

# India and China in Africa

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As China expands its economic footing in Africa, in recent years it has diversified its presence into military and softer cultural domains. This has led to sharp differences in how India, Western countries and other observers see Beijing's presence in Africa.

For those who share a deep liberal commitment to democracy and human rights, long-term economic growth and sustainability, and socio-political stability, China's massive incursions are generally seen as harmful to Africa's interests. This is mostly visible in the economic domain, where Beijing's "win-win" approach is described as being destructive in the long-term for four main reasons.

First, as in other regions of the world, China prefers a bilateral to a multilateral or regional approach in Africa. Its trade and investments are thus negotiated on a purely bilateral, country-to-country basis, neglecting or circumventing regional organisations and multilateral frameworks that are often at nascent stages and in need of external support.<sup>1</sup> This bilateral approach obviously suits Beijing's interests because it gives it greater bargaining power, but it stifles regional integration initiatives that seek to mitigate or even solve longstanding conflicts. Not surprisingly, unlike India and also the European Union, China has thus showed little interest in using the ECOWAS in Western Africa or the SADC in Southern Africa as its interlocutors.

Second, Beijing's declared "win-win" approach is based on a policy of strict non-intervention in domestic political affairs, which in effect means that Chinese investments, aid and trade come with "no strings attached." This is a fundamental departure from existing aid and other economic development packages, mostly from Western and other developed countries, which included

clauses making them contingent on progress on democratisation, including on various political, social and religious freedom indicators. For many African governments, whether authoritarian or democratic, this new hand-off Chinese approach naturally offers an extra premium, liberating them from conditions that were often seen as excessively interventionist in domestic affairs.

This is seen with concern by some analysts based in Africa, who now call for an “African consensus” so that “the rule of law and an effective monitoring and regulatory framework are in place to oversee that [Chinese] investment practices are conducted appropriately and legally, and most of all that their [African states’] citizens are the main beneficiaries of this win-win partnership, not only state and economic elites.”<sup>2</sup> Also, while there is a wide debate on the efficiency of the traditionally Western-imposed conditional clauses (or “strings”), there can be no denial that, at least since the end of the Cold War, African states have been witnessing unprecedented progress in terms of democratisation.<sup>3</sup>

Third, China’s bilateral and non-conditional approach is almost exclusively based on a state-led model, with Chinese public companies taking the lead in executing projects negotiated by their diplomats. The almost complete absence of any competitive bidding process within China, and the consequent monopoly by state enterprises in the resources and infrastructure sector, has stimulated a lack of accountability that poses grave challenges to public transparency and accountability also in Africa countries. One can therefore only estimate the magnitude of the corruption that has overtaken the leadership in many African countries, resulting in even starker socio-economic inequalities, stronger incentives for rent-seeking and nepotism, and renewed sources for political conflict. It also remains to be proven that there is a “trickle-down” effect of such Chinese financial influx from African governing and economic elites to the rest of the population. This model is not restricted to economics as the Chinese state and its public institutions are also behind its soft power “charm offensive” executed through a wide network of Confucius Institutes and, more recently, an Africa edition of its official TV network CCTV.<sup>4</sup>

Finally, and most importantly, China’s economic penetration is radically biased in both objectives and methods. Beijing’s focus is mostly on natural resources, mainly mineral and energetic, and Chinese state companies are thus accused of both “rapaciously extractive” and “neo-mercantilist” behaviour. The construction of coastal port, airport, roads and rail infrastructure may often be part of bilateral agreements, but their geographic position and specific format is normally completely misaligned with local socio-economic development

needs. Highways thus often lead to a minister's holiday bungalow or a copper mine, while local people continue to live without access to even the most basic facilities.<sup>5</sup>

Adding to this, such sponsored infrastructure for African countries is often planned and designed in China by Chinese engineers, then executed by Chinese labourers in Africa, and often also with Chinese imported resources. Without transfer of technology, knowledge and skills, divorced from local realities and needs, such projects are thus often truly "white elephants" that African government find no demand for or are unable to maintain, besides obviously depending on China.<sup>6</sup> Most importantly, this Chinese model is also seen as stifling African private sector which are so important to the development of small and medium non-state entrepreneurship with all its associated economic and socio-political benefits.

