

Parveen Dahiya, Research Scholar,
Department of Political Science,
Baba Mastnath University, Rohtak.

Dr. Manjeet Kumar, Assistant Professor,
Political Science Department, Baba Mastnath University, Rohtak, Haryana

Abstract :

In the aftermath of the Cold War, India has utilized these long-term relations to take advantage of Africa's economic and geopolitical. Similarly, African governments have found a reliable ally in the Indian government, through its continued support in economic, political, and socio-cultural arenas. One needs not to go further than appreciate the three India-Africa Forum Summits (IAFS) held since 2008 to display these cordial relations.

Similarly, India now has embassies, high commissions, and consulates across the African continent's 54 countries. The current Prime Minister, Narendra Modi, champions the Indian government's foreign policy toward Africa called "multi-alignment foreign policy." Current statistics indicate that India is now Africa's third-largest trading partner, accounting for over seven percent of Africa's trade output, calculated at over \$70 billion. Africa has been the source of India's demands for oil, gold, ores, and gas, among other items.

Various multi-national companies of Indian or African origin operate in Africa and India. As technological changes have ensued, many of these now operate in areas of IT, farm machinery, and transportation.

Keywords : Colonialism, Justice , Rights, MNC's, Trading Partner, MFN.

Fundamental's of Indian Political Relation

Freedom from the British after decades of intense nationalist struggle had accorded India remarkable prestige at the world stage , hailing not only its successful crusade against colonialism, imperialism and racism, but also as a champion of decolonization , people's rights and justice against arbitrary power. Under the leadership of Prime Minister Jawaharlal Nehru was quick to decide in favour of retaining and entrenching this image of India. As Ramchandra Guha points out, for Nehru, foreign policy was a means of making India's presence felt in the world.

¹*Author Ms Parveen Dahiya is pursuing PhD from BabaMastnath University, Rohtak Haryana, India.*

Through his long tenure, he simultaneously served as the foreign minister of the government of India. He personally supervised the creation of the Indian foreign services, transferring to its cadre, able officers of the Indian civil services and making fresh selections from the youngⁱ. Sumit Ganguly infers that at a personal level, Nehru sought to pursue an ideational foreign policyⁱⁱ, and thus, the overall rubric had found its mould. The historical memory of a great Indian civilization has practical consequences the Indian official believes that they are representing not just a state but a unique civilization, which has something special to offer to the rest of the world.

Cohen argues that these beliefs explain Nehru's tendency to moralize, and the Indian propensity to lecture other powers of great andⁱⁱⁱ. However, deliberating on the sources of the strategic ideas which guide Indian foreign policy, Pant, Bajpai point out that although canonical texts such as the Hindu Vedas, Upanishads, Puranas, Manusmriti or epics such as the Ramayana, Mahabharata and Bhagwadgita, and the Kautilya's Arthashastra are often cited the influences on the India's strategic thinking, for the elite Indian involved in the articulations and implementation of foreign policy 'to bring to bear deep knowledge even of the Hindu epic would be surprising'^{iv}.

The ideas which guided Indian foreign policy in the immediate post-independence period were thus not unequivocally hinged on norms, they were conscious of a realist goal. Writings of Jawaharlal Nehru repeatedly articulated India's demands to be recognised as a great power despite opposition from the established powers of the world^v.

Itty Abraham^{vi} notes that the need to gain global recognition of India's importance was also rooted in Nehru's insistence that newly independent countries must have a say in world affairs. He believed that it lay within India's diplomatic prowess to mould the external environment to suit its national purpose.

The effort to establish India as a forceful and independent voice in international fora became a driving concern^{vii}. Thus a unique mix of normative principles asserting India's civilization history, penchant for peace, neutrality, development, justice and national strength became the necessary basis for conducting external relations and foreign policy.

