



# Africa in the World

Africa: A pawn rather than a player?

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## Africa: A pawn rather than a player?

Against the background outlined above, we next consider Africa's place and power in the international arena.

### Recent history

Africa's standing was elevated after independence, with East and West competing for influence until the collapse of the Berlin Wall in 1989 robbed it of that strategic value. Until then, important states on the continent were courted with money and arms as part of the Cold War competition between Washington and Moscow. Democracy and considerations of human rights were generally trumped by loyalty, although sections within the development assistance community in some Western countries pushed against this crude division.

After that, Africa's oil exports and location in the US war against terrorism briefly elevated its status at different points in time. Violent, political Islam spread from Afghanistan and Syria to North-West Africa and East Africa, primarily driven by the displacement effect of US military interventions in Asia and the Middle East. The period coincided with a brief unipolar moment during which the US achieved peak power and influence in the absence of a rival.

Africa's importance again dissipated thereafter, allowing for a brief period during which development priorities rose in international prominence. That period culminated with the agreement on the Millennium Development Goals in 2000 and, in 2015, on the Sustainable Development Goals. The boom in hydraulic fracturing for oil and gas in the US that started in these years effectively ended its dependence on imported fossil fuels and hence concerns about stability in the Middle East as well as in key African states such as Angola and Nigeria, and the support that it had provided to oil-rich autocracies.

While Africa's relations with the US and the extent to which it was instrumentalised by Washington and Moscow is evident from the previous summary, European–African, not US–African, relations have been deeper and more enduring, not surprising given colonialism. Europe shares the same time zones and key languages, and the two are geographically proximate. Europe is Africa's largest trading partner and it has the most extensive stock of foreign direct investment in Africa. However, the growing popularity of right-wing parties in Sweden, Germany, France and Italy is the single most consequential domestic trend in several decades and it is increasingly determining Europe's foreign and international relations with Africa. At its extreme are responses by the UK and Italy to send African asylum seekers to Rwanda and Albania on a one-way ticket. Other measures include the hardening of borders such as by Spain and large grants and loans to countries such as Egypt in return for efforts by the government of President Abdel Fattah El-Sisi to clamp down on the transit of migrants to Europe. Structurally it is fuelled by globalisation and the extent to which blue-collar jobs in manufacturing have moved to Asia, the rural/urban political divides in rich countries, and feed off deep-seated historical and cultural impressions and fears that go back centuries.

In contrast to the declining relations with the US and Europe, China's footprint and influence in Africa has become more important each year. 'No other country comes near the breadth and depth of [China's engagement](#) in Africa,' wrote *The Economist* in an in-depth study of the relationship in May 2022.

During the 1960s and 1970s, as the Cold War intensified, China–Africa relations were political and ideological to the extent that, in 1971, when the UN voted for China to replace Taiwan, 26 African countries voted in favour. Itself a poverty-stricken country, China provided military support and aid to the African continent. The construction of the Tazara railway line in support of the frontline states in their conflict with apartheid South Africa, then primarily supported by the West, serves as the most prominent showpiece.

China's relationship with Africa changed during the 1990s as it increased in economic and political importance. A booming China needed oil and metals and eventually found an outlet for its sizable current account surplus and work for its construction companies that had built its roads, railway lines and ports, which perfectly matched Africa's need for

investment and infrastructure. However, China's annual loans to Africa shrank with the onset of the COVID-19 pandemic, in tandem with the steady reductions in its current account surplus. Trade and return on investment are now more critical for China, even as it continues to buy favours in Africa, such as the recent gift of a building (and bugging) the tower block that hosts the offices of the African Union Commission in Addis Ababa, the modern parliament building to the governments of Zimbabwe and Malawi. Zimbabwe, which has an external debt of US\$14.4 billion, is among those heavily indebted to China, which is the only country willing to extend loans to Harare due to its deficient domestic investment environment, poor governance and dismal [repayment record](#).

After a COVID-19-induced decline in 2020, the value of trade between China and Africa rose by 35% to US\$245 billion in 2021. China is Africa's largest bilateral creditor (as a group, Western private banks have a larger share) and a crucial source of infrastructure construction and investment. Its projects also are concluded more rapidly. The average infrastructure project in the Belt and Road Initiative takes 2.8 years, roughly a third of the time needed by the World Bank or the African Development Bank, in part because environmental impact studies and other regulations are sometimes bypassed. Whereas the West provides aid and, through its various agencies, concessional loans, Chinese development finance takes the form of loans at near market rates, much of it for infrastructure.

However, China's hard-nosed practice is quite different from its benevolent 'win-win' rhetoric. Contracts include strict confidentiality clauses, requirements that China be repaid ahead of others, the use of escrow accounts and specific identification of which revenues would be required to pay back loans. Because Chinese creditors are numerous and fragmented, keeping track is complex. More than one newly elected African leader (most recently President Hakainde Hichilema of Zambia) has found the amounts that his country owed to China are much higher than initially thought.

China's role in Africa is expanding beyond trade and loans. Already, Chinese firms account for an estimated one-eighth of the continent's industrial output. Its digital infrastructure is critical to Africa's communication, much of that built by Huawei, a company under US sanctions. The result is that political, military and cultural ties are all becoming closer. African views about China are now more favourable than those of the US, although a majority of Africans still list the US significantly ahead of China as a preferred future model given its more open society system of [governance](#).

Relations between China and Africa have therefore deepened. In April 2022, for example, China's special envoy to the Horn of Africa, Xue Bing, offered to help 'silence the guns' in the Horn of Africa — a pragmatic move by an influential investor. China has about 400 construction and manufacturing projects worth over US\$4 billion in Ethiopia alone. Since 2020 and until the Pretoria peace agreement in December 2022, Ethiopia was mired in a vicious ethnic conflict with the federal government in Addis Ababa pitted against rebel forces in the northern [Tigray region](#).

