



Common Futures

India and Africa in Partnership

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Director's Note

SUNJOY JOSHI



India's relationship with continental Africa is centuries old. Bound by common cultural ties and shared historical experiences, Africa and India share in their common potential as drivers of future global growth, as well as in the common disadvantages compounded by their being amongst the last entrants to join the global growth trajectory. Given their shared colonial past, it was but natural that independent India's first outreach to the world was to Africa, as a leader of the Bandung Conference in 1955.

However, in spite of the vibrancy of long enduring people to people contacts, the full potential between both regions failed to acquire substance as Government to Government relationships rarely transcended political tokenism.

It is in this context that Prime Minister Narendra Modi's commitment to deepen India – Africa cooperation early on in his tenure becomes significant. The third India – Africa Forum Summit to be held in New Delhi during October 2015 is the largest of its kind, and in the spirit of this summit, the Observer Research Foundation (ORF) remains committed to contributing to a rapidly evolving partnership as both regions seek to leverage the promise held about by the new emerging interconnected world.

ORF's Africa – India Growth and Development Forum therefore build upon three strands : (i) sharing development experiences in sectors known to be equally critical for both regions, such as agriculture and food security, energy, and digital inclusion; (ii) accelerating growth through rejuvenated and special Afro-Asian model of international development cooperation through Lines of Credit, grants, and support for institution building; (iii) discovering ways of integrating and engaging with the new emerging commitments under the SDGs, environmental concerns and the new development finance architecture.

To give shape to these, in the lead up to the India – Africa Summit this October, ORF has been engaging with African themes and delegates in a series of events to shape the agenda and conversations between the two regions. 25 participants from Africa participated in two key ORF events in the month of October. The Asian Forum on Global Governance 2015 included a panel on "Sustainable Development: Global Goals, National

Actions” and CyFy 2015 had a special focus on digital inclusion in India and Africa which looked at issues of internet access and gender.

Following the Summit ORF will continue to explore the means of implementing the recommendations and outcomes of the India – Africa Summit to nudge the partnership agenda forward in new spheres of cooperation. To this end, in January, ORF will be convening a conference in Addis Ababa on India – Africa cooperation in the area of food security. The conference will bring together experts from both regions to examine potential avenues for cooperation on policy and practice between India and African countries on agri-food systems and food security.

The need of the hour is a forward looking, constructive agenda that leverages the diversity of strengths and experiences of both regions to chart a path of economic development and prosperity for their citizens. The India – Africa partnership has the potential to unlock tremendous growth in both regions as they partner for change and learn from each other’s experiences in tackling shared challenges. ORF’s role is to create the platforms and forums for scholars and policymakers from both regions to exchange ideas and opinions, thereby shaping mutual cooperation between the two regions through the 21st century.

This short volume is part of this effort. The 12 contributions in this volume present through the eyes of both African and Indian experts, six interlinked themes of growth, empowerment, security, sustainability, employment, and food. By way of a prologue the introductory chapter frames the India – Africa cooperation agenda, as it surveys the history and current state of India – Africa partnership. The concluding chapter rounds up the presentation by situating the partnership in the emerging global political and economic architecture.

It is ORF’s hope that this volume will contribute toward nurturing a substantive long term agenda that will engage the two regions for the time to come.

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Africa and India: Shared Past, Common Futures



VIKROM MATHUR

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Africa and India must reframe the narratives of their shared past to shape their common future. The story of their struggles against colonial rule, non-alignment during the Cold War, lack of voice in global institutions, marginalization in trade regimes and challenge of emancipation at home is an old one. The two regions need to write an ambitious history of their future and craft an action-oriented agenda of growth. The narrative of one-way development flow from India and Africa is also outdated. Both regions share the contradictions of dynamic economic growth and extreme poverty and have as much to teach each other as they have to the world. The India – Africa Forum Summit in New Delhi in October 2015 will be the largest summit of its kind and bring together 42 African heads of state. The partnership is garnering the attention it deserves but leaders need to move beyond tokenism and liberate the potential of Africa and India as the two growth poles of the world. Forever connected by the Indian Ocean we can write our destinies.

Africa with its 54 countries is over ten times the size of India but has roughly the

same population -- just over one billion people.¹ The demographic structures are also very similar. In India more than fifty percent of the population is below the age of twenty five and in most African states, half or more of the population is under twenty five years of age. The collective strength of Africa and India is their young population. We need fresh ideas. The future belongs to young voices. This volume brings together contributions from young thinkers from both the regions to share ideas on how to make development happen.

Six contributions each from African and Indian scholars on six themes of: (i) boosting growth through trade and infrastructure development; (ii) dealing with inclusion in technology and finance; (iii) securing the Indian ocean and addressing issues of internal security; (iv) sustaining development by addressing climate change and developing clean energy; (v) creating jobs and skills manpower and (vi) securing food for all have been included in this primer. Together these six themes address the challenges of inclusive economic growth.

Growth

India-Africa bilateral trade has grown at an exponential rate – from a dismal \$5 billion in 2003, it is expected to reach \$100 billion by the end of 2015.² And this trend is expected to continue. At the WEF India Economic Summit held last year in New Delhi, African leaders and Indian industrialists set an informal target of \$500 billion trade by 2020.³ This surge is primarily due to trade in energy resources, especially crude oil because the growth in Indian economy has led to increased demands for resources. Malancha Chakrabarty in her commentary on Africa and India trade relations argues that “over dependence on a few exports of primary commodities like oil is not likely to be advantageous for Africa in the long term because commodity exporters are typically more vulnerable to negative price shocks.” Her piece analyses the ‘geography’ of Indian trade with Africa and examines how commercial relationships can be expanded with more African countries and also to other commodities. Apart from bilateral ties, both regions face common concerns in major global forums. For instance the issue of countering tax evasion by multilateral corporations remain a priority; India and Africa need to speak with a common voice in global trade regimes.

Physical infrastructure is critical for growth. Both Africa and India face massive infrastructure deficits. Africa will have a shortfall of investment for infrastructure to the tune of \$90 billion every year for the next decade⁴, while

1 Population Reference Bureau, “2013 World Population Data Sheet,” Page 7, http://www.prb.org/pdf13/2013-population-data-sheet_eng.pdf

2 The Times of India, “India, Africa trade to touch \$100 billion by 2015,” October 1, 2013, <http://timesofindia.indiatimes.com/business/india-business/India-Africa-trade-to-touch-100-billion-by-2015/articleshow/23367675.cms>

3 CUTS International “India in Africa,” January, 2015, http://www.cuts-international.org/ARC/pdf/Insert15-India_and_Africa-Status_Quo_or_New_Strategic_Orientations.pdf

4 Ernst & Young, “Addressing Africa’s infrastructure deficit,” http://www.ey.com/GL/en/Industries/Government--Public-Sector/Dynamics--collaborating-for-growth_Addresssing-Africas-infrastructure-deficit

the India requires \$1 trillion over the next few years.⁵ The emergence of new financing institutions such as the New Development Bank (NDB) and the Asian Infrastructure Investment Bank (AIIB) could prove to be part of the solution. The piece by Mariam Yinusa looks at the infrastructure needs of the two regions and explores how these needs could be met through new global financing institutions, the private sector and public financing. She argues that “stemming corruption will also be important to ensure sustainable public and private sector investment and the delivery of timely national infrastructure projects”. India could also support infrastructure in Africa through its instruments of economic cooperation such as the Lines of Credit.

Empowerment

Increasing gulf between the rich and poor is a feature of both regions. Entrenched social inequities in on both sides of the ocean lead to inequitable distribution of development dividends. Technology is going to be key to the development story in both regions; it also has the potential to both bridge inequities but also create new ones. Special measures are needed to be ensure inclusive development.

Internet penetration in Africa and India is growing rapidly. This means that potential online users would be using ICTs in various sectors -- government services, e-healthcare, online education, and financial institutions. Anahita Mathai looks at how India and Africa cooperate on internet and communication technology (ICT) transfer for various sectors such as small and medium enterprises, human capital formation and delivery of public services. India and Africa are widely acknowledged as emerging markets where the ‘next billion’ internet users will spur the creation of new ICTs. Direct conversations between the Indian government and the governments of African countries are one way to share experiences and develop regulations that address common technological efforts in the common bid for universal connectivity. Mathai argues that “government-to-government efforts, however, are often hampered by bureaucratic processes and delays due to political manoeuvring.” Cooperation in ICTs needs to be streamlined by reducing redtape in processes.

Financial inclusion is critical for eradicating poverty. Both Africa and India have actively sought to increase access to formal financial services. India has recently launched the Prime Minister’s Jan Dhan Yojana that works toward providing bank accounts, financial literacy and subsidised insurance schemes. India and Africa can share best-practices to ensure financial inclusion. Rapid advancements of ICTs and mobile devices have also opened new opportunities for facilitating financial inclusion. Nanjira Sambuli argues that while ‘traditional’ financial systems are yet to cater to large sections of rural populations, in many parts of Africa and India, the ever-growing mobile phone penetration could be leveraged to enhance financial inclusion.

5 The Economic Times, “India needs \$1 trillion for new infrastructure: Nirmala Sitharaman,” May 28, 2015, http://articles.economictimes.indiatimes.com/2015-05-28/news/62765618_1_asia-pacific-asia-pacific-new-infrastructure

Despite the increasing popularity of mobile money, regulations in the telecommunications and banking industries have hindered the adoption and growth of this sector.”

Security

The Indian Ocean Region is an economic and strategic “common” for India and Africa. IOR is however quickly emerging as one of the key geopolitical theatres of the contemporary era. Beyond Africa and India’s immediate strategic and defense interests in the IOR, anti-piracy efforts in the IOR are critical to ensure trade between the two regions. Ritika Passi argues that the, “...economic, energy and strategic arteries in the Indian Ocean are facing threats from piracy, smuggling, trafficking and terrorism; conversations on maritime security are increasingly focusing on regional and sub-regional responses.” IOR needs to be a “zone of peace” to sustain maritime cooperation between India and Africa for commercial and strategic purposes.

Beyond IOR, broader defence and counter-terrorism cooperation could be beneficial for both India and Africa. African states have a long-history of engaging against non-state actors promoting low-intensity conflicts. Radicalism threatens both North Africa and India. Africa can offer lessons in the successful redressal of political grievances. Omneya Ghamry argues that “both Africa and India have their own unique experiences in combating violent extremism. India has been following a multifaceted approach in combating terrorism for years. Driven by an understanding of the driving roots of terrorism, the Indian government attempted to address the underlying social and economic grievance leading to the radicalization of young men and women. Africa also had its own experience of community-based approaches to tackle environments conducive to radicalization.”

Sustainability

Climate change remains one of the major threats particularly for developing regions like Africa and India. Both regions face interlinked challenges of land degradation, poverty, and climate change. Global warming further affects food and energy supply chains in both regions. In the upcoming India-Africa summit, India is expected to propose the setting up of solar panels as well as bringing coastal countries together to harness ocean wave energy. Both regions need to work together to curb the impact of climate change – both bilaterally and at multilateral platforms? Aniruddh Mohan argues that the lack of grid infrastructure in both regions offers opportunities for expanding renewable energy solutions for off grid, cost competitive, localized access to power. India can support African efforts to address impacts of climate change by developing impact data in the crucial agricultural sector. In multilateral processes India and Africa need to work together to ensure that ‘equity’ is operationalized in any global response to climate change.

Despite abundance of energy related natural resources Africa continues to be energy poor due to an infrastructure deficit. At the same time, India is increasingly seeking to partner with Africa for its own energy needs. India needs to support African countries to achieve energy security and develop

their own generation capacities. Nelson Antunes Joao writes: “India is one of the emerging countries in the global south demanding a great deal of energy for consumption, and Africa is an alternative source to meet its demand for energy”. His paper explores the issues of partnership between African countries and India in the energy sector and argues that partnership between Africa and India must be mutually beneficial in the longterm. Energy sustainability, reduction of energy poverty in Africa must be taken into consideration in establishing the partnership.

Employment

India’s impressive GDP growth has not always translated to enough jobs. Both Africa and India will need to adopt specific policy measures to ensure that output growth translates into higher levels of employment. The role of micro, small and medium enterprises (MSME) as “engines of employment” is critical, but MSMEs are largely informal and labour laws that protect workers are critical in both regions. Tanoubi Ngangom argues that structural transformation of economies has historically initiated by a large-scale transition of labour and economic resources from the agricultural to the manufacturing sectors. However in the African and Indian economies, she writes, “... the peculiar jump of the African and Indian economies from agriculture directly to services means that both regions are experiencing premature de-industrialisation”. Consequently the manufacturing sectors in both the regions have not developed enough and have been unable to absorb any significant amount of labour.

Skills and training is central for improving employment. Both India and Africa need to equip their overwhelmingly young populations with skills and training, for “here-and-now” jobs as well as jobs which are, in some sense, yet to exist, for example those driven by new ICTs. Skills and training for women is critical in both African and India and in both places social and cultural barriers inhibit equal access to education to both men and women. Winnie W. Wairimu in her piece argues that there is a high potential for leveraging ICTs for skills development and training and revamping vocational training across Africa, in particular towards targeting groups that are marginalized in more formal approaches to skills development. As the population move away from agriculture and into manufacturing, vocational skilling avenues need to be made available in addition to formal schooling.

Nutrition

India and Africa are still largely agrarian societies and ensuring food security for large sections that continue to live below the poverty is a fundamental pillar of the India-Africa Forum Summits. In Sub-Saharan Africa, according to FAO, one in four persons is undernourished. Despite expansion in agricultural growth, production has not kept pace with population and growth and persistent issues around distribution have not been addressed. Similar agricultural practices exist in both regions – farming is generally carried out by family units with rudimentary production tools and is vulnerable to drought conditions. India has developed more advanced research capacity in the field of agriculture and can support Africa in dealing with some of

the new concerns around climate-smart agriculture. Both Africa and India also have similar stance on food security in global platforms and can jointly negotiate to achieve these common goals. Vidisha Mishra has argued that in the field of agriculture, “knowledge sharing between India and Africa can be based on reciprocity and go beyond the donor-beneficiary paradigm.”

Africa and India have continued to heavily rely on low-tech agricultural practices. Akhona Nkenkana argues that agricultural technologies could be critical for enhancing productivity and public and private partnerships need to play a crucial role in this. There has been close engagement in this area -- many Indian private companies have invested in different countries in Africa. India also provides various scholarships in agricultural sciences, through the African Union Commission, and this is implemented by the Department of Agriculture Education (DARE) and Indian Council of Agriculture Research.

An African proverb which is popular in India – “if you want to walk fast walk alone, if you want to walk far, walk together”. Africa and India have a long way to go to provide food, energy, health and rights to its young population. We must walk together. The optimism and energy of the young in both the regions can reconstruct the development models that have been imposed on us and craft solutions that are locally relevant. The young can write the history of a bright future.

India-Africa Relations: Nurturing an Enduring Partnership



H.H.S.VISWANATHAN

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Historical ties

India's relation with the African continent goes back to many centuries. Even before the age of colonisation, there was flourishing trade between East Africa and the West Coast of India across the Arabian Sea. There is a view that Indian sailors helped the Portuguese explorer Vasco de Gama navigate the treacherous waters of the Arabian Sea. Colonisation of India and Africa led to a decline and eventually the end of the flourishing trade. However, during the colonial period an Indian Diaspora came to being in Africa working as indentured labour in the plantations and railroad construction in Southern and East Africa. After many generations, this Diaspora still continues to prosper in Africa and acts as a bridge of friendship.

India's independence movement with the unique method of non-violent non-cooperation of Mahatma Gandhi inspired many African leaders who were themselves fighting for liberation. After India's independence, both Gandhi and Nehru remarked that this struggle for freedom would not be complete

without the independence of Africa. That is why India was at the forefront of the decolonisation efforts for the African nations. India also led from the front in the fight against apartheid in South Africa. The independence of most African countries in 1960's led to a new phase in India-Africa relations. A new bond of solidarity and common purpose evolved with the Bandung Afro-Asian Conference and later with the Non-Aligned Movement (NAM) and G-77 platforms. Despite the fact that India was itself short of capital, innovative ways of cooperation were explored. India managed to contribute, in modest ways, to the socio-economic development of newly independent African countries by way of capacity building and human resource development. These were in areas where India had some inherent strength like Agriculture and Small and Medium industries.

End of the Cold War

The 1990s saw a new phase in India-Africa relations. The end of the Cold War and the dawn of globalisation brought a new paradigm. Strangely though, the momentum of India-Africa engagement slowed in the nineties. The reasons were obvious. On the Indian side, the economy was opening up and the country was in the midst of serious economic reforms. On the African side, most of the countries were emerging from the neo-colonial grip of former colonial masters who controlled the vital levers of the economies of these countries. The end of the Cold War led to an easing of the grip by the ex-colonial powers. This was also because of the preoccupation of Europe with expansion and problems in their neighbourhood. This change of circumstances proved very beneficial for Africa where the countries had, for the first time, a real chance to manage their own affairs.

The present phase of increased India-Africa engagement started with the new millennium. By this time, thanks to a decade of economic reforms, the Indian economy started to grow at healthy rates and was considered a successful emerging economy. The opening up also necessitated greater interaction with the outside world and Africa, with complementary aspects proving to be a natural choice for greater engagement. On the African side, the change was marked by a remarkable resurgence both in political and economic spheres. Politically, more and more countries became democratic and adopted multi-party polity along with other aspects of democracy like free press, independent judiciary etc. The number of coup d'états and violent conflicts began to decline. Governments became more transparent and accountable. Regular elections, which are becoming better organised, have been a regular feature in the last 15 years in most countries.

This political resurgence has been reinforced by the economic turnaround. The average growth of Sub-Saharan Africa in the first decade of the new millennium was more than 5%.¹ Some countries registered spectacular growth rates in two digits. After the Global Financial Crisis in 2008, Africa was the only continent other than Asia that continued to grow. It is true that much of

1 International Monetary Fund, "Regional Economic Outlook—Sub-Saharan Africa: Resilience and Risks," October 2010, <https://www.imf.org/external/pubs/ft/reo/2010/AFR/eng/pdf/sreo1010.pdf>

the growth of the African countries was due to export of commodities whose prices continued to rise thanks to the demands from emerging economies like China, India, Brazil, Turkey and Indonesia. But studies show that even resource-poor countries grew, though at a slower pace, during this period. Credit has to go the African governments who took some bold macro-economic decisions suited to their circumstances that were not dictated by outside powers as in the past. The resurgence of Africa is evident from the confidence that the continent exudes today. Unlike in the past, the African narrative is told by the Africans.

India's engagement with Africa today is under changed circumstances where both are playing key roles in a globalised world. Both, therefore, have fine-tuned traditionally good relations to reflect the new reality. However, the fundamentals of India-Africa Partnership are unlikely to change. These are based on four factors:

- There is no fundamental conflict of interests between India and any of the African countries or the continent as a whole.
- Due to similar historical experiences, there is a mutual feeling of solidarity.
- There has always been a collaborative approach in dealing with global issues.
- There is a belief that we can learn from each other and contribute to mutual development and also to peace, stability and progress of the world.
- India-Africa will continue to engage on the basis of the above fundamentals.

Importance of Africa to India in today's context

The criticality of a robust partnership with Africa is self-evident from all aspects. Politically, the continent is home to 54 sovereign nations. In today's world where more and more issues are decided in multi-lateral fora, this group of countries belonging to the African Union (AU) becomes a powerful factor. India has similar problems and views on many global issues as the African countries. If India's ambitions of becoming a global power are to be realised, it is imperative that India-Africa Partnership is further deepened.

