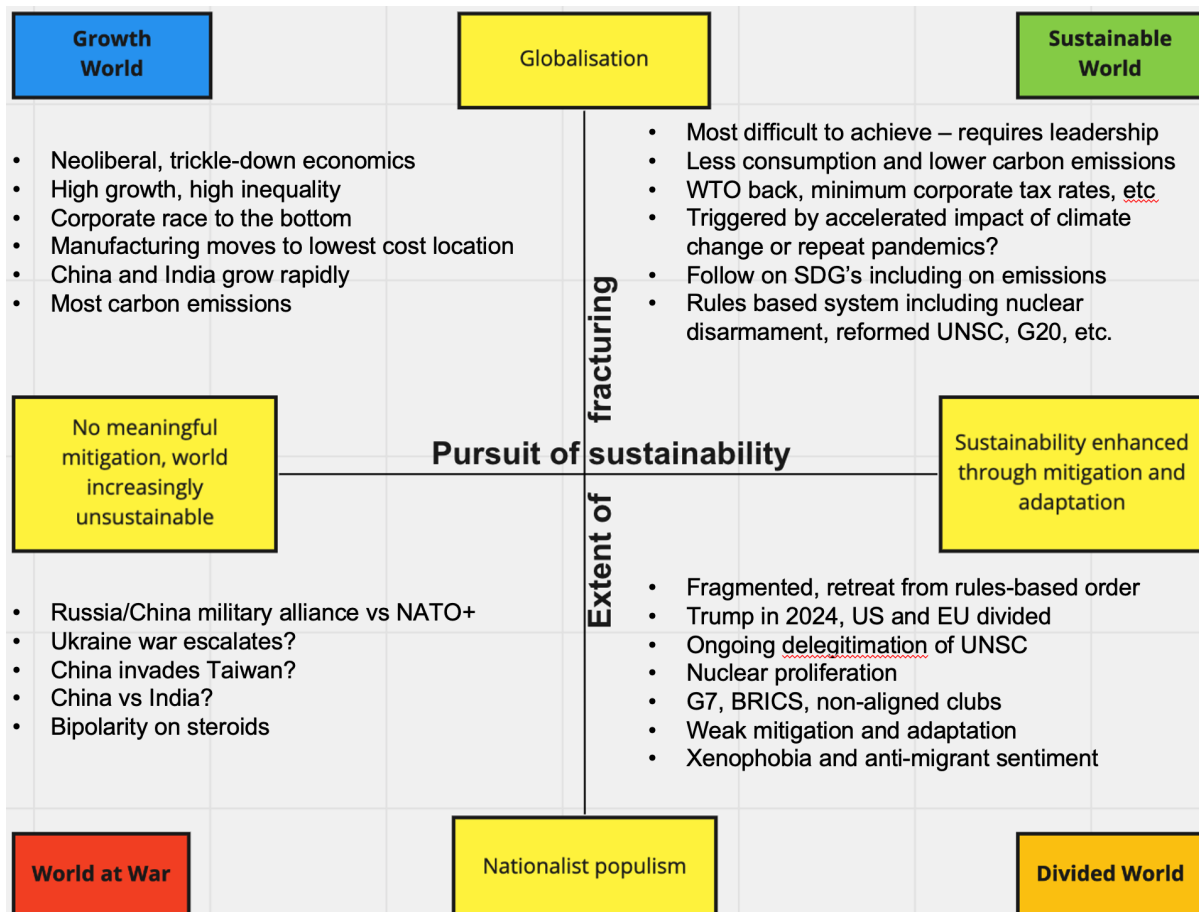


## Africa in the World:

### Summary of global scenarios impact on Africa for discussion on 6 Sep 2022

For the Africa in the World (AiW) project, we have developed four long-term, global futures depending on the degree to which the international community prioritises **sustainability** and the extent of political **fracturing**. We then forecast and discuss global shifts in power and influence using different indices within the International Futures (IFs) forecasting platform, hosted and developed at the Fredrick S Pardee Center for International Futures at the University of Denver.

