian ventures in SSA add value to Africa's economies through the substantial investments in critical but underfunded infrastructure projects. For instance, RITES and IRCON International (Indian state-owned engineering companies) are now active in Africa's rail and road development sector, refurbishing and leasing locomotives in Sudan and Tanzania, supplying technical assistance to rail authorities in Kenya and Mozambique, and consulting on the design and construction of roads in Uganda and Ethiopia. IRCON has constructed 600 kilometres of railway in Mozambique, received a US\$31 million contract from the Ethiopian government to build 120 kilometres of roads, and has been active in the rail sectors of Angola, Nigeria, Sudan and Zambia.⁹⁷

A prime example of private Indian economic activity in Africa is the Tata Group, operating across SSA in a diverse array of economic sectors. The Tata Group (with others) has helped to diversify African exports.⁹⁸ For example, Tata has opened an instant coffee processing plant in Uganda and a vehicle assembly plant in Zambia.⁹⁹ Both benefit the national economies by adding value to raw materials and aiding diversification away from primary agriculture. Interestingly, the Tata Group asserts that it has 'aligned business opportunities with the objective of nation building':¹⁰⁰ although it is a private company, it sees a contribution to the broader goal of aiding India's rise as an intrinsic aspect of its operations. Such rhetoric, tinged with mercantilist nationalism, contrasts strongly with the individualistic nature of most western corporations, which rarely subscribe to such aims.

African imports from India currently include machinery, transport equipment, paper and other wood products, textiles, plastics, and chemical and pharmaceutical products.¹⁰¹ Indian pharmaceutical manufacturers such as Cipla and Ranbaxy are progressively penetrating Africa's health markets, providing drugs at a fraction of the cost of western products. 'Indian pharmaceutical companies are the largest providers of generic medicine in the world, and African markets are a natural fit

⁹⁵ K. Tsai, 'Friends, family or foreigners? The political economy of diasporic FDI and remittances in China and India', *China Report* 46: 4, 2010, pp. 387–429.

⁹⁶ *Financial Express*, 21 March 2007.

⁹⁷ Naidu, 'India's African relations'.

⁹⁸ H. Broadman, *Africa's Silk Road: China and India's new economic frontier* (Washington DC: World Bank, 2007), p. 12.

⁹⁹ Naidu, 'India's African relations', p. 5.

¹⁰⁰ 'Tata Group', http://www.tata-realty.com/tata_group.aspx, accessed 17 May 2012.

¹⁰¹ P. Pham, 'India's expanding relations with Africa and their implications for US interests', *American Foreign Policy Interests* 29: 5, 2007, p. 346.

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for these companies'.¹⁰² Ranbaxy Laboratories, which has been involved in joint ventures in Nigeria since the late 1970s, is now taking advantage of WTO provisions that permit patents to be broken in the case of national emergencies. This is particularly important in the fight against HIV/AIDS, where the demand for low-cost anti-retrovirals is intense. In fact: 'Because of cheap Indian drugs, the proportion of AIDS patients being treated rose from 2 per cent in 2003 to 37 per cent in 2009.'¹⁰³

There are other aspects of the relationship. Many Indian firms active in Africa are multinational corporations, and engaging in business with such corporations may help African companies expand their own engagement in network trade.¹⁰⁴ It is often argued that FDI has a general tendency to draw trade flows away from the host nation: as new investors often have little knowledge of local contractors or local human, technical or financial capacity, they may source goods and services outside the host market. Yet 'Indian companies are much more integrated into African society and the African economy, hiring locally and emphasizing training Africans how to maintain and repair the plants they build.'¹⁰⁵

The picture is not entirely positive. Indian companies have been criticized for conducting business in a dishonest manner. In 2006, Transparency International released its Bribe Payers Index which ranks countries in terms of the propensity of their businesses to pay bribes while operating abroad: India was deemed the worst offender.¹⁰⁶ While this may not be an approved method of business, it may be to Indian companies' advantage in gaining contracts within the context of corrupt neo-patrimonial African systems where power is transmitted through informal channels of reciprocity.¹⁰⁷

