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SINO-INDIAN COMPETITION IN AFRICA

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African countries' development and the future of the continent has been associated, for the last decade especially, with the involvement of eminent international actors, not only Western, but also the emerging Asian powers, China and India. Currently, this trend is understood mainly as South-South cooperation, but it raises a lot of voices for blaming China as a new colonialist power eager to explore natural resources of African countries. Contrary to this accusations, Indian conduct in African continent got much more favorable understanding, as it is based on common past and destiny and focused on the education and technological development mostly. At the same time, both China and India, as so called emerging powers, not only need African energy resources for their own further rise, they are also searching for the political support of African countries and that is the reason why Chinese and Indian strategies are extremely "Africa-oriented" on the beginning of the 21st century. Also, it should be noticed, that India was late in her appearance in Africa, while China provided deep interest and invested hugely a decade before, since 2006.

By contrasting Sino-African with Indo-African relations, this paper seeks to contribute to a more nuanced understanding of Beijing's involvement in Africa, to go beyond simplistic assumptions and to carve out differences and similarities. At the same time, Indian strategic behavior is estimated as a complex one, with some preferences and specific dimensions. Based on this analysis, the paper eventually assesses perspectives of cooperation – prospects that are often overlooked when focusing only on areas of competition in both countries' policies towards Africa. The paper goes further to explain both India and China's motives in their engagement with Africa, strategies employed to achieve these motives and why China occupies the enviable position of the most influential economic player in the continent.

Keywords: Africa, development, Chinese investments, resources, Indian technology projects, Indian-Chinese rivalry

Introduction

While political experts differ on their opinions over the relationship between China and India in Africa, with some calling it a competition, others, rivalry or animosity with some elements of cooperation, we can certainly confirm that both powers have demonstrated their gross interests in the continent through varying investments margins in a bid to command superior influence. It is very obvious that both powers employ different

strategies and policies in their engagement with the African continent but political analysts widely believe that their interests are similarly tied to the vast resources of the continent. The reason for this is not farfetched since both powers are in need of resources to fuel and sustain their immensely growing economies.

Historically, India had an early presence in East Africa (particularly in Kenya, Tanzania and Uganda) and Southern Africa (South Africa, Mauritius, Madagascar and Seychelles); hence, there is an important African population of Indian descent in these countries. Indian investments are mostly concentrated in these countries due to the early historical ties and significant populations of Indian origin.

China started engaging mainly with Africa later than India but has developed into the major trading partner of the continent. In 2008, China surpassed the United States to become Africa's most important trading ally. Since the 1990's, China and Africa have established one of the fastest growing economic partnerships in the world. In 2014, China's trade with Africa was at \$200 billion, while trade between India and Africa was at \$70 billion.

Why Africa is important to China

China's vast economy, which is the second largest economy in the world, requires huge raw materials and energy resources. As the Middle East has become a too chaotic supplier-destination for energy, *China found African countries as the ideal supplier-destinations for much needed natural resources, such as oil, minerals, timber and cotton.* Moreover, African markets are seriously attractive to any export-oriented industrial economy like China because of Africa's large population (around 1.1 billion), who are potential consumers. For China, African fast-growing markets are ideal for immediate export of cheap manufactured goods that China is best in making, and also ideal for future export of high-end products and services, towards which China is slowly moving.

Furthermore, Africa could be instrumental for China in its counter to the U.S.'s "Pivot to Asia," which is a diplomatic, economic and strategic offensive aimed at undermining Chinese influence in the region. The "One Belt, One Road" strategy is China's response to U.S.'s pivot to Asia', aimed at more closely integrating Europe and Asia via land and maritime infrastructure and China is seeking to include Africa within its "OBOR" strategy.

Sino-African relations and why Africa prefers China over India

China has adopted a flexible approach with regard to the African resource market under the "Beijing Consensus". This flexible approach is characterized by the following principles adopted by China in its relations with African nations.

- (i) Non-interference,
- (ii) Infrastructural development,
- (iii) Friendship and respect (for African leaders, people and sovereignty) and,
- (iv) Chinese model of development (operating in Africa under the influence of China's own development history, which prioritizes "economic development" over other progress).

