

Policy Brief

16

G20

# African Union (AU) Permanent Membership Transforming G20 to G21: Benefits and Challenges



**Authors:** Dr Adeoye O. Akinola, Head of Research and Teaching, Institute for Pan-African Thought and Conversation, University of Johannesburg (UJ).  
Ms. Ratidzo C. Makombe, Researcher, Institute for Pan-African Thought and Conversation, UJ.

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5 Molesey Avenue, Auckland Park 2029, Johannesburg, South Africa

+27 11 559 7230

<http://ipatc.joburg>

# 1 Introduction

The end of World War II marked a pivotal moment for the establishment of many of the current international institutions of global governance, such as the World Bank and the United Nations. (UN). African states were excluded from membership as they were under colonisation. However, as African States attained political independence in the 1960s, they became members of many of these international institutions. While they were 'accommodated' in the UN and within the Bretton Wood institutions, they were denied memberships of key intergovernmental institutions, such as the Group of 20 (G20) and Group of Seven (G7). As the stature of Africa increased in recent years, which coincided with the Russia-Ukraine war and global reconfigurations, it became strategic to grant more space for Africa in the global governance system. Thus, on 23 September 2023, at the 18th G20 Summit in India, Indian Prime Minister Narendra Modi announced the inclusion of the African Union (AU) as a member of the G20, making it the second continental institution to become a member after the European Union (EU). The UN interpreted this move as a reflection of Africa's growing influence and strategic importance on the global stage.



**AFRICAN UNION LOGO AT THE ENTRANCE OF THE MAIN PLENARY HALL AT THE AFRICAN UNION HEADQUARTERS IN ADDIS ABABA, ETHIOPIA.**

Source: IPATC

After the Asian crisis in 1999, the world's largest economies and strategically important countries established the G20 bloc of 19 countries and the EU to shape and foster international economic and financial stability. Before the AU joined the G20, members of the organisation accounted for more than 85 per cent of global gross domestic product (GDP), around 75 per cent of global trade, and about 70 per cent of the world's population. Thus, economic and financial decisions made by the G20 impact the global environment, including non-G20 member countries. Evidently, during the 2008 global financial crisis, the G20 bloc allocated an estimated \$4 trillion to revive their economies, removing trade barriers and implementing

financial reforms that were viewed to have "rescued a global economy financial system in free fall".<sup>[1]</sup> Beyond the G20 focusing mainly on economic and financial matters, they have also been involved in critical issues of mutual interest, such as the Iranian nuclear plant during its 2009 summit, and the administration of a partial cease-fire in Syria during its 2017 summit., and recently, food security, climate change and health.

In recent years, the G20 summits have struggled to reach a unanimous consensus considering the mix of high and low-income economics of member states. Thus, enrolment in the AU has been bittersweet, considering that Africa faces several socio-economic, political, and security challenges like terrorism,

[1] Information is available at: <https://www.pbs.org/newshour/world/what-is-the-g20-whos-in-it-and-what-happens-at-its-summits>

military coups, climate-induced conflict, and high levels of poverty. While South Africa has been a member of the G20, the inclusion of the AU has been met with both celebration and pessimism – both in Africa and beyond. Thus, questions are being raised on AU’s inclusion at a time when the BRICS+ bloc is becoming increasingly significant and popular in Africa, and when the hosts of the annual summits have been countries in the Global South – Indonesia in 2022 and India in 2023, while Brazil will host it in 2024 and South Africa in 2025.

In a bid to understand and analyse the nuances of the AU’s new role as a member of the G20 and to promote dialogue between policymakers, diplomats, scholars, civil society actors and members of the informed general public, the African Union Studies Unit at the Institute for Pan-African Thought and Conversation (IPATC), Pan-African Strategic and Policy Research Group (PANAFSTRAG), Institute for Peace and Security Studies (IPSS), Institute for Global Dialogue (IGD), and Institute of African Studies, held a one-day virtual policy roundtable discussion titled, “African Union (AU) Permanent Membership Transforming G20 to G21: Benefits and Challenges” on 16 November 2023.[2]

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## 2 African State of Affairs