Such problems may be particularly acute in the energy sector. India currently ranks sixth in the world for energy demand, and all future projections indicate that its consumption of energy will increase exponentially: indeed, it is expected to double by 2025.¹⁰⁸ In the light of these energy needs, India is looking for new and diversified oil sources. Africa is an extremely attractive option: African oil is high quality, and, with many new discoveries outside conflict zones, is open for foreign participation. Only Nigeria is a member of OPEC, which sets limits on member countries' output levels. According to one Indian analysis, 'the discovery of vast energy sources has raised the strategic importance of the continent'.¹⁰⁹

Yet it is in the oil sector that Indian investment perhaps poses the greatest risk for ordinary Africans. This observation is not specific to Indian corporations: the oil industry in general has often been accused of a disregard for poor governance in favour of rewarding contracts, and Indian commentators have made this

¹⁰² *African Business*, Jan. 2012, p. 41.

¹⁰³ *African Business*, Jan. 2012, p. 41.

¹⁰⁴ Broadman, 'China and India go to Africa'.

¹⁰⁵ Pham, 'India's expanding relations with Africa', p. 348.

¹⁰⁶ M. Sorbara, 'India and Africa: it's old friends, new game and rules', *The Nation*, 9 Feb. 2007.

¹⁰⁷ Interview with British diplomat, Accra, Ghana, 25 Jan. 2012.

¹⁰⁸ Haté, 'India in Africa', p. 1.

¹⁰⁹ Beri, 'Africa's energy potential', p. 371.

point alongside their international peers.¹¹⁰ One example of such a willingness to disregard ethical concerns might be the case of ONGC Videsh Limited (OVL), the overseas division of Oil and Natural Gas Corporation Limited (ONGC), an Indian public-sector petroleum company, which invested US\$750 million to acquire two oil blocks in Sudan that had previously been sold by the Canadian company Talisman owing to pressure from human rights groups.¹¹¹ It is in the energy sector in Africa that Indian actors are most likely to encounter the negative aspects of Africa's political economy and where they will have to step most carefully.¹¹²

Nevertheless, ethical considerations do play a role in Indian corporations' presence in the African oil sector. In Nigeria, for instance, ONGC has 'not only carried out exploration and production successfully in very difficult terrains, but has also been responsive to the needs of local population in terms of development of healthcare facilities and education centers etc.' Also: 'Corporate social responsibility projects undertaken by ONGC in and around its project sites ... have been immensely appreciated by the local community'.¹¹³ OVL has invested US\$10 million in railway construction in Nigeria, a valuable investment in the country's dilapidated public infrastructure.¹¹⁴ Of course, such investments are tactical and no doubt made with an eye on the bottom line.

Indian efforts to gain access to African oil arguably show less of the somewhat reckless attributes found in many Chinese efforts to do the same.¹¹⁵ For instance, in January 2006 ONGC put in a winning US\$2 billion bid for an offshore Nigerian oil field, only to see the Indian cabinet block the deal on the grounds that it was not commercially feasible. Subsequently, CNOOC bought a 45 per cent working interest in the field.¹¹⁶ What was interesting here was that the Indian government deemed the deal too risky, with potential political repercussions; yet for the Chinese oil company, such concerns did not appear to be paramount.

The activities of Indian corporations are probably no worse than those of other international actors in Africa. In fact, the ability of the Indian state to influence (even curtail) deals done by the state-owned OVL arguably may give Indian activity an ethical edge over the strictly private (and profit-driven) activities of western corporations and the hard-nosed approach of the Chinese. But it is with regard to the Chinese that there are factors that may complicate matters. Chinese companies already have a strong market presence in poorly governed states. The question is: will this reduce the likelihood of Indian involvement in such economies, or rather induce Indian companies to follow suit and emulate Chinese strategies?

