

DOI: 10.23932/2542-0240-2018-11-5-22-37

# International Economic Strategy of Small African Countries in a Globalizing World<sup>1</sup>

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**ABSTRACT.** *The author has developed new criteria for the inclusion of African countries in the group of small countries. It is noted that the criteria for assignment to small countries in the developed world cannot fully meet the criteria applicable to the African continent. On the basis of a comparison of the population of Africa with some countries of Europe, small states of the African continent are singled out. Emphasize the fact that a single criterion for attributing to small countries has not yet been developed. In the author's opinion, it is incorrect to evaluate African countries using only economic indicators, since economic growth rates do not always coincide with demographic indicators, sociocultural transformations, and ethnic and tribal characteristics in Africa. The main types of foreign economic strategies of small African countries are identified and considered. It is shown that the states of the African continent often use several strategies for the development of their countries. The small countries of the African continent are actively involved in integration processes that fit into the overall concept of African modernization and development. An important role in the processes of modernization in Africa is played by international finan-*

*cial, educational, innovative and technical programs. Often, it is precisely small countries that become a kind of transport hub at the regional level, which contributes to the strengthening of foreign economic relations between the countries of the regions of the African continent, attracts considerable financial, resource, and innovative capital to African countries. The historical and ethno-tribal characteristics of some African states, especially the long and bloody wars, hinder the progressive development of these countries. A vivid example of such tragic events is Rwanda (attributed to the small states by the author of the article), where incessant civil wars have undermined the economic and political stability in the region. In such cases, substantial international assistance will be required with the involvement of Rwanda's neighbouring countries for the implementation of possible major regional programs and investment projects. Since innovative infrastructure projects in African countries are possible only with the involvement of all countries of the region, in this regard, Russia will need new management approaches and interesting projects for the integrated development of the African continent to actively participate in ambitious African projects.*

<sup>1</sup> This article has been prepared with the help of the fellowship Russian Science Foundation №17-78-20216 at Primakov National Research Institute of World Economy and International Relations, Russian Academy of Sciences

**KEY WORDS:** *Africa, small country, foreign economic strategy, country typology, regional integration, official development assistance*

### Definition of the term “small country”

The concept of a “small country” has different interpretations and features of use. The clearest and most widespread is the use of the term “small country” in a large regional, geopolitical and economic space. In domestic scholarship, the concept of a “small country” is covered by conceptual works – in relation to Europe, important aspects of foreign economic and internal political relations between small countries of Western Europe are considered, and the basic principles of defining the concept of a small country [Yudanov 1984] are analyzed.

In Russia, V.V. Volsky is rightly considered to be the author of the classification of foreign countries. For many decades, his proposed concept has been refined, modified, transformed, as its preliminary version of it was created half a century ago [Volsky 1968]. In the current paper, the concept of “small power” is absent, and the term “small states” is used (based on V.I. Lenin’s concept of small privileged nations in Europe).

The latest periodization and classification of countries, performed by scientists in the late 1990s, shares the concepts of “small country”, “small power”, “small” and “smallest country”, which are used, among other things, for African states [Volsky 2009]. The criterion for attribution to one or another category of countries is the economic indicators of states and the degree of their involvement in the world capitalist economy.

Researchers – and, most sadly, the leaders of many international organizations – cannot come to an agreement on what would define a small state in *all* re-

gions of the world. Thus, as early as the end of the 20th century, there were several ideas about the primacy of factors affecting whether a certain state could qualify as a small state. Some scientists have advocated the defining nature of such factors as population and territory of the country, but here there is a problem with determining the exact parameters of the correlation of these figures. Regionalists, dealing with countries of predominantly small size often try to identify common features for all small countries but face the unsolvable problem of definition of the concept “small state” to date. The criteria for ranking countries as small are so numerous that they can be tentatively divided into several groups [Sutton 2011]:

- the political weight of the state: what exactly should the word “small” refer to: a small state, a small island state with a developing economy, a small independent state, an island state with a subnational jurisdiction, a small state with a vulnerable economy?
- the actual size of the state: what are the criteria of the small state, mini-state, and micro-state?
- demographic factor: With the growth of the world’s population throughout many years, the threshold of for many years, as the world population is growing, the minimum threshold to be considered a small state has moved inexorably.

