Asia Africa Growth Corridor – Changing Dynamics of Regional Development

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Abstract

The Asia Africa Growth corridor is a fairly new initiative and not much scholarship is available yet. Even though many of the details of this initiative are yet to be formulated, much can be understood from its vision. Although there is immense scholarship available on India and China in the Indian Ocean and South East Asia, it is important to understand the importance of the African region as well. Japan and India have been collaborating on this project with the core objective of building capacities and developing synergies which can help in addressing challenges of economic development and also reap the benefits of globalization through active participation. The paper seeks to answer questions through a security perspective and theoretically engage with concepts like realpolitik, liberalism, realism and structural functionalism.

Keywords- India, Japan, growth corridor, African development, regional institutions

INTRODUCTION

The regional integration in the Indo-Pacific is constantly developing with paradigm shifts in power. The countries in this region are integrated and connected through the seas. The Asian maritime power is increasing dynamically as the countries in this region are developing and transforming their maritime trade, military capabilities as well as maritime science and technology. The Indo-Pacific region, which includes the tropical waters of the Western Pacific, the Indian Ocean and the Central Pacific, is constantly increasing in importance with the development of trade routes and quest for regional hegemony by China and India. China’s influence has reached beyond South East Asia with the enhancement of economic cooperation throughout South Asia and Africa. China’s actions would severely affect India’s position in the region. While China develops strategies such as the ‘string of pearls’ and the Belt and Road Initiative, India and Japan have developed the Asia Africa Growth Corridor. This paper will explore the strategic interests and approaches of the Asia Africa Growth Corridor not only through a security perspective but also through the developmental sphere. With a focus on the
Asia Africa Growth Corridor, the paper seeks to answer questions on the development of the Asia Africa Growth model. It will further look into the influence of such diplomatic initiatives in shaping India’s regional power and if such initiatives would rebalance the region.

LITERATURE REVIEW

“The region of Afro-Asia is extremely important as together Asia and Africa represent 70 percent of global population and 37 percent of global GDP” (Prakash, 2018). “Africa, a resource rich region, faces extreme poverty in most of its countries with 43% living below poverty line” (While Poverty in Africa has Declined, 2016). While there are many factors that led it to such a depraved situation, the extractive model of the colonialists is one major contributing factor. The Afro Asian conference also known as the Bandung Conference in 1955, marked the beginning of a deeper realization of the need for a greater cooperation between the African and the Asian nations. Its aim included the promotion of the Afro-Asian cultural and economic cooperation as well as the opposition to colonialism. The Asian-African region is important for its maritime straits, resources and regional power play.

Today, with the foundation of the United Nations and an understanding of the importance of peaceful negotiations, countries have sought different strategies to persevere national interest while investing in the growth of the rest of the world. In order to understand the Asia-Africa growth model, it is important to understand the relationship between India-Africa-Japan in the historical and contemporary sense.

INDIA-AFRICA-JAPAN

African continent is at a strategic location for securing trade, maritime interests and curbing the traditional threats. This region is endowed with abundance of resources with Zambia holding much of the copper reserves and South Africa with the largest platinum and other resources. “Africa accounts for a small share of global markets, with only 1.3% of world stock market capitalization, 0.2% of debt securities and 0.8% of bank assets” (Stetter, 2009). With the largest arable landmass in the world, housing 30% of global mineral reserves, and 8% of the world's oil reserves, the continent offers promising long-term sustainable growth prospects which would be further enhanced, by deeper integration of Africa into the global economy (Mallick, 2017).

India’s relationship with Africa predates to the 18th century, as both shared a colonial past and common ideologies such as the non-alignment movement.
In 2002, India had launched the ‘Focus Africa Plan’ that sought economic cooperation with 7 Sub Saharan African countries. The countries were chosen based on their contribution to the total GDP, political stability, democracy and economic liberalization” (Take Advantage of Focus Africa, 2002). “Trade between Africa and India has increased more than eight-fold from USD 7.2 billion in 2001 to USD 59.9 billion in 2017, making India, Africa’s fourth-largest national trading partner, accounting for more than 6.4 percent of total African trade in 2017, up from 2.7 percent in 2001” (Fofack, 2018). Despite the great market potential, promising growth prospects, Africa has faced gaps in infrastructure and capacity building. “India supports African initiatives and uses three instruments to expand its development cooperation with the African countries. First, India extends lines of credit through India’s Export Import (EXIM) Bank. Over the years, India has extended lines of credit to 44 countries in Africa for a total of nearly USD 8 billion. Second, its grants to the African countries are in diverse areas. For example, during the first India Africa Forum Summit (IAFS), India announced a USD 500 million grant over the next five to six years for projects in critical areas. Third, under the India Technical and Economic Cooperation Programme (ITEC), India has made all efforts to address gaps in technical education in Africa. Several scholarships have been offered to officials from African countries” (Beri, 2017). “The India-Japan dialogue on Africa began in 2010 and ran for a period of three years before a hiatus ensued. It picked up momentum again, following the India Africa Forum Summit (IAFS) III in 2015” (Singh, 2019). “At present, 59 per cent of India’s Lines of Credit (LoC) are directed towards Africa” (Beri, 2017). Although the LOC had complications, they were all addressed during the IFAS meeting in 2015. “African nations have also benefitted from India’s Duty Free Tariff Preference (DFTP-LDC) scheme for least developed countries (LDCs)” (Gokarn and Gokhar, 2015). Through all these dialogues and initiatives, India and Africa have grown closer.

