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The Changing Nature of Nigeria–India Relations

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SUMMARY POINTS

- India's relations with Nigeria, as with the rest of Africa, were initially built upon historical and political connections, but have gradually come to be based more upon economic links. This paper explores the changing trends and shifting fortunes in Indian–Nigerian relations and the broader significance of the bilateral relationship.

- Nigeria's oil is important to India, which wishes to sustain strong economic growth. By early 2010, it was expected that one out of every five barrels of oil imported by India would be from Nigeria, with Angola coming a close second. All of India's major oil players showed a keen interest in entering Nigeria; however, India's involvement in the Nigerian oil industry has not paid the expected dividends.

- By January 2009, Indo-Nigerian trade had surpassed the level of Nigeria's trade with all other countries in southern, central and west Africa. Aside from oil, Nigeria exports cashew nuts, wood, cotton, pearls, rubber and gum Arabic to India. India's exports to Nigeria comprise paper and wood products, textiles, plastics, chemicals, machinery and transport equipment, drugs and pharmaceuticals. Over time, India has widened the scope of its economic engagement with Nigeria and with the rest of Africa. Nigeria imports more Indian pharmaceuticals than any other country in Africa.

- It is crucial for India–Nigeria relations to be reshaped if India's relations in Africa as a whole are to be recast. While a historical perspective of the countries' relationship is important, the point of departure in contemporary times lies in India's ability to invest for the future and Africa's ability to absorb large foreign investments.

Introduction: an uncertain engagement

India's relations with Nigeria, as with the rest of Africa, were initially built upon historical and political connections, but have gradually come to be based more upon economic links. This paper explores the changing trends and shifting fortunes in Indian–Nigerian relations and the broader significance of the bilateral relationship.

India opened a small Indian diplomatic office in Lagos in 1958, before Nigeria's independence in 1960. In his only visit to a sub-Saharan country, India's first Prime Minister, Jawaharlal Nehru, visited Nigeria in September 1962, in recognition of Nigeria's size, population, resources, then efficient civil service and well-functioning economy. Despite the potential for a close and mutually beneficial bilateral relationship, in the 1970s and 1980s this failed to gain much momentum. Democratic India watched with concern the emergence of a predatory state in Nigeria and the failure of Nigeria's experience with democracy. Between 1962 and 2002, India's Ministry of External Affairs appeared to relegate Nigeria to the back burner despite warnings that in the process India was losing profile, influence and control of its image in the region.

For a long time Nigeria has been regarded as Africa's giant, with a population of 160 million and significant natural resources. It is ambitious and sees itself as a regional hegemon with the potential to replace South Africa and become the continent's economic powerhouse: between 1995 and 2005, foreign direct investment (FDI) flows into Nigeria increased from $1.27 billion to $3.4 billion, and spiked to nearly $6 billion by 2006. In 2007, with an economic growth rate of 6.3%, Nigeria was rated in the top twelve of emerging-market economies. It is Africa's top oil producer, with a reserve base estimated at 3 billion barrels of crude oil. Many Africa observers believe that despite the country's political unpredictability the economy is potentially capable of enjoying significant economic growth and is worth doing business with.[1] It is now India's largest trading partner in Africa, supplying it with between 22% and 25% of its crude oil requirement, amounting to $10 billion worth of oil.

Initially, India imported palm oil and exported jute goods and cotton textiles, and enjoyed a trade surplus with Nigeria. However, things changed in 1973–74 when crude oil replaced Nigeria's other exports. Commonalities between

[1] Tom Iseghohi, 'Is Nigeria the next India?', *The Chief Executive*, Nigeria, 1 January 2009.

the two countries – both faced vast economic inequalities and the challenges of mainstreaming the multitude of ethnic, religious and linguistic groups – should serve to enhance engagement. In both countries agriculture enjoyed primacy until the discovery of hydrocarbons changed Nigeria's course, while a strong and diversified manufacturing base and thriving services sector saw India take a different direction. It is economically strong enough to invest in Nigeria and promote Nigeria's growth in the process, yet engagement has historically been business-led rather than government-led. This has hampered the ability of Indian actors to make the most of the links.