The Beijing Consensus, as understood by many African officials and intellectuals, portrays China's intention of maintaining a strict respect for African sovereignty and China's non-interference approach to internal issues of African countries. According to Dr. Admore Mupoki Kambudzi, who is Ag. Director of the Peace and Security Department of African Union, China based its relations with Africa on peaceful co-existence and foreign aid without any strings attached; thereby making a contrast with aid from western countries that was given with pre-conditions [Kambudzi 2013, 31]. In line with this policy, *China helps Africa with loans and infrastructure building projects without any*

political strings attached about democracy or transparency. Such Chinese non-interference approach gives African countries enough flexibility to work for immediate economic development.

Since 2008 China has emerged as Africa's largest trading partner. Chinese direct investment in and lending to African countries has grown rapidly as well. This Chinese engagement in Africa has no doubt led to faster growth and poverty reduction on the continent. Per capita growth rate of the average African economy surged from 0.6 % per annum in the 1990s to 2.8 % in the 2000s. African countries have strengthened their institutions and macroeconomic policies, and that is one factor in the growth acceleration. Also, demand from China for the continents' main exports – oil, iron, copper, zinc, and other primary products has led to better terms of trade and higher export volumes, which is another important factor in growth accelerations. The acceleration of Chinese economic engagement with Africa is striking. Foreign direct investment increased thirty-fold between 2003 and 2011, from US\$491m to US\$14.7 billion. In 2012, China pledged US\$20 billion of loans to Africa over three years for infrastructure, agriculture and manufacturing. Chinese government statistics reported that trade with Africa grew to about \$166 billion in 2011. African exports to China have risen to \$93 billion from slightly more than \$5 billion in the decade preceding 2011 [China Announces... 2012].

In the Pew Global Attitudes survey for 2015, African respondents had significantly more positive view of China (70 % with a favorable view) than respondents in other regions such as Europe (41 %), Asia (57 %), or Latin America (57 %). This likely reflects the positive impact of China's engagement on African growth.

China has re-cast Africa's position in the global economy. Africa's natural resources and China's "Go Out" strategy have underpinned a rapid surge in Chinese investment and two-way trade. The array of Chinese enterprises active in Africa, and their financing, defies simple categorization. China's adherence to principles of "non-interference" and "mutual benefit" is increasingly tested as ties multiply and expectations rise.

During a seven nation tour of Africa in August 2012 the then American Secretary of State Hillary Clinton represented a strategic caving-in of sorts. In many of the places she visited, the Chinese had gotten there first. In fact, China is everywhere in Africa these days, both exploiting the continent's vast natural riches and pursuing infrastructure projects long promised but never quite delivered by the West [Hillary Clinton... 2012].

These projects include building railroads from inland areas to the coast, with the eventual prospect of a network that spans sub-Saharan Africa, putting in highways at affordable prices across the continent and constructing state-of-the-art office complexes, within budgets that African nations can afford. These are amenities that the African continent has been deprived of for a long time as a result of past toxic combination of corruption and murky ties between ex-colonizing countries (and their business elites) and corrupt African leaders, and overly complex planning structures which derailed project after project. By implementing the ability to deliver projects on time and on budget, the Chinese offered African governments and people a clean-cut deal: If you work with us, we will work with you.

It has been noted that China wants to move away from its low-end products manufacturing trend to high-end products. In the process of doing that, China intends to build up the low-end industrialization capacities in other countries, helping Chinese companies in their attempts to "go global" as they set up factories in other countries. And, industrialization is just the obsession that many African countries are craving for. Therefore, it seems China's plan to build up the low-end industrialization capacities in other countries and African countries' desire for industrialization coincides with each other, making China and Africa the ideal-most partners for each other in this regard.

In the cultural sector, China has also been increasing cooperation and exchanges with Africa, particularly in the media and education spheres. Over the last decade, China extended its media presence across all major press and electronic media in Africa. The famous CCTV News Channel and China Daily have dedicated Africa editions. Africa hosts a number of Chinese cultural centers and 46 Confucius Institutes, which focuses on the promotion of the Chinese language and culture. Health care development and medical assistance have been one of the main successful areas of cooperation.

