

Briefing Memo

India's Policy toward Africa

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In April 2008, India hosted the India-Africa Forum Summit in New Delhi. The heads of state of 14 countries and representatives from the African Union (AU) attended the Summit. Two documents were adopted during the summit: the Delhi Declaration; and the Africa-India Framework for Cooperation. The event reflects the recent effort by India to strengthen ties with Africa. Is this effort simply motivated by competition with China for natural resources in Africa?

Africa and India share unique historic links. Within the British colonial structure, Africa was a place where a large number of Indian laborers migrated, followed by Indian merchants and professionals. After independence, India continued to maintain close relations with Africa, particularly with former British-ruled African states, by supporting anti-colonial struggles or working together in Non-Aligned Movement. Currently, there are over two million people of Indian origin residing in Africa, and in some states, the Indian community has established important political and economic channels for bilateral ties.

What interests, then, does India have in the African region and what kind of strategic goals is it pursuing? Although no comprehensive strategy has been formally stated, one can identify three major interests observing India's practice in its policy toward Africa. The first is the opportunity to assume a role and responsibility in Africa as a major state; the second is security in the Indian Ocean; and the third is energy security.

Diplomacy: Bilateral and Multilateral

Focusing on bilateral relations, South Africa and Nigeria count as India's equal partners. The end of the Cold War and India's transition to an open economy in the early 1990s both required review and reorientation of foreign policy for India. South Africa and Nigeria, two major regional actors which later completed the process of democratization, offered ideal opportunities for India to reestablish relations with Africa in the post-Cold War context.

India immediately began to strengthen its ties with South Africa after apartheid was abolished and Nelson Mandela was elected as President in 1994 by free and fair election. In January of the following year, the Indian government invited President Mandela as its guest of honor to India's

Republic Day. In 1997, the two states agreed to establish a strategic partnership. India's strategic partnership with South Africa is a broad-based relationship stretched beyond bilateral or regional settings. It encompasses global agenda such as, South-South cooperation, United Nations reform, regional cooperation in the Indian Ocean Rim area, and the strengthening of Non-Aligned Movement.

One example of cooperation between the two states which extended beyond their bilateral relations was the 1995 intergovernmental meeting of seven Indian Ocean Rim countries including Australia. The initiative, led by India and South Africa, resulted in the establishment of the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC) at the Mauritius meeting in 1997. Six African countries participate in the IOR-ARC. A further example of broad-based cooperation between India and South Africa was the initiation in 2003 of a trilateral forum which included Brazil. The Forum is now known as the India-Brazil-South Africa Forum (IBSA). IBSA holds ministerial talks among the foreign ministers as well as defense ministers. India and South Africa share a desire to undertake reforms in international organizations and institutions, to allow more developing countries to participate in decision-making processes.

Similarly, India has been strengthening its ties with Nigeria since the latter's democratization in 1999. In 2007, the two countries agreed to transform their bilateral ties into a strategic partnership. Nigeria is the third largest supplier of oil to India, providing 12.3% of crude oil imports. The Declaration on Strategic Partnership states not only common values shared by the two countries, such as democratic pluralism, tolerance, economic development and social justice, but also their commitment to cooperation in the energy sector.

India is also committed to African regional integration. In 1997, it concluded a memorandum of understanding (MOU) for cooperation with the Southern African Development Community (SADC), and has been organizing periodic forums with the SADC since 2006. India has also been deepening its relations with the African Union (AU) in various ways including participation in the Assembly of the African Union (AU Summit) in 2006.

Military Relations: PKO and Capacity-building

India plays an active role in peacekeeping and capacity-building assistance in Africa. Since the United Nations enhanced its PKO activities after the Cold War, India has been participating in UN missions in Africa, e.g. Somalia, Rwanda, Mozambique, Angola and Sierra Leone. At present, India has a total of 7,241 troops and military observers stationed in the Congo, Ethiopia (Eritrea), Sudan and Côte d'Ivoire.

Traditionally, India has provided education and training programs to students from African Commonwealth countries at India's military institutions, including the National Defense University. Recently, India has clearly defined training as capacity-building assistance. In 2003, India concluded a MOU for defense cooperation with Tanzania and the Seychelles. From late 2003 to early 2004, the defense ministers of Sudan and Mozambique made official visits to India, which were heralded as the beginning of cooperation in defense. One example of India's capacity-building assistance is India's deployment of naval vessels for coastal security during the period of the African Union Summit in July 2003. This assistance was given at the request of Mozambique, the host of the summit. Later, India also conducted training exercises for the Mozambique navy. In its cooperation with Mauritius, India has been providing technical support in the repair of coast guard vessels and helicopters as well as helicopter pilot training. India identifies the East African countries as extended neighbors across the Indian Ocean, thus they are qualified to be recipients of capacity-building assistance, especially in the realm of naval capacity. India also deploys army training teams to countries such as the Seychelles, Botswana, Zambia and Lesotho.

