This paper examines the prospects of the ambitious Asia-Africa Growth Corridor (AAGC) – a collaborative vision between India and Japan to promote development, connectivity, and cooperation between Africa and Asia as part of a “liberal and value-based order.” While still nascent with few concrete details, Dr. Jagannath Panda argues that the genesis of this proposition draws from India’s and Japan’s increasing convergence of economic and strategic interests in the broader Indo-Pacific region, whereby concerns over China’s growing strategic influence, in particular through its Belt and Road Initiative, is one of the major factors.

Indonesia and Japan’s co-envisioned Asia-Africa Growth Corridor (AAGC) was announced at the 52nd Annual Meeting of the African Development Bank (AfDB) summit in Gandhinagar, India, on May 22-26, 2017. During the announcement, Prime Minister Narendra Modi stated that both India and Japan aim to achieve closer developmental cooperation in Africa.1 The presence of African and Japanese representatives at this meeting made the announcement significant. Noteworthy too was that it was made amidst the backdrop of China’s Belt and Road Forum (BRF) meeting held on May 14-15, 2017, in Beijing.

Many countries, including Japan, attended Beijing’s BRF meeting. While Tokyo remains cautious of China’s initiative, Liberal Democratic Party secretary-general Toshihiro Nikai participated in the event. Significantly, however, India did not take part, with New Delhi releasing a statement regarding India’s non-participation.2 India’s decision not to attend the BRF meeting had led many to speculate that the announcement of the AAGC is a calculated effort of India, along with Japan, to counter-balance China’s Belt and Road Initiative, in particular its outreach programs in Africa and the Indian Ocean Region (IOR).3

Indeed, many comparisons have been drawn between the AAGC and China’s Belt and Road Initiative, since both encompass Africa and the Indian Ocean as key constituents. Chinese strategic circles have responded critically to the AAGC initiative,4 arguing that the AAGC is a “duplication of the freedom corridor” that

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was originally proposed by Japanese Prime Minister Shinzo Abe during his 2016 meeting with Modi in Tokyo.5

In order to more potently examine the AAGC, this paper is structured as follows. The first part examines how the AAGC is an outcome of India’s and Japan’s coordinated Indo-Pacific vision of 2025. It then proceeds to survey both countries’ growing interest in Africa more generally, including the necessity of establishing linkages between Africa and Asia. The next part outlines the strategic challenge of China which has led, albeit not exclusively, to the growing convergence of interest between Japan and India to accumulate strategic advantage in the Indo-Pacific. Finally, the conclusion offers some thoughts on the future outlook of the AAGC.

A “New” Strategic Vision

The initial idea of the AAGC was discussed between Prime Ministers Modi and Abe at the India-Japan annual summit meeting in Tokyo in 2016. In light of this meeting, an India-Japan Joint Statement, released on November 11, 2016, indicated that both India and Japan should develop cooperation in Africa, and must aim “to promote industrial corridors and industrial networks in Asia as well as in Africa.”6 Since then, premier policy institutions such as the Research and Information System for Developing Countries (RIS) in India, the Economic Research Institute for ASEAN and East Asia (ERIA) in Jakarta, and the Institute of Developing Economies–Japan External Trade Organisation (IDE-JETRO), in consultation with their respective governments, have worked on developing the idea. A vision document was released during the May 2017 AfDB summit in Gandhinagar.

This document unveils India’s and Japan’s strategically ambitious proposition in the Indo-Pacific region, factoring in Africa and the Indian Ocean. According to the vision document, the AAGC will focus on four key target areas: 1) development and cooperation; 2) “quality infrastructure” and digital and institutional connectivity; 3) enhancing capabilities and skills; and 4) establishing people-to-people partnerships. The overriding goal is to enhance “growth and interconnectedness between and within Asia and Africa.”7 In brief, the AAGC vision document promotes an inter-continental framework of cooperation between Asia and Africa with a focus on developmental cooperation. It is therefore a “people-centric” proposition that focuses on the peoples of Africa and Asia.

