NEW FRACTURES, OLD WOUNDS: AFRICA AND THE RENEWAL OF SOUTH AGENCY

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Over the last decades, the world has witnessed the African continent’s transformation into an increasingly relevant actor in the global political arena, as part of the emerging South. The most remarkable aspect of such transformation in the global discourse points to the recognition of the economic potentialities of Africa, who gathers momentum as the “new frontier of development”. This new level of visibility of the continent has led to the rise of a new “south agency”, due to the increasing prominence of a number of African countries and thus South-South cooperation arises as a development opportunity for the globalized south. In that sense, this work endeavors to analyze the complexity of this new agency, the main trends for international cooperation and its role in building the history of the 21st Century.

NOVAS FRATURAS, VELHAS FERIDAS: A ÁFRICA E A RENOVAÇÃO DA AGÊNCIA DO SUL

Nas últimas décadas, o mundo testemunha o aumento da importância do continente africano no cenário político mundial, como parte do emergente Sul. O aspecto de maior destaque no discurso global aponta para o reconhecimento das potencialidades econômicas na África, que chama atenção como “nova fronteira de desenvolvimento”. A maior visibilidade dada ao continente revela o surgimento de uma nova “Agência do Sul”, devido à crescente importância de uma série de países africanos. Desse modo, a cooperação Sul – Sul surge como oportunidade de desenvolvimento para o Sul globalizado. Assim, este artigo tem por objetivo analisar a complexidade dessa nova agência, as principais tendências de cooperação internacional e seu papel na construção histórica do século XXI.

1 INTRODUCTION

Africa has recently come to the forefront of the world politics as part of the emerging South. Its increased prominence in the global discourse as a “new frontier of development” signals the recognition of its economic potential. Indeed, the continent has registered an average 5% annual GDP growth rate over the past decade. However, there is more than that. The rising profile of the African continent equally reveals the growing role of a number of its countries in the emergence of a new South agency.

It is argued that South-South cooperation is an opportunity. The discussion of the current situation in Africa will therefore be placed in this wider context.

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The renewal of a South agency witnessed over the past decade is, somewhat, different from the trilateral alliance of Asia-Africa-Latin America formed in the wake of decolonization. Current mega trends demonstrate that the global South, driven by a number of regional powers, will play a vital role in shaping the 21st century history. Understanding the complexities of this renewed agency is vital for addressing old wounds that have marked the emergence of a South voice in the not so distant past.

1.1 The “return” of history

The decades following the end of the Cold War offered a tantalizing glimpse of a new kind of international order, with nation-states coming together or disappearing, ideological conflict melting away, cultures intermingling, and increasingly free trade and communications. The modern democratic world wanted to believe that the end of the Cold War did not just end one strategic and ideological conflict but all strategic and ideological conflicts. People and their leaders longed for ‘a world transformed’. But that was partly a mirage. The world has not been completely transformed. In most places, the nation-state remains as strong as ever, and so, too, the nationalist ambitions, the passions, and the competition among nations that have shaped history. Despite perceptions the United States continues to be the sole superpower. Struggles for status and influence in the world and among regions have returned as central features of the international scene. Old forms of competition have also re-emerged, with the world’s great powers increasingly lining up according to the nature of their regimes. As these struggles combine and collide, the promise of a new era of international convergence fades. Have we entered an age of divergence (KAGAN, 2008)?

It is apt to recall here that in the span of world history, developing countries are a relatively recent phenomenon that emerged about 150 years. At the beginning of the second millennium, in 1000 AD, Asia, Africa and Latin America, taken together, accounted for 82% of world population and 83% of world income. Their dominance, even if somewhat diminished, continued for the next eight centuries. Indeed, in 1820, less than 200 years ago, these three continents still accounted for about three-fourths of the world’s population and about two-thirds of the world’s income. The transformation of the world economy began around then (i.e. around 1820). It was driven by the industrial revolution in Britain, the advent of colonialism, and the revolution in transport and communication. The rise of Western Europe and the decline of Asia were outcomes of this process. The division of the world into industrialized countries, mostly in temperate climates, and developing countries, mostly in tropical climates, was clear around 1870. The next 80 years witnessed a rapid economic decline, particularly in Asia, as the share of developing countries in world output, manufacturing and trade collapsed (NAYYAR, 2009). Many believed, and most famously Francis Fukuyama,
that the world had reached a convergence point of its historical evolution with the Western model about to penetrate every single corner of the planet.