Some researchers considered economic indicators to be a fundamental factor when characterizing a country. In this case, specific economic data relevant to the classification of countries [Yudanov 1984, p. 22–24] has not been identified. There have also been attempts to conduct calculations using cluster analysis to identify small countries simultaneously in terms of their population, territory (or arable land) and GDP [Crowards 2002].

In our view, it is important to take into account numerous factors to identify a small state, such as economic, territorial and demographic, political and military and strategic. However, this analysis can only be applied to a few States, since, for example, even many relatively large developing countries cannot yet demonstrate high economic performance and a certain military-strategic and trade-economic independence from the developed capitalist states. In this regard, we deem it appropriate to use the demographic index to identify small countries on the African continent, since at present the rate of population growth, coupled with high rates of economic growth, is an important indicator of their incremental modernization and progress of the developing countries.

On the African continent, “small countries” should include smaller nations (both by population and by political and economic weight in Africa). According to the World Bank criteria, 14 African countries are small states: Botswana, Djibouti, Equatorial Guinea, Gabon, Gambia, Lesotho, Mauritius, Namibia, Seychelles, Eswatini, Sao Tome and Principe, the Comoros, Guinea-Bissau and Cape Verde. These countries participate in the Forum of Small States and the population of each of them is less than 2.5 million people. However, there is a problem with the very attribution of a country to the category of small states. In Western Europe, small states traditionally include the Netherlands, whose population is about 17 million people (Data from 2015), Belgium (population of more than 11 million people), Sweden, Austria, etc., while, out of European countries, the Forum is usually attended by Cyprus, Estonia, Iceland, Malta, Montenegro, and San Marino, usually referred to as a dwarf-state. Thus, there is incoherence: African countries do not meet the criteria applied to Western Europe. Similar problems in the conceptual definition of the concept of a “small state”

are also characteristic of South Asia, where there exists a regional integration organization – the South Asian Association for Regional Cooperation (SAARC). Many analytical materials contain data, identifying Sri Lanka (with a population of 22 million people) as a small state [De Silva 1999; Gunasekara 2015; Kadira 2015]. Despite having the right to vote in the regional organization, the small states of South Asia are unable to actively defend their foreign and foreign economic policy, as opposed to such heavyweights as India. Many researchers provide summary tables with the basic indicators of development of countries of the region, where the physical size of a state does not determine its real economic status [Kumar 2015]. Nevertheless, such a subjective approach is more vulnerable to criticism, because if one was to identify the country’s “smallness” relative to its importance against the background of its more powerful neighbours [Knudsen 2002], even Bangladesh in South Asia can be attributed to small states when contrasted with India.

In our view, clear indicators should be used to build long-term foreign economic and geopolitical relations with African countries. If we take 12 million people as a threshold (considering that qualifying the Netherlands as a small state in Europe is a very controversial matter), then 26 African countries can qualify as small states, including Tunisia, Rwanda, Benin, Togo, Sierra-Leone, Eritrea, the Congo, Liberia, and others. The increase in the number of such countries is of practical interest to Russia since viewing the category of small states as consisting of predominantly tiny island States or small landlocked countries does not provide realistic opportunities to form meaningful connections with our country.

The historical and economic feature of the African continent is the territorial delimitation of States that did not take into account the ethnolinguistic character-

istics of the development of African societies. It was the formation of independent African states, based on political realities (that is, western colonialism) that led to the destabilization in the region, to incessant internecine wars (when the representatives of one ethnos or tribe got separated by the borders of different states), resource wars, etc.

