

## NEW FORMAT OF INTERRELATION BETWEEN THE COUNTRIES OF AFRICA AND RUSSIA: PROBLEMS AND PERSPECTIVES OF RELATIONS DEVELOPMENT

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The main goal of this work is to research theoretical and methodological stipulations of social and economic, political, trading, and geopolitical interrelations of Russia and African countries that over the recent decades have considerably lagged behind from actual position of affairs. First of all, it is related to “the Soviet heritage” in the relationships of Russia and African countries, as well as the lack of true statistics on the key areas of cooperation. Basic conclusions that can be made according to the results of stating the article materials are the following:

The role and place of Africa in the global economy and global social and political relations are changing. Herewith, Russia and separate countries of Africa are involved in active rehabilitation of the bilateral and multilateral cooperation,

At the present time social and economic interrelations of Russia and African countries have a greater geopolitical meaning that pragmatically economic,

The revealed complications in social and economic interrelations of Russia and African countries (first of all, with Egypt, Nigeria, the RSA, and Algeria) create opportunities for further mutually advantageous cooperation, and point at prospective areas of the cooperation development,

In relation to the above opportunities, it is possible to single out the following: establishing relations with African countries on the essentially new basis taking into account Soviet experience of cooperation; further development of mutually advantageous relations of Russia and African countries both within the African geopolitical space and within the Arabic and Muslim geo-economical space.

**Key words:** Africa, Russia, West, world economy, Arabic and Muslim Region.

### INTRODUCTION

Africa is one of the world parts that were known by ancient Greeks as well as Europe and Asia. However, unlike the two latter, until now the political map of Africa has remained unsettled and is being actively transformed. It has a natural impact on the social and economic characteristics of the region (Kuhn, Weidemann 2015; Shaw, Swatuk 2016). Unlike Asian and European countries that break “records” and determine “etalons” on social and economic development and political stability, African countries set “anti-records”. A considerable part

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of countries of the Tropical Africa are referred to the group of “countries of the fourth world”. The political instability in Somali can compete only with Afghanistan. Herewith, the continent has a considerable “starting set” for active economic development – advantageous geographical position, considerable availability of low-price labor force (although low qualified), and considerable subsoil resources (Feinstein 2005; Oxaal *et al.* 2013). The availability of the latter factor caused the occurrence of the state management form that differs both from monarchy and republic – Jamahiriya in Libya during governing of Muammar Mohammed Abu Minyar al-Gaddafi. After his death under the active participation of troops from Western countries, the country submerged into the chaos and civil war. As a result, at the present time Africa is a “mix” of colonial (post-colonial) zones of influence of European states, the most ancient (archaic) social institutes of the society, and herewith it possesses considerable “primary” factors of development. Many countries of the continent are referred to the least developed countries of the world. The only exception is RSA that enters the BRICS together with Russia (Dudin, Ivashchenko, 2015). However, the interrelations of Russia and Africa are not limited by the above fact. During the Soviet period Russia helped African countries as well as Latin American states to fight the American (Western) hegemony. Thereby it provided the alternative in the form of socialism, and a system of the planned functioning of the national economy. This impact took place in the form of providing free or privileged assistance as well as delivery of military and civil specialists (to Egypt, Angola, and Ethiopia), as well as studying African students in higher educational establishments of the USSR. The Russian University of Peoples Friendship (RUPF) played a special role in this aspect of cooperation.

The effect of low base can be present in the interrelations of Russia and African countries as well as in the role of African countries in the world economy in the nearest decades, because during the colonial times the continent played a more important role in the world sales turnover than now. Herewith, during the recent two decades Africa has been an arena of the conflict of interests of large world states. Like the presence in Antarctic (availability of research bases), the presence in Africa (availability of military bases or other geopolitical “markers”) pointed and point at the status of the state in the world (Bernheim, Rangel 2009; McNeill, Mauldin 2014). Thus, the development of interrelations with African countries for large states has also a geopolitical component together with the economic and political reasonability.

## **METHODOLOGY**

This article is a content analysis of free accessed statistical data about the social and economic development of the African continent and the Russian Federation over the recent decades. Besides, the work uses the macro-economic analysis based on the use of expert opinions in relation to perspectives, alternatives, threats and

opportunities of the essentially new activation of relations between African countries and Russia in the first part of the XX century.

## RESULTS

It is difficult to make full social and economic analysis of interrelations of Russia and African countries because of the lack of full statistical data about economic and social relations with small African countries. There is only separate statistics related to the interrelations of Russia and the basic trading partners. It is necessary to note that although the general trajectory of export of Russia to African countries has been growing during 2010-2015, it is not successive (Fig. 1). Thus, for example, the main trading partner of Russia in Africa is Egypt. In 2015 the export was USD 3.675 bln. This is less than in 2014 – USD 4.939 bln. It also alternated during the previous years - 2013 (USD 2.503 bln.) and 2012 (USD 3.212 bln.).

