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India's Engagement in Africa: A Shift towards Economic Diplomacy

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Abstract

India's engagement with Africa has shifted from aid-based support to a focus on economic diplomacy, emphasizing trade, investment, infrastructure, and capacity building. This paper explores India's evolving approach, highlighting key sectors such as energy, technology, and education, where India leverages its soft power and expertise. It also examines the challenges both regions face in strengthening their partnership and provides strategic recommendations for furthering cooperation, underscoring the potential for continued growth in the India-Africa relationship.

Keywords: India, Africa, Economic Diplomacy, Trade, Soft Power, Infrastructure

Introduction

India and Africa have a long-standing relationship, built on historical, diplomatic, and cultural exchanges. Traditionally, this bond was defined by anti-colonial solidarity and mutual support in international platforms. In recent years, however, the relationship has shifted towards economic cooperation. Both regions now see significant potential for mutual benefit through trade, investment, and infrastructure development. India has moved beyond its role as an aid donor to focus on economic partnerships with African countries. This shift is facilitated by platforms like the India-Africa Forum Summit (IAFS), which promote economic, technological, and cultural cooperation. India's foreign policy now places greater emphasis on economic diplomacy, reflecting a commitment to sustainable, long-term partnerships with African nations. This transformation aligns with Africa's need for infrastructure and technological expertise, while also offering India opportunities for growth in key sectors. This paper examines the evolving dynamics of India-Africa relations, with a focus on economic diplomacy, India's soft power, and the impact on Africa's development trajectory.

A Shift in Africa's Development Strategy

In the 21st century, Africa faces significant challenges such as widespread poverty, inadequate infrastructure, and political instability. However, the continent also boasts abundant natural resources and a rapidly growing population, offering ample opportunities for international collaboration. India's increasing engagement with Africa comes at a crucial time, as Africa's burgeoning middle class and rising demand for energy, infrastructure, and technology make it an attractive partner for India's economic diplomacy. India's approach, based on the principles of South-South cooperation, emphasizes mutual growth, shared benefits, and long-term partnerships, moving away from traditional donor-recipient dynamics. This model resonates with African nations, which are seeking collaborations that offer not only financial support but also technical expertise and capacity building.

India's focus on trade, investment, and infrastructure development speaks to a deep understanding of Africa's developmental needs and offers sustainable solutions for growth. As global geopolitical dynamics evolve, the strengthening of India-Africa relations is crucial, positioning India as a key partner in Africa's progress. With expertise in areas like IT, education, and renewable energy, India is well-positioned to play a significant role in Africa's

development, reinforcing its leadership in global South-South cooperation.

India's Soft Power in Africa

India's soft power in Africa plays a crucial role in strengthening diplomatic and cultural ties between the two regions. Through initiatives like cultural exchanges, educational scholarships, and people-to-people diplomacy, India has built strong connections with African nations. Indian films, music, and cuisine have become increasingly popular across the continent, fostering mutual understanding and goodwill. Moreover, India's promotion of democratic values, sustainable development, and education offers an alternative development model based on equality and cooperation. The establishment of Indian Cultural Centres in various African countries further solidifies these ties, enhancing India's influence beyond economic diplomacy.

India-Africa Relations: A Journey of Growth and Cooperation"

India-Africa relations have grown through cooperation in trade, investment, education, health, technology, infrastructure, and cultural exchange, fostering mutual growth, development, and strategic partnerships for both regions over time. The several key sectors include:

a. Trade and Investment: Trade between India and Africa has grown substantially in the last two decades. India is one of Africa's largest trading partners, with sectors such as oil, minerals, pharmaceuticals, and technology being central to bilateral trade. Additionally, Indian companies have made significant investments in Africa, particularly in infrastructure projects, telecommunications, and agriculture.

b. Infrastructure Development: India's role in infrastructure development across Africa is significant. Indian companies have been involved in building roads, railways, and energy projects. One example is the construction of the **Bujagali Hydroelectric Power Plant** in Uganda, which was financed and built by Indian companies.

c. Capacity Building and Education: India's focus on human resource development through educational scholarships, training programs, and technical exchanges has been another major component of its engagement with Africa. Initiatives like the **Indian Technical and Economic Cooperation (ITEC)** program have been instrumental in building technical capacity in African nations.

d. Health and Technology: India's pharmaceutical industry is well-established in Africa, with affordable medicines being a crucial aspect of its engagement. Additionally, India is increasingly involved in the technology sector, helping African

nations leapfrog traditional stages of development, particularly in mobile technology and digital infrastructure.

