



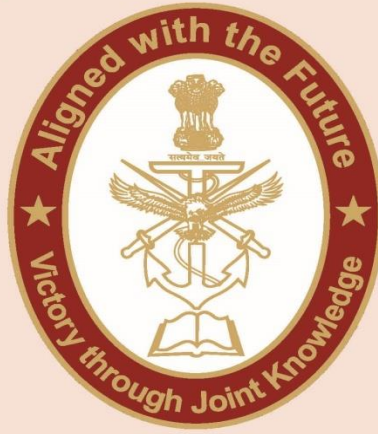
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AFRICAN UNION IN G20 & OPPORTUNITIES FOR INDIA

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Introduction

The African Union (AU) is a central body which is made up of 55 member states of Africa. It was made up from Organisation of African Unity (OAU, 1963-1999) and launched in 2002. The aim of OAU was to eradicate the colonial remnants and apartheid from Africa. The relaunch of pan-African organization was decided in order to achieve Africa's capability by increasing mutual support and uniting African states together, to promote growth and economic development (About the African Union, n.d.).

The AU fought a long battle to pave its way to achieve representation at the global platform like the G20 for raising its concerns. The foundation of this struggle was laid in 2008, when C-10 was created, a Committee of African Finance Ministers and Governors of Central Banks from ten countries, to monitor developments and formulate proposals after the global financial crisis occurred in 2007-2008. In the following years, a strategy was developed for Africa by C-10, which was proposed in the G20 group, advising the group on urgent issues being faced by Africa. However, it was appalling to note that most of those issues were still relevant even after a decade. This highlighted that the priorities of African demands were largely ignored by other key players due to the lack of representation by African nations in global forums (Why the G20 needs the African Union, 2023).

On 9 September 2023, AU became a permanent member of the G20 Group at its 18th edition. India made its way through heavy lobbying to sway world opinion, for inclusion of AU in G20 group at the New Delhi Summit (Nantulya, 2023). It is noteworthy that, India held the 'Voice of the Global South' Summit before the G20, in which the idea

was emerged to include AU in G20 Group (Barthwal, 2023). With one move, India has hit two targets: emerging as a regional leader and strengthening its strategic interests in the African Continent.

India's Strategic Interest in Africa **Diplomatic Leverage**

India has long aspired to emerge as a global leader. However, due to limited opportunities provided by the Global North, which includes prominent world leaders like the US and Europe, India has directed its efforts towards the Global South community. This community largely comprises developing and underdeveloped countries that have minimal representation in global decision-making despite being significantly impacted by their large populations and markets. India has advocated for a more representative and inclusive global economic architecture. By supporting the AU's membership, India has reaffirmed its commitment to democratizing global economic decision-making. This act highlighted India's commitment to raising the concerns of the Global South (Pal, 2023). The Indian proposal did not face any opposition from other G20 members. Instead, some leaders, like US, China, and France supported it. Additionally, during the same G20 summit, India highlighted the economic hardships faced by 120 countries of the Global South due to the Russia-Ukraine War and the COVID-19 pandemic (Barthwal, 2023). This has positioned India as the Global South's voice, capable of swaying global opinion in favour of this largely unrepresented community and solidifying its role as a global leader representing the largest population and market community.

India's ambition to integrate the AU into global decision-making processes was also motivated by its efforts to counter neo-colonialism, particularly by its arch-rival China, during the absence of a global economic framework in the subcontinent. Neo-colonialism is interpreted as developing unequal economic relations, eroding the sovereignty of countries through asymmetric trade and investment (Barthwal, 2023). Therefore, India's policy on Africa focused upon "developing together as equals," as articulated in the "Kampala Principles," tenets outlined during the speech of Indian Prime Minister in 2018 at the Parliament of Uganda. It is noteworthy that China is fourth largest investor in Africa and its leading trade partner. Trade between Africa and China in 2022 amounted to USD 282 billion, while between India and Africa totalled USD 98 billion in the year 2022-23. One of India's key strategic interests is to strengthen diplomatic ties with the African continent while simultaneously constraining China through regulatory frameworks within the G20. Since 2018, India has opened 18 new embassies in African continent to bolster these ties (Barthwal, 2023).

Natural Resources and Mineral Reserves - Rare Earth Elements

Africa is endowed with a wealth of raw material reserves that play a crucial role in global supply chains. Some of the key raw materials across the continent include gold from South Africa's Witwatersrand Basin, diamonds in Botswana (home to the world's largest and richest diamond mines), platinum group metals predominantly found in South Africa and Zimbabwe (which hold 75% of the world's reserves), copper primarily produced in Democratic Republic of Congo (DRC) and Zambia within the Copperbelt region, as well as cobalt, iron ore, bauxite, and other major mineral reserves. Africa is also rich in rare earth elements such as uranium, lithium, and phosphates (Karingi & Naliaka, 2022). These raw materials position Africa as a vital player in the global market for minerals and energy resources, since the increased demand for minerals

surges for shift to the green energy. Africa's significance is being recognized by major countries, like U.S, China, Europe and India (Pal, 2023).