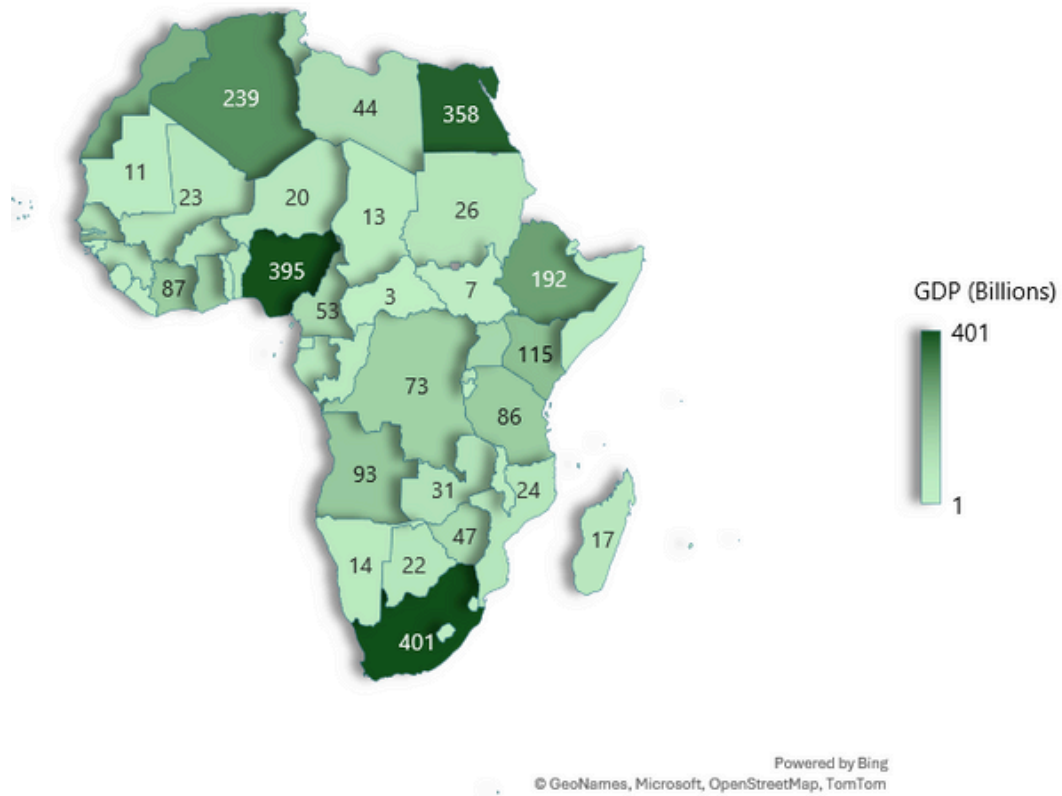
The 55 member-AU, represents Africa in the G20. The continent boasts a youthful population of 1.3 billion people, projected to double by 2050, constituting a quarter of the world’s population. According to the World Bank Group, Africa has the largest free trade area by population, with a combined GDP of \$3.4 trillion under the African Continental Free Trade Area (AfCFTA) as of 2020. Consequently, the AU has been campaigning for full membership in the G20 for approximately seven years. Historically, Africa has often been marginalised in global decision-making, even on matters directly affecting African countries. The AU’s newfound membership in the G20 will allow Africa to directly address the pressing concerns of these 55 states at the global level, offering solutions to issues such as economic and debt crises, political instability and insecurity, and climate change.

Economically, African countries are diverse in their growth rates and productivity levels, with a combined GDP of \$3.1 trillion. South Africa, a member of the G20 since its inception, has the highest GDP, totalling \$401 billion, followed by Nigeria and Egypt as of 2024, as illustrated in Figure 1. On the other hand, 16 African countries have GDPs below \$10 billion, including South Sudan, The Gambia, and Comoros. Overall. The continent ranks near the bottom when competing in the global economy and African countries’

[2] The 3- panel meeting, includes a keynote session that was delivered by the South African Minister of the Department of International Relations and Cooperation H.E. Naledi Pandor (represented by Mr Zaheer Laheer: Acting Deputy Director-General: Global Governance and Continental Agenda at DIRCO); while Dr Hesphina Rukato: Former Deputy CEO at the New Partnership for African Development (NEPAD) Secretariat; and Professor Efem Ubi: Acting Director of Research and Studies, Nigerian Institute of International Affairs, Nigeria, acted as discussants. Dr Adeoye O. Akinola: Head of Research and Teaching at IPATC, was the Programme Director.

economies perform below optimum due to several factors, including market restraints and unfavourable regulatory regimes, as well as political instability and violent conflicts.