The global scenarios were presented and discussed during a public event on 10 August 2022. On 24 and 31 August, we hosted follow-on discussions that looked at Asia/Africa and the West in the four scenarios. The event on 6 September will discuss how the scenarios would impact relations between African states.



The forecast horizon is to 2043, the end of the third ten-year implementation plan of the African Union's Agenda 2063 long-term vision for the continent.

The **Divided World** scenario reflects the current path (CP) toward a more fragmented global order and retreat from a rules-based system. In this scenario, powerful countries, the US, China, and others, alternate between efforts to frame a favourable global agenda and

isolationism. Under a Trump or similar populist presidency, the US pursue a unilateralist approach to the detriment of the West and, ultimately, itself as China and Russia exploit these differences to their advantage. The steady loss in legitimacy, influence and salience of the United Nations and the UN Security Council proceeds apace. Uncertainty and insecurity mean that the number of nuclear-armed states increases and that efforts to contain proliferation collapse.

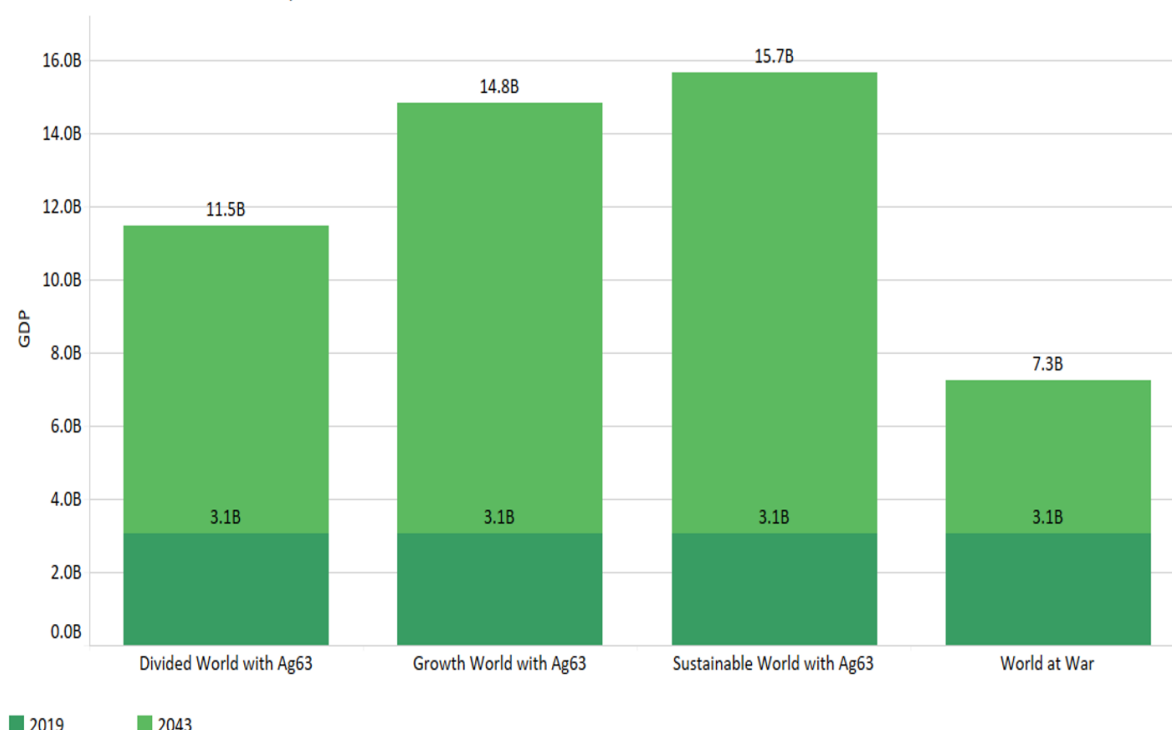
Nominally, three clubs jockey for influence: an expanded G7, an expanded BRICS, and a group of countries trying to stay out of the fight, including most African countries, India and others not co-opted into either of the expanded groups. Practically none of the clubs can entirely cloak the differences in approaches among their members. New clubs and alliances emerge as countries seek the best partners to pursue their interests but none last.