Renewable Energy

Africa has traditionally been considered an underdog in global energy leadership, encompassing both renewable and fossil fuel sectors. The continent boasts abundant fossil fuel resources, with major oil producers including Nigeria, Angola, Algeria, Libya, and Egypt. Additionally, countries like Ghana, Gabon, Sudan, and South Sudan also possess significant oil reserves. Algeria, Nigeria, and Egypt are notable for their substantial natural gas reserves, with Algeria standing out as one of the largest exporters of Liquefied Natural Gas (LNG). Recent discoveries of large offshore natural gas fields have been made in Mozambique and Tanzania, while South Africa leads as the largest coal producer in Africa (Karingi & Naliaka, 2022).

Africa also holds vast potential in renewable energy sources. The continent boasts significant hydropower potential, particularly along major rivers such as the Congo, Blue Nile, and Zambezi. It also features some of the highest solar radiation levels globally, making it ideal for solar power generation. Countries like Egypt, Morocco, South Africa, and Namibia are actively investing in solar energy projects. The African Development Bank's initiative of "Desert to Power" focuses on harnessing solar energy across Sahel region, while wind energy potential is significant in coastal and highland regions. The East African Rift Valley in Kenya and Ethiopia, holds substantial geothermal resources (Jha, 2023).

Africa's diverse energy resources present vast opportunities for energy security and economic growth, with an increasing focus on sustainable and renewable energy sources to meet future demands. Numerous initiatives and investments are underway to boost renewable energy capacity across the continent. International partnerships and investments are growing, with countries like China, India, and European nations contributing significantly to Africa's energy infrastructure development (Karingi & Naliaka, 2022).

India has been actively supporting African countries in their renewable energy endeavours through initiatives such as the International Solar Alliance. Notably, the Solar Mamas Project empowers women from impoverished African communities by training them as solar engineers. After a six-month training program, these women known as 'Solar Mamas', return and contribute in solar electrification of their villages. Recognizing the project's success, the government of India has extended it to 36 other countries in Africa (Nantulya, 2023). India's stress on renewable energy is in harmony with Africa's shift towards clean energy. India being the third-largest global producer of renewable energy, has a crucial role in supporting Africa's shift to renewable energy by investing in projects related to solar, wind, and hydroelectric energy. This partnership will contribute to global net-zero goals and is also aligned with India's ambitious One Sun One World One Grid (OSOWOG) initiative, aimed at connecting global grids to trade renewable energy, including with Africa (Pal, 2023).

Food Security

The African continent boasts vast arable land, comprising 40 percent of its total landscape. Agriculture, which employs 57% of Africa's workforce, presents substantial opportunities for association. India, with its proficiency in agrotechnology, holds the potential to modernize the agricultural infrastructure of Africa, which will intern enhance

the efficiency of supply chain and production. Such partnerships can support food security at global level and promote sustainable practices in agriculture (Pal, 2023).

Following the 2008 global food crisis, many developed and developing countries, including India, expressed concerns about long-term food security, leading to the outsourcing of domestic food production. Several factors drive this outsourcing to African continent, such as decline in crop yields due to the fatigue of "green revolution," cheaper arable land, and abundant water resources. Subsidies offered by governments, liberal terms for leasing arable land and facility to full resettlement of profits, contributed further to this pattern. In 2010, more than 80 Indian companies invested approximately \$2.4 billion in acquiring large farms in countries like Ethiopia, Madagascar, Kenya, Mozambique and Senegal to cultivate grains and other crops for Indian market (Desk, 2011).

AfCFTA - Access to AU Market

AU is the main institution for international governance of Africa. The African Continental Free Trade Area (AfCFTA) unites 55 economies of Africa as one market. It leads to AU, now representing an economic bloc of \$ 3 trillion, 8th largest in the world. With over 1 billion population, Africa is expected to surpass China and India by 2050. This demographic shift holds significant potential, enhancing productivity by the larger population and increasing homegrown consumption, boosting the consumer market, thereby presenting a lucrative global market (Why the G20 needs the African Union, 2023).

Consumer-driven goods like pharmaceuticals, apparel, agriproducts and automobile components provide opportunities for foreign direct investment (FDI) in Africa for India. Through AfCFTA, rules of origin are being implemented to optimize these opportunities. Currently, India's FDI in Africa is dominated by service sector, totalling to 75 percent. The agreement not only benefits Africa but also provides a combined market pan Africa that is easily accessible by Indian firms which in turn increases India's engagement with Africa. Increased FDI in manufacturing sector could catalyse production by bringing in overseas funds and technical skills. India's leadership alongside South Africa in proposing waivers for provisions of the Trade-Related Aspects of Intellectual Property Rights (TRIPS) are encouraging to other nations (Karingi & Naliaka, 2022).

