

INDIA'S "GLOBAL SOUTH" STRATEGY

—FOCUSING ON DIPLOMATIC RELATIONS WITH AFRICA—

Jun Moriguchi
MEA & South West Asia Dept., Global Economic & Political Studies Div.
Mitsui & Co. Global Strategic Studies Institute

SUMMARY

- While holding the G20 presidency in 2023, India is strengthening its voice in the international community. The country's elevated presence on the world stage is being catalyzed by not only its rapid economic growth, but also its Global South strategy that is the axis of India's foreign policy today.
- With its G20 presidency, India proposed that the African Union become a permanent member of the G20, and the motion was officially accepted at the G20 summit in September 2023. India made the proposal with the aim of garnering stronger support from Africa, which is part of the Global South, and also to curb the influence of China, which is seeking to strengthen its ties with Africa.
- The close relationship between India and African countries dates back to the CII-EXIM Bank Conclave on India–Africa Project Partnership launched in 2005. The favorable cooperative established through a focus on intangible support will likely serve as the foundation for future deepening of diplomatic and economic relations between India and African countries.

INTRODUCTION

As India overtakes China to become the world's most populous country in 2023, it is strengthening its voice in the international community through its G20 summit (the Summit on Financial Markets and the World Economy). India's growing presence on the international stage is not only being fueled by its rapid economic growth, but is also linked to its Global South (emerging and developing countries) strategy, which is the axis of India's foreign policy today. After examining the specifics of this strategy, this report reviews the history of India's strengthening cooperation with African countries and looks ahead to the future relationships between India and African nations.

1. INDIA'S GLOBAL SOUTH STRATEGY

1-1. India advocating for a "voice" for the Global South

India's active use of the term "Global South" in the diplomatic arena began when it organized the online Voice of Global South Summit in January 2023. In his speech given during the summit, Indian Prime Minister Narendra Modi noted that the countries of the Global South, with three-quarters of the world's population, have the largest stakes in the future¹, and expressed India's determination to act as a voice for the Global South². With Russia's ongoing invasion of Ukraine, India was forced to rethink its dependence on its ally Russia, and relations with

¹ PM India, "PM's remarks at opening session of Voice of Global South Summit 2023" January 12, 2023, [https://www.pmindia.gov.in/en/news_updates/pms-remarks-at-opening-session-of-voice-of-global-south-summit-2023/July 31, 2023](https://www.pmindia.gov.in/en/news_updates/pms-remarks-at-opening-session-of-voice-of-global-south-summit-2023/July%2031,%202023))

² Toru Ito, "India starts to emphasize the Global South" [in Japanese], International Information Network Analysis (IINA), The Sasakawa Peace Foundation, February 8, 2023, https://www.spf.org/iina/articles/toru_ito_12.html (accessed July 31, 2023)

neighboring China are deteriorating due to their border dispute³, necessitating a revamp of its global strategy⁴. This situation led to the formulation of the Global South strategy as a new axis of India's diplomacy.

India's usage of the term "Global South" embodies three elements. First, China is positioned outside the framework, implying India's standing as the representative of the developing world. Second, as India understands the traditional North-South problem and the context of North-South disparities, its use of the term suggests its intention to add the topic of resolving issues faced by countries located in the Southern Hemisphere to the discussions in multilateral forums led by major countries, such as the G7 and G20. Finally, India maintains a stance that intentionally does not clarify which countries are included in the scope of the Global South and keeps the definition vague. This ambiguity indicates the possibility of including all countries other than developed countries and China, and as a result, India seems to have succeeded in bringing into view the Global South, a group of emerging and developing countries, as a single political actor⁵.

1-2. India proposed G20 permanent membership for the African Union

Africa has become an indispensable partner for India, evidenced by the fact that 47 out of 125 countries participating in the abovementioned virtual summit were African countries⁶. During its G20 presidency, India proposed that the African Union (AU) become a permanent member of the G20, and the AU's formal accession was approved at the G20 summit held in New Delhi in September 2023. This is a concrete manifestation of the part of India's Global South strategy, which calls for rectifying the situation in which the views of Africa, with a population of 1.48 billion, are not adequately reflected in international cooperation, with the exception of South Africa, which has been a permanent member of the G20. India believes the international political structure should be corrected and advocates the expansion of permanent memberships in the Security Council through reform of the United Nations. Another factor behind India's diplomatic efforts to secure stronger support from African countries, which can be regarded as a large voting bloc, is its desire to gain their support at the UN. In addition, while China and African countries are deepening their relationships under China's Belt and Road Initiative, an ambitious strategy to develop a sweeping economic corridor, India hopes to drive a wedge between the two by sending the message that India represents the developing world. To that end, India has been trying to establish an image for itself as a reliable partner country for African countries, as described in the next section of this report.