Since 2002, India has focused on a collaborative approach to identify challenges and address the same. The agenda behind this initiative was to develop capacity building, human resource development and empowerment, which was carried out through greater investments and trade. The Asia Africa Growth Corridor has expanded this idea to include capacity building, infrastructural, technological and people to people connections along with green projects through the joint efforts of India and Japan. This connectivity is not merely bilateral but multilateral as well. It offers a developmental paradigm for Africa where the strengths of Asia are integrated with the development priorities of Africa. It is a people centric programme that develops freedom of movement, of people as well as goods and services between the two continents. As Anita Prakash mentions in her article on the
Asia-Africa Growth Corridor published by the Observer Research Foundation, the AAGC can learn from the ASEAN which is an example of drastic improvement in human development and socio-economic indicators along with the most sophisticated value chains of production. “While the initial stages of development in South East Asia were a result of official development assistance (ODA) received from developed countries such as Japan and the United States, the subsequent critical mass of growth was achieved through regular foreign direct investments (FDI), increased trade, and domestic consumption of goods and services” (Prakash, 2018). In Africa, the ODA still stands very high, however, AAGC would promote more investment-led growth. “The total Indian Foreign Direct Investment (FDI) outflows from India to the world from 2008 to 2016 are estimated at USD 250.9 billion. According to the estimation of the RBI’s data on India’s investments in Africa, Mauritius accounts for 90.48% of the total investments in Africa as of 2008-2016” (Chakrabarty, 2017). One of the reasons for such a concentration could be the double taxation avoidance agreement between Mauritius and India as this amount is mostly received back by India. However, despite the huge amounts of LOC India provides to Africa, if India looks for inclusive growth, it must plan its investments accordingly as well and realize the potential of other countries within Africa. In order to understand the motivations behind deeper connectivity, it is essential to look at the requirements of both nations. India requires Africa for its own development and lack of resources. “India currently faces an energy deficit and coupled with potential supply insecurity from other regions, and Africa’s role as a supplier of minerals and fuels may intensify in the short run” (Gokarn and Gokhar, 2015). India not only needs Africa for economic purposes but also for other security reasons. Investing in Africa could also reduce the risk of traditional and non-traditional threats as political and economic development could reduce piracy, terrorism and environmental threats. India also needs Africa for the sense of collective security against the exploitative rise of regional powers. Africa on the other hand, needs India for the economic and political stability in its own region. Therefore, the Asia Africa Growth Corridor is a strategy to pursue such national interests through cooperation.

“Japan’s complementary role in Africa is in its strong Official Development Assistance (ODA) program in the continent” (Prakash, 2018). The country is crucial for the development in Africa as it possesses low cost capital, high savings, excellent designing, and infrastructure capabilities. The Tokyo International Conference on African Development (TICAD) in 2016, focused on diversification and industrialization, promotion of social stability and resilient health systems. “At large, Japan’s relations with African States
have been highly selective, mainly market-oriented but with a least-risk policy behavior” (Kasongo, 2010). Since 1990s, Japan’s relations with Africa have been established with coordinated economic and financial assistance as it serves Japan’s interest of diversification and Africa’s interest in development. Japan has had a very different approach after the disasters of WWII. The country that was once, one of the strongest military powers, shifted towards liberal thoughts adopted from the west. However, Japan has preserved its nationalism and incorporated these features in its international relations as well. This gives us an understanding of Japan’s real purpose of being an important financial donor. From a realist perspective, no state is benign and behind every action is its own national interest.