Over the past few years, however, both the economic weight and the influence of developing countries in global economic affairs have been growing significantly and changing the narrative. In 2003, the investment bank Goldman Sachs predicted in a study that the four countries – Brazil, Russia, India and China – may be among the five most dominant economies (along with US) by 2050. Their massive populations, incredible appetite for work and prodigious growth means that they are already responsible for around half of the world’s economic growth. Their economies are growing 4 times faster than those of Western countries. Together, Brazil, Russia, India and China account for 40% of the world’s population and more than one-quarter of its landmass, produce about 15% of the world’s GDP and hold about 40% of the gold and hard currency reserves. As the world’s workshops, they are pumping out billions of dollars’ worth of exports each day, to rich nations and to each other.

Whereas the Goldman Sachs study focussed on the BRICs as the biggest emerging economies, the rapidly growing role of Africa in the current reconfiguration of economic power is also recognized. First and foremost, South Africa whose economy has, since 1994, been transformed through fundamental macro-economic reforms has enabled the majority of South Africans to participate in the mainstream economy. Today, South Africa is debt free and over 70% of its GDP is derived from manufacturing and services. Direct mining contributes only to around 6% of GDP, contrary to perceptions. Three million new jobs have been created since 2004. This is significant for any mature economy, but obviously still inadequate to tackle South African social gap.

It may be worth noting that according to the OECD the rate of return on FDI is higher in Africa than anywhere else in the developing world. The 2008-2009 crisis is already behind in terms of growth trends. Even though the global financial crisis did have a negative impact on economic growth in Africa, with its wealth in natural resources, improved macroeconomic indicators and greater political stability the region is expected to continue to recover quickly and to continue its relatively strong growth.

With the dream of post-Cold War era dividend dissolving, regional powers Brazil, India, China, or Egypt, and South Africa have enlarged their spheres of influence and struggles for status and influence, in the world and among regions that have returned as central features of the international scene. The world is still divided and distracted by issues both petty and profound. However, history has "returned", to the displeasure of Fukuyama’s early theories, as he admits himself.
2 CATCH-UP AND RENEWAL

The economic recovery, or catch-up, of developing countries in the world economy, as a group, began around 1950 and this was attributable in part to strategies and policies in the post-colonial era. They created the initial conditions and laid the essential foundations for development. There was a rapid increase in the share of developing countries in international trade, industrial production and total output.

By 2005, the significance of developing counties in the world economy was about the same as it was in 1870. In the aggregate, the decline of developing counties in the world economy during the 80 years from 1870 to 1950 has been almost made up for during the 60 years from 1950 until now. For example, between 1990 and 2009, the real exports of developing countries nearly tripled, while those of developed countries grew by only 75%. Similarly, the share of developing countries in world exports rose from 24 to 37%. During the same period the developing countries' share of all inward foreign direct investment doubled, from 18% to 36%; and perhaps more surprisingly, their share of outward investment tripled, from 5% to 15%.

The geographical distribution of skills is also shifting. In 1990, for example, developed countries accounted for 40% of all technical tertiary enrolments globally; 10 years later, that share has dropped to 28%. Much of the catch-up is attributable to about a dozen countries among whom the most prominent are China, India and Brazil, as well as Mexico, Republic of Korea, South East Asian countries and South Africa. There still remains considerable scope for catch-up. Emerging economies accounted for 44% of global GDP in 2009; while projected GDP growth rate for major developed markets in 2010 is 2.3%, emerging markets are expected to grow at 6.3% on average.

As emerging powers “catch-up”, the American, Japanese and European share of influence will relatively shrink. Sooner or later – and this debate really is about “sooner” or “later”, not about “if” – we are going to witness major shifts in the global balance of power.

