

India's African opportunity

Ghana, with a literacy rate of 75 per cent, could be a growth area for Indian business

IT'S BETTER to be a cow in Europe than to be a poor person in the developing world. The average European cow gets a subsidy of \$2 a day; more than half the people in the developing world live on less. This is perhaps the most thought-provoking statement of fact by Joseph Stiglitz in *Making Globalization Work*.

My long experience in formulating international business strategy helped me recently to spot firsthand an exciting potential trend in Ghana — thanks to a new programme in IIM-Calcutta. The PGPEX programme, which institutionalises international consulting project work, took me to Ghana at an opportune time. Firstly, Ghana celebrated its golden jubilee of nationhood this year. Second, it hosted the African Union Summit — attended by over 50 heads of state. And, its currency got re-denominated.

But what I saw above all is a nation with the potential to lead its continent out of the developing world. Ghana has already been a leader by virtue of being the first sub-Saharan country in colonial Africa to gain independence. Even at that midnight hour in 1957, leader Kwame Nkrumah declared: "The independence of Ghana is meaningless unless it is linked to the total liberation of the African continent". Ghana was instrumental in helping to found the Organisation for African Unity (OAU) in Addis Ababa in 1963.

While the purport of the AU conference was political union — be it the form of Union Government of Africa or United States of Africa — the underlying motivation



VIRGIN TERRITORY: Indian business is yet to look at Ghana

doubtless is economic development and independence. As democratic practices continue to surge in many parts of Africa, three major issues remain: inequitable trade relations with advanced countries, civil and border conflicts and HIV/AIDS. As a business strategy consultant, my query is: How can India and Indian business help? And why?

A most disappointing trade statistic is that Africa, with nearly 70 per cent of the world's mineral deposits, has only a 2 per cent share of world trade. One hopes that regional integration will provide Africa a strong voice in global affairs and help alter this statistic. Many see fair trade as an answer. But trade cannot be fair if Africa remains merely a supplier of raw materials for the developed world's factories. Some suggest adding value before exporting. Would that help? Not if the developed world places higher tariffs on manufactured goods rather

than on raw materials. The developed world already has raw material processing plants; owners of these businesses form strong lobbies to prevent their governments from lowering tariffs.

Still — why India? India moved directly from an agrarian economy to a service economy, overstepping the manufacturing phase. African states could emulate this, with Ghana providing the brain-

power. Showing consistent annual GDP growth at 5 to 6 per cent, Ghana has demonstrated a commitment to education, a touchstone for transitioning to a service economy. Literacy levels of 75 per cent in the 15+ age group keeps rising, with almost 100 per cent school enrolment achieved.

India developed an abundant pool of software programmers and a services-led economy that attracts not charity business, but business based on its ability to fulfill actual needs. But now, India's IT/ITES industry faces man-

power shortages. If it can harness the educated youth that Ghana's education system churns out, it can add to its own manpower pool while providing higher skill-requiring jobs for Ghana — a win-win situation.

Secondly, Ghana recently announced oil discoveries. This could be a eureka moment for India's oil companies, who could help foster that nascent oil industry — and secure a solid source for India's burgeoning oil requirements. Simultaneously, by showing Ghana how to manage its oil resources, India can help ensure that more value stays in Ghana.

I suspect Indian businesses will not rush into Africa. It seems stunning that even highly educated Indians still harbour such stereotypical fears as: "Africa is no place for a woman to do business". Memories linger of the Uganda eviction and recent kidnappings of IndoRama executives in Nigeria. However, Accra's lively beaches, casinos and nightlife tell a different story. Ghana is relatively safe, full of the self-described "friendliest Africans." Nevertheless, Ghanaians again need to lead Africa in reassuring Indians that there is a respect for human rights and rule of law.

I came, saw, and concluded that Ghana can be a valuable investment destination for India, with its increasing political stability, educated workforce and budding will to establish rule of law.

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