

## India in Africa: Summits and Beyond

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### Abstract

*The Indian Prime Minister Manmohan Singh's six-day tour of Africa (23 through 28 May 2011) demonstrated India's desire to forge closer ties with the continent and be an active participant in its growth and developmental process. A number of agreements were signed during the second India-Africa Forum Summit (24 and 25 May 2011) and bilateral meetings with Ethiopia (25 and 26 May 2011) and Tanzania (26 through 28 May 2011) ranging from trade and education to development assistance. The renewed vigour of India's engagement comes in a landscape of a deepened Chinese presence in Africa. This paper analyses the achievements of the Summit and Prime Minister's bilateral visits to Africa. The paper also explores India's development cooperation with the continent in this background.*

### Introduction

While trade interactions between Asia and Africa can be traced back to the days of the Silk Road, the last decade saw both India and China make bigger strides into Africa as economic partners. Securing natural resources was the key driver for the two countries to begin with, economics and trade are now also at the helm of both China and India's interests in Africa. China's economic transition in the continent, however, has been more prominent than India's. Given the massive investments made by China, India's relations with Africa have, therefore, received far less attention than that of China-Africa relations.

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Indian Prime Minister Manmohan Singh's recent tour of Africa portrayed India as a partner in the development process building upon historical and cultural ties that the two regions share. He began his tour from the Ethiopian capital of Addis Ababa, also the seat of the African Union (AU), to participate in the second Africa-India Forum Summit held on 24 and 25 May 2011. Following the Summit, the Prime Minister embarked upon a bilateral visit to Ethiopia which was then followed by a visit to Tanzania. Dr Singh's tour marked a more pronounced display of India's soft power, deployed in a bid to emerge from, if not counter, China's shadow in the continent. A look at the range of declarations and Memoranda of Understanding (MoUs) signed by the two partners demonstrates that India is now more assertive in its engagement with Africa.

Recognising Africa as an emerging region in the world, Dr Singh's statement that 'the India-Africa partnership rests on three pillars of capacity building and skill transfer, trade and infrastructure development,'<sup>2</sup> had summarised the new dynamics of India-Africa bilateral ties. Another pillar, which emerged as a subset of the points flagged by Dr Singh, is the aspect of development assistance (discussed in a later section of this paper) and India's emergence as an effective donor.

### **The India-Africa Forum Summit**

Both India and China have utilised bilateral and multilateral forums such as the India-Africa Forum Summit, the Forum on China-Africa Cooperation (FOCAC) established to coordinate relations between the two entities, the China Africa Business Council and the India Brazil South Africa Dialogue Forum (or BRICS) for furthering engagement with African countries in the larger global context. The India-Africa Forum Summit, however, has been crucial for penning a fresh chapter in Indo-African ties.

In 2008, India and Africa relations received a much needed fillip with the formation of the first India-Africa Forum Summit held in New Delhi. While most observers believe that the Summit was a reactionary response to China's elaborate FOCAC in Beijing in 2008, the Summit proved to be the first significant platform for bilateral engagement and serious dialogue. The third ministerial conference of the FOCAC was turned into a special summit that was held in Beijing on 4 and 5 November 2006, where a Declaration of Beijing Summit and FOCAC Action Plan (2006-2009) were adopted by 49 heads of state and government from China and African countries. The Declaration included provisions such as doubling of China's 2006 assistance to Africa and provision of US\$3 billion of preferential loans to

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<sup>2</sup> David Smith, 'India starts trade talks with African countries in effort to rival China', *The Guardian* (23 May 2011), [www.guardian.co.uk/world/2011/may/23/india-trade-talks-africa-china](http://www.guardian.co.uk/world/2011/may/23/india-trade-talks-africa-china). Accessed on 31 May 2011.

Africa, amongst other provisions.<sup>3</sup> The India-Africa Forum Summit even though moderate in nature was a demonstration of India's commitment to secure its foothold in the continent. The Summit has perhaps been the only institutional forum of its kind between the two partners spanning between areas of economic, social and diplomatic linkages.

Under the theme 'Enhancing Partnership: Shared Vision,' the second Summit held 24 and 25 May 2011 in Addis Ababa, in collaboration with the 53-member AU, was a tangible progression from the preceding summit in 2008. The Summit concluded with the adoption of two key declarations – the Addis Ababa Declaration and the Framework for Enhanced Cooperation. However, Prime Minister Manmohan Singh's announcement of US\$5 billion aid to Africa remained the highlight of his trip grabbing media attention across the globe.

The Addis Ababa Declaration<sup>4</sup> broadly highlights major areas of cooperation and mutual concern. Some of the issues featured in the Declaration include the mutual recognition of the importance of multilateralism and the South-South cooperation. The declaration also showcased a comprehensive reform of the United Nations' (UN) system, including the expansion of the UN Security Council (UNSC), non-discriminatory and verifiable elimination of nuclear weapons and other weapons of mass destruction, countering of terrorism, piracy, human and drug trafficking, climate change, sustainable economic growth, and achievement of the Millennium Development Goals.