Whatever doubts there may be regarding the ability of the emerging powers to sustain, or even increase, their high growth rates over the medium term, one thing is certain, namely that China, India, Brazil, Republic of Korea and Africa in general have been first and fast in turning the crisis page and are now in the best position to realize their demands. It is also thought that by reaching agreements, coordinating policies and strengthening cooperation, emerging economies have the potential to lead the rest of the world out of the economic crisis. In any event, the renewal of South agency is already palpable.
3 AFRICA ON THE RISE

In the midst of the debate on the new powers on the rise and uncertainties about the achievement of the UN’s Millennium Development Goals, the African continent has emerged as a “new frontier of development” (the term recently used by a member of the Africa Progress Panel and former IMF Managing Director Michel Camdessus) (LE MONDE, 2010). The JP Morgan says Africa has become one of regions with the greatest potential for economic growth that is expected to be sustained as the region is projected to have the youngest population (PANDIT, 2010) The Boston Consulting Group has recently come to a similar conclusion drawing on somewhat different data, namely Africa’s export growth rate of 18%, comparable to the BRIC nations, and the growth rate of top 500 African companies at more than 8% a year, since 1998. The report points to the emergence of a group of so-called “African lions”, by analogy with the Asian tigers, that comprises: Algeria, Botswana, Egypt, Libya, Mauritius, Morocco, South Africa, and Tunisia (whose collective per capita GDP of 10’000 USD is higher than the average for the BRICs), soon to be followed by Ghana and Nigeria. The fast growing companies cited in the report are mostly concentrated in eight countries and are portrayed as partners and rivals that are already regional players in mining, consumer industries and services. These companies are about to look “beyond the continent” (WALLIS, 2010).

The pattern of the recent African growth demonstrates a strong role played by private consumption. It accounts for 60% in the growth, as opposed to its negative contribution in the 1990s. Domestic demand has grown to reach 150% of the growth rate in 2007, as compared to 20% in 2000, mainly in form of public expenditures. Government deficit of around 3% in the late 1990s gave way to surpluses of around 1.9% in 2008. The average inflation rate was around 6.2% in 2008 as compared to the annual 30% in the 1980s. The currency exchange reserves increased from less than USD 50 billion in the late 1990s to USD 300 billion in 2007. FDI inflows increased from less than USD 10 billion in 1995 to USD 88 billion in 2008, with the total FDI stock on the continent at around USD 511 billion in 2008. Average external debt decreased from 70% of GDP in early 2000s to 23% in 2007 (KALUSIVIKAKO; LUMENGANESO, 2010). Africa’s total merchandise trade increased from USD 217 billion in 1995 to USD 986 billion in 2008. Its share of global trade also increased from 2.2% in 2000 to 3.3% in 2008 (UNCTAD, 2010).

The global economic downturn has had an obvious impact on the continent. The African Progress Panel estimates that the number of working poor has increased from 57% to 66%. In sub-Saharan Africa, exports as a share of GDP decreased from 41.0% in 2008 to 31.2% in 2009 (FMI, 2009). 30–50% of Africa’s 2008 export revenues were lost as a result of the crisis. The crisis has
affected negatively trade both through a decline in growth, and lower access to trade credit (AfDB, 2010). At the same time, forecasts for 2010 and 2011 are quite positive with expected growth rates at 4.7% and 5.9% respectively. Africa was among the first ones to emerge from the crisis with a positive, 2%, GDP growth rate in 2009, driven by the demand of the Asian economies rebound.

4 AFRICA AND SOUTH-SOUTH COOPERATION

South-South cooperation crystallized in the wake of decolonization and against the background of the Cold War. A number of institutional frameworks were set up such as the Non-Aligned Movement or the Group of 77. Their aim was to increase the bargaining power and advance the interests of developing countries through increased political mobilization (MORAIS DE SÁ E SILVA, 2010). After a decline during the 1980s, South-South cooperation has been growing significantly again. This is mainly due to the fast economic growth of emerging economies, as well as to the adoption of more outward looking development strategies, trade reforms, including the growing numbers of regional trade agreements (RTAs), as well as the common commitments regarding the MDGs. Disappointment over traditional North-South models of development cooperation also plays a role. This time, South-South cooperation has expanded to include new sectors such as education, health and social protection in addition to trade and industrial development (MORAIS DE SÁ E SILVA, 2010).