With an emphasis on “quality infrastructure” and “digital and regulatory connectivity,”8 the vision document further illustrates that the AAGC is an initiative, based on a consultative mechanism, that aims to better integrate Africa by establishing strategic linkages with other regions such as India, South Asia, Southeast Asia, East Asia, and Oceania (see Map 1). In this mechanism, the African continent constitutes the cornerstone of the AAGC proposition.9

A reading of this vision document suggests that the AAGC aims to attain three general objectives: first, advancing both India’s and Japan’s individual and mutual outreach towards the African continent, focused mainly on developing “quality infrastructure invest-
Accordingly, the AAGC proposition fits within the more overarching Vision 2025. Conceptualized between India and Japan in 2015 as part of their “Special Strategic and Global Partnership,” its main thrust is to develop a “deep, broad-based and action-oriented partnership” in the Indo-Pacific region. Affirming a commitment to a “peaceful, open, equitable, stable and rule-based order” in the region, Vision 2025 demands for principles of sovereignty and territorial integrity where the emphasis is on an “open global trade regime” along with “freedom of navigation and over-flight,” among other things. It stresses the focus on “reliable, sustainable and resilient infrastructures” aimed at enhancing connectivity in the Indo-Pacific region, which not only complements India’s Act East and Japan’s Expanded Partnership for Quality Infrastructure (EPQI) initiative but, as argued later on in this paper, forms a strategic convergence between Japan’s and India’s security interests in the Indo-Pacific region.

**Japan’s Growing Africa Interest**

As a resource centre and a continent of 54 countries, Africa attracts significant interest and investment from around the world, including Asia’s three major economies – Japan, China, and India.

Japan’s Africa policy first received meaningful attention in 1993 during the Tokyo International Conference on African Development (TICAD). Tokyo’s official position was that the decline of assistance from developed countries towards Africa represented an opportunity for Japan. It was therefore contended that Japanese foreign policy should pay serious attention to Africa. Since then, Japan’s economic interest in Africa has been growing constantly, with TICAD in-
instrumental in institutionalising Japan-Africa relations.

Nevertheless, Tokyo’s last two decades of engagement with Africa has also demonstrated important limitations. While Japan is a key investor in Africa, Japanese Official Development Assistance (ODA) to Africa has not increased significantly12 (see Charts 1 and 2). There are many reasons behind this. Africa has hitherto not been a pivotal focus in Japanese policymaking, and nor has Japan tried to implement a “comprehensive” strategy towards Africa which would have allowed it to allocate more ODA. Rather, Japan’s approach has been to concentrate on key countries in North Africa and Sub-Saharan Africa.13

It can also be argued that the limited growth of Japanese aid to Africa is better explained by the rapid emergence of China as an economic actor in Africa. This has discouraged Japan from offering higher amount of ODA to the continent as it previously did in 2006-07.14 By comparison, Beijing’s current trade and economic contacts with Africa is impressive (see Chart 3). Indeed, China’s attractive financial packages and aid have been a challenging factor for Japan.

Indicating a renewed commitment to Africa, Prime Minister Abe attended the Sixth TICAD in August 2016 in Nairobi, the first time it had been held outside of Japan. The theme of the conference was “Quality and Empowerment,” specifically focused on infrastructure and development. In his speech, Abe appealed to the idea of building a “quality Africa” centred on in-
Infrastructure, human resources, and “Kaizen” (business efficiency). Other tenets of its Africa policy include “resilient Africa,” emphasizing the health sector and other governance issues, as well as “stable Africa,” contributing to Africa’s social stability. As such, Japan’s present Africa policy is based broadly on a developmental ethos.

In so doing, Tokyo seeks to promote its investment in “high-quality infrastructure” in comparison to what it regards as “substandard” Chinese infrastructure. Furthermore, Japan criticizes Chinese engagement with Africa as “unethical” and alleges that Beijing’s outreach is based on offering cheap goods, providing ODA in an attractive but unaccountable manner, and exists to take advantage of African resources. Likewise, Japan contends that the deals China offers to African states are not in accord with international norms and are unfavourable for Africa’s future development. This Japanese reservation towards the Chinese-backed initiatives is thus part of the growing Sino-Japanese strategic competition over influencing project finance on connectivity and infrastructure promotion in Asia and beyond.

But there are additional reasons why Japan is concerned over China’s increasing influence in Africa. Apart from many other factors, for many years Japan has advocated reforms to the United Nations (UN) and UN Security Council (UNSC). In order to achieve these reforms, the support of the 54 African countries is crucial. India is Japan’s partner under the G-4 grouping. China as a permanent member of the UNSC, on the other hand, does not want to concede any advantage to Japan or India.