Having been driven closer due to European sanctions on Russian oil and gas, the rapprochement between China and Russia continues. Still, the two remain wary of one another even as China becomes the leading destination of Russia's oil and gas exports.

India pursues its interests and alliances, including with Africa. The Asian region is particularly tense, with the Chinese invasion of Taiwan likely to occur towards the end of the forecast horizon. At this point, the decline in the relative power of the US vis-a-vis China is such that the US cannot substantively resist.

Efforts to pursue sustainable development are not entirely abandoned in the Divided World scenario but have limited effect. Sustainable development solutions are regional and scattered. The result is that efforts to contain carbon emissions and combat climate change are weak and ineffective.

Africa's GDP in 2019 and 2043 by scenario

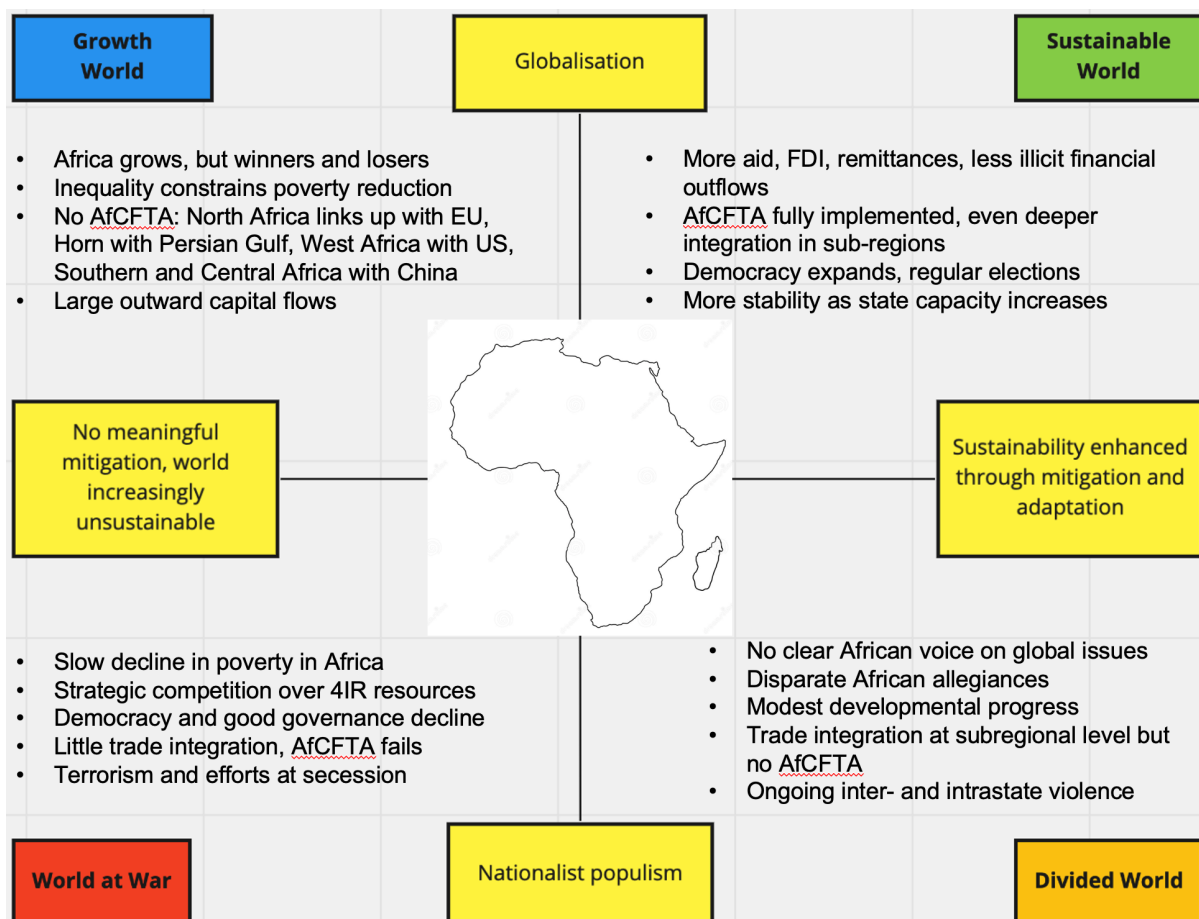


Rather than pulling together, an African voice is generally absent from discussions about global futures. Some countries try to remain non-aligned; others align with the West or China. There is no common African voice or position on crucial issues that range from peace and security to climate change and development.

Attitudes harden. This world is more angry and fearful, with a substantial illegal migrant movement that drives populist politics and xenophobia in Europe and North America. Africa's colonial legacy transforms into a decidedly anti-Western sentiment. Illegal migration to the EU becomes a big problem and regularly overwhelms border arrangements with violent clashes and deaths. In the Divided World, relations between most African and European countries deteriorate significantly, and the once close partnership between the EU and AU is eventually a distant memory.

A lack of coherence in decision-making on crucial development policies means that Africa falls further behind on critical indices such as GDP per capita compared to the average in the rest of the world.

African subregions such as ECOWAS deepen existing levels of economic integration but progress with the AfCFTA stalls. Violent conflict grows in Africa, reflecting global tensions and the complexity of the number of actors involved, feeding off the harmful impact of climate change in the Sahel and the Horn of Africa, among others. With its large youthful and poor population, instability increases.