Current Africa-South cooperation is centred upon trade, investments, official financial flows, transfer of expertise and knowledge sharing, and often involves new formal institutional arrangements. UNCTAD recognizes that only in the 21st century South–South cooperation has shifted its focus from purely political issues and starts contributing more to Africa’s economic and social development (UNCTAD, 2010).

The share of non-African developing countries in Africa’s merchandise trade rose from 8% in 1980 to 29% in 2008 and their share in inward FDI flows to the region increased from 12% in the late 1990s to an average of 16% over the period 2000–2008. The proportion of the region’s trade going to Europe and North America has declined. The EU’s share of Africa’s trade has fallen from around 55% in the mid-1980s to less than 40% in 2008 (UNCTAD, 2010).

The increase in Africa’s trade with non-African developing economies has been mainly due to trade with Asia, and most prominently China. China has become Africa’s largest source of imports and second largest trading partner after the United States. As a result of an almost tenfold increase over 2000-2008, the value of China-Africa trade totalled USD 93 billion in 2008. China’s share of Africa’s external trade is close to 11%. While Chinese activities in Africa in
the immediate post-colonial period were driven by political considerations, the reengagement of China with Africa (marked by the creation of the Forum on China-Africa Cooperation in 2000) signals a new type of partnership centred around trade, investments and concessional loans.

At the 2006 Forum on China-Africa Cooperation (FOCAC) meeting in Beijing, Chinese leadership pledged to implement an extensive development agenda including promises to double assistance to Africa by 2009, provide more loans, debt relief, technical assistance as well as to set up a China–Africa Development Fund.

China’s development assistance most often took form of big concessional loans for infrastructure projects. Infrastructure and public works accounted for about 54% of China’s support to Africa in 2002–2007. Chinese infrastructure finance commitments increased from USD 470 million in 2001 to USD 4.5 billion in 2007 (33% of Chinese infrastructure finance to sub-Saharan Africa over the period 2001–2007 went to electricity, 33% to transport, 17% to ICT, 14% to general projects and 2% to water) with Nigeria, Angola, Ethiopia, and Sudan as the main beneficiaries (UNCTAD, 2010).

Chinese investment flows to Africa have increased over the past 5 years. China’s Ministry of Commerce estimated that Chinese investment inflows had reached USD 552 million over the first quarter of 2009, almost twice the value of inflows for the same period in 2008 (HERMAN, 2010).

However, the China-Africa partnership involving high-level meetings has expanded to cover technical cooperation and exchange of expertise in other areas. The last FOCAC meeting held in November 2009 discussed new measures of support to Africa in areas as diverse as climate change, science and technology, response to the financial crisis, poverty alleviation, environmental protection and health in addition to cultural aspects and “people-to-people exchanges” (UNCTAD, 2010).

Brazil’s outward FDI flows to Africa have grown as well. Just two examples: oil giant Petrobas planned to invest more than USD 2 billion in Angola and Nigeria over the next 5 years and steel-producing Vale’s investment in developing coal deposits in Mozambique is estimated at USD 1.3 billion (Laishley, 2009). In general, technology transfer through technical cooperation is a key component of Brazil’s aid to Africa. It provides technical assistance through the Brazilian Cooperation Agency. In 2008, 43% of the resources for technical cooperation projects went to Africa, out of which 74% to five Portuguese-speaking African countries. Over the past years, Brazil has extended support to other African countries and currently has projects in 22 countries (UNCTAD, 2010). A notable area of technical cooperation is support to the production sectors, particularly agriculture.
Another interesting development is the significant increase in the volume of trade and investment flows between India and Africa. For example, Indian-African trade increased from USD 7.3 billion in 2000 to USD 31 billion in 2008. India’s contribution to Africa’s development included loans, debt relief, technical cooperation, peacekeeping and infrastructure finance. One example of technical cooperation is a Pan-African e-Network Project that aims to provide e-services in the area of education and medicine (UNCTAD, 2010).