Military Diplomacy

Maritime Security

Nearly 75 percent of the world's maritime trade passes through the Indian Ocean Region (IOR). India, with its three major Sea Lines of Communication through the IOR and its role as the net security provider in the region under its SAGAR policy, bears a responsibility to enhance maritime security initiatives in the area. Consequently, maritime security has become a key area of collaboration for India, working closely with countries like Kenya and South Africa to ensure the safety and security of Indian Ocean waters. This cooperation has been crucial in combating piracy and facilitating the free movement of goods and people (Karingi & Naliaka, 2022).

India signed a Memoranda of Understanding (MOUs) with Kenya and Tanzania on port development and shipbuilding. India's strategic vision includes establishing bases along the eastern African coasts and achieving interoperability with African navies. To strengthen these objectives, India has been inviting African navies to participate in

Maritime Partnership Exercise (MPX). India has also extended invitations to attend Indian institutions, like Information Fusion Centre (IFC-IOR) to officers from Africa. India has also introduced India-Africa Security Fellowship (Nantulya, 2023).

Defence Production

India's goal of becoming a military exporter faces several challenges. An essential part of this effort is finding potential markets for its defence products (Take, 2024). While competition in the defence sector is high in the present era, the market itself tends to restrict access, with wealthy and developed countries possessing economic dominance. These powerful countries assert control over global markets to the disadvantage of others, leaving a major portion of the international market, particularly the Global South, unaddressed due to the exorbitant costs involved. The Global South community, including the African continent, always finds itself in a dilemma between expenditures on economic growth versus national security.

India's association with Global South nations creates a sense of camaraderie and reliance, which is free from legacies of colonial era. Additionally, the defence industry of India, provide a more affordable options compared to Western alternatives, catering to the budget limitations of many developing countries. Unlike Western defence policies, leading to excessive expenditure, Indian policies and products echoes with the economies of Global South. By developing partnerships and taking advantage of emerging defence market in the Africa, India focuses on to strengthen its defence industry and simultaneously shape global and regional security situation. (Take, 2024)

UN Peacekeeping

India's commitment to UN peacekeeping operations (UNPKO) in Africa is underscored by the fact that 80 percent of its peacekeepers are currently deployed on the continent, and sustained 70 percent casualties in total (Mukherjee, 2015). It highlights India's role as part of UN missions, in military participation and assistance to African Continent. India has actively participated in various missions, including peacekeeping observers to Liberia, Congo, Ethiopia-Eritrea, Ivory Coast, and considerable military contingents to Congo and South Sudan.

India has been regularly highlighting Indian contribution to UNPKO to strengthen their candidature for permanent membership in the United Nations Security Council (UNSC). However, this advocacy has had limited impact, as most permanent members of the UNSC are financial contributors rather than troop contributors. At the same time, the failures of UNPKO in Somalia and Rwanda, eroded its reliance and faith. This led to a shift in thinking of African mindset towards "African solutions for African problems", and resultantly, AU deployed around 64,000 troops on peacekeeping operations since 2004 across the continent, including Central African Republic, Nigeria, Darfur, and Somalia (Mukherjee, 2015).

These developments question upon the future of UNPKO in Africa and at the same time, presents an opportunity to India for reevaluating its strategy. With the stagnation and ineffectiveness of UNPKO, India may like to transition its role from being a troop-contributing nation, to becoming a reliable arms supplier to African countries, in order to scale up its security assistance. India and Africa are required to engage more on discussing security issues, apart from current diplomacy being dominated by trade and focus on bilateral defence dialogue, further shifting from bilateral to multilateral engagements with AU. This approach would result in, corresponding security

cooperation and opening avenues for Indian defence industry in Africa, also highlighting India as a major power, which is capable of providing direct security assistance rather than merely relying on UNPKO.

India's Current Engagement **IAFS Summit**

India Africa Forum Summit (IAFS) offers a platform for India and African nations to enhance political and economic cooperation, since 2008. The summit focused upon rising oil and food prices in its initial editions. India has been supporting health and education schemes in Africa. The IAFS has led various initiatives and agreements aimed at boosting trade and investment. Indian-African trade has been growing 18 percent annually, reaching upto staggering \$103 billion in 2023. India has now become third-largest trading partner of Africa (Why the fourth India-Africa forum, 2023).

However, despite the third edition of the IAFS taking place in 2015, the fourth edition is still pending, marking a nine-year gap. The African economies have been severely impacted by the COVID-19 pandemic and Russia-Ukraine conflict, resulting in widespread debt distress and food insecurity across the continent. Addressing the debt burden of Africa and revolutionising international financial framework are key objectives of convergence between India and Africa. The India-Africa Forum Summit represents an opportunity for collaboration between India and Africa to shape a future agenda (Chakrabarty, 2024).