The Framework for Enhanced Cooperation, on the other hand, is aimed at broadening the outreach and scope of the Africa-India Framework of Cooperation and its Plan of Action (adopted in 2010), giving additional substance to the growing partnership. It sets out specific agreements to cooperate in a range of areas, such as economics, political science, technology, research and development, social development and capacity building, health, culture and sport, tourism, infrastructure, energy, environment, media and communications.

With a wider spectrum of areas covered at this time, the bilateral ties are clearly deepening in terms of not only trade and investment, but also the development of aid and other areas of cooperation.

## **Trade and Business**

It is well established now that the 'scramble for Africa' was motivated primarily because of the natural resources – ranging from oil and gas to gold, iron ore, manganese and uranium – that have been the envy of growing nations, such as India and China, that need these

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<sup>3</sup> For details on the Beijing Summit see, 'Forum on China-Africa Cooperation', [www.focac.org/eng/ltda/dscbjzjhy/](http://www.focac.org/eng/ltda/dscbjzjhy/). Accessed on 24 June 2011.

<sup>4</sup> For details see, 'Second Africa-India Forum Summit 2011: Addis Ababa Declaration', *Press Information Bureau, Government of India* (25 May 2011), <http://pib.nic.in/newsite/PrintRelease.aspx?relid=72319>. Accessed on 24 June 2011.

resources to augment their economic growth. Unlike China's state-led engagements with Africa, India's ties with Africa have been led by the business community and private sector investments. Major Indian investors in Africa include companies like Oil and Natural Gas Corporation Limited, Tata, Bharti Airtel, Essar, Zydus, Ranbaxy, Tata Consultancy Services, Infosys. A look at the bilateral trade data puts into perspective the difference in the levels of economic engagement which India and China have with Africa. The bilateral trade between Africa and India was around US\$46 billion in the year 2010.<sup>5</sup> China's bilateral trade with Africa in 2010, on the other hand, stood at US\$126.9 billion, which is almost three times that of India-Africa trade. It is not surprising that Anand Sharma, India's Minister for Commerce and Industry, reached Africa with a delegation high level chief executive officers for a two-day visit prior to Dr Singh's tour. The Trade Minister also set a target of US\$70 billion for India-Africa trade by 2015.

It was also announced that India and the Southern Africa Customs Union (SACU) are in the process of finalising a preferential trade agreement (PTA) to further trade linkages with the continent.<sup>6</sup> The India-SACU PTA is also likely to be concluded this year. This agreement is proposed to cut tariffs on a limited number of products between the two regions, and is expected to eventually expand to a fully-fledged free trade agreement. The SACU comprises of Botswana, Lesotho, Namibia, South Africa and Swaziland.

The other opportunity for India could surface through the African Grand Free Trade Area, scheduled to materialise in the next three years and will encompass 26 countries from Egypt to South Africa, the talks for which were launched in June 2011.<sup>7</sup> Given India's interests in the continent, the outcomes of such a free trade area can further deepen India's engagement with Africa.

### **Aid, Development and South-South Cooperation<sup>8</sup>**

While India may not have had the economic muscle to match China's growing influence in Africa in the past, the country has employed its soft power to gain stronger footing in the continent. Historically, India has provided assistance to Africa, by way of the Indian Technical and Economic Cooperation and the Special Commonwealth Assistance for Africa

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<sup>5</sup> 'Joint Statement of India-Africa Trade Ministers', *Ministry of Commerce, Government of India* (21 May 2011), [http://commerce.nic.in/WhatsNew/Joint\\_Statement\\_India\\_Africa\\_Trade\\_21\\_05\\_2011.pdf](http://commerce.nic.in/WhatsNew/Joint_Statement_India_Africa_Trade_21_05_2011.pdf). Accessed on 24 June 2011.

<sup>6</sup> Anand Sharma, 'India-SACU PTA to conclude soon – Immense Opportunities for Strategic alliance in SME Sector', *Press Information Bureau, Government of India* (4 June 2010), <http://pib.nic.in/release/release.asp?relid=62334>. Accessed on 24 June 2011.

<sup>7</sup> Ed Cropley, 'Cape-to-Cairo "Made in Africa" bloc to boost trade', *Reuters* (16 June 2011), <http://af.reuters.com/article/investingNews/idAFJOE75F00920110616?sp=true>. Accessed on 16 June 2011.

<sup>8</sup> For details see, 'Second Africa-India Forum Summit 2011: Addis Ababa Declaration', *Press Information Bureau, Government of India* (25 May 2011), <http://pib.nic.in/newsite/PrintRelease.aspx?relid=72319>. Accessed on 24 June 2011.