South Africa is an important supplier of defense equipment for India. India and South Africa signed a MOU on defense cooperation and an agreement on defense supplies in 2000 and 2003 respectively. India has also shown interest in South Africa's ground navigation system, rifles, and air-to-air missiles.

Economic Relations: In Pursuit of Energy

Energy strategy is a new element causing India to draw closer to Africa. India's economy has recorded average growth of 7% over the past five years. If annual growth is maintained at 5% in the future, it is estimated that primary energy demand will double by 2030, driving India's reliance on oil imports to 90%.

As a country that relies on the Middle East for 70% of its oil imports, India began to focus its attention on Africa in order to diversify oil supply sources. When an oil tanker carrying the first oil imports from Sudan arrived in India in the summer of 2003, Deputy Prime Minister Advani himself came out to welcome the arrival of the vessel at port. This was also the year that President Kalam chose Sudan as a country for paying an official visit.

Although India made forays into energy sector cooperation, especially in exploration and development projects, it lagged behind China in Angola, and Korea in Nigeria. It is reported that India's Oil and Natural Gas Corporation (ONGC, 74% owned by the Indian government) lost its bids in Angola in 2004 because India's counter-offer was only a 200 million dollar investment for

infrastructure projects, compared to China's two billion dollar commitment to development aid.

Learning from this lesson, ONGC established ONGC-Mittal Energy Ltd., a joint venture with steel company Mittal in 2005, to shore up its investment potential. After submitting a proposal for a six billion dollar infrastructure development project, ONGC-Mittal obtained rights to develop oil fields in Nigeria.

In 2006, OVL, the overseas division of ONGC, succeeded in taking over a 25% share in Sudan's Greater Nile Project from a Canadian consortium. This is a combined project which includes an exploration and production sharing contract, and pipeline agreement, which is currently producing 300,000 barrels of crude oil a day. China and Malaysia also have stakes in this project and there were reports that China had opposed India's acquisition of a share in the project in the past. India's initial investment in this project is \$720 million.

India's trade with Africa increased from \$3.4 billion in 2000 to \$26.1 billion in 2007, and exports to Africa as a ratio of India's total exports also rose from 3.6% to 6.6%. Coordinated initiatives among the government of India, the Export-Import Bank of India, and private industries under the banner of the Federation of Indian Chambers of Commerce and Industries are geared to promote trade and investment.

Africa as a Testing Ground for India's Global Role

Two of the three categories of India's interests - energy security and Indian Ocean security - are unilateral in nature and inevitably have some competitive element with China. On the other hand, India's interest in pursuing a global role in Africa can be characterized as internally interdependent and externally non-exclusive. India needs the support of African states to be recognized as a legitimate candidate for a permanent seat on the UN Security Council. However, to achieve this aim, India has to lead the "democratization" of the UN and other international fora so that they reflect the opinion of the African states. This is why India took such an assertive stand against the developed countries at the WTO Doha Round by adhering to its position of protection of agriculture in developing countries. India is contributing to peace and stability in Africa through PKOs and capacity-building, as has already been discussed. In addition, India is also engaging in broader social and economic cooperation in areas where it can demonstrate its relative strength as "a partner in development." For example, India's pharmaceutical industry is exporting generic medicine which may be an effective treatment for HIV/AIDS. In the area of IT, India has committed \$100 million to a Pan-African e-network proposed by former President Kalam. The Delhi Declaration, adopted at the India-Africa Forum Summit, reaffirmed the value of plural democracy and also referred to gender equality. In what might be seen as a symbol for promoting gender equality, India sent an all-women

specialized police unit as a part of UN Mission in Liberia. Africa is undoubtedly a testing ground for India's global role.

(This paper was submitted in August 2008.)

The purpose of this column is to respond to readers' interests in security issues and at the same time to promote a greater understanding of NIDS. A "briefing" provides, among other things, background information. We hope these columns will help everyone to better understand the complex issues involved in security affairs. Please note that the views in this column do not represent the official opinion of NIDS.

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