

DAMPAK KEBIJAKAN LUAR NEGERI AMERIKA SERIKAT TERHADAP AFRICAN GROWTH AND OPPORTUNITY ACT (AGOA) BAGI PEMBANGUNAN DI AFRIKA SELATAN

THE IMPACT OF THE UNITED STATES FOREIGN POLICY ON AFRICAN GROWTH AND OPPORTUNITY ACT (AGOA) TO THE DEVELOPMENT IN SOUTH AFRICA

Mahsa Kaulika¹, Arie Kusuma Paksi²

^{1,2}Universitas Muhammadiyah Yogyakarta : Department of International Relations, Yogyakarta, Indonesia

Email: ¹mahsakaulika@gmail.com, ²ariekusumapaksi@umy.ac.id

Abstrak – Sebagai negara adidaya yang berperan penting dalam mendukung perkembangan negara dunia ketiga, Amerika Serikat mengeluarkan kebijakan yang khusus dibuat untuk negara-negara di kawasan Sub-Sahara Afrika. Penelitian ini membahas African Growth and Opportunity Act (AGOA) sebagai kebijakan luar negeri yang digagas oleh Amerika Serikat sebagai aktor utama dalam memberikan bantuan ekonomi untuk mendukung pembangunan di Afrika. Dengan menggunakan konsep politik luar negeri untuk mencapai kepentingan nasional negara, penelitian ini menggunakan metode kualitatif untuk mengumpulkan data yang diperlukan untuk memenuhi informasi mengenai topik yang diangkat oleh penulis. Penelitian ini menemukan bahwa melalui kebijakan ini, Afrika sangat terbantu sehingga akhirnya menjadi kawasan yang produktif dan mampu bersaing dalam perekonomian internasional. Meski dalam penerapannya banyak tantangan, AGOA secara garis besar menguntungkan kedua belah pihak. Perkembangan dunia internasional yang semakin kompleks serta pergantian pemimpin AS membuat politik luar negeri AS melalui AGOA ini berjalan secara dinamis yang dapat berubah sesuai dengan keadaan.

Kata Kunci: Kebijakan luar negeri AS; Peluang ekonomi; Pembangunan Afrika Selatan; Perdagangan internasional

Abstract – As a superpower country that plays an essential role in supporting the development of third-world countries, the United States of America issued a policy made explicitly for countries in the Sub-Saharan African countries. This study attempts to discuss African Growth and Opportunity Act (AGOA) as a foreign policy initiated by the United States as the leading actor in providing economic assistance to support the development in Africa. This study uses the concept of foreign policy to achieve the state's national interest. It uses the qualitative method to collect the data needed to fulfill the information regarding the author's topic. This study finds that this policy immensely helped Africa become a productive region and compete internationally. Although its application has many challenges, AGOA generally grants both parties. The increasing development of the global world that has become more complex and the change of the leader of the U.S. has made this U.S. foreign policy within the AGOA run dynamically, which means that it can shift according to the circumstances.

Keywords: Economic opportunity; International trade; South African development; U.S. Foreign Policy

INTRODUCTION

The United States is a federal republic of 50 states located in the middle of the Pacific Ocean and on the east bordering with the Atlantic Ocean. The U.S. gained its independence on July 4th, 1776 and became the fourth largest country in the world after Russia, Canada, and China (USAGov, 2019). With the end of the Cold War in 1991, which was marked by the collapse of the Soviet Union, brought the United States out as victorious in the ideological war against the Soviet Union. With this victory, the United States continues to strengthen its country by maintaining its hegemony in the international world

order and spreading the ideology which adhered to that is democracy.

The end of the war elevated the United States to a position of world's leadership that is almost unrivaled by others so that most American policymakers acknowledge that as the world's dominant power, the United States must bear the responsibility for restoring global stability in the political, security, and economic sectors following the war (Jackson & Sorensen, 2013). As a superpower that has great influence, maintaining and establishing diplomatic relations with various countries globally is very important, starting from countries around the American continent itself to

countries located on the African continent. The approach taken by the United States in building relationships with other countries is by negotiating, ratifying agreements, conducting business relations, and making policies both bilateral and multilateral in nature. As stated by Grotenhuis (2016), in today's modern era, it is very clear that every country is intertwined to form a unity based on dependence on one another.