Hard power competition dominates in the **World at War** - the division of the globe into two camps with little space for others. In this scenario, Russia and China enter into a formal military alliance in direct opposition to NATO. Others eventually join, including Iran (which has a long-standing grievance with the West) and Pakistan. India's alarm at Chinese assertion and aggression, particularly in the South China Sea, sees it align more closely with the West.

Global relations revert to a bipolar era reminiscent of the height of the Cold War - but on steroids. China is in a different league from the former USSR. Its economy is already larger than the US using purchasing power parity but now faces a West united in its intent on retaining its privilege and power. The intense competition between the two groups affects every country and region. It animates previously latent conflicts. Struggles for self-determination and independence intensify, such as efforts by the Kurds to establish a homeland and by Palestinians to ease the yoke of Israeli occupation.

Three triggers could realise this scenario. The first is the escalation of Russia's war on Ukraine into a broader military confrontation with NATO. A more likely trigger is China's invasion of Taiwan with military intervention from the US and others. A third trigger, less likely given the large disparities in their material power capabilities, could be border conflict and, eventually, a war between India and China towards the end of the forecast horizon. Although India will continue to have significantly fewer power capabilities than China, the two are increasingly regional and global power competitors that share a long border.

Nuclear weapons proliferation and possibly even the use of tactical nuclear weapons characterise the World at War scenario after efforts to review the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) collapsed. In 2026, the New START treaty lapsed.

Africa's economy is smaller in the World at War scenario than any other, and its extremely poor population large, but it becomes a key area of strategic competition for control of its strategic mineral resources. China has been a first mover in securing its supply of the strategic minerals required to transition to a renewables-based future, including lithium, nickel, cobalt, manganese and palladium.

Whereas world military expenditure averaged just below 2% of GDP in 2022, by 2043, it will have increased to 7.2% in the World at War scenario, compared to 3% in the Sustainable World, 3.2% in the Growth World and 4.1% in the Divided World scenario. In Africa, military expenditure in 2043 is more than double that of continental countries in the Sustainable World scenario.

