Russia's Third Discovery of Africa

by Leonid L. Fituni

As recently as seven months ago, the overall outline of future Soviet foreign policy seemed more or less clear. President Mikhail Gorbachev's planned new "Treaty of the Union" would have resulted in a more decentralized state, but there would still have been a single foreign policy, guided from Moscow by Gorbachev's team (though under the ever-growing influence of the republics). The restructured (but still "Soviet") regime, while giving priority to development of relations with the West, would also have sought to preserve some of the USSR's superpower dignity and influence, which included sustaining relations with the Third World. But in August 1991, with the collapse of the attempted coup against Gorbachev by government hard-liners desperate to prevent the imminent signing of the treaty, everything changed.

For a few months after the coup collapse, hope still remained that a single foreign policy center could be preserved. But it soon became clear that Gorbachev's withering government was too weak to withstand the pressure from the republics, whose leaderships wanted full power, including independent foreign policies. In December 1991 they got what they wanted and the USSR ceased to exist. Without a centralized foreign policy apparatus, the 15 ex-Soviet republics—now sovereign states—have become unpredictable strangers in the world arena, feared by some and courted by others for their own ends.

Now, foreign policy (along with financial reform and privatization) is a terra incognita for the new Russian government headed by Boris Yeltsin. Although Russian-American relations have begun to acquire some shape in the wake of Yeltsin's February visit to the United States, most questions having to do with the future relations of the former Soviet Union and the Third World remain open.

The First Discovery of Africa

The environment in which Russian foreign policy toward Africa is now taking shape contrasts sharply with the USSR's first discovery of Africa in the mid-1950s, when ideology and the Soviet Union's growing strength as a world power respectively motivated and made possible extensive material support for the continent's liberation movements. In due course, movements acknowledging the Soviet Union as their main mentor and supporter opted for military struggle in Angola, South Africa, Mozambique, Guinea-Bissau, and elsewhere.
The Second Discovery of Africa

During the perestroika ("restructuring") era of the late 1980s, Africa gradually receded from the Soviet Union's sphere of major interests, as Soviet-American relations became the main focus of Moscow's diplomatic activity and the Cold War drew to a close.

Meanwhile, elements of the Third World (including some African countries) were becoming increasingly uneasy about Moscow's innovative political moves. Some regimes were aggrieved by the Soviet retreat from the "joint front of anti-imperialist struggle." Another source of discontent was the diminishing volume and shifting focus of assistance from what was rapidly becoming the former Eastern bloc. (See "Soviet Assistance to Africa: The New Realities" by Sergei I. Shatalov, CSIS Africa Notes no. 112, May 1990 and "New Soviet Priorities in Africa" by Leonid L. Fituni, CSIS Africa Notes no. 123, April 1991.) As the economic situation in the USSR and neighboring East European countries progressively deteriorated, the emergence of these nations as competitors for Western credits and aid became yet another cause of anxiety. By the beginning of the 1990s, Third World countries (with some minor exceptions) lost virtually all interest in relations with the ailing Soviet Union.

Despite the foregoing, Africa's key role in such international organizations as the Non-Aligned Movement and the United Nations made it inevitable that the Soviet Union would still manifest sporadic spurts of interest in the continent. The most notable example of this was then-Foreign Minister Eduard Shevardnadze's early 1990 Africa trip, which was characterized by the press as the "second discovery of Africa."

Not much followed after the Shevardnadze safari, however. In mid-1991, a group of high-ranking Foreign Ministry officials visited five sub-Saharan African states and sought to persuade their leaders that the continent still remained within the realm of Soviet strategic interest. This thesis was belied by political and economic realities, and it became increasingly evident that even Moscow's oldest friends in Africa were being abandoned as Gorbachev uprooted old foreign policy priorities.

Economic ties were disrupted first, including some that seemed of genuine value to Soviet domestic interests. The cutoff of credit agreements with Guinea that provided raw bauxite for about 25 percent of Soviet aluminum production brought to a near standstill several plants in Russia and virtually all aluminum-production operations in the Ukraine. The cessation of imports from Guinea also prevented that country from repaying its $430 million debt to the Soviet Union.

Clumsy "commercialization" of relations with Africa blotted even the good record of Soviet assistance in the medical and educational spheres. In the early 1990s at least 600 Soviet specialists in these fields worked in the continent under terms of "fraternal assistance" favorable to the dozen African recipient countries. A January 1991 instruction from Moscow setting in motion a shift to commercial terms of cooperation immediately reduced the number of specialists in Congo from 100 to 3 and the number of teachers in Tanzania from 40 to 20.