¹¹⁰ See D. Sharma and D. Mahajan, 'Energizing ties: the politics of oil', *South African Journal of International Affairs* 14: 2, 2007, pp. 37–53.

¹¹¹ Sharma and Mahajan, 'Energizing ties', p. 378.

¹¹² Interview with British diplomat, Dar es Salaam, Tanzania, 4 Jan. 2012.

¹¹³ *This Day* (Lagos), 15 Feb. 2009.

¹¹⁴ Agrawal, *Emerging donors in international development assistance*, p. 5.

¹¹⁵ I. Taylor, 'China's oil diplomacy in Africa', *International Affairs* 82: 5, Sept. 2006, pp. 937–59.

¹¹⁶ *This Day* (Lagos), 21 April 2006.

Comparing China and India

Indian policy-makers are widely critical of short-term projects 'that rapidly unravel following the ending of the three- or five-year funding cycle'.¹¹⁷ Such a focus in India's aid programme is arguably more suited to the African situation than the simple delivery of infrastructure by China, irrespective of local conditions and ability to maintain such fixed assets. However, it is also possible that, seen from the African perspective, Indian and Chinese engagement in Africa is not best perceived as a zero-sum competition but may well be complementary, with Beijing supplying the hard infrastructure quickly and efficiently, while New Delhi offers skilled technical services and assistance at a much lower cost than that provided by the West.

Indirectly, an emerging India within the international system is of great political significance for the developing world, as New Delhi increasingly uses its growing economic and political muscle to improve trading and political conditions not only for itself but also for developing nations more generally. Along with other developing nations, India is increasingly pushing for a reconfiguration of some of the institutions of global governance. In this regard, African states are seen as useful allies and a valuable support constituency for New Delhi's aspirations. Notably, almost all African countries back India's bid for a permanent seat on the United Nations Security Council.

Currently, Indian activity in Africa may be said to constitute a middle ground between China's profit-maximizing and largely statist approach and the much-resented intrusive conditionalities associated with western policies. 'The "softer Indian way" in Africa is in fact India's unique pathway to power',¹¹⁸ with Indian policy towards Africa reflecting a 'strategic but nonetheless benign form of engagement, which involves greater costs to India and allows more free-riding for the poorer countries of ... Africa'.¹¹⁹ It is possible to acknowledge an element of truth in this picture without romanticizing Indian ties with Africa.

Interestingly, Indian media representations of New Delhi's role in Africa have argued that 'India's strategy and strengths in Africa are quite different. China concentrates on resources-based investment, while India has focused on capacity building'.¹²⁰ Indeed, 'as India cannot match China dollar for dollar, it must rely on alternative means that include a deeper level of engagement in Africa (represented by the deeper integration of its firms in African society for instance, as well as the emphasis on partnership and co-development rather than "showcasing" schemes)'.¹²¹

Within India itself, there is an ongoing debate regarding India's role in Africa between what Constantino Xavier refers to as the 'singularists' and the

¹¹⁷ Price, *For the global good*, p. 6.

¹¹⁸ A. Narlikar, 'India's rise to power: where does East Africa fit in?', *Review of African Political Economy* 37: 126, 2010, p. 460.

¹¹⁹ Narlikar, 'India's rise to power', p. 460.

¹²⁰ S. Ramachandran, 'India pushes people power in Africa', *Asia Times*, 13 July 2007.

¹²¹ Narlikar, 'India's rise to power', p. 462.