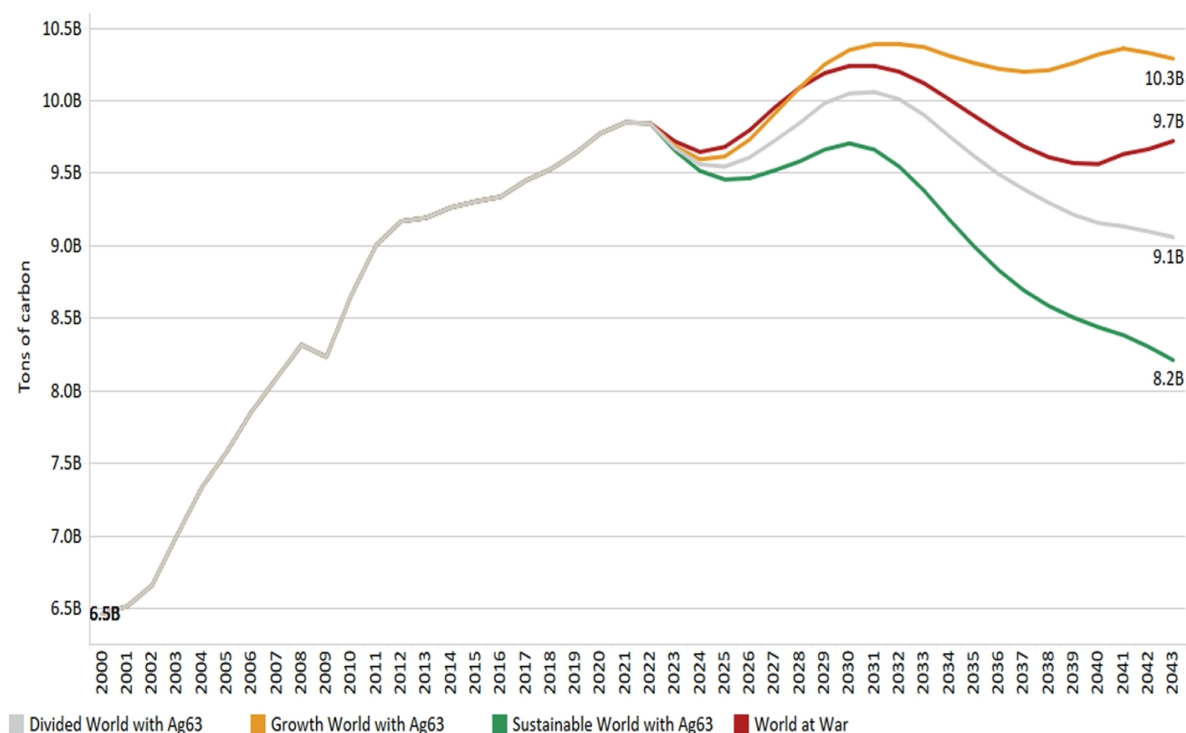
Democracy declines globally, and Africans are pressured to choose sides. The momentum towards the AfCFTA falters, and trade integration at the sub-regional level also fails. Groups in Sudan, Nigeria, Ethiopia and Cameroon take up arms to secede. Instead of securing its territories and borders, the World at War scenario is one where the Islamic State further spreads its influence into Africa, where it seeks to establish the caliphate's future after being defeated and driven out of Syria and Iraq.

Neoliberal, trickle-down economics characterises the **Growth World** with little care for the environment. This high-growth, unequal world would see slow reductions in extreme poverty. Efforts to introduce minimum tax rates for corporates, which started in 2021 when 136 countries agreed to implement a 15% global minimum rate, do not get off the ground. Large corporates, particularly in the US, continue to increase their profits without a physical presence in the countries where they operate. The practice of tax avoidance through profit shifting to low-tax jurisdictions effectively leads to a race to the bottom as countries compete with one another to attract foreign direct investment. Developing countries suffer in the process as it effectively drains money from them.