In terms of military cooperation, relations between China and Africa goes back to the Cold War period when China backed a number of African liberation movements, while post-cold war era witnessed a military relation based on economic interests rather than ideology. China has been sending troops to Africa to participate in peacekeeping and pledged to increase its support for the peacekeepers in Africa. Apart from peacemaking, China provides military training and equipment to a number of African countries. An increasing number of African countries have shifted their source of supply of defense hardware from traditional providers to China. The need to protect China's increased investments in Africa have driven China to adopt new diplomatic and military initiatives in order to try to resolve unrest in countries like South Sudan and Mali. China's security assistance to the African Union and national militaries of many African countries is in part designed to boost their capacity to counter threats (such as the deadly 2015 terrorist attack on the Radisson Blu hotel in Mali) [Deadly Mali... 2015] to their economic interests from conventional and non-conventional armed forces. China's first ever overseas military facility is planned to be hosted in Djibouti, located in the Horn of Africa.

In order to ensure unbreakable amicable relationship and to strengthen alliances in different areas of interest, China and African nations agreed in October 2000 to establish the *Forum on China-Africa Cooperation (FOCAC)*. Since then Chinese and African partners meet every three years for the summit of FOCAC, or otherwise known as China-Africa Summit. During the 2015's summit, which was held in South Africa, Chinese President Xi Jinping pledged \$60 billion over a three-year deal in loans and assistance to the African countries. [China Pledges ... 2015]. On the media front, he said that China would provide training for 1,000 African media practitioners each year, and would set up satellite TV programs in 10,000 African villages. Mr. Xi also pledged to provide funding for 200 African scholars and 500 African students to visit China each year. China would also provide 2,000 education places and 30,000 government scholarship places for Africa. China would establish regional vocational education centers and colleges, train 200,000 technicians and provide Africans with 40,000 training opportunities in China. He further pledged some 200 poverty reduction projects, 30 teams of agricultural experts and a limited amount of debt relief to some of the poorest African countries.

As part of China-Africa peace and security program, Mr. Xi pledged that China will provide \$60 million in free assistance to the African Union to build and maintain its army, both its regular army and crisis response, as well as support UN peacekeeping in Africa. China's new Africa policy pledged more military cooperation, including technological cooperation, joint exercises, personnel training and intelligence sharing. It states that China's goal is to build up African capabilities so that African countries – as well as organizations like the African Union – can ensure their own stability. However, Xi made it clear that through increasing economic and military cooperation, China does not intend to colonize Africa. He clearly stated that China strongly believes that Africa belongs to the African people and African problems should be handled by the African people. He also clarified that China's latest military efforts are to combat militancy, and not to engage directly in the local African conflicts.

India's interest in Africa

If China's role in Africa soon became more than visible, *India looks much more modest in its efforts*. At the same time, Indian strategy, while being also focusing on

mutually beneficial cooperation, demonstrated some peculiar attitudes and ways of their implementation. <u>India needs Africa for many reasonable factors, namely:</u>

- Recourses dependence
- Security challenges (piracy)
- Blue economics projects in Indian Ocean
- Support on many crucial issues, like India's membership in NSG (Nuclear Suppliers Group), UN Security Council.

(For the last reason at the Pan-African level, India is making a conscious effort to develop an institutional relationship with the AU).

Speaking about India – Africa relationship, some crucial points should be highlighted. During the last 2 decades, India's economy demonstrates some of the highest growth rates in the world economy. Yes, it is still behind China, but the pace of Indian economic growth is really very impressive. Traditionally, the rapid rise of economic power and political position of nations has been attributed to a combination of factors. While Chinese scholars advocated the concept of comprehensive national strength, which includes the manpower and natural resources, culture and science, economics, military power and technology, India has something to add. In particular, Indian policy-makers and scholars always stressed the importance of the welfare of the individual, not only the nation in common, as well as positive image at the international stage and less aggressive, let's say, engagement with foreign partners. This attitude could be traced in the relationship with African partners, we believe.

The recent economic trajectory in India has been spectacular, with every year economic growth from 5 to 11 % (at the end of 90-s and beginning of the 21 century). 2016—2017 demonstrated 7.5 %, which is not bed at all, to compare with many other great nations. Maintaining such high rates requires an expansion of foreign economic relations, to preserve traditional trade suppliers and finding new ones. In that case Africa got a crucial position for India's further development and special place in global affairs. *India needs Africa not less than China does, but it has her own story of relationship with the African countries*.

