

The Sun rises in the East: Asia's increasing influence in Africa

ORF [orfonline.org/expert-speak/the-sun-rises-in-the-east-asias-increasing-influence-in-africa](https://www.orfonline.org/expert-speak/the-sun-rises-in-the-east-asias-increasing-influence-in-africa)

- [India with Africa](#)
- May 30 2018

[Ronak Gopaldas](#)

As Africa begins to re-emerge as a chessboard for global powers, it is in the mutual interests of Africa and Asia to forge stronger alliances.

The Asia-Africa Growth Corridor will be a sea corridor linking Africa with India and other countries of Southeast Asia and Oceania — Nairobi panorama [Representational image]

There has been a sense of anxiety among many in Africa around what the changing global geopolitical landscape means for the continent's prospects and whether policymakers should be concerned by it. Despite a new and more insular policy orientation in the West — largely centered around migration and security interest from alternative regions and partners, namely in Asia, could go some way in offsetting some of the negative repercussions of this shift. Asian countries, and in particular the big three economies (China, India and Japan), have adapted a more muscular approach to globalisation in recent years. Given this more outward focus, Africa has increasingly started to feature on their radars. The competition for influence, both within Asia and beyond will see Asian trade and investment seek out new growth partners and strategic markets for its ambitious global agenda. Now, as the "Sun rises in the East," African states are well placed to benefit from this.

The competition for influence, both within Asia and beyond will see Asian trade and investment seek out new growth partners and strategic markets for its ambitious global agenda.

Growing symbolism and engagement

To be sure, interest from all three powers is growing. Since 2015, all three countries have held summits in an attempt to solidify and improve their relationships with countries in Africa. India kicked off this trend in October 2015 with the India Africa Forum Summit in New Delhi. This was followed by FOCAC in Johannesburg in December 2015. Lastly, in 2016 Japan held TICAD in Nairobi — in Africa for the first time, since its inception. In each of these summits, sizeable pledges of financial (\$10 billion, 60 billion and 30 billion respectively) and technical assistance were made to Africa.

Whilst critics will argue that these are simply cosmetic PR exercises which do not yield any real benefit, they were important symbolic gestures, at a time when African economies were buckling under the weight of the debt crisis and the rise of protectionist policies. Further, with nationalistic

elements on the rise in Europe and the West, such support provided comfort in the face of growing insularity from the West. As such, these summits should be seen as important events in the context of a “new scramble for Africa” and a shift in strategic global alignment.

New strategic partnerships?

Indeed, in the wake of a more isolationist Trump administration in the United States, there is now potential for greater Asian alignment to Africa. Experts say Asia’s new money will gravitate to alternative regions due to the negative impact of the Trump administration on Asia (withdrawal from TPP).

The US is currently restructuring its political alliances and international relations with it are likely to change said Graeme Robertson, Intrasia Capital’s chief executive officer, at the 2017 Mining Indaba in Cape Town, South Africa. “So the Asian money is looking at new direction and you see the influence of that into Africa,” he added.

In the wake of a more isolationist Trump administration in the United States, there is now potential for greater Asian alignment to Africa. Experts say Asia’s new money will gravitate to alternative regions due to the negative impact of the Trump administration on Asia — the withdrawal from TPP.

Competing for dominance in Asia and beyond

It is indeed fitting that the bulk of the interest has come from Asia’s “troika” — its three largest economies. Their rising interests coincides with the strongest heads of state of their respective countries in a generation. The implications of this domestic stability are two-fold — *one*, it equips the leaders with the political capital to embark on ambitious reform agendas at home and *two*, it has provided the aircover to pursue a more expansionary global agenda to meet domestic development needs.

In this context, China has largely stepped into the global leadership void by becoming the new “champion” of globalisation. Not to be outdone, Japan and India have also ramped up their efforts to expand their spheres of influence, thereby creating interesting tension both within and beyond the region.

Indeed, the question of influence is one that features prominently. China’s ambitious global design — the most notably through its \$1.3 trillion Belt and Road Initiative which aims to expand footprint — has generated attention from its neighbours. This has been a source of friction, with neither Japan nor India keen to play second fiddle as China continues its ascent. As such, both countries have redoubled their efforts to re-assert influence — not only in Asia but also beyond its borders. However, without the financial muscle to compete, India has had to consider alternative approaches — primarily through a strategic alliance with Japan. Both are democracies, with complementary economic and strategic agendas — hence the two countries have aimed to counter China with cooperation in the realms of economic and security affairs.

Without the financial muscle to compete, India has had to consider alternative approaches — primarily through a strategic alliance with Japan.

Africa as an arena for competition

However, this competition is not limited to Asia. Africa has emerged as a new arena for this battle to play out. In particular, East Africa has garnered a great deal of attention, given its strategic location to Asia. Indeed, at last year's AfDB meeting in Ahmedabad, the two countries launched the Africa-Asia corridor, with a pledge of a \$200 billion in proposed projects, amid much excitement and fanfare.

