

Mitigating Geopolitical Risks in Africa: Focus on the Complementarity with Asia & the Strategic Role of the Indian Ocean Zone

By Ramiarison Herinjatovo Aimé

Overview of Current Geopolitical Risks

In his article “Future Prospects of Geopolitical Risks: Adapting to the New Normal Era” (*Japan SPOTLIGHT*, March/April 2017), Dr. Keiichiro Komatsu stressed the continuous dramatic changes that the world will experience and that these changes would become the “new normal”. Several events are at the origin of these changes but they are primarily motivated by anti-*status quo* (anti-elitism, anti-establishment) sentiments. This new form of geopolitical risk is more likely to be born from within any country as anti-*status quo* sentiments and a sense of injustice are on the rise and becoming more globalized. In addition, the risks are more contagious (the example of the Arab Spring) and could end in new kinds of conflict such as sudden terror attacks and guerilla warfare. More dangerously, “the threat of Weapons of Mass Destruction (WMDs) is becoming realistic and significant” wrote Dr. Komatsu.

Anti-*status quo* movements are especially expected to increase and spread in African and Middle East countries where the populations have suffered from decades-long poverty, inequality, injustice, insecurity, and harsh living conditions. Autocratic regimes and their rich political and business elites are usually labelled as the “bad guys” being the source of this suffering.

Regarding Africa particularly, increasing anti-*status quo* sentiments could bring about political instability, thereby threatening the dynamism of global prosperity and peace. Indeed, instability would discourage economic cooperation (investment, trade, infrastructure, etc.) targeting Africa’s huge economic potential for regional economic prosperity. Likewise, emerging economies in Asia would find it difficult to avoid the “middle income trap” as new growth and market opportunities in Africa fade away due to instability. In addition, poor governance, fragility and a young population make the risk even higher as the continent is becoming a favorable platform for all kinds of trafficking, the growth of extremism and radicalism, and worldwide terror attacks.

Regime changes in Africa may appear as one way of lessening global geopolitical risks, especially given that there are several rogue and pariah states there whose reputation — as weapon proliferators, human rights abusers, aggressors and terrorism sponsors — is well known to the international community.



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Furthermore, growing Chinese influence in Africa through its “One Belt, One Road” initiative would preserve the *status quo* in breeding “bad guys” and enhancing their power, given that China is not bound by any regulatory compliance, as are the OECD countries.

It is within these contexts that this article will discuss the urgent necessity of building peace in Africa and how to achieve it, by comparing peace-building methods prevailing in post-independence Asia and Africa, and by emphasizing their complementarity and the future role that would play in the Indian Ocean Zone (IOZ).

Political Risks in the Earlier Post-Independence Period

In the early post-colonial period, both Africa and Asia exhibited similar patterns of political risks whose common thread was the *status quo*. *Status quo* is referred to here as an unchanged state of society characterized by the dominating position of business and political elites, whose interest is in conflict with that of the large majority of the population.

At independence and as resource-rich regions, both Asia and Africa inherited a colonial economic system which was less diversified, structured on rent-seeking activities, and dominated by few business elites. Moreover, former colonial powers still maintained strong influence in these countries in order to secure essential raw materials. They fostered close relations with local political elites by supporting the economic bases of their autocratic regimes. Several years later, nothing has changed as many countries in Asia and Africa were less developed and characterized by low per capita income, weak social development, weak institutions and high inequality. Such situation gave way to raising anti-neocolonialism sentiments. Thus, anti-regime and anti-elite protests took place in many Asian and African countries in the 1970s and the 1980s. Some of these protests turned more radical and resulted in guerilla warfare within an international environment governed by the Cold War. Both regions were battlefields of the Cold War where the two major superpowers, namely the United States and the Soviet Union, struggled for influence. The world witnessed confrontations between rival ethnic groups and political factions, social conflict and societal warfare in Asia and Africa. Armed conflict

and political instability resulted in devastated economies, divided societies and traumatized populations. There was an urgent need to build peace in both regions. Regional peace is a prior condition for regional economic prosperity. Hence, efforts to build peace in both regions had taken place but with divergent outcomes.