- 1. Africa is a dynamic trade partner, geographically close to India. Given India's cumbersome logistic and bureaucratic costs domestically, it can be cheaper for a firm in Mumbai to ship a product to Kenya than to transport it to Kolkata.
- 2. African and Indian consumers have similar levels of income and, consequently, compatible quality requirements. This opens a trade opportunity for Indian firms that would fail to meet the higher standards of developed countries.
- 3. India shares certain cultural and institutional similarities such as language and institutions based on a common colonial past, particularly in East Africa which facilitates investment in areas where other foreign investors would be dissuaded.

India maintained not only bilateral relationship with African countries, but also different organizations of the Black continent. Since the beginning of the 21 century India extremely developed economic collaboration with Africa, by 2003 Indian investment turned over 1 bln \$. In 2004, India presented a draft Vision Document to the African Union, also, this year New Delhi initiated Program "Focus Africa" for the years 2004–2007, specially dedicated to the energy sector projects in different countries (Nigeria, Sudan, Kenya, Libya, Ethiopia). It is more than required, as Indian traditional import is the oil from Africa. Oil India's policy is focused on creating long-term reserves of energy raw materials and increasing the re-export of oil, especially oil products. Africa will continue to be a partner of special priority in this context [Beri 2008, 83].

On counterpart, the transformation of Indian economy since the last decade of 20 century and Indian successful IT story are very attractive for African countries. In 2004 Indian President A.P.J. Abdul Kalam presented a special program of support for all 53 African countries – members of African Union in the sphere of Informational technology. Due to

this initiative a Pan-African internet network has been provided. In 2007 the first India-Africa agricultural forum has been organized to promote collaboration in agriculture, food security and trade. Also, India has allocated 10 slots in the year 2006–2007 for the Indian Technical and Economic Cooperation (ITEC) program to the AU Commission Personnel [Singh 2007, 501].

So, India's role in Africa is growing: the trade turnover of India with the countries of the African continent has increased since 2013 by almost three times, and reached 70 bln \$ in 2016, the target is to make at least 100 bln \$ in a few years. The absolute numbers are relatively low and much less than that of India trade with developing countries in Asia. India has signed more than 70 agreements on cooperation with countries of the African continent in recent years, in such areas as agriculture, food and energy security, health, IT, infrastructure, education, development of small and medium-sized businesses. India increased its lending to a number of African countries, their share reaching 57.9 % of total credit lines provided by country to developing nations in different regions of the world. This kind of foreign economic relations generated by India with the countries of the African continent can be considered as a "soft power".

The economics and trade should be provided by special strategy, taking into consideration this normative practice, the previous Indian government provided some initiatives. India actively participated in the NAASP: The Asian African cooperation has entered a new chapter as during the Asia-Africa Summit on 22–23 April 2005 in Jakarta, on the 50th Anniversary of the original conference, leaders from Asian and African countries declared the New Asian-African Strategic Partnership (NAASP) as a blue print to bolster the Asian African cooperation in the future. As a venture to build a bridge between Asian and African, NAASP focusing its cooperation on the three broad pillars of partnership namely political solidarity, economic cooperation and socio-cultural collaboration.

India was quite successful in bringing this new possibility into its wider appearance in Africa. The Government of M. M. Singh started a long-term cooperation in the sphere of IT and communications, by providing a wide variety of cheap services, operated by Indian companies. Also, Indian ITEC (economic and technical cooperation) program has been proposed for the education and skill-training and African people from all over the continent enjoyed this possibility.

In 2008 1-st India-Africa Forum announced a Plan of Joint Actions for the 21st century and Delhi Declaration was adopted to give more possibilities for the collaboration in wide spectrum. So, thus a background of business and people-to-people contacts has been created

India-Africa relations entered a new era of partnership under new BJP government of N. Modi. After the parliament election in May 2014, Indian new Prime-minister Narendra Modi presented a modern interpretation of traditional Indian foreign policy strategy, with focusing diplomatic activity of the government of wide and strong economic relations with world's most dynamically developing regions. As his main objective was announced as "to create an active network of economic diplomacy", Africa became a front-stage of his Foreign Policy, as African countries demonstrate a stable growth, while global economy has a trend to decline. That is a good reason for Indian "afro-optimism", together with historical ties and soft-power actions.