Through the concept of realpolitik, Japan’s interest in providing financial assistance to Africa can be understood as driven by the desire to emerge as an economic power attracting people through its development projects based on industrialization, political stability and peace. “Contemporary Japan in the “caricature” and reality of bipolarity since the 1950s has been shaped by the theory of peace that developed out of the ashes of the atomic bombs, and Japan’s political and economic pragmatism in a new world political and economic order in which Japan had to play an important and constructive role” (Kasongo, 2010). As the ODA charter 1992, mentions “It is an important mission for Japan, as a peace-loving nation, to play a role commensurate with its position in the world to maintain world peace and ensure global prosperity. It will therefore implement its ODA to help ensure the efficient and fair distribution of resources and “good governance” in developing countries through developing a wide range of human resources and social economic infrastructure, including domestic systems and through the basic human needs (BHN), thereby promoting the sound development of the recipient countries” (ODA charter, 1999). While Japan assists Africa through aid, it does have some negative impacts as well. Even though Japan makes efforts in revising the strategy and addressing the challenges, the expansion of development programs need to take the challenges into consideration. Africa already bears heavy foreign debt and the cost of repayment is borne by the public. This further aggravates poverty and the lack of human resource development. It also makes Africa very dependent on its donors. ODA adds to this dependency of Africa. ODA is also often used for political needs or even illicit deals. The efficient use of ODA depends heavily on the quality of institutions. However, most under-developed countries have weak or self-serving political institutions. For all these reasons, the citizens often suffer and do not benefit from the aid.
ASIA-AFRICA GROWTH CORRIDOR

“The 2016 India-Japan joint statement, AAGC, underscored the importance of coordinating bilaterally and with other countries for developing better regional economic linkages, connectivity, and facilitating industrial networks employing collective capabilities” (Basu, 2017). Through this, India seeks solidarity in achieving sustainable development, thus shaping the global agenda. The objective of AAGC is focused more on inclusive growth rather than the sole motive of economic development. The AAGC also supports Prime Minister Modi’s policy of SAGAR (Security and Growth for all in the Region). “SAGAR has distinct but inter-related elements and underscores India’s engagement in the Indian Ocean. These are enhancing capacities to safeguard land and maritime territories & interests; deepening economic and security cooperation in the littoral; promoting collective action to deal with natural disasters and maritime threats like piracy, terrorism and emergent non-state actors; working towards sustainable regional development through enhanced collaboration; and engaging with countries beyond our shores with the aim of building greater trust and promoting respect for maritime rules, norms and peaceful resolution of disputes” (Swaraj, 2017) “The AAGC also calls for maritime connectivity across the Indian Ocean region through India’s Sagarmala policy” (Beri, 2017). This project focuses on improving connectivity between regions, port modernization and community development.

Through international contribution, India’s projects would be implemented further. The AAGC also supports Japan’s policy of free and open Indo-Pacific. The Prime Minister of Japan, Shinzo Abe, in his speech “confluence of the two seas” delivered in the Indian parliament, said that the two like-minded democracies, India and Japan should promote freedom, prosperity and growth in the region. “Japan bears the responsibility of fostering the confluence of the Pacific and Indian Oceans and of Asia and Africa into a place that values freedom, the rule of law, and the market economy, free from force or coercion, and making it prosperous” (Beri, 2017). Under the initiative of expanded partnership for quality infrastructure (EPQI), Japan seeks to connect Asia and Africa through infrastructure projects. The AAGC would bring synergies between India and Japan at the b2b level as the two countries coordinate their geo-economic strategies in Africa. However, their differences in the traditional economic relationship with the African countries would need to be addressed.

The Vision Document of the AAGC is holistic, but no specific avenue is identified for trilateral cooperation that would best incorporate Japan and
India’s strengths in order to address the development priorities of the African states. This is because India and Japan have previously always taken fundamentally different approaches to Africa, those that cannot be resolved anytime soon. “For example, Japan’s lending programme is focused on eight or ten countries in Africa, most of which are in the high-investment category. India’s expanding programme of Lines of Credit (LOC) has a much larger ambit, covering more than 40 countries in Africa, most of which are Heavily Indebted Poor Countries (HIPCs) and Least Developed Countries (LDCs)” (Singh, 2019). The approaches of Japan and India have been fundamentally different. While Japan is improving relations with Africa with a focus on regional and international organizations, India has focused more on the bilateral organizations. The footprint of Indian businesses in Africa has been far larger than that of Japan’s. The business culture of both the countries has been very different which makes it difficult for the companies of the respective countries to work together. “Indian companies see the AAGC as a source of alternative funding to secure large projects in Africa as they did under the Indian LOC projects. The Japanese companies are more focused on expanding trade and capacity building than investment for large projects on a trilateral basis” (Singh, 2019)

Along with India and Japan, Africa makes efforts in improving connectivity and infrastructure in its own region. This is visible through its several projects, Program for Infrastructure Development of Africa (PIDA), Lagos Plan of Action, the New Partnership for Africa’s Development (NEPAD), the Comprehensive Africa Agricultural Development Programme (CAADP), and the 2050 Africa’s Integrated Maritime Strategy (2050 AIM Strategy). “The AAGC also reflects the current African plan for the transformation of the continent in the next 50 years-the Agenda 2063 which are:

1. A prosperous Africa based on inclusive growth and sustainable development
2. An integrated continent politically united based on the ideals of pan Africanism and the vision of African Renaissance
3. An Africa of good governance, democracy, respect for human rights, justice and rule of law
4. A peaceful and secure Africa
5. Africa with strong cultural identity, common heritage, values and ethics
6. An Africa whose development is people driven
7. An Africa as a united, resilient and influential global player.” (Agenda 2063, 2016)
CHINA'S ROLE IN THE REGION

While connectivity and development is a priority, the project also provides an alternative to China’s Belt and Road Initiative. “The Belt and Road Initiative (BRI) is an ambitious programme to connect Asia with Africa and Europe via land and maritime networks along six corridors with the aim of improving regional integration, increasing trade and stimulating economic growth” (Belt and Road Initiative, n.d.). The agenda of BRI is very similar to that of the AAGC which includes, infrastructure connectivity, financial integration, unimpeded trade, policy coordination and connecting people except this initiative covers a greater region, geographically. “The programme is expected to involve over USD 1 trillion in investments, largely in infrastructure development for ports, roads, railways and airports, as well as power plants and telecommunications networks” (Belt and Road Initiative, n.d.). “The countries along the Belt and Road are also supported by the World Bank as it has committed to about USD 80 billion for infrastructure in Belt and Road countries” (Ruta and Freund, 2018). Through the economic corridors, the nations involved would achieve regional economic integration, which would then further pressurize nations to resolve disputes. These corridors would also aid the development programmes in the countries.

“As politics continue to change globally, with the potential for trade wars between the US and China amid rising interest rates and the specter of protectionism, the BRI looks like not just a political necessity but a very smart business strategy – not just for China but for the whole of Europe and Asia” (Commerzbank, n.d.). As China claims, “Under this framework, the countries concerned adhere to the principle of achieving shared growth through discussion and collaboration, and join hands to build a new system of global economic governance” (Office of the Leading Group for Belt and Road Initiative, 2017). In its documents, China has constantly stressed on its cooperative approach, reaching consensus through consultation and the shared interests of nations in the programme. However, China has received pushbacks from various countries. Maldives, Bangladesh, Sri Lanka, have all begun to grow skeptical of China’s investment plans as financial burden on these nations increase.

“Sri Lanka, notwithstanding new loans from China, is courting other powers to bring back balance in its foreign policy” (Chaudhury, 2019). Although China’s integration and economic policies such as the Belt and Road initiative may transform the economies and instigate growth in the regions invested, the following debt traps of China’s policies, cannot be ignored. “China has been offering funding for unsound projects to secure Chinese access to
resources or local markets, rather than to help local economies, and as a result, countries are becoming ensnared in a debt trap that leaves them vulnerable to China’s influence” (Lahiri and Lindberg, 2018) “According to C. P. Fitzgerald paraphrasing Chou Enlai (Zhou Enlai)’s keynote speech: The Chinese Delegation has come here to seek unity and not to quarrel. There is no need at this Conference to publicize one’s ideology and the political system of one’s country. The Chinese Delegation has come here to seek common ground, not to create divergence. (Ibid.) This conciliatory perspective was more of a strategy for the Chinese leaders to gain the trust in Asia and Africa than a reflection of a process of giving up their socialism. In Africa, as indicated earlier, popular and social movements on the one hand, and reforms originated from the colonial African states on the other, were advancing different agendas: namely decolonization, independence, and the politics of “immorality” of, and/or the maintenance of quasi status quo within, the state by elements of the emerging African political elite” (Kasongo, 2010)