The role of trade and infrastructure

India's reticent diplomatic engagement with Nigeria in the early years did not dampen the enthusiasm of India's trading community for West Africa, and Nigeria was seen as highly lucrative. The Chellaram Group, a family-run business from Madras which set up its first operation in Nigeria in 1923 and is still in operation today, started out as an importer of basic goods for the British expatriate community.

As a community in Nigeria, Indians have been best known for their substantial involvement in its textile industry, predominantly in the northern states of Kano and Kaduna between 1962 and the mid-1990s. Kaduna alone had around 21 textile industries while Kano had nearly twice as many, most owned by Indians and a few by Lebanese businesspeople. The textile industry was the largest employer in Nigeria's manufacturing sector, accounting for about 25% of all manufacturing jobs.

However, since Nigeria's return to democracy in 1999, the once vibrant, viable and booming textile industry has declined. By 2005 over 80% of Nigeria's textile manufacturing companies had shut down, leading to the loss of 250,000 jobs.[2]

Cooperation in other areas

India and Nigeria have cooperated in the fields of defence and education. Nigeria's National Defence Academy and Naval College were built with help from India, and between 1963 and 1986 India contributed to the support of the Nigerian armed forces. A number of Nigeria's top military personnel received training in India's defence establishments, including former

[2] Chris Alden, *China in Africa* (New York: Zed Books, 2008).

Presidents Buhari, Babangida and Obasanjo. The scope of India–Nigeria defence cooperation has been enlarged to include defence trade and technical cooperation in areas such as armaments and ammunition, helicopter trainer aircraft, fast-attack patrol boats, assistance in establishing joint ventures and the renovation of Nigerian dockyards.[3] In addition, India agreed to set up two information technology laboratories in the Nigerian Defence Academy. With inputs from India's armed forces officers, one of the two was to be upgraded into a degree-granting Nigerian Military University. India also presented US$1 million worth of communications equipment to the Nigerian armed forces.[4]

On gaining independence, Nigeria aimed to enhance its educational standards and invited teachers from all over the world to teach in its high schools and universities. The number of Indian teachers it employed, particularly in secondary schools in northern Nigeria, increased dramatically during the late 1960s and early 1970s, mostly for subjects such as mathematics, chemistry, physics and English literature. Then in the 1980s General Buhari made attempts to 'Nigerianize' the public sector, placing a particular focus on education and rural health care, but at the time many qualified and proficient Nigerians had migrated to the West and Nigeria's education and healthcare systems began down a path of deterioration from which they have still not recovered. India has offered long-term scholarships to African students since the early 1960s: 85 places have been allocated to Nigeria annually for the training of officials under the Special Commonwealth African Assistance Plan (SCAAP), and other arrangements exist for additional scholarships and training opportunities. However, the UK and other Western countries remain the first preference of Nigerian students, followed by South Africa and Ghana, even though they have to pay fees in these countries.

One area where India has played a significant and beneficial role in Nigeria is the ICT sector. Indian IT professionals are training Nigerians in accountancy, the oil and gas industry, the banking sector, medicine and education. Indian IT companies such as InfoSys, NIIT, Aptech and SSI have set up their franchises in Nigeria. It is estimated that since 1990 almost 150,000 Nigerians have been trained by such franchises.[5] The opportunity to train in India through the ITEC (Indian Technical and Economic Cooperation) scheme has

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[3] Ruchita Beri, 'India and Africa: Opportunities and Challenges', *IDSA Strategic Comments*, New Delhi, April 2008.
[4] Andrew Ota, 'Nigeria signs military pact with India', *The Leadership*, Nigeria, 17 October 2007, www.indianhcabuja.com.
[5] Mahesh Sachdeva, 'From the High Commissioner's Desk', in *India and Nigeria: Golden Jubilee of Fruitful Co-operation – India-Nigeria in Focus*, Abuja, 2008.

also been popular, and 75 Nigerian students receive fellowships for technical studies in India each year.