Successful Peace-Building Efforts in Asia

Efforts were more rewarding in Asian countries as many of them were successfully able to break away from the post-colonial *status quo* and become middle-income economies, and they are more prosperous currently (Chart 1). Many observers pointed out the leading and key role of Japan in successful peace building in Asia. Indeed, in knowing that an unstable Asia would never be beneficial for Japan's prosperity, Prime Minister Takeo Fukuda decided to break the *status quo* regarding Japan's relation with Asian countries. In August 1977, he established a new attitude and mutual trust between the region and his nation. It was known as the "heart-to-heart" approach or the Fukuda doctrine, with three basic principles, namely: (1) Japan is committed to peace and rejects the role of a military power, (2) Japan will do its best to consolidate the relationship of mutual trust based on "heart-to-heart" understanding with the nations of Southeast Asia, (3) Japan will cooperate positively with ASEAN while aiming at fostering a relationship based on mutual understanding with the countries of Indochina and will thus contribute to the building of peace and prosperity throughout Southeast Asia.

This was the beginning of Japan's positive relations with Southeast Asia. These relations were governed by the so-called trinity-type economic cooperation, integrating ODA, investment and trade, from the late 1970s until the early 1990s. This economic

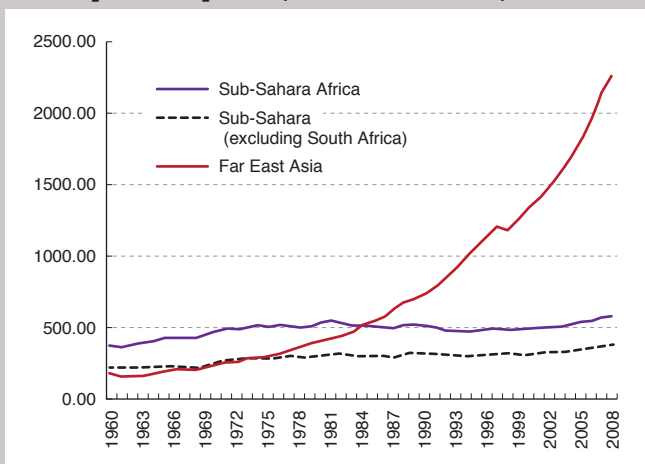
cooperation was reinforced by the initiation and implementation of the New Asian Industries Development (New AID) plan and the Japan-Asia Development Fund (JADF) in 1986. This new type of economic cooperation was at the root of the extraordinary economic performance in many countries of the region. In adopting a dual track development strategy, the combination of successful economic policies and effective social policies, Asian countries ended up in a virtuous circle of rapid economic growth, with more equal societies and political stability. In addition, business and political elites have become pro-development, while good institutions and good governance have allowed a more successful transition into democratic regimes with reduced influence of foreign power. There was a "happy marriage" between Japan and Asia. Peace building was achieved by economic means leading to economic prosperity, fewer social conflicts, political stability and less anti-*status quo* sentiment.

African Peace-Building Efforts: a Failure

In contrast, many African countries continue to live in the post-colonial *status quo*. The influence of former colonial powers partly accounts for the continued *status quo* in the region. Indeed, national security concerns and the need to secure essential raw materials have motivated former colonizers to support the economic base of dominating African elites who always act in favor of their own interests at the expense of that of the vast majority. Thus, the economic system, which had been based on rent-seeking activities, benefited at first the elites and deprived the vast majority of access to economic opportunities. Large inflows of ODA (Chart 2) are not of great help and less effective as they have been essentially geared toward basic human needs and humanitarian actions, with very

CHART 1

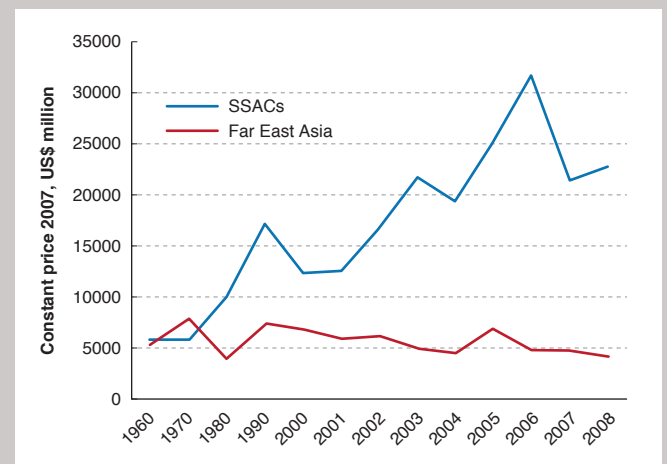
GDP per capita (constant 2000 US\$)