After the end of the war period, the world was in a bipolar system so the foreign policy made by a country would of course, adjust to the situation at that time. In 2000, the United States under Bill Clinton administration issued a policy designed for Sub-Saharan Africa. Characterized by the abundance of natural and human resources so that this region has great opportunity to make it a developed region but, for reasons such as low education, poverty, rampant crime cases, growing arms, and drug trafficking become a barrier for this region to developed (Tieku, 2012).

The small amount of capital and forms of investment in this country, even some countries in this region are still classified as less developed countries, have made United States take part in dealing with problems in the Sub-Saharan Africa region to create a stable world situation in terms of political, social, and economy by enacting a foreign policy known as African Growth and Opportunity Act or AGOA (Lobe, 2000). The United States government made a policy to go through a program called AGOA where this policy is implemented directly under the representative body of the United States to carry out activities that can boost productivity for people's business in Sub-Saharan Africa by offering benefits as easy market access by eliminating trade barriers in order to encourage economic growth and build regional integration that is oriented towards free markets, although increase the flow of trade and investment (Maulani, 2017).

There are three primary objectives of AGOA, which hoped that it would give the beneficial effect for both parties in charge, the U.S. and the Sub-Saharan African continent. The first goal of AGOA is to significantly boost trade and investment between the United States and Sub-Saharan African countries. The second goal is to increase economic and social benefits for U.S. investors and businesses. The third goal is to support environmental financial advancement reforms in Sub-Saharan African countries (Braimah, 2020). Nonetheless, there are several criteria that must be met by countries in Africa to become member of AGOA by implementing a very democratic process in the whole state activities so there is no human rights violations occur. Dictatorships and bad economic management are also strictly prohibited because if a partner country does

so, this country will be disqualified from the AGOA agreement.

This research aims to investigate the United States' motivation to make an agreement that is luminous for African countries through the AGOA that is considered very beneficial for Africa because, with this agreement, the U.S. duty-free market is wide open for African goods. Using the qualitative research method, this research scrutinizes the United States official documents, AGOA official websites, Africa national report, and relevant literature to achieve the research objectives.

While previously many research was conducted in analyzing the effectiveness of AGOA implementation in the Sub-Saharan African continent, in this research, the author will shed some light on the impact of the United States foreign policy within AGOA on the developments in South Africa, specifically in the industrial sector by examining the implementation and what kinds of a program facilitated by the United States in improving South Africa which currently the condition is much more developed than before. By using a rational choice theory to see how the state as the main figure in international relations acts and makes decisions to achieve its national interest, this research aims to analyze further the impact elicited by the U.S. foreign policy in AGOA by elaborating on what is the goal of this policy as well as what is the reasons behind the creation of this policy.

An article published by Frazer and Biesebroeck (2010) found that the absence of tariffs in the procedure for importing goods from Africa to America and vice versa brought great benefits to Africa as a country whose economic status is still developing. Despite the challenges involved in transaction costs in African countries due to significant differences in nominal currencies, AGOA had a large robust impact on economic growth in Africa. In a different study, Condon and Stern (2011) added that the free market framework created in AGOA is viewed as a means of steadily raising the industrial potential of newly independent nations in Africa and its neighboring continents and integrating them into the global trade system, thus making Africa currently have a considerable position in the economic sector among less developed countries.

However, other studies done by Devermont (Devermont, 2020) sees that over the decades, U.S. strategy in the area has become far too broad, filled with sub-objectives, and preoccupied with hundreds of inputs rather than results so that its effectiveness is questionable. Yet this research sees that in its implementation, AGOA is indeed very helpful for Africa to get out of problems that have been rooted for a long time, so that this hinders the development of Africa itself.

Theoretical Framework

From the explanation above, this research will focus on explaining the rationality behind U.S. foreign policy on the implementation of AGOA that supports growth on the African continent, including South Africa, by using rational actor theory, which explains how state behavior to maximize national interests is reflected by foreign policymaking. In this case, AGOA is understood as a U.S. foreign policy made to achieve its national interests. Jackson and Sorensen (2013) state that the basic assumption brought by the rational actor thought conveys that the government is united and has rational reasons behind every decision taken so that the government wants to achieve well-defined foreign policy goals. A strategy contained in this framework sees rational reasons in the foreign policy-making process. This framework also assumes that the type of government applied in a country affects the process of making its foreign policy as well as the situation in the country that later it will influence the kind of foreign policy that was created.