Figure 1: Africa’s Gross Domestic Product (GDP) in Billions as of 2024



Source: Authors Compilation from IMF 2024 [3]

Beyond variations in productivity levels among African countries, their comparative advantage in the global market lies in the abundant deposit of mineral wealth across the continent. According to a 2023 UN report on Africa’s economic development, Africa holds 60 per cent of global renewable energy assets and over 30 per cent of the minerals crucial for renewable and low-carbon technologies. Apart from its oil deposit, the Democratic Republic of Congo possesses nearly half of the world’s cobalt, a vital component in lithium-ion batteries. Nigeria presently holds the world’s tenth-largest reserves of crude oil and ranks thirteenth globally in terms of crude oil production. Concerning agricultural resources, Côte d’Ivoire is highly competitive in palm oil export, followed by Ghana and Nigeria. Globally, Côte d’Ivoire, Nigeria, and South Africa have comparative advantages in cocoa. Despite its vast resources, Africa grapples with persistent challenges such as poverty, governance issues, and economic underdevelopment. For instance, Mozambique and Malawi had over 70 per cent of their citizens living in extreme poverty, while about 50 per cent of Africans have no access to electricity. About 20.3 million people in Sudan are confronted with acute food shortages, and conflict in the DRC has internally displaced 5.6 million. Among the contributing factors are misgovernance, protracted violent conflicts, Africa’s dependency status, the aggressive exploitation of its resources by multinational corporations (MNCs), limited capacity to negotiate favourable terms with global economic powers, and inefficient utilization of its resources.

[3] IMF. (2024) GDP, Current Prices Billions of U.S. Dollars, <https://www.imf.org/external/datamapper/NGDPD@WEO/ZAF/GHA/KEN/ETH/CIV/RWA/BWA/COG>.

Since its establishment, the AU has faced scrutiny across various platforms regarding its capacity to serve as a formidable African agency on the global stage. Although the continental body is not a supranational body like the European Union (EU), there are concerns over its declining influence on its member states, evidenced by unconstitutional tenure elongations and regime consolidations, misgovernance and disregard for AU's protocols, as well as the invitation of mercenaries by some governments such as Mozambique and Mali. Furthermore, its peace and security architecture has failed to ensure the protection of lives and property, while violent conflicts keep rising amidst its 'Silencing the Guns' initiative. Its Agenda 2063 – blueprint for socio-economic transformation of the continent – has struggled to make significant impacts on the continent, a decade since its inception.

### 3 Prospects for the Africa Union membership in the G20

Africa's membership in the G20 has created a platform for the AU to redress the mirage of challenges confronting Africa and be a formidable voice for the marginalised African countries. The urgent need to bridge the widening global inequality gap continues to reinforce the discourse around the negative effects of slavery, imperialism and colonialism. Thus, while the AU is 'reluctant' to commit to reparations from the Global North, its membership of G20 provides the platform to demand significant commitment from members on actualising common African agendas like the democratisation and reform of the global institutions of governance. Furthermore, G20 countries have weaponised official development assistance (ODA) and

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imposed economic templates and financial measures, such as the Structural Adjustment Programs (SAPs), on African countries, which have led to a debt trap and further deepened their dependency and aggravated the impoverishment of the citizens.

In 2015, countries adopted the Paris Agreement to reduce carbon dioxide emissions and other greenhouse gases (GHGs), intending to keep global warming below 2 °C. Africa is responsible for less than 10 per cent of global greenhouse gas emissions, but it is the continent that is least able to cope with the negative impacts of climate change. While the perpetrators of global warming have 'refused' to be held accountable, the victims have no voice in climate change discourses. Thus, the AU has the opportunity to drive the conversation about climate change within the G20