As mentioned before, China also focuses on building people to people connection as part of the BRI. “At the forum, China also announced it would offer 50,000 scholarships for Africans to study in China, setting off a backlash from Chinese social media users who wondered why the money shouldn’t be used for educating China’s own disadvantaged. In response, a number of Chinese government officials, scholars and experts began explaining the benefits of investing in Africa, noting the abundance of natural resources like copper and cobalt” (Lahiri and Lindberg, 2018). No state is benign and as the realist perspective suggests China has ulterior motives for the benefits of its own state. Although India is interested in people-to-people ties, and has been since ages, it is time for India to step up and preserve its interests along with the African interests. As the director of National Maritime Foundation, Pradeep Chauhan, mentioned in a lecture to interns in January 2019, “India should draw its attention towards the resources of copper and cobalt available in Africa, which China would pursue to take a hold of.” “China has shown a growing interest in the mining belt of central southern Africa, comprising Zambia, Tanzania, and Mozambique. This area is well endowed with copper, iron, gold, manganese, and other base metals” (China in Africa, n.d.). China is not only creating economic dependence but also building connections socially through institutions. “Indian Diaspora is estimated to be 2.6 million and resides in 46 countries of Africa covering all linguistic, cultural or geographical regions of Africa” (Ministry of Overseas Indian Affairs, 2012). “In contrast, academic estimates compiled in 2009 suggested 580,000 to 820,000 Chinese migrants were living in Africa” (Bowman, 2012). “In the past, China’s encroachment in social and economic life has been dissented by the local population especially in the Oceania region. In the past, the Indians
have questioned the political dominance of indigenous people, for instance in Fiji. The Chinese population has never challenged this, however, the Chinese commercial success has been a source of resentment” (Jha, 2016). China’s migrants have settled in Africa as traders have often received a backlash. “Using contact networks from home or among other migrants, they establish supply chains which import Chinese goods at a price and volume that existing traders struggle to match” (Bowman, 2012). Increasing the Chinese footprints in the region would also restrict the maneuverability of other major nations in this region.

Africa is witnessing a resurgence of resource nationalism where the nations within Africa have begun to object the control of resources by foreign companies. Some countries have begun to demand that these foreign companies should invest in local companies and taxes on these foreign enterprises should be increased. These countries aim to recover the global resource prices and reclaim their ownership of mining concessions. However, when Congo implemented this policy, China threatened to sue the government. “Congo produces about 60% of the global supply of cobalt, a rare metal in high global demand as a key material in the production of auto batteries” (Tobita and Takahashi, 2018). China continues to pursue stronger ties with Africa and at the same time, its relation with the US has been more stressful. However, the rise of such nationalism in Africa could impede China’s interests in expanding its influence in the region. It would not only affect China but all other nations, as well as Japan is heavily dependent on the resources as well. “Among other countries, China has had a strong presence in Zambia since acquiring an interest in copper mines in the late 1990s. Chinese influence has spread to manganese mining and other resources, and Zambia's mineral resources have been integrated into the supply chains of Chinese manufacturers” (Tobita and Takahashi, 2018). Resource nationalism is rising in Zambia as well and this could adversely affect China. This might influence China to reconsider its economic assistance programmes in the region. However, Africa is dependent on the income generated from its rich resources and it could not completely isolate itself in the foreseeable future.

ANALYSIS OF APPROACHES TO INTEGRATING WITH AFRICA BY DIFFERENT STATES

The AAGC is aimed to provide an alternative model for business in Africa that is more transparent and adaptive. Although India and Japan have previously made efforts in integrating with Africa, China has done much more and has been a preferred partner even before BRI’s emergence. “Africa apart, several other countries too have found China’s easy provision of long-term
credit with a turnkey approach and few OECD-type conditions, conducive to growth. The AAGC’s aim is to provide greater funding for African development in a way that is more conscious of debt servicing obligations, climate issues and transparency. The idea is to elicit private-sector engagement rather than participation only by state-owned companies: this will call for some innovative coordination so that African countries and businesses are able to find more common ground, collaborating with companies from India and its partners” (Singh, 2019).

Although China’s economy is stronger than India’s, India has stronger people to people connections with Africa. The economic disadvantage that India faces is covered with the bilateral contributions of India along with Japan. While Japan’s power is driven by the economic and technological power, it is one of the major importers of energy resources and raw materials. Its military or economic movement is determined by the country’s increasing demand for resources with a large population, technological advancements and especially the international environment. Although China’s economy is even larger than Japan’s, Japan has a highly developed economy and while China has huge regional economic disparities, Japan doesn’t. Since the dreadful events of the atomic bombs, and the understanding of a new constructive role in the political and economic order, Japan has been driven by the theory of peace. This new Japan is based on industrialization, political stability and peace, through this new quality of Pax Nipponica, Japan has hoped to attract people to this new economic force. “The concept of Pax Nipponica refers to the Japanese Constitution as pacific, and Japanese international relations by implication as being essentially cooperative and Japanese security as collective” (Hummel, 1998). Japan is generally observed as an attractive soft power.