In this connection, the important role of the so-called small states must be noted, as often these countries would find themselves caught in the crossfire, surrounded by large African countries, constantly waging economic and bloody wars for influence on the continent. The position of these small countries often determines more than just the stability in different regions of Africa: sound policies of their leaders enable a progressive process of modernization and regional integration, which contributes to the development of the entire African continent.

### Foreign economic strategies of small African states

Many of the countries from the group of small states have clearly defined their foreign economic strategy, namely:

comprehensive transport, logistical and technical modernization; they emphasize the special mediating role of these countries in ensuring the availability of various goods to all corners of the African continent. Since small countries require sea access to participate in the world trade, they are interested in sustaining a favorable political and economic climate in the region; they actively cooperate with the major countries of their region, involving the citizens of large countries in logistic work in their country, thereby contributing to labor integration in the region, the creation of joint ventures and projects. Employment is a particularly pressing issue for the African continent, as the eradication of terrorist threats, the control of il-

legal migration flows, and the limitation of arms and drug trafficking are at stake.

As can be seen from Table 1, there are obvious significant imbalances in the basic economic indicators of small African states – the countries with the larger population are not always more financially successful. Much depends on geographical and natural conditions, on the strategy of the state, political stability, investment potential, etc.

The expansion of the range of small states allows for a more detailed examination of economic indicators and in the broad perspective to determine the reasons for the lag or success of these societies.

The issue of designating Libya as a small state is the most acute, since it has always been regarded as a major State in its subregion, pursuing a clear foreign policy and foreign economic strategy that has proposed new ambitious plans for the entire African continent. Perhaps, it is in assigning his country to the number of large (with appropriate political steps), a reassessment of his political weight that there are important reasons for the abrupt radical changes in Libya, which led to fragmentation and political collapse? However, the country's small size does not always interfere with its foreign policy activity (examples are Austria, Belgium, Switzerland).

In our view, several basic types of development of the foreign economic strategy of the small countries of the African continent should be singled out.

#### 1. States that actively participate in the integration processes in their region.

One of the important strategies for carrying out foreign economic policy is the participation in major financial regional associations and organizations. The objectives of such alliances are: the progressive integration of the region to reflect possible military and humanitarian threats, the fight against poverty, the implemen-

tation of infrastructure projects, the facilitation of trade and financial transactions among these countries, as well as the establishment of a common foreign policy and foreign economic space for the implementation of various operations with other states.

The example of the Economic Community of West African States (ECOWAS) is interesting in this regard. The following conclusions can be drawn from the organization's statistical data and an-

nual analysis reports. First, the West African countries are the most populous part of the African continent, and their economies and political life are destabilized by military conflicts. The organization's leaders highlight this issue as their main challenge, but they are trying to take important steps to address the unemployment, one of the fundamental causes for the region's conflicts. Second, ECOWAS does indeed work closely with global economic partners – the United States (technol-

**Table 1.** Main indicators of the small African states

Country	Population, 2016 (mil.)	GDP, current prices and according to PPP, 2016 (USD, bil.)	GDP per capita, current prices and according to PPP, 2016, USD.
Seychelles	0.09	2.6	27 420
Sao Tome and Principe	0.20	0.6	3 191
Cape Verde	0.54	3.5	6 561
Comoros	0.80	1.3	1 582
Djibouti	0.94	3.3	3 550
Equatorial Guinea	1.22	31.7	25 968
Mauritius	1.26	25.9	20 494
Eswatini	1.34	11.1	8 242
Guinea-Bissau	1.82	2.9	1 585
Gabon	1.98	35.9	18 108
Gambia	2.04	3.4	1 681
Lesotho	2.20	7.0	3 165
Botswana	2.25	36.7	16 313
Namibia	2.48	26.0	10 470
Mauritania	4.30	16.4	3 817
CAR	4.59	3.2	693
Liberia	4.61	3.8	815
DRC	5.13	29.8	5 809
Eritrea	6.00	9.2	1 528
Libya	6.29	55.4	8 805
Sierra-Leone	7.40	10.8	1 455
Togo	7.61	11.6	1 531
Burundi	10.52	7.9	746
Benin	10.87	23.6	2 169
Tunisia	11.40	130.6	11 451
Rwanda	11.92	22.8	1 913