2. THE HISTORY OF HOW INDIA AND AFRICA GREW CLOSER

2-1. Policy framework for India-Africa collaboration

The close relationships between India and African countries today date back to before the Global South strategy was conceived. The India and African nations have steadily strengthened their ties through the CII- EXIM Bank Conclave on India-Africa Project Partnership, a working-level meeting first held in 2005, and the India-Africa Forum Summit (IAFS), a summit-level meeting held regularly since 2008. The areas of cooperation of the IAFS are diverse and comprehensive (Figure 1). In particular, intangible support is emphasized, as exemplified by India's International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) providing agricultural support to smallholder farmers in Kenya and Ethiopia, and capacity building assistance to establish food processing

³ Jun Moriguchi, "India's Foreign Policy as Seen from a Geopolitical Perspective —“Equidistant Diplomacy” Strategy in a Multipolar Era—", October 25, 2022, Mitsui & Co. Global Strategic Studies Institute, https://www.mitsui.com/mgssi/en/report/detail/_icsFiles/afiefile/2023/02/17/2210c_moriguchi_e.pdf (accessed August 1, 2023)

⁴ Kazutoshi Tamari, "Development of India's Global South diplomacy" [in Japanese], *Diplomacy*, Vol. 78 Mar./Apr. 2023, Ministry of Foreign Affairs of Japan, March 2023

⁵ From the perspective of strategic communication, ambiguity is a technique often used in political discourse and it pertains to the wishful thinking that humans subconsciously hold. See Neville Bolt, "Why Strategic Ambiguity Is So Ambiguous", *Defence Strategic Communications*, Vol.12/Spring 2023, <https://stratcomcoe.org/publications/defence-strategic-communications-volume-12-spring-2023/283> (accessed July 31, 2023)

⁶ Ministry of External Affairs of India, *Voice of Global South Summit 2023: Unity of Voice, Unity of Purpose*, (accessed <https://mea.gov.in/voice-of-global-summit.htm>) (accessed August 1, 2023)

enterprises in Ghana and Uganda⁷. Another good example of human resource development support is the plan by the Indian Institute of Technology (IIT) Madras to open an overseas branch campus in Zanzibar, Tanzania, in eastern Africa in October 2023. The Indian government’s direct involvement in human resource development in a face-to-face manner, such as by sending professors from India to branch school, is a characteristic of the support it provides.

Figure 1: Overview of the India-Africa Forum Summit (IAFS)

