Australia in the African Century: Study of the Eastern African Indian Ocean Frontier

Lauren A. Johnston
School of Oriental and Asian Studies
University of London
lj11@soas.ac.uk

Abstract
In the late 1980s Australia crafted itself an ultimately very lucrative East Asia strategy. Three decades later, the mainstreaming of an “Indo-Pacific” concept and structural change is again driving expansive geo-economic thinking. This paper draws together related economic, demographic and geopolitical trends and literature to offer the perspective therein that Australia should proactively incrementally also deepen ties with African Indian Ocean Rim countries, alongside those with South and South East Asia. These countries, where coastal especially, are important to African development and favourably positioned to contribute to a more sustainable development and global prosperity over next decades. Moreover, for Australia they offer the triple dividend of Indian Ocean, Commonwealth and Africa policy geo-economic ties; most are English speaking. Constructive bilateral and sub-regional ties could moreover facilitate Australia’s role as the only OECD member country member of the Indian Ocean Rim Organisation, in the Indo-Pacific, and in multilateral forum. And hence national prosperity accordingly.

Introduction
It is projected that by 2050 three of the world’s four largest economies in purchasing power parity terms will be Asian: China, India and Indonesia (PWC, 2017). Hence, almost a decade ago, in October 2012, the Australian government published “Australia in the Asian Century”, a white paper. This heeded that Australia should “actively plan for and shape our national future” (EABER, 2012; Henry, 2016), for, “Whatever else this century brings” noted then Prime Minister Julia Gillard, “it will bring Asia’s rise.”
Since the launch of the white paper Australia’s geo-economic circumstances have become increasingly complex: a newly strident Chinese President, Xi Jinping has launched a long-term-focused global agenda known as the “Belt and Road Initiative”; a plebiscite in the United Kingdom (UK) delivered a vote of support for the UK’s exit from the European Union; the election of US President Donald Trump has ushered in a less predictable global geopolitical economy in general. Growth moreover has remained relatively sluggish across the decade since the Global Financial Crisis. That greater than 80% of global GDP is derived from countries that are home to newly rapidly ageing populations (World Bank, 2019) helps to explain this (eg. IMF, 2019a). In that not just increasingly multi-polar but also fractious global environment, it is timely to peer again into the 21st century.

In offering a long lens perspective this paper proposes that, as in the broader Asian Century concept and the more recent Indian Economic Strategy Paper to 2035 (Vargese, 2018), Australia should also invest diplomatic and commercial capital in the African end of the Indian Ocean Rim. Although collectively not of the economic or geographic weight as just India alone, let alone East Asian giants, the logic of this perspective includes that the maturing of the rise of East Asian economies and demography itself shifts the political economy of the Asia Pacific region. The impact of change in that region, China in particular, on direct and indirect prospects for African development, especially that of East Africa, is likely to have been underestimated. Meantime, 21st century population growth is tilted in Africa’s general favour also. Coastal East African countries are not only important to regional diplomacy therein, but a fundamental node of a prospective related larger growth story (eg. The Growth Report, Part III, 2008).

Despite a shared ocean, and with the exception of Southern African countries, South Africa in particular, Australia’s ties with countries of the Indian Ocean Rim in Africa remain less advanced (see Ford, 2010; Mickler and Pijovic, 2015). An exception is the 2018 Memorandum of Understanding agreed in February 2018 between the Common Market for East and Southern Africa (COMESA) and the Government of Western Australia in the fields of Mineral and Petroleum Resource, Agriculture, Vocational Training and Capacity Building (see WA Parliament, 2018). For reasons elaborated herein, this arguable oversight may yet prove to be Australia’s loss on a scale bigger than the relative scale of the states themselves.
Drawing from Johnston (2013), the rest of this paper is structured as follows: Section 2 reviews the “Asian Tigers” economic and demographic research and trends that elaborate “Asian Century” foundations logic; Section 3 elaborates, with a focus on Africa, how the rise of China to the world’s largest economy in purchasing power terms is having economic spill-overs outside of Asia; Section 4 notes that despite later 20th-century economic stagnation and even decline of some sub-Saharan African economies, there are reasons to be confident the 21st century offers more favourable prospects sustained development; Section 5 consolidates the perspective offered herein: that Australia may benefit from extending its “Asian Century” approach to also include a more proactive strengthening of ties with African states of the Indian Ocean Rim.

Therein, and in an increasingly complex, demographically African, and multipolar century, Australia may reap a triple dividend in Indian Ocean, African and Commonwealth diplomacy and economic relations. The economics literature and Australia’s experience with small island development challenges suggest this could also be an efficient means of supporting the long-run growth, governance structures and prosperity of Africa more broadly also.

**20th Century Context: The Relative Rise of the Asian Tigers**

Recent economic history is important to new prospects for African development. Where most of Africa failed to grow sustainably in the second half of the 20th century, in contrast, four Asian “tiger” economies – Hong Kong, Singapore, South Korea and Taiwan – took off. They were followed by China, Indonesia, Malaysia, Thailand and the Philippines. From around 1960 specifically, to the mid-1990s, capital stock growth catapulted those economies from poverty into the middle-income range and beyond (Table 1). An ‘East Asian miracle’ (eg. Page, 1994a, Page 1994b; Stiglitz, 1995) or explainable by straightforward capital accumulation accounting Krugman (1994), growth of economies in East Asia have since transformed the world economy.
Table 1: Capital Stock Growth and Average Investment Rates, by Region and Country, 1960-1994*.

