

# INDIA’S EMERGING ROLE IN AFRICA’S SUSTAINABLE DEVELOPMENT

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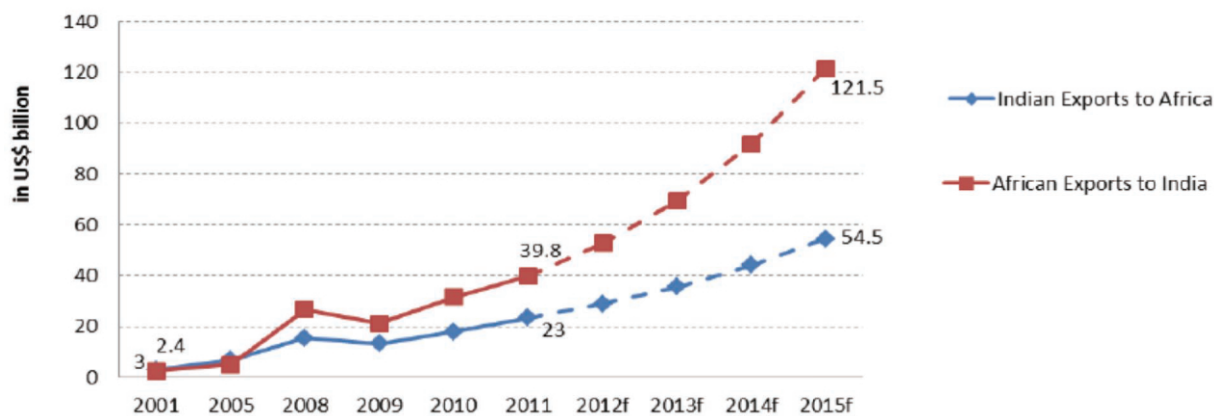
As the global economy continues to face challenges in the aftermath of 2008 crisis, there are clear indications that the global balance has shifted towards the “South”, mainly led by India and China, and from whom the baton is expected to pass on to Africa, a continent with tremendous potential to grow. The expectation is that growth and dynamism of the Global South will reinvigorate the global economic order, and the North-South trade equation will be increasingly complemented by the strengthening South-South relationship. From India’s perspective, Africa is the most meaningful trade partner after the U.S., with a 32 percent annual growth between 2005 to 2011, and is expected to reach US\$90 billion by 2015.

Historically, Africa has attracted attention due to its abject poverty, unemployment, diseases and governance gaps. While the developed countries have tried to make inroads via aid, it was always an accepted fact that to make the interventions sustainable, the continent needs skills development, jobs and capital

investments for sustained economic growth. Given the fact that the average annual growth rate of real output of the continent increased from 1.8 per cent in the period 1980–1989 to 2.6 per cent in 1990–2000 and 5.3 per cent in the period 2000–2010, Africa is now grabbing interest as the next developing landscape. It offers not only a huge market and scope for business expansion, but is also the treasure trove of minerals, natural resources and agricultural commodities. While China has surged ahead to forge ties and strategic relationships through building critical infrastructure in exchange of exploiting mineral reserves and agricultural land of the continent, India has and must continue to take the more sustainable path of corporate investments and bilateral trade.

Africa’s trade surplus with India is rising rapidly, albeit driven in large part by a narrow range of commodities. The top six African exporters, viz., Nigeria, South Africa, Angola, Egypt, Algeria and Morocco account for 89% of total African exports by value to India, thanks

Fig 1: India-Africa trade: growth projections



mainly to exports of oil and gas, ores and gold. In 2011, the top six had a trade surplus of over US\$ 24.5 billion. If current rates of growth are sustained, Africa's trade surplus could reach US\$ 67 billion by 2015.

## ***Manufacturing***

Indian private investment in Africa has surged with major investments having taken place in the telecommunications, IT, energy, and automobiles sectors and sources estimate the stock of Indian investment at over US\$ 32 billion. Much of the vigour of the current India-Africa trade and investment relationship can be attributed to the steps taken by the Government of India, and the initiatives taken by the Indian private sector. This dynamism on the part of India is coupled with the increasing receptiveness on the part of African countries to strengthen the partnership with South-South partners.

In a bid to deepen its footprint in Africa, Tata Motors established its second assembly operations in Senegal. Tata Motors currently exports to 21 countries in Africa. In 2011, a joint venture with Tata Africa Holdings established Tata Motors (SA) Ltd and invested approximately US\$ 12.1 million in South Africa to open its first assembly plant in the region.

