Africa’s Role in the G20

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Abstract

The G20, a pivotal player in global governance since 1999, has recently included the African Union (AU) as a permanent member, enhancing its representativeness and legitimacy. This historic development presents both opportunities and challenges for Africa. The AU’s membership will foster collaboration between Africa, other developing countries, and economic powers, advancing Africa’s contribution to global governance. At the same time it will be a good opportunity to show the potential for Africa to share and advance its transformative roadmap captured in its Agenda 2063. However, representing a diverse continent with 18% of the global population will require immense collaboration and consensus building within Africa. Even more, the AU could also face pressure from G20 members to align with their interests, which may not always be compatible with Africa’s priorities.

Keywords: G20; African Union (AU); Global governance; representativeness, agenda 2063

Introduction

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The G20 has been pivotal in global governance since its formation in 1999 following the Asian financial crisis as a forum for finance ministers and central bank governors to discuss global economic and financial issues. It was upgraded to the level of Heads of State/Government during the 2007 financial crisis and subsequently designated the “premier forum for international economic cooperation” held annually under the leadership of a rotating presidency. The agenda of the G20 has expanded inter-alia to include sustainable development, trade, anti-corruption and energy among others 1.

Initially, the G20’s membership represented about 85% of the global GDP and 75% of global trade and Africa as a region was conspicuously missing from its composition. Apart from South Africa which had a permanent seat at the G20, no other African country was represented. The African continent is equivalent to almost 18% of the global population. Advocates have over the years sought to increase Africa’s presence in the G20 2. The inclusion of Nigeria, Mauritius and Egypt as invitees to the G20 has been regarded as an applaudable step. That notwithstanding, more advocacy was being made for the inclusion of the African Union as a member of the G20. African leaders as well as foreign leaders like China’s Xi Jinping 3 and President Joe Biden 4 have aired their support for the AU’s admission. In the wake of global governance systems shifting towards multilateralism, the composition of the G20 to include the continent with a dire need for economic and financial transformation has been long overdue. Thanks to the advocacy from various leaders, the AU was finally included as a permanent member of the G20 on the 9th of September 2023. With the AU as a member of the G20, the status of Africa as a decision-making object is poised to change considering that it represents 55 member states, something that will greatly increase the G20s representativeness and legitimacy 5.

Africa as a continent had long been marginalised in global governance 6, often participating as a mere recipient of ideas, investments, finance, and technology. The G20’s engagement with Africa is slightly over a decade. The first reference to the continent was made at the G20 Toronto Summit in 2010 when financial support through concessional lending to the African Development Bank was promised.

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1 About G20. (s.f.). [https://www.g20.org/en/about-g20/#:~:text=Inception%20of%20G20%2C%20global%20economic%20and%20financial%20issues](https://www.g20.org/en/about-g20/#:~:text=Inception%20of%20G20%2C%20global%20economic%20and%20financial%20issues)


A major initiative undertaken under the German presidency was the G20 Compact with Africa in 2017 which emphasised promoting private investments in Africa. Subsequently, support for AU’s membership in the G20 has characterised India’s presidency (2022-2023). The Indian Prime Minister, as part of his efforts, wrote letters to G20 leaders proposing the full admittance of the AU at the Delhi Summit in September 2023. The summit, which was dubbed, “One Earth, One Family, One Future,” proposed an ambitious agenda for the G20. This theme underscores the need for collective effort and solidarity in addressing the common challenges facing humanity. Apart from the ethics of having Africa fully represented at the G20, the continent has a lot to offer the G20 and the rest of the world as well as itself by securing a seat at the table as an equal partner and decision-maker.

Membership of the AU in the G20 will mean, among other things, more collaboration between Africa, other developing countries and the great economic powers. As African policymakers break new grounds on a range of policy issues with continental implications, a G20 member status will be invaluable in advancing Africa’s contribution to global governance. An avenue for Africa to share and advance its potentially transformative roadmap captured in its Agenda 2063 which is aimed at attaining a pan-continental African vision of “an integrated, prosperous, and peaceful Africa, driven by its own citizens representing a dynamic force in the international arena,” is highly welcomed. Given that the Agenda 2063 is supposed to be implemented alongside the sustainable development goals (SDGs) in line with the global Agenda 2030, there is a need to have an integrated and logical approach that will facilitate their execution, monitoring, and evaluation. Similarly, there will be the need to have a single accountability instrument and periodic performance report for both Agenda 2063 and the SDGs.