<table>
<thead>
<tr>
<th>Region and country</th>
<th>Capital stock growth&lt;sup&gt;b&lt;/sup&gt;</th>
<th>Investment rate&lt;sup&gt;a&lt;/sup&gt;</th>
<th>National prices</th>
<th>International prices</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>6.7</td>
<td>22.3</td>
<td>20.5</td>
<td></td>
</tr>
<tr>
<td>East Asia</td>
<td>9.9</td>
<td>21.1</td>
<td>18.6</td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td>8.3</td>
<td>18.1</td>
<td>17.1</td>
<td></td>
</tr>
<tr>
<td>Korea</td>
<td>12.6</td>
<td>23.5</td>
<td>23.7</td>
<td></td>
</tr>
<tr>
<td>Malaysia</td>
<td>10</td>
<td>25.6</td>
<td>23.5</td>
<td></td>
</tr>
<tr>
<td>Philippines</td>
<td>6</td>
<td>19.8</td>
<td>15.3</td>
<td></td>
</tr>
<tr>
<td>Singapore</td>
<td>13.1</td>
<td>33.2</td>
<td>31.2</td>
<td></td>
</tr>
<tr>
<td>Thailand</td>
<td>10.6</td>
<td>25.6</td>
<td>18.1</td>
<td></td>
</tr>
<tr>
<td>Taiwan</td>
<td>12.2</td>
<td>20</td>
<td>21.9</td>
<td></td>
</tr>
<tr>
<td>South Asia</td>
<td>5.2</td>
<td>18.9</td>
<td>11.3</td>
<td></td>
</tr>
<tr>
<td>Africa</td>
<td>4.8</td>
<td>19</td>
<td>9.5</td>
<td></td>
</tr>
<tr>
<td>Middle East</td>
<td>7.1</td>
<td>19</td>
<td>12.6</td>
<td></td>
</tr>
<tr>
<td>Latin America</td>
<td>5.4</td>
<td>21.4</td>
<td>16.9</td>
<td></td>
</tr>
<tr>
<td>Industrial countries</td>
<td>4.5</td>
<td>20.8</td>
<td>24.5</td>
<td></td>
</tr>
</tbody>
</table>

Source: Collins and Bosworth (1996).

a. Computed using the eighty-eight-country sample. Regional averages are calculated by weighting each country by its average GDP over 1960-94, as measured in 1985 dollars.

b. Annual percentage rate.

c. Percentage of GDP.

Madison (2008) estimates the composition of global GDP by region from 1820 (Table 2). Striking is the relative fall of Asia in the earlier period, followed by a late 20<sup>th</sup> century gradual re-emergence. Madison predicts that by 2030 Asia will have re-emerged to hold just below the share of GDP it held in 1820. That share is more than half of global GDP, something closer to its share of world population.
Table 2: Shares of World GDP, 1820-2030

<table>
<thead>
<tr>
<th></th>
<th>1820</th>
<th>1950</th>
<th>1973</th>
<th>2003</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Europe</td>
<td>23.0</td>
<td>26.2</td>
<td>25.6</td>
<td>25.6</td>
<td>13.0</td>
</tr>
<tr>
<td>USA</td>
<td>1.8</td>
<td>27.3</td>
<td>22.1</td>
<td>22.1</td>
<td>17.3</td>
</tr>
<tr>
<td>Other Western</td>
<td>0.1</td>
<td>3.4</td>
<td>3.3</td>
<td>3.3</td>
<td>2.5</td>
</tr>
<tr>
<td>offshoots*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>West</td>
<td>25.0</td>
<td>56.8</td>
<td>56.8</td>
<td>50.9</td>
<td>32.8</td>
</tr>
<tr>
<td>China</td>
<td>32.9</td>
<td>4.6</td>
<td>4.6</td>
<td>4.6</td>
<td>23.8</td>
</tr>
<tr>
<td>India</td>
<td>16.0</td>
<td>4.2</td>
<td>4.2</td>
<td>3.1</td>
<td>10.4</td>
</tr>
<tr>
<td>Japan</td>
<td>3.0</td>
<td>3.0</td>
<td>3.0</td>
<td>7.8</td>
<td>3.6</td>
</tr>
<tr>
<td>Asia Others**</td>
<td>7.4</td>
<td>6.8</td>
<td>6.8</td>
<td>8.7</td>
<td>15.4</td>
</tr>
<tr>
<td>Latin America</td>
<td>2.1</td>
<td>7.8</td>
<td>7.8</td>
<td>8.7</td>
<td>6.3</td>
</tr>
<tr>
<td>Eastern Europe and</td>
<td>9.0</td>
<td>13.1</td>
<td>13.1</td>
<td>13.8</td>
<td>4.7</td>
</tr>
<tr>
<td>former USSR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Africa</td>
<td>4.5</td>
<td>3.8</td>
<td>3.8</td>
<td>3.4</td>
<td>3.0</td>
</tr>
<tr>
<td>Rest</td>
<td>75.0</td>
<td>43.2</td>
<td>43.2</td>
<td>49.1</td>
<td>67.2</td>
</tr>
<tr>
<td>Asia as % world</td>
<td>59.3</td>
<td>14.9</td>
<td>14.9</td>
<td>24.2</td>
<td>53.3</td>
</tr>
</tbody>
</table>