On security and strategic issues, Africa plays an important role for India. The Indian Ocean and Arabian Sea are a part of India's strategic maritime neighbourhood. These are also important sea-lanes of communication (SLOCs). The problem of piracy in the Gulf of Aden is a threat to shipping and commerce for India and all East African nations. A robust common approach is needed to tackle this. The other strategic issue for both sides is the increasing menace of fundamentalism and terrorism across the Sahel region from Mauritania to Somalia. It is scary to see that this is now penetrating even into Central and Southern Africa. India, which also suffers from terrorism,

can work with African nations to contain the damage particularly because there is an inter-connected web among the various terrorist groups.

On the economic front, the mineral resources of Africa and the huge market stand out as the most important factors. African energy resources and materials like iron ore, copper, manganese, bauxite, etc will be vital for India's continued growth. The significance of Africa's consumer market is being recognised globally today. The continent of nearly a billion people is steadily building up a substantial middle class. The consumer spending of the Continent is expected to increase to USD 1.4 trillion by 2020.² The demand is across various sectors from consumer goods to pharmaceuticals to IT and telecom. This is a market, which no growing economy can ignore. The potential in the agricultural sector has to be particularly mentioned here; 60% of the world's uncultivated, arable land is in Sub-Saharan Africa. If exploited in a proper and sustainable way, the continent would become the breadbasket of the world in a decade.

The fourth reason why Africa is important to India is the Indian diaspora in the Continent. It is estimated that there are over 2 million persons of Indian origin in the continent. Many of them migrated there generations ago and there are the new younger lot who are going for professional and entrepreneurial reasons. India is not only interested in their success but would also like to leverage them to promote India-Africa engagement. They are an ideal platform for deepening people-to-people, cultural and social ties.

The fifth factor is the evolving demography of Africa. One study shows that by 2040 there will be more than one billion Africans in the working age.³ That would be the time when most countries in other continents will have a shortage of labour force. With adequate growth in infrastructure, Africa has the potential to become a major manufacturing hub supplying to the rest of the world.

Is there a scramble for Africa?

There is no doubt that the resurgence of Africa has attracted many global players to the continent. There is a great interest among the developed countries as well as emerging powers to woo Africa. In this context, there have been unfortunate references to a "new scramble for Africa" or "Africa being the new hunting ground". Such references betray the old 1885 Berlin Conference mindset when Africa was divided arbitrarily among the European powers. The Africans had no role in that division. Today's Africa is different. Competition among global players for engagement with Africa is actually good for the Continent because they have more options. The terms of engagement today are decided by the African countries and cannot be thrust upon them unlike in the colonial period. India, however, has never believed in the so-called "scramble". Indian leaders have repeatedly stressed that the continent has enough potential for many players to engage in meaningful cooperation.

² McKinsey Global Institute, "Lions on the Move: The Progress and Potential of African Economies," June 2010

³ Ibid

Sub-regional and regional integration

For a successful engagement with today's Africa, the process of sub-regional and regional integration in Africa has to be taken into account. This will inform the progress of all development cooperation initiatives. Africa is not a monolith; there are regional differences and there are large and small countries. To illustrate: there are 20 countries with a population of less than 5 million. There are more than 20 countries whose annual GDP is less than USD 5 billion. The problems and requirements of these countries would be different from the larger ones. They have very small markets and cannot absorb big infrastructure projects. That is why there is rapid progress in sub-regional and regional integration and Africa is doing well in the process. Groups like East African Community, Southern African Development Community, Economic Community of West African States, Economic Community of Central African States, and Common Market for Eastern and Southern Africa are evolving into successful Free Trade Areas. There are also over 60 international river basins shared by many countries that are now in the process of looking at developing the basins on a collaborative basis.⁴ Two years ago 26 countries across Africa belonging to three different trade blocs (COMESA, EAC and SADC) formed a Free Trade Area of 525 million people with over USD one trillion output. It is being referred to as the Cape-to-Cairo FTA.⁵

India's approach to development cooperation

In its engagement with Africa, India has always rejected the "donor-recipient" model followed by the developed countries and by the World Bank. Instead, India's bilateral Development Cooperation Programmes have been based on three important principles:

- There are no conditionalities.
- There are no policy prescriptions, and
- There is no questioning of the sovereignty of the partners.

As a corollary to these principles, projects are never thrust upon the countries. They are mainly demand driven, in the sense that it is the partner countries that choose the projects. It is a consultative and collaborative process.

Being itself short of capital itself, India's cooperation programmes have not given priority to mega projects. India leveraged its own strength and niche area of expertise to help African countries in their developmental efforts. These were in the sectors of capacity building and human resource development. In the three decades beginning 1960, African nations faced the problem of shortage in capacity building institutions. India used her own development experiences and shared them with the Africans.

4 Fourth US-African Infrastructure Conference, 28 April 2010

5 T.S.Vishwanath, "The Grand Key to Africa," Business Standard, 23 June 2011

The flagship mechanism for cooperation was the Indian Technical and Economic Cooperation (ITEC) Programmes started in 1964. ITEC had three components:

- Capacity building through training scholarships;
- Projects under Lines of Credit (LOCs); and
- Disaster relief and emergency aid.

The ITEC Programme is extended to all developing countries but so far Africa states have benefited from more than 60% of ITEC initiatives. In the last 40 years India has extended over USD 1 billion worth of assistance through ITEC. Over 1000 Africans are trained annually. The most important aspect of ITEC scholarships is the bond of friendship created between African scholars and India.

LOCs form another major component of development partnership. The projects are demand driven and chosen by partner countries which India implements through its public and private sector. The projects chosen are mainly in the agricultural sector or Small and Medium Enterprises with a focus on poverty reduction and employment generation.

Recent successes

From 2000 onwards there has been a quantum jump in India-Africa economic relations. A trade volume of USD 967 million in 1990-91 rose to USD 46 billion by 2010 and USD 71 billion in 2015. According to India-Africa Chamber of Commerce and Industry (IACCI) the trade figures could be USD 160 billion in the next three years. African exports have been growing annually over 32%. Investments from India have also been rising. Total Indian investments in Africa at present are about USD50 billion out of which USD15 billion would be by the private sector.⁶ Most of the big Indian companies are operating in Africa – ONGC and Essar in the hydrocarbon sector, Vedanta resources in Zambian copper mines, Arcelor Mittal in Iron ore mining in Liberia, TATA Steel in Ferro chrome project in South Africa, IFFCO in fertilizer production in Senegal, Bharti Airtel in telecom, Ranbaxy and Cipla in pharmaceuticals and Mahindra in tractors.

Summit diplomacy

India-Africa engagement reached new heights with the establishment of the India-Africa Forum Summits. It was structured on the model suggested by AU in the Banjul Consensus in 2006. By this formula, only a select group of African leaders were invited. The first Summit was held in New Delhi in April 2008. Some important decisions that were taken at this Summit were:

⁶ Nayanima Basu, "India-Africa trade to reach \$ 70 billion by 2015," Business Standard, 19 May 2011

- Duty free imports from 34 African Least Developed Countries (LDCs).
- Additional LOCs amounting to \$5.4 billion for the period 2008-2013.
- Number of ITEC slots was increased from 1000 to 1600 every year.
- Doubled the number of long-term scholarships for graduate and post-graduate studies.⁷

The second India-Africa Forum Summit was held in Addis Ababa (Ethiopia) in May 2011 with the theme “Enhancing Partnership: Shared Vision”. It was an occasion to take stock of the achievements of the first Summit and move forward. Some major decisions were made during this Summit also like:

- Another \$ 5 billion in LOCs
- \$ 700 million for new institutions and training programmes
- \$300 million for the Ethiopian-Djibouti railway link.
- Establishment of clusters in areas of food processing, textiles, weather forecasting, agriculture and rural development.
- A commitment of 22,000 scholarships for the next three years.⁸

The third India-Africa Forum Summit, which was postponed from 2014, will be held in New Delhi in October 2015. This time around, India is not following the Banjul formula and would invite all 54 countries. The Banjul formula seems to have run its course in the first two Summits. While it had its merits, selection and implementation of projects suffered serious delays because of an additional layer in the process by way of the AU Secretariat.

Way forward and future prospects

India-Africa partnership is well poised to fulfil its great potential. However, it cannot be taken for granted. Continued hard work and innovative ideas are needed from both sides.

One important factor to address is the shortage of high-level exchanges. Apart from the Summits, there are hardly any bilateral visits at the levels of Heads of State and Heads of Governments. Even ministerial level visits are hard to come by. This lacuna needs immediate correction because only such visits give the much needed momentum to relationships.

India's engagement has to be strengthened at all three levels: bilateral, regional and continental. Viable projects of cooperation at all three levels have to

7 Opening Address by Dr. Manmohan Singh, Prime Minister of India at the Plenary Session-1 of India-Africa Forum Summit, April 8, 2008

8 Prime Minister of India's address at the Plenary of the Second India-Africa Forum Summit, May 24, 2011

be initiated. For example, the Pan-African e-Network was a very successful project on a Continental level contributing to e-learning and e-medicine.

Weakness in the implementation of the projects under LOC's has been taken care of to a certain extent by the establishment of the Development Partnership Administration (DPA) in the MEA with greater autonomy and the single focus of project implementation. However, there is a lot of scope for improvement.

Since economic engagement will be primarily driven by the Indian private sector, Indian companies have to gear up to the task. A deeper knowledge about Africa is needed and hence African Studies have to be encouraged. The Indian private sector should also be conscious of its Corporate Social Responsibility (CSR) when it ventures into Africa.

Since Africa is not a monolith, one should avoid a "one-size fits-all" approach in cooperation. Projects have to be fine-tuned to suit the country and the region. Special efforts are needed for Francophone and Lusophone countries. The Team-9 initiative started around 2000 needs a new push with new ideas.





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GROWTH

India-Africa Trade Relations: Trends and Prospects



MALANCHA CHAKRABARTY

MalanCHA Chakrabarty is an Associate Fellow at the Observer Research Foundation, New Delhi. She researches the impact of emerging countries such as India, China, and Brazil, on Africa's development process.

India has longstanding relations with Africa. Indian foreign policy towards Africa can be traced to Nehru's ideas of independent foreign policy, Non-Aligned Movement and Third World Solidarity. India supported the anti-colonial and anti-apartheid struggle in Africa and also supported developmental initiatives in Africa under the banner of South-South Cooperation. However, trade and investment ties between India and Africa were limited during this period and ties with diaspora were more cultural than economic. The early 1990s saw a shift in India's approach towards Africa from the ideological realm to economic diplomacy.

India and Africa have a history of partnership in agricultural trade issues such as agricultural subsidies at the multilateral level. African countries and India have moved several joint proposals such as the Agricultural Framework Proposal and Protection of Geographical Indications in World Trade Organisation (WTO) and World Intellectual Property Organisation (WIPO).¹ South Africa also supported India on the issue of public food stock holding for food security in WTO in 2014.

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After a long period of relative stagnation, bilateral trade between India and Africa grew rapidly from mid 2000s (Figure 1). There was a fivefold increase in Indian exports to sub-Saharan Africa from US\$ 5,274.4 million in 2004 to US\$ 28,412.3 million in 2014.² The increase in imports from sub-Saharan Africa was even more pronounced. India's imports from sub-Saharan Africa grew by a factor of twelve from US\$ 2,876.2 million in 2004 to US\$ 35,288.7 million in 2014.³ As a result, the share of African countries in India's total exports and imports also increased rapidly during this period. According to data from the Export and Import Bank of India, Africa's share in India's total exports increased from 7% in 2004 to 11% in 2014. Similarly, Africa's share in India's total imports rose from a mere 3% in 2004 to about 8% in 2014.⁴

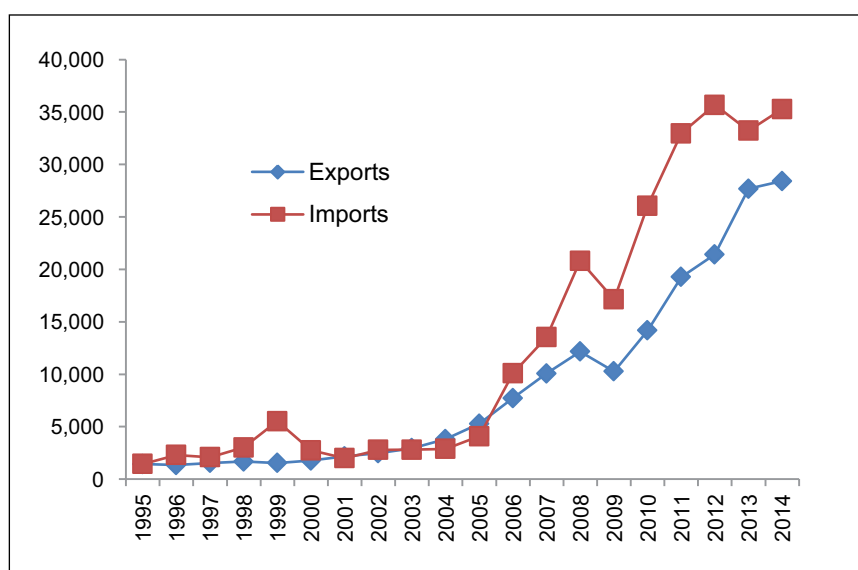


Figure 1: Bilateral trade between India and sub-Saharan Africa (in US\$ million)

Source: UNCOMTRADE Database⁵

1 Mohanty SK & Sachin Chaturvedi, "India-Africa Economic Partnership: Trends and Prospects", Discussion Paper. New Delhi: Research and Information System for Developing Countries (RIS), March 2008, http://ris.org.in/images/RIS_images/pdf/dp134_pap.pdf.

2 Author's estimates from UNCOMTRADE data.

3 Ibid.

4 "Export and Import Bank of India: Catalysing India's Trade and Investment", July 2015, accessed October 7th 2015 <http://www.eximbankindia.in/sites/default/files/indias-international-trade-and-investment.pdf>

Growth of trade between India and Africa is largely led by trade in energy resources. From 2005 onwards, there was a huge increase in India's imports of minerals and fuels from Africa. The value of Indian imports of mineral fuels and lubricants from sub-Saharan Africa increased dramatically from about US\$ 38 million in 2004 to US\$ 25,234.2 million in 2014 at a compound annual growth rate of 92%.⁶ This is largely because of rapid economic growth in India which led to a concurrent rise in demand for energy. Africa has emerged as a major source of energy particularly crude oil for India from the second half of the 2000s. Although West Asia continues to account for the bulk of India's oil imports, oil imports from Africa have grown tremendously and it now accounts for about 18% of India's oil imports. Nigeria is the largest source of oil in Africa and the third largest source of oil for India after Saudi Arabia and Iraq (see Figure 2). Oil imports from Angola also grew dramatically at a compound annual growth rate of about 53% from 2006 to 2014.⁷ Apart from oil, Africa is also an important source of coal (South Africa and Mozambique), natural gas (Algeria, Nigeria and Egypt) and uranium (Niger, Malawi, South Africa and Namibia).

The rise in crude oil imports from Africa was also accompanied by a simultaneous growth in India's exports of refined petroleum products to Africa during this period. Exports of refined petroleum products account for about 10% of India's exports to Africa.⁹ This is largely because Africa has very limited refining capacity whereas India has surplus refining capacity. Indian

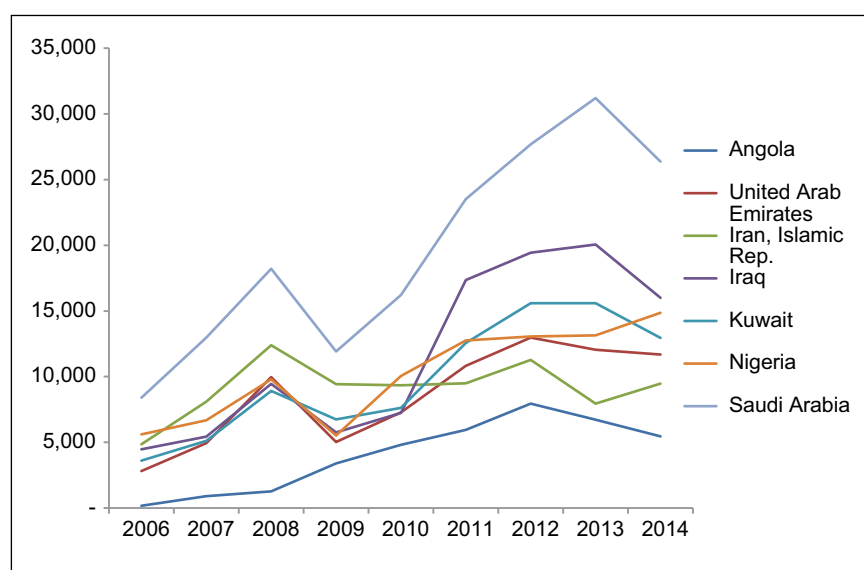


Figure 2: India's imports of Petroleum oils from major oil exporters (in US\$ million)

Source: UNCOMTRADE Database⁸

5 Author's estimates from UNCOMTRADE data, <http://wits.worldbank.org/WITS/WITS/AdvanceQuery/RawTradeData/QueryDefinition.aspx?Page=RawTradeData> (accessed 07.10.2015)

6 Author's estimates from UNCOMTRADE data.

7 Ibid.

8 Author's estimates from UNCOMTRADE data, <http://wits.worldbank.org/WITS/WITS/AdvanceQuery/RawTradeData/QueryDefinition.aspx?Page=RawTradeData> (accessed 07.10.2015)

9 "India-Africa: South-South Trade and Investment for Development", Confederation of Indian Industry/World Trade Organisation, 2013, accessed October 7th 2015, https://www.wto.org/english/tratop_e/devel_e/a4t_e/global_review13prog_e/india_africa_report.pdf.

companies are also exploring opportunities to export refined petroleum products to all African countries by creating bases in key markets such as Kenya and Mauritius.

The last decade also saw a marked increase in agricultural trade between India and Africa. Agricultural goods currently account for about 11% of India's total exports to sub-Saharan Africa and about 7% of India's total imports from sub-Saharan Africa.¹⁰ India's agricultural exports grew more rapidly from 2010 onwards mainly on account of the huge non-basmati rice exports from India to Africa. Massive stockpiles of rice have enabled India to become a leading rice exporter. Moreover, Indian parboiled non-basmati rice is cheaper than Thai rice which makes it more competitive in the African market. Major destinations for India's non-basmati rice in Africa are Benin, Senegal, South Africa, and Liberia. Beef, sugar and fish are other important agricultural exports from India to Africa. About 15% of India's beef exports are destined to Africa.

The last decade also saw a marked increase in agricultural trade between India and Africa. Agricultural goods currently account for about 11% of India's total exports to sub-Saharan Africa and about 7% of India's total imports from sub-Saharan Africa.

India has also emerged as an important destination for African cash crops. Its main agricultural imports from Africa are shelled cashew, vegetables, nuts (dried and fresh), coffee, tea and spices. Agricultural imports from Africa are likely to increase further in the future as many African Least Developed Countries (LDCs) stand to gain from India's Duty Free Tariff Preference (DFTP) Scheme. The DFTP Scheme was announced in 2008 and provides preferential market access on tariff lines comprising 92.5% of global exports of all LDCs. Thirty three African LDCs are covered under the scheme.