ITEC Program

India is engaging with around 44 countries in Africa through the Indian Technical and Economic Cooperation (ITEC) program. Since 1964, ITEC has assigned its resources in African continent across four core areas i.e. project support, capacity building, scholarships and institution-building. ITEC has trained over two lakh civil and defence professionals, with a significant focus on Africa. India's EXIM Bank has provided around 50 percent of its financing, trade promotion initiatives and technical assistance to Africa. One of Africa's largest digital projects, e-Network pan Africa, connecting all 54 African countries to India and each other, facilitating knowledge sharing in telecommunications, medicine, health, resource mapping, and e-governance (Nantulya, 2023).

Lines of Credit by India

India has provided several lines of credit to African nations to support development projects, making it the second largest financier in Africa. These initiatives are strengthened by public-private partnerships and meant to protect the borrowing nations from the debt crisis. A significant portion of Indian credit lines are channelled through African Development Bank (ADB), since 1983. Indian investment in Africa currently stands at \$70 billion, which the industry aims to surge upto \$150 billion by the end of 2030. India has been commended for its approach, which does not adopt the traditional donor stance. Instead, India focuses on fostering collaborative partnerships where African countries can exert their agency and leadership, with India facilitating and supporting these efforts (Nantulya, 2023).

Likely Reforms for AU Post G20 Membership

The G20 used to comprise top economies across the globe, consisting 19 nations and a one union of nations i.e. European Union, which collectively represented 80% of

global GDP and 75% of international trade. This inter-governmental group plays a crucial role in shaping a rule-based multilateral economic and financial system that is equitable to developing countries (Barthwal, 2023). The G20's annual meetings are extremely pertinent to the issues faced by the African countries (Why the G20 needs the African Union, 2023).

Agenda 2063 was formed by the AU, in order to achieve their objectives and vision of a prosperous, integrated and peaceful Africa. Agenda 2063 forms a strategic framework for lasting integrative and socio-economic reform of African nations. The masterplan of Agenda 2063 forms of six strategic agendas with 15 principal schemes including infrastructure, arts & culture, agriculture, rail and road network and more, aimed at radically transforming sustainable development across the continent (Why the G20 needs the African Union, 2023). The G20 recognizes Africa's significant role in the global economy, with a GDP of \$3 trillion, and has committed to supporting the AU in achieving its aspirations under Agenda 2063. Membership in the G20 is expected to boost AU's flagship projects under Agenda 2063 through increased engagement with the world's leading economies.

As a member of G20 group, the AU will better represent African perspectives in critical discussions such as debt restructuring. The G20's Debt Treatment Common Framework has been ineffective till date due to lack of representation by African nations, leading to delays and ambiguity. Africa's exclusion has disproportionately favoured creditor nations, notably China. With AU's inclusion in G20, there is an opportunity to shape fair rules and procedures within the Framework, ensuring equity for all parties (Dersso & Mehari, 2023).

The G20 platform will enable the AU to address concerns requiring international cooperation, such as the illegal capital transfer from Africa which is estimated to be \$88.6 billion, i.e. 3.7% of its GDP. These money transfers include capital from criminal activities, corruption, tax evasion and other unlawful activities, posing substantial obstacles to economic growth and deterring UN's 2030 Agenda for Sustainable Development Goals (SDGs) and AU's Agenda 2063. Effective measures are required to be adopted at G20 to counter this issue, for Africa's progress and global SDG goals (Dersso & Mehari, 2023). Furthermore, partnerships between AU and leading economies in G20, can benefit by facilitating transfer of technology, innovation and augmenting regional projects (Why the G20 needs the African Union, 2023).

Conclusion

The inclusion of the African Union (AU) in G20 group marks a significant turning point. This platform promises to initiate numerous structural and regulatory reforms, enhancing Africa's engagement with the rest of the world beyond dealings limited to creditor nations. Strengthening the AU with robust regulations and reducing the influence of dominant creditors like China aligns strategically with India's interests. While India may currently lag behind other creditors in terms of investment volume, it offers substantial contributions in technology, governance, and joint ventures. However, these transformations hinge on the AU achieving self-reliance and fostering equitable partnerships rather than solely being a recipient. Consequently, while the direct opportunities from G20 reforms may primarily benefit the AU, they ultimately support and reinforce India's long-term interests in the African continent.

DISCLAIMER

The paper is author's individual scholastic articulation and does not necessarily reflect the views of CENJOWS. The author certifies that the article is original in content, unpublished and it has not been submitted for publication/ web upload elsewhere and that the facts and figures quoted are duly referenced, as needed and are believed to be correct.

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