**Australia, Canada, New Zealand and the United States of America.

**Includes Bangladesh and Pakistan from 1950.

This re-emergence of demographically significant countries economically, China especially, has generated global spillovers. Eichengreen and Tong (2006) study China’s export displacement implications for other Asian countries and how China’s industrial growth has re-shaped regional supply chains. Garnaut (2012) explains how the scale and commodities-intensiveness of China’s economic growth inflated prices in the minerals and fuels sector from the later 1990s to around the financial crisis of 2008. This fuelled unprecedented and sustained growth for resources exporters, like Australia (see Garnaut, 2012), Angola, South Africa, former Sudan and Zambia, among others (see Zafar, 2007).

On the other hand, Hanson and Robertson (2008), Giovannetti and Sanfilippino (2016), Kaplinsky (2008) and others, find China’s manufactured goods export success have adversely affected domestic
manufacturing industries in home and also third markets. Where high-income Australia may have had means and governance structures to accommodate changes that resources boom induced within its own economy, including a shift towards services, poorer countries less so. By extrapolation, a consequence of the giant economic underpinnings of China’s elevating some 700 million people over the poverty line, that is, was to adversely shift the equivalent prospects in other poor countries elsewhere.

More recent structure change within the Chinese economy could, however, offer relatively favourable prospects for African development. Since the 2008 financial crisis especially, China has been transitioning away from labour-intensive sectors and exports and domestic bias toward the industrial sector and fixed investment (see Garnaut, Johnston and Song, 2017). China’s economy is now moving rapidly toward a greater role for human capital (as compared to human quantity), services and consumption-led growth. As these directions are consolidated as drivers of growth, ceteris paribus, this should open up more favourable external prospects for African development (eg. Grimm, 2014; Johnston, 2015; Chen, Dollar and Tang, 2018). More favourable terms of trade shift for resource-poor economies (see Hou, Keane, Kennan and te Velde, 2015) will also help - especially for coastal resource-poor economies that are home to ports of cross-regional development importance (Growth Report, Part III, 2008).

Indeed, China’s economic growth since the mid-1990s especially has transformed a longer-standing political relationship into a burgeoning economic relationship between China and Africa. More recently those ties have also come to focus on coastal East Africa, via China’s flagship Belt and Road Initiative. Africa’s place in Madison's (2008) data is insignificant. Supported by global demographic change and that new economic potential it is possible that those projections may substantively deviate from what emerges. Directly and indirectly China is imperative.

**China-Africa and African Economic Development in the 21st Century**

*Contemporary Deepening in China-Africa Economic Ties*

China-Africa ties date to Chinese fleets reaching the East Africa coast in the 1400s. They have fluctuated in intensity over the decades since (see Johnston, 2016a). In recent times, the mid-1990s mark a transition point: China’s industrial exports exceeded textile and clothing exports; China newly dependent on imports of energy to feed its industrial sector.
(Lin and Wang, 2014: 4). In Africa, 1994 saw the success of a long campaign to end Apartheid in the sub-Saharan Africa’s largest economy, South Africa; the year 1995 marked the end of two decades of persistent zero or negative growth rates in sub-Saharan African also (Radelet, 2010: 10).

China’s rising energy demand led China’s State Council to direct that China should “combine aid to Africa, mutual cooperation, and trade together” (Brautigam, 2011: 80). China’s willingness to invest in needed infrastructure in Africa, often in connection to its demand for commodities, was also an important factor in advancing ties. But the agenda also included less- resource-rich countries. In 1995 Ethiopia’s then Prime Minister Zenawi, also made a trip to China where the two sides signed an economic cooperation agreement (Gebresellassie, 2015).

Trade and geopolitical ties would rise rapidly over recent decades in general, including via the established of a forum for more formal and coordinated inter-governmental relations, the Forum on China and Africa Cooperation, FOCAC. From the mid-1990s until 2012, China-Africa relations would hence transit from “Independent Worlds” to “Interdependent Worlds” (1996-2012) (Jiang, 2012). Deepening China-Africa ties in general have gradually helped to shift Africa’s role in the world economy.

Even rising China-Africa trade ties, however, had a known and contentious pattern. In fact, just a handful of countries were providing the bulk of Africa’s exports to China – mostly unprocessed commodities - including Angola, former Sudan, South Africa and Zambia (see Zafar, 2007). By comparison, China’s low-cost manufactured goods exports to Africa were more evenly spread across countries. These offered a new option for African households to increase their consumption of affordable electrical and other consumer goods. But Africa’s own industrial and textiles sector, however, fared less-well under the weight of Chinese-scaled competition.
The year 2009 also was the year that China became Africa’s largest trading partner, so displacing Western economies for the first time in modern history. This was fundamental to the story for a handful of African economies entering the ranks of the world’s fastest-growing economies over the first decade of the 21st century (see Go and Page, 2008). China meantime had grown to become the world’s largest economy in purchasing power parity terms; major industrial economies have failed to return to pre-2008 financial crisis-peak and also face a long trajectory of adverse demographic change in the form of intensifying population ageing. China’s population also is ageing rapidly, having passed its peak around 2009. Africa’s youth-rich economies, in contrast, offer a relatively rich supply of younger workers over decades forth (Figure 1).