Source: Ramiarison, H.A., *Assessing the Developmental Role of Foreign Aid in Developing Countries: A Special Reference to the Role of Japan's Aid in Far East Asia*, (2010), VRF Series No. 462, Institute of Developing Economies (IDE-JETRO), Chiba, Japan.

CHART 2

Annual flows of ODA's net disbursement



TABLE

Countries with long-lasting rulers in Africa

Year	1979	1982	1986	1987	1989	1990	1993	1997	1999	2000	2001
Country	Angola Republic of Equatorial Guinea	Cameroon	Uganda	Zimbabwe	Sudan	Chad	Eritrea	Congo	Djibouti	Rwanda	DR Congo
Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Country	Tanzania Togo Burundi	Benin Liberia	Sierra Leone	Botswana	South Africa Gabon Mauritania	Ivory Coast Guinea	Cape Verde Sao Tome Niger Comoros South Sudan	Senegal Ghana	Kenya Mali Ethiopia	Malawi Madagascar Guinea Bissau	Mauritius Namibia Mozambique Zambia Lesotho Nigeria

Source: Compiled by the author

small proportions going to economic infrastructure and the production sector.

Moreover, ODA disbursement has been conditional on painful reforms and other austerity policies that have limited its effectiveness, thereby worsening further the population's socioeconomic conditions. In addition, ODA constitutes another source of rent for the elite class. The outcome is thus economic stagnation (Chart 1), poverty and poor human development. This, in turn, results in growing social conflicts and growing anti-elite sentiments. Anti-regime protests have become more frequent and more violent. Real peace has never been achieved and autocratic regimes continue to oppress citizens. Full democracy is something scarce while long-lasting rulers are common in Africa (Table). Military or more violent means are preferred to economic means in

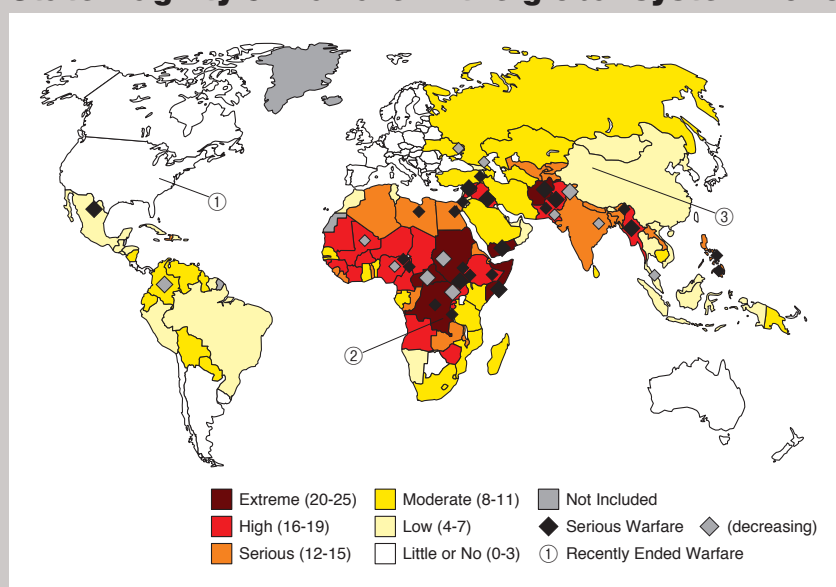
building peace. African countries are thus locked in a vicious circle of policy failures (economic and social), social exclusion and political instability. By the mid-2010s, not surprisingly, many countries had ended up as fragile states in which the government was unable to deliver basic services and security to the population (Chart 3). A high fragility index indicates a situation of severe political risks, given that institutions are ineffective, corruption is pervasive due to a poor judicial system, governance is weak, societies are divided, youth are desperate because of poverty, lack of education and employment opportunities, states lack capacity and legitimacy, and people are more vulnerable to a range of shocks.