Besides these four criticisms directed against the Chinese economic approach to investments and trade in Africa, more recently Beijing has also come under scrutiny in the military realm. China's defence relations with Africa go back to the Cold War and its support for (and involvement in) various armed independence struggles. But with its defence industry growing dramatically in recent years, it has reinforced that presence, especially in Sub-Saharan Africa, where it now sells weapons to 16 countries, more than any other top arms trader from outside the region, and accounts for 25% of the market (excluding South Africa).<sup>7</sup>

This "harder" Chinese presence adds on an unprecedented development in military cooperation, and for the United States, Great Britain, France and other major Western powers, this is a development of concern, as it may further limit its security influence on the continent. Washington's decision, in 2006, to establish a separate military command for the continent, AFRICOM, signals this increasing "securitisation" of Africa as a potential new region of great power competition.

However, while the above discussion on China's burgeoning economic and military presence in Africa focused the arguments of those that are generally sceptical about Beijing's forays, there is an alternative perspective that tends to highlight its benign impact. Not surprisingly, such voices are normally heard among China (and Chinese) scholars and experts, who are more familiar with China's domestic debates and interested in portraying the "elephant's good side". Many of these studies seek to simply contradict negative assessments and underline the various positive effects of China's forays into Africa, normally based on a set of absolute indicators such as economic growth rates, exports, resource extraction or infrastructure development. The debate, here, is a classic one of

perspective: one between “panda-huggers” that prefer to highlight positive short-term quantitative improvements after decades of stagnation, and “panda-bashers” that prefer to underline negative long-term “softer” socio-economic and political variables or prospects that are supposedly harmed.

More interesting, however, are the voices of Africa (and African) scholars and development economists such as, for example, that of Deborah Brautigam. She notes that “China does not claim to know what Africa must do to develop. China has argued that it was wrong to impose political and economic conditionality in exchange for aid and that countries should be free to find their own pathway out of poverty.”<sup>8</sup> Another argument frequently heard in this less sceptical camp deserves special attention: the fact that China’s powerful forays have disrupted the Western aid monopoly and the traditional asymmetric relation between aid providers and recipients. In this perspective, China has inserted a new competitive dimension among external powers that will ultimately benefit African countries with increased negotiation and bargaining power. And the interests of India, Brazil, Turkey, South Korea, Iran and other powers that are following the Chinese path into Africa will therefore further increase competition and, consequentially, better prospects for the countries there.

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### **India’s Interests<sup>9</sup>**

Where does India fit into the above analysis? Does China’s new profile in Africa affect India’s interests there? Must Delhi think in terms of competition or cooperation with Beijing? Over the past decade, two Indian schools of thought have developed on Africa. Invite anyone to talk about Africa in New Delhi and you will almost certainly end up discussing China and listening to a lamenting chorus on India’s incapacity to hold on to the “dragon’s safari”. These disillusioned voices represent the hawkish *emulationists* – those who believe that India should follow and match Chinese moves in Africa step by step, without any delay or hesitation. For these fans of *realpolitik* principles, it is all about competition: Africa is just another strategic context in which India will have to blindly follow and match China’s manoeuvres, if it wants to keep its great power ambition intact.

On the other hand, you have the *singularists* who, at the other extreme, refuse any possible comparison with China and underline India’s absolute “uniqueness”.

These liberal optimists take particular pleasure from African accusations depicting the Chinese as “mercantilist mandarins”. In this perspective, an Africa strategy or policy is actually unnecessary. Overtly confident, *singularists* refuse the emulationists’ competitive logic and like to believe that African government will eventually recognise the costs of the Chinese model and, in the long run, choose India as their privileged partner.

