

India's opportunity in Africa

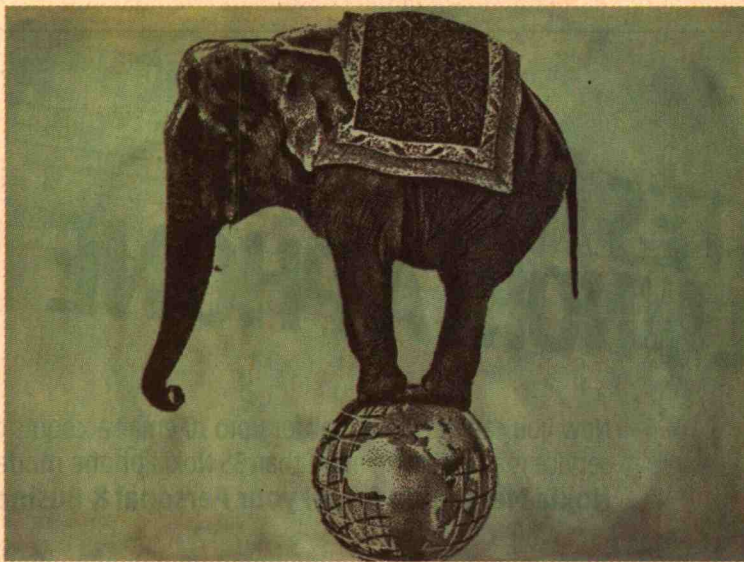
The market of one billion consumers in the continent has tremendous implications for businesses, investors, policymakers and donors; we need to reposition Africa in our minds, says **Ajai Chowdhry**

IT WAS quite an experience to be co-chairing the World Economic Forum on Africa. Concluded last week in Dar es Salaam, WEF brought together great minds from diverse backgrounds on 'Rethinking Africa's Growth Strategy', the theme for this edition. Everything resonated so well between our country and this optimistic, youthful, vibrant 1-billion-people continent, waiting to turn into an exciting destination in the new global regime.

Enough has been said on Africa's need for education, health, infrastructure, etc. But before one stresses on the role of technology to speed things, a simple message to the people of Africa is: 'Change the attitude that someone from outside will come to change Africa & chose trade over aid'. Africa needs to take advantage of her demographic dividend, and then entrepreneurship will take over. It is in the hands of Africans to change Africa, become a continent of reality rather than hope. Dr C K Prahalad used to say A>R — aspiration is greater than resources. So, if Africans aspire, resources will never be a constraint.

Taking an example, it's a metamorphosis story for the Republic of Rwanda. It has come a long way since the 1984 genocide, in which about 800,000 were killed, to the CNN labelling the 'Land of a Thousand Hills' as Africa's biggest success story, having achieved stability and economic growth. While the rest of the world was reeling under the effects of the global financial crisis, Africa showed a remarkable 2% growth, about the same as in West Asia and more than parts of South Asia, except India and China. Further, the IMF estimates that growth in Africa will be in the vicinity of 4.8%, higher than Brazil and Eastern Europe.

With the potential of development, Africa is in need of investment in areas like ICT to improve governance, overcome poverty and deal with critical infrastructure gaps. And the continent can look at India as an example to learn from. Because, India and Africa have similar problems, therefore, the solutions can be similar. What's been tried and tested in India, and with the technology readily



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available to transfer knowledge and experience from our country, it could actually be quite an African safari.

Let's go back to India in the early nineties. Then, the government had only \$1 billion left in the kitty. Dr Manmohan Singh and Mr Narasimha Rao opened up the country and the rest is history. The key to it was that entrepreneurship took over. Based on the country's strong financial system and tech prowess, liberalisation is giving banking to the unbanked, knowledge centres to villages, renewed focus on health, agriculture and education, and discouragement of rural-urban migration. Today, in spite of the global financial crisis last year, the country is on its way to achieve 10% growth in 2011.

In many ways the next few years will be extraordinarily decisive. Shortage of energy and infrastructure is a 'brick wall' facing development. But then, progress is being made on a country-by-country basis, with governments putting in place the right environment which is encouraging investors to enter their markets. Despite the hardships and all the difficulties it faces, there is another face to Africa besides despair and pessimism. A Gallup

survey of 50,000 people across the world found that Africans are the most optimistic people in the world. Further, African entrepreneurs, too long marginalised, have begun to show that they too can connect constructively to world markets, through successful ventures in exporting cut flowers, vegetables and clothing.

THE market of one billion consumers in Africa has tremendous implications for businesses, investors, policymakers and donors. It presents a unique challenge to diverse stakeholders who have an interest in the success of the African market. All of them need to be focused on balancing social development with sustainable development.

Authors Michel Homan and Greg Mills point out that an estimated \$580 billion of western aid for Africa over the last 50 years has had little impact. Instead, aid has given rise to several challenges, including fear of aid reducing the recipient to the level of a victim rather than an active worker. It is clear that Africa does not need aid from western countries. What the continent needs, instead, is external support choosing trade over aid — like it

happened in India, last millennium — coupled with internal reforms. Interacting with the Indian diaspora at an East Africa India dinner, one clearly understood what Africans want i.e., partnerships and not exploitation.

The Indian diaspora also felt that Indians should realise that Africa is not a dark continent, it's a land of opportunity. We need to reposition Africa in our minds. The mid- and long-term goal for Africa should be to increase developing countries' share of global trade while supporting "South-South" flows of goods and services: countries in Africa cannot hope to grow their economies to their full potential and reduce poverty until they become fully engaged with world markets.

How can we help bring transparency in institutions and governance in Africa? By bringing all our knowledge of e-governance, by what we have done in our financial institutions, by helping conduct elections using electronic voting machines and by ideas like financial inclusion, tele-medicine and tele-education. India and Africa are linked by old relationships — South Africa's president proudly talked to me about how 'one incident' in Africa transformed Barrister Gandhi into Mahatma Gandhi.

In a session at the WEF I talked about breaking away and providing 'access for all' i.e., internet/ broadband access for all in Africa to overcome infrastructure, education, health issues. The work to connect Africa by optic fibre has begun — Kenya is leading and Tanzania has an ambitious plan. India can truly participate in this with our experience.

In Africa, as has been the case in many developing and emerging economies of the world, despite different types of public governance, the best hope for sustainable progress may be economic development and entrepreneurship. There is a rising spirit of optimism and determination on the continent, particularly among the growing population of youth. We need to co-opt Africa into the rest of the world's spirit of partnership.

(The author is chairman & CEO, HCL Infosystems)