For example, in Madagascar, political risk factors include among others: (1) ineffective economic and social policies, as exemplified by a high rate of poverty (92%) and inequality; (2) lack of income opportunities as

the educational level of the workforce is very low (75% are below primary level) and as less productive informal sectors account for more than 90% of employment; (3) high corruption (Madagascar ranks 145th out of 160 countries) fuelling citizens' distrust of the whole political system and weakening the legitimacy of the state, whose actions are felt as irrelevant to citizens' lives; (4) depletion of natural resources such as rosewood and mining deposits; and (5) the likelihood of youth radicalization as the government gave permission for a 2,000-mosque building project.

African countries are thus caught in a "fragility trap", and this makes them more prone to warfare and terror attacks (Chart 3). This seriously threatens global peace as well as regional and international economic prosperity.

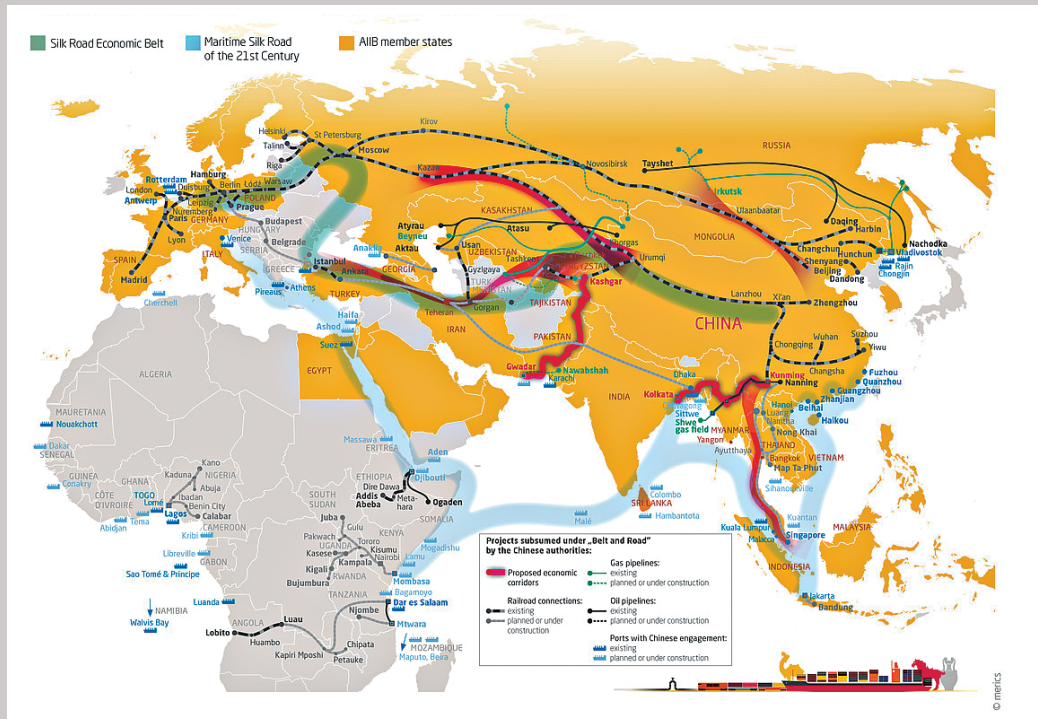
CHART 3

State fragility & warfare in the global system 2016

Source: Center for Systemic Peace 2017 (<http://www.systemicpeace.org/warlist/warlist.htm>)

CHART 4

Projects under “One Belt, One Road” initiative



Source: Mercator Institute for China Studies (MERICS) 2017

Chinese Expansion Preserving Status Quo in Africa

The *status quo* and its drawbacks will more likely prevail in the years to come due to the more aggressive role of China in the region. In fact, China considers Africa as vital for its ambitious global expansion strategy in terms of export markets, raw materials and energy, and international stature. China’s “One Belt, One Road” initiative is at the root of this ambition. It is a framework aiming to build a global infrastructure network and to foster economic cooperation between China and several countries in Africa, the Middle East, Europe and Asia (Chart 4). Since Africa is highly dependent upon foreign aid and investment for its survival, this initiative is seen by African leaders as a great opportunity for development as well as a financing alternative allowing them to free themselves from the severe aid conditionality imposed by the traditional bilateral and multilateral donors.