**India’s Evolving Africa Policy**

Labelling Africa as a “top priority” in India’s foreign and economic policy, Prime Minister Modi has stated that India’s relationship with Africa is based on a new developmental partnership, forming a “model of cooperation” which is “demand-driven and free of conditions.” This Indian approach unveils Narendra Modi’s Africa policy, revealing a similarity between India’s and Japan’s outlooks.

Accordingly, forging closer cooperation in the field of energy, greater market access, co-development of infrastructure, and establishing greater maritime contacts through connectivity are the highlights of India’s Africa policy. In all of these areas, Modi seems to be offering a new context to India-Africa cooperation. Whereas India’s policy towards Africa has traditionally been based on long-term historical and cultural connections, under Modi India’s Africa policy can be seen in a new light in which four specific changes are noticed.

First, India previously pursued a “Focus Africa” policy initially targeted at a limited number of countries in Africa. This policy under Modi has changed today to focus on the entire continent. In other words, India’s
Africa policy today is continental in spirit, not bound to specific countries or any quarter in Africa.

Second, departing from India’s earlier outlook, Africa is increasingly seen as a continental partner or collaborator. Today, India is building its relations with Africa as a partner in multilateral forums relating to climate change, trade regimes, and UN reforms.

Third, India seeks to enhance the developmental partnership between India and Africa and give it a new direction. This represents a departure from earlier stances, when India had viewed developmental challenges as an “international responsibility” and rejected the “donor-recipient” approach.20

Fourth, Africa is seen as a partner in the maritime domain, promoting an intercontinental Asia-Africa cooperative framework in the Indian Ocean Region where India can be a leading player. This is aptly noticed in Modi’s speech at the second Raisina Dialogue in New Delhi on January 17, 2017, where he stated that India wants to build its own development partners that “… extend from the islands of the Indian Ocean and Pacific to the islands of the Caribbean and from the great continent of Africa to the Americas.”21

This Indian perspective complements the spirit of the AAGC as well as establishes a parity of understanding with Japan both in Africa and the Indian Ocean. Both countries, however, face a formidable challenge in the face of China’s increasing emergence in the region.

China as Strategic Competitor

Africa’s resource and strategic significance in global politics have encouraged China to pursue a robust policy. Consequently, Beijing has invested heavily in diplomatic, economic, and political ties with Africa resulting in the substantial China-Africa engagement that exists today. Indeed, politically China has accorded the highest priority to Africa in an effort to bolster international recognition of its “one China” policy.

It was Jiang Zemin’s visit to Africa in 1996 that laid the original foundation of the existing Sino-African engagement. Under Hu Jintao, China’s Africa
policy witnessed steady progress. China’s first white paper vis-à-vis the continent, *China’s Africa Policy*, was released in January 2006 and built the foundation for a multi-layered engagement between China and Africa. China’s relations with the African Union (AU) have progressed under Xi Jinping and allows Beijing to engage the continent multilaterally. Further, the Forum of China-Africa Cooperation (FOCAC) has been instrumental in institutionalising larger Sino-Africa relations.

Significantly, promoting investment in Africa and the Indian Ocean Region (IOR), establishing connectivity, and building infrastructure are crucial parts of China’s Belt and Road Initiative, otherwise known as “One Belt, One Road” (OBOR) – the flagship project of Chinese President Xi Jinping, first announced in 2013. The prime aim of the BRI has been to position China as the epicentre of regional and global economics and geopolitics. Beijing’s “One Belt” implies land corridor connectivity from China to Central Asia and Western Asia, going all the way to Europe. “One Road” implies maritime connectivity through the Strait of Malacca to India, the Middle East, and East Africa, known also as the 21st Century Maritime Silk Road.

The importance to China of Africa and the Indian Ocean is outlined in the document *Vision for Maritime Cooperation under the Belt and Road Initiative*, which was released on June 20, 2017. It explains the new initiatives and maritime routes that China intends to promote in the Indo-Pacific region (see Map 2). Prominence is accordingly placed on the importance of the blue economy with a focus on the Indian Ocean.

Consequently, China attaches strategic significance to its naval outreach in the Indian Ocean Region, which also encompasses the East African coast. In fact, Beijing has placed significant emphasis on key maritime zones, capacity-building exercises, building infrastructure, and promoting investment for the protection of maritime zones. In recent years, China’s strategic positioning in the Indian Ocean Region has also increased with the PLA Navy (PLAN) being vigilant and active in addressing non-traditional security issues such as piracy.