In terms of geographic composition of India-Africa trade, oil rich West Africa has emerged as the most important trading region in Africa. However,

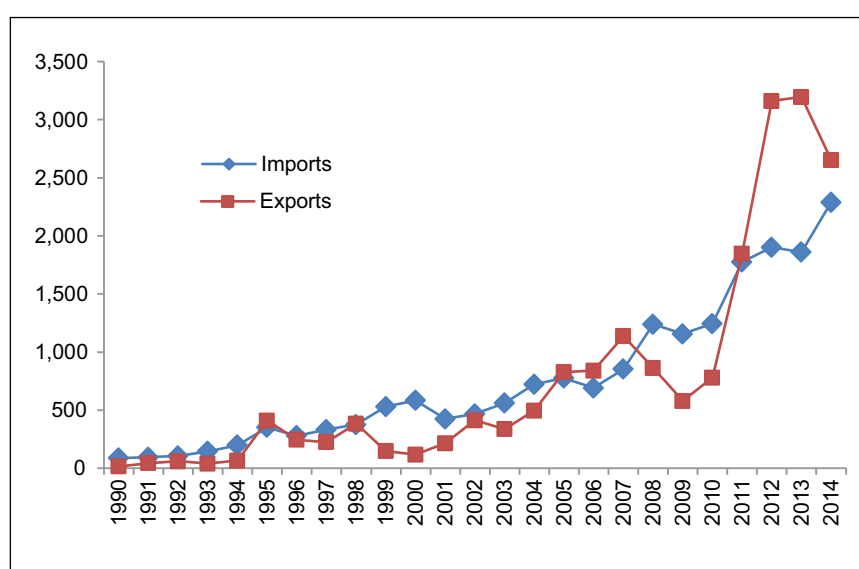


Figure 3: India's Agricultural trade with sub-Saharan Africa (in US\$ million)

Source: UNCOMTRADE Database¹¹

¹⁰ Author's estimates from UNCOMTRADE data.

¹¹ Author's estimates from UNCOMTRADE data, <http://wits.worldbank.org/WITS/WITS/AdvanceQuery/RawTradeData/QueryDefinition.aspx?Page=RawTradeData> (accessed 07.10.2015)

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Eastern Africa continues to be India's largest export destination in Africa. India's top five trade partners in Africa are Nigeria, South Africa, Angola, Egypt, and Tanzania. As stated earlier, India's trade with Nigeria and Angola is dominated by crude oil imports. Indian exports to South Africa include vehicles, transport equipment, drugs and pharmaceuticals, engineering goods, footwear etc. On the other hand, India imports gold, coal, copper and copper concentrates from South Africa.¹² Tanzania's main exports to India are vegetables, pulses, cashew nuts, raw cotton and gemstones. It imports mineral fuels, oil, iron and steel, pharmaceuticals and motor vehicles from India.¹³ India is Egypt's third largest export destination. It mainly exports crude petroleum, rock phosphate, inorganic chemicals, cotton and fruits to India. Egypt's top five imports from India are mineral fuel, frozen meat, electrical machinery, cotton and motor cycles.¹⁴

African exports to India are concentrated in a few mineral commodities whereas Indian exports to Africa are much more diversified and technology intensive. Exports from India have also moved up the value chain in the last decade but there has been no change in the commodity composition of African exports.¹⁵ The share of Indian high technology exports increased from 10.9% in 2001 to 13.8% in 2011. This increase was mainly led by exports of pharmaceuticals, electronics and communication equipment. The major structural shift was observed in case of exports of medium-low technology products (19.5% to 37%), including a significant rise in exports of refined petroleum. There was also by a sharp decline in the share of low-technology exports from India to Africa (41.7% to 21.5%), particularly that of textiles and apparel. Conversely, the share of total technology exports in Africa's total exports to India declined because the growth of African exports to India was largely led by crude oil.

12 "India-South Africa Relations", Ministry of External Affairs, accessed October 7th 2015, http://www.mea.gov.in/Portal/ForeignRelation/India-SouthAfrica_Relations.pdf

13 "India-Tanzania Relations", Ministry of External Affairs, accessed October 7th 2015, <http://www.mea.gov.in/Portal/ForeignRelation/Tanzania-January-2012.pdf>

14 "India-Egypt Relations", Ministry of External Affairs, accessed October 7th 2015, http://mea.gov.in/Portal/ForeignRelation/India-Egypt_Relations.pdf

15 "India-Africa: South-South Trade and Investment for Development", Confederation of Indian Industry/World Trade Organisation, 2013, accessed October 7th 2015, https://www.wto.org/english/tratop_e/devel_e/a4t_e/global_review13prog_e/india_africa_report.pdf

After a long period of stagnation, there was a surge in India-Africa trade from 2005 onwards. The defining feature of this period was an acceleration of trade in energy resources led by crude oil. The rapid growth of the Indian economy led to a huge demand for resources particularly oil and minerals which benefited Africa's mineral exporters. Africa enjoys a large and growing balance of trade with India. However, over dependence on a few exports of primary commodities like oil is not likely to be advantageous for Africa in the long term because commodity exporters are typically more vulnerable to negative price shocks. Also specialisation in commodity exports also undermines efforts towards economic diversification and industrialisation through currency overvaluation. Therefore, African countries must focus on greater value addition within Africa in order to benefit from trade. On the other hand, expansion of trade in agricultural goods between India and Africa is a win-win situation and has the potential to lift millions of poor people out of poverty in India and Africa. Africa is a huge market for Indian agricultural exports and agribusiness firms. India's exports of cheap non-basmati rice to African countries are beneficial to the African poor. Agricultural exports from African LDCs are likely to increase further in the future because of greater access to Indian market.

India and Africa: Building for Growth



MARIAM YINUSA

Mariam Yinusa is a Senior Financial Economist at the African Development Bank. She joined the Bank in 2011 after several years in the Infrastructure Department of the Economic Community of West African States.

Infrastructure, be it in the form of energy, transportation, water and sanitation, or ICT systems, is the foundation upon which a modern industrialized economy is built. National infrastructure is critical to enhancing productivity, increasing participation and generating aggregate demand to promote economic growth. The provision of adequate infrastructure, however, is a challenge which many emerging countries continue to grapple with. This is mainly because infrastructure systems are heavily capital intensive, long-term and interdependent. India and the African continent have emerged, within the last decade, as growing global economic power houses. Fuelled by natural resource endowments, large populations including a growing middle class and progressive industrialization, the two regions have managed to achieve impressive economic growth rates in spite of extensive infrastructure deficits. Bridging this infrastructure gap could further propel their economic transformation trajectories and lift millions of people out of poverty.

India is currently the fastest growing major economy in the world with

Demand for infrastructural services in India and African will continue to grow spurred by expanding economies and by young and rapidly growing populations.

an economic growth rate of 7.3% picking up after a decade of consistent growth at 5%.¹ Beneath this growth, however, India's economy sits on an infrastructure deficit which was ranked as the fourth major bottleneck for doing business in the country in 2014 by the World Economic Forum. The Global Competitive report 2014-2015 positions India, 87 out a total of 144 countries in the provision of infrastructure where only 36% of Indians have access to sanitation services, and transportation systems are over-congested. Furthermore, India ranked 103 out 144 in the quality of electricity supply and many Indians still lack access to modern energy sources. Under its 12th five-year development plan (2012-2017), the Indian Government commits to plug this gap, which is estimated to cost the economy around 1.1% of GDP² yearly, by investing around a total of \$1 trillion on critical infrastructure sectors.

The story is strikingly similar on the African side. Six of the world's 10 fastest growing economies are African, and the continent has been growing at an average of 5% per annum for over a decade.³ With the exception of special cases such as South Africa and Mauritius, the infrastructure deficit remains massive, costing African countries up to 2% in GDP growth loss annually.⁴ Energy is perhaps the sector where this shortfall is directly experienced by many Africans, through frequent power cuts, emanating from load shedding of limited electricity supply. Sub-Saharan Africa's combined electricity generation capacity is only about 10% of the capacity generated in other developing countries nation.⁵ Proximity to all-season roads and access to water and sanitation systems are also insufficient. It is estimated by the World Bank that an additional investment of approximately \$100 million annually is needed until 2020 to bridge the infrastructure gap in Africa.⁶

Demand for infrastructural services in India and African will continue to grow spurred by expanding economies and by young and rapidly growing populations. Africa is the youngest continent in the world and its population is expected to double by 2050.⁷ While more than half of the Indian population is less than 25 years and 12 million workers join the labour force yearly.⁸ Infrastructure needs will be particularly pronounced in mega-cities such as Lagos and Bombay with populations of 17.5 million and 22 million

1 International Monetary Fund. World Economic Outlook Report, 2015

2 Mckinsey & C o. Building India: Accelerating Infrastructure Projects, 2009

3 African Development Bank, Ten Year Strategy: At the Center of Africa's Transformation, 2013

4 World Economic Forum Report, "Strategic Infrastructure in Africa". 2013

5 Vivian Foster. Africa's Infrastructure Country Diagnostic. 2009

6 World Bank, Africa's infrastructure, 2010

7 UNICEF, Generation 2030 Africa, 2014

8 Ernst & Young, Reaping India's Promised Demographic Dividend Report

inhabitants respectively. Such rapid urbanization in both India and Africa will mean bigger modern cities with higher population densities and higher demands for energy, transportation and water and sanitation services. Africa's urban population is projected to increase from 0.8 billion currently to around 1.2 billion by 2050, while India's current urban population is about 375 million and expected to grow to 500 million by 2017.⁹ Massive investments in infrastructure supply will be required to manage this rapid expansion. Managing the trade-offs in investing in various national infrastructure sectors will also be critical.

Successfully bridging the infrastructure gap presents a significant opportunity for India and Africa. A solid infrastructure base will yield major benefits in terms of improved productivity, competitiveness and inclusive growth. However, it is evident that the headroom for expanding public investment in infrastructure is grossly insufficient to adequately bridge the gap. For example in Africa, amidst competing needs, public funds and overseas development assistance currently meets only 50% of the required investment in infrastructure. Innovative financing and private sector involvement is therefore critical. Already infrastructure markets in India and many African countries have witnessed an influx of private equity firms, commercial banks and other finance corporations investing in public-private partnerships in infrastructure project. Close to \$12.8 billion was invested by the private sector in Greenfield or expansion infrastructure projects in Africa in 2012 alone.¹⁰ Local and International bond markets capital markets are increasingly becoming viable infrastructure financing alternatives. Institutions such as the state-owned India Infrastructure Finance Corporation (IIFC), established in 2006, fill the gap between short-term debt financing and long lead-time and tenures of infrastructure project. Regional development banks such as the African and Asian Development Banks are according greater attention to infrastructure in order to crowd in increased financing. Bilateral and South-South cooperation will also continue to be important to sharing financial and technical expertise in infrastructure.

Although, financing is the usual suspect for India's and Africa's infrastructure challenges, other critical factors such as the development of appropriate policy frameworks should not be overlooked. Holistic strategic planning, good governance, efficient procurement and contract systems must be central components of these frameworks provided by national government. Stemming corruption will also be important to ensure sustainable public and private sector investment and the delivery of timely national infrastructure projects. Current and future investments in infrastructure will need to consider environment friendly options such as incorporating renewable energy into the energy mix, climate proofing transport systems and ensuring resource use efficiency.

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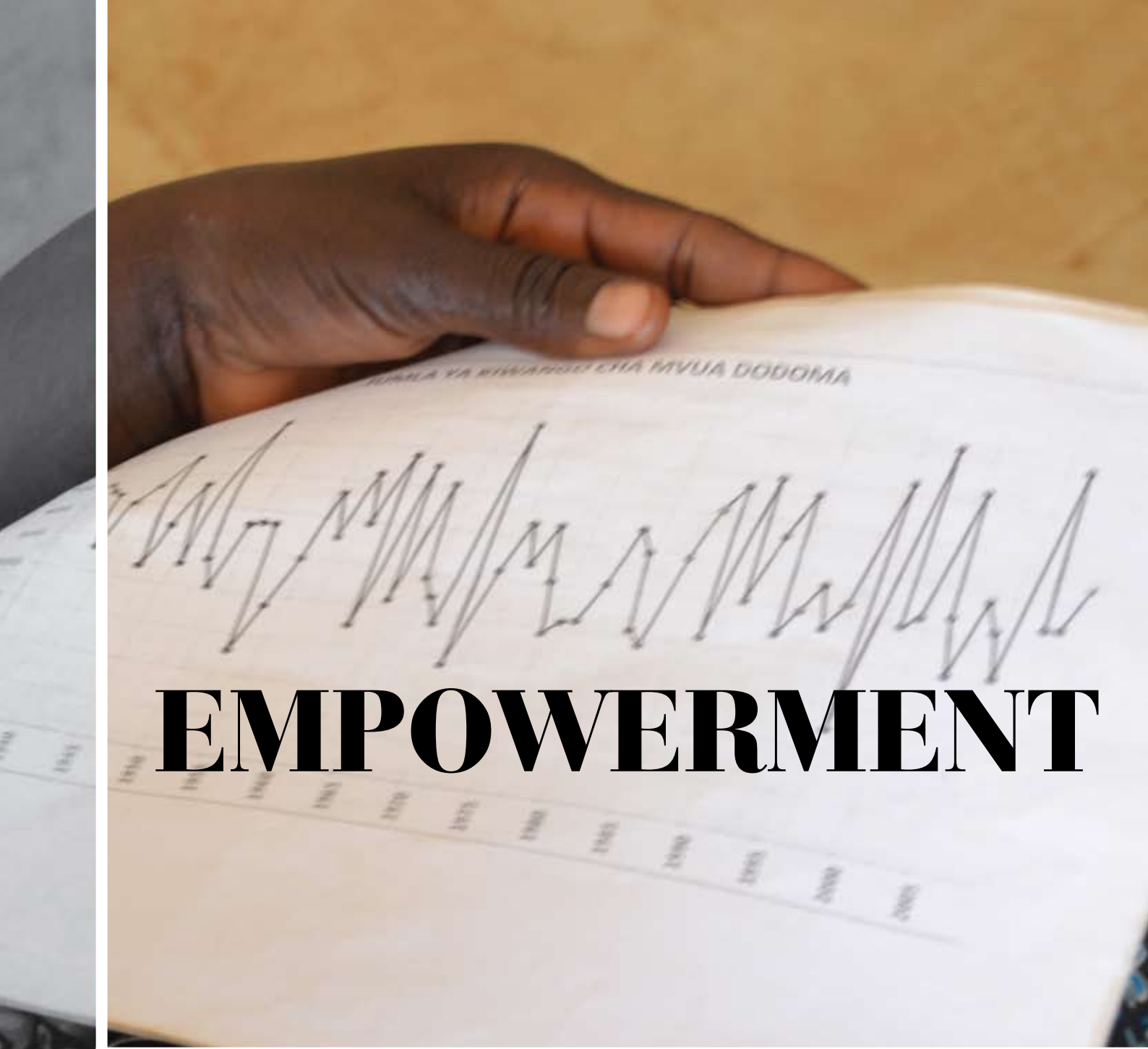
⁹ PWC. The Opportunity and Challenge of India's Infrastructure, 2013

¹⁰ Ernst & Young, Bridging the gap: Ensuring execution of large infrastructure projects in Africa, 2013

There is light at the end of the tunnel. Over the past 10 years, several landmark infrastructure projects have been successfully implemented in India and many African countries. The Golden Quadrilateral road program linking commercial and industrial centres in India was completed in 2013 along with the expansion of various ports in the country. Sub-Saharan Africa's first light rail transportation system, the Addis Metro, was launched in Ethiopia's capital city, Addis Ababa in September 2015. While in the energy sub-sector, completion of the on-going Grand Inga Hydro-electric project in the Democratic Republic of Congo is expected to produce enough power to meet half the energy needs of the African continent. Both India and many African countries have become important global growth poles: growing infrastructural development within suitable policy environments and good governance will help reap significant democratic dividends, and induce higher standards of living in both regions. Given the similarities in their development challenges, strong partnership particularly through innovative forward-looking bilateral agreements in areas of comparative advantage, investment promotion and exchange of best practices, would continue to be mutually beneficial for both regions.



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EMPOWERMENT



This Page is Loading: India and Africa Approach Digital Challenges



ANAHITA MATHAI

Anahita Mathai is a Junior Fellow at the Observer Research Foundation. Working with ORF's Cyber Initiative, she focuses on issues related to cyber security and internet governance.

India and Africa are widely acknowledged as emerging markets where the 'next billion' internet users will spur the creation of new information and communication technologies (ICTs) as they join the international internet community. Direct conversations between the Indian government and the governments of African countries are one way to share experiences and develop regulations that address technological efforts in the common bid for universal connectivity. These efforts, however, are often hampered by bureaucratic processes and delays due to political manoeuvring.

Better opportunities for collaboration can emerge from direct business-to-business and business-to-consumer projects. Indian ICT companies including Infosys, Wipro and Tech Mahindra have already displayed an understanding of the needs of African markets. In direct contrast to some of their international competitors, these Indian companies have worked to build the pool of skilled workers in sectors like business process outsourcing by training local talent.¹

¹ Stephanie Keene, "India's ICT Companies Lead the Way to Further Indian Investment in Africa", in *Cov Africa*, Washington: Covington & Burling LLP (March 2015).

India's e-commerce sector is expected to be worth around \$15 billion by 2016. Its growth has been attributed to innovative solutions to consumer concerns, such as the introduction of cash-on-delivery payments for a market where many do not have bank accounts and fewer trust their bank details to online companies.

Creating robust IT systems by leveraging existing Indian talent can also have a knock-on effect in other sectors, which can take advantage of the ICT infrastructure to boost their own efficiency.

India and Africa have a large number of mobile users, and with a growing number of connections more users are opting for both mobile data and services which only require text-messaging capabilities. India has more than 200 million mobile internet users already;² of the nearly one billion African phone subscriptions, almost 75% are estimated to include internet services.³

Kenya is a world-leader in the mobile money market, with the original M-Pesa system run by Vodafone subsidiary Safaricom; there are more than 20 million M-Pesa accounts in existence and the scheme inspired many imitators.⁴ The largest Indian telecom operator in Africa, Bharti Airtel, runs networks in 17 African countries,⁵ and is continuing to expand the types of transactions possible using its mobile payments service, Airtel Money. M-Pesa and the systems modelled after it are representative of an Indian effort to provide banking services to the unbanked by leveraging ICTs.

India's e-commerce sector is expected to be worth around \$15 billion by 2016. Its growth has been attributed to innovative solutions to consumer concerns, such as the introduction of cash-on-delivery payments for a market where many do not have bank accounts and fewer trust their bank details to online companies.⁶ In Africa, where similar distrust exists, particularly due to

2 "India on the Go: Mobile Internet Vision Report 2017", Internet & Mobile Association of India/ KPMG (2015).

3 David Smith, "Internet use on mobile phones in Africa predicted to increase 20-fold", *The Guardian*, June 5, 2014, accessed October 5, 2015, <http://www.theguardian.com/world/2014/jun/05/internet-use-mobile-phones-africa-predicted-increase-20-fold>.

4 Sarah Shemkus, "Startups are bringing mobile banking to remote villages", *The Guardian*, June 4, 2015, accessed October 6, 2015, <http://www.theguardian.com/sustainable-business/2015/jun/04/world-remit-do-pay-financial-services-western-union-world-bank>.

5 According to the company overview, "Airtel has African operations in: Burkina Faso, Chad, Democratic Republic of the Congo, and Republic of the Congo, Gabon, Ghana, Kenya, Malawi, Madagascar, Niger, Nigeria, Rwanda, Seychelles, Sierra Leone, Tanzania, Uganda and Zambia." Accessed October 8, 2015, <http://africa.airtel.com/wps/wcm/connect/africarevamp/africa/home/about-us/company-overview>.

6 Press Trust of India, "Indian eCommerce market to hit \$15 bn in 2 years: Google", *Business Standard*, November 20, 2014, accessed October 7, http://www.business-standard.com/article/pti-stories/indian-e-commerce-market-to-hit-15-bn-in-2-years-google-114112000729_1.html.