In the ODA Charter that was approved by the Cabinet in February 1992, peace is articulated in its interrelated way as follows: “It is an important mission for Japan, as a peace-loving nation, to play a role commensurate with its position in the world to maintain world peace and ensure global prosperity. It will therefore implement its ODA to help ensure the efficient and fair distribution of resources and “good governance” in developing countries through developing a wide range of human resources and social economic infrastructure, including domestic systems and through the basic human needs (BHN), thereby promoting the sound development of the recipient countries.” “ODA, as defined by the Japanese Diet, has also been guided by a certain level of humanism, universalism, and interdependence, which should, in principle, be important factors for articulating peace in the international development arena. ODA was intended to promote peace and
political stability” (ODA charter, 1999). The idea of ODA is to promote peace, however, on several instances, Japan, the US and other aid providers are accused of creating dependency. Japan has constantly made efforts to ensure its image as an aid giver for economic assistance that is driven by the principle of self-help and not on dependency that the imperialists pursued. Since the Afro-Asian coalition of 1955, Japan has been committed to fostering the relations with Africa.

Although Japan has provided huge amounts of ODA, it has been mainly disinterested in African politics. A characteristic of Japanese foreign policy towards Africa is its apparent lack of interests in African politics, that is to say, in people’s and citizens’ political rights, issues related to governance, the machines of the states, and the processes of the decision making. Japan has previously restricted itself from engaging in any kind of political matters. Its relations with South Africa and later with other African countries were essentially influenced by the fact that those countries were resource-rich needed by the Japanese state and foreign corporations as reflected in the pragmatism of the Japanese politics. If these economic initiatives have to work, Africa would also need to be politically stable. The political conditions in Africa are complex, fluid, challenging and diverse which are constantly affected by the local dynamics and global reforms. Thirty-three out of the thirty-six countries that gained independence in Africa have had an authoritarian government. “Since September 11, 2001, in the name of national security and the so-called fight against international terrorism, with the adoption of the mini United States’ homeland security apparatuses in Africa (or an excessive centrality of new national security agencies in the public sector), the governments of the majority of African states have been officially resisting the promotion of genuine democracies as demanded by the African people” (Kasongo, 2010).

In this stage of Pax-Africana, the African states have made constant efforts in resolving the political instabilities in the region. Pax Africana is defined as a concept that involves the efforts of African states in establishing a system for collective security with a focus on political unity, cultural identities, self-determination, strong cooperation and respecting diversity. These factors are essential for a stable environment in the continent. Through this concept, the African political forces, leaders, civil societies make conscious efforts in redefining the political identity of Africa as essentially independent with the objectives of attaining stability and peace at a collective level as well as a national level. So far, India and Japan have avoided interceding in Africa’s political instability. Africa, through regional integration, seeks to resolve the political instabilities in the region. Combined with the economic advantage of
Japan and diplomatic relations of India, both countries could bring about a positive change in the African region and beyond. “The African crisis has produced social and economic devastation in people’s lives, such as high level of permanent unemployment, disguised unemployment, lack of health/medical services, the elimination of any agricultural subsidies for peasants and farmers, nonexistence of housing schemes for the poor and social security system for the majority of the African people, and reduction or elimination of support for access to basic education, and even the introduction of school fees” (Kasongo, 2010). Africa also suffers huge international debt, a result of the crisis of the capitalist economy. The citizens are suffering physically and socially from taxes, so that the governments could pay back their loan. The governments have sold essential assets of people such as their land and water along and private corporations with the support of the state, legally and illegally exploited mineral resources. The debt relief given to Africa is also not entirely humanitarian as it’s a rather a corrective process that will integrate Africa into the world of international capitalism.

SECURITY PERCEPTIONS IN THE REGION

China as an economic superpower threatens the West and some of its neighbours as it creates a platform for military ambitions. The possibility of China’s economy transforming into offensive military capabilities poses a threat to many nations. “Oil rich countries have tried to translate wealth into military capability, in some cases (Libya, Iraq, Iran) with aggressive intent. The increased prosperity of south-east Asia is also now being translated into heavy arms spending as well as rising living standard” (Ferdinand and Cable, 1944). China has recently developed its military capabilities along with improving operational capacity, with a technologically advanced military. “Since the assumption of Xi Jinping to the post of General Secretary of the Communist Party of China (CPC) in 2013, the People’s Liberation Army has undergone numerous changes, in terms of modernization of the organization, which ensures that the PLA forces will be battle-ready. The modernization aims for the PLA to acquire the latest technology and logistics that can lead the military to quick and decisive victories in any theatre of battle” (Bommakanti and Kelkar, 2019). Although China has increased its military capabilities with an increasing economy, as Vincent Cable and Peter Ferdinand mention, the economic advancement may not necessarily lead to a military threat. “The nature of current Chinese development has involved building up strong economic linkages with its neighbours through trade and investment flows which would make military confrontation all the more costly. Third, the most serious security threats posed by China would originate not in economic success but in the consequences of economic
failure and political turmoil” (Ferdinand and Cable, 1944). China’s development is reflective of an assertive foreign policy, however, an integrated economy might avoid conflict more than instigating it.