The importance of oil for India

The Indian government was convinced that the country could maintain a strong economic growth of 8–9% and satisfy a population that, according to some predictions, would be the largest in the world by 2030.[6] India therefore had to have a reliable oil supply, particularly as its overall crude oil output stagnated at around 33.3 million tonnes a year from 2000. At 83 million cubic metres a day, India's gas output was only capable of meeting 60% of its needs. There was therefore some urgency to the search for overseas oil. In this context Nigeria was an attractive destination since it has reserves of approximately 35 million barrels of oil and well over 186 trillion cubic feet of gas. By early 2010, it was expected that one out of every five barrels of oil imported by India would be from Nigeria, with Angola coming a close second. All of India's major oil players, the Indian Oil Corporation (IOC), ONGC Mittal Energy Ltd (OMEL) – a joint venture between ONGC and Mittal Steel Ltd – and the Gas Authority of India Ltd (GAIL), showed a keen interest in entering Nigeria. Their interests were in oil exploration, setting up refineries and laying pipelines to form part of the proposed gas pipeline from the Niger Delta to Europe via Algeria.

In 2005, ONGC Videsh (OVL) successfully bid $2 billion for a 45% stake in Nigeria's offshore oil and gas field that was owned by South Atlantic Petroleum Ltd, an energy conglomerate headed by Nigeria's former defence minister Theophilus Danjuma. The deal was cancelled by the Indian government on the grounds that the investment was too large and fell short on 'viability parameters', especially with reference to 'the rate of return on the investment'.[7] However, by December 2006, the new public-private partnership OMEL had successfully bid for the same block.[8] The partnership had strengthened India's position. In early 2007, it indicated its interest in setting up one of four new greenfield refineries with a capacity of 200,000 barrels per day that were to help Nigeria increase its domestic crude output. India's Mittal Investments, Essar and Global Oil and Energy, also bid for a Port Harcourt refinery which had been put up for sale by the Nigerian government. India was backed by the Nigerian energy minister with the specific stipulation that India would in return set up 'fertiliser and power plants, gas pipelines and

[6] Robert D. Kaplan, 'Rivalry in the Indian Ocean', *Foreign Affairs*, March 2009.
[7] *African Oil Journal*, 16 December 2005.

transport infrastructure'.[9] In return for being awarded an oil field, India was more than willing to restore the Lagos–Kano railway, which was a lifeline for commerce in northern Nigeria. However, to date no restoration has taken place, and the China Civil Engineering Construction Corporation won the tender for the Abuja–Kaduna stretch of railway.[10]

In January 2007, India's largest power-producing company, the National Thermal Power Corporation (NTPC), agreed to contribute towards a liquefied natural gas (LNG) terminal in Nigeria. This would have enabled NTPC to export natural gas to its gas-fired stations in India. In addition, NTPC was to help Nigeria set up two gas-based power plants that could generate 700 MW and 500 MW respectively. The Indian firm received details of this in a draft Memorandum of Understanding from the Nigerian government. NTPC also indicated its willingness to set up a training institute for Nigerian technical engineers.[11] Indian Prime Minister Manmohan Singh visited Abuja in October 2007, apparently 'to talk oil',[12] but as late as August 2009, the CEO of NTPC informed India's Press Trust that the initial proposal was still being pursued.

Clearly, India's involvement in the Nigerian oil industry has not paid the expected dividends. Like other newcomers to the Nigerian oil and gas sector, Indian business deals became entangled and ultimately fell victim to complex Nigerian politics; the Yar'Adua administration that succeeded the Obasanjo government reversed the former president's oil block offers on the grounds that they had not been made according to due process and because of massive financial irregularity.[13] Nigeria has since invited Japan, Russia, Venezuela, Germany and even Lithuania to participate in the country's hydrocarbons sector.

In January 2010 the Nigerian National Petroleum Corporation (NNPC), apparently under the guidance of Goodluck Jonathan's administration, indicated that the Indian government had agreed to commit $340 million for the development of two oil blocks (OPLs 279 and 285).[14] India had reiterated the offer made in early 2007 by showing interest in establishing a new greenfield refinery in Port Harcourt and willingness to partner with NNPC in its mid-stream and downstream sectors.