New Milestones in India-Africa Partnership

India's recent involvement in various African infrastructure and development projects has strengthened the bilateral relationship:

1. **Pan-African e-Network Project:** The Pan-African e-Network Project, which connects Africa's major cities with India's technological expertise, serves as an example of India's soft and hard power combined. It provides telemedicine, tele-education, and other services to African nations.
2. **Line of Credit and Investment:** India has extended billions in lines of credit to African nations for infrastructure development. For instance, **Exim Bank of India** has provided credit facilities for various projects, including railroads in Ethiopia and road infrastructure in various East African nations.
3. **The India-Africa Forum Summit (IAFS):** The IAFS is a key diplomatic initiative launched in 2008 to provide a structured platform for discussing trade, investment, and political cooperation. The third summit, held in 2015, witnessed the signing of several

agreements on trade, health, and sustainable development.

4. **India-Africa Solar Energy Partnership:** India and African nations have partnered to boost solar energy development through affordable renewable energy projects, addressing the energy needs of rural areas across the continent.
5. **India-Africa Trade and Investment Framework Agreement:** This initiative aims to increase bilateral trade by reducing barriers and facilitating investments. It focuses on sectors like agriculture, manufacturing, and infrastructure.
6. **Technical and Economic Cooperation (ITEC):** Under ITEC, India offers capacity-building programs, training, and technical assistance to African nations, enhancing human resource development in fields like governance, education, and public administration.
7. **Africa-India Mobility Fund:** This initiative facilitates the mobility of students, professionals, and entrepreneurs between India and African countries, fostering greater people-to-people connections and strengthening educational and business ties.
8. **Indian Cultural Centres:** India has established several cultural centers across Africa to promote Indian art, culture, and heritage. These centers also

serve as hubs for educational exchanges, language courses, and collaborations in the arts.

9. **India-Africa Health Partnership:** In response to health challenges, India has provided medical assistance, including support during health crises like Ebola and the ongoing fight against malaria and HIV/AIDS through affordable medicines and expertise.

These initiatives reflect India's deepening engagement with Africa in diverse sectors, from healthcare to technology, emphasizing mutual growth and shared values.

Key Concerns in India-Africa Relations

India's evolving relationship with Africa, transitioning from aid-based cooperation to a focus on trade, investment, and infrastructure, is not without challenges. While the shift towards economic diplomacy is promising for both regions, several concerns need to be addressed to ensure a mutually beneficial and sustainable partnership. These concerns span political, economic, and strategic dimensions, and require careful management to avoid pitfalls that could hinder progress.

1. Political Instability and Governance Challenges

One of the primary concerns in India-Africa relations is political instability

across many African nations. While India's economic diplomacy seeks to foster growth through trade and investment, political instability, corruption, and weak governance structures in certain African countries pose significant risks to the successful implementation of projects. Investments in infrastructure and joint ventures by Indian companies can be easily undermined by changes in political leadership or volatile security situations, as seen in some regions of East and West Africa. The ongoing challenges in countries like Somalia, South Sudan, and parts of the Sahel region make it difficult to ensure the continuity of development projects and the protection of Indian investments (Chengappa, 2019). To mitigate these risks, India must adopt a flexible approach that takes into account the political realities on the ground while promoting stability through diplomatic and developmental support.

2. Competition from Other Global Powers

Another key concern is the growing competition between India and other global powers, particularly China, for influence in Africa. China has heavily invested in Africa's infrastructure and resources through its Belt and Road Initiative (BRI), which has raised questions about India's ability to compete. Chinese investments, often funded through state-backed loans,

have provided a level of financial support that India's private and public sector may struggle to match. While India offers a distinct model of cooperation based on knowledge sharing, democracy, and sustainable development, the sheer scale of China's investments in Africa presents a formidable challenge (Liu & Subramanian, 2020). India must find innovative ways to distinguish itself, focusing on sectors where its technological expertise and service-based industries, such as IT and education, can add more value than Chinese infrastructure-based investments.

3. Trade Barriers and Economic Disparities

Trade between India and Africa has grown significantly, but several obstacles remain that hinder further economic integration. Africa is home to numerous trade barriers, including high tariffs, complex customs procedures, and a lack of regional trade agreements that could facilitate smoother exchanges between Indian and African businesses. Additionally, many African countries remain dependent on exporting raw materials and commodities, which limits the scope for more value-added exports to India. India's own protectionist trade policies and complex regulations also limit the potential for African goods to enter the Indian market. Although initiatives like the **India-**

Africa Free Trade Agreement have been discussed, their implementation has been slow due to political and economic differences among African nations (Mukherjee, 2020). To overcome these barriers, both sides need to work on streamlining trade processes, reducing tariffs, and implementing comprehensive regional trade agreements to enhance economic cooperation.