Indeed, China’s economic cooperation is based on a “non-interference (in internal affairs) policy” whereas that of Western countries is conditional on the respect of the “Washington consensus”, and on other conditions such as democracy, good governance, and respect for human rights. China even cooperates with governments led by coup leaders who are not recognized by

the international community. This is the case with Madagascar in 2010. The transitional government led by coup leader Andry Rajoelina issued an international tender for the exploitation of Soalala iron deposits. Potential bidders from Japan and other OECD countries could not bid as regulatory compliance did not allow them to do so. China was thus the only bidder, and unsurprisingly its Wuhan Iron and Steel (Group) Corporation (WISCO) was selected.

Chinese ODA is thus more accessible to Africa than the OECD’s in terms of rules and procedures, while Chinese FDI is not bound to any regulatory compliance. In this respect, the “One Belt, One Road” initiative is a kind of “happy marriage” between China and African rulers. For example, according to the Johannesburg action plan agreed at the Forum on China-Africa Cooperation in Johannesburg in December 2015, trade volume is expected to increase from \$220 billion in 2014 to \$400 billion in 2020. China will disburse \$35 billion in ODA while its investment in Africa will be expected to grow more than threefold over the same period to reach \$100 billion. An article in *GREAT Insights*, Vol. 3, Issue 4, the magazine of the European Centre for Development Policy Management (J. Lin and Y. Wang, “China-Africa win-win strategy for job creation and transformation”), stated that China needs to relocate its labor-intensive manufacturing firms, which account for more than 80 million jobs, over the next decade.

Therefore, China is capitalizing on the needs and vulnerabilities of African rulers as well as on previous failures of Western powers in the region. Consequently, China's "unconditional" ODA and investments are mostly associated with unlawful and unregulated activities, and provide resources for ruling elites who are henceforth unafraid to use force as a means of repression. In a *Washington Post* article on Dec. 2, 2015, Roudabeh Kishi and Clionadh Raleigh wrote that "Chinese aid to African states increases the risk of civilian abuse by giving state leaders and politicians access to funds with which to carry out violence against civilians, including bombing them." Such a situation is very likely to increase anti-Chinese sentiment as they are perceived as being in connivance with the governing elites in exploitative ventures. This is for example the case in Madagascar where Chinese investments — in mining, agribusiness and natural resources exploitation — impact adversely the livelihood of the citizens in terms of land grabbing, rosewood trafficking, resource depletion and environmental destruction. This resulted in several anti-Chinese protests, which were violently

repressed by the government. The most notable case was that of the gold deposits of Soamahamanina where mass protests against the Chinese company Jiuxing Mines lasting several days were repressed by police (*Photos*).

In sum, Chinese expansion would preserve the *status quo* in Africa by breeding "bad guys" and enhancing their power, and by further increasing fragility and polarization in African nations. This would trigger frequent and intense anti-*status quo* movements and protests, thereby rapidly increasing geopolitical risks.

Rationale of Complementarity Between Asia & Africa

The international community has henceforth to seriously consider the severity of geopolitical risks stemming from the decades-long *status quo* in Africa. The adverse effects will not be limited to Africa but will go beyond its borders to reach other continents. This is, for example, the case with African migrants to Europe. Therefore, there



People stage a protest against construction of a gold mine at Soamahamanina village in Miarinarivo town in Itasy, Madagascar on Sept. 29, 2016.



A wounded protester waits to receive medical treatment after the protest against construction of a gold mine at Soamahamanina village in Miarinarivo town in Itasy, Madagascar on Sept. 29, 2016.



Security forces clash with protesters during a rally against construction of a gold mine at Soamahamanina village in Miarinarivo town in Itasy, Madagascar on Sept. 29, 2016.



is an urgent need to ease and prevent these risks, rather by economic means as was the case in Asia during the early post-independence period. History teaches that costly military actions without accompanying effective economic measures, as is unfortunately still the case in many African countries, will probably exacerbate the risks. Strategies aiming at economic prosperity and inclusive growth in the region would be more successful.

