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Evolving India–Africa Relations: Continuity and Change

Ruchita Beri

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Programme head: Mzukisi Qobo mzukisi.qobo@wits.ac.za

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ABSTRACT

India's relations with African countries are time-tested and historical; nevertheless, in recent years the affiliation has been revitalised. Both continuity and change feature in India's evolving relations with Africa. India's engagement with Africa is not only directed towards aiding India's energy strategy, but has broader goals. Indeed, India's foray into Africa may be seen as a continuation of the past trend of supporting weaker allies. The trends in trade, the diverse investment profile, as well as various initiatives to augment technical assistance, training and capacity building in Africa, suggest a strategy that has married components of the earlier idealistic policy with strands of pragmatism.

ABOUT THE AUTHOR

Ruchita Beri is a senior research associate at the Institute for Defence Studies and Analyses, New Delhi, specialising in political and security issues of sub-Saharan Africa. Her current research focus is Redefining India-Africa relations. She is vice-president of the African Studies Association of India and an alumna of the Women in International Security, US. She has lectured at the National Defence College and the College of Naval Warfare and participated in various international conferences. She co-edited the book *Africa and Energy Security* and has contributed journal articles and book chapters to over 75 publications. She has an M.Phil in African Studies from Jawaharlal Nehru University, New Delhi and a diploma in Conflict Studies from the Department of Peace and Conflict Research, Uppsala University, Sweden.

ABBREVIATIONS AND ACRONYMS

DRC	Democratic Republic of Congo
EXIM	Export–Import Bank of India
ICC	International Criminal Court
ICT	information and communication technology
IT	information technology
ITEC	Indian Technical and Economic Cooperation
LOC	Line of Credit
NAM	Non-Aligned Movement
TEAM-9	Techno-Economic Approach for Africa–India Movement
UNSC	United Nations Security Council

INTRODUCTION

For the last decade, Africa, a continent that the industrialised North has traditionally regarded as sitting on the margins of the international political economy, has been in the limelight due to its increasing ties with India and China – Asia’s emerging powers. India and China’s roles in Africa have received considerable scholarly attention in the recent years. However, most of the writings have clubbed China and India together, suggesting the rise of an ‘Asian driver’ or ‘Chindia in Africa’. Yet, India has deep historical and cultural ties with the countries in Africa, and today Africa is an important aspect of India’s foreign policy. Continuity and change are a feature of India’s evolving relations with Africa, which are shaped by emerging trade patterns and energy resources.

PAST AND PRESENT TIES

Historically, the main tenet of India’s Africa policy has been support for the struggle against decolonisation and racial discrimination in South Africa. This stemmed from the leadership role against imperialism, colonialism, racism and hegemony played by India’s charismatic first Prime Minister, Jawaharlal Nehru. Nehru’s views mirrored the aspirations of newly independent countries in Asia and Africa, and he was heavily involved in the Bandung Afro–Asian conference in 1955. Later, Nehru and other important leaders of the developing world, such as President Josip Tito of Yugoslavia, President Gamel Nasser of Egypt and President Nkrumah of Ghana, were instrumental in the formation of Non-Aligned Movement (NAM). NAM is a movement whose aim is to support independence from power blocks and reflect the voice of the developing or third world. Thus, ideological and political issues guided India’s relations with Africa. Later, in the 1960s and 1970s, economic issues, common development challenges and need for a New International Economic Order brought India closer to the countries in Africa. However, the concept of South–South co-operation espoused by both India and African countries at various international forums remained notional, and the level of trade remained quite low.

In the post-Cold War era, with Namibia’s decolonisation and the end of Apartheid rule in South Africa, the main political and ideological agenda that had brought Africans and Indians together, vanished. The shared ideologies of non-alignment and disarmament – although still advocated – were no longer the rallying points of interaction. Moreover, after the start of economic liberalisation reforms in 1991, India’s foreign policy moved away from being driven by ideological principles to become increasingly pragmatic. From this time, India has used economic diplomacy as a method of wooing the African countries. In 1993, the Indian government stated that, ‘in the future, new relationships based on concrete economic, technological and educational co-operation will assume enhanced significance.’¹ And Manmohan Singh, the current Indian prime minister, has often pointed out the need to improve relations with major powers on the basis of economic co-operation.²