Increasing awareness about technological solutions, and the competitiveness of markets in Africa and South Asia bode well for the ultimate goal of universal connectivity. There is, however, little clarity about how the ensuing policy issues involved will be resolved.

phishing and other types of fraud, e-commerce systems established by Indian companies could be followed.⁷

The high cost of connectivity is also an impediment to e-commerce for both start-ups and established companies in India and Africa. This has caused many industry leaders to offer 'zero-rated platforms', which provide free internet access on the back of existing telecommunication networks. While both regions could benefit from innovative solutions which deploy low power connections the regulatory aspects are yet to be finalised. Governments can play an important role in facilitating this kind of ICT cooperation. Initiatives like the Indo-Africa ICT Expo⁸ which connect businesspeople and government officials from Kenya, Tanzania, Rwanda, and Uganda with their Indian counterparts are already underway.

Increasing awareness about technological solutions, and the competitiveness of markets in Africa and South Asia bode well for the ultimate goal of universal connectivity. There is, however, little clarity about how the ensuing policy issues involved will be resolved. The tension between net neutrality and zero-rating, end-to-end encryption, standards of data protection, and the right to be forgotten are just some of the topics that should be vocally debated by the so-called 'next billion'.

Indians were roused to action earlier this year when the country's telecom regulator released a consultation paper on net neutrality – and when they realised that they might have to pay additional charges for 'over the top' voice and messaging applications if service providers got their way. While the furore has died down, a clear decision is yet to be made about net neutrality in India. Concerned sections of civil society in India have called for a detailed legislation affirming net neutrality, but no similar movement has taken place on the African continent. Questions that have taken centre stage in Africa instead revolve around whether net neutrality is an appropriate issue when more pressing issues like basic access are yet to be addressed.⁹ India,

7 Ndubuisi Ekekwe, "The Challenges Facing E-Commerce Start-ups in Africa", *Harvard Business Review*, March 12, 2015, accessed October 8, <https://hbr.org/2015/03/the-challenges-facing-e-commerce-start-ups-in-africa>.

8 "India looks forward to Active Cooperation in Development of ICT in Africa, Launches the 1st Indo-Africa ICT Expo in Nairobi", *Press Information Bureau, Government of India*, September 28, 2015, accessed October 9, <http://pib.nic.in/newsite/PrintRelease.aspx?relid=128244>.

9 Gareth van Zyl, "Is net neutrality a 'non-issue' in Africa?", *ITWeb Africa*, August 18, 2014, accessed October 6, <http://www.itwebafrica.com/telecommunications/155-zambia/233382-is-net-neutrality-a-qnon-issueq-in-africa>.

despite having greater internet penetration than Africa has been grappling with these questions as well. It is clear that citizens connecting for the first time on mobile devices will approach the internet differently than their peers who were introduced to the World Wide Web on desktops. The question is: how will those new perspectives impact policies and regulations in regional markets and worldwide?

Platforms where governments are represented – at the International Telecommunication Union or the World Trade Organisation – are certainly important. There is, however, a visible deficit of African voices in the multi-stakeholder forums on internet issues. Policy platforms and networks, such as the Civil BRICS Forum¹⁰, CyFy¹¹, the African Internet Governance Forum¹² and others, which provide international representation of African and Indian voices, are invaluable to this process.

ICT for development is an area where India and Africa can cooperate to achieve their shared goals. Many of these goals, including the provision of access to information, to markets, to opportunities, and to communities are taken for granted by the western world. The use of technology to further social inclusion too is axiomatic. Immediate collective attention to these preconditions is required if the global south is to actively participate in more complex debates. Commonalities between types of users and consumers -- whether they be the rural poor or urban elite -- mean that solutions can be readily, if not easily, translated from one region to the other. Better still, their joint development will yield joint bounties.

10 The official civil society forum of the BRICS grouping, which also includes representatives from guest nations.

11 *CyFy: The India Conference on Cyber Security and Internet Governance* is an annual conference organised by the Observer Research Foundation. The 2015 edition's theme was "Common Futures, Uncommon Terrains", and it featured speakers from more than 30 countries, including 10 African nations.

12 The African Internet Governance Forum consolidates five regional internet governance initiatives; it is a multi-stakeholder platform with international reach that brings together African stakeholder perspectives.

The Road Ahead for Financial Inclusion in India and Africa



NANJIRA SAMBULI

Nanjira is a Research Manager at iHub, Nairobi, leading the Governance & Technology pillar. She works on understanding the unfolding impacts of ICT adoption in Kenya and sub-Saharan Africa.

Financial inclusion – the provision of affordable, accessible and quality formal financial services to all segments of the population¹ - is a critical pillar of sustainable development, income equality and economic growth. It is, thus, a means to various ends - from eradicating poverty, greater food security to attaining economic empowerment for all. The range of products that encompass financial inclusion systems and innovations have a massive potential to improve the lives of millions, if not billions of people. Many of them have traditionally been excluded on the lines of gender, income, financial literacy, location, or the type of economic activity they are involved in, which is generally the informal sector.

India and Africa are home to some of the fastest growing economies in the world, and have expansive rural communities that are yet to benefit from formal financial services. With the rapid advancements of Information and

¹ African Development Bank. *Financial Inclusion in Africa*. Volume, Tunis: African Development Bank, 2013.

Despite the increasing popularity of mobile money, regulations in the telecommunications and banking industries have hindered the adoption and growth of this sector.

Communication Technologies (ICTs) and mobile devices, great opportunities and challenges lie ahead for these two regions towards facilitating financial inclusion.

Mobile technology for financial inclusion

While ‘traditional’ financial systems are yet to cater to large sections of rural populations, especially in many parts of Africa and India, the ever-growing mobile phone penetration could potentially be leveraged to enhance financial inclusion. Countries like Tanzania have seen an exponential growth in the mobile money sector in the last five years.² In many African countries, as well as in India, there are now more mobile phones than bank accounts available to citizens. As of September 2014, there were 130 live mobile financial inclusion services offered to the still unbanked populations across 33 countries in Sub-Saharan Africa.³ In terms of employing mobile technologies to improve financial inclusion, mobile money services, such as M-PESA in Kenya are renowned for connecting the erstwhile unconnected to financial systems. In India, financial inclusion by leveraging mobile technology is now beginning to take off in earnest, through programs like The Prime Minister’s Jan Dhan Yojana. Savings, credit and insurance are among the facilities enabled by mobile money. There is also a growing evidence base of how mobile money can enhance financial inclusion.

Despite the increasing popularity of mobile money, regulations in the telecommunications and banking industries have hindered the adoption and growth of this sector. In India, for instance, the telecommunication service providers must work with banks to provide such services, and cannot act as financial agents through their own sales outlets. Banks, on their part, are yet to fill the gap in serving rural communities to enable the required collaboration for mobile money services.⁴ Similar challenges exist in Nigeria, Africa’s most populous country and biggest economy. The introduction of Payments Bank license guidelines in India is expected to give digital financial inclusion a major boost, as they are regarded to be innovation-friendly regulations. Meanwhile, in Nigeria, the market power of mobile network operators has led the Central Bank of Nigeria to approve them to function as “super agents” for banks and

2 Simone Di Castri, and Lara Gidvani. *Enabling Mobile Money Policies in Tanzania*. Case Study, London: GSM Association, 2014.

3 GSM Association. *The Mobile Economy Sub-Saharan Africa 2014*. Annual Report, London: GSMA Intelligence, 2014.

4 Mobile Money Association of India (MMAI) and GSM Association (GSMA). *Mobile Money: the Opportunity for India*. Position Paper, London: GSM Association, 2013.

To further enable access to financial services, India and Africa will also need to embrace innovative yet contextually appropriate approaches to further leverage mobile technology that will undoubtedly be the primary tool for facilitating connectivity.

licensed mobile money operators.⁵

To further enable access to financial services, India and Africa will also need to embrace innovative yet contextually appropriate approaches to further leverage mobile technology that will undoubtedly be the primary tool for facilitating connectivity. The Government of Kenya, for instance, has introduced a bond sale via mobile phones. Kenyans will be able to instantly invest in the government bond through mobile money technology, provided one has a valid identification card and a mobile money account. With mobile penetration standing at 27.7million users in the country,⁶ a significantly reduced minimum bid rate, higher interest rates compared to commercial banks, and income tax-free returns, it is expected that many Kenyans will be able to invest and save, and as a result, unlock a lot of 'idle money'. While the impact of this approach is yet to be assessed,⁷ as a first step to making such investments available to more Kenyans, this approach adheres to the principles of financial inclusion - affordability, appropriate (use of the widespread mobile money service for purchasing bonds), accessibility, and transparency. The Prime Minister's Jan Dhan Yojana (PMJDY) program launched in India in 2015, which has registered more than 100 million account holders, presents great promise in facilitating access to mobile payment services to citizens, especially to those who previously did not have bank accounts. The use of a universal USSD short code to transfer funds, a rapid process of opening a bank account through a biometric system, ease of transferring bank accounts and benefits, incentives in the form of insurance and overdraft facilities for continued use of opened bank accounts are likely to not only reach new users, but keep them plugged in to the financial system.

Enabling environments and knowledge exchange

It is important to note that technology alone will not facilitate financial inclusion. Other factors, such as public and private sector commitment, robust legal and regulatory frameworks that underpin financial inclusion, effective financial literacy efforts and financial consumer protection mechanisms are crucial to ensuring that financial inclusion efforts are progressive, inclusive

5 Central Bank of Nigeria. *Regulatory Framework for Licensing Super-Agents in Nigeria*. Approved Draft, Abuja: Central Bank of Nigeria, 2015.

6 Communications Authority of Kenya. *Fourth Quarter Sector Statistics Report for the Financial Year 2014/15 (April-June 2015)*. Quarterly Report, Nairobi: Communications Authority of Kenya, 2015.

7 The paper will go on sale on October 21, 2015.

and sustainable in the long term. Both India and African countries have made great strides towards this, even though some challenges remain across each of these factors.

India and Africa have already been involved in knowledge exchange conferences and workshops, such as the India-Africa Economic Cooperation Fund and the India-Africa Summit held every three years since 2008. In India, as well as in many African countries, for instance, policies and strategies for financial inclusion are cognizant of the need to incorporate financial literacy and education. As a result, numerous best practice case studies can be aggregated to inform countries that are considering their own approaches to facilitating financial inclusion. By the same measure, there are numerous lessons to be learnt from previous shortcomings of financial inclusion efforts, such as those identified in microfinance models in both India and Africa. With the recent adoption of the Sustainable Development Goals (SDGs) as a global development blueprint, financial inclusion is considered an important enabler. Increased knowledge exchange between India and Africa will therefore go a long way in facilitating faster learning towards achieving the SDGs.

In conclusion, while India and Africa are diverse regions with varied socio-economic contexts, financial inclusion towards inclusive economic growth is a common opportunity and challenge. The two regions are home to some of the fastest growing economies in the world, and massive rural populations. Opportunities and challenges in ensuring this growth is inclusive, and does not create greater economic inequalities, will greatly rely on knowledge exchange, South-South cooperation, and where applicable, collaboration.



SECURITY



The Indian Ocean: A Security Commons



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The Indian Ocean ties together Africa, the western wall of this expanse of water, and India, part of the roof forming the northern boundary.¹ Long before the arrival of Europeans, seasonal monsoon trade winds brought cereals, vegetable crops and iron from Sudan, Ethiopia and the Horn of Africa into India, and carried Indian spices, cotton and textiles to the eastern coast of the continent and beyond. Today, this body of water is a re-emergent geostrategic and geo-economic theatre. It is home to 40 percent of the world's population, more than 50 percent of the world's oil and 45 percent of the world's gas reserves and significant seabed mineral resources. It also boasts of an active maze of sea lanes that carry half of the world's container shipments and two-thirds of the world's oil shipments. These economic, energy and strategic arteries in the Indian Ocean are facing threats from piracy, smuggling, trafficking and terrorism; conversations on maritime security are increasingly focusing on regional and sub-regional responses.

¹ As characterised by K.M. Panniker, the father of Indian geopolitical thinking, and echoed in the 2009 Indian Maritime Doctrine.

Piracy in the Gulf of Aden has been a primary threat facing Indian Ocean sea lanes of communication. Following escalation of Somali piracy, India was among the first nations to begin anti-piracy operations in the area in October 2008. Four years hence, the Indian Navy had escorted over 2100 merchant vessels, Indian and foreign, and till now, has prevented 40 piracy attempts on such ships.

It is in this context that the southern and southwestern parts of the Indian Ocean become commons for both India and the eastern littoral and island states of Africa² to engage in for shared growth, common security and mutual benefit. This is particularly true given India's rise and growing Afro-optimism. India is looking to build upon its advantageous geographic location in the Indian Ocean and secure its vital interests; resource-rich eastern African littorals are showing the most promising growth trajectories in the continent and are increasingly turning towards the Indian Ocean. From the first India-Africa Forum Summit declaring the two "neighbours across the Indian Ocean," to the Addis Ababa Declaration welcoming Indian efforts to protect shipping in the Indian Ocean from piracy, there is growing interest in, and recognition of the potential for, a multifaceted maritime relationship in these waters that addresses shared maritime concerns and prospects.

Combating maritime security threats

Piracy in the Gulf of Aden has been a primary threat facing Indian Ocean sea lanes of communication. Following escalation of Somali piracy, India was among the first nations to begin anti-piracy operations in the area in October 2008. Four years hence, the Indian Navy had escorted over 2100 merchant vessels, Indian and foreign, and till now, has prevented 40 piracy attempts on such ships.³ Given proximity to the region in question, Seychelles' coast guard has also become increasingly involved in counter-piracy.⁴ Following dedicated involvement from several nations individually, jointly or in combined task forces, piracy in the Gulf of Aden has declined. From their peak in 2011 when attacks occurred almost daily, it has now been almost three years since Somali pirates last successfully hijacked a vessel. The Gulf of Guinea and East Asia are the new piracy hotspots.

However, the United Nations and the International Maritime Bureau sound a note of caution. The security situation is far from being resolved: Governance

2 Comprising Comoros, Djibouti, Egypt, Eritrea, Kenya, Madagascar, Mauritius, Mozambique, Somalia, South Africa, Sudan and Tanzania.

3 "Anti piracy operations," Indian Navy, <http://indiannavy.nic.in/operations/anti-piracy-operations>; G.V.C. Naidu, "India, Africa and the Indian Ocean," *Journal of the Indian Ocean Region* 9, no.12 (2012): 201-202.

4 In March 2010, Seychelles Coast Guard sank two pirate vessels and rescued 27 hostages.

Indian Navy's involvement in anti-piracy operations since 2008 has led to greater bilateral interaction with navies in the region. Apart from regular ship visits, efforts are also being made to share best practices and build capacity through training, transfer of naval hardware and intelligence sharing.

gaps and ineffective security apparatus along the eastern African flank, as well as a rise in illegal fishing in the area, could encourage a resurgence of piracy in the Gulf of Aden. This would threaten, again, Indian trade and energy shipping routes, most of which pass through here, but also harm economic growth and integration in the African states in question⁵—Kenya, for example, is set to become one of the largest African oil producers and exporters. There are even concerns of Somali pirates shifting location towards India, as noted by Indian Defence Minister recently.

Maritime terrorism is another security concern. The Indian experience of the 2008 Mumbai attacks has kept the spectre of further such episodes at the forefront. Security and stability to prevent fundamentalism and sympathy with radical groups such as ISIS among the young populations of the Indian Ocean Rim countries is an imperative for both India and Africa,⁶ to not only ensure safe conduit through the Indian Ocean but also foster unimpeded growth and development.

A third key maritime security threat is that of drug trafficking. Increasingly complicated smuggling flows exist today, and the Indian Ocean plays its part. Interceptions off the eastern African seaboard, emerging as a trans-shipment hub,⁷ indicate that narcotic consignments originate from Southeast Asia, Latin America and South Asia. For instance, over 1,300 kilograms of heroin and other narcotics were seized in the first half of 2014 in the region.

India's existing security-related engagement with Africa in the Indian Ocean has mostly been through bilateral cooperation with Mauritius, Seychelles and Madagascar. Cases in point: Mauritius recently commissioned the Indian-made offshore patrol vessel 'Barracuda' into its navy; Indian Prime Minister Modi launched the first of the planned 32 Coastal Surveillance Radar stations in Seychelles; India built a monitoring station in northern Madagascar in 2007. India has also developed significant ties with Mozambique, regularly patrolling the Mozambique Channel, supplying equipment and training, and

5 For example, there is interest in constructing the East Africa Central Corridor railway line that will connect landlocked nations in the East Africa region to the port of Dar es Salaam.

6 While the tentacles of ISIS have reached Bangladesh and Maldives, Mauritius, too, is seeing increased levels of fundamentalist elements. See <http://www.asiantribune.com/node/87114> for more details.

7 24 tonnes of drugs, valued at US\$ 190 million, are smuggled annually from the East African coast, all along Somalia, Djibouti, Eritrea, Kenya and Tanzania. Vijay Sakhuja, "Drug Smuggling across the Indian Ocean: Impact of Increasing Interceptions," IPCS article, September 11, 2014, <http://www.ipcs.org/article/terrorism/drug-smuggling-across-the-indian-ocean-impact-of-increasing-interceptions-4654.html>.

provided maritime security during two summits in 2003 and 2004 held in Maputo.

Indian Navy's involvement in anti-piracy operations since 2008 has led to greater bilateral interaction with navies in the region. Apart from regular ship visits, efforts are also being made to share best practices and build capacity through training, transfer of naval hardware and intelligence sharing.

India and Africa also engage multilaterally on security concerns through: 1) Forums like the Indian Ocean Rim Association (Comoros, Kenya, Madagascar, Mauritius, Mozambique, Seychelles, South Africa, Tanzania are members) and the Indian Ocean Naval Symposium (Mauritius, Mozambique, Seychelles, South Africa and Tanzania are members; Madagascar is an observer);⁸ and 2) joint naval exercises. Kenya, Tanzania, Mauritius and Seychelles participated in the Milan exercises for the first time in 2014, and South African and Indian navies engage through India-Brazil-South Africa Maritime (IBSAMAR) exercises, of which four successful iterations have occurred thus far.

Forward engagement between India and Africa in this sphere should include expanding security ties with mainland east African countries,⁹ deepening existing defence partnerships and strengthening dialogues between navies and coast guards. It should also involve building common understanding and promoting cooperative solutions (e.g. shared databases, transfer of technical knowhow) in multilateral fora, and exploring options for multiple joint naval exercises that strengthen patrolling and operational capacities. Building respect for international norms and developing capacity (e.g., maritime monitoring, coastal surveillance, infrastructure) to eventually encourage interoperability are another two necessary actionable agenda items. While India can certainly strive to fill gaps in southern and southwestern Indian Ocean—providing patrol ships, building marine infrastructure for ISR, installing listening posts and monitoring stations—the ultimate aim must be to assist African maritime neighbours in building maritime security capabilities.

Profiting from a free, safe and secure Indian Ocean

Addressing maritime threats should form a key pillar for India-Africa security ties. Creating a free, safe and secure environment in these waters will simultaneously enable India and Africa to strengthen a development-driven partnership by fostering a blue economy in the Indian Ocean. Conversely, development of maritime opportunities could ensure greater stability along East Africa's seaboard.

Primarily advocated by Seychelles and Mauritius, the concept of 'blue economy' has quickly gained traction among the Indian Ocean Rim nations given prevailing geo-economic conditions and a continuing global economic

8 There are talks of Seychelles and Mauritius, among other nations, joining India, Sri Lanka and the Maldives in a regional maritime security mechanism to combat piracy and terrorism in the region.

9 For example, South Africa seems to be showing interest in becoming involved in maritime security in East Africa (its Operation Copper, and recent tripartite maritime security agreement with Mozambique and Tanzania are cases in point).

Given limits to individual reach and resources and a common ecosystem, India-Africa engagement on this front should form part of a wider Indian Ocean network that pools resources, builds camaraderie and creates a conducive environment for processes such as search and rescue operations and disaster management.

slowdown. Motivation thus exists to promote growth and competitive advantage by strengthening South-South trade, tourism and investment, developing infrastructure, investing in marine science and technology, exploring offshore hydrocarbons and seabed mineral resources, tapping into prospects of renewable ocean energy, encouraging sustainable fisheries and aquaculture, all the while protecting the marine environment.