**India-Japan Strategic Convergence**

The rise of China’s presence in the IOR has concerned numerous countries, including India and Japan to whom it poses a strategic challenge. In particular, Japan and India both hold strong reservations regarding China’s Belt and Road Initiative. As part of this initiative, India has officially expressed strong objections to the China-Pakistan Economic Corridor (CPEC), stating that it affects India’s “sovereignty and territorial integrity.” Besides, India has called for China to hold “meaningful dialogue” on connectivity and corridor initiatives, which are the main aspects of the BRI.

Similar to India’s stance, Japan under Abe initially expressed a cold response over China’s BRI, maintaining that, “Tokyo would like to see how the concept of OBOR would be materialised.” Even though Japan sent political representation to attend the May 2017 Belt and Road Forum (BRF) meeting in Beijing and Abe has publicly praised the BRI, Tokyo has in fact been rather reluctant to demonstrate overt support. Offering instead only “conditional support” to the BRI, Abe has recently affirmed that, “it is necessary for infrastructure to be open to use by all, and to be developed through procurement that should be transparent and fair.”

Calling for the BRI to adhere to a “common frame of thinking” in the region, Abe stated that it is “essential that the projects be economically viable and must be sponsored in a manner in where the debt can be repaid easily.” Following similar reservations, Japan has so far decided not to join the Chinese-led Asian Infrastructure Investment Bank (AIIB), noting that the AIIB falls short on “fair governance,” mainly relating to offering clarity on debt repayment and loan sanctions.

Progressive Sino-African engagement has gradually encouraged Japan and India to develop joint policies on Africa. Narendra Modi’s speech at the 2017 AfDB summit indicates that both India and Japan share a common outlook on Africa as developmental partners. In response to China’s growing ambitions, Tokyo and New Delhi agreed in 2015 to enlarge industri-
al networks and regional value chains with an “open, fair and transparent” business environment in the Indo-Pacific region. Later, in 2016, both countries enhanced this idea by forming synergy between India’s Act East policy and Japan’s Expanded Partnership for Quality Infrastructure (earlier known as PQI), which stresses greater connectivity between Asia and rest of the world, including Africa. EPQI seems to have entered in direct competition with the BRI, since both the initiatives mainly focus on infrastructure investment and intend to promote corridors and connectivity, regionally and globally.

The two countries’ growing strategic convergence is underlined, furthermore, by the fact that India’s Act East policy under Modi envisages Japan as a “special” global partner, while Japan’s EPQI under Abe factors India as a key country in Japan’s regional and global outreach. Indeed, India’s rising clout as a power has encouraged Japan to collaborate with India factoring Africa in the IOR. In particular, Japan has been concerned over China’s rising maritime profile in Africa and its maritime presence in the IOR. Beijing’s growing counter-piracy operations along the African coasts, participation in the UN Peacekeeping Operations (UNPKOs), and capacity-building exercises have been a serious cause of concern for Japan for some time. As a result, Japan has begun to show greater interest in Africa, primarily through security contributions where Japan’s Self-Defense Forces (SDFs) have played a key role in various counter-piracy operations, in the UNPKO in South Sudan, and in expanding its first overseas base, from just an airfield to a military base, in Djibouti.

The above points to the fact that Tokyo is gradually aiming to build a security-centric partnership with Africa. Eclipsing the Chinese presence in Africa, mainly Beijing’s maritime reach with the African littoral states, is a crucial factor in this context. India is a natural partner in this Japanese endeavour. In fact, Tokyo’s limited maritime outreach on the African coast has restricted its ability to emerge as a security provider in Africa. Given India’s growing maritime connection with the African littoral states, partnership with India is seemingly a feasible option for Japan and the AAGC will help Japan to fulfil this objective.

The arrival of the AAGC is therefore an amalgamation of both Japan’s and India’s growing strategic convergence in the Indo-Pacific region. In 2016, Abe introduced Tokyo’s global foreign policy vision through the concept “Free and Open Indo-Pacific Strategy.” In this vision, one of Japan’s focus areas was on how to establish strategic cooperation between Asia and Africa, with Japan playing a leading role. This idea was echoed in Abe’s speech at TICAD VI on August 27, 2016, when he stated: “Japan bears the responsibility of fostering the confluence of the Pacific and Indian Ocean and of Asia and Africa into a place that values freedom, the rule of law, and the market economy, free from force or coercion, and making it prosperous. Japan wants to work together with you in Africa in order to make the seas that connect the two continents into peaceful seas that are governed by the rule of law.”