Opportunities for the AU

AU’s membership in the G20 could be more of symbolic and meaningless if the African body fails to respond to events such as the military coups spree and irregular elections decisively, issues that have set back the democratic trajectory of Africa in recent months. To illustrate the severity of the problem, military-led coups have been experienced in seven African nations since 2020 with Gabon and Niger recently raising concerns about political stability, without which it becomes difficult to address pressing challenges in many countries such as terrorism and food insecurity. The escalating number of coups and the growing geopolitical instability, coupled with the African Union’s (AU) role to effectively respond, underscore the importance of a unified approach like that of the G20. The G20’s strength lies in its coherent strategy and unified voice in addressing global issues. This serves as a stark contrast to the current situation in the AU, highlighting the need for more effective coordination and unified action within the AU to address the challenges it faces. The G20’s approach could serve as a valuable reference point for the AU in its efforts to enhance stability and security on the continent.

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As such, to guarantee that the inclusion of the AU in the G20 is meaningful, Africa will need to get its systems in place and strengthen its capacity. The AU needs to work through how its organizational organogram in the G20 is going to work. They also must make sure there's technical backup, and evidence-based advice drawing on the vast landscape of African experts, think tanks, research policy institutes and the academia to ensure that the Continent’s representation has a very clear view of what their position is on a precise issue. The AU can effectively advocate for its key issues by beginning with its list of priorities. This approach allows the AU to align these priorities with national objectives within a regional context, thereby achieving a unified continental stance. This consolidated position then enables the AU to exert significant influence on global platforms. Furthermore, it is crucial for the AU to operate efficiently by understanding the informal dynamics within various groupings and leveraging these dynamics to maximize their influence.

In the short term, the AU should highlight the debt issue and how it can be tackled; rethinking the way in which the common framework is being worked so that it can be faster in terms of resolving countries that are indebted. Some key discussions could be around how to interpret debt that goes towards addressing SDGs and whether or not African countries should be penalised for raising money on the capital markets to address SDG targets and indicators. Relatedly, the AU needs to highlight the issue of taxation and multinational taxation in addition to the issue of just energy transitions. It's important to see these issues in the G20 statement this year. The AU should strive to push for quality changes to the way in which finances disperse so that it can have a bigger impact.

Moreover, Africa will be necessitated to use the platform to voice pertinent matters that need international cooperation. Resource diversion acts as a major obstacle to economic development and interferes with the realization of the SDGs and the Agenda 2063. For example, an estimated illegal financial flow of $88.6 billion was recorded in Africa from revenue generated unauthorized activities, corruption, and tax evasion among others, a figure that is equivalent to 3.7% of the continent’s GDP based on the 2020 UN estimates. Appropriate measures can thus be taken at the G20 level that would significantly contribute to addressing the problem and thereby make available the resources needed to develop Africa and the global SDGs.

Also, this development reinforces the continent’s resolve and commitment to enhancing its influence and place in global affairs. Apart from enriching the G20 with the continent’s diverse experiences and resources, the continent stands to benefit from its membership. The benefits of AU’s membership will be largely dependent on how the Union leverages its new status and influence. The AU should set the agenda by taking advantage of it being the largest standing block to bear G20’s work and in the process elevate its influence in the economic system globally. AU’s agency in shaping its interests and ambitions as well as its contribution to global governance is immensely needed. The AU will therefore have to leverage its internal systems and build its capacity by investing in education and research to enable it to create and take full advantage of the opportunities this new membership presents. Education and research will further help in nurturing a knowledgeable and skilled population that can actively participate in global forums and discourses and assert the position of Africa.

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The AU Development Agency (AUDA-NEPAD), a specialised AU organ which supports, promotes and implements the Union’s agendas, requires a network of strong institutions engaging in evidence-based policy research to be effective in supporting the AU even in this new role. Evidence shows that a vibrant knowledge ecosystem can lead to better decision-making and improve economic outcomes. Mandated with monitoring the AU’s Agenda 2063 and aligning its goals to Member States and national development plans, AUDA-NEPAD will be instrumental in determining the extent to which AU creates and maximizes the opportunities that its membership in the G20 presents. African think tanks and policy institutes will play an invaluable role in supporting the AU as it takes up its seat at the G20.

The AU, with an opportunity to have a voice and a vote in the G20, is in a better position to advocate for more favourable policies and actions that would insure Africa’s economic development and integration. Among other things, the AU could push for better trade engagements, digital transformation, infrastructural investments, and climate financing. For instance, the AU can leverage its membership to reiterate its high-priority agendas like its industrialisation strategy which is expected to move the continent from a raw-material producing economy to value addition\textsuperscript{11}.

