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ISSN - (Print): 2519 – 7908 ; ISSN - (Electronic): 2348 – 0343

IF:4.335; Index Copernicus (IC) Value: 60.59; UGC Recognized -UGC Journal No.: 47192. 1<sup>st</sup> July

**Book review: India and China in Africa: A comparative perspective of the oil industry**

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Publisher: Routledge, London

Year of publication: 2017

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The ever increasing rise of China economically and militarily, especially since the beginning of the 21st century has undoubtedly boosted its relative power capabilities. This is what Gideon Rose and his fellow neoclassical realists elucidate as a state's political, economic and military or hard power capabilities.<sup>1</sup> This, thus, gives the Asian giant a higher leverage over many of its competitors in the global power and economic politics, especially those regional rivals, including India which is regarded as China's major regional and to some extent, global rival. India has also risen as an economic power and like China, is a member of BRICS and also categorized as an emerging economy. Indeed, while we have tomes of literature on China and its activities in Africa, little is known about that of India and more especially, how the two Asian rivals compete in the resource-rich African continent. Both states are involved in what has been termed as 'the scramble for resources in Africa' in the 21st century.'

Professor. Raj Verma in his book, tries to fill this academic vacuum by scientifically investigating the global clout of the Asian Dragon and the Tiger in their engagement with Africa in the oil industry, particularly in West Africa. His comparative study establishes that "Chinese NOCs [national oil companies] are preferred as partners relative to Indian oil companies in West Africa" because China's political power, economic muscle, military capability and membership in the United Nations Security Council (UNSC) with veto power empowers it to establish healthier diplomatic relations with countries in West Africa which to a large extent gives the Chinese NOCs an edge over Indian oil companies. In other words, the difference in the economic, military and political clout of China and India in an anarchical international system

tilts in favour of China and rational political leaders are more likely to have a concordat with China.<sup>2</sup>

Raj Verma's use of neoclassical realist theoretical perspective in his analysis is in itself novel in the sense that hardly has any work applied this genre of realism to the analysis of political economy of two arguably great powers in a comparative approach; the presentation of relative power capability as an independent variable and the domestic factors (political economy and other political institutions) as intervening variables and their foreign policy trajectories as the dependent variable is an interesting and challenging academic journey as neoclassical realism (NCR) is in its embryonic stage and considered 'theories of foreign policy'.<sup>3</sup> Traditional realists contend that the prime focus of a state is its interest and power, thus, premium is placed on a state's security and interest. Neoclassical realism further expands this core assumption of the traditional realism to encapsulate a nation's systemic level status which tends to give that nation a comparative advantage over another, adding that how a state responds to a change in the systemic level is contingent on its relative power capability which is as well sieved by its domestic or unit level factors (which may include the political system and its institutions).

In tackling such a herculean task, Professor. Raj Verma first of all, presented a general overview of both the traditional realism and other schools of realism including neoclassical realism. He further went on to draw a dichotomy between neoclassical realism and the other forms of realism, justifying its appropriateness to the study.

Whilst others like Mastanduno et al. have employed political economy as a domestic variable to achieve international objectives in their study, political economy as an intervening or domestic variable sieving the systemic pressures was relegated.<sup>4</sup> Raj Verma's approach and focus on the two Asian rivals and their engagement in the oil sector in West Africa not only add to the existing literature but also expands the NCR framework. He clearly indicates how the political economy of China and India can be incorporated as a domestic or intervening variable into NCR to explain the foreign policy outcomes of the two states.

One important fact that Verma's work pointed out is the ever increasing relative power capability of China which the Dragon has well utilized to its advantage – the 'Dollar Diplomacy'. China's systemic status eclipses that of Taiwan; it has both the political and economic will and clout and continues to gain strides in the combat for international space.<sup>5</sup>

However, the assertion that it will be difficult for China to contain India in the future because New Delhi represents what the West would like Beijing to be is overstated as Beijing's international space keeps soaring and African states seem to welcome and appreciate its presence on the continent in spite of its (Beijing's) different political system. Raj Verma should have also considered the potency of the Belt and Road (global) initiative which seems to be embraced by great, middle and small powers except Japan and the United State. Of course, that is not to say it is immune to challenges. It could also be argued that the prediction of energy sources as the principal reason for China's presence in Africa could be murky when juxtaposed that especially with the establishment of China's external military base in Djibouti. However, this and other issues such as the South-China Sea saga, China-Taiwan international space ruffle and China's military built up at its border with India, fulfil one of the assumptions of realism that the boosting of a nation's economy is to beef up its security and seek power. Again, it is an important point to make that the economic systems of both states have remained the same and it's likely to be so even in the future, however, the compositions keep witnessing some modifications. What Verma's work should have highlighted here is the fact that though both states seem to have a mixed economic system, Beijing's is quite complex, particularly since the inception of Deng Xiaoping's 'open-door' policy in the late 1970s. India, on the other hand, seems to have a clear focus on allowing the private sector to take the lead in its economy and businesses with controlled government interventions, China plays a double role in this regard. Even though, Beijing insists on open market and/or liberal economic system, chunk of its economic and trade activities are championed by the public sector – it happens that even where a private enterprise is deeply involved, the overall boss is a state appointee. Indeed, the line between the private sector and the SOEs is very thin.

The book has another important unique characteristic that needs to be pointed out: the author's unique synopsis provided at the end of most sections and chapters – provides for easy understanding of the work and enhances clarity.