India invested USD 1.8 billion in greenfield projects in Africa in the last 3 years. India reconfirmed its promises to provide USD 500 million in grants over the next 5 to 6 years and double lines of credit to USD 5.4 billion and to reduce import tariffs on a wide range of agricultural products from Africa. In South Africa alone, India’s commercial relations have grown to more than USD 2 billion, and Africans have begun travelling to New Delhi and Mumbai (Bombay) to seek the kind of investment and expertise that they used to seek from the US and Europe. Bharti, an Indian telecommunications company, has recently purchased the African assets of Kuwait’s Zain in India’s second-largest ever cross-border deal for more than USD 10 billion. Bharti is expected to significantly lower the prices and serve the African poor by dramatically changing the lives of local entrepreneurs, while boosting a market that is the latest growing telephony in the world.

Finally, the example of South Africa shows that African countries are emerging and participating on an equal footing in South-South partnerships. Trilateral collaboration between South Africa, Brazil and India in such areas as public health, and energy security is very illustrative. South Africa and India have the 1st and 2nd largest number of HIV-positive people whereas Brazil has developed successful public policies to fight AIDS. Together, these countries managed to push forward the interpretive statement of the Doha Declaration indicating that TRIPS should not prevent countries from fighting public health crisis and an agreement that allowed developing countries to export local generics to other countries with epidemics of HIV/AIDS, malaria, and tuberculosis. Another area is a technology-sharing between India, the world’s biggest sugar cane producer, and Brazil whose 62% of energy requirements are met through renewable sources and 10% of which by ethanol produced from sugar cane. India’s capabilities in the solar photovoltaic area and South African technology of coal liquefaction could be of interest to each other (FLEMES, 2010). Moreover, these countries have been extremely active in the multilateral fora as a group.

To make Africa-South partnerships work for the benefit of Africa, the continent needs to take a proactive stance and mainstream South-South cooperation in its development policies. African countries should use their political leverage to reach the type of partnerships with emerging South actors
that would strike a balance between the economic and strategic interests of the Southern partners and the objective of promoting broader development gains and profound structural transformation of Africa’s economy including through technological progress, and capital accumulation (UNCTAD, 2010).

5 RISING SIGNIFICANCE OF DEVELOPING COUNTRIES IN WORLD AFFAIRS

With their increasing economic weight, developing and emerging countries significantly enhanced their ability to influence global economic policy outcomes and to participate in international economic institutions. At the World Trade Organization (WTO) for example this has been achieved mainly through forming groups and coalitions (such as the African, Caribbean and Pacific Group, African Group, Caribbean Community, Developing Countries Group, etc) allowing for improved coordination and preparation of negotiations. The G-77 group of developing countries plus China is again playing a greater role in international fora after a sharp decline in influence in the 1980s and 1990s.

Backed by rapid economic growth, growing financial clout, growing populations, and a newfound sense of assertiveness in recent years, the emerging powers are a driving force behind an incipient transformation of the world economy away from an Anglo-Saxon dominated system and towards a multi-polar one. In recent years this multi-polarity in the economic sphere has translated into a new negotiating attitude on the part of the South. It started around common interests relating to trade and it became more comprehensive and sophisticated as time passed. The financial crisis and global recession of 2008 and 2009 created the opportunities for a more visible role of emerging and developing countries.

- International trade negotiations have demonstrated that developing countries have learned to work together in cohesive groups or coalitions based on their self-identified interests in a coordinated way to defend their interests. The G-20, the G-33, the NAMA-11,¹ the Core Group on Trade Facilitation, the African Group, the ACP Group, the Least Developed Countries Group, the Small Vulnerable Economies Group, all have clearly and distinctly pegged their positions in the WTO to a clear preference for linking negotiated concessions to their respective long-term strategic development objectives and ideas. The success of the trilateral alliance IBSA (India, Brazil and South Africa) includes public health, pharmaceutical patents, and government subsidies positioning within WTO. IBSA and China have formed the core of the Group of 22 (G22) bloc of developing countries, which preferred to let

¹ A coalition of developing countries in the Non-Agricultural Market Access negotiations.
the negotiations break down rather than come to an agreement detrimental to its interests.