The Third Trek

None of the ex-Soviet sovereign states (including Russia) have yet developed any clearly defined strategy toward the Third World as a whole or Africa in particular. The extent of interest in developing such relations differs from state to state. Those with their own seats at the UN since World War II—Russia (as heir to the Soviet seat), Ukraine, Belarus—have had to decide on some kind of defined policy toward the developing world because of their existing involvement in global affairs. The other new states are more likely to build some kind of relationship with individual Third World countries on an ad hoc basis. The Muslim republics, for example, have already begun to develop ties with neighboring Islamic states as well as some African countries with predominantly Muslim populations. The Baltics will try to profit from existing relations with Estonian, Lithuanian, and Latvian communities in Latin America and South Africa. There have already been some exceptions, however, to these seemingly logical scenarios. In February 1992, for example, the Muslim Central Asian republic of Kazakhstan unexpectedly became the first of the states to establish full diplomatic relations with South Africa, ahead of Russia or the Baltics.

Further complicating matters is the fact that the remnants of the Soviet Union are themselves increasingly coming to resemble the Third World in economic terms. Their joint share in the world GNP is diminishing, per capita national income has fallen by 40 percent, and both investment activity and agricultural production have declined sharply. Whole industries have been idled for lack of materials as various local authorities have banned exports of this or that commodity.

In terms of structure, the Russian economy is becoming more and more similar to that of such Third

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World countries as India, Brazil, or Argentina. The manufacturing sector (composed mainly of old industries using outdated imported machinery) has a decreasing share in GDP. Raw-materials exports are the main source of hard foreign currency. The standard of living of average ex-Soviets is now very close to that of the least developed nations. Social problems (poverty, critically inadequate health care, and declining educational standards) and an astonishing inequality in income add to the picture of "third worldization" of the ex-Soviet economy.

Given these bleak circumstances, the countries that have emerged from the collapse of the USSR do not perceive themselves as big brothers to African nations, but instead rivals for Western aid and investment. One can envisage futures in which various ex-Soviet republics either struggle with other developing countries for advantage or try to form a united front with them.

The Russian Perspective

In retrospect, August 1991 was the watershed that separated the old Soviet foreign policy vis-à-vis Africa from the new Russian view of the continent. The two are practically incomparable. The Soviet-era perspective was that of a superpower with strategic global interests. Today's is that of a regional power with marginal interests in the distant region. The clearest explanation to date of current Russian thinking on foreign policy has been provided by Yeltsin's young foreign minister, Andrei Kozyrev, who schematically divides Russia's external interests into two groups: vertical and horizontal.

The vertical set of interests are those related to gaining diplomatic support for the transition of Russian society from one socioeconomic system to another. The messianic mission of promoting the global expansion of socialism has been abandoned, a new concept of "sufficient defense" is being formulated that no longer emphasizes parity in armaments with the West, and the operational focus of Russian diplomacy is shifting from military/strategic priorities to economic affairs.

Horizontal interests are mainly geographic and can be broken down into three concentric circles: (1) the ex-Soviet republics; (2) selected neighbors in the northern hemisphere (notably the European Community countries, the United States, Japan, Korea, China, and Eastern Europe) relevant to the vertical focus on the future of the domestic economy and finding a new strategic balance; and (3) more distant countries still coping with the problems of underdevelopment. Only in this outer subsector can one find any reference to Africa. Domestic economic recovery is the immediate priority, but Russian foreign policy makers hope that the country can eventually join various international aid programs and expand ties with the continent as conditions at home improve. In principle this approach could be valid for the other former Soviet republics as well.

The current policy of "economizing" on foreign policy is reflected in the merger of the USSR Foreign Ministry's three subregional African departments with their Latin American counterpart, the only unifying element being the peripheral importance of both continents to the new Russian government. Meanwhile, several embassies in "less important countries" of Africa have been closed (a move justified in part by claims of a shortage of hard currency to pay rent and diplomatic salaries).

These cutbacks do not mean a total withdrawal from Africa, but rather a rethinking of the role to be played on the continent. North Africa and southern Africa are likely to become the focus of Moscow's interests. For example, the three countries visited by Foreign Minister Kozyrev in the course of his first tour of the continent in February 1992 were Egypt, Angola, and South Africa. The latter stop led to the subsequent establishment of full diplomatic relations with Pretoria. Problems of the Middle East as well as bilateral cooperation issues were on the agenda in Cairo. In Angola the focus was on various aspects of the country's domestic political evolution, debts, and future bilateral relations. Speaking impeccable Portuguese, Kozyrev confirmed Russian adherence to the MPLA-UNITA peace agreement of May 1991 and expressed confidence that the emerging Russian private sector would in many respects offer substitutes for the official Soviet assistance of yesteryear.

