

Vladimir Shubin

## Russia's policy towards Africa

### The Soviet Period

Africa has not been associated with Russia as long as with the Western countries that were colonial powers, but neither is the history of interaction short. More than a hundred years ago, in 1898 Russia established diplomatic relations with Abyssinia (Ethiopia) and the South African Republic, as Transvaal was officially called. Russian medical detachments were sent to both countries during armed conflicts there. Moreover, some Russian officers served with Negus Menelik and over 200 Russian volunteers fought on the Boer side in the Anglo-Boer war.

The official relations that existed with a limited number of African countries were severed after the 1917 revolution but reestablished during the Second World War. However the broad and rapid development of Moscow's relations with African countries began in the late 1950s and early 1960s, when they were attaining independence one by one. It was the USSR which took an initiative that resulted in the adoption of the Declaration of Granting Independence to the Colonial Countries and Peoples by the UN General Assembly in December 1960. There are many episodes in Africa's history during the second half of last century when the USSR played a positive role, winning the respect of many Africans. First, during the Suez crisis of 1956, the USSR's position was decisive in stopping the tripartite Israeli-British-French aggression against Egypt. The second point is the Soviet Union's support for the legitimate prime minister of Congo, Patrice Lumumba. The third example is the support given to Angola in 1975-76 in the struggle for independence, against the aggression by racist South Africa and Mobutu's Zaire.

A specific field of the Soviet assistance was military (e.g. Moscow helped to create and equip armed forces in a number of African countries). The support given to the armed liberation struggle

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### ABSTRACT

This policy brief analyzes Russia's Africa policy, its historical background and evolution in the last two decades. It covers interaction in various fields, particularly in trade and economic affairs and comes to the conclusion that the potential of bilateral ties is far from being fully used.

A special attention is paid to the new opportunities, provided by the formation of BRICS, its recent summit in Durban and President Vladimir Putin's visit to South Africa.

There are good prospect for Moscow's co-operation with Africa in various spheres.

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waged in former Portuguese colonies, Zimbabwe, Namibia and South Africa was particularly relevant. Appreciation of the Soviet contribution was well illustrated by the fact that Vyacheslav Shiryayev, known as “Comrade Ivan”, the first head of the team of Soviet officers with the African National Congress in Angola, was awarded with the South African national order of ‘Companions of O.R. Tambo’ by President Jacob Zuma.

Strictly speaking, the USSR had no military bases in Africa, but in the period of confrontation between the Socialist world and the West, it was strategically important for Soviet ships to call at some African ports or for Soviet Navy reconnaissance planes to fly from the Kola Peninsula to Havana and then to Luanda, landing and refueling there. However, examples of Soviet practical interaction with Africa should not be limited to military matters. Many economic projects have been implemented. Not all of them were successful but most were mutually advantageous e.g. the USSR received cobalt in exchange from Zambia and bauxite from Guinea.

Probably the most important field of co-operation in the Soviet period was education, of all kinds – tertiary, professional and military as well. Most graduates left the USSR with good feelings, but even if that was not always the case they knew its capacities and scientific and engineering achievements. Among them were several future presidents, and some members of this generation are still in power in various structures in African countries, though their number is declining for biological reasons.

### **The post-soviet Period**

In many ways the ‘assets’ accumulated in the Soviet period were lost in the early 1990s. There were several reasons for this. First of all, transition to the so-called ‘market economy’, or at least the way this was done in Russia, resulted in grave losses. According to Yevgeny Primakov, former Prime Minister, Minister of Foreign Affairs and Director of the External Intelligence Service, Russia lost twice as much as during the Nazi aggression and occupation<sup>1</sup>. The second reason was purely political. New rulers of Russia and especially the ‘democratic’ (meaning pro-Western) media often automatically regarded friends of the USSR negatively. For example, outgoing South African President Frederick de Klerk was received by Boris Yeltsin in June 1992 practically instead of Nelson Mandela. Coupled with this was strong anti-African propaganda, not only in the media but in government circles as well. The economic hardships the Russian people suffered were explained by USSR expenditures on assistance to developing countries, primarily Africa. This contributed to the rise of xenophobia and even naked racism, aggravated by the fact that the authorities hardly took any measures to combat them in that period. Political relations also suffered. Although Russia has never left Africa, a number of Russian diplomatic missions were closed, as well as cultural centres and trade representations. After a completely unjustified visit to Moscow by ‘old’ South African president Frederick de Klerk, no African leader came to Moscow for more than five years.