- Another example is a power shift on international financial governance. Whereas the emerging economies started voicing growing disenchantment with the Bretton Woods institutions by early 21st century, the current financial and economic downturn resulted in a call for the major reform of the IMF that was criticized for being not representative of the new fast-growing world economic powers. Until recently, China – which has grown so fast that it is now the world’s second-biggest economy – had only the same number of votes at the IMF as Belgium. The 2008 reform of the IMF has somewhat strengthened the position of China and other emerging economies, with a total shift of 4.9% in quota shares for 54 countries, and tripled the basic votes that have an impact on the voting power of the low income countries. However, changes to the IMF quota and governance structure were clearly insufficient. The total share of sub-Saharan Africa increased only by 3% and remained at 1.4% of the voting share. China came at a third place with 3.81% of the voting share as compared to the United States and Japan whose shares are 16.73% and 6.23% respectively (FMI, 2008). In 2009, the International Monetary and Financial Committee urged that further reform of the quota and voting structure of the institution be implemented by January 2011. If the new package is to be adopted, China’s quota share will rise from 6.38% to 7.47% and it will come ahead of Japan whose quota share will decrease to 6.99%. India’s quota share will grow to 2.18%. However, the US will still hold the highest quota share – 17.8%, and the share of African countries will not change significantly (FMI, 2009).

Similarly, the much trumpeted reform of the World Bank governance approved last April will transfer only 3.3% of votes from rich to developing countries. China’s share has increased from 2.77% to 4.42%, and it has become the 3rd largest shareholder after the United States and Japan. India’s and Brazil’s shares have increased respectively from 2.78% to 2.91%, and from 2.06% to 2.24%. However, the United States still remains the most influential player holding 16.85% of the total (BANCO MUNDIAL, 2010). More than one third of African countries had their shares decreased as a result of the reform. The reforms demonstrate growing influence of emerging economies, but they still fall short of reflecting the real weight of developing countries.
Today, many emerging economies not only do not need the current international financial institutions in terms of policy or funding, but they increasingly are even in a position to compete with them. Emerging markets are now net providers of capital flows, financing the large current account deficits of the developed countries, and in particular that of the United States. The financial landscape has been redrawn by the new brokers – Asian and Gulf sovereign and petro-dollar investors, who have moved the power base further to the East and the South.

• In a similar vein, it is worth mentioning the position of the emerging economies as far as the international monetary system is concerned. While for much of its history, the international monetary system has been uni-polar, emerging economies such as Russia, Brazil and China are demanding an end to the dollar's dominance in the international monetary system and call for a new global reserve currency. While the dollar accounts for 65% of the world's foreign-exchange reserves, three-quarters of all reserves are in the hands of emerging economies. In short, a “coalition of the rising states” is flexing its muscles now to shape the debate on the need for the world to have its monetary exchanges based upon some international “spread” of currencies rather than upon a single one.

• Not less revealing were the negotiations held December 2009 on one of the most pressing issues of our time (climate change) that actually involved a decision-making by Heads of State in an international forum significantly different from a traditional UN negotiation. The fragile agreement reached in Copenhagen is the result of a more active participation of the developing countries in general and the strong arm twisting capacity of new emerging powers. Twice Africans blocked the preparatory negotiations completely in a show of force seldom demonstrated in these processes. Developing countries – led by China, Brazil, South Africa and G77 Chair group Chair, Sudan – demanded and received significant compromises from developed countries after changing the final outcome in an unprecedented manner. This case clearly illustrates how the “South agency” is already influencing the international landscape. Significantly the final agreement was reached through indirect representation that did not include Europe, despite the Conference being in Copenhagen, nor Japan.