Professor Verma's knowledge and understanding of NCR as well as the confusion that arises when the 'theories of foreign policy' and Foreign Policy Analysis are compared is unquestionable. Hence, his provision of the dichotomy between the two as well as the parallelisms.

It is worth stating that African agencies are equally engaging with both China<sup>6</sup> and India and many of the economic activities transpiring between Africa and the Asian rivals are much more premised on prospect theory, rational actor model with states' interest being the crux.<sup>7</sup> Indeed, on the face value, it could be argued that both states are in Africa to satisfy their resource needs which are vital to their industrialization and modernization as well as the security of their regimes. The situation is much more complex than that. As contended by Bright Jake and Hruby Aubrey, there is also steep competition among Chinese SOEs for projects<sup>8</sup> and sometimes the Chinese NOCs do sell their oil in the global market. It has been argued elsewhere that India too does not embark on '...the foreign [oil] acquisition trend...' mainly because of its energy security '...as very little of the oil or gas produced overseas is brought home.'<sup>9</sup> These flip sides of the Dragon and the Tiger's engagement with Africa make it dicey to capture them within the tenets of NCR solely. It is interesting to note that Indian companies outbid their Chinese counterparts in Libya, a war-torn state. This scenario casts some doubts on the potency of the relative power capability – it is therefore academically prudent for the admission on the part of the author and his subsequent call for a further research to establish this exceptionality.

Indeed, Verma is right in calling on India to embark on a second run of economic, (political and diplomatic) reforms in order to catch up with the challenge posed by China in the anarchical international world. It must however be noted that just as China has a long way to go in its attempt to catch up with the US, the same can be said of the gap between India and China given the fact the Dragon keeps soaring diplomatically, economically and politically. Beijing's global initiatives such as the AIIB, Belt and Road initiative, and its membership in the UN Security Council - all play to the Dragon's advantage. Beijing has shown strong zest for global recognition, leadership and power, for New Delhi to catch up, it has to do more in terms of systemic status too. Again, if India's efforts to get oil from Africa have in most cases been championed through state-owned companies such as HPC, IOC, ONGC (OVL), etc. with ESSAR being the only private company operating in Africa, then, both states somehow have a fair playing ground to excel. Thus, factors such as grave institutional pressures; heavy bureaucratic processes and lack of political will may have contributed to the tilting of the pendulum in favour of Beijing than the difference in their relative power capabilities. The Chinese government is more committed to supporting its NOCs in the global oil industry, something the Indian government is unable or unwilling to do. Verma's contention that Indian

companies and Indian politicians are much more risk averse (especially when state-owned enterprises are involved) than those from China is a fair point which reinforces the constraints posed by domestic factors rather than systemic level pressures.

Indeed, the empirical material in the book is of inordinate interest; the theoretical debate, despite lacking some augmentable models or framework, is very challenging and well explicated and justified by the author. The study is also a valuable addition to the existing literature on both Sino-Indo-Africa relations and the theoretical framework, NCR. It is a source of good academic material for those interested in NCR framework and Sino-Indo-Africa relations, especially in respect of the oil industry.

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<sup>1</sup> Gideon Rose, 'Neoclassical Realism and Theories of Foreign Policy', *World Politics* 51(1), 1998, pp. 144-72

<sup>2</sup> Isaac Nunoo, 'Panama Ditches the Sun Bear, Moves toward the Dragon', 6 July 2017d, <https://intpolicydigest.org/2017/07/06/panama-ditches-the-sun-bear-moves-toward-the-dragon/> (20 August 2017).

<sup>3</sup> Lobell, S. E., Ripsman, N. M. and Taliaferro, J. W., *Neoclassical Realism, the State, and Foreign Policy*, (Cambridge: Cambridge University Press, 2009).

<sup>4</sup> Michael Mastanduno, David A. Lake and John G. Ikenberry, 'Towards a Realist Theory of State Action', *International Studies Quarterly* 33 (4), 4, 1989, pp.457-474.

<sup>5</sup>, Raj Verma, 'The Tiger and the Dragon: A comparison of Indian and Chinese investments in West Africa's oil industry', 28 October 2013, <http://blogs.lse.ac.uk/africaatlse/2013/10/28/the-tiger-and-the-dragon-a-comparison-of-indian-and-chinese-investments-in-west-africas-oil-industry> (6 August 2017).

Nunoo, Panama Ditches the Sun Bear, 2017d

<sup>6</sup> Giles Mohan and Ben Lampert, 'Negotiating China: Reinserting African Agency into China-Africa Relations', *African Affairs*, Oxford University Press 112 (446), 2012, pp. 92-110

<sup>7</sup> Isaac Nunoo, 'Africa in China's One Belt One Road Initiative: A Boon or Bane?' *International Journal of Social Science and Humanities Research*, 5(2), 2017a, pp. 684-694

Nunoo, 'Panama Ditches the Sun Bear', 2017d

<sup>8</sup> Bright Jake and Hruby Aubrey, *The Next Africa: An Emerging Continent Becomes a Global Powerhouse*. (New York: Thomas Dunne Books/St. Martin's Press, 2015).

<sup>9</sup> Isabelle Saint-Mezard, 'The International Dimensions of India's Energy Security', CSFRS, Asia Centre, February 2014, [https://www.csfrs.fr/sites/default/files/10-Note\\_International\\_Dimensions\\_India\\_Energy\\_Security\\_February2014.pdf](https://www.csfrs.fr/sites/default/files/10-Note_International_Dimensions_India_Energy_Security_February2014.pdf), (5 August 2017), p. 1