At the same time, Indian policymakers emphasise that the orientation of India’s foreign policy is designed to promote ‘enlightened national interest’.³ Experts and officials have claimed that energy security is an important element of India’s foreign policy, particularly in the context of the developing world. In Manmohan Singh’s words ‘Our concern for

energy security has become an important element of our diplomacy and is shaping our relations with a range of countries across the globe, in West Asia, Central Asia, Africa and Latin America'.⁴ However, it should be pointed out that India's objectives in development of this policy have remained the same over the years: '[the] creation and consolidation of strong economic bonds among countries of the South and the use of India's relative economic strength for development of these countries on mutually beneficial basis'.⁵

In recent years, an important policy shift is that India is engaging with Africans at a bilateral and regional level. The country has opened dialogue with the regional economic communities and has acquired observer status in a number of regional organisations in Africa such as the Common Market for Eastern and Southern Africa, the Southern African Development Community and the Economic Community of West African States. At the same time, in 2008, India institutionalised the relationship with Africa by organising the India–Africa Forum Summit. India's search for alternative sources of energy and its desire to reduce dependence on oil imports from West Asia, have undoubtedly energised India's relations with Africa. However, statistics and certain initiatives launched by the Indian government suggest that India's relations with Africa are broad-based. The co-operation framework adopted at the India–Africa Forum Summit outlines the priority areas of future co-operation, which range from capacity building, agricultural infrastructure development, health and food security, energy security and technological co-operation. The idea of co-operation at continental level is guided by a commitment to deepen the process of African integration and recognises the diversities within various regions of Africa. The trends in trade, the diverse investment profile and various initiatives to augment technical assistance, training and capacity building in Africa suggest a strategy that has married components of the earlier idealistic policy with strands of pragmatism. This strategy aims to strike a balance between India's growing commercial and strategic interests in Africa and its traditional policy of empowering Africa.

TRADE

Recent trade trends reveal India's growing synergy with Africa.⁶ Bilateral trade increased from \$967 million in 1990–91 to \$39 billion in 2008–09, while India's exports to Africa grew from \$394 million in 1990–91 to \$14.6 billion in 2008–09. As a result, in 2008–09 Africa represented 8% of India's total exports, up from 2.2% in 1990. Similarly, India's imports from Africa rose from \$573 million in 1990–91 to \$24.3 billion in 2008–09, or 8.4% of India's total imports, up from 2.4% in 1990–91. In 2008–09, South Africa remained the leading destination for India's exports to Africa, accounting for 13.5%. Other major export destinations included Egypt (11.2%), Nigeria (10.3%), Kenya (9.1%), Tanzania (7%), Mauritius (6.5%) and Algeria (4.5%). Around 35.8% of India's imports from Africa were sourced from Nigeria in 2008–09, reflecting the significant imports of crude petroleum from that country. South Africa is the second-largest import source with a share of 22.4%, followed by Egypt (8.7%), Angola (5.6%), Algeria (4%) and Morocco (3.8%) during 2008–09.

Petroleum products have become the largest items in India's export basket in the recent years. Other important items include transport equipment, machinery and instruments, pharmaceuticals, non-basmati rice, manufactures of metals, cotton-yarn fabrics and

made-ups, as well as primary and semi-finished iron and steel products. Crude petroleum accounted for a significant 58.6% of India's total imports from Africa during 2008–09. Other major items imported from Africa include gold, inorganic chemicals, metalliferous ores and metal scrap, and cashew nuts.

India has taken several steps to enhance trade and investment in Africa, including the Focus Africa Programme and the Techno-Economic Approach for Africa–India Movement (TEAM-9) initiatives. Launched in 2002, the Focus Africa Programme initially focused on sub-Saharan Africa, with emphasis on seven major trading partners in the region: Ethiopia, Tanzania, Nigeria, South Africa, Mauritius, Kenya and Ghana. Together these countries account for 69% of India's trade in sub-Saharan Africa. The programme broadened in 2003 to add 17 other countries, including some from North Africa. The TEAM-9 initiative was launched in 2003 as a special co-operation model between eight West African countries and India. At the same time, Indian chambers of industry, particularly the Confederation of Indian Industry, in partnership with the Indian government, Export–Import Bank of India (EXIM) and the African Development Bank initiated the India–Africa project partnership conclaves. Since 2005, four conclaves have taken place in New Delhi, along with mini-conclaves in Africa. These conclaves serve as a meeting ground between decision makers and industrialists from African countries and heads of Indian companies involved in various projects in Africa. The latest conclave was held in New Delhi in 2010. This conclave attracted 606 African delegates from 33 countries, and approximately 152 projects, to the total value of \$10.5 billion were negotiated at the meeting.