Compiled on the basis of the materials of the IMEMO RAS, based on: Machavariani, 2017.

ogy cooperation), China (private-sector agreements, infrastructure projects), India (agro-industrial contracts), the Islamic Bank (preliminary agreements on integration projects), *Cooperation Council for the Arab States of the Gulf* (investment projects), the EU (programs on regional infrastructure and education)<sup>1</sup>, the African Development Bank (assistance in mechanic engineering).

The small West African countries – Togo, the Gambia, Benin – are actively engaged in the integration processes in West Africa. These predominantly agrarian-oriented countries re-export goods to neighbouring countries, which indicates the lack of transport infrastructure in this region. In the near future the capital of the Gambia – Banjul, should become the region's transport hub (for air and sea). The Gambian government is taking important steps to attract investment in infrastructure projects by reducing tariff costs for investors, facilitating administrative and legal procedures, etc.<sup>3</sup> West Africa's cargo flows run through a dozen and a half ports, of which five stand out: Lagos, Dakar, Abidjan and the largest ports of two small countries – Cotonou (Benin) and Lomé (Togo) [UNCTAD 2016]. At the same time, there is serious competition among the ports for the right to become the main transport hub in the region [Dyck, Ismael 2015]. For example, one-quarter of Niger's exports (2017 WTO data) is uranium raw material, which is still exported through Benin's ports, but shorter routes are being planned, which requires building new transport infrastructure<sup>4</sup>.

The ECOWAS leadership also set out clear objectives for creating an area of free trade, progressive industrialization, construction of pharmaceutical enterprises, creation of full-fledged cross-border chains, and creation of value in the machine-building complex in West Africa. A single customs tariff, standardized passports, and a visa-free regime have recently been introduced,<sup>5</sup> and the single currency in the region has long existed (the West African franc). The main obstacle to the implementation of these ambitious plans is the lack of railways between some countries of the region (in particular, with large Nigeria, etc.). West Africa will need a variety of technological solutions and innovative projects to implement its programs, and this is where Russia has an opportunity to demonstrate its technical capabilities and thus become an active partner in the region.

An interesting example of regional cooperation on the African continent is the Economic Community of Central African States (ECOCAS). The countries of the region already use the single currency system, the Central African franc, which has been pegged to the French franc since its inception (1945); at the moment, the currency has a fixed euro ratio (like the West African franc). There are different opinions about the positive and negative impact of this currency on the African countries using the franc [Lecomte 2016]. On the one hand, the franc guarantees certain stability to these countries, facilitates foreign trade operations with each other, and strengthens economic ties with the Eu-

2 2016 Annual Report. ECOWAS Common External Tariff (CET): Achievements, Challenges and Prospects (2016) // ECOWAS // [http://www.ecowas.int/wp-content/uploads/2017/11/Annual-Report-2016\\_English-Fina\\_Final.pdf](http://www.ecowas.int/wp-content/uploads/2017/11/Annual-Report-2016_English-Fina_Final.pdf), accessed 12.10.2018.

3 Trade Policy Review 2011 // Ministry of Trade, Industry, Regional Integration and Employment. Republic of Gambia // <http://www.motie.gov.gm/content/trade-policy-review-2011>, accessed 12.10.2018.

4 Noskov A.U. (2016) Uranoviyе voyny Francii v Chernoy Afrike [Uranian wars of France in the black Africa] *Nezavisimaya Gazeta*. 11 October 2016 // [http://www.ng.ru/ng\\_energiya/2016-10-11/12\\_uran.html](http://www.ng.ru/ng_energiya/2016-10-11/12_uran.html), accessed 12.10.2018.