For instance, as two-way trade between India and East Africa grows, and Indian companies investments in southwestern Indian Ocean nations increase, Indian ventures into the eastern littoral of Africa can emphasise upgradation of port infrastructure. Beyond trade, the economic value of the western Indian Ocean (excluding South Africa) is estimated to be over \$25 billion per year. There is ample scope to harness the waters responsibly, in terms of bio-prospection, aquaculture, mineral extraction and offshore hydrocarbon potential. The recently approved collaboration between India and Seychelles in ocean studies and scientific exploration and exploitation of marine resources is a case in point. Indian IT capacities to mine big data can considerably support scientific research in the region.¹⁰ Development of marine-based renewable energy is another nascent field for India-coastal Africa collaboration, which also carries with it the attraction of green job creation.

Blue economy marries long-term health of the oceanic and coastal environments with economic potential of waters. But an explicit undertaking to address interrelated environmental effects of human actions and climate change impact—with any security ramifications—is necessary. Building and sharing knowledge on shared challenges and possible solutions, and common action where possible, will be key in this domain. Overfishing, for example, is a problem both regions are facing in their respective regions. Likewise, both regions face similar coastal challenges, such as mangrove destruction, urbanisation pressure and climate change stress.

Moreover, humanitarian assistance and disaster relief in the Indian Ocean is likely to gain pre-eminence in the coming years. Given limits to individual reach and resources and a common ecosystem, India-Africa engagement

10 “Indian Ocean Rim Association looking for opportunities in blue economy,” *The Economic Times*, September 17, 2015.

on this front should form part of a wider Indian Ocean network that pools resources, builds camaraderie and creates a conducive environment for processes such as search and rescue operations and disaster management. India's recently commissioned naval station on the southwestern coast of Karnataka, to become the world's largest naval base east of Suez Canal, will not only render easier the pursuit of maritime security, but will also put to service India's increasing reach in the southern and western Indian Ocean.

The third India-Africa Forum Summit will likely emphasise maritime security. Acknowledgment of expansive maritime ties beyond security that are in the mid- to long-term development interests of both would be beneficial. Institutionalising building blocks of a pragmatic and multifaceted maritime partnership, endorsed at both bilateral and multilateral levels, will go a long way towards India and African states participating in a shared, integrated and prosperous future in the Indian Ocean.

Indian-African Security Cooperation: Present and Future



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Indian-African cooperation in the fields of defence and security is an issue of the present, not the future. At the policy level, there is a principled understanding over a number of issues. For example, both India and many African countries continue to push for the expansion of the UN Security Council membership to increase participation of developing countries. Also, while India is an international advocate of nuclear disarmament, the Africa Nuclear Weapon-Free Zone Treaty has already entered into force in 2009. The area of peacekeeping operations has also witnessed great Indian-African cooperation. India is currently the 3rd largest contributing country in UN peacekeeping missions in Africa, after Bangladesh and Pakistan, with 8,112 uniformed personnel.¹ At the end of a two-day US-India Strategic and Commercial Dialogue last month, the two countries announced a joint

1 "Troop and Police Contributors. United Nations Peacekeeping." UN News Center. Accessed October 5, 2015. <http://www.un.org/en/peacekeeping/resources/statistics/contributors.shtml>.

2 "U.S., India Agree to Jointly Train Peacekeepers in Africa." Reuters. September 22, 2015. Accessed October 5, 2015.

The Indian defence cooperation with other countries in Africa is directly linked to the issue of maritime security, which is a particularly critical issue for India, considering the size of Indian energy imports from Africa and the need to secure its shipping routes.

initiative to train troops in six African countries before they are deployed to UN peacekeeping missions.²

At the bilateral level, considering the great military-industrial progress achieved by India, the areas of cooperation in the R&D and manufacturing of defence systems are numerous. India already has ongoing contracts with South Africa to develop defence systems. In the framework of the India-Brazil-South Africa Dialogue Forum (IBSA), trilateral military exercises have been conducted since 2009, including naval exercises³. Nevertheless, when speaking about India's policy priority, which motivates cooperation with countries in the Indian Ocean Region, it is important to look at the two issues of maritime security and terrorism.

The Indian defence cooperation with other countries in Africa is directly linked to the issue of maritime security, which is a particularly critical issue for India, considering the size of Indian energy imports from Africa and the need to secure its shipping routes. The Indian counter-piracy operations in East Africa were in coordination with African countries along the Indian Ocean. India already has military cooperation agreements with Kenya, Seychelles, Mozambique, and Madagascar, and military training frameworks with a large number of countries.⁴ India is also actively seeking a long-term lease on a group of small islands belonging to Mauritius, so that it can establish a base to protect its energy imports from Africa.⁵

Terrorism is not a new threat to India. Ever since the Mumbai attacks in 2008, India has been developing its counter-terrorism capabilities. It has been relentlessly working towards the adaptation of the Comprehensive Convention on International Terrorism (CCIT) at the UN.⁶ However, the nature of the terrorist threat affecting India as well as many African countries is changing. The rise of ISIL in Syria and Iraq followed by the war in Yemen has resulted in an influx of terrorists present in the Middle East, and renewed momentum in the Indian Ocean Region. While Al-Qaeda in Yemen is

2 "U.S., India Agree to Jointly Train Peacekeepers in Africa." Reuters. September 22, 2015. Accessed October 5, 2015.

3 A. Dutta. "Role of India's Defence Cooperation Initiatives in Meeting the Foreign Policy Goals" in *The Journal of Defence Studies*, Vol. 3, No. 3, July 2009, p. 36.

4 Alex Vines, "India's Security Concerns in the Western Indian Ocean", in Emma Mawdsley and Gerard McCann (eds.), *India in Africa: Changing Geographies of Power*, Oxford, Pambazuka Press, 2011

5 "India Vies with China for Influence in Africa." *The Globe and Mail*. Accessed October 5, 2015.

6 "Full Text of EAM Sushma Swaraj's Speech at UN: 'There Can Be No Distinction between Good and Bad Terrorists.'" *The Indian Express*. October 2, 2015. Accessed October 5, 2015.

gaining more territories and resources⁷, it also seeks to expand its presence in cooperation with the Al-Shabab terrorist group in Somalia. International reports estimated that 600 Al-Qaeda terrorists have fled Yemen to Northern Somalia in May 2015.⁸ Other reports highlighted smuggling of weapons outside Yemen to Somalia.⁹

The situation in Somalia is complicated by ISIL. While 68 of Al-Shabab cadres were reported to take leading positions in ISIL in 2014, back in Somalia, the Al-Shabab leadership is torn between honoring its affiliation with Al-Qaeda or giving in to the lure of the rising ISIL. The latter option is particularly dangerous for three reasons. First is the level of support ISIL currently enjoys in many parts of the world. Second, the high level of ISIL recruitment of Muslim young men and women in many parts of the world elevates the risk of the same in India, with Al-Shabab as their closest regional representative of ISIL. Another reason why Al-Shabab's potential affiliation with ISIL is a security concern to India is the possibility of India as a potential target of ISIL. In his book "Empire of Fear", published last August, the BBC reporter in the Middle East, Andrew Hosken, included an ISIL map of the areas they want to control by 2020 which includes India.¹⁰

In July 2015, a document written in Urdu was obtained from a Pakistani man connected with the Pakistani Taliban. The document highlights a plan by ISIL to unite dozens of factions of the Pakistani and Afghan Taliban into a single army of terror. The document was declared authentic by 3 US intelligence officers.¹¹ Not only does the document indicate ISIL interest in expanding its influence to Pakistan and Afghanistan, it also states that 'preparations' for an attack in India are underway. A third factor is inclination of Al-Shabab to follow the example of ISIL in achieving financial independence. The Financial Times have reported in June 2014 that Al-Shabab is working towards financial self-sufficiency through coal exporting, kidnapping, and piracy. Although piracy dropped dramatically since 2012, the African coast is still largely underdeveloped, with rampant unemployment and poverty, which might suggest piracy as an option for Al-Shabab to resort to.

Local extremist groups declaring affiliation to ISIL in India's neighborhood and in Africa – or young men and women travelling to join it – belong to developing societies with specific economic and political grievances. This is different from the nature of the 'Foreign Terrorist Fighters' (FTFs) problem in Europe and the USA, where specific issues relevant to migrant societies or cultural integration motivate radicalization. Considering the existence of important Islamic schools in Africa, such as Al-Azhar in Egypt, Zaitouna University in Tunisia, and the newly established Mohammed VI Institute for

Facing radicalization as a common enemy, India and the African countries must cooperate on many aspects, with the final target of increasing the resilience of African and Indian communities.

7 John Cox. "Al-Qaeda Group Is Taking Advantage of Yemen Chaos to Rebuild, Officials Say." Washington Post. Accessed October 5, 2015.

8 "Some 600 Al Qaeda Terrorists Flee to Somalia from War-Torn Yemen." Washington Free Beacon. Accessed October 5, 2015.

9 "News." Somalia: Yemen Crises Spur Arms Smuggling into Puntland. Accessed October 5, 2015.

10 "ISIS Unveils Chilling New Map of Europe as It Plans for World Domination by 2020." Mirror. N.p., 09 Aug. 2015. Web. 17 Oct. 2015.

11 Sara A. Carter, American Media Institute. "Islamic State Recruitment Document Seeks to Provoke 'end of the World'" USA Today. July 28, 2015. Accessed October 5, 2015.

the Training of Imams in Morocco, Africa is playing an irreplaceable role in refuting extremist ideologies. Facing radicalization as a common enemy, India and the African countries must cooperate on many aspects, with the final target of increasing the resilience of African and Indian communities.

Both Africa and India have their own unique experiences in combating violent extremism. India has been following a multifaceted approach in combating terrorism for years. Driven by an understanding of the underlying roots of terrorism, the Indian government has attempted to address the underlying social and economic grievances leading to the radicalization of young men and women. Africa also has its own experience of community-based approaches to tackle environments conducive to radicalization. Several governmental, inter-governmental, and civil society initiatives have taken place in the past three years¹² around judicial reforms, preventing radicalization in prisons, rehabilitation of radicals, security sector reforms¹³, empowering moderate religious narratives¹⁴, and border management. To date, both Kenya and Nigeria have adopted national counterterrorism strategies that include a prevention component.

At the hard security level, counter-terrorism training and intelligence sharing mechanisms have been developed at bilateral and multilateral levels. In 2002, the African Union announced a Plan of Action on the Prevention and Combating of Terrorism, which resulted in the foundation of the African Union Center for the Study and Research on Terrorism (ACSRT) in 2004.¹⁵ Ever since, the ACSRT has gained experience in centralizing information, studies and analyses on terrorism and terrorist groups and developing Counter-Terrorism capacity building programs, including recently, Combating Violent Extremism (CVE).

The ongoing conflicts in Africa have created a state of vacuum that has turned many areas, such as Somalia and Mali, into incubators of terrorism, rendering the resolution process of such conflicts more difficult. This link between conflicts and terrorism has instigated an international debate around the role of peacekeeping operations in combating terrorism, and whether the current commitment of the UN peacekeeping missions to adopt a “preventive and pre-emptive posture and willingness to use force tactically to protect civilians and UN personnel in asymmetric threat environments”, can be developed into counter-Terrorism operations¹⁶. Considering the level of involvement of India in peacekeeping operations, and the Indian experience in conflict resolution and in countering terrorism, India must contribute to the shaping of this debate.

12 “Engage CVE initiative in Nigeria”. Accessed October 5, 2015. <http://icct.nl/update/cve-and-community-resilience-in-nigeria/>

13 James Khalil and Martine Zeuthen. “A Case Study of Counter Violent Extremism (CVE) Programming: Lessons from OTI’s Kenya Transition Initiative.” *Stability: International Journal of Security and Development* 3.1 (2014): Art-31.

14 “Engage CVE initiative in Nigeria”. Accessed October 5, 2015. <http://icct.nl/update/cve-and-community-resilience-in-nigeria/>

15 Plan of Action of the African Union for the Prevention and Combating of Terrorism, 14/9/2002, Para 19

16 The High-Level Independent Panel on UN Peace Operations.” (2015), p-31.



SUSTAINABILITY



India and Africa: A Climate for Change



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The bonds of India and Africa have for too long been defined by negative connotations – shared colonial subjugation, extreme levels of poverty, and deprivation for large sections of their population. While these narratives continue to hold importance and reflect the reality these regions must still confront, they also in many senses restrict and inhibit the scope for cooperation between two growing, dynamic and important regions.

One such area where cooperation between India and Africa holds tremendous scope is climate change. India and Africa share unique characteristics in the fight against climate change. Both African countries and India are highly vulnerable to climate impacts and have large sections of their population dependent on climate sensitive livelihoods. Furthermore, low levels of development and widespread poverty mean that both India and Africa have low resilience to climate change impacts and are in urgent need of upgrades in adaptive capacity. The threat of global warming affects food and energy supply chains in both regions which in turn compromises objectives of development and growth. At the same time, the need for development in both India and African

Cooperation across borders may lessen the impacts of climate change, prevent worsening of stresses over food security, and help develop the human and technical skills needed to cope with increasing climate change. The time has come for constructive cooperation between Africa and India to jointly tackle shared challenges.

countries is a shared aspiration. Rural populations need to access electricity, climate smart agricultural practices must be developed, and adaptation best practices can be shared between the two regions. Cooperation across borders may lessen the impacts of climate change, prevent worsening of stresses over food security, and help develop the human and technical skills needed to cope with increasing climate change. The time has come for constructive cooperation between Africa and India to jointly tackle shared challenges.

Global action on climate change

The fight against climate change under the auspices of the United Nations began in earnest in 1992 with the adoption of the Rio Convention, particularly the United Nations Framework Convention on Climate Change (UNFCCC). The UNFCCC emphasized the twin principles of Common But Differentiated Responsibility (CBDR) and Respective Capabilities (RC)¹. CBDR and RC enshrine the principle of *equity* in the multilateral response to climate change, wherein countries who are most responsible for the problem, i.e. developed nations, must play a leading role in mitigation efforts as well as support countries who are most vulnerable to climate impacts, i.e. developing countries.

India and Africa are both vociferous supporters of the principle of equity in the climate arena. Multilateral negotiations on climate change will come to a head once more this year in Paris as the Conference of Parties (COP) attempt to agree a successor to the Kyoto Protocol. The Paris conference has been billed as the 'last chance' for a global deal on climate change. Both India and African nations have stressed the need for any agreement in Paris to be equitable and take into account the special needs and vulnerabilities of both regions. In fact, the Indian Minister for Environment, Forests and Climate Change, Prakash Javadekar has emphasized the shared concern of African countries and India that the Paris agreement must give equal importance to both mitigation and adaptation² and has promised that cooperation between India and Africa will be taken to a new level under the government of Prime Minister Modi.

1 United Nations, "*United Nations Framework Convention on Climate Change*", May 1992, accessed October 6th 2015, <https://unfccc.int/resource/docs/convkp/conveng.pdf>

2 "India to partner with Africa to fight climate change", *Times of India*, March 4, 2015, accessed October 6, 2015. <http://timesofindia.indiatimes.com/home/environment/developmental-issues/India-to-partner-with-Africa-to-fight-climate-change/articleshow/46458662.cms>

Given that both regions have largely agriculture based economies, it is vital that climate smart practices are developed and adaptation in the sector of agriculture is scaled up. Farmers in both regions need to transition from traditional, older practices to modern methods of farming which take into account updated climate and weather knowledge and employ new technology to de-risk from climate impacts.

On the question of equity, African diplomats have presented the Equity Reference Framework which seeks to allocate equitable levels of climate action to each country on the basis of their historical responsibility and current capacity. India on the other hand has sought to base its ambitious renewable energy targets on support from developed countries in the form of finance, technology flows, and capacity building initiatives. The global climate negotiations hold huge importance for African countries and India and by cooperating at COP 21 in Paris, they will increase the likelihood of an equitable, sustainable and effective deal on climate change.

Areas for bilateral cooperation

Achieving the Sustainable Development Goals (SDGs) and successfully developing a low carbon economy will require significant breakthroughs in the technological space. Renewable energy is one of the areas within the technology space which has massive potential for development. Both African countries and India are challenged with low levels of electricity access for large parts of their population.³ For example, Africa had an average electrification rate of 43% in 2012⁴ while rural electrification in sub Saharan Africa stood at just 16%.⁵ In India, an estimated 300 million citizens continue to lack access to electricity and in August 2015, Prime Minister Modi set a target to electrify 18,500 villages in 1000 days.⁶

Lack of development of grid infrastructure in both regions and widely distributed rural areas means that expanding renewable energy solutions for off-grid, cost competitive, localized access to power may be key to solving the challenge of rural electrification in both regions. Africa has taken several steps in this regard and is said to be undergoing a “quiet solar revolution”, efficiently employing start-ups to provide small quantities of power to rural consumers.⁷ In India, solar energy is at the forefront of governmental plans to

3 International Energy Agency, “Energy access database”, accessed October 6, 2015. <http://www.worldenergyoutlook.org/resources/energydevelopment/energyaccessdatabase/>

4 Ibid.

5 Ibid.

6 Shreya Jai and Jyoti Mukul, “Energy initiatives: The highest feather in PM Modi’s hat”, *Business Standard*, August 15, 2015, accessed October 6, 2015, http://www.business-standard.com/article/current-affairs/energy-initiatives-the-highest-feather-in-pm-modi-s-hat-115081500681_1.html

7 Lorena Galliot, “Africa’s Quiet Solar Revolution,” *The Christian Science Monitor*, January 25, 2015, accessed October 7, 2015, <http://www.csmonitor.com/World/Africa/2015/0125/Africa-s-quiet-solar-revolution>

significantly expand installed renewable energy capacity in the country. Indian Prime Minister Narendra Modi has targeted 100 GW of solar power by 2022, 50% of which has been targeted for rooftop solar panels. The potential for cooperation in the area of renewable energy, particularly solar, is therefore immense between India and Africa.

Another important area for cooperation is the field of agriculture. Given that both regions have largely agriculture based economies, it is vital that climate smart practices are developed and adaptation in the sector of agriculture is scaled up. Farmers in both regions need to transition from traditional, older practices to modern methods of farming which take into account updated climate and weather knowledge and employ new technology to de-risk from climate impacts. Africa – India collaboration in this sphere is already innovating (such as producing crop – animal mixing which raises yields), along with the capital needed to fund agricultural innovation.⁸ A potentially fruitful area for collaboration is irrigation technology. India has built up expertise in the field of rainwater harvesting as a result of its experiences with rainwater storage and dispersal needed for agriculture, with natural rainfall only occurring for 3-4 months per year. Companies like Jain Irrigation for example are investing in countries such as Kenya, Rwanda, Ethiopia, Tanzania and Nigeria to bring India's water conservation practices to Africa.⁹

Both India and African nations have stressed the need for any agreement in Paris to be equitable and take into account the special needs and vulnerabilities of both regions.

Further up the value chain, opportunities for collaboration exist in improving agricultural productivity, increased mechanization of processes, food processing and water management technology, all of which will enable subsistence farmers in India and Africa to be more competitive in the global market.

Conclusion

For India and Africa to lead their populations into higher standards of living and build sustainable, resilient societies, they must shed some of the inhibitions which marked their previous engagement, marked by the salience of historical injustices suffered at the hands of colonial powers. A forward looking, ambitious agenda must replace the collaboration of old which sought to join hands in desperation rather than ambition.