**AFRICAN UNION HEADQUARTERS IN ADDIS ABABA, ETHIOPIA.**

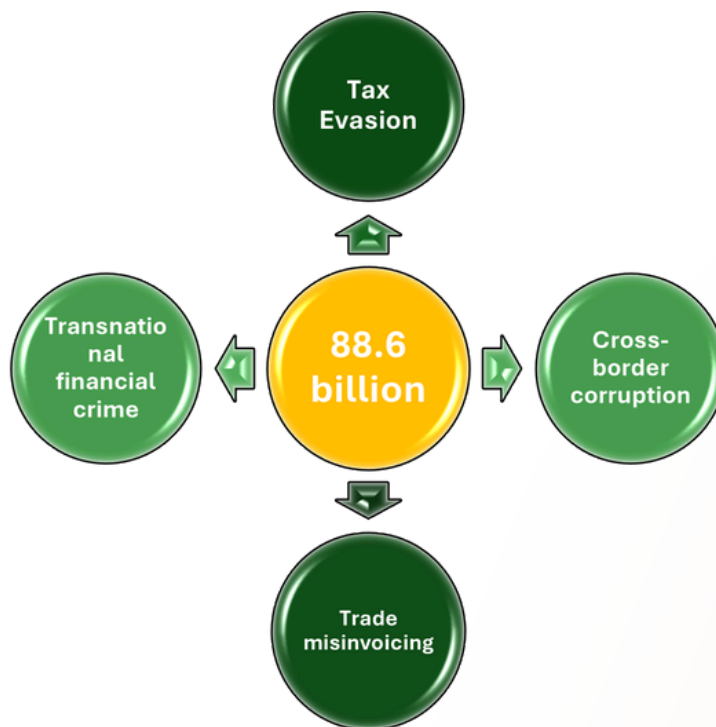
Source: IPATC

platform and has most recently added climate change as a priority of its global development agenda.

In a collaborative effort spearheaded by Brazil, joined by member states like France, Germany, and South Africa, a decision was made to leverage the G20 platform for implementing a global initiative. This initiative entails instituting a tax on the world's wealthiest individuals, requiring them to allocate 2% of their wealth annually. The aim is to generate \$250 billion dedicated to addressing pressing issues such as poverty alleviation, hunger eradication, and climate change mitigation. The AU should partner with member states to support this initiative and also 'encourage' them to honour other climate-financing agreements.

Further to the growing global inequality gap and based on the UN estimates in 2020, African countries have a staggering illicit financial flow estimated at \$88.6 billion, equivalent to 3.7 per cent of Africa's GDP. This diversion of resources poses a significant impediment to economic development, hindering the progress towards the UN's 2030 Agenda on Sustainable Development Goals (SDGs) and the AU's Agenda 2063. Hence, the AU has the opportunity to prioritise developmental issues at the G20 for the prosperity of its members.

**Figure 2: Illicit Financial Flows Estimate from Africa.**



Source: Authors Compilation from United Nations 2021 [4]

Many African countries face challenges related to debt sustainability, exacerbated by the COVID-19 pandemic. As of 2022, Africa's public debt amounted to 65.6 per cent of its GDP. Overall, this has hurt African countries' credit rating, which has been dominated by Western international credit agencies such as Moody and Fitch. Policymakers in Africa believed that the international credit rating system used inaccurate data

[4] United Nations. (2021). Financial Integrity for Sustainable Development. Report of the High-Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda, [chrome-extension://efaidnbmninnibpcapjpcglcfindmkaj/https://uploads-ssl.webflow.com/5e0bd9edab846816e263d633/602e91032a209d0601ed4a2c\\_FACTI\\_Panel\\_Report.pdf](https://uploads-ssl.webflow.com/5e0bd9edab846816e263d633/602e91032a209d0601ed4a2c_FACTI_Panel_Report.pdf).

and downgraded African countries. They also failed to account for risk perception accurately. Presently, 22 African countries lack credit ratings from international rating agencies, hindering their ability to secure vital financial resources. In response, the AU, through the African Peer Review Mechanism (APRM) and the UN Economic Commission for Africa (UNECA), has endorsed the creation of an Africa Credit Rating Agency. This agency, driven by the private sector and founded on principles of self-funding and sustainability, aims to bolster the development of domestic financial markets and ensure sustainability and credibility. The AU can use the G20 platform for the legitimisation of the Agency in Africa's quest for debt servicing and improved access to finances.

Moreover, the G20's Debt Service Suspension Initiative (DSSI) and Common Framework for Debt Treatment provide temporary relief to foster better development. Still, long-term solutions are required to address debt vulnerabilities and promote fiscal sustainability in African economies. The G20 has supported reducing debt vulnerabilities, enhancing global safety nets, improving the Common Framework, and promoting debt transparency and reporting. At the same time, African leaders have indicated their focus on negotiating debt relief, extending repayment periods, tightening debt management, and enhancing global safety nets. AU's membership in the G20 provides more avenues for collaboration on addressing the vulnerabilities of African economies.