| Summary | Areas of cooperation between India and Africa (excerpts) |
|--|--|
| IAFS-I: 2008 • Declaration: Delhi Declaration India-Africa Forum Summit 2008, India-Africa Framework for Cooperation 2008 • Location: New Delhi, India • Number of participants: 14 countries | (1) Economic cooperation (agriculture; trade, industry, and investment; SMEs; finance; regional integration, etc.) (2) Political cooperation (peace & security, civil society & good governance, etc.) (3) Science, technology, and research & development (science & technology, ICT, etc.) (4) Cooperation in social development and capacity building (education, health, water & sanitation, culture & sports, poverty eradication, etc.) (5) Tourism (6) Infrastructure, energy, and environment (7) Media & communication |
| IAFS-II: 2011 • Declaration: Second India-Africa Framework for Cooperation 2011: Addis Ababa Declaration • Location: Addis Ababa, Ethiopia • Number of participants: Approximately 40 countries | (1) Enhance cooperation (sustainable development, poverty alleviation, healthcare & universal education, sharing appropriate technologies, etc.) (2) Work together to ensure that the interests of developing countries are protected. (3) Confirm the importance of South-South cooperation. Fulfill the role of supplementing international aid provided through North-South cooperation. (4) Acknowledge the importance of the G20 in macroeconomic policy coordination. Request fair representation of Africa in international economic forums. (5) Strengthen India-Africa cooperation in the UN, G77, and other multilateral frameworks (6) Underscore the imperative need for comprehensive reform of the UN, and press for the participation of African countries in an expanded permanent membership of the UN Security Council. (7) Regarding the implementation of the four-year Plan of Action, reaffirm the establishment of 21 capacity-building institutions in various African countries. |
| IAFS-III: 2015 • Declaration: Third India-Africa Forum Summit 2015: India-Africa Framework for Strategic Cooperation • Location: New Delhi, India • Number of participants: 54 countries | (1) General areas of cooperation (South-South cooperation, greater mutual understanding, establishment of SMEs, financing, etc.) (2) Economic cooperation (expansion of trade and economic ties, low-interest financing to African governments through IDEAS (Indian Development and Economic Assistance Scheme) , energy and infrastructure development, private investment, etc.) (3) Cooperation in trade and industry (development of skilled human resources, establishment of SMEs, collective negotiations on global trade, etc.) (4) Cooperation in agriculture (productivity enhancement, information sharing & capacity building, water resources management, etc.) (5) Cooperation in renewable energy (solar, wind, hydro, geo-thermal, bio-mass, etc.) (6) Cooperation in blue ocean economy (capacity building for sustainable fisheries, port management, etc.) (7) Cooperation in infrastructure (water resources management, maritime connectivity, low-interest financing for road and railway construction, etc.) (8) Cooperation in education and skills development (human resource development through scholarships, introduction of ICT in education, etc.) (9) Cooperation in health (research and development to combat HIV and epidemics, improvement of maternal and child healthcare, etc.) (10) Cooperation in peace and security (conflict prevention, maritime security, cyber security, etc.) (11) Regional and other forms of cooperation (Promoting a regional economic community framework in Africa) |

Source: Compiled by MGSSI based on materials of the Indian Ministry of External Affairs

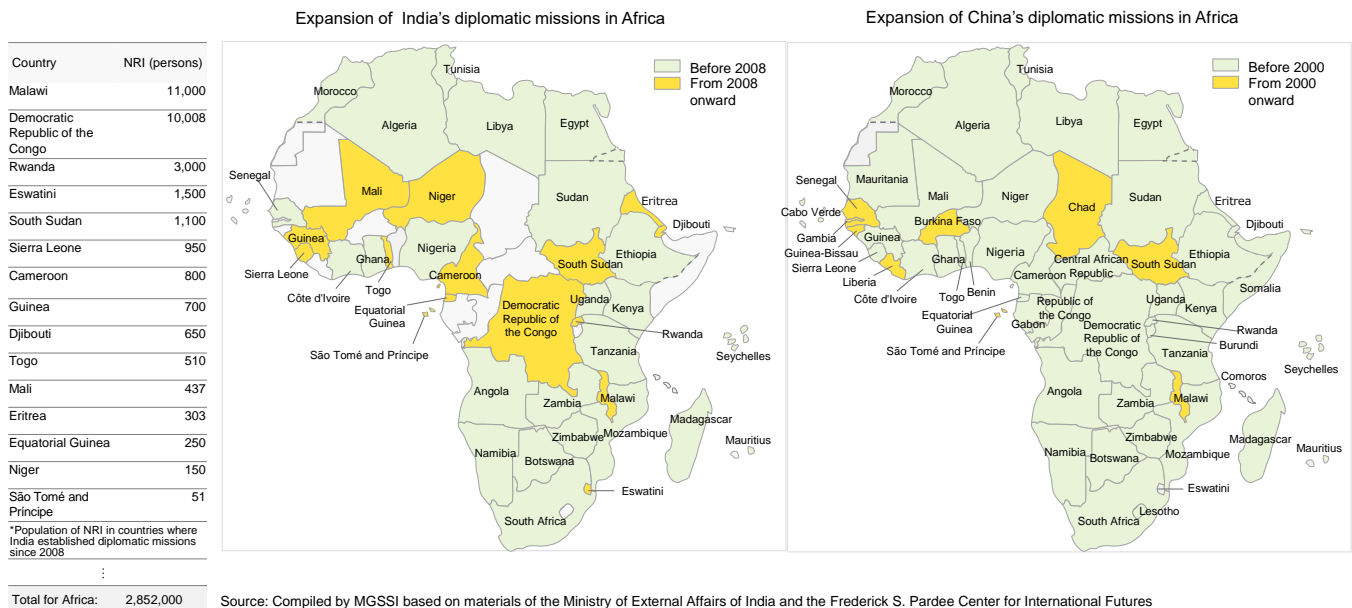
2-2. India as a more reliable partner country