As one of the models of foreign policy decision-making introduced by Graham T. Allison (1969), the rational actor theory can be understood as a model of foreign policymaking in which the state acts as the main actor. Rational itself can be interpreted as a choice that is logical, reasonable, and is the best choice for both the country itself and other countries. Allison also added and emphasized that any decisions made by the state are rational. The rationality that comes from a preference for logic is not only reasonable but also includes a long decision-making process by going through a comparison process between many options so that at the end, which option is the most beneficial and effective will be chosen by the state to issue its statement or policy in responding certain phenomena.

Famous scholars and international politicians who also support this rational actor model in the decision-making process are Hans J. Morgenthau, Joseph Schelling, Henry Kissinger, who embrace realism and neorealism also confirm this rational actor model as one of the decision-making processes. In this rational actor model, the unitary state as key players who act rationally must be calculating the cost and benefits of the policy that has been chosen to maximize utility, and the most important of any foreign policy taken or created by a state is certain to achieve its very various national interests.

The foreign policy itself is a state's effort to achieve its national interests, which is shown outside the territory of a country, both bilaterally and multilaterally, by utilizing the national power which possessed by a country. By involving state ideals, strategies, actions,

methods, guidelines, along with understanding and agreement, as well as the contribution of national governments related to international organizations, and non-government actors outside the country, not all implementation of state's foreign policy can be controlled because the scope of work of the foreign policy is beyond their sovereignty (Carlsnaes, 2002). Foreign policy can be understood as the basic strategy of a country or ways to communicate to achieve a certain goal or national interest. Through its foreign policy, the state can show its existence by involving a government in international issues or the surrounding environment.

Consist of various sets of actions with separate objectives in their implementation, foreign policy has three different approaches. As developed by a famous foreign policy analyst, Graham T. Allison in 1971 assumed that there were three types of decision-making models that ultimately created a foreign policy: the rational actor model, the bureaucratic politics model, and the organizational process model (Vanhoonacker & Wangen, 2016). Meanwhile, in the formulation of foreign policy, a country must be reflected in the situation, both that occurs in the external and internal environment of the country by considering the objectives to be achieved and the means and capabilities it has.

In this regard, the United States foreign policy is inseparable from the president in office, making American foreign policy always experiences change. The presidential transition makes it almost impossible for U.S. foreign policy to pursue a consistent strategy nevertheless, after the end of World War II in 1945, the foreign policy of the United States as a superpower certainly has a significant influence on the developing countries in the world. Africa, as one of regions that already have close relations with America, is a country that feels the impact of America's foreign policy in the AGOA, which has indeed been shown to support developments in Africa.

As the basis for conducting a foreign policy, the United States national interest are manifestation of American principles which projected onto the international arena. The goal of this interest is to create and maintain the most favorable international environment to the peaceful pursuit of U.S. ideals. In other words, the values of the United States as they apply to the external world are at the heart of the national interests that may be attained through the development of foreign policy. Simo (2018) assumed that even AGOA was first designed as a preferential trade arrangement, there is a capability even if it is certain that the United States intends to make AGOA becomes a reciprocal trade agreement. Basically,

every policy made by a country has its own aims and objectives, especially the U.S. who will never deal with a country unless they have their own national interest.

In practice, the U.S. does not make all countries in Africa can have access to the American duty-free market since the membership system applied in AGOA is considered exclusive due to the conditions of the recipient country, which are strict. As reported by William (2015), the total 49 candidate countries in Sub-Saharan African, currently only 38 countries are eligible for the preferential allowance. In this case, it seems very clear that there are American national interests that must be safeguarded so that there are limits to the agreement within AGOA that the U.S. is trying to enforce.

METHOD

In describing the topic raised by the author, a qualitative descriptive research method is used by looking at the descriptions of previous authors who also wrote similar studies. Based on the explanation that has been explained in the background section of the case study, this research will be wrapped with the information sought from relevant data related to the topic the author puts forward from various printed sources such as research, books, journal articles, to special reports from government websites which this technique are commonly known as data collection techniques in the form of library research or librarian studies.

