

## Old Wine in New Bottles or Africa's Millennium?

Written by Pádraig Carmody

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PÁDRAIG CARMODY, FEB 28 2013

Something very interesting is afoot in Africa: it hosted six of the top ten fastest growing economies in the world over the last decade or so, and this performance is projected to continue until at least the middle of this decade (Economist 2011).

In the popular media "Africa" is often presented as wracked by political instability, war, poverty, disease, environmental degradation and corruption. This stereotype was always inaccurate and the continent's fifty four countries are incredibly diverse, not just culturally, but economically and politically. It is however, the poorest continent in the world, with average incomes around seven times lower than South America (Calculated from World Bank 2013). Recently though, commentators have begun to notice far reaching changes throughout the continent in terms of economic growth, a general reduction in violent conflicts and other indicators. By some estimates there are now more mobile phone users in Africa than in either Europe or North America – around 680 million (Wattenmaker 2012). Do these developments represent a transformation of the continent's political economy or merely "new changes in sameness" (Obi 2005) as the economies of the continent remain resource-driven and dependent on other places, whilst also being oriented to meeting the needs of these places. The argument of this article is that claims of transformation are overblown, but that interesting and significant changes are nonetheless afoot on the continent, even if they sometimes replicate previous patterns of extraversion. However if these changes are directed in developmental ways they could result in deeper transformations.

The continent has traditionally been almost completely technologically dependent (Timamy 2007), but necessity is the mother of invention. Recently a 24 year old Kenyan, Anthony Mutua, developed a technology which will charge mobile phones from people walking in their shoes, and the continent leads the world in mobile money transfers by cell phone. Internet usage grew by 2000% in Africa in the last decade (Esterhuizen 2012) and there are emerging centres of technological development such as the I-hub in Kenya. Ironically this innovation hub actually grew out of violence, as it was the company Ushahidi ("witness" in the East African language Swahili) which was behind it. During the horrific post-election violence of 2007/8 in Kenya, Ushahidi developed a website which allowed people to report violence via texts sent from their mobile phone. In a sense this example can serve as a metaphor for current developments in Africa which often contain both positive and negative elements at the same time. While faster economic growth on the continent is to be welcomed, this is resource-intensive and thereby, by definition, unsustainable. Even the much vaunted impacts of mobile phones are not as positive as they seem at first glance. Sometimes people choose to buy mobile phone credit over food or paying their childrens' school fees because they want to be able to receive calls about work, for example if they are working as casual labourers. One study of university students in Tanzania found they were spending five times more on their mobile phones than they were on food (Kleine and Unwin 2009). Also many of the biggest mobile phone companies are now foreign owned, so the profits from this booming sector often flow offshore, reproducing Africa's old relations with the rest of the world.

However, Africa's relations with the outside world are changing in other ways. Since colonial times it has been British, French and other Western corporations which have dominated African economies. The famous independence leader of Ghana, Kwame Nkrumah, wrote about the dangers of "neo-colonialism", where African countries were formally free, but their economies were still oriented to meeting the needs of Europe for raw materials and foods as Western companies continued dominate. Interestingly, within a very short space of time China has now become Africa's single biggest trading partner. Its booming economy requires massive amounts of raw materials – it

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imports 70% of the world's tropical timber by itself – and many African countries are resource rich. The reorientation of trade towards the “Global East” and the increasing influence of China in particular, on the continent also has implications for the practice of politics in Africa.

It has been largely Chinese and other Asian demand which have driven the prices of oil, food and other natural resources dramatically higher over the last decade, and boosted African economies in the process. In the West there has been a lot of concern about Chinese support for authoritarian regimes such as Sudan, where the government has sponsored a genocide in the West of the country, or Zimbabwe where President Robert Mugabe has been in power for thirty two years, using violence and intimidation to maintain his regime. Chinese companies have also come under criticism; in Zambia for example managers from a Chinese coal mine shot striking workers with shotguns in 2010. Some of those involved later claimed that they had been aiming at the ground and missed. Afterwards the Zambian Minister for Home Affairs urged Chinese investors not to shoot people. The case against the managers was later dismissed.