Both approaches have severe limitations and have often had a negative influence on decision-making. On the one hand, *emulationist* strategies have paid a high price because they ignore the fact that India simply lacks the financial and political capabilities to compete with the Chinese. For example, India’s public oil, gas, mining and infrastructure companies have a long record of bids and chances lost to the Chinese, starting with the 2006 Angola debacle and, more recently, in a large Ethiopian rail project. On the political front, the 2008 India-Africa summit in Delhi attracted merely 14 African heads of state and senior government leaders, as compared to 48 who had been in Beijing two years earlier.

Nor have *singularist* strategies proven effective. While encouraging a profound self-confidence in the merits of a supposed “Delhi model” (which no one really cares to define) this option has often bred strategic inertia: why bother, if Africans are believed to, sooner or later, “wake up” to India’s benign model and truly altruistic motives? The result is a general disinterest in looking at India’s presence in Africa in comparative terms, an undervaluation of the continent’s importance to India’s external interests, and a lack of investment in critical diplomatic and other resources dedicated to Africa.

How then to overcome this extremist stalemate and optimise India’s presence in Africa? China’s clout in Africa gives it an incontestable advantage over India: trade volume and preferential tariff lines; quality, speed and effectiveness of aid and credit lines; regularity of bilateral dialogues or strategic partnerships; intensity of defence relations; scope of diplomatic influence. In absolute terms, Beijing is ahead of Delhi in most, if not all these indicators. There is, however, an alternative to emulating and competing with China to try to beat it at its own game or, on the other hand, simply refusing any comparison with its Northern neighbour. This is an alternative in which India explores its specific attributes that distinguish it positively from China and that could therefore be maximised as a comparative strategic advantage in the long run.

## Five Comparative Advantages

- **Business model: “teaching how to fish”.** Unlike the state-centric Chinese model largely focused on resource extraction and necessary infrastructure, India’s economic presence in Africa is marked by the predominance of its private sector, including a significant number of small and medium enterprises. Beyond resources and infrastructure, India has carved out niches such as information and telecommunication technologies, education and health services.

The Indian sponsored Pan-African e-Network (in partnership with the African Union) links 53 countries through tele-medicine, -education and -governance, and plays a crucial role in fostering skills and human resources that are critical for Africa to develop in a sustainable way. These projects require considerable investments but, in the long term, they will pay off as African countries start to recognise India’s added value in contributing not only to the quantity, but also to the *quality* of their economic growth.

Moving beyond the narrow Chinese economic focus on resources will also protect African countries from the “Dutch disease” – the dependence on the export of natural resources and a high exchange rate that stifles productivity and international competitiveness of the domestic industrial and services sectors. India’s business model offers healing instruments by stimulating local productivity, especially in the private sector. New Delhi should not shy away from underlining and publicising this in bilateral and multilateral settings: instead of just “giving fish” and perpetuating Africa’s dependence on external powers, it is helping the continent to fish for itself by developing the necessary human resources and educational infrastructure.

African countries are already inclined to recognise Delhi’s added value in fostering sustainable economic growth: India remains the sole Asian member country of the African Union’s Capacity Building Foundation. Additionally, India’s Technical and Economic Cooperation programme (ITEC) has seen such success among the thousands of African students and diplomats who have chosen India for training since the 1960s, that it is now undergoing rapid expansion.

- **Location: proximity and overlapping security interests.** There are no direct flights linking Johannesburg to Shanghai or Beijing, but Mumbai is less than a nine-hour flight away from this major South African air hub. And the only

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direct flight connecting Ethiopia to Beijing stops over in New Delhi. Connected by the Western Indian Ocean, India and Africa share geographical proximity and several contact points that can be further explored.

By 2008, India had emerged as the largest contributor to UN mandated operations in Africa, with a cumulative effort totalling more than 30,000 personnel involved in peacekeeping, humanitarian, and electoral missions. But this commitment does not, per se, offer a direct advantage over the Chinese, who are also building up

their military presence across the continent.