In a literature written by Connaway, and Powell (2010) stated that sometimes the data contained in a research is misunderstood and poorly presented so that there is a need for a library research technique, that is an effort to see relevant topics and to multiply information sources that make the discussion about the Impact of the United States Foreign Policy on African Growth and Opportunity Act (AGOA) to the Development in South Africa becomes richer. By using this library-related research technique, the author can get a better understanding about the data contained in readings that can be used as a source of the writing.

FINDING AND ANALYSIS

In this chapter, the discussion on the impact of the United States foreign policy on AGOA on the development in South Africa will be divided into three parts, the first of which is a discussion on the relationship between the United States of America and Africa which has been going on for a long time until America decisively made a policy that created explicitly to supports growth in African countries in many sectors such as security, education, health, politics, as well as

the economic affairs. The second discussion is talking about AGOA and the United States foreign policy, which this section will explain the journey of AGOA itself from how its formulation to its implementation. And the last one is regarding the Impact of AGOA on the development in South Africa, which shows that the influence exerted through the AGOA program on developments in the African region, especially in South Africa, shows a significant difference and of course, this change leads to a virtuous thing that is sustenance South African advancement greatly.

1. U.S.-Africa Relations from time to time

Talking about the relationship between the United States and Africa is an exciting thing to understand since Africa is a continent with rich natural resources, so a big country like the U.S. is captivated in establishing cooperation with the African country. The relationship between the U.S. and Africa has a long history dating back to the Cold War era where at that time the U.S. foreign policy only had little to do towards Africa because America considers that if they make a policy for Africa, the advantage they will get back is not as big as what was spent. But gradually, along with the development of the times and the change of U.S. leaders and each of which has its interests, so it can be seen today that American foreign policy has provided a lot of strategic and economic encouragement towards Africa, which is certainly different from the previous few years especially since the post-Cold War era where U.S foreign policy in Africa is yet limited (Lawson, 2007).

Bilateral relations between U.S. and Africa do not always run smoothly because there are bound to be differences of opinion between countries since each country has different interests. This also happens to the relationship between America and Africa, which continues to show its dynamics. Suppose a big country like America does not make a foreign policy to help development in the African region so in that case, it is feared that other countries will also not open their relations with Africa, which is dreaded drive Africa will be more even marginalized with all the capabilities that Africa has without any intervention from other countries.

Counting over the past 40 years, every new American president has identified several signature programs that strongly signalize how U.S. administration under some president in the office wants to engage with the African continent. Then the relationship between the United States and Africa cemented after the concerns of Bill Clinton as U.S. former President regarding the conditions that occurred in Africa at that time, which

was hit by poverty, malnutrition, disease, illiteracy, unemployment, terrible conflicts, a proliferation of weapons, drug trafficking, and environmental degradation so that these bad conditions prompted Clinton to formulate a special policy that was shown to encourage development in Africa. The Clinton administration developed AGOA, which stands for African Growth and Opportunity Act, to anchor U.S.-Africa relations.

The agreement passed by Congress in 2000 allows African countries to export thousands of products from Africa to the U.S. duty-free, but with a particular condition that countries in Africa must also commit to good governance and maintain market economies. With the presence of AGOA, in recent years, Africa has become a place to do business with top companies around the world, and trade flows also expand rapidly, consisting of various commodities such as petroleum, harvests, clothing, and the automotive industry. Despite a significant drop in African imports to the U.S. from a total value of \$113 billion in 2008 to \$19 billion in 2020 due to the crisis and this decline accelerated further by the Covid-19 pandemic, and severe shortages of African shipping and manufacturing systems, however, the government advocates believe that AGOA has created thousands of direct jobs and millions more of indirect jobs throughout Africa (Kajunju & Keita, 2020).

Like all the other emerging areas, African countries were first and primarily players in the enormous global central panel. With abundant natural resources and being the target of significant countries to establish any mutually beneficial agreements, it has also attracted America's attention to play a role in helping to align African growth through AGOA as the basis of U.S. economic policy in Africa. In addition, U.S. State Department spokeswoman Heather Nauert said at a meeting that the U.S.-Africa partnership focuses on the security sector to fight terrorism that is rife in Sub-Saharan Africa, promote peace, promote good governance, and promote trade as well as the investment makes this situation even more clear to the fact that the relationship between both two countries continue to show the respectable side and remains to this day (Ching, 2018).

2. AGOA and the United States Foreign Policy

African Growth and Opportunity Act or AGOA is trading act legislation initiated by the United States of America which contains an agreement on trade relations between America and countries in the Sub-Saharan African continent which was formalized and signed into law for the first time by the U.S. 42nd President Bill Clinton on May 18th, 2000. AGOA is not a free trade

agreement like the aid investment program provided by other developed countries but rather a trade partnership between various African nations and the United States. The legislation initially covered an 8-year period starting from its main signing in October 2000 to September 2008. Under George Bush's administration as the U.S. 43rd President, he amended the legislature to extend the AGOA period until 2015. Bush signed this decision in July 2004 to improve economic relations between the two parties. Then on June 29th, 2015, the U.S. 44th President Barack Obama also extended the validity of AGOA legislation by ten years, and currently, AGOA has been renewed to 2025 (Grane, 2017).

Two decades have passed since AGOA's enactment, and it becomes the cornerstone of the U.S.-Africa relationship on shaping mutual beneficial trade relations. Trade act measures proclaimed by the U.S. President initiated in tackling poverty and improve the quality of life of Sub-Saharan African countries showing the bright side where currently many countries in the Sub-Saharan African Continent are starting to develop far more advanced than the previous situation. South Africa is one of the countries in Africa that received the impact of the trade act initiated by the United States, especially in the textile and automotive sector as their primary commodity. Through this AGOA, South African exports can now enter the U.S. duty-free, which is expected to boost the exports and manufacturing sectors in South Africa and another African continent (Didia, Nica, & Yu, 2015).

As a superpower country that has a complex state structure, the United States has four main national interests that become the base for making foreign policy that are:

1. Physical security.
2. Economic well-being.
3. Protection of the national values.
4. Protection of values abroad.

These four main national interests are closely related to the American political culture, which forms the creation of foreign policy. When referring to the main reason why Bill Clinton as U.S. President at that time who initiated the creation of AGOA as U.S. foreign policy, besides in helping to improve the situation in the African continent, Clinton also wants to promote economic reforms in the region. Clinton has a concern if the U.S. policymakers continued to ignore the continent which is ravaged by poverty, malnutrition, illiteracy, prolonged conflicts, and proliferation of weapons and drugs, it is feared that these things will encourage Africa to export the disease, weapons, and drugs to the United States so that many U.S. political observers see Africa as a threat to the U.S. national security.

In this regard, foreign policy which is released by the U.S. policymakers within AGOA focus on four main national interests at point one, namely physical security to protect American security and point number three, namely the protection of American national values, which always puts forward positive values. Meanwhile, in its implementation, the main reason the U.S. wants to convey is in this AGOA is to achieve the economic well-being of the entire African continent, which is at point number two of the U.S. play national interest.

In the purpose and goals that the AGOA wants to convey as a U.S. foreign policy, this agreement explicitly aligns with the U.S. national interest. By providing economic and assistance, the U.S. intends to promote the values they have to other countries, especially towards the African continent, to create a good impression. U.S. foreign policy characteristic is complex and massive due to its superpower and hegemonic status at international stage which means that everything that was brought by the U.S. in the form of foreign policy must be related to the public that conducted to achieve America's national interests which will not only focus on an area only (Alterman, 1996). Therefore, behind a foreign policy conducted by the United States, the formulation has been done carefully so that it can be carried out smoothly but does not exclude the possibility that some challenges must occur in its implementation. It is essential to know that the U.S. will only intervene in another country whenever they see that they would have a chance to get benefits.

The goal of the African Growth and Opportunity Act or AGOA as the U.S. foreign policy is to realize the objectives of states' national interest by contributing to national security and economic well-being. This purpose can be achieved through the placement of the U.S. economic assistance primacy in the African region which will ultimately affect the political and society stability throughout African region, and to protect the African region from civil wars and conflicts that are rife in the Middle East, which is located close to the African country. Woodward (2016) added that the United States is also very much defending the independence of the African nations from the possible influence of the Soviet Union communism in the post-Cold War period and of the Middle Eastern Islamic radicalism.

3. The Impact of AGOA to the Development in South Africa

South Africa is a beautiful and unique country located in the southernmost part of the African Continent that has an abundance of goods and natural resources that make many countries around the world compete to

have a relationship and influence this well known as a country that owns abundant diamond reserves. It is decorated with mountains, hills, and oceans to the flora, fauna, and tribes that live in it make South Africa visited by many foreign tourists because of its attractiveness. Hence, the socio-political conditions of the last few decades in the South Africa region, such as the lack of education and rampant poverty rates caused by a lack of investment in Sub-Saharan African countries, have made countries in Africa, including South Africa, once were in poverty for an extended period. These social, political, and economic problems require immediate attention.

However, despite the country's condition, South Africa has enormous potential if it is developed and managed with good management, both in natural resources and human resources. When many countries began to compete to have a relationship with the Sub-Saharan African continent, this also applies to The United States as a superpower country which started to show its interest in this country by doing a trade act called AGOA. With the presence of AGOA that has a role in developing the economy in Sub-Saharan African countries and South Africa, the problems and challenges faced by Africa have begun to be resolved one by one. Zenebe (2013) has assumed that this act reflects a promising approach to economic progress and development in Sub-Saharan Africa through global trade.

To help reduce the problem of growth barriers that many African countries, including South Africa, experienced and to encourage recipient countries to focus on development industries, the United States government, in this case, provides technical support through the establishment of AGOA. Coordination among the U.S. government agencies working to promote AGOA looks more vital than ever since AGOA's inauguration, where many U.S. government agencies have sought to ease American commerce with Africa and aid African trading partners in entirely using the law (Schneidman & Lewis, 2012). Besides, several U.S. energies companies have also trained local Africans, including South Africans, in technical management skills and implemented corporate social responsibility programs as AGOA's introduction of the free market. Through this program, it is hoped that such initiatives will create many new jobs, which will benefit the people of South Africa both economically and in other ways.

Since the passage of AGOA in May 2000, the United States Embassy in South Africa has conducted a wide-ranging outreach program of briefings and seminars to South African government officials, members of

parliament, labor unions, and company representatives about reshaping the region through export-led growth which meant to spur the economies. AGOA has fostered new trade and investment that is producing employment and delivering new wealth to South Africa, as on a paper recently supplied by the U.S. Mission in Pretoria, which monitors the development of AGOA in South Africa (U.S. Embassy Pretoria).

Through its lucrative trade terms scheme, AGOA allows South African products to gain duty-free access to the U.S market for products such as vehicle manufacturing, agriculture, textiles, and apparel. In the food sector, Andy Varty, the owner of a food company in South Africa has benefited immensely from AGOA since the U.S. government reduced the 20% duty on his products and he was able to get a contract with an American company. He stated AGOA has exported over \$300,000 worth of its products to the United States and expects more orders. The business contract would not have happened without AGOA and this is also felt by businesspeople in other sectors who also feel the positive impact of AGOA on their businesses and companies (Ismail, 2015).

As the data that published by Department of International Relations & Cooperation Republic of South Africa in 2015, the total tariff revenue exempted from payment by South African exporters as a consequence of the AGOA is more than \$46 million where the largest beneficiary of this tariff relief is the automotive industry which earned a profit of \$33 million in 2014. The second largest beneficiary is the base metals sector with \$6 million in profits under AGOA. The third largest sector was followed by the agricultural sector which was exempt from import duties of more than \$5.5 million, and the fourth largest sector was the chemical sector which earned \$1.1 million (IRC South Africa).

According to the U.S. Embassy's review of approximately two decades since its initiation, AGOA has had a beneficial impact on the South African government. Through the Customs training provided by the U.S. government, the enforcement of South African Customs services such as the product clearance system and visa application has vastly enhanced as a result of the requirements that AGOA recipient countries have to meet (AGOA).

If back when AGOA in 2015 where at that time this agreement was decided to be extended by 10 years until 2025, this clearly shows that Africa's opportunity to continue developing its country is widely open and this is also a strong signal for foreign investors to invest in a country that is rich in natural resources. Through the AGOA, the United States has promoted economic

growth and development in Africa, especially in South Africa. AGOA legislation provides member countries throughout Africa with access to the U.S. markets to be considered very beneficial for Africa. In practice, the U.S. facilitating investment, creating business relationships with several companies and other countries as well as opens opportunities for entrepreneurship in the region where this was done by the U.S as a form of commitment to deepen economic relations with sub-Saharan African countries (U.S. State Department).

Seeing great potential both from human resources and the country's natural resources, