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UKRAINIAN PERSPECTIVES IN AFRICA

Liubov Abravitova

Embassy of Ukraine in the Republic of South Africa

With a land mass bigger than China, Europe, India, and the US together, African continent with its natural resources and human potential has become an emerging centre of world development, as well as a zone of clash of interests of all major geopolitical players. The European Union, the USA, China, India, Brazil, Turkey, the Gulf States, and many others have taken note of the potential in Africa's transformation, and have mostly decided to increase their engagement. Africa has not yet risen to the top of Ukrainian business and political leaders' agendas. It is time for Ukraine to understand that Africa is a significant part of its future. African countries will affect further global security and development challenges, as well as will open opportunities for Ukraine's economic growth and influence. This article considers preconditions and perspectives of Ukraine-African cooperation, as well as ways of establishing win-win and self-sufficient relations between them.

Real Africa Today

With a land mass bigger than China, Europe, India, and the US together, African continent with its natural resources and human potential has become an emerging centre of world development, as well as a zone of clash of interests of all major geopolitical players. Africa possesses about 30% of the world's natural resources, including 83% of world platinum production, 55-60% of world production of cobalt, manganese, 40% of gold, 46% of diamonds, and 43% of palladium. Moreover, it has 10% of the world's oil reserves and produces nearly 70% of the global diamond trade.

It is unique because it is young. According to UNICEF's *Generation 2030* report,¹ which

unveiled statistics regarding the changing African demographic, survival rates, and urban raise, by 2055, 40% of the world's children will live in Africa. The United Nations predicts that by 2050, the African population will rise to at least 2.4 billion and will continue to grow to 4.2 billion, four times its current size, in the next 100 years.

Africa is the fastest urbanizing continent in the world. Over the past 50 years, urban population has doubled from 19% to 39%². In recent years, Africa has shown an emergence of a middle class in cities, accompanied by poverty reduction. Between 2005 and 2008, for the first time, the absolute number of poor people also declined, and nine million Africans escaped poverty during those three years³.

1 *Generation 2030 Report*, UNICEF, November 2017

[https://data.unicef.org/wp-content/uploads/2017/11/Generation_2030_Africa_2.0.pdf].

2 *Human Development*, African Development Bank Group, 2018

[<https://www.afdb.org/en/knowledge/publications/tracking-africa's-progress-in-figures/human-development/>].

3 S. Devarajan, *Africa Is Rising - Is Poverty Falling?*, The World Bank, 01 March 2012

[<https://blogs.worldbank.org/african/africa-is-rising-is-poverty-falling>].

According to the World Bank, six out of 10 of the fastest growing economies in 2018 were in Africa – namely Ghana, Ethiopia, Ivory Coast, Djibouti, Senegal, and Tanzania⁴. It is expected that the growth rate on the African continent will reach 3.5% in 2019. Economic forecasts indicate that Africa will be a 29-trillion US dollars economy in 2050, larger than the 2012 combined GDP of the US and Eurozone⁵.

As the *Doing Business Score* by the World Bank Group confirms⁶, 20 countries in Africa are among the top 50 most-improved world economies in business regulatory efficiency. That makes it emerge as an attractive investment destination and an important market for goods and services. According to the *Harvard Business Review*⁷, Africa also has the potential to become “the world’s next great manufacturing centre.” China is expected to lose 85-100 million low-cost, labour-intensive manufacturing jobs by 2030 and Africa stands to capture many of them.



According to the World Bank, six out of 10 of the fastest growing economies in 2018 were in Africa

The continent has recorded a significant step forward in its efforts to deepen democracy. The past decade has witnessed a series of successful elections and peaceful transitions of power in African countries. African countries have also made a remarkable progress in the field of regional cooperation

and integration. The emerging of a pan-African integrated market – the African Continental Free Trade Area, which covers over one billion people with a common GDP over 3.3 trillion US dollars, is the most promising initiative of the continent.

The above-mentioned facts indicate the emergence of Africa as a new economic boost powerhouse. Having in mind that by 2030 within the global society one in five people will be African, global centres of power recognize the exceptional economic importance of the African continent, as they will largely depend on availability of Africa’s raw materials, energy resources, and human capital.

Africa’s Development Challenges

However, it is understandable that Africa is diverse with its 54 countries in total. Theirs economies are varied: from the oil exporters of Algeria, Angola, Libya, and Nigeria, to the already more diversified economies such as Egypt, Morocco, or South Africa. Besides, many countries within the continent are in transition from agricultural to manufacturing/service economies.

What is unique about Africa is that its challenges are directly related to its opportunities and to all factors of its fast rising.

Indeed, the persistently high number of people in poverty, lack of infrastructure, conflicts, and ongoing problems with democratic governance have made Africa the world’s largest provider of

4 *World Bank Says Six of the Ten Fastest Growing Economies in 2018 Will Be in Africa*, “The African Exponent”, 17 January 2018 [https://www.africanexponent.com/post/8825-ghana-will-be-fastest-growing-economy-in-the-world-in-2018].

5 *Africa Will Be a 29 Trillion Dollar Economy by 2050 – RenCap*, CNBC Africa, 12 May 2016 [https://www.cnbc.com/africa/videos/2016/05/12/africa-will-be-a-29-trillion-dollar-economy-by-2050-rencap/].

6 *Doing Business Score*, World Bank Group, [https://www.doingbusiness.org/en/rankings].

7 I. Yuan Sun, *The World’s Next Great Manufacturing Center*, “Harvard Business Review”, May–June 2017, [https://hbr.org/2017/05/the-worlds-next-great-manufacturing-center].

emigrants. The rapid growth of the urban population can become a challenge for the demographic structure in Africa overall. Gaining in population, that fast will have its implications for poverty and the disparity between rich and poor. Rapid growth of young population will challenge food and water security as well as education and health systems of African countries. If more Africans move out of poverty, they will require more infrastructure and development. The growing population of young people, if left without jobs, will create new ways for terrorists to exploit the next generation.

The deficit of efficient investments in energy, transport, and water infrastructure on the continent presents a significant barrier to economic growth and development. However, if addressed, it can be a booster not only for the countries of the region, but also for the potential investors.

With proper investments in young people and by developing the infrastructure, Africa will have the opportunity to create a youth dividend, which will accelerate economic growth. Yet, Africa cannot afford this today on its own. If foreign partners fail to help, Africa will face an unprecedented youth burden, exacerbating unemployment, social unrest, and dependency on government handouts.

That is why Africa has emerged as a cornerstone of the world's biggest economies' efforts to enhance global influence and to prevent African development from turning into chaos.

Key Actors in Africa

The European Union member states are Africa's main trading and investment partners. They are also the main Aid-for-Trade providers with up to €5 billion committed over recent years. The EU is supporting deeper regional integration to foster economic development. An additional €50 million⁸ is being mobilized as initial support to Africa's integration agenda adopted in 2018.

In 2017, the EU and its member states provided €23.9 billion in Official Development Assistance (ODA), which is more than all other countries combined, to Africa⁹. That assistance was delivered primarily through country-level programs, but also through complementary regional and global thematic programs. The EU is also a leading donor of humanitarian aid in Africa. It invests on average over €1 billion per year in integrating infrastructure and connectivity. Some 40,000 kilometres of roads have been constructed, rehabilitated, or maintained since 2014¹⁰.

The EU-AU cooperation framework is based on three major levels. Heads of states from both sides are holding summits every three years (the latest one – the 5th AU-EU Summit – took place in Abidjan in November 2017); the EU Commission and AU Commission meet every year, and Joint Foreign Affairs Ministers are meeting annually.

The United States is another important partner of the continent. In December

8 *Progress Report on the Implementation of the European Agenda on Migration*, Communication from the Commission to the European Parliament, the European Council and the Council, 14 March 2018 [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/com_2018_250_f1_communication_from_commission_to_inst_en_v10_p1_969116.pdf].

9 *The European Union And African Union: Key Partners, African Union*, 21 January 2019 [https://africa-eu-partnership.org/sites/default/files/documents/factsheet_eu_au-21-1-2019.pdf].

10 *The European Union And African Union: Key Partners, African Union*, 21 January 2019 [https://africa-eu-partnership.org/sites/default/files/documents/factsheet_eu_au-21-1-2019.pdf].

2018, the United States unveiled its “New Strategy for Africa”¹¹, which rests on four pillars: advancing US economic interests in Africa; countering radical terrorism and violent conflict; extracting maximum benefit from US aid; and the US’s determination to counter the rapidly expanding economic and political influence of China and Russia in Africa.

Moreover, the African Growth and Opportunity Act (AGOA) allowed the US and African countries to accomplish numerous projects in trade and investment. The AGOA has been the cornerstone of the US trade policy in Africa for almost two decades now. Total non-oil goods trade has more than doubled from 13 billion US dollars a year to almost 30 billion US dollars a year. In fact, last year, the total US trade climbed to 38.5 billion US dollars, up from 33 billion US dollars in 2016¹².



despite its tremendous potential, Africa has not risen to the top of Ukrainian business and political leaders’ agendas

China’s commitments to the continent are stronger than ever, as evidenced by the Forum on China-Africa Cooperation (FOCAC)¹³. In the frame of the FOCAC, China and African countries will develop the Chinese Belt and Road Initiative in Asia and northeast Africa, sign a number of bilateral

agreements. China is investing heavily across Africa, building highways, hotels, bridges, and dams, seeking to get long-term access to resources. Since 1999, China has increased its trade with Africa more than sevenfold – to 170 billion US dollars¹⁴.