Also noteworthy in Russia's third discovery of Africa is a new emphasis on ecumenical bridge-building. In late 1991, for instance, Patriarch Alexii II, the head of the Russian Orthodox Church, visited Africa (Egypt, Sudan, and Ethiopia) for the first time.

A New Role for the Private Sector

Although much has been written about past Soviet military support for selected African states proclaiming themselves to be "Marxist," the nature and extent of economic links with the continent are less well known. Until recently Africa was a major importer of Soviet manufactured goods. In 1985, it was the destination of as much as 7 percent of Soviet exports to less-developed countries. By 1991, the figure had dropped to some 1.6 percent. The remaining major trading partners as of 1992 are in North Africa—notably Egypt, Algeria, and Libya. In the sub-Saharan region, South Africa is emerging as an increasingly significant commercial partner and Nigeria still imports some Russian machinery for the partially Soviet-built steel complex in Ajaokuta.

New forms of cooperation with African countries are emerging as the Russian private sector seeks potentially profitable openings left by the restructuring of the large Soviet foreign trade companies (VAOs), previously controlled directly by the USSR Ministry for Foreign Trade. For example, a dozen ex-Soviet fishing organizations (now private companies, mainly from the Baltics, Russia, and Ukraine) have established joint ventures with African or other foreign firms in various African coastal areas. One of these is Amrusco, now operating in the Indian Ocean near Mauritius.

An unusually sophisticated undertaking is the effort now under way by Stolichny, one of the strongest Russian private commercial banks, to build a mutually beneficial relationship with Mozambique through a special
comprehensive cooperation program. The bank has hired some of the ex-Soviet experts on Africa to formulate a program that envisages sizable investment of Russian private capital in Mozambican agriculture and food processing.

Tropical fruit is of particular interest to entrepreneurs (including those at Stolichny Bank), but two practical problems must be faced—transportation costs and the limited market. Russian importers would have to spend at least $3.50 for freight and storage per $1 of fruits purchased in Africa. And as long as the average Russian wage remains at its present depressed level, the market for imported fruit will be largely confined to foreigners, new-rich entrepreneurs, and remnants of the nomenklatura.

In recent months, several major Russian private financial groups (including some leading commercial banks and trading companies) have offered to buy from the Russian government (at a steep discount) existing African debts owed to the Soviet Union, which the organizations would then either sell on the secondary debt market or convert into goods (especially those related to trade in minerals or foods and beverages) or equity on the continent.

Perhaps in part due to suspicion by holdovers from the Soviet era of anything to do with the domestic private sector, the government has been skeptical, concerned that such deals could be a cover for capital flight and might add to domestic private-sector corruption. Ironically, the government is instead interested in debt-for-trade schemes involving Western financial institutions as intermediaries. Various major Western financial institutions have been wooing the Soviet (and more recently the Russian) government with such offers since 1986; three have been submitted to the Russian authorities since the beginning of 1992. But most of these proposals have involved debts of comparatively well-off countries such as Algeria and Nigeria that are relatively likely to be repaid. In such instances there would seem to be little need for the Russian government to turn to middlemen.

The prospects with regard to debts owed by the poorer African countries are discouraging. Although some Russian officials still cling to the hope of recouping some 50 percent of the face value of such liabilities, the market value of the debts is less than 10 percent (and the government would receive still less in any debt-conversion deal with a private organization). A rule of thumb is that the most attractive opportunities involve loans that were used for civilian projects. Unfortunately, however, most Soviet loans to Africa were used to finance military equipment—sometimes used by predecessor regimes against factions that have since come to power and understandably do not feel particularly grateful to Russia. And because the ex-Soviet republics, unlike Western lenders, will not be in a position to offer sizable new loans anytime soon, they have no way of pressuring debtors to pay up.

**In Sum**

Clearly, Yeltsin’s Kremlin does not intend to expend much time, effort, or resources on sustaining the kind of ties with Africa that existed at the height of the Cold War. On the other hand, the emerging private sector’s fight for a place in African markets is likely to have a higher profile than anybody could have previously envisaged. In the meantime, a foreign policy based on an ideological litmus test has been replaced by a focus on pragmatic nation-to-nation relations.

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