## 4 Challenges of Africa in the G20

While there is a temptation to see Africa as a single entity, the AU comprises member states with disparities in their economies and socio-political realities. Moreover, member states of the G8, G20 and G77 have bilateral relationships with all 54 member states of the AU and with this new membership, these countries have been reduced to one bloc. Thus, harmonizing a unified stance among the member states of the AU, spanning from economic powerhouses like Nigeria, South Africa, and Egypt to some of the world's most economically challenged countries, presents a formidable challenge. Many stakeholders have raised questions on how this relationship will ensure the advancements of Africa's development agenda within the G20 without undermining the smaller economies.

Thus, the AU has the responsibility to navigate this complex issue and anchor the AU's position on principles that can accommodate the diverse interests and perspectives within the continental body. Instructively, African countries have unified around shared positions regarding the significant

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challenges that affect all member states. These challenges encompass issues such as climate change, poverty, dependency, deteriorating infrastructure, mismanagement of natural and mineral resources, and security concerns.

The legacies of colonialism in Africa are still evident, as its inclusion in global governance has not yielded significant benefits to mitigate the plight of Africans. During the recent COVID-19 pandemic, Western countries, including Britain, Switzerland, the US, and global institutions of governance prioritised the protection of intellectual properties over the lives of the African child, by arguing that protecting intellectual property rights fosters research and innovation. Suspending the World Trade Organisation's (WTO) Trade-Related Aspects of Intellectual Property (TRIPS) agreement would not lead to an immediate increase in vaccine supply.[5] This reinforces global inequality and insensitivity. Despite the AU's significant representation within the UN, the prominence of African issues remains diminished, often sidelined or overshadowed. The AU's inclusion in the G20 has been met with scepticism by some, who perceive it as disingenuous. This stems from the standpoint that the Global North seeks access to African resources such as lithium, gas and coal, as well as strategic support, especially in light of issues like the Russian-Ukrainian conflict. Therefore, there are compelling doubts regarding whether this membership will yield any tangible benefits for Africa, given the historical asymmetry relations between the Global North and the Global South. Hence, AU's membership can potentially expose Africa to further global manipulation.

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**CORONAVIRUS (COVID 19)**

Source: World Health Organisation (WHO)

Link: [https://cdn.who.int/media/images/default-source/mca/mca-covid-19/coronavirus-2.tmb-1366v.jpg?sfvrsn=4dba955c\\_18%201366w](https://cdn.who.int/media/images/default-source/mca/mca-covid-19/coronavirus-2.tmb-1366v.jpg?sfvrsn=4dba955c_18%201366w)

Africa carries some baggage into the G20, while the capacity of the AU to be an effective G20 member has been questioned. The continent's security is under threat from the waves of military coups in six West African countries, where anti-West sentiments continue to rise. Evidently, the failed promise of democracy in these societies has put democratic governance at risk. This could impede productive AU cooperation within the G20. Additionally, Africa has been facing insecurity challenges ranging from terrorism and insurgencies that stretch from the Great Lakes and Eastern regions to the Horn of Africa and the Sahel. Western allies, such as Niger and Mali, have shifted alliances to Russia and China. Thus, political stability and socioeconomic progress remain challenging, with constant warfare scattered across the Sahel region, and elsewhere. Recent inter-state

[5] Reuters. (2021). Rich, developing nations wrangle over COVID vaccine patents, 10 March, <https://www.reuters.com/article/idUSKBN2B21V8/>.

conflicts, such as the Russia-Ukraine war and tensions between Israel and pro-Palestinian countries like Iran, have emerged as significant threats to global security. Concerns about the potential escalation leading to a third world war loom large. Due to its membership in the G20, the AU may be drawn into issues related to global security, which is not a primary focus of the continental organisation.

The AU has shown its commitment by highlighting its focus and priorities within the G20 during the 37th AU Summit held this year. The AU's six priorities at the G20 for the next three years are to accelerate Agenda 2063, push for reform in international financial institutions, increase agricultural productivity, facilitate a fair energy transition, promote trade and investment for the AfCFTA, and enhance Africa's credit rating to attract investment. The meeting further presents a working agenda for its representation and funding of its activities at the G20.

