Harnessing India's Advantage in Africa

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Non-traditional development partners such as China and India over the past decade have emerged as significant players across Africa. While there is much coverage and controversy surrounding China's engagement in Africa, relatively less attention has been paid to India which has kept a lower profile. Most research on the topic tends to portray China and India in a comparative and competitive light.
In reality there is no comparison. As recently as 1999 China's trade with Africa was lower than India's, however in the past decade China's trade, investment and other engagement in Africa has grown several times larger than India's. Compared to China India faces several disadvantages, not least of these are macroeconomic constraints (persistent fiscal and current account deficits, higher inflation and sensitivity to food, fuel shocks), greater poverty and developmental needs at home, and unavoidable competition for scarce resources in third countries with lower financial capacity. Despite its growing engagement it has been relatively easy to dismiss India in light of China's much larger role in Africa.
This paper focuses on India's advantages, specifically over China, in Africa. These include: deep historical ties and large Diaspora (especially in East Africa); vibrant private sector, especially small medium enterprises and the technology sector; vibrant 'third sector' (NGO and civil society); innovative public policy delivery and democratic governance; geographical commonality (Indian Ocean); shared Commonwealth heritage and English language with Anglophone Africa; longstanding contribution to human and food security in Africa. However, India lacks a coherent policy statement on international development, and engagement in Africa remains ad-hoc.
Drawing on a discussion of its advantages we propose a four pillar strategy for India in Africa: 1. Engaging the private sector, 2. Harnessing innovation, and creative industries for development, 3. Engaging civil society, 4. Engaging traditional donors in Africa. A combination of these will enable India to position itself as a credible alternative to China, something several African governments are likely to find appealing.