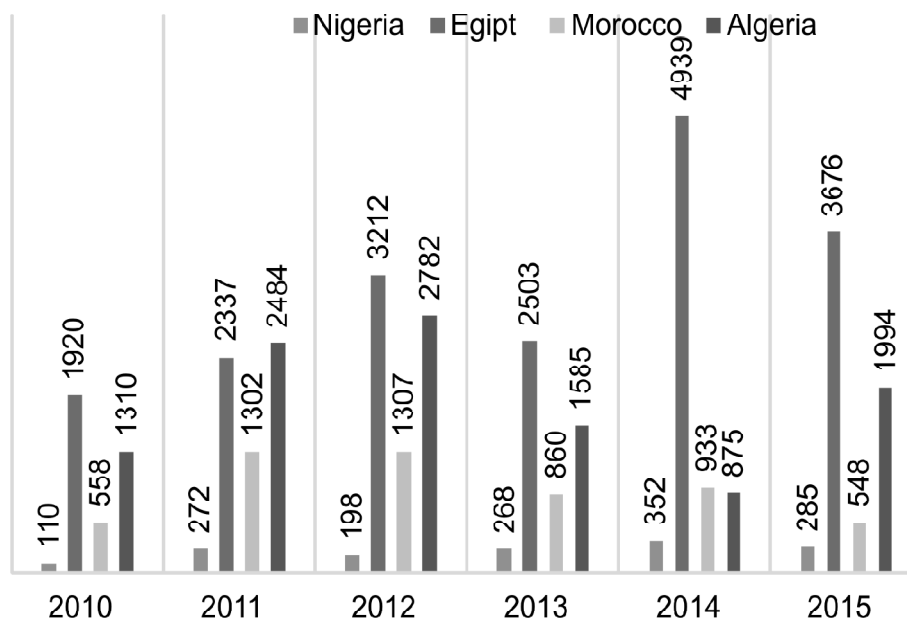


Figure 1: Export of Russia to African Countries during 2010-2015, mln. USD (Goskomstat 2016)

There is no succession of export to Algeria from Russia, either. The maximum was in 2012 with the further decrease and abrupt jump in 2015. It is almost the same in relation to Nigeria and Morocco (the peak was in 2012). However, at the present time the export to these countries is characterized by stably decreasing trend. Considering indicators of import from African countries to Russia, it is necessary to note that the maximum was observed in 2013-2014 – USD 31.2 mln.

(Nigeria, 2013), USD 10.2 mln. (Algeria, 2014), USD 540 mln. (Egypt, 2014), USD 608 mln (Morocco, 2014). See Figure 2.

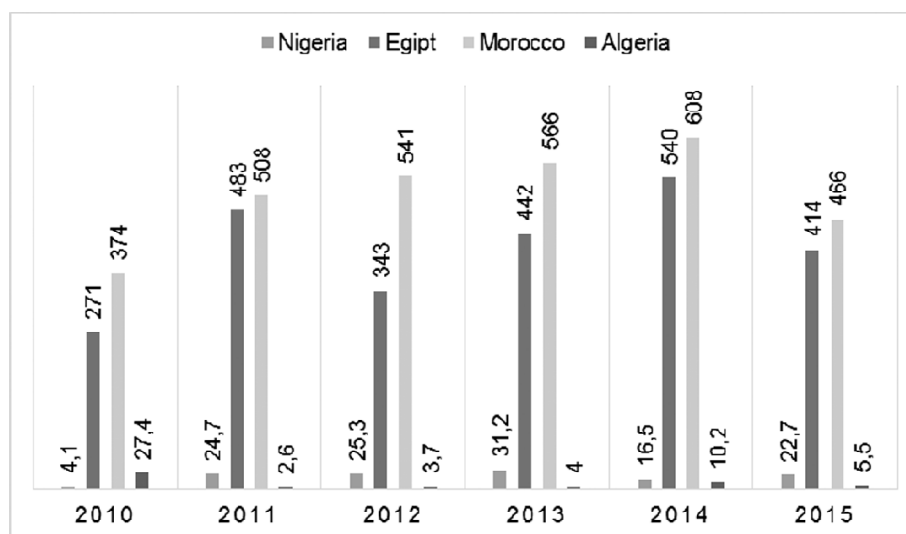


Figure 2: Import to Russia from African Countries during 2010-2015, mln. USD (Goskomstat 2016)

Herewith, the import from Algeria in 2015 as compared to the previous year decreased almost twice – down to USD 5.5 mln, and almost 5.5 times as compared to 2010 (USD 27.4 mln.). As for other African countries shown in the statistics, the growth of import in 2015 as compared to 2010 is vividly observed – from 5.5 times (Nigeria) to 1.24 times (Morocco).