Instead, it is on the East African coast that India faces a specific advantage as a potential security provider. The piracy threat along the Somali and East African coast, often stretching wide across the ocean, offers the Indian Navy a superb opportunity to develop its blue water ambitions. By keeping these crucial sea lanes of communication and strategic chokepoints (including the Gulf of Aden and the Mozambique channel) secure, and by developing the naval capabilities of the East African states through increased joint exercises, creation of new listening posts, and the supply of vessels, India will increase its delivery capacity and assume a strategic position, at least in the East African security context.

Delhi's initiative to create a regular Indian Ocean Naval Symposium (from which China was excluded), as well as its commitment to revive the moribund Indian Ocean Rim Association for Regional Cooperation are important steps in exploring proximity to and overlapping security interests with East Africa as an advantage over China. Occasional tactical triangulations with other security partners, such as the IBSA naval forces, the new AFRICOM, or the EU and NATO naval forces in the Gulf of Aden, could further leverage this advantage.

- **Democracy: the unexplored regime advantage.** At the height of the “China in Africa” hype, African governments were often said to be keen to replicate China’s centralised and illiberal political architecture. Delhi’s *emulationists* thus often despise India’s democracy as an obstacle to their country’s external performance and often envy the Chinese authoritarian capacity in “getting things done” in Africa. However, little suggests that African governments have in practice attempted to replicate the political features that sustain the great Chinese transformation since 1978.

Instead, unprecedented levels of sustained economic growth have actually reinvigorated Africa’s democratic competitiveness and pluralist institutions.

Without falling into the temptation to export or impose its political institutions on Africa, if India is able to shed its traditional inhibitions, it could share important lessons and skills it developed over 65 years of its democratic and federal success story. As a founding member of the Community of Democracies, Delhi has the opportunity to explore this “regime advantage” over China in Africa, at least in subtle and indirect ways.

For example, nine African delegations attended the International Conference on Federalism hosted by New Delhi in 2007, including Nigeria’s Vice-President who expressed his country’s interest in learning from India’s successful experience with federal democracy. Several African countries have expressed interest in working with the Election Commission of India to study and replicate India’s unique electronic voting system. India’s vibrant base of local government institutions and its independent judicial system based on the rule of law are two other areas in which India can share its unique expertise through technical cooperation, thus responding to specific African interests and, at the same time, outflank China. This is not about imposing democracy or making human rights and freedom of expression an “issue” in bilateral relations. It is about India’s ability to respond to African states’ requests to share its institutional and technical experiences on how to best manage a culturally diverse society through democratic, decentralised and transparent policies and institutions.

- **Diplomacy: Southern power.** China and India are both situated in the Northern Hemisphere, but paradoxically are also competing ferociously to become leaders of the “Global South”, be it during the trade negotiations at Doha or, more recently, at the climate change summit in Copenhagen. But as a traditional “bridging” or “positive power”, India has a distinct advantage: in stark contrast to the radical ideological and interventionist Chinese moves during the 1950s and 1960s, Delhi played a much more constructive *diplomatic* role in supporting the African independence movements, recognising them and representing their aspirations in the United Nations.

India’s leading role as a Colombo Power in creating the Non-Alignment movement at Bandung and its central role within the Afro-Asian UN block of the 1960s has thus earned it a persisting respectability as a “Southern power”. For example, unlike China, India is a founding member of the G-77 of developing nations and held its presidency twice, and also a member the Non-Aligned Movement (of which China is only an observer state).

India is also a member of the influential Commonwealth organisation and at the heart of the impressive Southern trilateral (and tri-continental) India-

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Brazil-South Africa (IBSA) axis that gives it a strategic advantage to engage with the Southern Africa Development Community (SADC) and Sub-saharan Africa. These various diplomatic engagements pay off, for example, in India's bid for a non-permanent UN Security Council in 2011-12, where New Delhi received the vote of 187 (out of a total of 190) states, the highest ever in the preceding five years, and more than 50 of which from Africa alone.<sup>10</sup> This diplomatic profile offers Delhi a distinct advantage that will

develop even further as South American, African and Asian states seek to design new institutions and multilateral initiatives that are more responsive to their needs. To design and shape these emerging alternative governance structures, it is only natural that many such states will tend to look at India, rather than China, for leadership and inspiration.