Competition between China, the US and Europe remains but political disagreement is tempered by the pursuit of profit and overlapping membership in various trade and other agreements. Instead of contracting, global value chains expand, and the period of reshoring manufacturing in 2022 is short-lived. Instead, manufacturing continues to seek the lowest cost location, steadily moving from China to surrounding countries with lower labour costs.

Countries that provide quality of life, security for investment, and the required information technology attract the best and brightest. Their companies can compete in a thinly regulated global market to provide high-end services without the need to establish a legal presence or pay taxes elsewhere.

Global carbon emissions from 2000 to 2043, by scenario



With a focus on maximising profit and the extraction of rents, the saliency of the United Nations and the UN Security Council will decline in the Growth World scenario. The developed world adapts to the impact of climate change, but the developing world suffers. Instead of AfCFTA, African sub-regions link up externally, such as North Africa with the EU, several West African countries entering into agreements with the US, and the Horn countries with the Middle East, and East and Southern Africa to China. Central Africa trails behind. More significant migration flows will inevitably follow.

The Chinese economy grows particularly rapidly in the Growth World scenario. Since a growing economy translates into more material power, China's power potential will overtake that of the US earlier than in any other scenario. However, domestic pressure for more freedom due to rising incomes and growing inequality makes China's future unpredictable.

In the **Sustainable World** scenario, the international community collectively balances growth and distribution by reducing overall consumption and constraining greenhouse gas emissions. Collaboration and norm development extends across multiple sectors, including a resurgence of the World Trade Organization (WTO) role. The 15% global minimum corporate tax rate introduced in 2023 has increased to 20% by 2043.

This future could emerge from the rapid acceleration of the impact of climate change and repeat global pandemics that eventually force a collective response from a reluctant world community.

The Sustainable World scenario is the most difficult to achieve. Unlike the other three scenarios, it requires deliberate choice and bold leadership.

Under the auspices of the UN, this scenario would see countries craft and agree on an ambitious set of follow-on SDGs to eliminate extreme poverty in the most affected region, sub-Saharan Africa, which is also at significant risk from climate change. These follow-on goals and targets merge climate mitigation and adaptation ambitions into an overarching and comprehensive Global Sustainability Framework (GSF). Whereas aid to Africa amounted to US\$77 billion in 2022 (2.3% of Africa's GDP), by 2043, it has almost doubled in real terms, although still modestly decreasing to 1.7% of Africa's GDP.

Commitments of this nature mean the world can sustainably pursue poverty alleviation and thus not compromise on reducing carbon emissions and environmental protection.

The global poverty rate at the US\$1.90 poverty line will fall from 9.5% in 2020 to 4.3% by 2043, while emissions peak in 2028 at 9.75 billion tons of carbon.

An expanded G20 replaces the G7 and BRICS groups in the Sustainable World scenario. The global community can coordinate its responses to recurring pandemics, a feature of a 2043 world with 9.5 billion people. This is a rules-based future that eventually includes a revision of the voting rights in both the World Bank and the International Monetary Fund and an end to permanent members and the veto within the UN Security Council.

Nuclear disarmament also proceeds apace. In July 2022, 122 countries adopted an international treaty banning nuclear weapons. In the Sustainable World scenario, the United Kingdom and France, then the US, China, Russia, India and Pakistan eventually sign and ratify the treaty, followed by others, including Israel and North Korea.

In the Sustainable World scenario, the AfCFTA is fully implemented in Africa by 2033, followed by deeper economic integration at sub-regional level. By 2043 Africa has progressed significantly toward establishing a continental customs union, with subregions such as SACU having even found a common market. All countries are democratic and regular elections see a steady turnover of leadership as Africans hold their leadership to account.