### G20 Members



Argentina



Australia



Brazil



Canada



China



France



Germany



India



Indonesia



Italy



Japan



Mexico



Republic of Korea



Russia



Saudi Arabia



South Africa



Türkiye



United Kingdom



United States of America



European Union



African Union

## 5 Policy Recommendations

**The following key policy recommendations emerged from the meeting in November 2023:**

1. The AU should demonstrate a strong commitment to the G20 initiative by leveraging its resources and manpower for active engagement in the group. It is imperative to include all the stakeholders including the private sector and civil society organisations for effectiveness.
2. Unlike the EU, the AU Chair and AU Commission do not have the authority to act on behalf of AU member states on most issues covered by a typical G20 agenda. Therefore, the AU must strategically define the scope of engagement and ensure the maximisation of the benefits of its G20 membership.
3. The AU's rotating chairmanship changes annually, which obstructs consistency and institutional memory. Hence, assigning a Sherpa from the home country of the Chairperson of the AU, along with a Sous-Sherpa from the AU Commission, to represent the AU ensures a balanced approach, integrating political legitimacy and institutional and technical experts for enhanced representation.
4. Besides South Africa, which holds a permanent membership in the G20, it is important for selected AU member states to participate in the G20 summits for effective coordination. This becomes important to enhance inclusivity and ensure that Africa presents a unified voice and common agenda during G20 meetings and deliberations.
5. The independence of the African agenda in the G20 is paramount due to its direct implications on members' economies and stability. Therefore, the AU's engagement in the G20 should be financed through a special fund sourced from its member-states and other outlets within the continent, its Diaspora community, and other Pan-African institutions.
6. The AU needs to ensure the mobilisation of adequate finances towards the development of the Global South and emerging markets. The AU should not compromise the actualisation of The Africa That We Want.
7. The AU needs to stand firm on its agenda that fosters the idea of "African solutions for African problems with the guide of Agenda 2063, and the G20 should be an additional instrument (not the sole instrument) to address common challenges, while resisting any strategy to erode the continent's projection towards regional integration, including free and safe migration.
8. The AU must be uncompromising in insisting on the reform and democratisation of global institutions of governance, such as the World Bank, the UN, and WTO, for the protection of the interests of the AU and its member countries.
9. The AU must ensure the establishment, effectiveness, transparency, and legitimisation of the AU's credit rating system. Such an agency should be empowered to deliver on its goals.
10. The AU must take advantage of the current global reconfigurations to advance African interests and amplify its voices in the global system.
11. While the AU may not have the economic muscle and diplomatic clout to advance its interest within the G20 and may seek support from other G20 members, it must establish the distinction between 'support' and 'ownership'. Thus, the AU must insist on taking the lead and ownership of African issues on the G20 platform.



### About our Policy Briefs:

The Institute for Pan-African Thought and Conversation (IPATC) Policy Briefs are a series of reports from the Institute's research-based and policy-oriented seminars on relevant themes intended for policy practitioners and decision-makers in foreign policy, Pan-African issues, security, governance, aid and development. They aim to inform public debate and generate input into the sphere of policymaking. The perspectives expressed are outcomes from strategic engagements and those of the authors and do not necessarily reflect the views of the Institute and the University of Johannesburg.



### About the Authors:

**Dr Adeoye O. Akinola** is the Head of Research and Teaching and the Head of African Union Studies Unit at IPATC. His main areas of research are globalization, African political economy, Africa Union Studies, migration, resource governance, conflict and peace studies.

**Ms. Ratidzo C. Makombe** is a Researcher at IPATC. Her main areas of research are Human Security, including election violence, grassroots conflict, poverty reduction and sustainable development In Africa.



### About the Institute

IPATC was established at the University of Johannesburg (UJ) in 2016 as one of nine flagship centres of excellence to conduct research. It provides a forum for scholars, practitioners, and civil society actors across Africa and its Diaspora to dialogue and contribute to the rigorous production and dissemination of Pan-African knowledge and culture. The Institute seeks to promote original and innovative Pan-African ideas and critical dialogue in pursuit of global excellence in research and teaching, and to contribute actively to building an international profile for UJ on Pan-African issues.

