



AFRICA, THE NEW SOUTH AND GLOBAL GOVERNANCE: Challenges and Opportunities



HUNG TRAN



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TABLE OF CONTENTS

About the Policy Center for the New South.....	4
Preface.....	5
Introduction.....	7
Part 1. Global South and Global Governance	10
• Chapter 1: How Can the Global South Navigate Geopolitical Rivalry and Geoeconomic Fragmentation	11
• Chapter 2: Institutions for Policy Coordination in the Global South	19
• Chapter 3: The Geopolitics of Energy Transition: Opportunities for the Global South.....	27
Part 2. Agency, Opportunities & Role for Africa in Global Dynamics	36
• Chapter 4: Africa: the Center of the Global South.....	37
• Chapter 5: How the African Union can amplify its influence in the G20.....	47
• Chapter 6: Modernizing Agriculture should be the growth model of Africa.....	55

THE POLICY CENTER FOR THE NEW SOUTH: A PUBLIC GOOD TO STRENGTHEN POLICIES

The Policy Center for the New South (PCNS) is a Moroccan think tank aiming to contribute to the improvement of economic and social public policies that challenge Morocco and the rest of Africa as integral parts of the global South.

The PCNS pleads for an open, accountable, and enterprising "new South" that defines its own narratives and mental maps around the Mediterranean and South Atlantic basins, as part of a forward-looking relationship with the rest of the world. Through its analytical endeavours, the think tank aims to support the development of public policies in Africa and to give the floor to experts from the South. This stance is focused on dialogue and partnership and aims to cultivate African expertise and excellence needed for the accurate analysis of African and global challenges and the suggestion of appropriate solutions.

As such, the PCNS brings together researchers, publishes their work and capitalizes on a network of renowned partners, representative of different regions of the world. The PCNS hosts a series of gatherings of different formats and scales throughout the year, the most important being the annual international conferences the "Atlantic Dialogues", the "African Peace and Security Annual Conference" (APSACO), and the "Africa Economic Symposium" (AES).

Finally, the think tank is developing a community of young leaders through the Atlantic Dialogues Emerging Leaders program (ADEL) a space for cooperation and networking between a new generation of decision-makers from the government, business, and civil society sectors. Through this initiative, which already counts more than 420 members, the Policy Center for the New South contributes to intergenerational dialogue and the emergence of tomorrow's leaders.

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PREFACE

The Policy Center for the New South (PCNS) has for over a decade advocated for the pooling of expertise, perspectives and resources to benefit developing nations, in Africa, around the South Atlantic and across the South. The need to take inspiration from one another and share analysis and good practices with each other is as pressing as it has ever been, as countries of the South strive to accumulate knowledge, capture value added and move up the value chain. Our center has notably given particular attention to the complex endeavor of designing public policies adapted to the contexts where they are to be deployed. This includes engaging in the demanding endeavor of following through the implementation of policies through a rigorous process of evaluation and feedback. As the global economy and world order morph, this process should be conducted with increased energy and carried out with further evidence- and science-based cooperation at its core.

Our Senior Fellow Hung Tran has masterfully contributed to the ambition that has driven our Center for over a decade. He has deftly mobilized his own decades-long expertise, accumulated within the development community and other international bodies, to deliver a series of six concise and incisive policy briefs, which were published throughout 2024, and are regrouped in this book.

Hung Tran has captured the need to recalibrate the ways nations engage with each other, emphasizing how de facto, nations already use different methods and techniques to channel and reach their ambitions. In particular, he has underscored the need for Africa and the New South to astutely invest in existing formats to amplify their voices in revamped global bodies and mechanisms, such as the G20, where the African Union was admitted as a permanent member following the 2023 New Delhi Summit of the grouping. Hung has also explored how other long-standing coalitions and formats (such as the G77 and the Non-Aligned Movement) could be used for better coordination on major items figuring high on the global agenda, including growth, food security, peace, the reform of the international financial architecture, and trade.

In particular, the energy transition offers possible avenues for growth in developing nations, as the global economy appears committed to a process of greening. The green industrial revolution can notably help countries in Africa and the New South become energy powerhouses with revenue generated from across the value chain, from mining to the generation of clean electricity for exports and to serve steadily increasing domestic consumption needs.

As this book goes to press, the world in general and the New South in particular are grappling with challenges which may very well be unprecedented in their scale, scope, size and speed. Adaptable, innovative and open cooperation mechanisms will be needed to build linkages, explore synergies and strengthen ties across a range of policy challenges. This book offers an informed overview of the stakes that nations of Africa and GS will need to navigate as the world navigates the quadruple climate-demographic-geopolitical-technological transition.

