

- Gateway House - <http://www.gatewayhouse.in> -

India, Germany and Africa: the new priority

Posted By *Jivanta Schöttli* On September 21, 2017 @ 4:54 pm In Africa,Africa new1,African Union,African Union new1,Articles new1,Asia new1,Central Africa new1,Democracy & nation-building,Democracy and Governance new1,Democracy and Nation Building new1,East Africa new1,Economic Democracy new1,Europe new1,Europe/Russia,Features,Gateway House,Geoconomics,Geoconomics new1,Germany new1,Horn of Africa,Horn of Africa,India,India new1,International Finance new1,Issues,Issues new1,NEPAD,North Africa,North Africa new1,Publication new1,Publications,Region new1,Regions,South Asia,Southern Africa,Southern Africa new1,Sub-Saharan Africa,West Africa new1,Western Europe,Western new1 | [Comments Disabled](#)

Germany and India, two major countries and economies, are vastly different in many ways. Yet they share the common trait of pursuing an increasingly proactive foreign policy, both in their near neighbourhood and towards more distant regions. This is indicative of a new willingness to demonstrate as well as exercise leadership in international politics. Germany's chancellor, Angela Merkel has been called the most powerful person in the world and Indian Prime Minister, Narendra Modi is lauded for injecting a newfound dynamism and imagination into India's foreign policy. While Merkel has been called upon to act as the West's last capable defender of the liberal order, Prime Minister Modi has positioned India as a key protector of a central norm in a rules-based global order – the freedom of navigation and passage through the Indian Ocean.

In line with these compulsions, both countries have recently launched grand initiatives focused on Africa. On 25 May at the annual meeting of the African Development Bank hosted by India and which took place in Gujarat, a vision document for the Asia-Africa Growth Corridor (AAGC) was released. Almost concordantly, In July, at the G20 meeting in Hamburg, and under the aegis of the Germany presidency, a new Compact with Africa (CWA) was announced. Both proclaim a more inclusive dialogue with African partners.

As partnerships develop and turn towards implementation, the question will be this: will they result in a healthy competition focused on delivering results or turn into a contest to attain and secure influence?

Both Germany and India have internal and external reasons that explain the timing of these large-scale initiatives. While the CWA is a German-led multilateral effort, embedded in the G20 Finance Track process, the AAGC is an economic cooperation agreement between the governments of India and Japan. The CWA is focused on promoting skills and reforms to improve Africa's investment environment. Seven countries have joined the compact – Côte d'Ivoire, Ghana, Ethiopia, Morocco, Rwanda, Senegal, and Tunisia. While the AAGC lays out a four-pronged framework (development, infrastructure, capacity-building and people-to-people partnerships) it does not name specific countries.

The CWA is also seen as marking a change in its emphasis on infrastructure and private investment, reflecting the trend in international development financing that has been set primarily by China as the main bilateral lender for infrastructure in Africa. Governments in India and Japan are aware of having ceded some of their initial advantages in Africa to China, vis-a-vis. The advantages of India's rooted diaspora and old business ties and Japan's long-standing development programme on the continent.

Interestingly, the plain-and-simple geo-strategic objective of the AAGC is the need to “improve growth and interconnectedness between and within Asia and Africa for realizing a free and open Indo-Pacific region.”^[1] With this statement, the AAGC is clearly an answer and potentially, an alternative, to the Chinese-led Belt and Road Initiative. The AAGC already has financial commitments, amounting to \$30 billion by Japan and \$10 billion by India.

There is also an obvious, though not explicitly stated, strategic purpose to Germany’s efforts for Africa. The refugee crisis earlier this year, largely emanating from Syria but also the deaths and disasters in the Mediterranean involving migrants from Africa, sparked a national debate on migration. Germany’s response was initially welcoming but later turned critical following a coordinated assault on women in the city of Cologne on New Year’s Eve and the terror attack at a Christmas market in Berlin. The shocking events triggered a widespread discussion about the urgent need to prevent future waves of migration, which could be driven by conflict, climate change and the lack of economic opportunity in African states.

Ahead of federal elections in September 2017 and despite the lack of a real alternative to Angela Merkel, the topic gained heightened political sensitivity, providing a space for right wing, populist and Eurosceptic parties, like the *Alternative for Germany* to gain traction.