5 Free Movement of People (n/y) // ECOWAS // <http://www.ecowas.int/life-in-the-community/education-and-youth>, accessed 12.10.2018.

ropean Union, etc. On the other hand, a clear reference to the euro makes the franc a “heavy” currency, which negatively impacts the solvency of the local population, leads to an increase in the prices of basic products and services.

It is no accident that among the countries of the franc zone are the countries that fall within the category of the less developed – Benin, CAR, Comoros, etc.

The Southern African Development Community (SADC) is pursuing a sustained integration policy toward its fifteen member states. At the moment, significant progress has been made in promoting the economic integration of the countries of South Africa. In 2008, a free trade area was formed, and in 2010 – a customs union; an important milestone in the history of the region will be the introduction of a unified monetary system, expected in the near future<sup>6</sup>. Namibia plays a significant role in the integration and modernization processes taking place in South Africa. The Government, with the support of the Southern African Development Community, is implementing ambitious projects to transform Namibia’s main port, Walvis Bay, into the region’s largest transportation artery. The idea is that the transport corridor will provide the shortest sea route from South Africa to Europe, thereby facilitating even greater cooperation and integration with neighbouring countries in the region, as well as allowing for the expansion of the railway – to subsequently transport the cargo from the port to the interior regions of Africa.<sup>7</sup> In many ways, such infrastructure projects fit into Namibia’s overall program of progressive industrialization (titled “Growth at Home”),

taking into account the experience and assistance of other countries, friendly with Namibia: South Africa, India, Brazil, Cuba, China, and South Korea.

An important milestone in the history of the African continent, in the deepening of integration processes in Africa, was the signing in March 2018 of the Agreement on the establishment of the African Continental Free Trade Area. The Treaty provides for the establishment of a single market for goods and services and the free flow of capital and labor on the African continent. The agreement is certainly one of the world’s largest (by population and number of participating countries) economic, political, and modernization projects. The treaty will allow to stimulate the intra-continental trade, attract new investment, promote transport, innovative, social and infrastructure programs. Not all African countries have joined the agreement straight away – South Africa, for example, joined in July 2018 – and new member states are expected soon.

## **2. Countries receiving substantial official development assistance.**

It should be noted that many African States, financed through official development assistance, are the most vulnerable to internal political situations and ethnic and religious conflicts. This is the case in Burundi, Mauritania and Sierra Leone. The situation is often aggravated by the struggle for natural resources, which leads to persisting civil wars – in Sierra Leone, the war was multi-vector and multi-faceted in nature, as the conflict involved both neighbouring countries and representatives of international companies. Wars for the con-

6 Integration Milestones (n/y) // Southern African Development Community // <https://www.sadc.int/about-sadc/integration-milestones/>, accessed 12.10.2018.

7 African Development Bank (n/y) // [http://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/2014-2018-Namibia\\_Country\\_Strategy\\_Paper.pdf](http://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/2014-2018-Namibia_Country_Strategy_Paper.pdf), accessed 12.10.2018.5 Free Movement of People (n/y) // ECOWAS // <http://www.ecowas.int/life-in-the-community/education-and-youth>, дата обращения 12.10.2018.



trol over diamond mines were called “diamond wars”, and the diamonds produced in such brutal conflicts themselves are referred to as “bloody”.

Representatives of development aid recipient countries have been receiving financial and innovation management support, as well as administrative assistance from the international community for years, because, torn by conflict and civil wars, they see no other way out of the situation. Only constant support from international organizations, manifesting in the introduction of new technologies – in agriculture, in combating unemployment, etc. – allows achieving a certain degree of stability not only in specific countries but also in the whole region. In some countries, strategic programs to combat unemployment (especially among young people) have already been launched, which envisage the creation and implementation of large-scale infrastructure projects, as in Benin<sup>8</sup>. Environmental programs emanating from the world community are likewise important for Africa: e.g., the introduction of solar energy, as in Eritrea<sup>9</sup>, or programs on the greening and expansion of the forest and agricultural areas, as in Guinea-Bissau<sup>10</sup>.