The 2015 India-Africa Forum summit, held in New Delhi, for the first time gathered the leaders of all African countries (two previous summits were held in 2008 and 2011). This event marked a real engagement with African countries, up to "strategic partnership" with Black continent. At the Forum N. Modi announced unprecedented initiative – to provide 10 billion USD credit lines for African nations, mostly – for infrastructure projects [India-Africa Forum... 2015].

The main initiatives of this IAF summit:

1. 10 bln\$ credit lines for African countries in nearest 5 years.

- 2. The decision to set up Joint Development Foundation with 200 mln\$ to ensure further collaboration.
 - 3. The Health Care Foundation with 10 mln \$ capital.
 - 4. The creation of short-term educational institutes' network throughout Africa.
- 5. The Internet-projects, which already unites 48 African countries, has to be widen to provide more effective distance health care and education
- 6. Programme for African cities infrastructure development (PIDA) will be financed actively by Indian side.
 - 7. Blue economics management.
- 8. Wide cooperation on global issues, such as UN reforming process, struggle against terrorism and piracy, cyber-security, climate changes and stable development.

In common, the target has been announced to cement a partnership between two dynamic regions, that together account for a third of the world population.

In 2016 India's senior management has become even more focusing on African direction, to its traditional diplomacy. To some extent, this policy was facilitated by the presence, mostly in sub-Saharan Africa, of a large Indian diaspora, according to various estimations, from a half to three million people. What matters – is not only quantitative indicators, but also the position of the Diaspora in the economic and business ties to help the Indian capital to compete with the growing Chinese economic and political influence in the region. N. Modi did special attention to the support and strengthening ties with the Indian diaspora everywhere, it became an important focus of its foreign economic policy in Africa in particular.

The fact is that Indian government's financial resources are not as large as China's. It is Indian private investors who tend to be leading and financing the country's activities in Africa. That is one more reason to understand – why Indian diaspora in Africa matters. However, the Indian government is supporting firms and providing the institutional and diplomatic framework of the relationship.

Interest in cooperation with African countries has risen due to the economic recovery in some countries of the continent. The African Development Bank has estimated the rate of economic growth in Africa by 3.6 % with a view to increase to 4.5 % in 2017. The trend is well-estimated by India: 2016 could be described as African year in foreign policy of the state: Indian leaders – President, vice-President and Prime-Minister visited 9 African countries – to confirm the interest of India in further active participation in Africa-s development.

In the first half of 2016 the President of India Pranab Mukherjee visited Ghana, Côte d'Ivoire and Namibia, in June, the Vice-President Hamid Ansari also conducted state visits to Morocco and Tunisia – to restrict the ties with Arabian countries. From 7 to 11 July 2016 on a State visit N. Modi in four African countries – Mozambique, Tanzania, South Africa and Kenya. As a result, 24 new agreements and action plans have been signed in different spheres. The meetings with the leaders of these countries produced different extensive communiqué confirming the mutual desire to strengthen ties and develop new contacts, in many spheres, including construction and infrastructure, IT and telecommunications, investment, agriculture, defense, health care, culture, education, sport and visa-liberalization. *India's initiative on cooperation in the framework of the project "Development of Africa across the Indian technology and innovation", designed to contribute to the modernization of their economies got a full support.*

India ranked first in the world in terms of growth in oil consumption, which reached almost 4 million barrels per day. Oil and oil products took second place (11.7 %) in export from African countries after such traditional goods as precious metals and products made of them (14.7 % of total exports). Expected, according to IMF estimates, the increase in world oil demand in 2017 forced India to take measures for uninterrupted receipt of this energy resource. One of its main suppliers is Nigeria, which occupies the

10th place in the top ten countries that are leaders in the Indian imports. Actually, 20 % of India's crude oil needs are met by Nigeria. This country, alone with South Africa, Angola, Morocco, supplies 89 % of all African exports to India [Ravi Shankar 2013, 65]. Its structure is still poorly differentiated, but provides a surplus of the African side.