New ideas and partnerships can take off in the area of climate change which is a particularly acute problem for both regions, and where there exists significant potential for cooperation. The lack of infrastructure and energy system in both regions also means that they are not 'locked in' with old, inefficient and polluting power generation systems. Instead the opportunity to build new, green and sustainable infrastructure should be seized upon. An Africa – India partnership will not just reinvigorate the climate agenda, but also provide a model for South – South cooperation in the developing world and may lead to collaboration in other spheres of interest.

8 India Africa CONNECT, "Agriculture/Energy", accessed 7th October 2015, <http://www.indiaafricaconnect.in/index.php?param=category/agriculture-energy/104>

9 "Jain Irrigation to Invest \$375 million in African Countries," *Economic Times*, May 21, 2012, accessed October 7th 2015. http://articles.economicstimes.indiatimes.com/2012-05-21/news/31801095_1_jisl-jain-irrigation-systems-drip

Africa-India Energy Partnership for Sustainable Development



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The 21st century is characterized by an increasing demand for energy at the global level; the crucial link between energy and national DGP growth highlights the strategic importance of energy availability for the global economy. There are several kinds of energy sources; however, oil and coal appear on top of the consumption list, this is then followed by natural gas as an “alternative” to counter the high polluting levels of oil and coal.

Though still dominant, the traditional suppliers of oil, coal, and natural gas – the Middle East, Latin America, Russia, and Australia, to mention some examples – are steadily losing monopoly. New regions with considerable reservoirs of the most used energy sources are emerging in the global energy market, and Africa is definitely one of these emerging suppliers.

The increasing number of supplying countries is at the same time accompanied by a similar trend on the demand side. Historically, the global north has been known as the primary consumer of energy; the scenario is, however, fast

India is one of the emerging countries in the global south demanding a great deal of energy for consumption, and Africa is an alternative source to meet its demand for energy.

changing with the rise of new industrial giants and economic powers, from the global south.

India is one of the emerging countries in the global south demanding a great deal of energy for consumption, and Africa is an alternative source to meet its demand for energy. This paper explores the partnership between African countries and India in the energy sector. More specifically, it considers the challenges and opportunities for energy cooperation in the context of sustainable development.

Africa as an energy resources supplier

The geological formation of Africa, as a whole, is favourable to the proliferation of energy resources; the continent is rich in oil sufficient for 100 years, coal for more than 400 years, and natural gas for more than 600 years. Sub-Saharan Africa holds around 7 percent of world's conventional oil and 6 percent of world's gas resources. Around 30 percent of global oil and gas discoveries in the last five years were in this region, reflecting growing global appetite for African resources, and it is estimated that over 120 billion tonnes of coal resources are found in the southern part of the continent.¹

To mention some examples, three-quarters of the 65 billion barrels of the Sub-Saharan proven oil reserves are held in Nigeria and Angola, followed by South Sudan and Uganda accounting collectively for 9 percent of the total. In relation to natural gas, proven reserves have increased by 80 percent since 2000; Africa is estimated to have 52 tcm of recoverable conventional natural gas resources, of which 31 tcm are in Sub-Saharan Africa, distributed among West Africa, Central Africa, East Africa, and Southern Africa.²

The overall picture shows that Africa has a lot to offer to the global energy market, and that it provides potential solutions to the energy security problem. However, most African countries lack the financial resources necessary for acquiring the technology needed for developing energy related infrastructure. Aware of the prevailing situation, the region has put in place attractive foreign investment oriented policies in the energy sector. As Goldwyn points out, Africa is one of the few continents that have been open to investment in recent years.³

1 Robert Priddle, ed., *Africa Energy Outlook – A Focus on Energy Prospects in Sub-Saharan Africa* (Paris: OECD/IAE, 2014), 47-60.

2 Ibid., 51-52.

3 David Goldwyn, *Pursuing U.S Energy Interests in Africa* (Washington DC: Goldwyn International Strategies LLC, 2009), 1.

India's demand for energy

India is one of the leading consumers of energy among developing economies; it imports more than 70 percent of its oil demand, which is estimated to go up to 90 percent.⁴ The demand for natural gas is also increasing – at the rate of 10 percent since 2001 – with the power and fertilizer sector being the major consumers. In 2010 the statistics for the two sectors were 45 percent and 28 percent respectively.⁵ India's demand for energy is basically driven by two main concerns, namely: sustaining its growing industrial sector and combating energy poverty.

India's growing energy requirements also raises a critical concern related to energy security; the Ministry of Petroleum and Natural Gas, in its Strategic Plan 2011-2017, has explicitly highlighted its prime objective of addressing India's energy security needs in the hydrocarbons sector and ensuring the availability of petroleum products at reasonable prices.⁶

African-Indian partnership in the energy sector

India's increasing energy demand, on the one hand, and Africa's vast energy resources available at reasonable prices, on the other, means that the African region could prove to be a potential market for India's energy needs. Rather than just an economic tie, the supply and demand relation between the two regions can be seen as a partnership conducive to cooperation in other areas in the social and political sphere, promoting sustainable development.

The energy partnership between Africa and India must be conceptualised to ensure a mutually advantageous arrangement. Issues such as *energy sustainability*, *reduction of energy poverty*, and *adaptation of energy systems* must be taken into consideration in establishing the partnership, especially in the context of sustainable development in both Africa and India.

Energy sustainability must be prioritised in this partnership since it involves developing countries. The general assumption is that developing countries often place greater weight on economic growth as opposed to the threat of climate change, which has consequences that may emerge later depriving future generations from enjoying a healthy natural environment.⁷ India's needs for energy should be fulfilled, however, minimizing the negative impacts of energy consumption must be ensured at the same time. For instance, India could balance the use of oil with natural gas – a resource that is abundantly available in Africa.

India's increasing energy demand, on the one hand, and Africa's vast energy resources available at reasonable prices, on the other, means that the African region could prove to be a potential market for India's energy needs.

4 Girijesh Pant, *Emerging Global Energy Order: India's Energy Security and Foreign Policy* (New Delhi: ICWAS-SIS, 2014), 72.

5 A.K Chaturvedi, *Role of Pakistan in India's Energy Security* (New Delhi: Centre for Joint Warfare Studies, 2013), 29.

6 Girijesh Pant, *Emerging Global Energy Order: India's Energy Security and Foreign Policy* (New Delhi: ICWAS-SIS, 2014), 73.

7 William C. Ramsay, "Energy Sector Governance in the 21st Century" in *Energy and Security – Strategies for A World in Transition*, ed. Jan Kalicki and David Goldwyn (Washington Dc: Woodrow Wilson Centre Press, 2013), 140-155.

In relation to the *reduction of energy poverty*, the aim is to address the increasing number of people, both in Africa and India, without access to affordable, secure, and sustainable energy. There are 1.3 billion people in the world without access to modern energy,⁸ both Africa and India have shares in this numbers – only 290 million out of 915 million people in Sub-Saharan Africa have access to electricity, and in India 412 million people lack access to modern energy services.⁹ Fighting energy poverty through this partnership means that there is a need to explore alternative sources of energy such as solar energy and concentrating solar power, wind power, geothermal heat, and waste-to-energy systems, which are cheap and affordable.

The final issue is the *adaptation of energy systems* which, Ramsay defines as the need to respond to the implications of climate change for energy supply, energy transformation, and transportation infrastructure.¹⁰ The use of micro-energy systems could be one of the alternatives that this partnership could focus on. It would promote the decentralization of energy systems based on small energy appliances, which provide households, small businesses or farms with locally generated energy, enabling a spatial link between energy demand, supply and generation.¹¹

Conclusion

Addressing energy demands while ensuring sustainable development is relevant for both African-countries and India. The availability of affordable and reliable energy has become a basic need for the present generation. However, the fulfilment of this demand, in both Africa and India, should not be secured by compromising the ability of future generations to realize their needs.

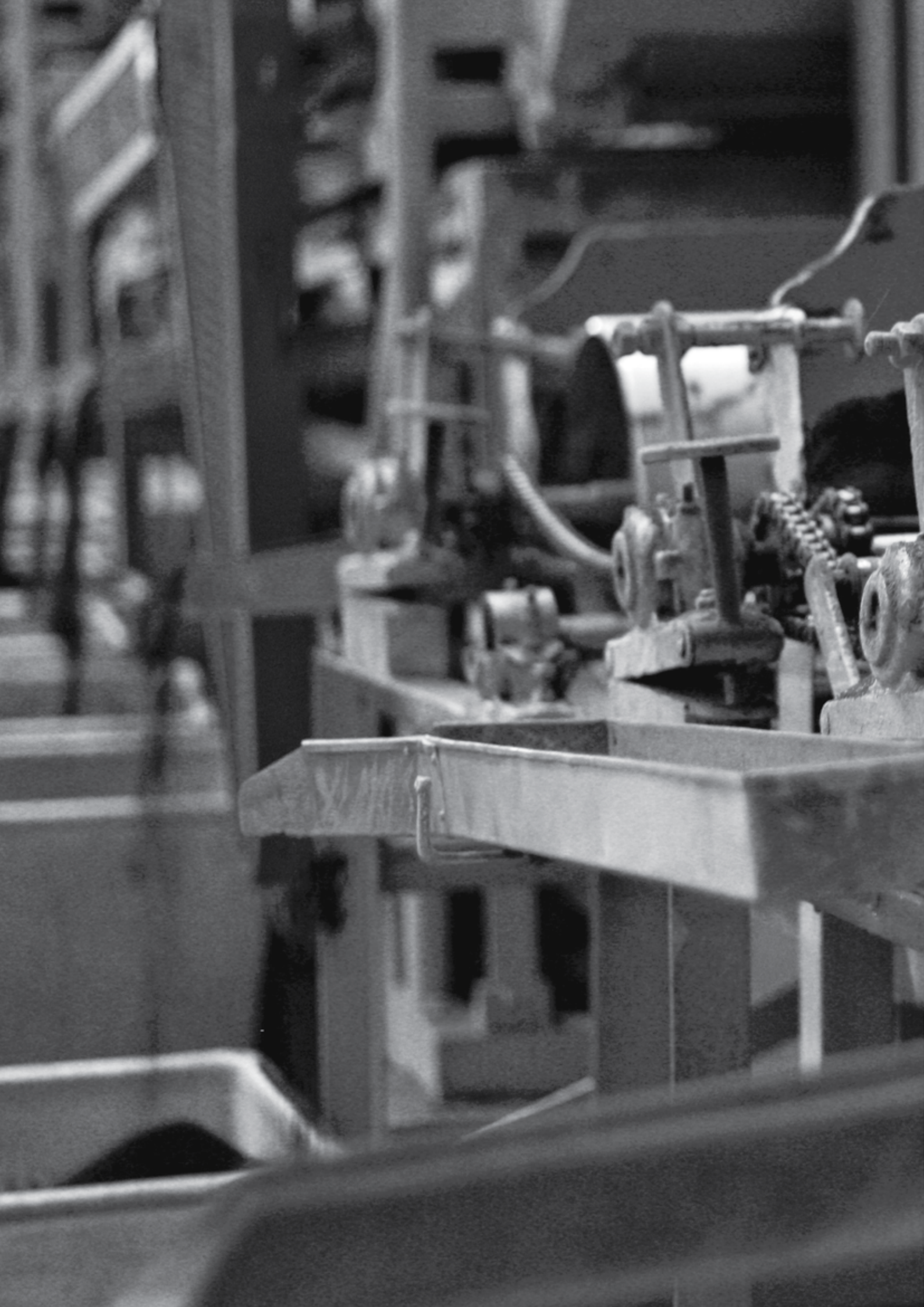
Africa-India partnership in the energy sector should go beyond the economic relationship of supply and demand, to include other areas of cooperation aiming to promote sustainable development. This partnership is deemed important mostly in the context of climate change due to the increasing consumption of non-environment friendly energy. Accordingly, in order to mitigate the issue of climate change, the Africa-India partnership must address the three main challenges: energy sustainability, reduction of energy poverty, and adaption of energy systems. The success of this partnership heavily depends on how both regions handle these important issues.

8 Robert Priddle, ed., *Africa Energy Outlook – A Focus on Energy Prospects in Sub-Saharan Africa* (Paris: OECD/IAE, 2014), 13.

9 Robert Priddle, ed., *World Energy Outlook – China and India Insights* (Paris: OECD/IEA, 2007), 573.

10 William C. Ramsay, *Energy Sector Governance in the 21st Century*, 154.

11 Sebastian Groh et al., *Decentralized Solutions for Developing Economies – Addressing Energy Poverty through Innovation* (London: Springer, 2015), 7.



A close-up, warm-toned photograph of a vintage sewing machine. The focus is on the intricate mechanical parts, including the hand crank and the needle area. The lighting is soft and golden, creating a nostalgic atmosphere. The word "EMPLOYMENT" is overlaid in a large, white, serif font across the center of the image.

EMPLOYMENT

Of Men and Machines: Labour-Intensive Manufacturing



TANOUBI NGANGOM

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India's growth story mirrors that of many African countries in various ways – both regions boast high growth rates. India is listed as one of the fastest growing economies in the world. A recent report by the World Bank ranks India as the third largest economy in terms of purchasing power parity.¹ With the turn of the millennium, annual growth rate for most African nations have also witnessed a dramatic rise. During 2000-2010, 12 of the 54 countries had an annual growth rate higher than the developing-country average, and for two of these countries (Angola and Equatorial Guinea) the rates were in double digits.²

1 World Bank, "2011 International Comparison Program Summary Results Release Compares the Real Size of the World Economies," April 29, 2014, <http://www.worldbank.org/en/news/press-release/2014/04/29/2011-international-comparison-program-results-compare-real-size-world-economies> .

2 United Nations Conference on Trade and Development, "The Economic Development in Africa Report 2014," http://unctad.org/en/PublicationsLibrary/aldcafrica2014_en.pdf

A deeper investigation into the matter highlights the inability of these economies in generating proportionate employment. Close watchers of both regions have often described the nature of growth as jobless. The latest Economic Survey of India has classified the country's slow and stagnant employment generation rates as a cause for major concern.

Despite sustained economic successes, both regions still struggle to address basic development goals. India has failed to achieve six out of the eight Millennium Development Goals.³ For most African countries, halving the poverty rate (MDG 1a) remains a difficult task.⁴ So, why have high economic returns not translated to social development? The explanation of this paradox perhaps lies in the nature of growth – in both Africa and India.

Deconstructing the growth pattern

A deeper investigation into the matter highlights the inability of these economies in generating proportionate employment. Close watchers of both regions have often described the nature of growth as jobless. The latest Economic Survey of India has classified the country's slow and stagnant employment generation rates as a cause for major concern. In fact the National Sample Survey of India showed that in 2009-10, a mere 2.76 million employment opportunities were added even though the GDP growth rate was over 9 percent consecutively from 2005-06 to 2007-08.⁵ A report by the United Nations Economic Commission for Africa has also emphasized the failure of the region's GDP growth in creating decent work - employment to population ratio fell from 55.7 percent in 2005 to 44.2 percent in 2012.⁶

Africa's oil and gas sector has been a primary driver of growth in the region. However, the niche nature of the extractives industry has meant that very few individuals have been able to benefit from this sector. Another major contributor to Africa's growth story is the services sector – low-productivity jobs especially those related to informal and non-tradable activities have been booming. India's growth has also been led by the services sector – it contributed 72.4 percent of the overall GDP in 2014-15.⁷ As opposed to the output, employment in this sector was a low 28.5 percent according to

3 Ministry of Statistics and Programme Implementation, "Millennium Development Goals, India Country Report 2015," http://mospi.nic.in/Mospi_New/upload/mdg_26feb15.pdf

4 United Nations Economic Commission for Africa, African Union, African Development Bank and United Nations Development Programme, "MDG Report 2015 Lessons Learned in Implementing the MGDs," http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/MDG_Report_2015.pdf

5 Government of India, "The State of the Economy," Economic Survey, 2013-14, <http://indiabudget.nic.in/es2013-14/echap-01.pdf>

6 United Nations Economic Commission for Africa, African Union, African Development Bank and United Nations Development Programme, "MDG Report 2015"

7 Government of India, "The State of the Economy," Economic Survey, 2014-15, <http://www.indiabudget.nic.in/es2014-15/echapvol2-01.pdf>

the latest National Sample Survey (2011-12). Furthermore, information technology and business process outsourcing services demand high-skilled labour. So, the growing pool of unskilled and low-skilled labour is excluded from availing even of these limited opportunities.

Structural transformation of economies has historically been initiated by a large-scale transition of labour and economic resources from the agricultural to the manufacturing sector. This is then followed by a similar reallocation to the services sector. For instance, the growth story of East Asian countries such as China, Thailand and Indonesia began with low-skilled manufacturing. The peculiar jump of the African and Indian economies from agriculture directly to services means that both regions are experiencing premature deindustrialisation. Thus, the respective manufacturing sectors have been left somewhat stunted, and unable to absorb any significant amount of labour.

Growth in India and Africa is driven by a small portion of the labour force who are engaged in high productivity sectors such as the extractives industries or the services sector. This could possibly be why a majority of the workforce remain unemployed and in abject poverty. Such a phenomenon is especially alarming given the rising pressure of the demographic bulge in both regions. In the absence of adequate decent work, the demographic ‘opportunity’ will in fact become a demographic ‘burden’. The need of the hour is a labour intensive growth model that will effectively absorb the growing supply of labour. Governments of both regions recognize this challenge. Economic transformation has been taken up as a priority under the ‘Agenda 2063’ – a strategic plan of the African Union. Similarly, the Indian government has recently launched its flagship programme called Make in India.

Tackling jobless growth: The Make in India initiative

The state of India’s manufacturing sector has been less than impressive – share of manufacturing in GDP has stagnated at about 15 percent for the last two decades.⁸ In an effort to revive India’s ailing manufacturing sector, the current government of India launched the Make in India programme last September. It aims to raise the contribution of manufacturing in India’s GDP to 25 percent by 2022 and create 100 million jobs by the same time. This ambitious plan of promoting labour intensive manufacturing is a welcome one especially given India’s history of jobless growth.

The Prime Minister has made strategic foreign trips promoting the initiative and inviting companies across the globe to invest in India. Investor confidence in India’s manufacturing sector has risen dramatically. This is evidenced by the fact that Foreign Direct Investment in the country grew by 48 percent in a short seven-month period since the launch on the programme.⁹ The

The Prime Minister has made strategic foreign trips promoting the initiative and inviting companies across the globe to invest in India. Investor confidence in India’s manufacturing sector has risen dramatically.

8 Arindam Bhattacharya, Arun Bruce and Anirban Mukherjee, “Make In India: Making Vision into Reality,” The Boston Consulting Group and Confederation of India Industry, November 2014, <http://www.bcgindia.com/documents/file176705.pdf>

9 “FDI up 48% since ‘Make in India’ campaign launch,” Economic Times, July 14, 2015, http://articles.economicstimes.indiatimes.com/2015-07-14/news/64406052_1_fdi-inflows-foreign-direct-investment-usd

growing optimism is accompanied by the pressure to deliver. Many of the bottlenecks that hindered the manufacturing sector still exist. India's labour laws, for one, require a major overhaul.

Chapter VB of the Industrial Disputes Act states that any factory with more than 100 workers must take prior permission for lay-off, retrenchment and closure. Such rigid conditions have led to mass casualization of labour. Organizations often opt to employ contract labour rather than bear the high costs of hiring permanent workers.¹⁰ Thus, a legal provision that was meant to protect workers has, now ironically, become a primary reason behind the creation of more vulnerable employment.

The Industrial Dispute Act, 1947 was conceptualised for a different India – one that was closed and driven by state-owned industries. Today's India presents a different picture altogether – a liberalised economy with a rapidly growing private sector. The export-oriented agenda of the Make-In-India initiative will further integrate domestic manufacturing with the world market, exposing Indian companies to global business cycles. This stresses the need for flexible labour laws that facilitates the growth of indigenous manufacturing. Unless concrete steps are taken, the optimism will soon dissipate.