These moves by India are also aimed at contending with China's efforts to strengthen relations with Africa. The Forum on China-Africa Cooperation (FOCAC) held its first summit meeting in 2006 (the forum itself was established in 2000). Since then, India has been establishing diplomatic representation abroad in Africa, although lagging behind China in its efforts (Figure 2). Furthermore, each African country has a small population of overseas Indian businesspeople, who are positioned to capitalize on India's commercial activities in Africa. While India-China diplomatic tensions have continued to rise since the armed clash occurred around the Line of Actual Control (LAC) in 2020, China is strengthening its relations with Africa through its Belt and Road Initiative, and in recent years, it has looked as though India and China have become competitors in attracting partners in the African countries. At the 18th working-level meeting of the CII-EXIM Bank Conclave on India–

⁷ ICRISAT is a non-profit organization established in 1972 and headquartered in Hyderabad, Telangana State in South India. It is a member of the Consortium of International Agricultural Research Centers (CGIAR) in the field of agriculture, forestry, and fisheries, and accepts trainees from other countries and provides technical assistance.

Africa Project Partnership in 2023, Indian Foreign Minister Subrahmanyam Jaishankar emphasized India's continued engagement in Africa by pledging to supply Indian-made COVID-19 vaccines to 42 African countries where vaccine rollouts have been delayed amid the pandemic, and confirmed that priority will be given to cooperation in the areas of digital transformation, the environment, health, and food and water security. Keeping in mind India's selected theme of "One Earth, One Family, One Future" for its G20 presidency, the country seems to be touting the fact that it has actually reached out to the Global South. The Indian government appears to be proud of these achievements, which it identifies as a testimony of itself as a dependable partner, having no say-do-gap.

Figure 2: Indian and Chinese diplomatic missions in Africa



INDIAN GOVERNMENT AID TO AFRICA

3-1. Africa as a destination for foreign aid

In 2004, the Ministry of External Affairs of India announced the Indian Development and Economic Assistance Scheme (IDEAS), a policy of support for developing countries, and has been promoting loans and technical assistance to Africa, with the Export-Import Bank of India serving as the main source of financing. IDEAS states that the purpose of its support is to generate goodwill, strengthen long term partnerships and share India's expertise in project planning, design and implementation in diverse areas of socio-economic development. Countries eligible for assistance are categorized according to loan maturity terms. Specifically, Category I (1.5% loan interest rate, 25-year maturity) is for a total of 26 countries (Tanzania, Mozambique, etc.), Category II (1.75% loan interest rate, 20-year maturity) is for a total of 57 countries (Nigeria, Ethiopia, etc.), and Category III (conventional London Interbank Offered Rate + 1.5%, 15-year maturity) is for other countries⁸. To date, a total of US\$11.21 billion has been approved for 181 loan deals to Africa. Specific projects include those in the areas of water resources management, agriculture, hospital renovation, and railroad repair. The Indian government has shown its commitment to a human-centric approach to development assistance⁹ by providing scholarships to 42,000 students in Africa¹⁰, and offering distance learning in the medical field through the use

⁸Memorandum issued by the Indian Ministry of Finance (March 2022), https://www.eximbankindia.in/assets/pdf/loc/IDEAS_2022_07042022.pdf (accessed July 27, 2023). Since the guidelines for interest rates replacing the London Interbank Offered Rate have not yet been published, the March 2022 rules are listed.

⁹ According to the Indian Ministry of External Affairs, "India's approach to development is mainly human-centric and is marked by respect, diversity, care for the future, and sustainable development". <https://mea.gov.in/Overview-of-India-Development-Partnership.htm> (accessed August 28, 2023)

¹⁰ At the 2015 India-Africa Forum Summit, the Indian government committed to providing scholarships to 50,000 students from African countries over a period of 10 years. <https://www.mea.gov.in/Speeches-Statements.htm?dtl/36681> (accessed August 15, 2023)

of digital technology. Prime Minister Modi is emphasizing intangible support, noting that the principle is to comply with Africa's priority policy issues and to help build as much local capacity and create as many local opportunities as possible¹¹. In addition to the above-stated objective of providing assistance, from the strategic perspective of countering China's expansionism¹², India is also trying to utilize the assistance as part of its security efforts to strengthen relations not only with neighboring countries, but also with African countries.