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[8] Ibid., 10 December 2006.
[9] Ibid., 31 January 2007.
[10] *Business Day*, 18 November 2009.
[11] *African Oil Journal*, 31 January 2007.
[12] Ibid., 15 October 2007.
[13] A. Vines, L. Wong, M. Weimer and I. Campos, *Thirst for African Oil: Asian National Oil Companies in Nigeria and Angola* (London: Chatham House, 2009).
[14] *This Day*, 26 January 2010.

India–Nigeria relations under Obasanjo

The election of President Olusegun Obasanjo in 1999 ended sixteen years of military rule, and slowly the country attempted to regain what it believed was its rightful place in the region, the continent and the world. Nigeria was readmitted to the Commonwealth from which it had been suspended in 1995. This was also the period when the West, led by the United States, began to recognize Nigeria and South Africa as pivotal African states. The United States extended support to strengthen the new civilian government with a view to fortifying democratic institutions and governance standards. It also focused on social-sector reforms such as health care, and on education. France, the UK and China also offered help to Nigeria.

India too showed renewed interest in Nigeria. As early as February 1998, it had offered a $5 million grant to the Nigerian government with the express purpose of developing the country's small and medium-sized enterprises, including the revival of the Nigerian Machine Tools company and the expansion of a paper mill at Jeba. Additionally, India was involved in restoring and restructuring the Nigerian National Railways.[15]

India had first offered to help Nigeria in the steel sector in 1978. An agreement was signed between the Nigerian government and the well-known firm MECON, the Metallurgical and Engineering Consultancy of India, which was to facilitate Nigerian steel production by setting up an integrated steel plant at Ajaokuta with an initial capacity of 1.3 million tonnes. India was also to help set up yet another integrated steel plant with a capacity of 1 million tonnes.[16] By early 2000, the Nigerian economy was slowly beginning to regain some of its strength. This was in tandem with the global growth in oil demand, which led to higher oil prices and increased revenues for most countries that were endowed with hydrocarbon resources. As a guest of honour at India's Republic Day Celebrations in January 2000, Obasanjo assured his Indian audience that his country would soon be Africa's 'most lucrative market', enabling India to access other West African markets as well. He chose the occasion to ask that Indo-Nigerian bilateral and economic relations be 'urgently revisited and refocused'.[17]

Obasanjo requested that India provide Nigeria 'with technical assistance to cover installation, upgrading and rehabilitation of small and medium scale enterprises', particularly in the areas of engineering and machine tools,

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[15] *This Day*, 12 February 1998.
[16] *The Nigerian Tide*, Nigeria, 17 January 1978.
[17] *The Hindu*, 27 January 2000.

leather technology, weaving and textiles, medicines, biogas and metal works.[18] He also sought India's help in upgrading northern Nigeria's leather industry, glass, ceramics and food-processing industries. According to Nigerian newspaper reports, the government signed an agreement with India's BHEL to help 'meet the nation's growing need for electricity'.[19] Obasanjo also revived the Nigeria–India Joint Commission first set up in 1979. In March 2000, Jaswant Singh, then India's foreign minister, indicated his country's willingness to rehabilitate the Lagos–Kano rail link, revive the Ajoukuata steel plant and set up a 110 MW power plant. None of these projects, however, have been completed, largely for reasons related to Nigeria's complex political and domestic situation.

Obasanjo's second term as president was marked by his efforts to market Nigeria as a reliable and worthy business ally with the potential to provide benefits to all its economic partners. This coincided with India's renewed interest in West Africa in general and Nigeria in particular. While Obasanjo viewed India as a country worthy of special courting, India had been rather unenthusiastic about giving any special diplomatic importance to Nigeria. During the Commonwealth Heads of Government Meeting in Abuja in 2003, the Indian prime minister chided officials of the Ministry of External Affairs, and suggested that they investigate 'why Africa's biggest democracy was not visited for more than forty years by the Prime Ministers of the world's largest democracy'.[20] The next Indian prime minister to visit Nigeria was Manmohan Singh in 2007.