The top recipient of official development assistance per capita in 2016 in Africa was Sao Tome and Principe, which received USD 235 per capita from bilateral and mul-

tilateral sources, an average of 11 times the world average, followed by Cape Verde (USD 210) and Djibouti (USD 196)<sup>11</sup>. Despite the relative stability of the political situation, these countries, due to their very small size (in each of these states the population is below 1 million people) and a number of other factors, also have to rely heavily on foreign assistance.

In 2016, nine small countries on the continent received twice as much official development assistance per capita as the African average. The largest of them is Rwanda, which ranked eighth in per capita terms (USD 96)<sup>12</sup>. Rwanda is the largest country (with a population of more than 11 million people) among the small states of Africa. The country's historical development features – such as protracted and bloody civil wars – have caused a significant setback in the process of modernization. International projects and financial aid are aimed at the comprehensive development of the country. At the moment, Rwanda's main development programs are focused on educational and infrastructure policies.

### 3. Countries with *offshore* foreign economic policy.

According to the IMF, Seychelles<sup>13</sup> is the only African country among the offshore economic zones, whereas according to the Ministry of Finance of the Russian Federation, Africa's offshore zones com-

8 Stratégie Nationale de Mise en Œuvre de la Politique Nationale de l'Emploi (2018) // PNUD. Burundi, May 5, 2018 // <http://www.bi.undp.org/content/burundi/fr/home/presscenter/articles/2018/Strategie-nationale-de-la-politique-nationale-d-emploi.html>, accessed 12.10.2018.

9 Bye Bye Kerosene! Residents of Ajerberb Village Welcome Solar Energy Lighting (2017) // PNUD. Eritrea, November 15, 2017 // <http://www.er.undp.org/content/eritrea/en/home/presscenter/articles/2017/11/15/bye-bye-kerosene-residents-of-ajerberb-village-welcome-solar-energy-lighting.html>, accessed 12.10.2018.

10 Le Fond Mondial pour l'Environnement à Travers le PNUD Appuie la Valorisation Culturelle et le Reboisement dans la Région de Biombo (2018) // PNUD. Guinea-Bissau, May 6, 2018 // [http://www.gw.undp.org/content/guinea\\_bissau/fr/home/news-centre/le-pnud-appuie-la-valorisation-culturelle-et-le-reboisement-dans.html](http://www.gw.undp.org/content/guinea_bissau/fr/home/news-centre/le-pnud-appuie-la-valorisation-culturelle-et-le-reboisement-dans.html), accessed 12.10.2018.

11 Net ODA Received per Capita (current USD) (n/y) // World Bank // <https://data.worldbank.org/indicator/DT.ODA.ODAT.PC.ZS>, accessed 12.10.2018.

12 Rwanda. Human Development Indicators (n/y) // United Nations Development Programme // <http://www.hdr.undp.org/en/countries/profiles/RWA>, accessed 12.10.2018.

13 Offshore Financial Centers (OFCs): IMF Staff Assessments (2014) // International Monetary Fund, November, 2014 // <http://www.imf.org/external/NP/ofca/OFCA.aspx>, accessed 12.10.2018.



prise Mauritius, Liberia, Comoros and Seychelles.<sup>14</sup> For one of the world's poorest countries – Liberia – an important revenue item is the use of the country's flag by merchant ships of other states (a so-called convenient or cheap flag). This practice allows foreign courts to receive low tax rates, reduce formal procedures and avoid the bureaucracy, etc. Mauritius, which is not an offshore zone according to the IMF, has some bureaucratic features that hinder a wholesome functioning of its offshore foreign economic policy – it never joined signed Hague Convention Abolishing the Requirement of Legalisation for Foreign Public Documents, which means that to legalize an offshore in this country one would need to send documents to a third country, who has an apostille agreement with Mauritius. This state has no similar agreements with major Western partners (unlike Russia)<sup>15</sup>. Thus, it is possible to speak about the privileged position of Russian business partners in Mauritius (although as of now this island is more popular with Indian companies). Many wealthy Russians in Comoros, an offshore zone, were attracted by the opportunity to obtain second citizenship for investment in the country. However, since 2017, this practice has been suspended. In terms of the full range of tax breaks and openness to the international business community, the banks of Comoros are rather weak, poorly oriented toward international contacts and mainly rely on the domestic market.