‘emulationists’.¹²² The emulationists derive their thinking from the principles of *realpolitik* and see China and India in direct competition in Africa: consequently, in their view New Delhi should track and equalize Beijing in Africa, competing in both economic and political realms. Such thinking is fundamentally strategic, derivative of geopolitics and the ‘realistic’ reading of India’s diplomacy which tends to dominate India’s International Relations community.¹²³ The singularists, on the other hand, reject comparisons with China and prefer to emphasize the supposed uniqueness of India. This stance draws on broader ideas that ‘India can and must play its role as the conscience-keeper of the world’.¹²⁴ In its extreme manifestation, the singularist position argues that India’s advantages as a partner outweigh those of China and its state-led mercantilism and that Africa will come to realize the downsides of engagement with the Chinese, resulting in a backlash from which New Delhi will emerge as a preferred partner.¹²⁵ According to Xavier, ‘While encouraging a profound self-confidence in the merits of a supposed “Indian model” (which no one really cares to define) this option has often bred strategic inertia.’¹²⁶

As an alternative, Xavier argues that China’s objective advantages over India in Africa *vis-à-vis* trade volume, preferential tariff lines, effectiveness of aid and credit lines, reliability of bilateral dialogues and strategic partnerships, and scale of diplomatic influence and engagement (Xavier points out that only 14 African heads of state and senior government leaders turned up to the 2008 India–Africa summit, compared to 48 who attended FOCAC’s 2006 meeting) mean that ‘India should identify attributes that distinguish it positively from China and that could therefore be explored as a strategic advantage in the long run’.¹²⁷ This analysis arguably reflects current Indian policy: Shashi Tharoor, the former Indian minister of state for external relations, who focused on relations with Africa, asserted that ‘we have an opportunity to enjoy a privileged position in many African countries that we would be foolish not to develop’.¹²⁸

Conclusion

Overall, current ties between India and Africa can usefully be understood in terms of the pursuit of mutual political and economic cooperation (as well as aid) in exchange for increased economic interaction and political support for India’s rise on the global stage. As one analysis put it:

¹²² C. Xavier, *India’s strategic advantage over China in Africa*, IDSA Comment, 30 June (New Delhi: Institute for Defence Studies and Analyses, 2010).

¹²³ See I. Hall, ‘The other exception? India as a rising power’, *Australian Journal of International Affairs* 64: 5, 2010, pp. 601–11.

¹²⁴ R. Sikri, *Challenge and strategy: rethinking India’s foreign policy* (New Delhi: Sage, 2009), p. 298.

¹²⁵ See e.g. N. Kumar, *India’s global powerhouses: how they are taking on the world* (Cambridge, MA: Harvard Business School Press, 2009).

¹²⁶ Xavier, *India’s strategic advantage*, p. 1.

¹²⁷ Xavier, *India’s strategic advantage*, p. 2.

¹²⁸ Quoted in N. Pai, ‘The capacity to engage’, *Pragati: The Indian National Interest Review*, Dec. 2009.

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India is ... cultivating a global relationship with the United States, and it is interacting in Africa with other global powers such as China. Africa is still a relatively small part of India's foreign policy, far less significant in commercial or political terms than the Middle East or Southeast Asia. But as India cultivates its global role, this is an area where it can position itself as a leader, a supplier of investment, and an aid donor.¹²⁹

This fits with another analysis, which argued that: 'Since India lacks the foreign reserves to match the chequebook diplomacy of China, it is futile to imagine that economic munificence alone can give New Delhi traction in Africa. If credit lines and infrastructure construction become the sole pillars of India's strategy in Africa, it will end up second best forever vis-à-vis China.'¹³⁰ Thus Indian policy towards Africa is characterized by New Delhi's arguably more benign and nuanced approach.¹³¹

The question, then, becomes: is India a 'scrambler or a development partner', a self-interested actor bent on exploitation, or one that aspires to some level of mutual benefit?¹³² Though Indian academics forcefully assert that the relationship is one of true partnership,¹³³ the answer to such a question remains wide open. Naturally, much will depend upon African agency. African governments *could* use the opportunity of an increased Indian corporate presence in Africa as a source of appropriate technology, skills and advice for economic development. Given that New Delhi generally prefers the roll-out of practical projects to ideological posturing, this is a real possibility. The key question here is: how can (or will) African leaders seek to leverage the growing Indian investment and interest in Africa so that Africa's place in global trade networks becomes more proactive and beneficial to the continent's citizens? As ever, it remains a priority for African elites to 'accelerate efforts at getting [their] own house in order and to implement the policies, institutions, and trade-enabling physical infrastructure that will be the critical foundations' enabling African recovery.¹³⁴