Historically, the main tenet of India's Africa policy has been support for the struggle against decolonisation and racial discrimination in south Africa. The leadership role against imperialism, colonialism, racism and hegemony played by 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.^{viii}

Later, Nehru and other importance 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 1960's and 1970s economic issues, common development challenges and need for a new international economic order brought India closer to the countries in Africa .^{ix} However, the concept of south – south co-operation espoused by both India and African countries at various international forums remained national, and the level of trade remained quite low.^x

India has historical ties with Africa that pre-date the Independence period. After Independence, India began to establish commercial relations with countries in Africa. One of India's first preferential agreements with African countries was signed in 1974 with Senegal. It was a limited agreement covering goods, requiring parties to accord most-favoured-nations (MFN) treatment to each other. No binding tariff commitments were made at the time.^{xi}

This was followed in the 1980s by a series of trade agreements, which became a key component of India's then emerging international trade policy focused on facilitating greater economic cooperation among developing countries. Trade agreements were signed with Ghana (1981), Uganda (1981), Zimbabwe (1981), Angola (1986), and Zaire (now Congo, 1988). Most of these agreements were constitutional in nature, without any specific tariff commitments.

They only required the contracting parties to accord MFN treatment to each other in the absence of any specific tariff commitments. In some cases, such as under the agreement with Senegal, a specific list of goods for promotion of trade was specified. However, none of these agreements were subsequently notified under the WTO. More recently, India has concluded a preferential agreement with Mauritius, which covers goods, services and investments, among others.^{xii}

India is also negotiating the India-SACU Preferential Trade Agreement and the India-COMESA Preferential Trade Agreement. In addition to this, as a signatory to the Global System of Trade Preferences (GSTP) among developing countries, India accords tariff preference to the member countries, including those from Africa. India also launched the duty-free scheme for least developed countries (LDCs) in August 2008, which was later revised in 2014. Accordingly, import duties were removed for nearly 98 percent of the tariff lines. African LDCs can also avail these benefits.^{xiii}

Ingredients for Sub – Saharan Africa's market access strategy

On unilateral, regional, and multilateral trade agreements, it is worth assessing whether the EU's stated objective—to use economic partnership agreements to foster development in its low- and middle-income trading partners—would hold in a protectionist world. Would

“regional integration to scale up supply capacity, and global integration to scale up demand” still be a valid proposition, as suggested in World Development Report 2009: Reshaping Economic Geography ? Will Sub-Saharan Africa’s preferential access to the EU and the United States hold in a protectionist world? Will the rising Africa–Asia trade hold in the new global environment? Regarding GVCs, offshoring, and structural transformation, it is worth assessing whether nontariff measures such as standards requirements and other nontariff barriers are a catalyst or a barrier to Sub-Saharan African firms’ participation in food GVCs.^{xiv}

Furthermore, with the Fourth Industrial Revolution, what will it take for Sub-Saharan Africa to continue to attract offshoring and outsourcing of manufacturing? As for the challenges to expanding trade in services, it is worth assessing whether the services liberalization momentum will continue in a protectionist world. Would services trade liberalization still be a driver of aggregate productivity? What could happen to services preferences? The role of countries’ own policies is of course the main driver of trade performance for both goods and services, and Sub-Saharan African countries will be best advised to continue their trade reform momentum.^{xv}

Bilateral Trade

In terms of bilateral trade, the African Union is one of India’s largest trading partners after the United States (US), China, and the United Arab Emirates (UAE). With a share of 8.52 percent in world trade, India’s total trade with Africa in 2019 was valued at USD 68.33 billion. India has a negative trade balance with Africa, implying a dominance of imports over exports. In 2019, India’s trade deficit with Africa was valued at USD 9.1 billion, which accounted for nearly 6 percent of India’s total trade deficit in the case of trade in goods.

Within the African Union, India’s top trading partner is Nigeria (20.91 percent)^{xvi}. (See Table 1) Ten countries account for nearly 60 percent of India’s total trade with Africa. Of them, India enjoys a positive trade balance with Egypt and Mozambique; India has a deficit with all the others.