INTRODUCTION

The Global South (GS), with Africa at its core, is a battleground for major powers to compete for influence and support in their geopolitical conflict. But the Global South also comprises countries with agency in the debate about reforming the post-war international political, economic, and financial system, which is seen as having failed to meet the development needs of many developing countries.

The return of U.S. President Donald Trump for a second term has raised fears of heightened uncertainty and tension in the already strained international political and economic environment. Trump's unilateral and transactional approach to promoting his 'America First' vision, his preference for deploying tariffs widely for many different reasons, his disdain for traditional alliances and partnerships not seen as yielding immediate and tangible benefits to the U.S., and the Republican antagonism towards the People's Republic of China (PRC) all threaten to escalate the strategic conflict with China and create disarray in the Western alliance that has underpinned the post-war global order. In other words, these likely developments under Trump 2.0 would accelerate the unraveling of the liberal rule-based, open-trade order, moving the world towards bilateral dealings on a *quid-pro-quo*, managed-trade basis, favoring the strong to the disadvantage of the weak.

In particular, the currently simmering trade war is likely to be intensified and become more disruptive. Trump has promised to impose a 10% tariff on all goods sent to the U.S., and 60% on goods from China. Other countries have indicated that they would retaliate against U.S. tariffs. He has also threatened a 25% tariff on all goods from Canada and Mexico, not because of any trade grievances but because of the flow of illegal immigrants from those countries to the U.S. An 10% additional tariff could be levied on China because of the flow of fentanyl to the U.S. Specifically, Jamieson Greer, Trump's nominee as U.S. Trade Representative, has advocated a strategic decoupling with China, not just de-risking, including revocation of China's permanent normal trade relations with the U.S. Trump has also threatened to impose a [100% tariff on BRICS countries](#) that are working to develop alternative payment mechanisms to sidestep the U.S. dollar. Importantly, the Trump administration's unilateral use of tariffs for non-trade issues will make trade war the main focus of international disputes.

The new situation of every economy for itself means that only big economic and trading blocs, such as the U.S., the European Union, and China can play this game. Most others, especially in the Global South, will be at a disadvantage, having fewer means to protect their interests—especially if they cannot rely on the rule-based World Trade Organization (WTO) for arbitration and appeal (the WTO's appellate body has been paralyzed in recent years). Already, developing countries, especially low-income countries, have suffered from the geopolitically driven economic fragmentation, heightening uncertainty, and slowing the growth of trade, foreign direct investment, and the global economy.

Beyond possible economic damage, developing countries face the risk of getting caught in the crossfire between the major powers in their strategic conflicts, generating headwinds against their development efforts. In particular, with Trump's preference for unilateral threats to drive *quid-pro-quo* negotiations, reflecting an 'if you're not with us, you're against us' mentality, developing countries may find it more difficult to pursue their preferred approach of nonalignment—not siding with any major country against others, in the hope of being able to do business with all. If they act in ways perceived to be against U.S. interests—for example actions seen as helping China evade U.S. sanctions or voting against the U.S. at the United Nations, they risk being 'punished' by the U.S. in some way.

An example of this was seen during the first Trump administration, when the General System of Preferences (GSP) designations of India and Turkey were terminated, on the grounds that India had allegedly restricted US imports, and Turkey had graduated from being a developing country. This happened even though Trump got on well personally with the leaders of those two countries. [South Africa's current benefits](#) under the U.S. Africa Growth Opportunities Act (AGOA) could be at risk of termination since a number of American lawmakers have criticized the country for acting contrary to U.S. interests by taking Israel to the International Court of Justice for alleged genocide against the Palestinian people in Gaza. In other words, not taking sides may not be easy, and will no longer be the cost-free and economically beneficial strategy that many developing countries have practiced until now.

Also of concern is Trump's denial of climate change, leading to his likely reversal of many of Biden's climate policies, including by again taking the U.S. out of the 2015 Paris Agreement, weakening environmental protection at home, and disengaging from international cooperative climate efforts. Without the U.S., the rest of the world would find it more difficult to move forward to the net-zero emissions target, in particular in mobilizing international climate finance, especially to help developing countries in their climate transitions. Furthermore, the level of discord in international forums such as the Conferences of the Parties (COP) to the UN Framework Convention on Climate Change would be heightened—as was already apparent at the 2024 COP29 in Baku, Azerbaijan. This would hurt developing countries, many of which have suffered serious economic damage from increasing incidents of extreme weather.

These negative developments for GS countries could in a way serve as incentives for them to improve their cooperation and policy coordination in order to be able to act more decisively internationally, strengthening their position in international debates about global governance reforms, and climate mitigation and transition efforts.