Relations after Obasanjo: attempts to step up engagement

During the Indian prime minister's visit to Nigeria in 2007, he and the new Nigerian President Umara Yar'Adua signed the Abuja Declaration on Strategic Partnership between their two countries. The Declaration was intended to consolidate bilateral ties by stepping up trade, investment and consular relations and was accompanied by the signing of three Memoranda of Understanding. India offered support in the areas where it had the most expertise – in capacity-building, by encouraging human resources development with a focus on education, science and technology and increased use of ICT. It also indicated its willingness to help restore Nigeria's physical infrastructure, and improve the food-processing and automobile

[18] Editorial, 'Re-designing Indo-Nigerian Relations', *Punch*, Nigeria, 14 April 2000.
[19] *The Guardian*, 31 January 2000.
[20] Atish Sinha, 'Foreign Policy Considerations', in Atish Sinha and Madhup Mohta (eds), *Indian Foreign Policy: Challenges and Opportunities* (New Delhi: Academic Foundation, 2007).

manufacturing industries – both areas in which Nigeria has repeatedly asked for assistance. MOUs were also signed between think tanks in Nigeria and India, and on defence cooperation. India made $250 million available to the Economic Community of West African States (ECOWAS) in 2006, part of which was for Nigeria, and in 2008 India provided a $100 million bilateral line of credit. Another $100 million was made available to Nigeria in 2010 for power sector infrastructure development. Despite the available funds, there is little evidence so far that any of the intended projects have been instigated: power sector development is essential for Nigeria, however, current reform efforts may be hindered by Nigeria's 2011 elections.

There was little public or media interest in Nigeria in the Indian prime minister's visit. If there was a singular and popular view, it was that where China leads, India merely follows. The *Nigerian Guardian* newspaper argued that given Nigeria's poor record in performing even the 'simplest task, like diversifying its economy, [Nigerians] are not miffed that Dr. Manmohan Singh headed straight to Pretoria'.[21] For many Indians in Abuja, Prime Minister Singh appeared distant and preoccupied with Indian domestic issues, as there had been several attempts to pull his government down over a controversial nuclear deal made between India and the United States.[22]

The fact remains, however, that India's most important trade partner in Africa is Nigeria. As Table 1 shows, India imported much more from Nigeria than it exported to it, especially after the early Obasanjo years. Nigeria's resulting trade surplus is in sharp contrast to the deficit it experienced in its trade with China during the same period.

By January 2009, Indo-Nigerian trade had surpassed the level of Nigeria's trade with all other countries in southern, central and west Africa. India is the fourth largest non-oil export destination for Nigeria.[23] Aside from oil, it exports cashew nuts, wood, cotton, pearls, rubber and gum Arabic to India. India's exports to Nigeria comprise paper and wood products, textiles, plastics, chemicals, machinery and transport equipment, drugs and pharmaceuticals.

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[21] *The Guardian*, Nigeria, 18 October 2007.
[22] Parvathi Vasudevan, 'Indo-Nigerian Ties: Strategic for Energy Security', *The Hindu Business Line*, 11 November 2007.
[23] Indian Ministry of External Affairs (West Africa Division).

Table 1: Nigeria's trade with India, 1999–2008 (billion Naira)

Year	Imports from India	Exports to India
1999	18	282.6
2000	20.2	395.5
2001	35.1	231.7
2002	37.3	260.1
2003	48.8	309.1
2004	43.5	533.7
2005	49.3	892.7
2006	141.6	702.7
2007	184	561
2008	119.9	920.6

Source: National Bureau of Statistics, Nigeria

Over time, India has widened the scope of its economic engagement with Nigeria and with the rest of Africa. Nigeria imports more Indian pharmaceuticals than any other country in Africa, but this is one trading sector that has been particularly controversial. India has often been accused of exporting substandard or fake drugs. The Chairperson of Nigeria's National Agency for Food and Drug Administration and Control met with authorities in India and was given reassurances by them that offenders are severely punished under Indian law. The Indian automobile sector has made inroads into the Nigerian market, where there is widespread use of Tata vehicles, Maruti cars, Bajaj-made three-wheeler vehicles and two-wheelers made by TVS and Hero Honda, as well as Ashok Leyland vehicles and tractors manufactured by Mahindras.