Others counter that the West has its own history of supporting brutal dictators in Africa, such as Mobutu Sese Seko in Zaire, who oversaw the destruction of the country's economy, whilst renting the supersonic Concorde airliner for shopping trips to Europe. Current US allies on the continent include the Obiang regime in Equatorial Guinea. This regime has detained, tortured and sometimes executed missionaries, tourists and aid workers and Obiang's son is currently under investigation in France and the US for corruption. The country is a major oil supplier to the United States. In Ethiopia, which is another important Western ally on the continent, particularly in terms of fighting Islamic groups in neighbouring Somalia, a blogger, Eskinder Nega, was given 18 years in prison for online posts the government didn't like. The recently deceased Prime Minister had been in power for over twenty years there.

Some European officials argue that in order to compete for resources and influence in Africa Western powers will have to downplay the importance of good governance. Freedom House, based in the US, noted in its 2012 report that the number of countries that are “free” or “partly free” on the continent has decreased since 2005. Other reports are less pessimistic about democracy on the continent and the middle class is growing rapidly. Also labour unions in some parts of the continent have revived with the economy and both of these groups have traditionally, in other parts of the world, been important in making states more responsive to citizens. A key problem for many states though is that governments can get money from natural resources without having to develop the economy or tax their citizens, which would make them demand greater accountability in the way their money was spent.

It is not just China that has taken a much keener interest in Africa in recent years. Since 9/11 and the war in Iraq the US has been very keen to source oil from places other than the Middle East. Africa is thought to hold about 10% of the world's oil reserves and is a major supplier to the US and Europe. Some claim that the reason the UK, France and US intervened in Libya to help oust Colonel Gaddafi from power, but have not done so in Syria despite even worse assaults on the civilian population, was because of the oil in that country. The Libyan intervention had unintended consequences as it drove oil prices higher for many African countries, who used to get Libyan oil on favourable terms, and contributed to increased conflict in Mali. Despite being a desperately poor country, largely dependent on agricultural and gold exports, Mali was known as a bastion and innovative new democracy in the Sahelian (coast of the Sahara) region of Africa until a recent military coup (See Wing 2008). The government had also made some substantial progress in reducing poverty.

In Libya Colonel Gaddafi had hired Taureg mercenaries from neighbouring Mali to fight to keep him in power. When Gaddafi was defeated many of these heavily armed fighters returned to Mali and began fighting the government there anew. The fact that the Malian military were not given free rein to deal with the rebels as they saw fit was one of the reasons why the military coup was launched. This in turn led to the North of the country, calling itself Azawad, to declare independence. The advance of Islamist militants towards the capital of Mali, in-turn, led to a French and African Union military intervention. This story again illustrates the contradictory nature of recent developments on the continent where the “Arab Spring” led to the overthrowing of a brutal dictator in Libya; and also a democratically elected government in Mali.

In general though, faster economic growth on the continent has been associated with a reduction of conflict for a

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number of reasons. The protracted civil wars in Sierra Leone and Liberia are hopefully a thing of the past. Faster economic growth is often associated with reductions in poverty increasing what economists call the "opportunity costs", or reducing the benefits of, engaging in violence. If a young man is unemployed and hopeless and a militant group, such as the Islamic group *Al-Shabaab* in Somalia offers him a hundred US dollars a month to fight for them, as they have done, this may be a tempting offer. On the other hand if the same person already has a job or source of income they are much less likely to fight and risk their lives. The second thing that economic growth does is allow governments to raise taxes to spend on education, health, roads and security, and thereby reducing the grievances that sometimes lead to rebellion. However what happens when the oil, timber and copper in Africa are gone?

Unfortunately some economic growth is associated with human rights violations. For instance, Ethiopia is Africa's second most populous country and its economy has grown by about 10% a year since 2004 (World Bank 2013). This rate of growth, if it is sustained, means that the economy doubles in size every seven years. This is to be welcomed and the government there is known as relatively non-corrupt and has made major strides in delivering education and other public services. However, there is an underside to this development. The ruling party in Ethiopia is largely drawn from the minority Tigrayan ethnic group. In order to stay in power the government there has delivered services to the population, while also rigging elections, imprisoning dissidents and suppressing free speech. It has also in recent years, in opposition areas, begun to lease vast tracts of land to Indian multinationals, in particular. These often involve forced relocations of previous inhabitants, including sometimes the destruction of their houses, rape and the shooting of cattle (Carmody 2013).