China’s developments have constantly threatened its neighbours, especially India. Any economic or military development by China creates a security dilemma for India. “India’s defence spending is lower than China’s in absolute terms but higher as a percentage of GDP, even with off budget items included. In some areas of naval and air power, India already possesses greater power projection capabilities than China and has more experience using them. Comparing the two, Indian operational doctrine is more offensive than China’s and explicitly calls for pre-emptive attack under a range of circumstances” (Gilboy and Heginbotham, 2012). Operational military developments mentioned before is not just pursued by China but India as well as both countries gear towards offensive action. India as well, is developing its forces as its economy grows. Although fewer than India’s, China is building fewer but more efficient units and weapon systems. Both India and China are rapidly growing but China started its economic reforms along with further integration with the global financial system way before India. “Today, China’s economy is far more open and integrated with the global economy and its economy is about four times the size of India’s at market exchange rates” (Gilboy and Heginbotham, 2012).

China has been increasing its military budget without much transparency and thus rapidly developing its military capabilities. “China has taken actions that can be regarded as attempts to change the status quo using coercion based on their own assertions which are incompatible with the existing order of international law in maritime and aerial territories including the East China Sea and the South China Sea. China has rapidly expanded its activities in the seas and airspace around Japan, including intrusion into Japan’s territorial waters and airspace around the Senkaku islands of Okinawa, Japan” (Pant and Kennedy, 2015). Djibouti being one of the world’s key military base worries USA as China could take control of the region as it did to Sri Lanka. “Djibouti government debt has already increased from 50% of GDP five years ago to over 80%” (Hurley, Morris and Portelance, 2018). “It is too facile to suggest that China is acquiring naval power strictly as a means to the end of regional or perhaps global hegemony. Empires are often not sought consciously. Rather, as states become stronger, they develop needs and—counterintuitively—a whole new set of insecurities that lead them to expand overseas in an organic fashion” (Kaplan, 2010). China is not really threatening the destruction of any country instead it has developed diplomatic and economic relationships with the US and its neighbours. The Chinese and the
American interests are closely tied together with the US, depending on China for affordable goods and China depending on USA as its major consumer market. The recent trade wars would impact both countries heavily and it is important to maintain economic dependency. Strong bilateral relationships between America and China is necessary for the global system in the twenty first century, to let true world governance take its shape.

As the balance of power in the Asia-Pacific changes, the regional security environment around Japan also changes. The balance of power in the Asia-Pacific is substantially changing, thereby substantially influencing the regional security environment surrounding Japan. For a country to defend itself from China’s assertiveness, it needs to have the US’ support until the US remains the major superpower. The US policies on the use of force consist of three elements: pre-emption, unilateralism and hegemony. In the post-cold war era, these three elements have formed the principal strategies for maintaining the dominant position of the United States in the Asia Pacific. “The United States pursues, develops sustainable growth that bolsters institutions, strengthens rule of law, and builds the capacity of African countries to stand on their own two feet,” Tillerson said, speaking at George Mason University ahead of a trip that would take him to Ethiopia, Kenya, Chad, and Nigeria. “This stands in stark contrast to China’s approach, which encourages dependency using opaque contracts, predatory loan practices, and corrupt deals that mire nations in debt and undercut their sovereignty” (Tillerson, 2018).

China’s model has been attractive but whether it could work in the long run is debatable. Unless amended, it could face severe challenges in the long run as countries begin to lose their trust. However, the AAGC could also learn from the positive and negative outcomes of China’s BRI model. India’s approach of inclusive growth is an exceptional model as it not only serves all countries but also sustains the model longer. India has realized the challenges faced by China in its investments abroad and has provided an alternative model. No country should gain excess power in a region, as it would make other nations far more vulnerable and threatened. However, there is nothing irrational or wrong in countries pursuing greater power. Power is sustainable only when the adversaries are limited and for this reason, India needs to continue a model that is attractive yet sustainable. Although the BRI was developed way before the AAGC, India can learn from the challenges that BRI faced and develop its plans accordingly. Countries along the Belt and Road have different laws and legal systems and this has often served as an impediment to trade and the core objective of such initiatives. India needs to take these and several other challenges into account.
CONCLUSION