**Building on Mutual Structural Change**

Change in China and a new leadership in Beijing are part of the story as to 2013 marking an upward gear shift in China-Africa ties, to the “Comprehensive Development” era (Jiang, 2012). Newly appointed
Chinese President and Communist Party Secretary Xi Jinping made his inaugural overseas visit as head of state in February 2013, a tour that included three countries in Africa: Tanzania, South Africa and the Republic of Congo. Speaking in Tanzania, Xi explicitly called for a “fast track of comprehensive development” between China and Africa. In September in Kazakhstan and October in Indonesia, Xi launched what is now known as the Belt and Road Initiative (BRI).

Although attracting great attention, the BRI is to some extent just a new umbrella label attached to next incremental steps in China’s own longer-standing national development agenda (see Johnston, 2018). The scale of its prospective global ramifications, nonetheless, mean that Australia might itself also be better positioned if explicitly seeing itself in something bigger than an “Asian” Century (Johnston, 2013). Change in Africa, and China-Africa ties, are part of that story. More focused on the Asia Pacific and Western hemisphere, alongside accustomed to the traditional “Hopeless Continent” narrative (The Economist, 2000), Australia arguably even risks missing a new and unique window.

In “Emerging Africa: How 17 Countries Are Leading the Way” Radelet (2010) sought to correct the “popular perception of sub-Saharan Africa … as a region of stagnation, conflict and authoritarian rule” (Radelet, 2010). The core of his argument that ten countries are changing the Africa narrative toward one of sustained developed built upon “five fundamental changes” that those ten embodied: 1) the rise of more democratic and accountable government; 2) the implementation of more sensible economic policies; 3) the end of debt crises; 4) the spread of new technologies; and the emergence of a new generation of policymakers, activities and business leaders (ibid).¹

The 2013 presentation from which this article was developed noted that consumer spending was predicted to reach US$1.4tn by 2020 (Johnston, 2013). More fundamentally, demographics are also likely to increase the importance of Africa on the global stage over this century (Table 3). Consistent with projections of its working-aged numbers (Figure 1), Africa’s total population is forecast to move from a quarter to some half of the world’s population over the course of the century.

¹ In drawing attention to success in combining economic growth with poverty reduction and increased political accountability in Botswana, Burkina Faso, Cape Verde, Ethiopia, Ghana, Lesotho, Mali, Mauritius, Mozambique, Namibia, Rwanda, Sao Tome and Principe, Seychelles, South Africa, Tanzania, Uganda and Zambia.
Table 3: Demographic projections (median), 2020-2100 (billions of persons)

<table>
<thead>
<tr>
<th>Region and sub-region</th>
<th>2020</th>
<th>2030</th>
<th>2040</th>
<th>2050</th>
<th>2060</th>
<th>2070</th>
<th>2080</th>
<th>2090</th>
<th>2100</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>1.35</td>
<td>1.70</td>
<td>2.10</td>
<td>2.53</td>
<td>2.96</td>
<td>3.39</td>
<td>3.80</td>
<td>4.16</td>
<td>4.47</td>
</tr>
<tr>
<td>Asia</td>
<td>4.62</td>
<td>4.95</td>
<td>5.15</td>
<td>5.26</td>
<td>5.26</td>
<td>5.19</td>
<td>5.07</td>
<td>4.93</td>
<td>4.78</td>
</tr>
<tr>
<td>Europe</td>
<td>0.74</td>
<td>0.74</td>
<td>0.73</td>
<td>0.72</td>
<td>0.70</td>
<td>0.68</td>
<td>0.67</td>
<td>0.66</td>
<td>0.65</td>
</tr>
<tr>
<td>Latin America &amp; the Caribbean</td>
<td>0.66</td>
<td>0.72</td>
<td>0.76</td>
<td>0.78</td>
<td>0.79</td>
<td>0.78</td>
<td>0.76</td>
<td>0.74</td>
<td>0.71</td>
</tr>
<tr>
<td>Northern America</td>
<td>0.37</td>
<td>0.40</td>
<td>0.42</td>
<td>0.43</td>
<td>0.45</td>
<td>0.47</td>
<td>0.48</td>
<td>0.49</td>
<td>0.50</td>
</tr>
<tr>
<td>Oceania World</td>
<td>0.04</td>
<td>0.05</td>
<td>0.05</td>
<td>0.06</td>
<td>0.06</td>
<td>0.06</td>
<td>0.07</td>
<td>0.07</td>
<td>0.07</td>
</tr>
<tr>
<td>World</td>
<td>7.80</td>
<td>8.55</td>
<td>9.21</td>
<td>9.77</td>
<td>10.22</td>
<td>10.58</td>
<td>10.85</td>
<td>11.05</td>
<td>11.18</td>
</tr>
</tbody>
</table>

Source: UN (2019).