The positive changes began in the last period of ‘Yeltsin’s rule’, in January 1996, the year Yevgeny Primakov was appointed Foreign Minister and then became Prime Minister, albeit for a short time. In the new century, political ties between Russia and the countries of Africa have become much more active. This reflects the ‘sober’ assessment of today’s Africa by both academicians and

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<sup>1</sup> Rossiyskaya gazeta, M., 15 January 2008.

politicians in Russia. Africa is home to a large proportion of humanity; its population exceeds one billion. As for the territory, it is the second largest region in the world after Asia. In spite of various problems - which are often exaggerated - by and large Africa is developing rather well. Profit on investment in African countries is higher than in other countries.

On the other hand, in spite of negative propaganda by the so-called 'international mass-media', the important role of Russia became clearer for many Africans. It is reflected in particular in the growing number of African embassies in Russia and the regular visits of heads of state to Moscow. Unfortunately however, far from all of these have been reciprocated. Over 13 years, two Russian Presidents, Vladimir Putin and Dmitry Medvedev, visited eight countries: four in Northern Africa: Egypt, Libya, Morocco and Algeria, and four in sub-Saharan Africa: South Africa, Nigeria, Angola and Namibia - not so many, especially in comparison with China whose leadership is regularly making visits to various African countries. Besides, quite a number of countries, from China to Iran, Turkey and South Korea, regularly hold bilateral forums with African countries, but Russia does not.

The same is true of international development agencies. The Concept of the Russian Federation's participation in international development assistance was approved in 2007<sup>2</sup>. It stated that "at present time" aid would be provided primarily as grants to international funds and programmes and "in perspective in the form of bilateral assistance with creation and development of the national system of IDA [International development assistance]"<sup>3</sup>. However this has not been done so far.

As for bilateral economic ties with Africa, they can hardly be called intensive. Trade turnover between Russia and Africa as a whole was about \$11 billion, and imports exceed exports. True, that is 6.5 times higher than in 2001, but about 80% of the figure concerns countries north of the Sahara with a long history of relations – especially Algeria, Egypt and Morocco. The fact that in 2012 Russia's trade turnover with South Africa increased by 66% to reach \$964 million is rightly regarded as a success<sup>4</sup>, but it is almost 30 times lower than that of China.

Russian investments in Africa are growing as well. But it is very difficult to measure their volume because companies with Russian capital are often registered elsewhere, from the Virgin Islands to the Netherlands. We estimate that \$US8.5-9 billion would be a realistic figure, and about 17 billion more is expected to be invested in 2013-2020. Russian FDI in Africa is about 4% of total Russian FDI and no more than 3% of all FDI in Africa<sup>5</sup>.

Up to 80-90% of Russian investments in Africa are in the exploration and extraction of national resources, primarily in Algeria, Angola, Nigeria and South Africa. However in recent years there has been increased interest in East and Central Africa, and in Tanzania and Mozambique in particular. Several companies can be singled out. Lukoil is not a newcomer; it worked in Egypt and Libya from the early 2000s onwards, and nowadays Lukoil Overseas, based in London, is successfully exploring oil fields in the Gulf of Guinea. In 2012 its investment in Africa reached \$US1billion<sup>6</sup>. Severstal, a transnational metallurgy company with Russian capital, is investing in

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<sup>2</sup> <http://www.mid.ru/bdomp/ns-osndoc.nsf/e2f289bea62097f9c325787a0034c255/00cc9154529e1c7fc32575bc002c6bb5/> OpenDocument.

<sup>3</sup> *Ibidem*.

<sup>4</sup> <http://www.kremlin.ru/news/17723>.

<sup>5</sup> UNCTAD. World Investment Report 2011, 2012.

<sup>6</sup> [forexaw.com/news/ecvconomy/PF/.../157361](http://forexaw.com/news/ecvconomy/PF/.../157361); [rt.com/business/news/lukoil-west-africa-projects-775/](http://rt.com/business/news/lukoil-west-africa-projects-775/).

South Africa, Congo (Brazzaville), Gabon, Guinea and Burkina Faso. Renova and Evraz are active in South Africa. Gazprom is involved in North African countries and has plans for huge investments in Nigeria and Equatorial Guinea. Uranium one, registered in Canada but solely owned by the Russian ARMZ, is investing in Tanzania.

It should be underlined that Russia itself is very rich in minerals, but new resources have to be mined mostly in far-away and ecologically vulnerable areas of Siberia and the North, hence the growing interest in African resources. The expenses of new oil fields in Russia are double those in Angola, for example<sup>7</sup>.

However, in recent years Russian investment in Africa has become more diversified and includes ICT, finance and space communication etc. Another major project is AngoSat, the creation of the satellite communication and broadcasting system. Its implementation began in December 2012 after several years of negotiations and preparations. The contract is estimated at \$327 million and the credit was provided by a consortium of Russian banks led by Vneshekonombank<sup>8</sup>. Another Russian financial institution, VTB (Vneshtorgbank), owns 50.1% of the shares of Banco VTB-África, established in Luanda in 2006. It has been transformed from a commercial to an investment bank and a good base for promising projects has been created. Besides, the major success of Russian business was the VTB Capital deal that offered the Angolans \$US1 billion credit with a seven year payment period<sup>9</sup>.