In April 2008, at the first India–Africa Forum, Indian Prime Minister Manmohan Singh announced a number of initiatives that included a duty-free trade preference scheme for 34 African countries, as well as grants for projects in excess of \$500 million over the next five to six years in the areas of railways, information technology (IT), telecommunications and power. India also offered to double the Lines of Credit (LOCs) extended to African nations from the current \$2.15 billion to \$5.4 billion over next five years. In addition, African students benefited from the forum, as India pledged to double the number of available scholarships.

INDIA'S INVESTMENT IN AFRICA

Outward foreign direct investment from India has increased massively in recent years, from \$556 million in 1997 to \$18.43 billion in 2007–08. According to data from India's Ministry of Finance, approved cumulative investments in Africa between April 1996 and December 2007 amounted to \$5.7 billion.

Many Indian companies have invested in Africa in recent years, and India appears to view Africa as a possible source of raw material and energy sources to support its industrial growth. This is not surprising, as energy security is one of the major security challenges facing India today. Currently, India is the fifth largest consumer of energy in the world and is expected to become the third largest by 2020. India's growing energy needs have pushed it towards energy co-operation with the African countries and, given the stagnant oil reserves in the country, Indian oil companies are actively looking to acquire overseas assets. Currently, around 18% of India's crude oil imports are sourced from Africa (including the North African countries). Indian national oil companies, such as the Oil

and Natural Gas Corporation Videsh Limited, have invested in equity assets in Sudan, Ivory Coast, Libya, Egypt, Nigeria, Nigeria–São Tomé and Príncipe Joint Development Area and Gabon.⁷ Private sector companies like Reliance have also invested in equity oil in Sudan, while Essar has procured exploration and production blocks in Madagascar and Nigeria. India recently completed a \$200 million project to lay a pipeline from Khartoum to Port Sudan in the Red Sea. In 2007 and 2009, the Indian Ministry of Petroleum and Natural Gas and chambers of commerce, such as the Federation of Indian Industry and Commerce, joined hands to organise the India–Africa Hydrocarbons Conferences, in order to boost India's investment in Africa's energy sector.

India is clearly seeking a robust, mutually beneficial partnership that will provide India with energy security and benefit Africa through 'sharing our experience, capacity and technology in the energy sector ... building local capacities and ensuring technology transfer.'⁸ During the 2009 India–Africa Hydrocarbons Conference, India identified five main areas of co-operation with African countries: buying more crude oil from Africa, investing more in upstream opportunities on bilateral basis, exploring opportunities to source more liquefied natural gas from Africa, making available India's skills, talent and technology in cost-effective ways for the benefit of Africa and supporting community development programmes in Africa so as to ensure inclusive growth.⁹

Hydrocarbons are not the only natural resource being sought by Indian companies. The metals conglomerate Vedanta Resources has invested more than \$750 million in Zambian copper mines, and recently the Parliament of Liberia ratified a 25-year deal allowing ArcelorMittal to launch a \$1 billion iron ore mining project. Tata Steel has invested \$850 million in a ferro-chrome project in Richards Bay, South Africa.¹⁰ In 2007 the Indian Farmers Fertilizer Cooperative signed a Memorandum of Understanding with the Senegalese government to revive a phosphoric acid plant belonging to Industries Chimiques de Senegal.¹¹

Indian investments are found in a wide array of economic sectors, including agriculture. Indian companies such as the Kirloskar Brothers and Water and Power Consultancy services are already involved in water management projects across Africa. Tractor manufacturers Mahindra and International Tractors have made a mark, while corporate houses like Darbur and Tata Coffee have also ventured into the agriculture sector in Africa. As the majority of African countries are looking for ways to enhance their food security by replicating the Indian 'green revolution model', further areas of collaboration could include providing agricultural inputs, agro-processing and watershed management.