Japan also continues to deepen its political, commercial, and development presence in Africa. In 2019, the 7th Tokyo International Conference on African Development will take place. Jointly with India and China, it plans to form the Asia-Africa Growth Corridor Initiative.

Even though **Turkey** is a relatively new actor on the continent, in recent years it has been deeply involved in infrastructure and investment projects. The African Union in 2008 declared Turkey as a strategic partner of the continent¹⁵. Today, in line with the significant increase in diplomatic presence, Turkey has opened commercial consulates in 26 African capitals. In addition, the Turkish Foreign Economic Relations Council established business councils with 19 Sub-Saharan African countries. Turkey has been providing a substantial number of scholarships to African students. Turkish Airlines has become the major international airline connecting the continent to the world, flying to 48 destinations in 31 countries.

Russia has an ambition to play a leading role in the development of Africa’s energy and infrastructure development – leveraging on the Soviet historic ties with Africa during the continent’s anticolonial and independence

11 *The Trump Administration’s New Africa Strategy*, The Heritage Foundation, 13 December 2018 [<https://www.heritage.org/event/webcast-only-the-trump-administrations-new-africa-strategy>].

12 *Remarks by Secretary Tillerson: U.S.-Africa Relations: A New Framework*, US Embassy in Egypt, 06 March 2018 [<https://eg.usembassy.gov/remarks-secretary-tillerson-u-s-africa-relations-new-framework/>].

13 Forum on China-Africa Cooperation [<https://www.focac.org/eng/>].

14 *Statistics on China-Africa Bilateral Trade in 2017*, Ministry of Commerce of People’s Republic of China, 26 January 2018 [<http://english.mofcom.gov.cn/article/statistic/lanmubb/AsiaAfrica/201803/20180302719613.shtml>].

15 *Turkey and the African Union*, Republic of Turkey Ministry of Foreign Affairs, [<http://www.mfa.gov.tr/turkey-and-the-african-union.en.mfa>].

movements. The year 2018 was marked by emergence of the so-called Russian Africa strategy or “The return of Russia to Africa”¹⁶. Russia’s Foreign Minister Sergey Lavrov undertook a five-day tour to Africa in March 2018, including visits to Angola, Namibia, Mozambique, Zimbabwe, and Ethiopia. In 2019, the first Russia-Africa summit was announced.

Therefore, many countries, including those not mentioned here, have taken note of both the potential and the challenges in Africa’s anticipated transformation, and have mostly decided to increase their engagement and to pursue stronger ties with African countries.

Ukraine’s Take on African Perspectives

Yet, despite its tremendous potential, Africa has not risen to the top of Ukrainian business and political leaders’ agendas. It is time now for Ukraine to understand that Africa is a significant part of its future. African countries will affect further global security and development challenges, as well as will open extensive opportunities for Ukraine’s economic growth and influence. Ukraine has to look ahead in order to develop cooperation with Africa, with the aim of establishing win-win and self-sufficient relations.

To understand the variety of processes on the continent in order to address better the opportunities in different segments of possible cooperation, expert assessment is highly required. The absence of analysis is a core Ukrainian mistake on Africa. Since gaining independence in 1991, Ukraine has been lacking an academic and scholar research on issues of Africa’s development. Few analytical centres can provide deep analysis of the developments and perspectives on the continent.

Ukrainian diplomacy, within its competence, is being measured by the small number of representations on the continent. As of 2019, Ukraine keeps 11 diplomatic representations in Africa. Only six of them are located in Sub-Saharan Africa and responsible for more than 46 countries. Specialists on African studies all over the world agree on such aspects of establishing strong ties with all countries of the region as peer-to-peer contacts, which flow from high-level visits between states and proper follow-up of the reached engagements and agreements. One can hardly find information regarding visits of Ukrainian top officials to countries of Sub-Saharan Africa for the last 25 years. Diplomatic dialogue with most of them does not exceed the protocol correspondence on the occasions of national days.