## ***Service Industry***

Business travel and tourism, especially medical tourism is the largest services export sector in Africa. India's outbound tourists and business travellers increased from 4.5 million in 2001 to 13 million in 2010. Outbound business travellers and tourists from India to Africa more than doubled from 135,555 in 2001 to 410,700 in 2010, but are still only 3 per cent of total Indian departures in 2010. Egypt, South Africa, Nigeria and Mauritius together account for over 71 per cent of Indian visitors bound to Africa. African business and tourist visits to India grew by 44 per cent over the period 2006 to 2010.

This is taking place in the backdrop of stabilising political scenarios across most of Africa and opportunities for development paradigms are moving beyond exploitation of mineral wealth to more sustainable growth. The continent needs inter-disciplinary tie-ups and interventions to develop strong socio-economic programmes in education, skilling, health and sanitation and others. India, being one of the largest democracies facing a few of social challenges of its own has the capacity to partner Africa in its bid for sustainable development.

As a part of the soft skill development, India has already initiated Cotton Technical Assistance Programme (C-TAP) in 2012, though India is not a major importer of cotton. The initiative aims at strengthening the value chain of the cotton sector in Africa through a series of interventions such as transfer of technology, post-harvest practices, enhancing downstream competence and capacity building of various stakeholders. The C-TAP is being implemented in Benin, Burkina Faso, Chad and Mali (the Cotton-4), plus Malawi, Nigeria and Uganda. The collaboration is expected to spawn a vibrant textiles industry in the cotton-producing African countries. India has also committed to establish an India-Africa Textiles cluster that would mobilise Indian investments of US\$ 350 million with an employment generation of 25000 workers.

## ***Education***

India's role in higher education and training in Africa, is primarily conducted through the Indian Technical and Economic Cooperation programme (ITEC). Many African students and professionals have benefited from ITEC derived projects like the Pan-African e-network project and the Special Commonwealth Assistance for Africa Programme (SCAAP). In terms of the Pan-African e-network project, it currently consists of three African universities, one from Ghana, Cameroon and Uganda and five India universities, the number universities as part of this initiative is expected to increase.

The closest semblance to an institute that promotes India in any realm to African students in Africa is the Centre for Indian Studies in Africa (CISA) and the India-Africa Network at the Gordon Institute of Business Science, both in South Africa. Both institutes have potential to promote genuine interest in India from African students where perhaps decision makers in India should consider financial commitment to the institutes in efforts to re-brand India's potential as an area of study for African students, promote Indian higher education institutions as an alternative place for study and use it as an avenue to disseminate Africa-India relations.

India's premier institute, IIT has virtually crossed the physical distance of over 4500 kilometres with Addis Ababa, Ethiopia to teach the students construction technology and management, and chemical engineering. The institute is also planning to conduct computer engineering and manufacturing engineering courses in the next semester to complete its target of producing 10,000 science and engineering students in Ethiopia. The Indian Government has already pledged a US\$ 700 million contribution to education and skill development in the continent.

## **Health**

Africa is actively seeking help from India to increase its abilities in the field of universal healthcare, especially for the middle class, who cannot fly to other countries for superior health services. The countries are also looking at the prospects of inducting telemedicine to bring down the cost of healthcare services. India is already running one such tele-medicine centre in Tanzania. Many African countries are also looking into the possibility of Indian intervention in building up health infrastructure in the continent which is only able to service 40 percent of the health requirements currently.

## **Conclusion**

As we can see, India's intervention in Africa has been meaningful, especially in the social

and cultural landscape, though sporadic in nature. The commitments need to turn strategic and comprehensive in order to make a real impact in the continent.

India, with its new focus on mass social sector programmes like the Jan Dhan, Aadhaar, and Mobile (JAM) trinity are best poised to partner Africa in their social sector structuring. The challenges in the continent are very similar to Indian challenges like social exclusion, income inequality and a wide host of social and environment issues. India can help African countries to become a people centred democracies where India will also learn a great deal in return.

At its end African governments have recognized the challenges posed by their current pattern of growth where natural resources are exploited with less value addition and nearly no skilling, and have renewed their political commitment to economic transformations. At the continental level, economic transformation is one of the key priority issues in the draft strategic plan of the African Union entitled Agenda 2063. It is also one of the four priority issues identified by African countries in the African common position on the post-2015 development agenda along with issues like innovation and technology transfer, human development, financing and partnerships. At a time of global turmoil, meaningful partnerships will always remain the key to the Indian and African growth stories.

The MEA needs to work in collaboration with the Indian diaspora in Africa who act as 'unofficial ambassadors' in Africa to centre cooperation on the firm foundations of culture and shared histories. This will surely enhance economic and political engagements of mutually beneficial aspirations based on public private partnerships and shared expertise to propel India's and Africa's development agendas.