The Indian companies are also present in Africa's secondary and tertiary industries. The Indian multinational, the Tata Group, is represented in the engineering, chemicals, services and information and communication technology (ICT) sectors. In the power sector Indian companies, such as Bharat Heavy Electricals Limited, Mohan Energy, Kalpataru Transmission and Jyoti Structures, have entered the market strongly, and Suzlon Energy, the world's fourth-largest wind turbine maker, plans to invest in the African alternative energy sector in the near future. In the IT sector, the National Institute of Information Technology, Tata Consultancy Services, Satyam and Infosys have entered the African markets. Reliance Industries has a strong presence in telecommunications, a sector in which other companies, such as Bharti Airtel Limited and Videsh Sanchar Nigam Limited, have shown strong interest. Bharti Airtel Limited recently acquired the Africa

assets of Zain, the Kuwaiti mobile communications company.¹² In the automobile sector, Indian companies like Mahindra and Tata are strongly represented, with Mahindra present in several Southern African countries including South Africa, Zimbabwe, Botswana, Namibia, Swaziland and Zambia.¹³ Similarly, major pharmaceutical companies (Ranbaxy, Cipla and Dr Reddy's), consumer products firms (Emami and Marico), construction firms (Punj Lloyd and Shahpoorji Pallonji) have invested in African countries.

Indian companies have also entered the financial and business sector, with the State Bank of India acquiring a 51% stake in the Indian Overseas International Bank. However, Indian corporates are not new to Africa and, in some cases, have been present in Africa for a very long time. For example, the Tata Group has been operating in Africa for more than six decades and is present in more than 11 African countries.¹⁴

TECHNICAL CO-OPERATION AND TRAINING

India has often emphasised that its model of co-operation with Africa seeks mutual benefit through a consultative process. Another element of the relationship is India's desire to share its knowledge and experience and skills with countries in Africa. Assistance to African countries falls under two Commonwealth initiatives: the Indian Technical and Economic Cooperation (ITEC) programme, which launched in 1964, and the Special Commonwealth Africa Assistance Plan. India spends about \$12 million annually on ITEC activities.¹⁵

Recognising most African countries' focus on capacity building and human resources development, the continent is the largest recipient of India's technical co-operation programme. This assistance includes training, deputation of experts and implementation of projects in African countries. ITEC's fastest-growing segment is consultancy and project assistance, which includes preparing feasibility studies and project reports, setting up pilot projects and research centres in the agricultural sector. A number of African countries have received assistance in this area. Project assistance, which accounts for 40% of the annual ITEC programme budget, allows India to demonstrate the skills, technologies and human resource capacities acquired in the course of its own development. The major focus of project assistance to Africa is agriculture, and ITEC has provided Ghana, Senegal, Burkina Faso and Mali with equipment and expertise for agricultural use.

Other important areas of co-operation under ITEC are vocational training in small-scale industries and entrepreneurship development, as seen in Senegal, Zimbabwe and, beyond Africa, in Vietnam and Mongolia. Such training enables young people to gain useful employment in small-size factories at comparatively low levels of capital intensity.¹⁶ The rationale behind training young African men and women is that India's strength is its expertise in different sectors of the knowledge economy. As the ITEC division explains 'India is not a rich country and cannot offer grants-in-aid to match those of the developed countries. It does, however, possess skills of manpower and technology more appropriate to the geographical and ecological conditions and the stage of technological development of several developing countries.'¹⁷ At the same time, some Indian non-governmental organisations have focused on training elderly women in Africa. The Barefoot College of Tilonia, a non-governmental organisation in Rajasthan, has been involved in training illiterate and semi-literate mothers and grandmothers in 15 countries in Africa, which has

resulted in nearly 110 rural grandmothers installing solar electricity in 5 500 remote rural houses in Africa.¹⁸

Human resource development and capacity building have been in the forefront of India's partnership with Africa. Annually, over 1 600 officials from sub-Saharan Africa receive training in India under the ITEC programme and more than 15 000 African students study in India, while Indian engineers, doctors, accountants and teachers are present across Africa.

This partnership in human resource development has been augmented by the tele-education component of the Pan-African e-network project, which seeks to bridge the digital divide between India and 53 countries in Africa through tele-medicine and tele-education. At present, 23 countries are part of this ambitious initiative, which focuses on empowering the people of Africa through ICT. The e-network has more than 1 700 African students registered with Indian universities, and regular tele-medical consultations between doctors in India and Africa have begun.

Another step towards empowering Africans is India's decision to establish 19 institutions in Africa. In the Joint Action Plan released recently, India proposes establishing four India–Africa institutes in diverse fields such as ICT, foreign trade, educational planning and administration and the diamond trade. In addition, 10 vocational training centres and five human settlement institutes are also planned.¹⁹

CAPACITY BUILDING

Notably, the India–Africa engagement has transited from mere 'commodity trading ties' to an economic partnership, where government and industry finance and invest in capacity building in Africa. EXIM has supported Indian companies that implement infrastructure projects in Africa, which include: a transmission system rehabilitation and maintenance project in Zambia; a turnkey contract for multi-product pipeline project in Sudan; a consultancy assignment in a small-town, water supply project in Nigeria; supplies for an urban power rehabilitation project in Uganda; transmission line projects in Algeria, Tunisia; and the construction of cyber towers²⁰ in Mauritius.