India's emphasis on building the capacity of the local people and intangible support is highly compatible with the Japanese government's approach to development cooperation. For this reason, it is considered effective for Japan and India, which are working together to realize a free and open Indo-Pacific (FOIP), to jointly provide assistance to Africa, and a proposal has been made for the formation of the "Japan-India Development Cooperation Initiative" to promote assistance to third-party developing countries through a trilateral partnership¹³.

3.2 Growth in India-Africa trade and direct investment in Africa

India-Africa trade deals are expanding in parallel with the Indian government's program for loans and technical assistance to Africa (Figure 3). According to the Confederation of Indian Industry, India's investment in Africa is expected to reach US\$150 billion by 2030, from a cumulative investment of US\$74 billion for the period from 1996 to 2021¹⁴. Investment in agriculture and food processing, manufacturing, construction, and infrastructure development are likely to be the growth drivers¹⁵. It should be noted that at the 2022 coordinators' meeting of FOCAC, the Chinese government granted waivers for interest-free loans extended to 17 African countries, but

Figure 3: India's trade with Africa (value of imports/exports, 2009-2022)



Source: Compiled by MGSSI based on data of the Reserve Bank of India

¹¹ Indian Ministry of External Affairs, "Prime Minister's address at Parliament of Uganda during his State Visit to Uganda", July 25, 2018, <https://mea.gov.in/Speeches-Statements.htm?dtl/30152/Prime+Ministers+address+at+Parliament+of+Uganda+during+his+State+Visit+to+Uganda> (accessed August 15, 2023)

¹² Katsuo Matsumoto, "Formation of the Japan-India Development Cooperation Initiative", Contemporary India Forum, No. 57, Spring 2023 issue, https://www.japan-india.com/files/view/articles_files_public/src/fc33464d3dfeaf8c84e40804455146d3.pdf (accessed July 27, 2023)

¹³ Katsuo Matsumoto, op. cit. (2023)

¹⁴ Confederation of Indian Industry, *India Africa: Leveraging New Dimensions In Economic Engagement*, July 2022, <https://ciiximafriacaonclave.com/Document/Reports/India%20Africa%20Report%20for%20web.pdf> (accessed August 15, 2023)

¹⁵ At the August 2023 meeting of the B20 business engagement group under India's G20 presidency, participants identified as key priorities to work on the integration of SMEs in the African continent into global supply chains and to focus on skills development of SME business owners. <https://www.ciiblog.in/the-b20-india-business-agenda-is-aligned-to-indias-g20-presidency/> (accessed August 28, 2023)

the amount of debt forgiveness amounted to only 1.1% or less of total Chinese loans to Africa¹⁶. In addition to the low interest rate of 1.5-1.75% on loans offered by the Indian government compared to the 2-3% interest rate (repayment period of 15-20 years) for preferential loans from the Export-Import Bank of China¹⁷, India's emphasis on human resource development, as mentioned earlier, may also be a factor that will help make India appear as a more reliable partner in the eyes of African countries. This favorable relationship is the foundation of India-Africa trade relations.

CONCLUSION

With India holding the G20 presidency in 2023, it has secured the support of African countries by playing an instrumental part in the African Union's accession as a permanent member of the G20. Moreover, the fourth summit-level IAFS is expected to be held in the near future, which was postponed due to the COVID-19 pandemic. While these moves presumably stem from the shrewdness of India's diplomatic strategy, the positive experience of cooperation that India and African countries have enjoyed to date will likely serve as the foundation for the strengthening of their relationship going forward.

¹⁶ It has been pointed out that the Chinese government's announcement of its policy of debt forgiveness has itself become a diplomatic and symbolic tool. <https://jp.reuters.com/article/china-africa-debt-idAFL8N30G38L> (accessed August 21, 2023)

¹⁷ Naohiro Kitano, "Current status of China's financing to developing countries: Centered on the Export-Import Bank of China's soft loans" [in Japanese], JICA Ogata Research Institute Knowledge Forum: Debt problems of developing countries under compound risks, February 8, 2023, <https://www.jica.go.jp/Resource/jica-ri/ja/news/topics/sgjqgc0000003m6k-att/kitano.pdf> (accessed August 18, 2023)