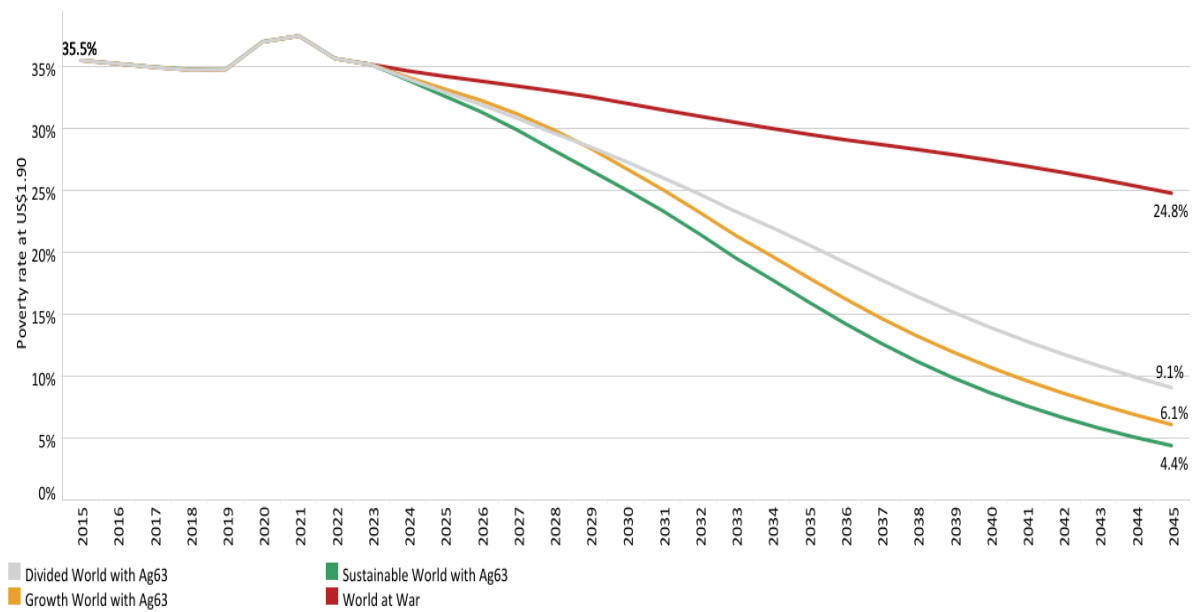
**Scenarios are not predictions.** The four scenarios in our study ignore unlikely but high-impact developments, particularly great power implosion, that could overturn and change our global futures. The USA is already starkly divided, with some fearing large-scale internal conflict, while China's democratic deficit increases as income levels rise. The democratisation of China will almost inevitably be violent and economically disruptive, with a substantive impact on Africa.

Another variant of great power implosion would be the breakup of the European Union or a radical reduction in its membership. A breakup of the EU will significantly negatively affect efforts to advance towards a rules-based order and weaken the West.

Finally, the risk of catastrophic climate change is more real than ever. Europe is experiencing its worst drought in 500 years while temperatures sour in many regions globally. Many scientists believe that the world is already in the midst of its sixth mass extinction event, the Anthropocene.

The outcomes of the four scenarios are starkly divergent. The Growth World scenario leads to better economic results but will accelerate global greenhouse gas emissions. The World at War scenario is the worst case for everyone, as overall gains are below any other. The Sustainable World maximises economic growth, improvements in income and poverty reduction, particularly in Africa, but is most difficult to achieve.

Africa's extreme poverty rate at US\$1.90, 2015 to 2045



Our separate work at [futures.issafrica.org](https://futures.issafrica.org) presents the impact of various sector growth strategies on Africa, of which the full implementation of the AfCFTA is the largest. If fully implemented, the combined effect of the 11 sectoral scenarios modelled there would increase the size of the African economy by 75% above the 2043 Current Path forecast and significantly reduce extreme poverty. However, this future is only possible in a Sustainable World scenario that does not suffer a disruption in China's growth prospects.

We will launch the final report in Addis Ababa in October 2022.

Jakkie Cilliers and Du Toit McLachlan  
 African Futures & Innovation  
 Pretoria  
[jcilliers@issafrica.org](mailto:jcilliers@issafrica.org)  
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