India's growing activity in Africa has the potential to help African companies become more efficient by exposing them to competition, new advances in technology and modern labour skills. And Indian (and Chinese) demand for African exports 'is good news, because the boom is a potentially pivotal opportunity for African countries to move beyond their traditional reliance on single-commodity exports and move up from the bottom of the international production chain, especially if growth-enhancing opportunities for trade with the North continue to be as limited as they have been historically'.¹³⁵ Furthermore, African agency in attracting Indian investment as a means to avoid overreliance on Beijing cannot

¹²⁹ Haté, 'India in Africa', p. 3.

¹³⁰ *Times of India*, 24 May 2011.

¹³¹ Tantalizingly dubbed the 'Delhi Consensus' by Narlikar in 'India's rise to power', p. 462; cf. J. Ramo, *The Beijing Consensus* (London: Foreign Policy Centre, 2004); S. Halpern, *The Beijing Consensus: how China's authoritarian model will dominate the twenty-first century* (New York: Basic Books, 2010).

¹³² L. Corkin and S. Naidu, 'China and India in Africa: an introduction', *Review of African Political Economy* 35: 1, 2008, pp. 115–116.

¹³³ See Sharma, 'India and Africa'.

¹³⁴ Corkin and Naidu, 'China and India in Africa', p. 115.

¹³⁵ Broadman, 'China and India go to Africa', p. 105.

be overlooked. Many African heads of state are ‘sanguine about attracting Indian economic resources with an eye on avoiding overdependence on China’, given that the ‘trademark Chinese footprint in Africa is spearheaded by state-owned enterprises with revolving door connections in the Chinese Communist Party. These Chinese majors are tightly controlled, conditional and political in nature, compared to India’s private corporations, which do hew to the Indian state’s overall advice but are motivated more by core economic purposes of creating and finding value at the bottom of the global pyramid.’¹³⁶

This analysis by the *Times of India* raises important general differences between Chinese and Indian engagement with Africa. The typical Chinese company in Africa is a large state-owned enterprise, is highly vertically integrated, seldom promotes mixing between its employees and the local culture, effects most of its business with state bodies and, through its access to cheap capital from China, takes advantage of its ability to undercut rivals in seeking out government contracts. In contrast, as Broadman frames it:

The typical Indian firm tends to be in the private sector, varies in size, enters African markets by acquiring established businesses, engages in vertical integration (but much less so than its Chinese counterpart), facilitates—indeed, sometimes encourages—the integration of management and workers into the African socioeconomic network (through informal ethnic networks or by participating in local political activities), and engages in large local sales with private entities rather than solely government agencies.¹³⁷

A feature of current Indian policy towards Africa is that, ‘rather than concentrating on state-led development assistance, the Indian government has acted as an enabler for its private sector’.¹³⁸ This approach does have potential disadvantages, however. New Delhi’s ability to direct and manage increasing Indian engagements in Africa is, like Beijing’s surveillance of Chinese actors on the continent, unreliable. There is in fact a need for New Delhi to strike a balance between its diplomatic rhetoric of South–South cooperation and the commercial needs of Indian private-sector actors, if this is possible. Such problems are compounded by India’s resource of diplomatic expertise, which is highly limited: New Delhi’s External Affairs Ministry consists of about 750 diplomats—a fraction of China’s 6,000-strong diplomatic corps.¹³⁹

The rise of India in Africa, alongside other new and recent arrivals such as Brazil, China, Turkey and Iran, among others, is potentially an opportunity for the continent. First, it increases competition for Africa’s resources, thereby reducing transaction costs and improving Africa’s capacity to gain access to goods and services at more acceptable prices. Second, the interest of India (and other new actors) in African markets potentially offers a major boost to the continent’s economies, possibly aiding the industrialization process, with new infrastructure

¹³⁶ *Times of India*, 24 May 2011.