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At the same time, many countries are already actively engaging in the grassroots. 2018 has seen an unprecedented increase in the number of high-level visits to African countries. Among them are visits of Emmanuel Macron to 11 countries in Africa; the UK Prime Minister paid the first visit to Africa since 2013; Turkish President Recep Tayyip Erdogan made his first working tour to the Sahel; Russian Foreign Minister and President Putin had several visits to African countries as well.

Ukraine has just started to turn its face to the continent. High-level political engagement is the first step Ukraine has to undertake in

16 The Return of Russia to Africa, “New African”, 12 November 2018 [<https://newafricanmagazine.com/news-analysis/politics/the-return-of-russia-to-africa/>].

order to get its place in the future system of coordinates of the continent.

In May 2018, Minister of Foreign Affairs of Ukraine Pavlo Klimkin paid an official visit to the Republic of Kenya. This was the first-ever visit by the head of the Ukrainian diplomatic service to this country in the history of bilateral relations. Implications of this visit are already essential for both countries.

Ukraine and most of the African states share the same steady commitment to peace, security, and rule of law, as well as the same approach as to how this endeavour should be best promoted. Strengthening political cooperation with the region would allow establishing platforms for the expansion of the spectrum of bilateral agreements and working mechanisms within them. Moreover, it would provide African support for Ukraine's position on key international issues within international forums. As an example, their support is essential within the UN, where African countries form an influential group of 28% of votes in the General Assembly.

On the other hand, as Africa becomes more involved in global initiatives, and as it moves towards greater continental integration through African Union reforms and the Continental Free Trade Agreement, the need increases to think harder and more creatively about what kind of cooperation should be established between Ukraine and regional/pan-African organizations. There must be a national strategy and an action plan on how we are going to promote our interests within the pan-continental approach.

Trade and economic cooperation with the continent opens numerous opportunities for small and medium business as well as for big companies. According to Ukrainian

statistics in 2017¹⁷, the trade turnover with Africa totalled 4.7 billion US dollars, of which Ukrainian exports accounted for more than 4 billion US dollars, and imports from Africa for more than 700 million US dollars. Africa brings Ukraine 9% of foreign exchange earnings from exports. Yet, almost 80% of Ukrainian exports to the continent go to the countries of North Africa. Obviously, the potential of trade with all 54 countries of Africa is far from being exhausted.

Africa is becoming a great market for Ukrainian exports. Today, the main articles of our exports to African countries are agricultural products – primarily cereals and oils. African countries receive 14% of all export of Ukrainian agriculture; the larger shares in it have Egypt, Tunisia, and Morocco. Transport and energy engineering products; agricultural machinery for small and medium-sized farmers; medicines, mineral products, light industrial consumer goods – these are the articles of Ukrainian exports we have to continue to bring to the “African consumer”. Promising projects also include collaboration of Ukraine and African countries in the spheres of tourism and culture.

Africa still has vast, undeveloped natural resources. Private sector expertise in Ukraine can facilitate responsible development of those resources, helping bring more Africans out of poverty to share in the economic value of those resources. Such an approach will also allow Ukraine to enhance its role as the exporter of services: from direct infrastructure development to innovative technological solutions. This type of cooperation is especially promising.

Today few of the total African exports are delivered to their neighbouring countries on the continent. The potential for more economic prosperity through trade on

17 *Foreign Economic Activities*, State Statistics of Ukraine, 2017
[http://ukrstat.gov.ua/operativ/operativ2017/zd/ztt/ztt_u/ztt1217_u.xls].

the continent itself is quite evident. As African nations achieve greater regional integration through lowering tariff barriers and improving transport, energy, and infrastructure links, that will create more opportunities for Ukrainian businesses and trade.

African countries are traditional partners of Ukraine in the field of military-technical cooperation. Both Ukraine and Africa are interested in developing bilateral military and technical cooperation, as Ukraine can offer Africa most advanced weapons systems and supply various types of competitive equipment. Opening of service/maintenance centres for the old equipment and joint production of military equipment is also a promising area for military and technical cooperation.

To use properly the continent's potential, African countries require an educated workforce. This takes on even more urgency given Africa's expanding youth population. In this regard, educational, scientific, and technological cooperation of Ukraine with African countries tends to expand. According to the data of the Ukrainian State Centre for International Education, today 21,515 African students are studying in Ukrainian universities out of 75,605

foreigners representing 154 countries of the world. This number can grow dramatically if properly addressed and will bring its dividends in future.

There is no doubt that the coming years will see an even more intense international competition in Africa. In the conditions of global political, economic, and environmental changes, Ukraine needs urgently to address the "elephant in the room" through adopting an "Africa Strategy of Ukraine" and establishing real mechanisms of research and implementation of its interests on the Continent of the Future.

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