The response in the West to China's growing influence in Africa has been alarmist with recent efforts to counter the Belt and Road Initiative in Africa and elsewhere. In 2021, the Biden administration launched its Build Back Better World, and the EU launched its Global Gateway; in 2022, the [G7 club](#) announced its Partnership for Global Infrastructure and Investment (PGII) to mobilise US\$600 billion in infrastructure projects over the next five years and with a particular focus on [Africa](#). And suddenly, senior US and European diplomats visit the continent.

### **Africa's prospects**

Despite its large population, Africa is a small global player with its combined influence diminished by the number of its constituent countries and its current lack of economic and political integration. Without a supranational authority such as the EU Commission and its various structures and much deeper economic integration, the calculation of Africa's power potential is inevitably less than the sum of its more than 50 members, which, using DiME, constituted a mere 5.3% of global power in 2023. Because of the increased weighting of technology within modern indices of power (as apposed to historical measure that placed considerable weight on population size), by 2043, Africa will only increase its portion of global power to 6% while then constituting 25% of the world's population. Different from the EU, the Commission of the



AU is essentially an intergovernmental secretariat with limited and circumscribed policy latitude and the continent still has to register practical progress on trade integration.

However, there is also a flip side to Africa's large number of constituent states, illustrated by Russia's recent charm offensive that followed its invasion of Ukraine and subsequent sanctions and ostracism from the [West](#). Russia accounts for almost half of Africa's arms imports, and is a major supplier (along with Ukraine) of Africa's cereal imports, which was badly disrupted by the war. But it accounts for only 1% of the continent's foreign direct investment (FDI). This is minute compared to the stock of Europe's FDI in Africa and recent FDI flows from China, Africa's largest trading partner. The large number of African states and their relative weakness means that they offer numerous opportunities for Russia (and others) to pursue a proxy war with the West such as by offering military support (though the Wager group, now known as the [Africa Corps](#)) and protection to coup makers in the Sahel, leading to the ouster of French and US forces from the region.

**Africa's economic growth and population increase will steadily increase its power potential but more slowly than most analysts think.**

An important reason is that Africa's [labour force](#) is quite small in relation to its dependants (children and the elderly) although it is increasing rapidly, while workers suffer from low levels of [education](#), with some exceptions, and poor health. Africa is rapidly approaching a double burden of [disease](#) as the rates of non-communicable disease are increasing rapidly. The result is that Africa's labour productivity is about one-fifth the average of the rest of the world, and together with high poverty levels and low incomes, the capital per working-age person is even less.

Although it receives relatively large amounts of capital through remittance inflows and aid, Africa loses substantial amounts due to corruption and illicit [financial](#) outflows. Because of extreme poverty levels, unemployment, high levels of inequality and limited government revenues to improve basic services delivery, key African countries, including Nigeria, South Africa and others, experience high [crime levels and instability](#). However, perceptions of instability are often generalised to apply equally to all African countries. Finally, much of Africa's physical capital, such as roads, rail, water, electricity and other essential [infrastructures](#), is still of a colonial-era vintage, but it is being improved largely due to recent investments by China in railways, ports and associated infrastructure.

[Manufacturing](#) and services will expand rapidly on the continent – although much of this growth will initially be at the lower end of the value-add curve due to its dependence on commodity exports. Until recently, the evolution of complex global supply chains meant that the location of least-cost manufacturing tended to gravitate towards the region with the cheapest labour, with domestic stability, policy certainty and access to a large market, typically Asia. Given reductions in input costs, the push towards reshoring and diversification and the need to reduce carbon emissions provide incentives to locate manufacturers closer to the future market in which Africa features prominently. Sub-Saharan Africa will increasingly feature as a location where industry can thrive, although this depends upon the rapid integration of its fragmented markets, the provision of infrastructure, and investment in improving its human capital endowment.

Eventually, regional economic communities with common currencies, freedom of movement of labour and capital across borders, and standard import and export tariffs will increase Africa's attraction as a location for manufacturing. Indeed, Africa took a big step towards this goal when its members ratified the [African Continental Free Trade Agreement \(AfCFTA\)](#).

These prospects do not hide the fact that Africa has effectively been an instrument of global power competition since independence, reflected in the preceding analysis, although health and humanitarian relief considerations have also been prominent. Its limited influence is hardly surprising since the entire economy of Africa only recently broached 3% of the world economy. It will increase to 5% of the world economy on current expectations by 2043.

Rather than a more productive economy, the increase in Africa's power potential is a result of the continent's rapidly growing population. Nigeria, Africa's largest economy, constitutes a mere 0.5% of the global economy and will increase that portion by only 0.1 percentage points to 0.6% by 2043, reflecting its lack of global economic significance in spite of its large population, but not the extent to which it dominates within Africa, as its economy accounts for 16% of the continental total.

Against that background, the following section presents four global scenarios and then examines their impact on Africa.

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Dr Jakkie Cilliers is the ISS's founder and former executive director of the ISS. He currently serves as chair of the ISS Board of Trustees and head of the African Futures and Innovation (AFI) programme at the Pretoria office of the ISS. His 2017 best-seller *Fate of the Nation* addresses South Africa's futures from political, economic and social perspectives. His three most recent books, *Africa First! Igniting a Growth Revolution* (March 2020), *The Future of Africa: Challenges and Opportunities* (April 2021), and *Africa Tomorrow: Pathways to Prosperity* (June 2022) take a rigorous look at the continent as a whole.

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