¹³⁷ H. Broadman, *The backstory of China and India’s growing investment and trade with Africa: separating the wheat from the chaff*, Columbia FDI Perspectives no. 34 (New York: Vale Columbia Center on Sustainable International Investment, 2011), p. 2.

¹³⁸ Price, *For the global good*, p. 9.

¹³⁹ *Los Angeles Times*, 25 May 2011.

being laid out, receipts from commodities rising, new market opportunities opening up and new financing mechanisms being made available. Third, India is a middle-income nation that is emerging from a state of underdevelopment. New Delhi's experience in how to navigate a post-colonial environment is arguably of more relevance to African states than any policy advice emanating from western capitals.¹⁴⁰

Yet paradoxically, as India develops, its interest in South–South solidarity declines (except as related to its desire to retain a support constituency for Indian global ambitions), and this trend may have some implications for Indo-African relations. Securing access to new markets is central, and in this, India is in competition not only with African capitalists and established external actors, but also with other ostensibly 'southern' players such as Brazil and China. Equally, as India becomes more powerful and is received more regularly at the top table of global politics, its interests diverge from those of Africa.¹⁴¹ How these tendencies develop will depend, of course, on whether adapting to international norms becomes a central plank of Indian foreign policy. Rhetorical allegiance to a Southern-oriented foreign policy certainly allows New Delhi to deflect domestic criticism of its international relations and dress up its linkages with regions such as Africa as being driven by a normative South–South agenda. Yet if such a shift occurs and India's elites perceive their interests to lie in alignment with the current world order, then it would be more difficult to establish common positions with Africa, as well as to continue to assert India's importance in global governance as a leader and coordinator for the wider South. Problematically for India if it adheres to a form of Third Worldism, the North–South agenda is in fact cross-cut and permeated by a multiplicity of issues not adequately reflected in current alignments (as exemplified by IBSA). And as India develops, the basis of a residual Indian foreign policy grounded in notions of Third World coalition-building dissipates as the significant structural heterogeneity and differentiated interests among this disparate group of states become ever starker. Management of this conundrum will be central to India's Africa policies, particularly as 'old strategies that have contributed to India's pathway to power cannot be carelessly abandoned ... if India is to continue its march to great power'.¹⁴²

Finally, Indian commentators like to assert that there 'exists enormous goodwill for India in Africa and India should take advantage of it to further strengthen ties through a new partnership'.¹⁴³ It is true that thus far Indian actors have largely avoided the sorts of criticism from rights groups and the West that China has endured. However, the key challenge in Indo-African relations is the same as the fundamental challenge for the continent: poor governance and high levels of corruption. If these issues are not handled correctly, any goodwill that India possesses in Africa will quickly be squandered and/or India will become just another actor in Africa. It is up to Africans to negotiate with Indian actors

¹⁴⁰ N. Norbrook and M. van Valen, 'Friend or foe?', *Africa Report*, no. 31, June 2011, pp. 23–4.

¹⁴¹ Interview with British diplomat, Dar es Salaam, Tanzania, 4 Jan. 2012.

¹⁴² Narlikar, 'All that glitters is not gold', p. 994.

¹⁴³ Beri, 'India's Africa policy in the post-Cold War era'.

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to ensure that the benefits accrued from Indo-African ties are evenly shared and that Indian interest in the continent, alongside others, may help serve as a catalyst for economic revitalization. How this plays out is very much dependent on the political leadership in each particular African state, although Indian civil society (unlike that in China) may play a decisive role.