Unlike the Belt and Road Initiative, which entails development of both land corridor (new economic belt) and ocean (marine silk road), AAGC will essentially be a sea corridor linking Africa with India and other countries of Southeast Asia and Oceania by rediscovering ancient sea routes and creating new sea corridors that will link ports in Jamnagar (Gujarat) with Djibouti in the Gulf of Aden and similarly the ports of Mombasa and Zanzibar will be connected to ports near Madurai; while Kolkata will be linked to Sittwe port in Myanmar.

The idea aims for Indo-Japanese collaboration to develop quality infrastructure in Africa, complemented by digital connectivity, which would undertake the realisation of the idea of creating free and open Indo-Pacific region.

Contrasting and complementary styles

However, to be successful, the India-Japan axis needs to understand their strengths and weaknesses relative to the China model and compete accordingly. Realising that they cannot compete in terms of the scale of investments, Japan and India will need to be creative and forge distinct comparative advantage which focusses more on the quality of the investment rather than the quantity. Sarah Watson, a former Associate Fellow with the CSIS Wadhvani Chair for US-India Policy Studies, believes: "India and Japan will have to work hard to execute projects with speed and efficiency if they are going to reduce China's lead in the region. Quality, quickly, is the key."

Of course, there are vastly different approaches in their investment strategies. China's method tends to be state-led, and typically follows a 'cash for infrastructure' approach. For African governments, the perceived lack of conditionality is attractive. Simply put, "there's less paperwork to navigate." But for local populations, Beijing is often accused of exploiting the continent's vast mineral and energy resources without any benefit to locals. This criticism is particularly fierce in resource rich countries such as Angola and Zambia.

By contrast, both Japanese and Indian investments are mostly through the private sector. However, there is a major structural difference in the type of investment between these two countries and China, with former investments deemed to be of a better quality, although significantly smaller in size. The Indian model, in particular, creates value by prioritising local productivity and plays crucial role in fostering skills and human resources that are critical for

Africa to develop in a sustainable way, as opposed to the “resource for cash” approach that China is often criticised for. These projects require considerable investments in “soft infrastructure” but, in the long term, they will show up not only in the quantity, but also in the quality and sustainability of their economic growth.

The Indian model, in particular, creates value by prioritising local productivity and plays crucial role in fostering skills and human resources that are critical for Africa to develop in a sustainable way, as opposed to the “resource for cash” approach that China is often criticised for.

Understanding the comparative advantage

Despite trailing in terms of the quantum of investments relative to China, India and Japan has a number of distinct comparative advantages which can be used to foster a mutually beneficial relationship with Africa. From India’s side, the strength and experience of its corporate sector, cultural and political linkages, an engaged and active diaspora, along with the experience of Indian businesses (such as Bharti, Tata and Godrej) in navigating complex ethnically, culturally and linguistically diverse landscapes and societies are key strengths.

Combined with Japan’s technical and technological knowhow, the partnership’s potential as a counterweight to China, has generated significant excitement. As noted by Watson, “India and Japan are calculating that the African people are hungry for a more equitable and transparent alternative, even if it means more expensive projects or longer timelines.”

What’s in it for Africa?

The bigger and more important question to ask, however, is what does this all mean for the African countries?

Here, there potentially is a huge opportunity for African countries to court foreign investment and create mutually beneficial relationship which catalyse trade and investment. For the African continent, Asian investment offers a compelling value proposition. Such trade and FDI flows could have significant long-term benefits for the industrialisation of Africa, particularly in sectors such as education, infrastructure, tourism and health, where these countries can offer expertise and solutions for African countries, having undertaken the same process of industrialisation a few decades ago.

Economic diplomacy matters

But how do they convert this growing interest into tangible and effective financial benefit?

Ultimately, this will depend on how policymakers on the continent use their leverage. Being “streetwise” is key — the strategic competition between the rivals should be exploited, with pragmatic rather than ideological levers of economic diplomacy prioritised to maximise a country’s economic interests. Rather than adopting an either-or approach to strategic allies, or picking one side over the other, African policymakers should exploit all interest based on their

economic value. Kenya has thus far demonstrated huge skill and dexterity in straddling these competing influences both between Asian and Western powers. Indeed, the “economic diplomacy” adopted by Kenya since 2013 offers a blueprint for other continental leaders to expanding cooperation in trade, investment and technical assistance.

Using economic diplomacy to find practical and effective solutions to threats will present a major challenge to the continent’s policymakers.

There are, however, some complexities to consider. The fact that many African countries are knee-deep in debt may limit their manoeuvrability, whilst the threat of more aggressive diplomacy from the West — such as Trump’s recent threat to cut foreign aid — could also limit the economic ‘agency’ of African sovereigns to chart a new path.

Using economic diplomacy to find practical and effective solutions to these threats will present a major challenge to the continent’s policymakers.

Creating win-win scenarios

Now, as Africa begins to re-emerge as a chessboard for global powers, it is in the mutual interests of Africa and Asia to forge stronger alliances. With smart and pragmatic policies, there exists a huge opportunity to create win-win scenarios that will ensure that domestic and international priorities are achieved for both continents. Taken together, and if done correctly, Asia’s global expansion, together with Africa’s ongoing industrialisation drive, may yet ensure that the Sun does indeed rise in the East.

The views expressed above belong to the author(s).