4. Infrastructure Deficits and Capacity Gaps

While India has been instrumental in financing and building infrastructure in Africa, significant gaps remain, particularly in transportation, energy, and digital infrastructure. Africa's infrastructure deficit presents an ongoing challenge for both Indian companies and African governments, limiting the efficiency of transportation and logistics and hindering broader economic integration across the continent. Moreover, while India has invested in building capacity through technical training and education, there are still substantial gaps in local expertise and skilled labor that can support large-scale infrastructure projects. Addressing these gaps will require increased investment in human capital development, especially in engineering, technology, and management (Singh, 2019). Indian diplomatic efforts must focus not only on infrastructure projects but also on nurturing

local talent to ensure the sustainability of these initiatives.

5. Environmental Sustainability and Climate Change

As India continues to expand its presence in Africa, particularly in sectors like agriculture, mining, and energy, environmental sustainability and climate change present significant challenges. Many African nations are already vulnerable to the effects of climate change, with droughts, floods, and desertification negatively impacting agricultural productivity and water resources. Indian companies involved in infrastructure and resource extraction must be conscious of the environmental impact of their activities, ensuring that sustainable practices are adopted. Additionally, India's own experience with environmental issues, such as air pollution and water scarcity, can serve as a model for Africa, but this requires cooperation on joint environmental projects and policies that address both short-term and long-term ecological risks (Sharma, 2021). Ensuring that development is inclusive and environmentally sustainable will require close collaboration between India and African nations.

Discussion and Analysis

India's shift toward economic diplomacy in Africa can be seen as part of a

broader trend in international relations where developing countries, especially in the Global South, are looking for alternatives to Western-dominated development models. India's model emphasizes equality and mutual benefit, which resonates with many African nations that have historically been subject to exploitative foreign relations.

However, challenges remain in terms of political instability, competition from other global powers (notably China), and trade barriers that hinder the full potential of India-Africa relations. Furthermore, there is the need to create more robust institutional mechanisms to ensure the successful implementation of agreements and projects.

India's approach, which integrates both soft and hard power strategies, is a unique feature of its diplomacy. The combination of economic support with cultural and educational initiatives has fostered goodwill, while also enabling tangible development outcomes. This strategy could provide India with a competitive edge over other global players in the African market.

Recommendations

1. Enhancing Trade Agreements:

Strengthening bilateral trade agreements between India and African nations helps reduce tariffs,

creating a favorable business environment. This encourages Indian businesses to enter African markets, boosting trade volume. The agreements also pave the way for long-term partnerships, enhancing mutual economic growth and fostering strategic trade relations between both regions.

2. **Infrastructure Projects:** Expanding collaboration on infrastructure projects, particularly in rural and underdeveloped areas, is crucial for sustainable growth. India's support in constructing roads, bridges, and energy systems helps improve connectivity, driving economic development. These projects not only enhance mobility but also create jobs, improve livelihoods, and support Africa's overall economic transformation.

3. **Technology Transfer and Innovation:** Promoting joint ventures in technology and innovation can accelerate Africa's growth, especially in mobile tech, clean energy, and digital services. India's expertise in these areas, combined with Africa's need for technological advancement, facilitates mutually beneficial partnerships. These initiatives help

bridge the digital divide, improve access to services, and promote sustainable solutions.

4. **Political Stability and Governance:** Supporting African governments in strengthening political stability and governance ensures that economic projects are effectively implemented. India's experience in democratic governance and conflict resolution can assist African nations in creating transparent, accountable institutions. Political stability fosters a favourable environment for investment, improves governance, and strengthens the overall economic landscape for development.

5. **Cultural Diplomacy:** India's cultural diplomacy, through initiatives like educational exchanges, art exhibitions, and language programs, plays a pivotal role in building stronger people-to-people connections. By promoting Indian culture and values, India enhances mutual understanding and respect, creating deeper ties between Indian and African societies. This fosters a foundation for long-term diplomatic and economic cooperation.

Concluding Remarks

India's evolving engagement with Africa marks a significant departure from the traditional focus on aid to a more dynamic and comprehensive economic and diplomatic partnership. As both India and Africa experience robust economic growth, their cooperation has expanded across trade, investment, infrastructure, and human capacity building. India's approach, centered on South-South cooperation, emphasizes mutually beneficial relationships where both regions leverage each other's strengths. Through initiatives like the Pan-African e-Network, investment in infrastructure projects, and technology transfer, India is fostering sustainable development in Africa while also tapping into the continent's growing markets. This partnership provides a strong foundation for greater collaboration in key areas such as clean energy, agriculture, and education, further solidifying their long-term economic ties.

Looking ahead, the future of India-Africa relations appears promising, with the potential to transform both regions' socio-economic landscapes. However, there are challenges that need to be addressed for the partnership to reach its full potential. Political instability, trade barriers, and increasing competition from other global powers may hinder the progress of some initiatives. Overcoming these obstacles will

require continued collaboration, transparent governance, and sustained diplomatic efforts. With strategic planning and mutual commitment, India and Africa can create an even stronger, more prosperous future together.

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