Table 1: India's Top 10 Trade Partners in Africa and their Share in World Trade (2019)

Rank	Partner Name	Import USD (Bn)	Share %	Partner Name	Export USD (Bn)	Share %
1	Nigeria	10.61	2.22	S.Africa	3.98	1.23
2	S.Africa	6.63	1.39	Nigeria	3.68	1.14
3	Angola	3.80	0.79	Egypt	2.66	0.82
4	Ghana	2.49	0.52	Mozambique	2.14	0.66
5	Egypt	2.00	0.42	Kenya	1.93	0.6
6	Algeria	1.99	0.42	Tanzania	1.69	0.52
7	Morocco	1.10	0.23	Togo	1.09	0.34
8	E. Guinea	0.96	0.2	Sudan	1.08	0.33
9	Tanzania	0.86	0.18	Morocco	0.94	0.29
10	Mozambique	0.86	0.18	Ethiopia excludes Eritrea	0.82	0.25

Sources : WITS database of the World Bank ^{xvii}

In 2019, India's total exports to the African Union amounted to USD 29.59 billion and imports were valued at USD 38.74 billion. A majority of India's imports from the African Union originate from Nigeria (27.39 percent), followed by South Africa (17.12 percent), Angola (9.81 percent), Ghana (6.44 percent), and Egypt (5.17 percent). Meanwhile, India's exports are directed towards South Africa (13.46 percent), Nigeria (12.43 percent), Egypt (8.98 percent), Mozambique (7.22 percent), and Kenya (6.53 percent).

In terms of the key items of trade – in 2019, nearly 61 percent of India's imports from the African Union comprise of fuels, largely crude oil from Nigeria, Angola and Algeria; this is followed by precious stones and glass (~20 percent) from Ghana, South Africa and Botswana. There are other items of imports such as vegetables, metals and minerals that originate from various African countries including Benin, Sudan, Zambia, South Africa, Morocco and Cote d'Ivoire.

There is more diversity in India's exports to Africa. In 2019, about 20 percent of the total exports comprised of fuels – including noncrude petroleum oil to Mozambique, Togo, Tanzania, Kenya and South Africa, among others; chemicals (18.50 percent) including pharmaceutical products to Nigeria, Egypt and Kenya; machines and electricals (12.59 percent) to Nigeria, South Africa and Egypt.

Thus, while much of the trade is with Nigeria and South Africa, India has trade linkages with other smaller African countries. Over the recent decades, India's trade with Africa has become more diverse.^{xviii} There has been a shift in India's export basket to the continent, from textile yarns to petroleum products, pharmaceutical products, chemicals and

manufactured products. At the same time, India's import basket, though dominated by primary products and natural resources, is still diverse given the wide natural resource base in Africa.

Direct Investments

In the five years between 2015 and 2020, India received foreign direct investments (FDI) worth approximately USD 62.8 billion^{xix} from Africa; during the same period, Indian investments in Africa amount to around USD 20.1 billion.^{xx} India's bilateral investments with Africa are atypical, as in most cases the investments can be linked to India's existing bilateral agreements with African countries.

A majority of the inflow of investments from Africa to India originate from one country—i.e., Mauritius. It is the single-largest investor in India with a share of 28 percent in India's total cumulative FDI inflows during April 2000-March 2021.^{xxi} Within Africa, as of May 2021, almost 99 percent of the total FDI originated from Mauritius. This can be explained by the fact that the country is a tax haven, and a majority of the investments are round-tripped to India. The Double Taxation Avoidance Agreement (DTAA) between India and Mauritius allows Indian companies to avail the lower tax rates in Mauritius.^{xxii}

Excluding Mauritius, over the last five years (2015-2020), India received investments from South Africa, Seychelles, Mozambique, and Uganda. Telecommunications services, cement manufacturing, financial leasing, power generation, air transportation activities, and advertising services, among others, are some of the key sectors in which India has received FDI from Africa.