- **Diaspora: local intermediaries.** A final potential advantage resides in the cultural proximity between Africa and India. The large Indian diaspora plays a vital factor in this regard: a 2001 estimate by the High Level Commission on the Indian Diaspora identified close to one hundred thousand Indian citizens residing in Africa, with more than half in Eastern and Southern Africa. On top of this more recent immigrant community, there are more than one million people of Indian origin who have settled in Africa for many generations (close to one million in South Africa; 25,000 in Madagascar; 15,000 in Zimbabwe; and 8,000 in Nigeria).<sup>11</sup>

Unlike the more recent and radically segregated Chinese “labour diaspora” that has often led to frictions and protests in Africa, these communities of Indian origin are fully integrated and often interested in offering their business expertise as consultants to Indian investment projects. Their local contacts also often present Delhi with privileged channels to access key political figures and represent Indian interests in moments of crisis. Shashi Tharoor notes that, in Liberia, for example, the local Honorary Indian Consul, a local businessmen of Indian origin, stayed on in Monrovia throughout the various civil wars when most other diplomatic missions had to close down.<sup>12</sup>

At the same time, beyond geographic proximity, India also offers a much more familiar and open society: racism against Africans in India is not uncommon, but well below the levels experienced in China. For the increasing number of African investors and students who seek opportunities abroad, English-speaking

India therefore offers a much more attractive destination: an increasing number of African businessmen permanently reside in Delhi and Mumbai, and more than 10,000 African students enrol annually in Indian universities, many of them sponsored by the Indian government.

## **Conclusion**

The above analysis suggests that the debate on the impact of China's growing presence in Africa is still wide open. Besides the biased and extremist agendas of "panda-bashers" and "panda-huggers," more scholarship is needed to evaluate in what specific circumstances Beijing's model may be either benign or detrimental to the development of its African partner countries. As in trade, while overall a bilateral relationship may well be one in which both countries "win", the domestic reality always contains both "winners" and "losers," which are affected by an unavoidable redistribution of wealth and, consequently, political influence and power. There are strong indications suggesting that, at least in many African countries, China's massive investments are biased towards favouring short-term beneficiaries, specifically existing economic and political elites. India will have little chance to compete with this model. This, however, does not mean it should give up on a strategic approach to the continent and implementing its own developmental model and relative strengths: as noted in this article, Delhi has at least five factors that, if explored in the long run, will give it an advantage over Beijing in specific sectors.

Democratic economies like India think about and operate externally very differently from authoritarian and state-led ones like China. ONGC may have lost out to SINOPEC on important oil contracts in Africa because of a myriad of required parliamentary clearances and other domestic and bureaucratic constraints. But, in the meantime, India's private sector is developing its own expertise and capabilities in Africa, where it plays an important role in strengthening the local private sector, which, in turn, limits the prospects for an overbearing and nepotistic state. However, all this should not, as Indian singularist thought on Africa often does, lead to passive complacency and a blind belief in the virtues of the Indian developmental model and approach to Africa.

As noted in this article, the radical change in India's Africa policy over the last five years has already led to the implementation of many of these suggestions into a new model of engagement with the continent. Never before have so many resources in the Ministry of External Affairs been dedicated to Africa, from the creation of a third joint secretary for West Africa to an expanding

network of 27 embassies or high commissions, five consulate generals and fifteen local honorary consulates. This is an impressive effort that involved not only government agencies, but also representatives of the private sector and Indian civil society. Slowly and steadily, India is on the right way to explore its comparative advantage over China and establish itself as Africa's most credible, trusted and truly beneficial partner.

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## Notes

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