African tour N. Modi began with a visit to Mozambique, the first official visit since 1982. In this country, the state oil company of India owns 30 % stake in one of the largest local oil fields. Indian business is also represented in the production of steel, coal industry, the pharmaceutical industry. As per the size of foreign investments in the economy of Mozambique, India ranks eighth. The results of the visit are the expansion of economic contacts, an agreement on avoidance of double taxation and visa facilitation. By the end of the year 2016 100 thousand tons of beans will be imported and an agreement on doubling their importation by 2020 is already signed. India is in dire need in beans supply, because of the huge number of vegetarians. Also, the importation of this traditional food component is necessary to prevent a further rise in prices.

The visit to Tanzania was marked by N. Modi meeting with local peasant activists enrolled in programs funded by India. The dialog touched India – Tanzania cooperation in the agricultural sector, the use of natural (water) resources, the training of local personnel, promoting small businesses. A Joint Action Plan has been signed to develop small industries in Tanzania.

In Kenya Indian PM opened Kenya – India Business Forum in Nairobi, where he announced 15 mln \$ credits to IDB Capital Ltd and another 29.95 mln for Textile plant reconstruction. Also, the visit of N. Modi to Kenya paid more attention to bilateral cooperation in the defense industry. During the meeting with President Uhuru Kenuatu N. Modi said, that his country will provide the armed forces of Kenya's by 30 field ambulances, the proposal has been accepted with gratitude. Also, it was agreed to launch a military staff's exchange. In the sphere of humanitarian relationship a grant of one million dollars should be a good example: it was given to the library named after Mahatma Gandhi at the University of Nairobi. The meeting of N. Modi with Indian diaspora became a remarkable event, where Indian leader delivered an emotional speech about shared vision of the global co-existence: "With the trust to Vasudhaiv Kutumbakam" (ancient Indian concept "One world – one family").

The visit of N. Modi to South Africa, the most developed country of the African continent, was of particular importance. India consistently maintained close economic and political contacts with the South Africa since the beginning of the twentieth century. What is more, the two enjoy a unique relationship as India always linked her own struggle for freedom and independence with the cause of the oppressed majority of South Africa. Mahatma Gandhi, the Father of the Nation, once took up this cause as a mission, for 21 years he fought against an oppressive regime in Africa, and then brought the same civil disobedience struggle to bring independence for his own Motherland. Nelson Mandela, his famous follower, wrote: "India gave us Mohandas Gandhi, South Africa returned him to India as Mahatma Gandhi".

By now, the mutual trade turnover exceeded 9.5 billion USD, with a positive balance in favor of South Africa. In its largest economies are active Indian companies – Tata and Mahindra in the automotive industry, Ranbaxy in pharmacy, domestic trade, the tourism industry, the hotel industry are small and medium Indian firms. India needs SA's diamonds, gold and reliable defense supplies Justas that much as South Africa needs India's teachers, administrators, managers, IT specialists and communication staff. In political affairs, both India and South Africa share an abiding commitment to democracy and South-South cooperation, WTO issues on developing countries, priorities and are members of NAM and Commonwealth. South Africa is largely supportive of India's quest for permanent membership of the UN SC. India is strongly supportive of the objectives of NEPAD – New Partnership for Africa's Development [India. Perspectives 2016].

Not to forget that India and South Africa – the BRICS members, together with China, but in addition, the two countries in 2003 united in Trilateral Forum with Brazil (IBSA – India, Brazil, South Africa). This structure is already considered as one of the most successful club of the recent decades. IBSA, as well as the BRICS, is interested in cooperation for the implementation of major joint projects that stimulate growth. *Apart of this, the struggle for more just and equitable world order is always here,* as India and South Africa, two major regional powers are actively working towards higher representation in global affairs.

Against this background, the visit N. Modi has found a particularly high economic and political weight. His African tour was intended primarily to strengthen economic ties with the countries of the continent, which are important markets and suppliers of raw materials. In common, 2016 visits demonstrated a strong intention to implement solutions of III India –Africa Forum and promote mutually beneficial cooperation, which seems to get all the features of real strategic partnership, based on civilizational ties, shared values and commitment to implement more justice international order. The major outcomes can be estimated in such areas:

One more important factor is: the 2 sides strategic partnership is complemented by people-to people contacts and old traditions based on common Britain colonial period and struggle for independence. Because of these factors and due to more soft behavior of Indian businessmen, they share more friendly and warm relations. *In common, Indians have much more positive image than Chinese among the African nations.* As was mentioned by eminent Indian diplomat Navdeep Suri, "On account of its close association with the decolonization and anti-apartheid movements in several countries and the contribution of the Indian diaspora in some others, India enjoys enormous good-will in Africa at the political and popular level" [Suri 2007, 513].