Many African countries have made economic transformation and employment creation a part of their national agenda. The Ethiopian Government has come up with a national action plan to promote industrial and agricultural growth. Cote d'Ivoire has adopted an Economic Emergence Strategy to develop an industrial economy by 2020. Uganda's Vision 2040 and Lesotho's Vision 2020 include similar plans for accelerating industrial growth.¹¹ India's successes and failures in its attempt to transform the stagnating manufacturing sector could provide important lessons. Given the similar problems that both regions face, opportunities abound for India and Africa to collaborate in translating their visions into reality.

10 R Krishna Murthy, "Restrictive terms of Industrial Disputes Act leads to contract labour," Forbes India, October 19, 2015, <http://forbesindia.com/article/web-special/restrictive-terms-of-industrial-disputes-act-leads-to-contract-labour/33682/1>

11 United Nations Conference on Trade and Development, "The Economic Development in Africa Report 2014".

Licensed to Skill: ICTs and TVET?



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Equipping young people with skills and training, both for “here-and-now” jobs as well as jobs, which are, in some sense, yet to exist (those driven by new ICTs) is a key concern in most African countries, as well as in India. This is particularly crucial given the high numbers of unemployed youth and women – two categories that are central yet whose role and contribution for the past few decades have not been adequately factored in the formal economic processes and patterns of the two regions. Available data shows that Africa (particularly Sub Sahara) has a youthful population. Similarly, India has the world’s youngest population. Those aged under 25 comprise the largest single cohort – over half the population in both regions.¹ In Africa, they make up over 60% of the unemployed.²

1 International Labour Organization, *World of Work Report 2014: Developing with jobs* (Geneva; ILO, 2014); United Nations Population Fund, *The power of 18 Billion: Adolescents, Youth and the transformation of the future. The State of World Population* (New York, UNFPA, 2014).

2 The figures rise when you add the cohort 26-34 as some countries define youth as between 18-34 years.

While several segmented initiatives on the use of ICT for skills exist in Africa, those relatively large enough, either isolated or as part of larger initiatives, are few – despite the need to reach high numbers.

To better equip young people to ensure their full potential for development is explored, there is a dire need to change how things have been done in the past, to integrate new and better ways of doing things and to seek new collaborative endeavours between the two regions, addressing common challenges. Two (out of the many) pathways that show high potential are leveraging on Information Communication Technology (ICTs) for skills development and training, and revamping of vocational training across Africa.

ICTs and skills training for increasing youth employability

According to the Networked Readiness Index Report 2015 (NRI), an index from the World Economic Forum's Global Information Technology Report,³ less than seven African countries featured in the top 100 in terms of the environment for ICT, and the readiness and use of ICT in various sectors within the country.⁴ Despite this, the role of ICTs in business, entrepreneurship and provision of government services is well recognised in many African countries. In some countries like Kenya, the government has taken the initiative to promote ICT as a key driver of economic growth, through the promotion of broader industrial growth and creation of employment in the country.

However, for a region with a high mismatch between skills required by the job market and outcomes of the formal education system, the role of ICT in imparting up-to-date skills and training has not been adequately explored - an area that the region can borrow from India's successes and experiences, particularly in its semi-urban and rural areas. The Indian government and technology companies have long established Public Private Partnership (PPP) programmes to address the job-skills gap. A gap that can be reduced through education, training, and an upgrade of government offered courses that are better aligned with industry demand and skills required – successes that are conversely about to be eroded given India has increasingly slipped in the NRI ranking. The recent drop was 15 positions to 83 out of 148 countries.

While several segmented initiatives on the use of ICT for skills exist in Africa, those relatively large enough, either isolated or as part of larger initiatives, are few – despite the need to reach high numbers. In the Middle East and African region, YouthWorks portal is a flagship initiative by Microsoft Corporation that promotes employability and entrepreneurship for millions of young people across 19 countries. In sub-Saharan Africa, Kenya was the second

³ Measures the propensity of an economy to use ICT to boost competitiveness and well-being

⁴ World Economic Forum and INSEAD, *The Global Information Technology Report 2015: ICTs for Inclusive Growth*. (Geneva, World Economic Forum, 2015).

country (after Nigeria) to launch a YouthWorks portal called *TukoWorks* which is Kenyan slang for “We are at work.” Within the context of the portal *TukoWorks* could be described as working with the youth to get them jobs or working with the youth for them to gain relevant skills and training (at times to even start their own enterprises).

The TukoWorks online portal provides a one-stop shop for the Kenyan youth to access free online learning resources, career guidance services and entrepreneurial resources through a network of accessible tools and content. In addition to skills and enterprise development resources, one can easily access information on available job opportunities. In some cases, Microsoft has partnered with non-governmental organisations to provide additional offline skills and training for those that cannot access the portal. Thus, the youth not only have access to jobs through the site but also gain relevant skills required by employers – bridging the critical gap that exists in Kenya. Recent data shows that while an increasing number of youth, and even women, are getting better educated, they often lack crucial employable skills.⁵ Ultimately the skills gap is a major impediment to business in most of Africa and a major cause of unemployment. However with initiatives such as *TukoWorks*, the private sector is finding innovative ways to create a skilled workforce.

Key to enhancing effectiveness of ICT initiatives is the need to ensure access and equity for groups often locked out of development, especially women and the socioeconomically disadvantaged. Emerging data shows that women are disproportionately affected with young women’s unemployment rate standing at 45% in regions like North Africa.⁶ In some cases, it might be possible to specifically target women such as what Nigeria achieved in the 2013 launched “SmartWoman Nigeria”⁷, or to ensure women self-help groups participate for instance in India’s Electronic Service *kendrams* (eSeva centers).⁸ In many other cases, what is needed are strategic measures to ensure that women are not barred on the basis of socio-economic issues, and religion. ICTs do have the transforming power to accelerate the development of women by helping them to get employed, be more efficient and effective in their jobs, careers, and businesses or even to generate new employment opportunities.

Key to enhancing effectiveness of ICT initiatives is the need to ensure access and equity for groups often locked out of development, especially women and the socioeconomically disadvantaged.

Vocational skills training

An interesting trend with implication for employment and available skills set is the transformation of polytechnics into universities in some African countries.

5 Deon Filmer and Louise Fox, *Youth Employment in Sub-Saharan Africa* (Washington, DC: World Bank, 2014).

6 International Labour Organization, *World of Work Report 2014: Developing with jobs* (Geneva; ILO, 2014).

7 A mobile service based movement by Women in Management Business and Public Service (WIMBIZ) in partnership with the Nigerian Federal Ministry of Communication Technology. It offers practical advice for women to help them improve their lives, their business performance, be more efficient and effective in their jobs; generate new employment opportunities; connect directly with like-minded women for mentoring and build self-confidence. “Smartwoman,” accessed October 5, 2015, <http://www.smartwomannigeria.org.ng/>

8 This was a citizen-to-citizen and citizen-to-government e-governance service provision model that enabled them access a range of integrated services such as renewal of certificates, licenses and even payment of utility bills. See Karan, Kavita, and Rohit Raj Mathur. “Women Forge Ahead in India: Internet and the Public Forum.” *The Journal of Community Informatics* 6, no. 1(2010).

Kenya is a case in point. Universities and polytechnics offer different kinds of training – each fundamental to a country’s economic growth. However, university education is often revered and considered more prestigious, as is also the case in India. Similarly government funding for vocational training, or rather what is called Technical, Industrial, Vocational and Entrepreneurship Training (TIVET), has gone down. In countries like Kenya, majority of the youth who exit secondary school are increasingly directed towards academic and theory based university education, while unemployment concerns arise later when technical based sectors, such as construction, lack skilled manpower.

Looking forward

Looking towards the future, there is a need to revamp the place and role of vocational training with more industry champions. Reinforcing the view of the African Union, (and as early as over 10 years ago) Evoh makes a strong case for creating a *separate vocational* stream by separating vocational training from academic training earlier on in the schooling system, as early as the secondary level.⁹ This can include implementing Vocational Secondary Education/Schools. He sees this as a way to ensure that vocational training gets serious recognition and with it, investment of adequate resources by governments. Specifically, there is need for models that can integrate ICTs into vocational training, “as a subject of study and a tool that can be used to study other subjects and for content delivery,”¹⁰ at the same time coupled with a necessary component on entrepreneurship. This combination will give vocational schools and training a much-needed face-lift if it is to attract and sell among the techno savvy youth in both regions.

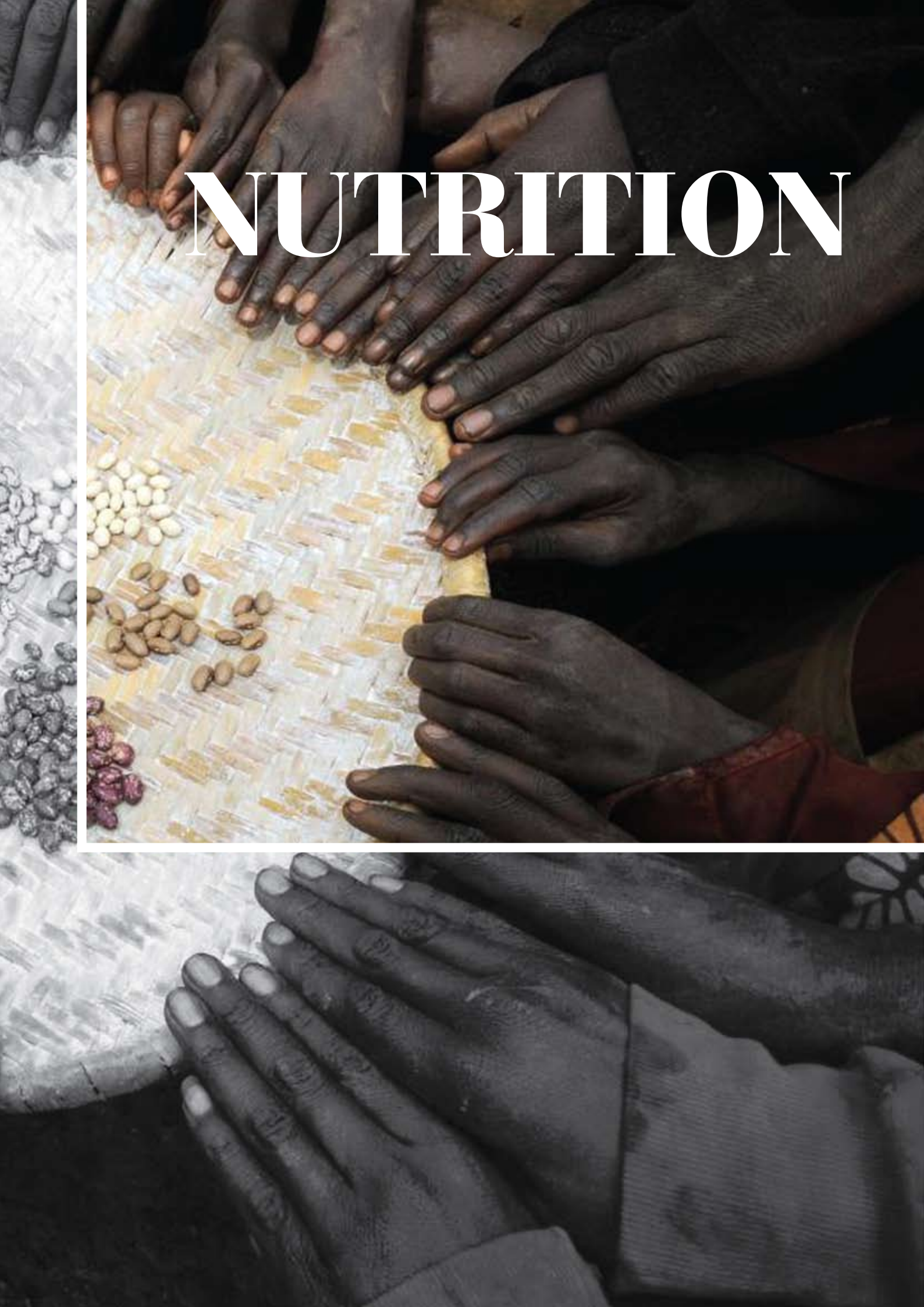
To achieve a winning combination, strategic partnerships with the International Labour Organisation (ILO) are critical. These can include funding, technical expertise and policy guidance towards overhaul of vocational schools and training. In addition, initiatives in both regions such as those highlighted above, show there is potential to share experiences and best practices across Africa and India. Goodwill to facilitate shared learning already exists. A recent visit by over 50 Indian ICT companies and Indian government officials for the India -Africa Summit in Nairobi in September 2015, show that there are public-private partnership opportunities which can be exploited, beyond the focus on ICT for business and provision of government services only. These can include a rollout of online or school based TVET and e-learning programmes backed by both the counterpart government and business communities to provide opportunities to reach out to remote and rural areas with high quality media and content, and improved course quality and delivery. Of course, there might be need to generate incentives for private players entering the vocational field. Specific attention can also be paid by both regions in seeking ways to employ technology to achieve scale, standardisation, and to maximise impact to provide a way to address the high youth and women unemployment rates.

9 J. Chijioke Evoh, “Taming the Youth Bulge in Africa: Rethinking the World Bank’s Policy on Technical and Vocational education for disadvantaged youth in the knowledge economy,” in *Education Strategy in the Developing World: Revising the World Bank’s Education Policy*, ed. Christopher S. Collins and Alexander W. Wiseman, 337-369. Bingley: Emerald Group Publishing Limited, 2002.

10 Chijioke, “Taming the Youth Bulge,” 353



NUTRITION



Fighting Food Insecurity, Building Resilient Communities



VIDISHA MISHRA

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Food security and agriculture have, historically, been at the heart of India's engagement with Africa. Both regions are resource-rich, densely populated, and have experienced rapid economic growth in recent years. However, social inequality and exclusion remains a pervasive issue. It is estimated that in sub-Saharan Africa one in four persons is undernourished.¹ India, on the other hand, ranks 55th out of 76 countries in the Global Hunger Index.² Demonstrably, even though in the last decade the six fastest-growing economies in the world have been African, and the per capita income in India has more than tripled in the last two decades, the two regions together account for a disproportionate number of the world's food insecure people.

¹ Luchuo Engelbert Bain et al, "Malnutrition in Sub – Saharan Africa: burden, causes and prospects," The Pan Africa Medical Journal, August 6, 2013, <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3830470/>

At the first India-Africa Summit in April 2008, the President of United Republic of Tanzania and then Chairperson of the African Union, Jakaya Mrisho Kikwete said that one of the major concerns for Africa is food security and urged India to invest in capacity building in the agricultural sector.

At the first India-Africa Summit in April 2008, the President of United Republic of Tanzania and then Chairperson of the African Union, Jakaya Mrisho Kikwete said that one of the major concerns for Africa is food security and urged India to invest in capacity building in the agricultural sector. In his closing remarks he stated that Africa's agricultural sector was dominated by traditional peasant agriculture and continued to suffer from low levels of production. He asserted that, "India has the technology and the skills, which if made available to Africa; it will help implement the African Green Revolution."³

It is true that despite possessing less than 3 percent of the world's arable land, India made significant agricultural and technological advancements to become self-sufficient in food grain production. Today, the country has the world's largest area under cultivation for wheat, rice, and cotton and is amongst the largest producers of milk, pulses, and spices⁴. Hence its demographic pressures notwithstanding, it is commendable that India has made efficacious use of agriculture technologies and innovations, invested in substantial human and capital resources, to become one of the biggest international agricultural producers. Moreover, India's approach to the issue of internal food security has global implications as was evident in November last year when the WTO acceded to India's demand to remove constraints on the food stockpiling issue.

Yet, it is essential to acknowledge that in the context of food security, India itself is a paradox. While the country has seen impressive economic growth and advances in agricultural technology, high levels of poverty, hunger, and malnutrition persist within the country. India remains home to one-quarter of the world's undernourished population, over a third of the world's underweight children, and nearly a third of the world's food-insecure people.⁵

This evident paradox can be contextualized by understanding what the attainment of food security entails. According to the FAO, "Food security

2 World Food Programme, India Overview, Accessed on October 8, 2015, <https://www.wfp.org/countries/wfp-innovating-with-india/overview>

3 Renu Modi, "Partnering for Food Security," India Africa – A shared Future, Accessed on October 8, 2015, <http://www.indiafrica.in/FViewsRenuModi.html>

4 The World Bank, "India: Issues and Priorities for Agriculture," May 17, 2012, <http://www.worldbank.org/en/news/feature/2012/05/17/india-agriculture-issues-priorities>

5 Sharad Raghavan, "MDG report: India on track in reducing poverty," The Hindu, July 8, 2015, <http://www.thehindu.com/news/national/millennium-development-goals-report-2015-india-on-track-in-reducing-poverty/article7396544.ece?homepage=true>

exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life.”⁶ It deals with three separate but closely related components—availability of food, consumption of food, and absorption of food, which is then measured as nutrition.

Food security is thus a complex, multi-dimensional concept that is not restricted to the macro level production, availability, and demand for food. It extends to the micro level to household food insecurity, and assessments of energy intakes to measure the indicators of malnutrition. Solving food insecurity is thus dependent on, but is not restricted to, producing more food. In other words, food has to be made available for consumption at the household level; measuring food security through production parameters is not enough.

Although India and Africa share several geographic commonalities, the reasons behind food insecurity in India and the countries of the African Union differ vastly. While India is self-sufficient in food production, the food never optimally reaches the consumer due to faulty distribution mechanisms. For instance, it is estimated that more than 21 million tonnes of wheat is wasted due to inadequate storage and mismanagement at government-run facilities.⁷ Africa, on the other hand, has 65 per cent of the world’s arable land⁸ but depends on overseas food imports to ensure food supply to a rapidly increasing population. West Africa for example, depends on 40 percent of imports in ensuring sufficient rice supply.⁹

Further, within Africa, progress towards food security differs by region. Despite commonalities, it is important to assess Africa’s country-specific priorities in the agriculture sector. According to the first edition of the FAO’s Regional Overview of Food Insecurity (2015), Western-Africa led the continent in reducing the number of undernourished people since the early 1990s. The report established that Angola, Djibouti, Cameroon, Gabon, Ghana, Mali and Sao Tome and Principe, “met the relevant Millennium Development Goal (MDG) of halving the proportion of the population suffering from undernourishment and the World Food Summit target of halving the absolute numbers of the hungry.”

While the countries of this region may still have a high dependence on imports, the reduction in hunger and malnutrition indicates that the countries have been successful in executing mechanisms that make the access

Food security is thus a complex, multi-dimensional concept that is not restricted to the macro level production, availability, and demand for food. It extends to the micro level to household food insecurity, and assessments of energy intakes to measure the indicators of malnutrition.

6 Economic and Social Department, UN Food and Agricultural Organisation, “Food Security: Concepts and Measurement,” July 11-12, 2002, <http://www.fao.org/docrep/005/y4671e/y4671e06.htm>

7 Asit K. Biswas and Cecilia Tortajada, “India’s Homemade Food Crisis,” Project Syndicate, August 8, 2014, <http://www.project-syndicate.org/commentary/asit-k--biswas-and-cecilia-tortajada-attribute-shortages-and-undernourishment-to-widespread-wastage-of-output>

8 Gilbert Nakweya, “Adopting new technologies key to Africa’s food security,” SciDevNet, October 7, 2015, <http://www.scidev.net/sub-saharan-africa/food-security/news/adopting-technologies-africa-food-security.html>

9 Christoph Seiler, “Africa’s Challenge in the 21st Century – Food Security,” Resilience- Building a world of better opportunities, September 26, 2013, <http://www.resilience.org/stories/2013-09-26/africa-s-challenge-in-the-21st-century-food-security>

It is likely that the India-Africa development engagements will focus on lessons from India's Green Revolution. The Indian private sector's potential to invest in developing Africa's agricultural, irrigational, and other infrastructure and investments in training and capacity-building programmes to enhance productivity will also potentially be significant areas of partnerships.

and consumption of food smoother. In contrast, India was unable to meet this MDG target. In 2015, malnourishment in the country declined to 40 percent, which is still below the target of reducing malnourishment to 26 percent.¹⁰

Perceptibly, India and countries of the African Union face common as well as varied challenges in securing food, and this should be leveraged as an opportunity for mutual learning and a co-designed multilateral partnership with the Union as well as bilateral partnerships with separate countries within the continent. Given the mutuality of interests as well as the societal and experiential similarities, knowledge sharing between India and Africa can be based on reciprocity and go beyond the donor-beneficiary paradigm.