EXIM also extends LOCs to institutions and agencies in Africa and currently has 77 LOCs amounting to over \$ 2.5 billion in more than 48 countries.²¹ These LOCs facilitate the import of project-related equipment and services from India on deferred credit terms, with many being earmarked for infrastructure and related projects. For instance, India is involved in a railway rehabilitation project and the acquisition of tractors from India in Angola, and engaged in agricultural projects, including the supply and installation of agricultural machinery in Burkina Faso, Ghana, Côte d'Ivoire, Chad, Senegal and Gambia. In Mauritius, India is part of the Baie du Tombeau sewerage construction project. India is participating in energy transmission and distribution projects in Ethiopia and Rwanda and rural electrification in Mali and Mozambique. Indian LOCs are being used to set up cement plants in Djibouti and the Democratic Republic of Congo (DRC) and to rehabilitate a manganese mine and acquire equipment in the DRC. India is also involved in irrigation projects in Senegal and Lesotho and a housing project in Gabon.

AFRICA IN INDIA'S FOREIGN POLICY

The hereto mentioned suggests that economic factors have played an important and increasing role in the growth of India–Africa relations over the past decade. However, several other factors including India's energy deficit, its ambition to attain a position in the reformed United Nations Security Council (UNSC), rising insecurity in the western Indian ocean region and the Indian diaspora have shaped Africa's growing importance in India's foreign policy.

The relative rise of India in the international system is one of the most important developments in recent years. After decades of pursuing an inward-looking economic policy, India launched economic reforms in 1991. Within a decade of these economic reforms, India emerged as the fourth largest economy in the world in terms of purchasing power parity. As the National Intelligence Council in the US noted recently, by 2020 India will begin to overtake all the Western nations, except the US, in terms of economic size.²² Goldman Sachs believes that India will overtake the US by 2050.²³ This rapid economic growth has positioned India to become a major player in the international system. To sustain the high economic growth rate of 9% witnessed in recent years, India has to increase drastically its energy supplies.

India has traditionally relied on West Asia for most of its oil needs, but the region's volatility in recent years has necessitated the sourcing of alternative supplies from African countries. The scramble for resources in Africa dates from the late 1990s, when the oil industry designated sub-Saharan Africa as one of the world's 'hot spots'. India's growing energy needs have no doubt prompted energy co-operation with the African countries. However, it should be remembered that India is the fourth largest global consumer of crude oil, consuming over 2.8 million barrels per day, and in 2008–2009 imported crude worth \$75 billion. Therefore, while crude petroleum may now be a major import from Africa, oil imports from Africa constitute only a fraction of India's oil import bill — as mentioned earlier, India currently sources around 18% of its crude oil imports from Africa (including the North African countries).²⁴ India's relationship with Africa goes beyond access of energy and other natural resources. As Murli Deora, India's Minister for Petroleum and Natural Gas, points out, 'the emphasis has been on building an enduring partnership with sustainable development, resting on principles of equality, mutual respect and mutual benefit.'²⁵

Another factor influencing India's foreign policy is the growing importance of Africa in various multilateral institutions. India favours the reform of global governance institutions, especially the UNSC, in order to secure a greater voice and decision-making power in international processes and organisations for the South. India has repeatedly pointed out that the UNSC 'suffers from a democracy deficit',²⁶ does not represent the newly established geo-politics of the world and that the world demands and needs a changed United Nations. India has long held the belief that the UNSC must reflect contemporary geo-political realities, not those of 1945. A number of countries in Africa have expressed their support for India's call for a genuine reform and expansion of the UNSC, which would mean a greater representation of developing countries in both permanent and non-permanent categories of membership. Indian officials have often talked of joint efforts to reform the United Nations: 'Both India and Africa are acutely aware of a serious democracy deficit that afflicts the international body ... if both sides representing more than half of

the world's humanity can fight this battle for justice together, they can still make it and use their influence in the global body to create an equitable world.²⁷ As a leader of the South, India seeks to translate the goodwill that exists on the African continent into support for its ambition to gain a seat at the UNSC.