Congruent with Radelet’s optimism, by March 2019 the cover of The Economist had not only moved on from “Hopeless Continent” but had reached “The New Scramble for Africa”. Reasons offered for the new level of interest in Africa included:

Outsiders have noticed that the continent is important and becoming more so, not least because of its growing share of the global population (by 2025 the UN predicts that there will be more Africans than Chinese people). Governments and businesses from all around the world are rushing to strengthen diplomatic, strategic and commercial ties. This creates vast opportunities. If Africa handles the new scramble wisely, the main winners will be Africans themselves.

It added that from 2010 to 2016 more than 320 new embassies were opened in Africa, “probably the biggest embassy-building boom anywhere, ever.” (The Economist, 2019)

Ghana was expected to be the fastest-growing economy in the world in 2019. Overall, the IMF (2019) forecasts regional sub-Saharan African growth set to pick up from 3% in 2018 to 3.5% in 2019. It noted that this time, unlike in the 2000s, faster-growing African economies are non-resource-intensive economies. Specifically, Africa’s non-resource-rich
economies in 2019 were expected to grow at some 5 per cent, meaning that per capita incomes will rise faster than the rest of the world on average over the medium term.

A ‘Boom to Cusp’ Moment

This broader set of changes offers a “Boom to Cusp” moment for Africa, resembling China’s ongoing economic transition - in reducing the energy and commodities-intensity of its GDP; increasing labour-competitiveness due both to population ageing and the rising human capital of younger workers; and generally increasing its rate of economic growth. Most important for Australia is to appreciate that Africa’s Indian Ocean Rim coastal region is home to the highest density of coastal and lesser resource-rich economies (see Johnston, Morgan and Wang, 2015) (Figure 2). The modern growth story of sub-Saharan Africa, the last frontier of industrial development, that is, lies within Australia’s reach.

**Figure 2: Sub-Saharan African countries by economic geography typology**

[Map of Africa showing economic geography typology]

Source: Author’s own image from Growth Report
The COVID19 pandemic of early 2020 is placing pressure on that thesis in the short run. As a result of the consequences of the pandemic, many African countries have confronted dramatic cessation of economic activity, including for example through a complete loss of international tourism receipts, interruption of emerging export markets to Europe and Asia, and a massive drop in demand for commodities. This has led to fears of economic and livelihoods collapse – just when these resources are needed to attend to the consequences of the pandemic and continue a process of development in countries mostly with a median population age in the late teens (see Ataguba, 2020).

Medium-to-long-term, however, selective African economies may be the frontline beneficiaries of broader push to diverse global manufacturing production away from concentration on a single supplier, China. Financial analysts have mentioned Egypt, Ethiopia and Morocco in this context (eg. Oxford Business Group, 2020). Moreover, such a push would, in fact, be in line with China’s BRI Africa outreach (Johnston, 2016b). The next section draws together the related threads for Australia from Johnston (2013).

**Australia in the (not just) Asian Century**

**Australian uniqueness**

The world’s only nation continent, and Southern Hemisphere Commonwealth country member colonised in late 18th century by the British, Australia is unique. One of Australia’s essential characteristics has been its “schizophrenic regard for its geographical location”, in being located in the East and South, yet identifying socio-culturally with the North and West (Rumley, 2015: 185). Alternatively, and as a Chinese former colleague of the author summarised in 2010, Australia is “economically Asian, politically European, and strategically American”. Thus Australia sits in the Asia Pacific region at the World Bank and IMF; within the European group at the United Nations; and under the American security umbrella thanks to the ANZUS Treaty. It happens also that Australia is the only OECD country at home in the Indian Ocean, a new growth node of the early to mid 21st century.

Australia’s connectivity to Europe and the United States relates to shared colonial and wartime history. Connectivity with the Asian region is more recent and has deepened especially since Garnaut’s Australia and the northeast Asian ascendancy (1989). Such may be the success of the Asia Pacific push, that the indeed more recently shifting economic prospects and geostrategic importance of Africa has been at least proportionately missed. Also, a risk owing to the fact that since
a majority of the Australian population live on the continent’s east Pacific coast, which is geographically much further from Africa than is Australia’s lightly populated west coast.

To that end, Australian Prime Minister Julia Gillard missed a rare invitation-only opportunity, in the year of launch of the Australia in the Asian Century whitepaper, to address a head of state level gathering of the African Union (Flitton, 2012). For comparison, China’s foreign minister makes a point of officially visiting Africa every calendar year, while senior leaders regularly address the African Union, including Premier Li in 2014 (Xinhuanet, 2014). In general, Australia’s engagement with Africa during the Rudd and Gillard governments was, at least more explicitly, “primarily driven by the national interest around three issues: humanitarianism, support for mining corporations, and the United Nations Security Council seat” (Makinda, 2015). In contrast, should Canberra want Australia to more effectively pursue its national and global interests, and properly assume its own asserted position of global significance, it would need to look beyond both its “great and powerful friends” and the “Asian Century”: Africa, in this sense, could no longer remain a looming elephant in the Australian foreign policy-making room. (Mickler and Pijovic, 2015).