The AAGC is therefore an ambitious proposition between India and Japan to expedite their respective objectives in Africa and Indian Ocean. On Tokyo’s part, the attempt to establish this connection, factoring India as a partner in the AAGC vision, has a sequential route which was articulated by Abe in his influential speech entitled “Confluence of the Two Seas” as far back as August 22, 2007, in the Indian Parliament. He argued that Japan and India must take the lead, since both possess the “ability” and “responsibility” to nurture and enrich the Pacific and the Indian Ocean as “seas of clearest transparency.” Abe spoke of establishing a network spanning the Pacific Ocean and Indian Ocean, incorporating countries like Australia, India, and the United States. In addition, Abe echoed that the time had arrived for an “Arc of Freedom and Prosperity” through shared partnerships with like-minded countries.

Conclusion and Outlook

In sum, AAGC might be a new proposition but the notions attached to it are not entirely new. The AAGC proposition is aspirational, however, and aptly demonstrates a strong connection with the India-Japan coordinated future outlook in the Indo-Pacific that is linked to their Vision 2025. The main objective is to promote a free and open regional order focused on infrastructure building and connectivity. As an ambi-
tious proposition, AAGC consequently invites comparisons with Beijing’s BRI, especially with regard to China’s outreach in Africa and Indian Ocean. This comparison becomes important since Africa and the Indian Ocean are integral to both the AAGC initiative and China’s BRI.

Nonetheless, there are important differences. The AAGC, unlike the BRI which is a unilateral initiative of China, is a bilateral initiative between Japan and India. The spirit of the AAGC is furthermore based on a “consultative” character where Africa has a role to play in the decision-making process on projects, which is not so much the case with the BRI. Furthermore, funding for the promotion of BRI projects comes essentially from Chinese banks or from Chinese government sources or through collaborative measures where Beijing holds a dominant say in project financing. This is not the case with the AAGC which intends to generate private, government, and also international funding, including from the African Development Bank. China’s BRI proposition is also more expansive, ambitious, and global, encompassing other continents apart from Africa and Asia.

Differences notwithstanding, both initiatives exhibit to a certain extent overlapping and competing intentions. The success of AAGC will therefore largely depend upon to what extent India and Japan can push forward this idea ahead of China’s BRI. India and Japan need to pursue structured and pointed cooperation both in the context of Africa and the Indian Ocean Region to make the intended objectives of AAGC a success. But while a comparison between AAGC and China’s BRI is unavoidable, AAGC currently neither poses a challenge to China’s BRI, nor is its mandate as comprehensive. Indeed, the vision of AAGC is not to compete with any other proposition per se, but to engage in more meaningful developmental partnerships, both within and outside of Africa. This invites a serious nurturing between India and Japan whereby the forthcoming leadership summit meeting between Shinzo Abe and Narendra Modi in September will be crucial for the progress of AAGC.

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5 Ibid.
6 India-Japan Joint Statement during the visit of Prime Minister to Japan, Ministry of External Affairs, New Delhi, 11 November 2016, at http://mea.gov.in/bilateral-documents.htm?dl/27599/IndiaJapan+Joint+Statement+during+the+visit+of+Prime+Minister+to+Japan (accessed on July 17, 2017)
8 Ibid, p.4.
10 India and Japan officially entitled their relationship as a “Special Strategic and Global Partnership” under a Vision 2025 plan in the Indo-Pacific Region during Prime Minister Abe’s visit


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18 “PM’s address at the inauguration of the Annual Meeting of the African Development Bank”, n. 1.


25 Ibid.


28 Ibid.


30 EPQI is an expanded version of the earlier designed PQI of Japan, which centres on “quality infrastructure investment,” extending Japan’s targeted area of infrastructure investment from Asia to the rest of the world, with a particular emphasis on Africa. “The ‘Expanded Partnership for Quality Infrastructure’ initiative


34 Ibid.

The data for Charts 1 & 2 is from: OECD Data, https://data.oecd.org