The development of trading and economic interrelations between Russia and African countries is greatly influenced by various non-economic and subjective factors. For example, trading with the sub-region of the Northern Africa considerably decreased when the “Arabic spring” had started. As the practice shows, relations vividly increase before and after official visits of Russian leaders to Africa. After that the activity starts gradually decreasing (Luckhurst 2013, Kragelund 2008).

When analyzing the basic trading partners of African countries, the PRC and EU countries are singled out. Together with the USA they compete with China in the social and economic impact in Africa (Dudin *et al.* 2016). In trading with African countries Russia has achieved weaker results: it has 4.1% in the import of Algeria, 4.4% - Egypt, 4.4% - Morocco, and 5.6% in export of Malawi. Thus, trading and associated social and economic interrelations of Russia with African countries evidently do not comply with the USSR heritage and the existing potential, especially in the area of science and education. “The window of opportunities” is the becoming of Russia as a basic trading partner of “the second

economy” of Africa – Egypt. This way of social and economic contacts of Russia with African countries can be prospective when competing with Western countries and the PRC – cooperation with the key countries of the region – Egypt, Nigeria, RSA, and Algeria. According to the research, this is 2050 when the economy of Algeria will be almost equal to the economy of Russia – USD 7.3 tln., and USD 7.5 tln., respectively. Herewith, Egypt will be the 16<sup>th</sup> economy in the world – USD 4.2 tln., and the RSA will be the 27<sup>th</sup> economy in the world (USD 3 tln). Herewith, it is expected that by the middle of the XXI century the GDP per person in Africa will be on average USD 8.8 thous., and its economy will exceed the sizes of the Latin American economy (it will surpass it in 2039), and the economy of Eastern European countries, including the Russian Federation (it will surpass it in 2033) (Filatova 2015).

Thus, social and economic cooperation between Russia and African countries, first of all, with the key economies of the region can become that winning strategy in the general policy of the interrelations of Russia with countries of the region. It is also necessary to note that countries of the Northern Africa along with the countries of the Western Asia make up an Arabic and Muslim region. Thus, the policy (including economic one) of Russia in relation to African countries must be agreed and integrated with the policy of the Arabic and Muslim region – with the countries of the Near and Middle East. Besides, it is necessary to take into account the historical relations of the region countries with the West European states in the form of colonialism and current close economic relations – for example, the use of CFA franc (African franc) by a number of West and Central African countries. There is also a special term related to the interrelations of France and African countries – *Françafrique* (Arkhangelskaya, Shubin 2016).

The establishment of mutually advantageous interrelations between the countries of the region is possible in the model of cooperating with third countries, for example, the PRC or France. When cooperating in the area of developing African projects from the PRC, Russia can use some labor force or inconsiderable investments (it will be difficult when competing with the PRC), as well as use scientific and technical possibilities and send highly qualified specialists (it will create serious competition to the Chinese party).

Thus, when implementing projects jointly with the PRC, Russia will be able to maximum implement the mutually advantageous cooperation with African countries (Aidis *et al.* 2008; Taylor 2010; Vieira, Alden 2011). It is also possible to implement this cooperation scenario when using the BRICS potential especially if to take into account that the RSA enters this organization.

When cooperating with France at the mutually advantageous common contacts with African (above all, with Western and Central African) countries, Russia will have to work out the geopolitical aspect of cooperation. These formulae of cooperation bear a consultancy nature and are a sort of universal model. In case of

the realistic experience of cooperation, the mode of cooperation may change depending on specific conditions. It will allow to develop the cooperation not only with African countries but also with the large states of the modernity, and first of all with the PRC and France. The availability of common geo-economic projects in various parts of the world will allow to strengthen the positions of Russia both in the cooperation with the EU and in the Far East. Thus implementing mutually advantageous cooperation in Africa can become a part of the global positioning of Russia in the world.

### **DISCUSSION**

For the whole history of their independence in the new millennium, African countries have been displaying the longest period of stable economic growth (5-9%). According to some experts, half of the success belongs to China (Aidis et al 2008; Taylor 2010). As a result, Russia will have to also consider social and economic impact of the PRC in Africa, as well as to take into account political (geopolitical) and economic (as donation) impact of Western countries (first of all, France) to determine its own long-term strategy of the development of mutually advantageous cooperation (Andres 2006; Deon 2015). Russia can use the above impact of the PRC and Western countries on African countries for its purposes to occupy its own niche – scientific and technical cooperation, partially (taking into account compliance with national interests) by developing the gas and oil and ore mining areas in African countries, as well as to actively develop military cooperation. It is possible to specify the peculiarity of military and technical cooperation with African countries as a strong impact of lobbyists (intermediaries). It considerably disfigures the market interrelations and can make a reputation harm to national exporters of armaments. The cooperation of Russia and African countries in the ore mining area is required because there are almost no explored reserves of uranium, bauxites, wolframites, stannic, and nickel that are profitable for production.