### **Opportunities for Improvement**

Nevertheless, several problems hamper Russia's business relations with Africa. Until recently there was an almost total lack of state support. Fortunately there are some positive moves too. The Coordination Committee on economic cooperation with the countries of sub-Saharan Africa (Afrokom) was created, attached to the Russian Chamber of Trade and Industry; its chairperson is Vladimir Dmitriev, head of the state-owned Vnesheconombank. That same bank was instrumental in the formation of the Agency on insurance of export credits and investments.

There is no consulting culture in Russia, while the knowledge of Africa, particularly that of the younger generation, is rather limited. Hence the widespread view that the most important thing is to reach an agreement with the leaders of the country without paying much attention to the national, political and cultural context. If, for instance, mining is planned in a certain land, unless the people who live there understand what benefit they will receive and give their consent, such an agreement may become useless or even counterproductive for the overall Russian image, thus hampering further business agreements.

Here the issue of so-called 'soft power' comes into the picture. So far, Russia has hardly used it properly in Africa. For example, in Nigeria - the country with the biggest population in Africa - the Russian cultural centre was closed, and in South Africa - the most economically advanced country - it was never opened. Very few Russian journalists work in Africa and even fewer African

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<sup>7</sup> Cambridge Energy Research Associates. [http://www.\\$smoney.ru/article.shtml?2008/03/17/5151](http://www.$smoney.ru/article.shtml?2008/03/17/5151).

<sup>8</sup> Proyekt ANGOSAT vstupil v fazu prakticheskoi realizatsii [ANGOSAT project entered a stage of practical realization], accessed February 25, 2013, <http://avia.mirtesen.ru/blog/43508340776/Proekt-ANGOSAT-vstupil-v-fazu-prakticheskoy-realizatsii>.

<sup>9</sup> <http://www.macauhub.com.mo/en/2012/11/14/russia%E2%80%99s-vtb-capital-bank-may-place-more-angolan-debt/>.

journalists in Russia. Thus, both Russians and Africans receive information about each other mainly through Western channels, so their reciprocal image is mediated through third-party countries. Among the 59 registered Russian political parties, only three or four have some bilateral contacts with Africa<sup>10</sup>.

Although Russia's joining the G-8 was a matter of controversy in the country, it made Russian leaders more interested in Africa because its problems were regularly discussed at the summits. An even stronger factor was the transformation of BRIC into BRICS in 2010: South Africa became a partner of Russia in all structures of the forum. The group of BRICS is regarded quite seriously in Russia; this is confirmed in particular by the formation of the National BRICS Studies Committee in 2011<sup>11</sup>. On 21 March 2013, the Concept of participation of the Russian Federation in BRICS, approved by President Putin, was published. It states, "The long-term objective of the Russian Federation's participation in BRICS is to gradually transform the association from a dialogue forum and a tool to coordinate positions on a limited range of issues into a full-fledged mechanism of strategic and ongoing cooperation on key international political and economic issues"<sup>12</sup>.

The BRICS summit in Durban (or rather eThekweni) on 26 - 27 March 2013 provided a new opportunity for a better understanding of Russia's African policy, both its strengths and its weaknesses. And all the more so because according to the host country's suggestion its main theme was "BRICS and Africa: Partnership for Development, Integration and Industrialisation".

The signing of cooperation agreements between the BRICS countries, especially on co-financing infrastructure projects in Africa, and support for establishing the BRICS Business Council and BRICS Academic Forum<sup>13</sup>, will no doubt encourage Russian companies and research bodies to deal with Africa.

Moreover, a 'Retreat' - a meeting of BRICS top leaders with heads of African continental and regional bodies, organised by the South African side - afforded President Putin the opportunity to reiterate that "BRICS countries are jointly championing the rights and interests of African nations and other states with emerging economies, speaking out in favour of increasing their role and influence within the global governance system, particularly within international financial and economic organizations"<sup>14</sup>.

As to the role of Russia in Africa, Putin underscored debt relief (Russia has written off over \$20 billion of debt, far more than any other G-8 nation) and especially the recent intergovernmental agreements on debt-for-development with Tanzania, Zambia and Mozambique; Russian companies' investment projects in all North African nations and 11 sub-Saharan African states; as

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10 It is worth to mention the status of African studies in Russia. The major centre is the Institute for African Studies of the Russian Academy of Sciences, followed by the Centre for African Studies at the Institute of General History and other institutes of the Academy. Multi-disciplinary studies are conducted also at the universities in Moscow, St. Petersburg, Kazan, Yaroslavl and others. These studies recovered from a difficult period of the 1990s and expanded a scope of research to include current 'burning' issues, in particular, problems of political and economic integration of the continent, recent developments in North Africa, new alignment of forces in Africa after the creation of BRICS. Among recent publications on Africa the Encyclopedia Africa, a mammoth two volumes (959 pp. and 1037 pp.), that came out in 2010 should be singled out.