The issue of “cheap flags” for Russia is of a strategic nature – the main reason for registering ships in offshore zones is the fact that most Russian vessels are built on

foreign shipyards on the loans from Western banks, which put forward requirements for offshore registration. In Russia, the necessary conditions for the construction of cargo and passenger vessels are no longer there, and the credit policy of Russian banks is only a source of outrage. The policy of attaching Russian vessels to foreign countries with reduced taxation reflects the whole set of problems in our country.

Seychelles is Africa's most popular offshore zone, attractive to businessmen due to its high levels of secrecy, a minuscule tax rate, and a relatively simple bureaucratic system.

#### ***4. Countries based on resource potential in their foreign economic strategy.***

The availability of natural resources certainly has a positive impact on the economic indicators of various countries. In African countries, the mineral-rich land, with no developed political representation in states and a complex ethnic and confessional structure of society, is often colored in red by protracted bloody wars. The struggle for resources becomes the main development strategy of these states.

The African continent is rich in natural resources. The most important are oil and gas deposits, diamonds, coal, gold, phosphorites. However, Africa's major minerals are very unevenly spread across the continent. The problem for African countries is that there is a need for qualified personnel for mining (in rather complex geological and geographical conditions), processing and transportation, which requires specialized education, which is still in its infancy in Africa. This leads to a severe

14 Perechen gosudarstv i territoriy, predostavlyayuschih lgotnyiy rejim nalogooblozheniya i (ili) ne predusmatrivayuschih raskryitiya i predostavleniya informatsii pri provedenii finansovyih operatsiy (ofshornyye zony) [List of states and territories allowing preferential tax treatment and (or) not allowing for the disclosure of information when conducting financial transactions (off-shore zones)] (2013) // Russian Ministry of Finance, accessed 12.10.2018.

15 Off-shore po-Mavrikijjski: esli vy sbezhal ot nalogov, vas vse ravno razdenut [A Mauritian off-shore: if you evade tax, you will still be left with nothing] (1995) // Kommersant. 6 September 1995 // <https://www.kommersant.ru/doc/19214>, accessed 12.10.2018.

shortage of labor, which is why many African countries attract foreign specialists and investment to develop their deposits.

Among Africa's small countries with the most natural-resource-dependent economies are Equatorial Guinea (where the share of industry except manufacturing is more than 94% of GDP), the Republic of Congo (69% of GDP), Gabon (more than 48% of GDP), Mauritania (about 40% of GDP), Botswana (more than 30% of GDP), Guinea (about 25% of GDP), and Sierra Leone (about 21% of GDP)<sup>16</sup>.

Equatorial Guinea, having found vast reserves of oil in the 1990s, has made a significant and sharp leap in the economic dynamics of the African continent, becoming the top-third producer of oil in the Sub-Saharan region (after Nigeria and Angola, followed by Gabon and the Republic of Congo)<sup>17</sup>. But Equatorial Guinea's heavy dependence on energy exports (mainly in the US) weakens and undermines the country's stability, as the state remains tied to global oil prices and is thus vulnerable economically. In recent years, with oil prices plummeting, the state has taken important steps to overcome the economic and political imbalances. With the support of the African Development Bank, the necessary measures have been taken in the areas of construction, infrastructure upgrading, developing the system of education and administration through a program to encourage the education of local people abroad<sup>18</sup>. Having joined OPEC in 2017, Equatorial Guinea relies on large investment projects, mainly from the Gulf countries, which are actively investing in the growing economies of the world<sup>19</sup>.