• The shifts in world leadership represent another example of how the South agency is influencing or may influence world politics. It is true that the reform of the UN Security Council, under “open-ended” negotiation for

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2. Saudi Arabia backstops Lebanon, Venezuela has helped Argentina repay the IMF, Chinese Development financing provides an alternative to World Bank lending in Africa.
almost 20 years is still unimpressive. In the last five years, though, it has gained considerable momentum – mostly due to the increasing clout and insistence of emerging powers. It still falls short of progress in redrawing the geographic composition of the body. However, emerging countries, as demonstrated by the example of India, Brazil and South Africa form alliances to back each other up in their bids as regional representatives to the UN Security Council. Where the progress has been more significant is the real replacement of the G7 by the G20, imposed by the recent crisis. Africa is challenging strongly the fact that G20 only includes one African state and has, so far, obtained that several others are “invited”. This is likely to change. The new model is already addressing issues that go beyond the responsibilities of any one organization, creating new forms of multi-polar legitimacy.

The current crisis has shown there is a need for new rules, institutions and services to help solve the world’s major problems and that there is no more world leadership without acknowledging a renewed South agency. As developed countries emerge weakened from the global economic crisis, there may be opportunities for developing and emerging countries to push for policy space with a view to creating greater transparency and inclusiveness in international affairs.

In this emerging reconfiguration, it is important for smaller African countries, and particularly LDCs, to develop strategic partnerships with the emerging economies so as to ensure their policy views are reflected and interests are properly represented (MALHOTRA, 2010).

6. CONCLUSION

6.1 New Opportunities

The digital technology revolution that eliminates barriers of geography, distance and time has a major impact on the global economy and represents a new window of opportunity for the South to increase its significance. Technology developments in the past few decades have significantly transformed the way people communicate, and businesses operate across the globe. Of the 6.5 billion people in the world, more than half have mobile phones and almost a quarter have internet access. In some areas, Africa is showing significant progress. Today, the African cell phone market is the fastest growing in the world. The African telecommunications sector is one of few where indigenous capitalist participation is significant, but it has also attracted attention of telecommunication giants outside the continent, most notably Indian firms that have recognized this dynamic.

Economies are becoming increasingly reliant on exploiting technologies to create or add value to existing resources. The technological innovation drive
obliges everyone to reposition themselves. And the South has come out better from this challenge, so far. Defining the boundaries and contours of intellectual property as well as designing a balanced intellectual property regime is where the real future battle lies, and this is not going to be easy.

Demography, migration and urbanization are other visible terrains of transformation and probable international polarization. And that would need to be addressed holistically, comprehensively and with increasing urgency. These are some of the trends in which South agency will have to manifest itself if the rise of economic power is to be transformed in a sustainable path for the future.

Since the beginning of this century a true African renewal is on the screen. Dramatic reduction of the number of civil wars, fortification of peace building and constitutional processes, advances in democratic governance (confirmed by both Harvard and Ibrahim indexes), historic reserves, one digit average inflation, rapid progress on MDG indicators. However, the negative narrative about the continent has not yet changed: ample resonance on the Darfur conflict, major disruptions emerging from Somalia, including piracy, or hunger looming as a result of food price increases. One can add the odd coups here and there, or some Presidents’ theatrics as well. This is all true. It is also right to point to social differences or crime in South Africa as amplified by Western media during the World Cup. We can continue the list of bad news, basket cases and the like. The continent is doomed said “The Economist”’s cover a decade ago. Lets us quote one great African intellectual, Claude Ake:

at independence the form and function of the State in Africa did not change much for most countries...State power remained essentially the same: immense, arbitrary, and often violent, always threatening... colonial rule left most of Africa a legacy of intense and lawless political competition amidst an ideological void and a rising disenchantment with the expectation of a better life (AKE, 1996).

Claude Ake who left us prematurely wanted the historical context to be acknowledged. We can see truth in what he said. However, we have to admit, something is changing in the world and around the continent. Africa is about to have one billion people. Something is changing inside it. Let us be prepared to understand the complexities of these trends, without falling prey to the customary story line.

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