<sup>11</sup> The author is a member of it.

<sup>12</sup> <http://eng.news.kremlin.ru/media/events/eng/files/41d452b13d9c2624d228.pdf>.

<sup>13</sup> <http://eng.kremlin.ru/news/5177>.

<sup>14</sup> <http://eng.kremlin.ru/transcripts/5184>.

well as the intention to increase the number of scholarships provided to sub-Saharan African nations (about 1000 in 2012)<sup>15</sup>.

When Putin visited South Africa in 2006, going there straight from North Africa, the feeling of discontent in Tropical Africa was visible. In particular it was expressed to the author at the African Union Headquarters by the then Chairperson of the Africa Commission Alpha Oumar Konare. Unfortunately this time it was something like *déjà vu*: sub-Saharan Africa (except for the Republic of South Africa) was 'missed out again' (while the Chinese leader Xi Jinping visited Tanzania and the Democratic Republic of Congo on his way to Durban). Besides, out of the African leaders who came to Durban, Putin met in separate meetings only with the Egyptian president Mohamed Morsi.

Apart from taking part in the summit, Putin paid a working (though very short) visit to South Africa, the country often called the gateway to Africa. Indeed this country has an excellent infrastructure, a solid financial system, and incidentally the lowest corruption rate among BRICS members. Many foreign companies, including some Russian ones, used it as a 'beach head' for dealing with other sub-Saharan Africa countries. Moreover, the present generation of leaders and activists of the liberation struggle, and especially the veterans of the African National Congress armed wing "Umkhonto we Sizwe", know well about the USSR/Russia's contribution to it<sup>16</sup>.

The most important bilateral document, signed by Vladimir Putin and Jacob Zuma, was the *Joint Declaration on the Establishment of a Comprehensive Strategic Partnership between the Russian Federation and the Republic of South Africa*. It speaks about "enhanced co-operation" in various fields: political, trade and economic, parliamentary, defence, science and technology, humanitarian and others<sup>17</sup>.

Moreover, a package of bilateral intergovernmental documents on cooperation in various fields was signed in their presence. It covers flight safety, mutual recognition of educational documents and academic degrees, astrophysics research, and joint cultural projects. In the economic sphere the two parties signed documents on cooperating in the energy sector, with respect to platinum group metals, fishing, ferroalloy production and solar energy<sup>18</sup>.

In his statement after the talks Putin said, "Russian companies attracted over \$1 billion for mutually beneficial projects in South Africa and invested these funds into South African economy". He singled out the Renova Group's investment of about \$350 million for the development of manganese mines in 2012 and its work on large-scale modernisation of a ferroalloy plant with \$250 million in investments. Another company mentioned by him was Norilsk Nickel, that invested some \$100 million into the reconstruction of a copper-nickel plant.

Russia's president in particular emphasized the potential of "co-operation in the energy sector, first and foremost in nuclear energy. Russia is offering its help to South Africa not just in building individual units (even if they are built using cutting-edge technology), but in developing the country's nuclear industry as a whole – from resource production and building a nuclear power

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<sup>15</sup> *Ibidem*.

<sup>16</sup> However, the new generation's knowledge is rather different; the author was shocked when during one of his recent trips to South Africa, having asked him what country he was from, a porter commented, "I know Russia, it is the country where they wear skirts." But another one corrected him, "No, Russia is Brussels".

<sup>17</sup> [http://eng.news.kremlin.ru/ref\\_notes/98](http://eng.news.kremlin.ru/ref_notes/98).

<sup>18</sup> <http://eng.kremlin.ru/news/5172>.

plant and research reactors to designing and manufacturing its own nuclear power equipment," coupled with "credit assistance from the Russian side and training of specialists"<sup>19</sup>.

## Conclusion

As the whole Russian society, the country's policy towards Africa suffered a lot after the "dissolution" of the Soviet Union and the restauration of capitalism, IMF style. However, slowly but steadily the situation began to improve and that was reflected in Russian activities vis-a-vis Africa as well. There are good prospect for Moscow's co-operation with Africa in various spheres. President Putin's recent visit to South Africa should be a new impulse for Russia's involvement in Africa. It helped dozens of high officials and businessmen who accompanied him to better understand the realities and potential of Africa. Yet, it remains to be seen whether this impulse will bring about a sustained process, and how the declarations made in Durban will be followed by practical actions.

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<sup>19</sup> [http://eng.news.kremlin.ru/ref\\_notes/98](http://eng.news.kremlin.ru/ref_notes/98).