Furthermore, Africa’s youthful population\textsuperscript{12} and immense human resource, appears to be the continent’s biggest advantage which when fully utilised, would guarantee an innovation-led and industrialised continent. Africa’s absence in the G20 has meant that its priorities and interests have not been fully represented, but more importantly, its contributions have been missing. Africa has a unique opportunity to contribute to global solutions. The continent’s history, experiences, resources and challenges position it to be a valuable contributor. Africa’s experiences are essential in helping the rest of the world find lasting solutions. Africa’s shared experiences with other developing countries for example, come as an added advantage which when leveraged could amplify the concerns and aspirations of the developing world at the G20. To effectively work with the rest of the world, Africa should be treated as a contributor to solutions and not as a problem that needs to be solved. This perception among others, has arguably resulted in the historic marginalisation of Africa from effective participation in global governance.

The roll out of the African Continental Free Trade Area (AfCFTA), a single continental market for goods and services and the world’s largest free trade area connecting 1.3 billion people across 55 countries\textsuperscript{13}, is an example of the value the AU and its initiatives bring to the table. African solutions are not only good for African problems as they can be good for global challenges when collaboration and partnerships are mutually beneficial. The AU’s admission to the G20 would probably inspire the Union to advance its aspirations with a renewed sense of a global contributor. In essence, advancing Africa’s agenda and ambitions could mean finding solutions to global challenges.

Internally, the African Union could consolidate this new position to rally the entire continent behind it. To succeed at its membership, the AU will require a rejuvenation of African unity, collaboration and solidarity. The task to represent the continent presents an opportunity to enhance collaboration among African member states. As the AU leverages its membership to strengthen its ties with other regional blocs and to create new platforms for cooperation, it could do so without losing sight of the unique opportunity to reinforce its base on the continent.

The AU would benefit from strengthening its ties with other regional blocs such as the EU and ASEAN and create new platforms for partnerships. Furthermore, this membership could enhance its credibility and attractiveness as a destination for foreign direct investment, tourism, and innovation. Moreover, as a member of the G20, other members will be inclined to consider Africa as a strategic partner from the angle of a united body and shape their policies towards Africa to reflect this reality. The outcomes could boost Africa’s economic growth, resilience and diversification as it would enable the AU to restore its role at the UN that was diminished; when the AU tacitly accepted the limitation of some rights. The AU has chosen to downplay the significance of sovereignty, characterising it as "conditional and defined in terms of a state's capacity and willingness to protect its citizens."

**Challenges for the AU**

It will not be an easy task for the AU to effectively represent a continent with close to 18% of the global population at the G20. According to the ISS report on “The demographic dividend in Africa,” Africa’s population will expand by 2.2% annually while the rest of the world’s population will increase at 0.5%. This increasing population growth and the daunting task of representing a largely diverse continent will require immense collaboration and work from within the continent – its institutions and its people to succeed. Internal challenges and consensus building will remain the AU’s most formidable challenge as it takes up its seat at the G20. African countries’ diverse colonial and historic alliances could worsen this situation particularly in circumstances where the AU will have to vote or make decisions that have geopolitical or great power rivalry implications.

On the other hand, the AU could face immense pressure and scrutiny from G20 members to align with their interests and agendas. These interests and agendas may not always be compatible with Africa’s priorities and values. The AU may witness heightened pressure to adopt standards, regulations and values which could limit its policy space and sovereignty or even undermine its internal efforts. Africa will not be automatically viewed as an equal partner or co-equal and therefore risks enduring a paternalistic relationship with some G20 countries. The AU will have to deal with its colonial history as well as existing relationship with mostly colonial powers within the G20 and its new position as a co-equal with these countries within the G20.

In the wake of great power competition and rivalry, the AU could face increased pressure from some G20 members particularly pertaining to its engagements with China and countries like Russia. China is currently Africa’s largest trading and investment partner. The AU is likely to

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be drawn into great power rivalry between China and other G20 countries. Similarly, Africa may be put in a position to constantly choose sides. These decisions and choices come with their own repercussions which the continent will have to deal with. The UN vote on Russia’s invasion of Ukraine and the aftermath of it is a classic example of what the continent will have to be prepared to deal with. These challenges could negatively impact Africa’s economic environment and its international relations.

In addition, the European Union (EU) is a cohesive and supranational body while the AU, - now having the same status in the G20 as the EU - doesn’t have any national authority over its member states15. For example, on trade, the EU negotiates on behalf of its members. That is not what happens with the AU. For the AU, each member state, for example, negotiates on trade. The AU’s lack of supranational authority over its member states could pose a significant challenge when it comes to having a common voice on particular themes.