In the 2008 and 2011 Summits, the focus was on financial allocations and exchange of seed and samplings for agricultural support. In addition, India had also committed to setting up a total of more than 100 training institutes in different African countries in the areas of agriculture and food processing and other areas of information technology, languages, and entrepreneurial development. Further, India aimed to provide 300 new scholarships, especially in agriculture sciences, through the African Union Commission, which was to be implemented by the Department of Agriculture Education (DARE) and Indian Council of Agriculture Research.

However, it is clear that while India has made strides in agro-technology, several countries in Africa have also devised effective food distribution mechanisms. Therefore, future partnerships should aim at more two-way dialogues and scholarly exchanges for mutual learning. In addition, progress on the aforementioned deliverables is unclear implicitly due to issues such as bureaucratic delays in both the regions, and systematic as well as linguistic differences across different countries in Africa.

Moving ahead, the Third India-Africa Summit in 2015 aims to build on the previous engagements and is also more ambitious than earlier. In the previous summits, only 12-14 countries, based on the Banjul formula adopted by the African Union, were invited to represent Africa on global summits. 2015 is the first time when all 54 African countries are invited. In order to achieve

10 UNDP, India, Accessed on October 12, 2015, <http://www.in.undp.org/content/india/en/home/mdgoverview/#goal1>

maximum mutual benefit in the context of food security, it is essential to review progress and assess the shortcomings of previous commitments. Greater focus on co-designing partnerships with improved transparency and monitoring of project plans and deliverables, as well as simpler bureaucratic procedures that take language barriers into account could be of universal benefit.

It is likely that the India-Africa development engagements will focus on lessons from India's Green Revolution. The Indian private sector's potential to invest in developing Africa's agricultural, irrigational, and other infrastructure and investments in training and capacity-building programmes to enhance productivity will also potentially be significant areas of partnerships. However, the focus should not be limited to food production because production on its own does not guarantee food security.

Domestically, in addition to improving the performance of agriculture and diversifying produce, the key priorities of the Indian Government as articulated under the current Five Year Plan (2013 – 2017) include reducing vulnerabilities of small and marginal farmers with special focus on women and other disadvantaged groups. Hence, the impacts of large scale international land investments on the land rights of local communities, and the impacts of investments in rural infrastructure on smallholder farmers need to be discussed further.

Finally, both India and Africa are facing dual challenges -of feeding a growing population, and of adapting to the changing climate and its impacts on agriculture. Climate change and its perceived impacts are more discernible in the African continent at present. Consequently, the region is pioneering grassroots techniques for making traditional farming adaptable to climate change. As rainfall patterns and soil values are changing drastically in India as well, the government should invest in opportunities for two-way facilitation of capacity building and mobilization, to spread knowledge and best practice inputs at micro levels.

Agricultural Technology: An Answer to Poverty Alleviation

AKHONA NKENKANA

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Agricultural production goes beyond trade to encompass the fundamental need of addressing the requirements of the nations.

The emergence of the global south in general, and Africa and India in particular, would remain limited if such emergence excludes the agricultural sector especially the recent developments on agrotechnology. Agriculture for these two regions is not just a question of expanding economic development but remained and still remains the only source of hope for the poor. The question of poverty is one that is closely tied to agriculture across the world, but more so for Africa and India – regions that are still grappling with its alleviation. Therefore, agricultural production goes beyond trade to encompass the fundamental need of addressing the requirements of the nations. Agricultural technology would prove to be a powerful instrument in tackling these issues related to both trade and poverty and public private partnerships will play a crucial part in this.

Kamini Krishna¹ argues that India and Africa are old civilizations but young

¹ Kamini Krishna, “India-Africa partnership in the twenty-first century: *Expanding horizon*,” (Lusaka: University of Zambia, 2010), 3

Because a vast majority of the poor depend on agriculture for their livelihood, it is also the sector that holds the most promise for pro-poor economic growth.

regions; learning as they grow. The last couple of years have also witnessed India develop as a significant player in the African continent. No doubt the India-Africa relations is shaped by a long history of solidarity deepened by shared values and ideas from the Non-Aligned Movement days, the common fight for freedom up until the present day.

Arguably, the socio-economic and development similarities between the two regions have enabled, and would further enable, a mutually beneficial relationship based on goodwill and sharing. Many scholars and politicians, both in India and Africa, have emphasized that trade between the two regions would be of ideas and services, rather than the inequitable exchange of manufacturing goods against raw materials that was practiced by the colonizers. Therefore, cooperation between India and Africa in the twenty first century should not only become a mere symbol of south-south cooperation but should also expand to capture the horizon. Horizon defined by improving agricultural technology that seems bleak especially for countries in Africa.

While many sectors embraced technology right from the beginning of the 19th and 20th century, agriculture has lagged behind until late in the 20th century. The 21st century is one wherein technology has gained centre stage in the agricultural domain. India and African could tap into this and work together as they have always done.

The first India-Africa forum summit² in 2008, organised by Federation of Indian Chambers of Commerce and Industry (FICCI), noted that technology cooperation between India and Africa must be one that departs from these regions' common histories, histories of trade and co-existence dating to the 16th century. Undeniably, India established its trade relations with the African countries as long back as in the 16th century. As emerging economies, India and Africa have a lot in common - rich natural resources, similar demography and large domestic markets. This provides a natural synergy for building partnerships. Moreover, the technological revolution should pay consistent attention to building technological capacity that correspond to changes in the rural economy, which the majority of the population of these two regions is found in.

2 Federation of Indian Chambers of Commerce and Industry first India-Africa forum summit, Africa Desk, 2008, http://www.ficci.com/international/54523/Project_docs/AfricaDesk.pdf

3 World Bank, "Awakening Africa's sleeping giant: Prospects for commercial agriculture in Africa's Guinea Savannah zone and beyond", World Bank Agriculture and Rural Development Unit, Africa Regional Office, 2009

The importance of agriculture for India and Africa, especially with its technological advancement, lies in the fact that even after years of industrialization and growth in services, agriculture still accounts for one-third of the gross domestic products (GDP) and three-quarters of employment in sub-Saharan Africa World Bank.³ Moreover, because a vast majority of the poor depend on agriculture for their livelihood, it is also the sector that holds the most promise for pro-poor economic growth. The World Bank further notes that agriculture is, in fact, around four times more effective at raising incomes among the poor than other sectors. No less important, improved agriculture also has a direct impact on hunger and malnutrition, decreasing the occurrences of famine, child stunting, and maternal infirmity - social ills which these two regions are very familiar with.

Agricultural technology is key to this process. The second India-Africa summit in the year 2011 emphasized the importance of harnessing the latest scientific research for raising productivity and for the conservation of land and the environment. This is vital for ensuring food security for people in both regions and for bringing down the rising cost of food prices. In this respect, they agreed to collaborate in the implementation of the Comprehensive Africa Agricultural Development Programme (CAADP).

Notably, FICCI Africa Desk states that among the many sectors for potential collaboration, agriculture is the most critical one for the African economies. It accounts for 25% of the GDP and employs 60% of the total workforce of African nations. Agricultural production in Africa is highly fragmented, since more than 85% of the farms occupy not more than two hectares. African countries are making sincere efforts to boost FDI inflows by augmenting the investment climate through extensive policy, political and institutional reforms aimed at reducing barriers. The Comprehensive Africa Agriculture Development Programme (CAADP), which was one of the African Union's key initiatives, was intended to direct the spotlight on long-term investment in some priority areas like land and water management, market access, agricultural research and technology dissemination.

Various initiatives are being directed from the global north, including the G8's "New Alliance for Food Security and Nutrition in Africa" and the Alliance for a Green Revolution in Africa (AGRA). These initiatives are framed according to the African Union's Comprehensive African Agricultural Development Programme (CAADP). While this gives them a cover of legitimacy, certain fundamental questions must be explored - What is driving these investments? Who is set to benefit from them? Analysis based on historical evidence shows that the African continent has generally had limited benefits from such past arrangements. The importance of what the civil society⁴ and other non-governmental organisations are raising is so that the cooperations between

3 World Bank, *Awakening Africa's sleeping giant: Prospects for commercial agriculture in Africa's Guinea Savannah zone and beyond*, World Bank Agriculture and Rural Development Unit, Africa Regional Office, 2009

4 Civil Society in Africa, *Modernising African Agriculture: Who benefits?* Statement by civil society in Africa, 2010

India and Africa are found on mutual benefits so that historical exploitation does not repeat itself.

India and other emerging economies of the global south remain alternatives to bilateral and multilateral relations especially where agriculture is concerned. The general advancement in technology and IT revolution in India has created new scope for farm sectors as well. A great lesson which Africa could learn from.

As Africa strives to attain its development aspirations, there is no doubt that a new generation of leaders in Africa itself, are increasingly looking at India and other emerging economies of the global south to reduce their dependency on the global north. Both India and Africa are young regions, learning to grow but India gained economic growth and development and is willing to share with friends in Africa. Also African nations gained their independence at different times in history and so their economies vary tremendously. India's commitment to Africa is significant and we look forward to a close partnership with Africa in its economic resurgence where both must benefit on equal share basis.

Kamini Krishna⁵ of the University of Zambia Asia stated that:

“India-Africa knowledge management should move beyond the movement of messages to technology dissemination tools and approaches, and linkages to agricultural education. The two partners should develop joint projects to attract donor funding, set up institutional collaboration and document, monitor and evaluate their experiences.”

This statement by Krishna remains very true and advocates that the partnership and cooperation between India and Africa must consider some important realities that may hinder the cooperation like the issue of funding.

In conclusion, it is important to emphasize that the alternative cooperation options from the global south remain very important as long as their' is to redress the historical marginalization of these two regions, whose role as colonies was to develop not for themselves but for the now developed economies. It is true that the global south in general and India-Africa in particular, must pave their individual development paths in order to accommodate their local realities especially those of agricultural development through technology. This cannot be an individual journey, but regions must help each other going forward towards a brighter future.

The general advancement in technology and IT revolution in India has created new scope for farm sectors as well. A great lesson which Africa could learn from.

⁵ Kamini Krishna, *“India-Africa partnership in the twenty-first century: Expanding horizon,”* (Lusaka: University of Zambia, 2010), 3

The Road from Bandung: India and Africa in the Evolving Global Order



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Must Past Be Prologue?

The beginning of independent India's engagement with continental Africa – two regions bound by centuries of shared cultures and aspirations – can be ascribed a specific origin in time and space: April 18, 1955 in the Indonesian city of Bandung. The First Afro-Asian Conference there was modern India's first major international outreach activity.

Prime Minister Jawaharlal Nehru's initiative and articulation of India's global goals in Bandung left an indelible imprint on how India chose to engage the rest of the world for the first fifty years as an independent state. Indeed, much of India's foreign policy between 1947 to 1989 ("The First Republic," in C. Raja Mohan's terminology¹) germinated at the Bandung Conference:

¹ C. Raja Mohan, *Modi's World: Expanding India's Sphere of Influence* (Noida: HarperCollins Publishers India, 2015), 2

non-alignment, an aversion to Great Powers politics, and internationalist-activist positions driven by a putative ‘moral force’ India sought to leverage based on its unique history of mass non-violent political struggles. Nehru at Bandung succinctly summarized what would become India’s reflexive foreign policy position for the next forty years when he said: “If I join any of these big groups I lose my identity”.²

Nehru’s identity-based non-alignment and a concomitant distrust of security pacts (“I submit to you, every pact has brought insecurity and not security to the countries which have entered into them”³) would dominate Indian international relations discourse for much of its modern history. And yet, a fraught domestic economy and polity would do little to lend substance to the rhetoric of international solidarity. While this rhetoric did help India win friends at an ideological level, in Africa and elsewhere, “there was little material substance in India’s bilateral relations with these countries”⁴, and certainly not to the extent expectations would bely. Bilateral relations between India and Africa – with some notable exceptions – would continue to be driven by optics and rhetoric till about seven years ago with an economic renaissance in both regions. A signal era of cooperation would dawn in 2008 with the first India-Africa Summit in New Delhi, followed by another successful second Summit in Addis Ababa in 2011. The third Summit this month would be the largest of its kind, with 42 African heads of state convening again in New Delhi.

Autonomously interdependent

It is important to situate the emerging India-Africa partnership in the interlinked contexts of a faltering global economy and a significant shift in the international governance order. It can be argued that the global economic crisis of 2008 exposed deep structural problems with Western economies – excessive financialization and regulatory gaps – and the toothlessness of Bretton Woods financial institutions in dealing with the same. While OECD economies have registered uninspiring output growth over the last decade, India and African economies has registered annual GDP growth upward of 6 percent. China’s spectacular rise, the emergence of BRICS, and creation of new – and focussed – multilateral establishments like Asian Infrastructure Investment Bank (AIIB) and the New Development Bank (NDB) points to a geoeconomic order very different from the Western liberal-internationalist one that has dominated the global multilateral discourse over the last seventy years.

The writing on the wall has never been clearer. While the political and economic order fostered by the US and European powers continue to hobble, a resurgent Asia and Africa has the potential to significantly shape ideas around how nations can cooperate without sacrificing their autonomy; how

2 Prime Minister Jawaharlal Nehru’s Speech to Bandung Conference Political Committee, 1955. Reprinted in G. M. Kahin, *The Asian-African Conference* (Cornell University Press, 1956), pp. 64-72.

3 *ibid.*

4 Raja Mohan, *Modi’s World*, 5

nations can ensure their self-interest without sacrificing their sovereignty; how nations can pursue their commercial interests worldwide without dictating terms. Most importantly, it is up to India and Africa to conceptualize a world order which is driven by the logic of cooperation going beyond the optics of token gestures and the empty internationalist rhetoric of solidarity.

How might this emerging world order contribute to the mitigation of common challenges faced by both regions? And how might the two regions – in turn – mould the discourse around global governance in the 21st century? Consider development finance as a case-in-point. In 1955, development cooperation was driven by the paradigm of international aid. Redolent of patronage, the notion of aid – in almost all cases, from a Western power to an African or Asian nation – would dominate how western economies chose to interact with the “Third World”. It is safe to say that this problematic paradigm has played itself out. Not only does most Western economies find themselves not able – due to their own domestic economic compulsions and increasing populism in their local polity – to “aid” other states, but the notable rise of the global South obviates any obvious need for handouts from the outside.

In big-ticket areas like infrastructure finance, the West finds itself increasingly irrelevant, more unable than unwilling to meaningfully contribute and lead. Emerging institutions like AIIB and the NDB – working in tandem with other Southern multilaterals like the African Development Bank – have the financial wherewithal and the political muscle to fill in gaps institutions like the IMF have not been able to fill in the past seventy years. Parenthetically, to be fair to institutions like the IMF, they were created to support a very specific set of needs post Second World War; the necessity for large scale investments to support burgeoning economies in the global South was certainly not one of them.

It is currently fashionable – both on the Left and the Right – to blame globalization, understood in the sense of economic interdependence and cultural synthesis, for domestic ills. And yet, a globalized world bound by competitive trade and a plethora of international institutions led by established and emerging powers is the best guarantor of political autonomy for African states and India in the long run. How this configuration can be best leveraged by both regions to their individual advantage as well as bilaterally will become one of the defining questions of the India-Africa partnership.

Towards a “Common Concerns—Common Calls” paradigm

There are two immediate challenges both regions must confront: climate change and the rapidly deteriorating security condition in the Middle East. Both challenges must be situated in the context of the evolving global order. The fact that both regions must address climate change goes without saying. What is not obvious – and this holds for Africa as well as India -- is how to do so without making fundamental structural changes to economies in midst of modernization. Similarly, the deepening crisis in the Middle East is spilling off to North Africa and will almost surely – absent the situation there improving rapidly – impact India’s economy and security.

The crisis in the Middle East – whether it is the mega-insurgency called the Islamic State or Iraq and Syria – is a relic of a dysfunctional politico-economic order there. Similarly, the discourse around climate change has, traditionally, been shaped by Western powers. It is incumbent upon Africa and India to play a much larger role on both issues, commensurate to the impact of both on the respective regions.

The success of the Conference of Parties in Paris later this year depends on whether both regions can successfully articulate their economic aspirations within the framework of equity in common but differentiated responsibilities. As Prime Minister Narendra Modi has rightly pointed out, talk about climate change should also be about “climate justice”. This holds true as much for India as for Africa. The outcome of Paris must be shaped by both regions speaking in one voice, situating climate change within the broader matrix of social and economic goals.

The chaos in the Middle East – which is quickly turning into a Great Powers play – is another example of an area of common concern; a disruptive Middle East will add to the ongoing volatility in commodity markets, affect trade, and threaten to engulf the entire Indian Ocean Region. India’s and continental Africa’s shared concerns around transnational terrorism should go beyond sympathizing with concerns of Western powers and lead to an actionable strategy that seeks to protect Indo-African interests. India’s renewed UN peacekeeping commitments in Africa should be welcomed. In turn, African leaders should realize that an expanded UN Security Council with India as a permanent member paves the way for a greater Indian role and leadership which Africans, in turn, can leverage to their benefit. It is vital that both regions explicitly develop a “common concerns—common calls” paradigm that takes as a given the fairly obvious point that shared challenges should be met with actions in concert.

The Dragon in the Room

Where does China fit into all this? After all, if we speak of an emerging world order that transcends or co-opts Western leadership, we must keep in mind that this was largely due to a resurgent China asserting itself economically, diplomatically, and militarily. Indians and Chinese are active competitors when it comes to courting business in Africa. Would a greater African partnership with India mean antagonizing China? Would larger Chinese presence in Africa translate to a smaller Indian footprint there?

Not necessarily. The Indian economist and strategist Sanjay Baru makes an astute point when he says that while the logic of geopolitics is essentially zero-sum (one country’s gain is the other’s loss) this is not the case with geoeconomics which is, generally, a positive-sum activity. For one, India and China are not natural antagonists; to suggest otherwise in the context of a partnership with Africa is to paint both countries as neo-colonizers. A confident Africa could – and should – leverage the competition between India and China to its benefit. A concrete case-in-point is provided by the Chinese Maritime Silk Road Initiative which seeks to connect Africa, China, and India. A three-way partnership along these lines has the potential to vastly expand global value

chains and feed the most economically dynamic region of the world.

Making up for lost time

That Africa and India were natural partners and allies was well known to the founding fathers of the Indian Republic; the Bandung Conference sixty years ago was testament to Africa's place in the Indian worldview. The vagaries of the Cold War, a dismal economy, and a fragmented polity all translated into a situation where India's commitments to Africa didn't always translate to concrete improvements in bilateral ties. By and large, India is back on track sixty years later. An Africa whose time has come has also necessitated the much-needed mindset change in New Delhi. The Summit this month is a very significant message to the world that both regions, once united only in problems, can – and will – shape their destinies together. Perhaps more significantly, as some of the fastest growing economies of the world, they can also shape the global governance order. It, then, behoves both regions to stop the search for lost time and, instead, make up for it. The current volume lays out the promises for a renewed partnership and the challenges this partnership must address.

About ORF

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