If investments from Mauritius are excluded, some of the key areas of investment include healthcare services (largely from South Africa), manufacturing of pharmaceutical products (Seychelles, Mozambique and South Africa) and financial services (South Africa).

In terms of India's outward investments to Africa, between January 2015 to May 2021, a total of USD 23.3 billion has been invested from India to Africa. A majority of these investments are made in Mauritius (84 percent) followed by Mozambique (11 percent) and South Africa (1 percent). In Mauritius, a majority of these investments are made in financial services, followed by transport, storage and communication services.

In Mozambique, a majority of the investment is directed towards mining and in South Africa, they are directed to financial services. Overall, financial services, telecommunications services, and mining are among the largest recipients of FDI from India to Africa. Some of the large investors from India with overseas investments in Africa are ONGC Videsh Limited, BhartiAirtel Limited, Vedanta Limited, Shapoorji Pallonji Infrastructure Capital Company Private Limited, GMR Infrastructure Limited, and Sun Pharmaceutical Industries Limited.

Table 2: India's Investments in Africa (Jan 2015-May 2021, By Sector)

<i>Activity</i>	<i>Total (USD Bn)</i>	<i>Share (in %)</i>
<i>Agriculture and mining</i>	<i>3.16</i>	<i>13.50</i>
<i>Community , social and personal services</i>	<i>1.03</i>	<i>4.43</i>
<i>Construction</i>	<i>0.93</i>	<i>3.98</i>
<i>Electricity , gas and water</i>	<i>0.10</i>	<i>0.45</i>
<i>Financial, insurance and business services</i>	<i>6.72</i>	<i>28.63</i>
<i>Manufacturing</i>	<i>4.61</i>	<i>19.67</i>
<i>Miscellaneous</i>	<i>0.02</i>	<i>0.10</i>
<i>Transport, storage and communication services</i>	<i>5.52</i>	<i>23.51</i>
<i>Wholesale, retail trade, restaurants and hotels</i>	<i>1.34</i>	<i>5.72</i>
<i>Total</i>	<i>23.46</i>	

Source :Goyal. M, *The African continental free trade area : Opportunities for India.*^{xxiii}

Therefore, a majority of the investments from India to Africa are in the services sector – and within this, most can be attributed to the bilateral tax treaty between the two markets. Nonetheless, there are some complementarities with India’s bilateral trade trends, particularly in the case of resource-seeking investments in the mining and chemical industries. These trade and investments links can be strengthened under the AfCFTA. Moreover, the above discussion highlights that India’s trade and investment interests in Africa are fairly diversified. The AfCFTA is thus likely to create opportunities for India with Africa by integrating it with global value chains, and within Africa by fostering trade linkages with different countries of the continent.

Conclusion

While taking forward the multifaceted engagement on the basis of PM Modi’s ten guiding principles, the maximum focus needs to be on empowering and skilling youth both in India and Africa. India’s development partnership with Africa would, as always, be guided by Africa’s priorities, on terms comfortable to them with a view to not constrain the partner country in any way and contribute to creating local opportunities and building local capacities among the young people, in each African country. It is the opportune time to unleash the untapped potential of the Africa-India partnership and for jointly leveraging opportunities to collaborate in all areas including Health, green and sustainable development, Education including skilling, IT, Agriculture, Digital economy including

emerging technologies like AI, AR, Blockchain, etc. As emphasised by PM Modi, the “partnership will build instruments of empowerment in Africa. Two-thirds of India and two-thirds of Africa is under the age of 35 years and if the future belongs to the youth, this century is ours to shape and build”.

As part of the ethos of VasudhaivKutumbakam or the world is one family, India is happy to share its developmental experience with other friendly developing countries. Their wide-ranging agenda and concrete action plans and outcomes signify the strength and depth of the special ties between India and Africa.

Endnotes

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