Lastly, AU’s lack of a central bank could pose a big challenge, historically, and particularly just after the financial crisis; there was a committee of ten in the AU in Africa. This was convened by the African Development Bank with South Africa being one of the members, the governors of the regional banks and representatives from the five communities. The finance track will particularly be affected because the AU is not in control of the monetary and the fiscal policies of all its fifty-five states.

Looking Ahead

The AU’s membership in the G20 is indeed an historic development for Africa. New opportunities and challenges will be created for Africa to participate in and benefit from the global system. It would also require the AU to be more proactive, coherent, and strategic in its engagements within and with other G20 members.

These are indeed historic times where the AU will be fully represented on a global platform. The understanding that policy coherence for development is fundamental must include government policies and interventions. This membership brings with it a potential of advancing multilateral solutions by building consensus and trust given current global tensions. Results matter and therefore, global platforms must place emphasis on tangible results. The membership of the AU in the G20 will not be impactful if the AU is not accorded the courtesies of a true partner and colleague.

The AU, more than ever, in addressing its continental and global challenges will require evidence-based and inclusive policymaking. African think tanks can play a central role in supporting evidence-based policymaking to augment the AU’s work. The continent currently lags in the number of think tanks and knowledge products they generate. On the supply side, while the share of peer-reviewed economic articles about Africa has more than tripled since the 1980s, the population-adjusted sum of articles published in respected journals by authors from African institutions is the lowest among all the regions in the world. The UN 2030 agenda, SDG9.5 stipulates, “Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including by 2030,

encouraging innovation and substantially increasing the number of research and development workers per 1 million people in public and private research and development.”

Yet, African think tanks in particularly low and middle-income countries are in a unique position to effect positive change. Support for think tanks to play a role in providing the conditions within which good policy choices are made, will contribute to significant economic and social returns. Leveraging think tanks and strengthening their quality can advance the AU’s effective role in global governance, unlocking cross-border benefits and positive externalities.

Despite difficulties of attribution, researchers have calculated rates of return on investments in think tank capacity building programs ranging from 200 to 9,000 percent.

The opportunities available to the AU by virtue of its membership at the G20 and those which the AU can create for itself as well as for the rest of the world, would be impactful if Africa’s human resources, particularly its scholars and civil society groups are patronised and supported. In addition, Africa would have to take full advantage of its youthful population\(^\text{16}\) to support these efforts. The effective participation of youth in national, regional and continental development cannot be over-emphasised. To encourage innovation and generation of novel evidence-based ideas needed to address shared continental challenges required to build resilience to future shocks, young Africans should be encouraged and supported to engage in research and scholarly work to explore solutions and ideas which would inform policy.

Internal mechanisms and institutions like AUDA-NEPAD established to advance these efforts could be supported to create avenues for inclusive policymaking where policy recommendations and research outputs find their way to policy and decision makers. The complex and diverse nature of Africa makes it difficult to imagine the AU’s success without valuable contributions from Africa’s scholars, researchers, and think tanks. Fortunately, programmes like the Africa Policy Bridge Tank which is under the auspices of AUDA-NEPAD to promote knowledge and learning, share ideas and provide open access to research as part of efforts to contribute to development policy, shows the AU’s agency and resolve to succeed to a large extent.

The AU would have to embrace the challenges and opportunities presented to it by its G20 membership. It would have to be convinced about its preparedness and confident in its resolve to advance its global governance role as an equal partner. More importantly, the AU should be ready to explore, adapt and make the changes necessary to ensure that its G20 membership yields results for both the continent and the rest of the world. In doing this, the AU will need to rely on its development agency, AUDA-NEPAD to ensure that these processes and its decisions align with the continent’s interests, needs and vision for the world stipulated in Agenda 2063. The AU needs to look at how the EU works with its member states since it doesn’t have the same authority as the EU. The EU being a supranational institution, has certain competencies that reside only with it and not with its member states, but it also has a much broader resource base capacity in terms of staffing and that which can really provide the requisite technical backup, which the AU can build and understand how the EU operates in that regard. This poses a challenge in terms of mandate, for example, what position does it take on financial inclusion or international taxation in the finance track or the Sherpa track? And how does it build up the consensus and common African positions on different aspects of the G20 agenda? Finally, the AU can also learn from the EU how it consults the 27 members it represents.

Bibliographic references