Engagement has increased despite the risks of financial problems caused by scams (popularly known in Nigeria as '419s'), non-recognition of Nigerian lines of credit and overall difficult security considerations. Most would-be investors believe that despite the disincentives, Nigeria is an attractive investment destination for Indian multinational companies. Lagos is the only place in Africa to house an Indian Engineering Export Promotion Council with a resident officer.[24] Nigeria offers an array of non-oil sector opportunities which could potentially be exploited by India, including in mining, industrial chemicals production, agro-industries, consumer goods, and building materials and construction.

Challenges ahead and prospects for strengthened engagement

Apart from poor infrastructure, there are deep concerns in Nigeria and internationally regarding the progress and sustainability of the country's fledgling democracy. Misspent oil revenues mean that only limited resources can be earmarked for infrastructure, basic education and health care. The country's education system is failing at all levels: most parents who can afford it send their children to be educated in Ghana, South Africa, Egypt, Botswana or the West. Similarly, Nigeria's healthcare system is precarious. Disparities between rural and urban Nigerians are widening rapidly. Unemployment is high and consumer inflation is on the rise, adding to social tensions. Crime and corruption are rampant and constitute a serious deterrent to investments. There are valid doubts as to whether the country will be able to meet the Millennium Development Goals, the Vision 2020 or the seven-point agenda of the current presidency.

Against this backdrop, it is difficult to see how Indo-Nigerian relations can be furthered, yet both countries are aware of each other's importance in their respective geographic space. Nigeria is undoubtedly West Africa's lead player and as Obasanjo once remarked, 'If you get it right in Nigeria with one quarter of Africa's population, you are likely to get it right on the rest of the continent.'[25] Nigeria is aware that with its substantial and rising foreign exchange reserves, well-articulated macro-economic policies, economic growth in the range of 6–7%, and its acceptance as a candidate country of the Extractive Industries Transparency Initiative (EITI), it is an attractive partner for many countries. India would like to be an effective partner in progress, especially as it is the world's fourth largest economy in terms of purchasing power, has a large and growing middle class which is highly skilled and professional, and experiences high economic growth averaging 9% per year.[26]

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[24] *The Guardian*, Nigeria, 10 February 2009.
[25] *The Hindu*, 27 January 2000.
[26] 'India: the dynamic democracy', www.hicomindlagos.com2008.

However, India will have to make greater efforts to achieve gains from its relationship with Nigeria, and any additional benefits will take some time to materialize. The country has to realign and redesign its approach to Nigeria by recognizing that in order to strengthen its position it cannot engage merely to rake in vast profits, which historically have mostly been repatriated to India. Today India has to be seen as capable of both generating profits and ploughing back some money into areas such as maternal and child welfare schemes, and education at all levels – especially in the sciences, medicine, engineering and communication technology. The Indian corporate sector must play a lead role in social responsibility initiatives. The Indian-managed company Olam Enterprises has made some efforts in this regard. It operates in more than 10 African countries and has substantial interests in Nigeria's agriculture, especially in cocoa and cotton crops, and in agro-based industries. The company has successfully carried out programmes intended to empower women and children by focusing on their health care, education, the supply of clean drinking water and affordable housing. Similar attempts are being made by the Tolaram Group and the Lagos-based Chellaram-Chanrai Group through the Chanrai Foundation.

Second-generation Indians who are settled in Nigerian cities are also playing a significant, but quiet role, particularly in ophthalmology and the manufacture of artificial limbs. The efforts of Indians resident in Nigeria tend to be conducted through local Indian cultural associations on a voluntary basis and with no official support. If recognized, such efforts – which are largely unknown to the Nigerian public – should go a long way towards erasing the negative image of Indians as being in Nigeria for purely commercial reasons. Some expatriate Indians have indicated that such initiatives should be highlighted periodically by Indian officials through their newsletters and press releases.