African countries have traditionally exported to developed countries and more recently to China. With the increasing importance of India as a trading partner, African countries can reduce their reliance on a limited number of importers and diversify their trade. Although Africa mostly exports raw materials to India (oil from Nigeria and diamonds from South Africa are among the top imports), a more active engagement with India could boost other sectors. This would further help diversify the continent's trade.

Through greater ties with India, African firms will have access to a gigantic market whose consumers have similar level of income. Again, this is a chance to specialize in products with similar quality standards.

Africa can also benefit from the large pool of skills India offers: engineers, managers and other professionals are available at a short travel distance to provide essential services and help build Africa's professional capacity. Experience with similar challenges (such as poor infrastructure), which require the ability to operate with scarce resources, can facilitate the exchange.

But while greater integration between India and the African continent presents a lot of beneficial opportunities, it won't be without <u>challenges</u>.

One of them is well-known: Africa enjoys strong economic relationships with traditional partners like the US, the EU and, definitely, China, which is quickly becoming one of the region's main investors and Africa's largest trade partner.

Still, India has some privileges and already demonstrated the ability to use them actively. For example, while Chinese investors have focused on manufacturing and extractive industries, Indian investors have branched into domestic services. Being in close time zones, fluent in English and having similar legal systems are all advantages in the provision of business, legal and telecommunications services. This allows Indian services providers to expand and diversify both destinations and type of services.

It's tempting to try and compare Indian investment and Chinese investment in Africa, as if one is 'better' than the other. In reality, Africa needs capital – whether it comes from

China or India. We should be thinking about how investors can coordinate better, wherever they are from, not treating them as mutually exclusive.

In fact, Chinese and Indian investments should join forces. So far, Chinese investments have struggled to link with African domestic markets. Indian investments can provide the missing link by investing in those sectors – services, for example – required by the Chinese firms to operate. Trilateral cooperation (China-India-Africa) can maximize the benefits of the individual investments.

Another challenge will be making the necessary policy changes for stronger trading relationships. For example, ensuring the free temporary movement of people in the provision of services would allow skilled Indian professionals to transfer their skills into African production processes. And the widest duty free access possible to the Indian market will be essential for African exporters, but also key for Indian firms to be competitive.

So, the India-Africa relationship is growing stronger and governments are signaling their intention to institutionalise this further. But to deliver real benefits for people in two huge world's regions, they need to put the right policies in place to back up their good intentions. The full potential of India – Africa collaboration has not yet been tapped, but there is every reason for optimism.

To conclude, we have to notice, that in today world a rule is: politics follows business. Both China and India provide clear understanding of this trend, in particular, by dealing with Africa. For closer engagement in regional and global political issues, they have to create an active network of economic diplomacy, and they do that. Both countries already established a background and have good chances to continue on this right direction, and their competition may only speed up the collaboration with Africa.

Criticisms against China

There are widespread accusations that China is a neo-colonial power in Africa, and that Sino-African cooperation has given rise to human rights abuses. Other criticisms are economic in nature. There are accusations that African workers face ill-treatment and poor pay by Chinese companies and that the influx of Chinese workers take away local jobs. The criticisms go further in alleging that African markets are harmed by low-cost Chinese-made products, which put great competitive pressure on local industries and businesses. Some argue that China's involvement in Africa currently benefits primarily the African elites, and not the middle class and the poor.