Geo-politics and security are also factors that contribute to upgrading Africa's role in India's foreign policy. Currently India has military co-operation, primarily in the area of training activity, with almost a third of the 53 African nations,²⁸ and is also one of the largest troop contributors to UN peacekeeping missions in Africa. Maritime co-operation is also on the upswing. India has a long coastline and, to paraphrase Nehru, although separated by the Indian Ocean, the countries on the eastern coast of Africa are India's neighbours. As Indian maritime experts have noted:²⁹

Our strategic maritime frontier extends from the Persian Gulf, down to the east coast of Africa and across to the Malacca Strait. Anything that happens to this region has a direct or indirect effect on our maritime interests and security and we need to be not only aware of it but must also be capable of responding appropriately, if required.

The growing menace of piracy is another challenge that has led India to enhance maritime co-operation with Africa, resulting in the deployment of the Indian Navy on the East African coast, from the Gulf of Aden to the Mozambique Channel.

Another cause of concern is the rise of international terrorism in Africa. While the threat from sectarian strife and Islamic militancy in the Sahel region, Somalia and Nigeria has increased, at the same time (confounding the manta 'failed states lead to terrorism'³⁰) designated terrorist organisations appear to operate in law-abiding countries such as South Africa and Kenya.³¹ The possibility of growing links between terrorist organisations and drug mafias in West Africa poses a major security threat not only for the West African region alone, but also for the entire international community. The Horn of Africa, particularly Somalia, has been in news of late due to the activities of extremist organisations such as Al Shabab.³² For India, the terror threat emanating from Africa (and Somalia in particular) is not as great as that from Pakistan or Afghanistan. However, linkage of Somalis extremists with those in Afghanistan and Pakistan could adversely affect India's future security. It is therefore not surprising that the India–Africa Framework for Co-operation seeks to enhance Africa's capacities to fight international terrorism.

The Indian diaspora in Africa is another factor for the region's increased importance. In the past, despite around two million people of Indian origin living in Africa, the Indian government did not consider that the Indian community abroad had any political, diplomatic or economic relevance for India. Until very recently, anti-Asian sentiments in Africa, for example Idi Amin's expulsion of Ugandan Asians in the early 1970s, guided the policy of maintaining a distance with the Indian community. However, the Indian government has revised its policy and is actively engaged in building bridges.³³ The recently held Mini Pravasi Bhartiya Divas in Durban, South Africa, signalled India's growing interest in interacting with its diaspora in Africa and building relationships based on mutual dependencies.

As India moves to increase its presence in Africa, it will face numerous challenges. One challenge is India's reticence to condemn authoritarian regimes, for example India has been reluctant to disengage from economic activity in the Sudan. And yet this behaviour

stems from the traditional Indian foreign policy principle of no international intervention within a country's borders, a position rooted in the post-colonial respect of a country's sovereignty.³⁴ Another challenge facing India is to balance its emerging role as a responsible stakeholder in the global arena with the traditional stance of a leader of the developing world. For example, again in context of Sudan, India voted with other NAM countries to refer the indictment of President Omar Bashir by the International Criminal Court (ICC) to UNSC. However, despite intense efforts by Sudan, the statements issued by India's Ministry of External Affairs fell short of either defending Bashir or questioning ICC's jurisdiction in the matter.³⁵ The growing interaction of African countries with emerging powers represents a significant challenge, as India will have to compete with China and Brazil in courting the Africans. It is therefore important that India employs all available diplomatic tools to reiterate its approach towards the African continent.

Indeed, India's diplomatic efforts are multipurpose, directed towards aiding not only India's energy strategy, but also broader goals. Nowhere is this more evident than in Africa, where India's co-operation is clearly holistic and contains cultural, educational, technical and economic components. The trade trends, the diverse investment profile and various initiatives to augment technical assistance, training and capacity building in Africa suggests a strategy that has married components of the earlier idealistic policy with strands of pragmatism. This strategy aims to strike a balance between India's growing commercial and strategic interests in Africa and its traditional policy of South–South co-operation and empowering Africa.

ENDNOTES

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South African Institute of International Affairs
Jan Smuts House, East Campus, University of the Witwatersrand
PO Box 31596, Braamfontein 2017, Johannesburg, South Africa
Tel +27 (0)11 339-2021 · Fax +27 (0)11 339-2154
www.saiia.org.za · info@saiia.org.za