Moreover, “Australia’s dealings with African countries might have more significance to its own interests than is generally acknowledged. This is so particularly in respect of common standpoints on multilateral trade issues, and the future of the British Commonwealth” (Ford, 2010: 17).

This article offers a perspective on trends that point to the logic of a more nuanced if non-exclusive effort to advance Australia’s ties with East African Indian Ocean countries. It may not be logical for Australia to stretch resources as far as Turkey’s recent opening of some 26 new embassies on the continent (Anadolu Agency, 2018), or India’s announcement that it would open 18 new embassies in Africa (ibid). Nonetheless, even for Australia it is unlikely to be just an “Asian Century” (Johnston, 2013). Further, it is even possible that “Australia might yet develop a useful image and role as a country which could offer practical help without also establishing economic domination. In particular it could share its expertise in dry-climate technology with Africa, where indeed it is likely to be rather more relevant than in much of Asia.” (Goldsworthy, 1973: 162). A non-exclusive focus on East Africa may be a practical way to respond overcome the reality that “it
would make better sense to concentrate aid within Australia’s ‘own’ region” (Goldsworthy, 2010:139).

The Indian Ocean African Frontier and Australia: Macro Importance

Building upon earlier selected relevant economic, demographic and political economy trends, this sub-section draws together factors relating to Australia and the Indian Ocean African Rim. This is not, however, an argument for lesser ties with other African countries. It is, instead, a drawing together of the literature and broader related trends that together highlight the potential for cross-regional gains – for Africa, and for Australia three ways (in Africa, the Indian Ocean and the Commonwealth) - via Australia having sustained deeper and constructive ties with countries of the African Indian Ocean Rim.

As noted, Australia has shifted its regional geographic identity umbrella away from “Asia Pacific” and to an “Indo-Pacific” notion. Australia, as the only OECD country with a coastal presence in the Indian Ocean, is also the only OECD country member of the Indian Ocean Rim Association (IORA), a regional grouping of countries around the Indian Ocean Rim founded during a visit to India in 1995 by then South African President Nelson Mandela. Almost half of the members of IORA are African (Table 4). Although many of those member states are small, and often poor, island nations, they are nonetheless fundamentally important to the “Indo” in Indo-Pacific (Figure 3).

Figure 3: Indian Ocean Rim Countries by Economic Demography Matrix Category
Table 4: Member countries of the Indian Ocean Rim Association (IORA)

<table>
<thead>
<tr>
<th>Member Countries</th>
<th>Australia, Bangladesh, Comoros, India, Indonesia, Iran, Kenya, Madagascar, Malaysia, Maldives, Mauritius, Somalia, Mozambique, Oman, Seychelles, Singapore, South Africa, Sri Lanka, Tanzania, Swaziland, United Arab Emirates, Yemen.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dialogue Partners</td>
<td>China, Egypt, France, Germany, Japan, United Kingdom, United States.</td>
</tr>
</tbody>
</table>

Source: IORA (2019).

IORA’s Charter meantime notes that the Association “includes bodies known as the Indian Ocean Rim Business Forum (IORBF), the Indian Ocean Rim Academic Group (IORAG) and Working Group on Trade and Investment (WGTT).” (UN, 2019) In 2017, the 20th anniversary of the founding of IORA, the Association held an inaugural (and so far only) head of state level summit, in Indonesia (March 7). Taking place under the theme “Strengthening Maritime Cooperation for Peaceful, Stable and Prosperous Indian Ocean”, the summit adopted the “Jakarta Concord”, the IORA Action Plan for 2017-2021 and the Declaration on Preventing and Countering Terrorism and Violent Extremism (IORA, 2013). The “Blue Economy” was also agreed to be a key source of inclusive economic growth, job creation and education, based on evidence-based sustainable management of marine resources (IORA, 2017). For Australian diplomats and aid sector practitioners, moreover, there may even be economies of scale in pre-existing Pacific Island aid expertise in a small Indian Ocean island context (see Hughes, 2010).

The broader region is home to a large share of the world’s youth, and later development provides the chance of what Gerschenkron (1962) called the ‘advantages of backwardness”, here the possibility of a more sustainable model of development, as in the international lead taken by Rwanda, Kenya and Tanzania in banning single-use plastic bags (see Johnston, 2019). While Indonesia and India are the demographic giants of the Indian Ocean region, Australia, the Seychelles, Singapore and United Arab Emirates are the only high per capita income group members. But the sub-regional importance to continental Africa of members South Africa, Kenya and Tanzania should not be disregarded (Figure 2).