Programme. However, there is little doubt that India's contributions to its African partners were small in the initial decades of these programmes. While India's development assistance to Africa is still small economically, especially in comparison to China, it has received a major boost over the past few years, growing more than 20 per cent in this time period. Among other initiatives, the Focus Africa Programme sought to enhance commercial relations between India and African countries by offering export subsidies to Indian companies trading with African nations and tied lines of credit to African governments and other regional entities. The Techno Economic Approach for Africa India Movement (also known as TEAM-9), on the other hand, provides eight West African countries with credit lines worth US\$500 million. Further, India offers bilateral debt relief, support for UN peacekeeping operations, and humanitarian assistance to several African countries.

India's US\$5 billion pledge for the next three years, under the lines of credit, to help Africa achieve its development goals, is one of the key examples that India's Africa policy has received the much needed economic commitment. To put the numbers into perspective, India's annual healthcare budget is around US\$5.9 billion. The loan package is a follow up to the US\$5.4 billion credit India offered at the first India-Africa summit in 2008.<sup>9</sup> With this, one can say that India's development assistance to Africa has taken a new dimension that is concomitant its economic growth trajectory. This new founded impetus has much to do with India's rapid economic growth.

Besides the aid package, India has also pledged US\$700 million to build institutions and establish training programmes. During the ministerial meeting in the course of the India-Africa Forum Summit, Dr Jean Ping, Chairman of the African Union Commission (AUC) and, India's Minister of External Affairs, S.M. Krishna signed five MoUs to strengthen the longstanding partnership between Africa and India. This was agreed to be done through the establishment of vocational training and incubation centres across the continent, as well as the creation of new institutions, such as the India-Africa Institute of Information Technology (Ghana), the India-Africa Institute of Educational Planning (Burundi) and the India-Africa Institute of Foreign Trade (Uganda).

India will also extend US\$300 million to develop a railway line between Ethiopia and Djibouti. There are also plans of an India-Africa virtual university and more than 22,000 higher education scholarships for African students. India will contribute US\$2 million to the African Union Mission in Somalia.<sup>10</sup> Further, the India-Africa Business Council has been proposed to encourage more trade and investment flows along with a transfer of technology.

India's soft power diplomacy has finally found a firm definition with regards to Africa and the South-South Cooperation. On the back of this, Africa plans to support India's push for

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<sup>9</sup> Saubhadra Chatterji, 'India announces sops for Africa', *Business Standard* (25 May 2011), [www.business-standard.com/india/news/india-announces-sops-for-africa/436712/](http://www.business-standard.com/india/news/india-announces-sops-for-africa/436712/). Accessed on 31 May 2011.

<sup>10</sup> *Ibid.*

UN reform in September 2011. AUC Chairman Jean Ping has also urged African countries to support India's bid to become a permanent member of the UNSC.<sup>11</sup>

## **Moving Ahead**

Tanzanian President Jakaya Kikwete during Indian Prime Minister Manmohan Singh's visit to Tanzania noted that while the Chinese had offered a 200-bed hospital to his country, 'Indians have helped to train the people who will work in these Chinese built hospitals.'<sup>12</sup> This is a reiteration of India's new found prowess and its departure from its 'mouse like diplomatic clout' to ambitions and actions that match its 'elephantine weight'.<sup>13</sup>

While India has made limited diplomatic inroads to Africa in the past, its soft power methods have helped it gain stronger footing in the continent, backed by limited yet effective economic support. In addition, there has always been the goodwill factor that India has banked from the constant support given to African liberation movements at both the bilateral and multilateral levels.

The Indian Prime Minister's visit to Africa has made apparent the Indian government's efforts to carve a different trajectory for its relations with the continent, distinct from the Chinese practices. It is also clear that India is willing to invest social, human and economic capital to make its presence felt in the region. The process of partnering Africa in effectively employing aid for development projects as opposed to pre-decided aid plans can give India an edge over Chinese presence in the continent. Whether India can sustain its sprint in Africa will also depend on how India finds and embraces new opportunities and garners support to realise its geopolitical ambitions.

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<sup>11</sup> Siddharth Varadarajan, 'Africa to back Indian push for U.N. reform in September', *The Hindu* (23 May 2011), [www.thehindu.com/news/national/article2042547.ece](http://www.thehindu.com/news/national/article2042547.ece). Accessed on 1 June 2011.

<sup>12</sup> Siddharth Varadarajan, 'Tanzania, India find 'South-South' ties in good health', *The Hindu* (27 May 2011), [www.thehindu.com/news/national/article2054421.ece?mstac=0](http://www.thehindu.com/news/national/article2054421.ece?mstac=0). Accessed on 1 June 2011.

<sup>13</sup> 'India in Africa: Catching Up', *The Economist* (28 May – 3 June 2011), p.35.