The mutually advantageous cooperation in applying fuel and power resources of African countries and Russia is stipulated by the status of Russia as one of the major energetic states of the world along with the USA and Saudi Arabia, as well as by the availability of the demand for involving foreign technologies to produce gas and oil in African countries. The participation of national companies in the exploration and further exploitation of gas and oil deposits will also allow to increase the geopolitical impact of Russia in the region, and to create additional areas for mutually advantageous cooperation with Western countries when implementing international projects. Besides, in order to provide their active impact on the world gas and oil market, national companies must take measures related to expanding geographical boundaries of their activity due to organizing oil production in various regions of the world, including Africa. In this aspect “the Soviet heritage” can play the most advantageous role at the initial stages.

During the early post-Soviet period the interrelations of Russian companies with companies of the “black continent” were caused by weak understanding of the specificity of the African market, especially in the context of market relations (Nigam 2015). This is exactly one of the major reasons why opportunities (based on the cooperation of the USSR and African countries) were missed in the 1990s. As a result, Western countries and the PRC occupied the niche that once belonged to the USSR.

Expansion of China in Africa is an especially bright example. It operates by using market mechanisms but excludes requirements related to demographic changes in partner countries. It traditionally assists the cooperation with Western countries. The conditions of “sanction contradiction” of Russia and Western countries enable trading partners in Africa to increase the supplies of food and mineral raw materials. In its turn, Russia has got an opportunity to differentiate external trading partners on the above groups of goods.

On the governmental level the Russian Federation and a number of African countries established inter-governmental committees on the trading and economic cooperation. It is necessary to note that bilateral committees have a number of working groups, for example, the largest number of working groups was established together with Algeria: the working group on cooperating in the area of power, the working group on cooperating in the area of geology and subsurface resources, the working group on issues related to monitoring and implementing projects of cooperating in the area of urban and residential construction. The working group on agriculture was established with one more African country – Egypt – within the joint Russian and Egyptian committee on the trading, economic, and scientific and technical cooperation. In addition, intergovernmental committees on the trading and economic bilateral cooperation are established with Angola, Ghana, Guinea, Zimbabwe, Libya, Morocco, Namibia, Nigeria, the Republic of Sudan, Tunis, Ethiopia, and the RSA. It is notable that no working groups on establishing mutually advantageous cooperation in key areas (agriculture and manufacture) were created either with the BRICS partner RSA or the “first economy” Africa – Nigeria.

It is necessary to recollect that establishing of interrelations of the USSR and a number of African countries was characterized by the donated participation of the first in the economy of the latter. African countries were provided with special privileged conditions of crediting to purchase trading goods produced in the USSR. And after the collapse of the USSR, the Russian Federation had to write off debts of a number of African states. This procedure took place because of practical lack of prospects related to possible payments of debtor countries and possibility to participate in future infrastructural and other economic projects by national companies. The total amount of the debt of African countries to the USSR reached 13.936 RUB in a foreign currency, including 12.347 bln. for supplies of the military

nature, and 1.589 bln. of convertible rubles for economic help (Martinelli, Pirozzi 2015; Ekor *et al* 2015).

“The Soviet heritage” did not only leave historical memory about large-scale economic help, military and technical assistance, and ideological alternative to the West, but also provided the creation of the whole areas in specific countries, for example, oil processing in Ethiopia. This is the pragmatic approach during the geopolitical confrontation with Western countries and establishing of geopolitical contacts in Asia with the economic context that points at the necessity to develop mutually advantageous contacts of Russia with various countries and regions of the world where the African region is rather promising.

### CONCLUSIONS

Summing it up, it is reasonable to note that at the present time the economic cooperation of Russia and African countries undoubtedly experiences both positive and negative postponed effects of the recent historical past (the past referred to the Soviet period). Along with this, we would like to note that the future of the Russian and African relations must have a pragmatic economic platform that will provide for the growth of direct advantages for the interrelated parties. The political union of the Russian Federation and African states must contribute to strengthening economic relations and herewith must not prevent the parties from free competition on the markets of goods and services. In the future the economic cooperation must also activate technological transfer because both the Russian Federation and African countries have already formed the scientific and technical potential that can be applied on the mutually advantageous basis.

This article has not considered such aspects as the directionality and quality of the entrepreneurship activity in African countries and Russia, educational cooperation of the Russian Federation and African countries, and the contribution of Russia to strengthening the health care area on the African continent. We will consider and research in more details these and a number of other important issues of bilateral relations of Russia with separate countries of Africa in other articles on similar topics.

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