Africa, being a centrally located region connects the West with Asia. Africa is not only important for security reasons but also for the resources. India and Africa have shared diplomatic relations since ages and Africa and Japan have shared a necessary economic relationship. Although India and Japan have not settled on similar approaches to Africa, both nations share several strategic interests together, they can effectively utilize their capabilities and opportunities. The formation of the AAGC is a major step towards accomplishing this and all previous challenges need to be countered through this relationship. Although China has had the same agenda as that of India’s and Japan’s, its approach hasn’t really proven the collaborative agenda it claims to have. China claims to achieve inclusive growth as well, however, its policies have led the countries further into debt. Countries like Sri Lanka have asked other countries to bring back the balance in the region. The growing dependence of countries on China will destabilize the power balance in the region. However, such an extractive policy is bound to fail in the long run. Several authors have suggested that China has not really threatened countries, however, the economic dependency has quite adverse impacts as well which one cannot ignore. On one hand, integration would compel nations to avoid military conflict, on the other; it could affect the development of a nation, which is crucial for its survival. India on the other hand has suggested a very different approach, which could make the countries in this region far more hopeful. The idea of growing together is attractive and as this strategy is developed, it is bound to survive longer. India could play a key role in the development of the region, which would then enhance India’s power projection.

WAY FORWARD

India and Japan have intentions of further investment and developing the region, however this may not be taken positively if the model is viewed as extractive. The objective of the AAGC is inclusive growth and for this reason, it would need to consider the concerns of African nationals as well. Enough job creation needs to be ensured where African nationals have enough opportunities. Although Indian and Japanese enterprises have previously not cooperated, it is time for these companies to develop a model so that both businesses could work together. These companies also need to work closely with the African nationals. “The short-term solutions perhaps lie in a B2B approach. While the B2B approach will be easier to achieve than a B2G approach, it will require far greater coordination than India and Japan have achieved in other arenas. The B2G needs government-led planning, funding
and matching of procurement processes. The B2B approach can be led more by FDI, the private sector and focus on smaller projects without direct government funding.” (Singh, 2019) With a focus on infrastructure projects, the AAGC in the long run would need to be implemented in tandem with the African development priorities, and cooperation between Indian and Japanese lending companies. The “Pan-African and regional projects are more difficult to manage while a trilateral partnership in the infrastructure space can include the possibility of collaboration by Indian and Japanese agencies with an African government agency on a common project. Its design, implementation and operation can create a new matrix of engagement. Projects with a regional hinterland will serve a greater purpose” (Singh, 2019). For these to be implemented the ministry of commerce would also need to involve itself more in the process.

As Beri recommends in her paper published by RIS, India may utilize five models of cooperation under the AAGC. First model would be that Japan could fund the existing successful Indian projects such as the Pan-Africa E-Network project in tele-education. Second, Japan could also fund the Indo-African joint financial ventures such as Kukuza Project Development Company. Considering the financial success of Japan, India could also benefit from its funds and further contribute to African projects in a more efficient manner. Third, India and Japan jointly fund programmes in Africa and execute them through coordinated efforts. Fourth, joint ventures of India and Japan in the field of automobile sector could set up an assembling facility in Africa with a local partner. Japanese companies in India already focus on the automobile sector and view Africa as an expanded market. Fifth, the Japanese companies in India could export products or implement projects in Africa.

India and Japan also need to reconsider their several policies that might be perceived as exploitative. As mentioned before, the Indian investments in Mauritius are dominant compared to the total FDI by India in Africa. Other nations within Africa also hold huge value as Zambia, Congo, South Africa have abundance of copper, Namibia for uranium and Mozambique for aluminum among others. China has realized the opportunities in Africa and has invested accordingly, India needs to speed up and invest strategically as well. It needs to invest keeping in mind the development plans of Africa and India’s own interest in securing resources. With the AAGC, India and Japan need to complement each other along with Africa and achieve transfer of competencies. While Japan could provide greater economic assistance, India could implement further projects and work on the operational level. Compared to Japan, India has had an advantage over people to people connections, which need to be utilized.
As noted previously, India and Japan also need to consider the political scenarios of each country as it heavily affects development plans. India and Japan need to actively support cooperation plans within Africa. This would encourage further development and such development would then encourage further cooperation and stability in the region. This multilateral initiative needs to be in synergy with track one, track two and track three diplomacy. In order for a deeper integration, governments, societies, enterprises need to work together and strive for further development. Through these recommendations and those suggested by various experts in this paper and a careful analysis of the present and plausible challenges, the AAGC could be developed into a beneficial model for the Asia-Africa region. As this model expands and grows, India’s regional position would also develop. Countries would be rapidly developing and heavily depend on this multilateral relationship. India’s neighbours would also begin to develop a deeper faith in India’s approach. “A wider perspective indicates that Indian involvement in connectivity projects is part of the multidimensional strategy of an aspiring power spreading its wings to stay relevant in the global context through alternate ways by offering recipient countries geographical routes and providing access to more investment, better technologies, larger markets, and greater economic transformation” (Ganguli, 2017). These endeavors would further strengthen India’s strategic interest in connecting within the region and shape the future of the structure of regional power.