Criticisms of China's policies in Africa also abound within African scholars. William Gumede, prominent South African economist and political scientist, Associate Professor, Public and Development Management, School of Governance (WSG), University of the Witwatersrand, Johannesburg, the author of "Restless Nation: Making Sense of Troubled Times" and former economic advisor to the Development Bank of Southern Africa (DBSA) argues that China's preference goes to strong and autocratic African States, such as Sudan, Angola and Zimbabwe, which are perceived as being stable, where the contacts are not constantly changing. Beijing's representatives in Africa use the same method everywhere, whether it be in the Democratic Republic of Congo (DRC), Zimbabwe or Angola: they identify the key people, in general the President of the Republic and Secretary General of the party in power, in order to try to buy them off [Gumede 2017]. He further asserts that construction contracts are negotiated by China in exchange for mining concessions in Africa, as in Zambia or Zimbabwe, or loans are allocated in exchange for a share of domestic oil production, as in Angola. Stadiums or large theatres are erected to please Heads of State and satisfy populist inclinations, with no vision of the actual long-term needs. Finally, he claimed that land purchases to feed China, without any consideration for the food security of the inhabitants of the countries in question, such as Ethiopia or Madagascar in particular, are another signal of the re-colonization of the African continent.

However, regardless of these aforementioned criticisms, majority of Chinese and Africans share the view that these accusations are part of a larger propaganda originating from Western corners in order to undermine China's cooperation with Africa. Majority of Africans are of the notion that African culture has already been plagued by centuries of Western domination, imperial, economic and social structures. They view the Chinese model of development as a preferable option of development which respects the sovereignty of African countries and shares understanding of the plight and needs of the African people.

Conclusion

During a media briefing, when asked about China's reaction to the 2015 India-Africa Forum Summit, Chinese Foreign Ministry spokesman Lu Kang said that China welcomed the idea of India holding the summit and dismissed reports of Sino-Indian rivalry over attempts to gain influence in Africa. According to him, China and India have sound relationship because they share common interests. He also noted that, "We have sound coordination mechanism. In Africa, We welcome the commitment of the international community including India to enhancing cooperation with Africa and supporting Africa in realizing enduring peace and independent and sustainable development" [Foreign Ministry Spokesperson... 2015].

Historical events like the Cold War have shown that political conflict is likely to come about when two rising powers are competing for regional influence. While China is more industrialized than India, the potential for India to threaten China's regional economic dominance is already being displayed in Africa. Africa's reliance on both countries for economic and humanitarian assistance is crucial for its own future development, and it is likely that the escalation of political tension will negatively affect the region. Africa is in a good position to increase its own regional influence by balancing the relationship and encouraging diplomatic cooperation. Recent evidence of cooperation between China and India in regions like Sudan has reinforced the economic benefits that can be obtained from mutual cooperation. It is vital for African leaders to be assertive when dealing with China and India, so that both countries are held accountable to ensure that Africa's long term interests are achieved and maintained.

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Китайсько-індійське суперництво в Африці

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Розвиток африканських держав і в цілому майбутнє Африканського континенту в експертному середовищі вже давно обговорюються в контексті зовнішньої допомоги, ефективного використання іноземних інвестицій та різноманітних двосторонніх проектів. Протягом останнього десятиріччя йдеться не стільки про допомогу Заходу, скільки про активізацію двох провідних азійських акторів — Індії і Китаю, без яких африканських розвиток вже неможливо уявити. Якщо роль КНР в африканських справах досить скоро стає очевидною, то Індія, хоч і має давні партнерські відносини з країнами континенту, видається поки що набагато скромнішою. З другого боку, вона пропонує власну, відмінну від китайської стратегію, тож автори статті намагаються дослідити можливий результат індійсько-китайської конкуренції в Африці.

Ключові слова: Африка, розвиток, китайські інвестиції, ресурси, індійські технологічні проекти, індійсько-китайське суперництво

Китайско-индийское соперничество в Африке

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Развитие африканских стран и в целом будущее Африканского континента в экспертной среде уже давно обсуждается в контексте помощи извне и правильного использования иностранных инвестиций и различных двусторонних проектов. В последнее десятилетие речь идет не столько о присутствии Запада, сколько об активизации двух главных азиатских акторов — Индии и Китая, без участия которых африканское развитие уже просто невозможно представить. Если роль КНР в африканских делах весьма скоро стала очевидной, то Индия, несмотря на давние партнерские связи со многими странами континента, выглядит пока гораздо скромнее. С другой стороны, индийская стратегия имеет ряд своих особенностей, и авторы статьи предлагают рассмотреть преимущества каждой из сторон и возможные исходы китайско-индийской конкуренции в Африке.

Ключевые слова: Африка, развитие, китайские инвестиции, ресурсы, индийские технологические проекты, индийско-китайское соперничество

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