**5. Countries that see a large neighbouring country or a former metropole as their main partner in their foreign economic policy (and often foreign policy in general).**

These include Tunisia. A country in the grip of the big states of North Africa, which have a very complex relationship among themselves, fighting for influence in this region and Africa as a whole, has chosen to wholly rely on France in its foreign policy and foreign economic strategy.

In South Africa, Eswatini is the most prominent example of seeking support with a strong neighbour. Swaziland's strong dependence on the South African economy is reflected in their economic indicators: 85% of Swaziland's imports come from South Africa, and 60% of that country's exports go to South Africa. Eswatini is actively involved in a major South African electrification project across all South Africa – companies from Mozambique, South Africa, and Eswatini are setting the stage for a successful model of cross-state cooperation, and private-public partnerships.

The geographical features of Lesotho's location have defined the country's close relationship with South Africa, its main economic and strategic partner. This predominantly agrarian country with a small territory needs a reliable partner in the region. South Africa provides employment opportunities for Lesotho nationals in various sectors of the economy, but mainly in mining (according to some unofficial sources, financial transactions from South Africa by Lesotho workers

16 UNCTAD (2015) // UNCTAD Handbook of Statistics 2015 // [http://unctad.org/en/PublicationsLibrary/tdstat40\\_en.pdf](http://unctad.org/en/PublicationsLibrary/tdstat40_en.pdf), accessed 12.10.2018.

17 BP Statistical Review of World Energy. June 2017, p. 14.

18 Equatorial Guinea Economic Outlook (n/y) // African Development Bank // <https://www.afdb.org/en/countries/central-africa/equatorial-guinea/equatorial-guinea-economic-outlook/>, accessed 12.10.2018.

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account for about 30% of the economy's income<sup>20</sup>).

Close economic, geostrategic, transport and logistics links define Djibouti's relationship with its large neighbour Ethiopia. With the ongoing investment megaprojects to upgrade the transportation corridor in the region, Djibouti's economic growth has accelerated recently to 6.5% (2014-2016). The country's program "Vision 2035" provides for substantial international financial assistance (primarily from the World Bank) in the amount of over USD 100 million.<sup>21</sup> The investment package includes various economic, agrarian and technical, educational programs that will allow Djibouti to develop and strengthen regional security. Ensuring a stable economic environment in the region will contribute to the effective functioning of one of the busiest transport arteries in the world – the Bab al-Mandeb Strait – because it is the poor who often become easy prey for terrorist groups, organized crime, and others.

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The aforementioned economic strategic of small African states are rather tentative since some countries identify several models of their policy in their vision at the same time. Clearly, all of Africa's small countries lack skilled labor to develop natural resources, carry out the necessary infrastructure projects, and to formulate investment policies. The education system also needs to be reformed everywhere, because, although the colonial authorities had trained local populations in their time, all the skills that had been developed are obsolete and require revision. Given its geographical location, African countries need large-scale and innovative agro-industrial and environmental programs – to use solar energy, expand and di-

versify agricultural specialization. Throughout Africa, the population is facing a severe shortage of medical equipment, medical personnel, and facilities.

African countries are closely intertwined – both the cultural and historical past (especially colonial), and the specifics of tribal relations between countries (when some peoples and tribes have become separated by the borders of new states), and the role of minerals in the development and modernization of all African countries – all of these factors only strengthen the interdependence and complementarity of each country on the African continent. It is worth noting that this region is important for Russia, but the Russian side should offer Africans not only large national projects (such as the construction of nuclear power plants), but above all large-scale intercountry and regional projects. Major regional projects launched in small African countries will promote integration processes, develop and expand the transport and logistics accessibility across the continent.

To build long-term foreign economic and geopolitical relations in Africa, it is worth viewing the African continent as a single and indivisible whole – given the complex ethnopolitical and ethnic-tribal peculiarity of these African societies. The progressive development of the continent depends on the intensification of both intra-African and international foreign economic ties.

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