In this respect, I think that a “happy marriage” between Japan and African countries could be the right option. In this scheme, Asian emerging countries are expected to play a crucial role in a win-win strategy and through triangular cooperation. Indeed, Africa’s abundant natural resources, favorable growth prospects and promising markets are vital for Asian growth momentum, while offering opportunities to avoid the “middle income trap”. Moreover, Asia’s outward FDI, especially in labor-intensive sectors, will enable Africa to cope with financing constraints. This creates great employment and earning opportunities for Africans, and promotes the transfer of knowledge, experience and technology; and at the same time allows industrial upgrading in emerging Asian countries. In addition, Asia’s emerging markets will be more accessible to African exports as standard requirements are less severe than in Africa’s traditional export markets.

The Strategic Role of the Indian Ocean Zone

However, the implementation of such a strategy of economic promotion between the two continents has three major obstacles.

First, the above mentioned Chinese expansion plan, which has two major outcomes, namely the continued *status quo* and reduced influence of OECD countries in the region, makes the “happy marriage” more difficult. In this case, a political solution through peaceful regime change would be more appropriate. Growing anti-Chinese sentiment as well as France’s presence and networks in the region constitute an opportunity for such a political solution. The election of Emmanuel Macron as French president has greatly inspired African youth who are fed up with the *status quo* and thirst for real change. They hope for a Macron-like leader to come to power.

Second, the huge distance, in terms of geography and culture, between the two regions impedes the full exploitation of African economic potential. In his article, Dr. Komatsu stressed the magnitude of this obstacle and the necessity to cope with it first for a successful “happy marriage”. Many observers think that assigning to the countries in the IOZ, including Madagascar and other islands, the role of bridging the two regions is an effective way to deal with this obstacle. Their strategic location, as a hub of intense global activity (one-fifth of the world’s energy supply, and an important route for Asian exports to Europe, the Middle East and Africa), and their proximity to important sea routes and well developed seaports, also justifies this approach.

Not surprisingly, Japan considers the IOZ as the masterpiece of

its cooperation strategy in Africa. Japanese Prime Minister Shinzo Abe pointed it out during the sixth Tokyo International Conference on African Development (TICAD VI) in Nairobi in 2016. A solid and reliable bridge is thus needed. If Madagascar and other countries in the IOZ are called upon to play an effective bridging role, the focus should primarily be on developing them economically through the promotion of trade and FDI, the promotion of East Asian values as a vehicle of change, and the use of ODA in economic infrastructure, production sector, training, and knowledge transfer. To do this, several lessons and good practices can be drawn from Japan’s past experiences with the Southeast Asian countries. The Japan International Cooperation Agency’s support for a triangular cooperation scheme is already a step forward and needs to be developed further.

Third, the IOZ is not a risk-free area as there are other threats. Besides the threat of Chinese expansion, one should not forget that the area is also a hub of global terrorism, piracy and various kinds of trafficking including drugs, weapons and human beings. International efforts to fight these crimes need to be sustained because a free, secured and opened IOZ is required for an effective “happy marriage” between Africa and Asia.

Conclusion

Africa has immense economic potential but at the same time it exhibits high political risks, whose root cause is the decades-long prevailing *status quo*. Africa is thus a threat to itself and to global prosperity and peace. The capitalization of the complementarity between Asia and Africa is seen as an effective strategy to mitigate these risks. Indeed, fast growing and relatively stable Asia is now threatened by the “middle income trap”. Therefore, it needs to capitalize on Africa’s growth prospects, markets, land and abundant natural resources in order to avoid this danger. In addition, Asia will be able to offer itself the opportunity for industrial upgrading after the relocation of its less-competitive manufacturing activities to Africa. For the latter, emerging Asia is a great opportunity for learning, growth and export markets, and thus an opportunity for changing the *status quo* and helping to achieve political stability. Since distance is a major obstacle to the full exploitation of this complementarity, the countries in the IOZ, due to their strategic location, are called upon to play an important role by bridging the two continents and the two oceans. Primary focus should be on developing these countries economically since an opened, secured and free IOZ is important to achieve the double targets of economic prosperity and stability in both regions, and in the world by extension.

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