As most people in Ethiopia are dependent on the land for their survival, the threat of losing it has a profound disciplining effect on opposition. The government also gets foreign exchange from exports and taxes from the new investors, meaning that these major land deals serve both political and economic ends for the government. The peasants and nomads who are displaced from their lands are the losers in this process. One of the most prominent Indian investors in land in Ethiopia is the conglomerate Karuthuri, which is the world's largest producer of cut roses, many of which are bought in the West. This example again shows that current structures of governance are likely to remain largely intact as external actors, not only shape, but are harnessed to domestic agendas.

As should be clear from the argument above Africans are not powerless in what has sometimes been called "the new scramble for Africa", as governments, in particular, have a greater variety of external economic partners from which to choose. The state-owned Chinese Export-Import Bank is now a bigger lender to Africa than the World Bank. Also the power of some African countries is increasing on the international stage, in particular South Africa, although its "rise" is unstable and fraught with problems. Of the world's ten biggest economies three are now from the developing world - China, Brazil and India and there are also new and influential political groupings; particularly the BRICS (Brazil, Russia, India, China and as of 2011, South Africa). The economic axis of the world is shifting from West to East and South, and the BRICS are the leading countries in their regions. Some argue that this is a "world without the West" (Barma *et al.*, 2007) where Southern states are increasing characterised by "hard shell" sovereignty. This reassertion of sovereignty, when combined with intensified South-South flows of trade and investment are creating a new macro-geopolitical region - "South Space". The creation of this new region is expressed through inter-state relations and other fora. In Africa, South Africa is playing a key role in the creation of this new configuration.

South Africa's role and influence is growing on the continent as its corporations expand northwards and because of its membership of the BRICS grouping. The new head of the African Union, Nkosazana Dlamini-Zuma, is a South African and a former wife of the current President there. This is a break with tradition, as in the past the protocol was that citizens of influential states could not become leaders of the organization. However, the growing influence of China on the continent may account for this change.

China is now South Africa's biggest trading partner and was reportedly the country that pressed for South Africa to be admitted to the BRICs grouping. Whilst being the biggest in Africa, the South African economy is only a quarter of the size of Russia's and only a little bit bigger than China's sixth richest province. So South Africa appears an odd member of this grouping. Nevertheless its relative economic weakness may make it open to greater Chinese influence. For example, the South African government recently delayed a visa for the Dalai Lama, so that he had to cancel his trip to the country. This led the Nobel Laureate, Archbishop Desmond Tutu to describe the current

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government as worse than the apartheid regime for bowing to Chinese pressure. Apparently the South African government feared that giving the Dalai Lama a visa would damage trade relations with China, on which it is now highly dependent.

Africa is one of the world's most dynamic regions in terms of both its economy and its politics. Rapid changes of governments in some places is matched by the world's longest serving leaders in others. President Obiang in Equatorial Guinea has been in power since 1979. While the Afro-pessimism of the 1980s and 1990s has given way to a new Afro-optimism in some quarters, such rapid swings in opinion are not justified. There has been a sea-change in economic growth rates across the continent, which is to be welcomed, but the inequalities which this has generated and the environmental degradation with which it is associated have costs as well. Parts of Africa are now centres of technological innovation, particularly around mobile phone applications, but the continent still imports the vast majority of its technological needs (including mobile phones). Recent statistics indicate that there has been some progress in poverty reduction on the continent, depending on how this is measured, but this is subject to rapid reversal when food prices rise or other commodity prices fall, as happened during the recent global financial crisis.

To return to the title of this article – is it a case of old wine in new bottles or “changes in sameness”, or will current developments mean the 21<sup>st</sup> century is Africa's? Is this “Africa's moment” as some have claimed? It is important to remember that Sub-Saharan Africa's official economy is around the same size of that of Belgium or Texas, so any idea that Africa is set to become a major economic powerhouse in the near future needs to be tempered. However, after decades of stagnation, African economies are on the move. The “Facebook revolutions” in North Africa, where protests were partly organized through social media, show that the populations are increasingly able to organize, in parts of the continent at least, against political repression. These are promising developments. More policy space is being opened up for governments to reconfigure exploitative international relationships, with mining companies in Kenya now having to have at least a third local participation, for example. However, broader structures and patterns of governance remain largely intact. Africa is changing. The ultimate destination, however, is less clear.

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