German Finance Minister Wolfgang Schäuble, whose ministry initiated the CWA, even spoke of a direct link between the lack of economic perspectives in Africa and “geopolitical risk”. A supplementary strategic aim stems from concerns within German industry about having fallen behind in the ‘new scramble’ to capture and target African markets and trends. This is evident in the two additional and parallel Africa initiatives recently launched by Germany: the 33-page blueprint outlining a framework for a new partnership between Africa and Europe, described as a Marshall Plan for Africa, issued by the Federal Ministry of Economic Cooperation and Development and ‘Pro! Africa’ designed by the Ministry for Economic Affairs to support and stimulate German business interests in Africa.^[2]

While both AAGC and CWA were launched with great expectations and fanfare, the question remains how they will deliver results. Furthermore, there is the possibility that in a world of crosscutting partnerships, these may act or be used to undermine each other. For example, it is speculated that at the recent BRICS Summit in Xiamen, efforts were made to dissuade India from going ahead full force on the AAGC, due to Chinese apprehensions. A push was made for the BRICS New Development Bank to be the leading lender for African countries – with China driving home the point by inviting two African countries, Egypt and Guinea as observers to the BRICS Summit, along with three others. It remains to be seen whether the recent visit to India by Japanese Prime Minister, Shinzo Abe on September 13 for the fourth annual Abe-Modi summit yields concrete progress on the AAGC.

Independently of the CWA and AAGC frameworks, security is emerging as an area of convergence in the German and Indian approaches to engaging with Africa. At a G20 conference on Africa (leaders of the African Union from Guinea, Egypt, Ivory Coast, Mali, Ghana, Tunisia, Rwanda and other nations gathered in Berlin)^[3] (2017), Angela Merkel said that other industrialized countries should be more open to transferring weapons to African nations as part of their development aid so that those countries can more easily combat militant groups.

India has been active as a security-provider with the Indian Navy tackling piracy to protect the sea-lanes of communication along Eastern Africa’s coast. Of late, India has been far more explicit about pursuing

security interests in the Indian Ocean, including with African states such as Tanzania and the strategically-positioned ocean state OF Seychelles. India has also signalled that is ready to explore joint defence manufacturing with key African states.

In the discussions surrounding the new Africa initiatives, Germany and India have revealed their dual priority: creating opportunities for prosperity and acting towards the promotion of stability. For both, these ARE uncharted waters and represents a shift in the locus of global dynamism, away from an Anglo-Saxon world order to a more diverse yet potentially fissiparous one. A collaborative approach, as articulated in the joint statement[4] during Narendra Modi's visit to Germany in May 2017, will be the best way forward.

Jivanta Schottli is a Visiting Research Fellow at the Institute of South Asian Studies, National University of Singapore.

You can read exclusive content from Gateway House: Indian Council on Global Relations, [here](#).

For interview requests with the author, or for permission to republish, please contact outreach@gatewayhouse.in.

© Copyright 2017 Gateway House: Indian Council on Global Relations. All rights reserved. Any unauthorized copying or reproduction is strictly prohibited

References

[1] Economic Research Institute for ASEAN and East Asia, *Asia Africa Growth Corridor Partnership for Sustainable and Innovative Development A Vision Document*, (Jakarta: Economic Research Institute for ASEAN and East Asia, 2017), pg. 14

[2] Federal Ministry of Economic Cooperation and Development, Government of Germany, *Africa and Europe – A new partnership for development, peace and a better future: Cornerstones of a Marshall Plan with Africa*, (Berlin, Federal Ministry of Economic Cooperation and Development, 2017), <https://www.bmz.de/en/publications/type_of_publication/information_flyer/information_brochures/Materialie270_africa_marshallplan.pdf>

[3] G20, *Speech by Federal Chancellor Angela Merkel at the "G20 Africa Partnership – investing in a common future" conference on 12 June 2017 in Berlin*, (G20: 2017), <https://www.g20.org/Content/EN/Reden/2017/2017-06-12-bk-merkel-g20-africa-conference_en.html>

[4] Ministry of External Affairs, Government of India, *India-Germany Joint Statement during the visit of Prime Minister to Germany*, (New Delhi: Ministry of External Affairs, May 2017), <<http://www.mea.gov.in/bilateral-documents.htm?dtl/28496/IndiaGermany+Joint+Statement+during+the+visit+of+Prime+Minister+to+Germany>>

Article printed from Gateway House: <http://www.gatewayhouse.in>

URL to article: <http://www.gatewayhouse.in/potential-india-germany-africa/>