Ways forward

It is crucial for India–Nigeria relations to be reshaped if India's relations in Africa as a whole are to be recast. While a historical perspective of the countries' relationship is important, the point of departure in contemporary times lies in India's ability to invest for the future and Africa's ability to absorb large foreign investments. It is in this context that a high degree of transparency is needed in all contracts and investment transactions. Business commitments need to be honoured, by both sides, in a timely manner. Legal procedures and compliance with legal provisions need to be fully consistent with international best practices.

It is important to ensure that both the Nigerian and the Indian administration have regular contact at fairly high levels – equivalent to meetings between permanent secretaries – to thrash out contentious issues. Large delegations, which are a hallmark of Nigerian diplomacy, are not only a drain on the Nigerian exchequer but also cannot be considered accountable. It is vital to ensure that ministerial-level contact occurs at frequent intervals, with the help of dedicated officials. This would act as a deeper signal of the leaderships' commitment to each other, beyond the level of heads of state.

For its part, India needs to broaden its approach to allow for non-oil and human development strategies as an important centrepiece of the relationship. Competition for oil and for other natural resources has often given rise to bitterness and resentment in much of Africa. Indian professionals living in Africa need to be seen to make greater efforts to integrate better with local communities. The efforts of second-generation Indians, who seem to have a more inclusive mindset, demonstrate a move towards deeper integration with local African communities. For any Indian business entering Africa for the first time, it may help to become involved in corporate social responsibility initiatives.

It is against this background that the work of India's Trade and Economic Relations Committee should be considered. In recent times, it has coordinated the actions and activities of both public- and private-sector Indian investors in Africa's hydrocarbon sector. This committee could achieve even more if it extended its scope to all other economic activities as well. African countries could enhance potential benefits by making sure that foreign investment guidelines are clear and sufficiently detailed, and that dispute settlement mechanisms are set in accordance with international best practices.

It is also important that the Indian media make a concerted effort for more of their personnel to report directly from Africa. The Press Trust of India has largely depended on the output of Western media agencies operating from the African continent. *The Hindu* withdrew its reporters from South Africa, possibly because of the costs involved. In contrast, China's official news service Xinhua has nearly two dozen bureaus in Africa, and Chinese radio transmissions to Africa are made in various African languages. The number of Chinese scholarships offered to African students has overtaken India's offers, and a special focus is placed on tertiary and skills-based education.

Most importantly, India needs to increase its diplomatic presence across Africa to reflect its interests in the continent. China has embassies in 48 of the

49 African countries that recognize Beijing. India only has 24 missions – a diplomatic presence which is simply not sufficient to reflect the country's techno-economic interests in the continent. Despite Nigeria's position as a giant economic power which hosts anywhere between 25,000 and 30,000 Indians, India's High Commission in Nigeria has concurrent accreditation to Chad, Benin, Equatorial Guinea, São Tomé and Príncipe and Cameroon. It is essential that the High Commission is well equipped to help improve economic and political relations with Nigeria, to match local needs with what Indian investors could provide, and to improve the coordination mechanisms in New Delhi.

Conclusion

Clearly much more needs to be done by both India and Nigeria to ensure that they are partners in progress in the true sense of the term. The Indian government must work out a proactive and credible policy to reflect the strength and depth of its foreign economic relations with Africa in general and Nigeria in particular, keeping in view the net potential of each country. Above all, India's administration has to accept that it is one of many seeking enhanced participation in Africa's economic space and therefore has to compete both effectively and transparently.

ABOUT THE AUTHOR

Dr Parvathi Vasudevan is a retired academic from the University of Mumbai's Centre for African Studies. Her work on *The Political Economy of Africa's Adjustment*, published in 2001, sought to deconstruct some of the myths surrounding structural adjustment in Africa. In the last three years, she has written a number of journal articles on Nigeria, Kenya and Zimbabwe. She has been a commentator for the BBC World Service in Tamil and Hindi on African issues. She is a member of the Governing Council of the Centre for International, Strategic and Development Studies in India.

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