First, not only is South Africa one of Africa’s most important
economies, it is vying with Kenya to take a future African seat on the UN Security Council (Pambazuka, 2005). South Africa is also a member of the BRICS group, giving it an inter-governmental platform for dialogue and selected policy coordination with four major emerging market economies: Brazil, Russia, India and China. Kenya is not only an important node in China’s global Belt and Road Initiative, it is home to the headquarters of the UN Environment Programme and the UN Human Settlement Programme, UN Habitat, the only UN agencies head-quartered in Africa. Tanzania is the only African country that is a member of both the Southern African Development Community (SADC) and COMESA. In 1975 Australian prime minister Gough Whitlam noted at a press conference in India that “Never again are we going to put in the position of finding ourselves siding [in the U.N.] with Britain, France, Portugal, South Africa and the U.S. while all our neighbours are on the other side.” Instead, Australia would consult smaller powers in the Asian-Pacific-Indian Ocean areas, including India, Indonesia, Japan, Canada and Tanzania.” (Goldworthy, 1973) Indeed Australia has matured consultative relationships since with all the countries Whitlam noted – except Tanzania.

Coming decades may complete that aspiration of enabling Australia to straddle its unique circumstances of geography and political economy. Australia’s geographical circumstances could give it “a special stake in the development of a global order that can accommodate the demands of the Third World for justice and change. Mr Whitlam’s attempts to remove the racist taint and to demonstrate support for Third World aspirations in the U.N. are an essential part of the working out of this special relationship” (Bull, cited in Goldworthy, 1973: 60). Indeed, modern China itself tells the story - in 1971 it was China’s political economy ties with Tanzania that enabled the People’s Republic of China (Beijing) to replace the Republic of China (Taipei) in representing “China” at the United Nations (see Brautigam, 2011).

Second, in a growth and development context, Kenya, Mozambique and Tanzania (all members of the Commonwealth) are important coastal hubs for neighbouring landlocked countries, including Zambia and Congo DRC, which, like Western Australia, are important sources of renewable-energy related minerals. East Africa’s coastal economies are already playing an important role in the future of African development (IMF, 2019b) as conduits for trade, and possibly value-adding, in those minerals. More generally, the long-run importance of the economic geography of coastal countries and their potential to upgrade structurally may help to unlock long-run regional development (see The Growth
Report, 2018). Indeed, this also helps to explain China’s own East Africa focus re the Belt and Road and Africa (see Johnston 2016b; and Johnston, Morgan and Wang, 2015).

Third is the demographic imperative. In 1950, the population of Europe was 550mn, more than double the then population of Africa, of 229mn. One hundred years forward from then, by the mid 21st century, it is projected that Europe’s population will have increased to just 716mn, while Africa’s will have grown some 1000%, to 2.5bn persons (United Nations, 2017). These projections may be exaggerated as a result of over-estimation of the total fertility rate in Africa especially over coming decades. Regardless of any probable error margin however, a fundamental re-distribution of the demographic map is likely over coming decades, in favour of Africa. Moreover, Australia itself is home to a growing community of residents of African origin (see Hugo, 2009; O’Donoghue, Downey, Gyros, Sizer, Eaton, Nelson and McGorry (2019)), a community that is also likely to become more prominent and important over the century.

It cannot be certain that the global economic map will follow demographic trends and the factors of political economy noted above, such as China’s BRI push into East Africa and beyond. Should African economies fail to grow sustainably, however, it is also possible that as today’s youthful populations mature toward more migration-friendly population structures elevated risks of instability within Africa and nearby regions will emerge. Australia might not be directly impacted, but any such developments would nonetheless complicate broader geopolitics and economic opportunities. Australia would likely also be asked to play a role in helping to resolve any humanitarian challenges.

East African countries, Kenya in particular, are already important to regional stability and security, including as hosts to some of the world’s largest refugee communities. The Sub- region’s larger economies, South Africa especially, already manage what is more commonly considered a rich country problem: the challenge of identifying an optimal and humane approach to managing a flow of unofficial arrivals in search of a better quality of life. There may be valuable opportunities to share lessons across IORA member countries as youth-filled populations grow in size and mature. Dar es Salaam, Tanzania’s largest city and currently Africa’s fifth most populous city, is projected to growth from six million people today to 13.4 million by 2035, thanks to net population growth, rural-urban migration, and intra-regional migration (National Geographic, 2019). In other words, something of an East African “Shanghai” is in the making.
Discussion, Policy Suggestions and Conclusion

This paper has made the case that Australia can find something bigger than just an “Asian Century”. It has not argued that Africa’s importance to Australia’s future is greater than Asia’s, but that it is complementary. It has noted that the implications of the Asian Century may be so broad as to help induce a new scale of globalisation that enables African (and also south Asian) development, within which East Africa is a frontier. This perspective was formed in the context of changes in the world economy. China’s new role in the world economy is fundamental to the story, both indirectly as it exits an old role as the world’s factory, and directly as it becomes a leading investor in the African region, East Africa in particular, under the Belt and Road Initiative. In general, growth prospects for Indian Ocean Rim coastal African countries are especially favourable. Such countries are important to broader sub-regional growth via their role as conduits for trade and connectivity. It is understood, however, that even these African economies are yet to reach any level of sustained international industrial comparative advantage (Gigineishvili, Mauro and Wang, 2014). The net impact of COVID19 on those prospects also is difficult to predict over the medium to long-term.

For Australia, African economies and political economy are of secondary importance. The economic growth story of Africa is also not given, but it is an important story to many of Australia’s important geopolitical allies nonetheless, whatever shape it takes over coming decades. A failure to attend to these targeted bilateral, sub-regional and continental relationships, directly or indirectly, may adversely affect the resources of middle-power economic and geopolitical diplomacy. Advancing ties, even with small island states, can support Indian Ocean diplomacy at large, and can underpin Australia’s big-power diplomacy in a multipolar world. Small economies can also play an unusually big role in a broader growth story – as may be the case of Mauritius as a financial and legal services hub for Africa, East Africa especially, that supports the internationalisation of China’s currency, the Renminbi, in the region.

As an IORA member, meantime, Australia stands as a successful example of a high per capita income resources and services-intensive economy, as the Western Australian-COMESA Memorandum of Understanding directly observes. In that capacity Australia, as an investor, trading nation, aid and education services provider, has an unusual chance to contribute to the development and prosperity of sub-regional African economies – importantly while concurrently also contributing to the long-run security and prosperity of European and Middle Eastern
allies in particular. As the only OECD country in the Indian Ocean and in a sub-region of increasing global importance, Australia can capture the chance to get small island nation state relationships right from the start, and also to foster ties with important East African economies that themselves are regional leaders.

To that end, and as raised in Peking University panel discussions of 2013 (Johnston, 2013), a cadre of young and professional Australians should increasingly not only be comfortable passing through New York, Beijing, London and Tokyo, or even New Delhi, but also cities such as Dar es Salaam, Tanzania, Mombasa, Kenya, and Port Louis, Mauritius. Moreover, just as Australian business has benefited from years of membership of the Asia Pacific Economic Community (APEC), emerging trade and investment forums between IORA members may also gradually unfold to present a parallel set of opportunities over the course of the 21st century.

Policy Suggestions

Those opportunities will not, however, flow automatically, and they are not cost-less or risk-free. Beyond the trends and logic presented above, opportunities need to be strategically studied and nurtured, as were the steps of Asia-related opportunities some three decades ago. Alongside nascent dialogue platforms for government and business communities via IORA and the Commonwealth, the New Colombo Plan might usefully be extended to include not just East and South Asia and the Pacific, but also particular East African nations. In this way, alongside the importance of offering support to a cadre of Australian professionals to be exposed to the languages and customs of Asia, a niche cadre of Australians may also choose to learn Kiswahili, a national language in several IORA member countries. Zanzibar is home to well-established international student opportunities for such a purpose. Student exchange study of commerce or horticulture at one of the sub-region’s more prominent universities and colleges may also be a valuable investment in future Australia-Africa relations.

Mauritius and the Seychelles are high-income economies, and Kenya a world leader in e-commerce. Establishing links between Australia and selective business and commercial law schools in the region may set useful foundations for greater regional connectivity and financial governance initiatives. Importantly also, standards arising therefrom may help to shape global norms across this century; the recent adoption of Chinese railway gauge standards has already had this impact in rail (see Chen, 2018). A relatively small additional person-to-person investment today
may offset greater adjustment cost in future. IORA member countries agreed in 2018 to create a “Be the Legacy” Nelson Mandela internship that would seek to empower the region’s young people under the age of 30 with work experience in their chosen fields of study (Business Standard, 2018). The program is to begin in 2021. It offers a ready-made means of expanding ties between young Australians professionals and those of the rest of the Indian Ocean region; it is something of a new era of ‘baobab diplomacy’ – the tree, originally from Africa, now found also in India and Western Australia. The baobab, moreover, is one of the few trees in Africa preserved as repositories for the ancestors and hence has spiritual power over the community’s welfare (Watson, 2014: 23).

Conclusion

This article has argued for deeper Australia-Africa ties in the context of global economic and demographic change, recognising that Australia has advanced ties across much of Asia but has neglected Africa. Tanzania is the only country on former prime minister Whitlam’s 1973 list of countries that were explicitly mentioned as countries Australia should advance its relations with – but has not managed to achieve, at least not yet. A focus on East Africa is suggested because it offers three-way over-lapping geopolitical benefits – in IORA, in Indian Ocean and in Commonwealth diplomacy - and because these countries are an important frontier of Africa’s growth prospects overall. They are a focus of investment for Australia’s own major economic partner, China. Whilst such ties are likely to be marginal in intensity and economic return relative to those with more proximate and demographically weightier Asia, this does not mean that they are strategically less important to the prosperity of in the 21st century. Beijing itself showed this in 1971 when Tanzania spear-headed its push to reclaim its United Nations seat from Taipei. With Australia itself now caught increasingly in tensions between major trade partner China and major security ally the United States, greater investment in middle power diplomacy is likely to prove valuable over coming decades.

In a complex, multi-polar world, and given expected relative economic and demographic shifts, establishing ties with relatively proximate, mostly English-speaking Commonwealth countries, in East Africa, might help to balance Australia’s own Asian regional political economy complexities. In addition, these directly also offer additional future economic opportunities, alongside the possibility of important strategic geopolitical partnerships. Less directly, the approach offers a strategic entry for Australia to collaborate with Europe and Middle
Eastern nations in support of their prosperity and security, especially with respect to borders. Pragmatic and carefully targeted ‘baobab’ diplomacy today is likely to increasingly open up new routes to sustainable prosperity and strategic geopolitical and economic collaboration across the ocean tomorrow.

References


