



*A research project by
The Mapungubwe Institute
for Strategic Reflection
(MISTRA)*

Changing Economic Balances and Integration in 'Africa Rising'

Executive Summary

MISTRA's book, *Changing Economic Balances and Integration in 'Africa Rising'*, offers strategic insights for anyone working in the fields of foreign policy and diplomacy, international political economy and regional integration.

The book addresses some of the issues raised by the recent and ongoing changes in 'economic power' balances on the African continent. These factors have implications for regional and continent-wide geopolitical dynamics and bring to the fore questions about factors that need to be taken into

account in assessing countries' socio-economic progress, issues of integration and the very notion of Africa Rising.

What happens to geopolitics when economic balances between neighbours and between regions shift? Often the phenomenon of changing economic balances receives little or no attention on the African continent.

Research Questions that Inspired Changing Economic Balances and Integration in 'Africa Rising'

- What happens to geopolitics when economic balances between neighbours and between regions shift?
- Specifically in contemporary Africa, what happens if the economic balance between Nigeria, South Africa, Egypt and other countries changes? What impact will these changes have on continental and regional politics?
- Does the emergence of rising powers and the dislocation of incumbent powers matter in the development trajectories of countries and regions?
- To what extent are the recent economic changes significant, and how are they shaping the political economy of Africa?
- Firstly, changing economic balances and their implications for geopolitics have largely been assumed to be a global big power concern.
- Secondly, changing economic balances often take a long time to manifest, due to their systemic nature. These shifts can span a generation or more.
- Thirdly, South Africa was the biggest economy on the continent for a substantial period and some had assumed this would persist into the future.
- Lastly, inter-state conflict has almost disappeared entirely and has been replaced by greater peace and integration.

The book seeks to close the gaps – in literature and policy work – on these issues.

Changing economic balances – and their implications for geopolitics – have largely been assumed to be a global big-power concern.

These and other questions are what led MISTRA to undertake a macro-analysis study of what can be referred to as changing economic balances in Africa.

Often the phenomenon of changing economic balances receives little or no attention at all on the continent. Reasons for this include:

Key Findings and Implications for Policy

Chapters in the book tackle various sub-themes associated with changing economic balances in the region, including power, integration and pan-African unity and 'Africa Rising'. The study makes the following findings:

1. History shows that as states achieve higher levels of economic growth and power, their sense of their own capabilities and prestige shifts. These shifts in self-perceptions can, depending on the quality of available leadership and decision-making, result in tensions and even war. Changed economic balances therefore have the potential to cause conflict, the so-called Thucydides Trap.
2. The report confirms the phenomenon of changing economic balances to be true in Africa. At the inception of the study, Nigeria had surpassed South Africa as the largest economy in Africa in GDP terms. Africa as a whole has experienced growth, especially in the first decade of the 21st century. Sub-regional dominant states such as Kenya, South Africa, Nigeria, and Egypt are showing signs of continued dominance in key areas like the economy, military strength and trade volumes.
3. In terms of regional dynamics, the phenomenon of changing economic balances takes different forms. North Africa, for example, has seen the militarisation of cooperation that may deliver neither development nor security. The SADC region, however, is peaceful and security concerns are not a major focus. In East Africa, changing balances do affect the pace and intensity of integration.

4. The tensions around access to and the use of Nile Basin resources do speak to the factors that may generate friction and conflict as economic power balances change. In these parts of the continent, Egypt, Sudan and Ethiopia are key poles of power with significant military capabilities. The current contest around Nile resources tests the ability of Africa to manage changing economic and power balances.
5. A country's power and influence should be understood in the context of the size and structure of its economy, the distribution mechanisms that impact on people's quality of life, military strength and other factors. As such, factors such as GDP per capita, various elements of the Human Development Index, levels of

societal activism and demographic features have to be taken into account.

6. Commodity-based growth is not sufficient to bolster the rise of Africa. More regional integration, maintaining policy autonomy in relation to global powers, progressive leadership, transformation of production structures and trade relations are proffered as solutions. Since Africa's rise is still not premised on a combination of those factors, the geopolitical balance of power between Africa and the rest of the world remains fundamentally the same; essentially one of subordination and dependence. It may well be that globalisation is, in fact, reproducing the marginalisation of Africa in the global economy.

Policy Context

Most countries handle tensions that flare up at a bilateral level and thus ignore the strategic fault lines that run across the whole region, including between sub-regions and various countries.

The study suggests that such an approach is limiting and dangerous in the light of the long-

term aspirations of the continent, as captured in documents such as the Africa Mining Vision and Agenda 2063.

Moreover, the geopolitical changes underway in the world serve as opportunities for Africa to reimagine, re-organise and reposition itself.

Policy Gaps

Neither scholarly output nor political debate has moved beyond narrow, territorial nationalism when addressing the phenomenon of changing economic balances. As a result, there is no continent-wide initiative, reservoir of ideas or research to understand the long-term dynamics that shape

economic balances. Similarly, there is little analysis of how leadership and countries must manage changing economic balances in the best interests of Africa and her people and turn this phenomenon into an opportunity.

Policy Recommendations

1. **A new Pan-Africanism that takes into account the reality of changing economic balances, globally and regionally:** This has to follow a dynamic, aggressive and creative path led by anchor states such as Nigeria, South Africa, Algeria, Kenya, Ethiopia and Egypt, and it must rely on new and indigenous institutions. This leads to the second policy recommendation below.
2. **Anchor states promoting collective development while managing changing economic balances:** In the study, the phrase 'anchor states'

is used to denote the positive role of rising states. It is argued that the possibility exists to eschew narrow self-interests for the greater goals of peace, stability and mutually beneficial trade, healthy competition and integration. When disputes arise, diplomatic and political interventions are far more beneficial than conflict and war.

3. **Strategic leadership that eschews a narrow territorial focus in the interest of cooperation:** Historically, material capabilities have been used by countries to exert influence over other countries. However recent experiences in Africa have shown that these capabilities can be harnessed for common benefit. For instance, cooperation among the 'regional anchors' during the 2000s was critical in the fashioning of the New Partnership for Africa's Development (NEPAD).
4. **Building viable states and protecting Africa's collective sovereignty:** As demonstrated in the chapter on North and West Africa, some

of the reasons for instability have to do with militarisation of diplomacy and the violation of sovereignty. In other words, this instability is largely a result of foreign intervention on the continent. In part, this intervention results from unequal power balances with the developed North, security arrangements that depend on foreign states, artificial borders, as well as an African elite that betrays the African agenda. If the political leadership and the African elite abandon collective African interests, it is up to the people to mobilise and promote the humanity of Africa.

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Some of the Actors for Whom this Policy Brief is Relevant

- The Africa Union, AU Commission and related agencies.
- The Regional Economic Communities and other regional institutions such as the African Development Bank, and the NEPAD Secretariat.
- The private sector.
- Research and educational entities e.g. CODESRIA, Africa Forum, Concerned Africans Forum, research organisations, universities and others.
- Departments and Ministries of Foreign Affairs.
- Departments of Economic Development, Trade and Industry.
- Civil society, including youth and women organisations, the religious community, as well as cultural and sports fraternities.

The MISTRA book containing the research findings and detailed recommendations, entitled Changing Economic Balances and Integration in 'Africa Rising', can be purchased from:
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