Importantly, opportunities exist for GS countries in the global debate. Major powers have been currying their support and competing to secure access to the critical minerals of which many GS countries have abundant reserves. Importantly, GS countries have begun to develop more effective coordination mechanisms, such as a strengthened G77+China and the BRICS+, which appears to attract many GS countries wanting to join.

In this context, it has become important to deepen our understanding of the potential strengths and weaknesses of the GS, and what developing countries can do to maximize their impact in international forums. This collection of essays—published as PCNS Policy Briefs—aims to contribute to this endeavor.

The book is organized as follows.

Chapter I: How can the Global South navigate geopolitical rivalry and geoeconomic fragmentation? This chapter offers a definition of the GS and sets out its relevance. It then discusses recent and emerging approaches—such as nonalignment and multi-alignment—that GS countries can employ to deal with the international challenges.

Chapter II: Institutions for policy coordination in the Global South: points out that to command attention from the advanced countries, the GS needs to be able to speak with one voice. This can be facilitated through more cooperation among GS countries, especially in strengthening the institutions for policy coordination such as the non-alignment movement (NAM), the G77+China, and the BRICS+.

Chapter III: The geopolitics of energy transition: opportunities for the Global South. This chapter looks at the strategic competition between major powers to secure access to critical minerals in the transition to clean and renewable energy sources and products, the divergence in their policies and regulatory environments leading to complexity and conflicts in trade activities, and discord in the international forums in which climate efforts are discussed, especially the mobilization of climate finance. This has created incentives and opportunities for GS countries to strengthen domestic governance and improve regional cooperation to secure better development benefits in dealing with developed countries.

Chapter IV: Africa: the center of the Global South. This chapter examines Africa as the embodiment of the potential, frustrations, and prospects of progress of the GS countries in general, in their development initiatives and efforts to improve cooperation and coordination with fellow GS countries, in order to gain standing and influence in dealing with major powers in the context of geopolitical rivalry.

Chapter V: How the African Union can amplify its influence in the G20. This chapter discusses the organizational structure and other impediments to making the African Union more effective in representing the continent at international gatherings—especially now that the African Union has become an official member of the G20. Beyond improving mutual trust and cooperation, African countries should strengthen and empower the African Union Commission to become the executive body for the African Union—not just its secretariat supporting African leaders—similarly to the role of the European Commission in the European Union.

Chapter VI: Modernizing agriculture should be the growth model of Africa: looks at the growth models used by other countries in their development—such as China's manufacturing for export, and India's IT services exports. Given the competitive advantages those countries have as major incumbents in manufacturing and services exports, and responding to the urgent needs of Africa to address its hunger and food insecurity problems, modernizing agriculture while develop downstream processing of mineral resources and the digital economy should be the preferred model to develop Africa—especially in the context of accelerating the implementation of the African Continental Free Trade Agreement, which would be transformative for Africa's economy.

The proposed actions and metrics of achievement mentioned in this collection can be monitored to gauge the progress of the GS and Africa in particular in their efforts to develop, and the GS collectively in navigating intense geopolitical rivalry and costly geoeconomic fragmentation. Sufficient progress in these endeavors will ensure GS countries a place at the table, rather than just being on the menu.

Hung Tran
Seoul
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ABOUT THE AUTHOR



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Hung Tran is a Senior Fellow at the Policy Center for the New South and a Nonresident Senior Fellow at the Atlantic Council's Geoeconomics Center. His research interests include geopolitics and geoeconomics, in particular the US-China strategic rivalry and how the Global South can navigate that conflict. From 2007 to 2019, he was with the Institute of International Finance, rising to be its Executive Managing Director. In 2011-12, he helped coordinate the international private Greek government bond holders in negotiating with Greece, the Eurogroup, the European Central Bank and the International Monetary Fund for a €206 billion Greek sovereign debt restructuring, the largest debt restructuring in history.

In 2001-07, he served as the Deputy Director of the Monetary and Capital Markets Department, International Monetary Fund. Among other duties, he chaired the Editorial Committee of the Global Financial Stability Report, one of the IMF's flagship publications.

In the previous two decades, he worked as senior economist, chief economist and global head of research of Rabobank International, Deutsche Bank, Merrill Lynch and Salomon Brothers; having been posted in New York, Frankfurt, Singapore and London. Before that, he briefly taught Economics at New York Institute of Technology.

Hung Tran has authored and published numerous articles and books on economics and financial markets, and has been interviewed and quoted extensively in the international media.

All opinions expressed in this publication are those of the author.

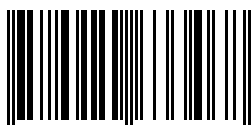


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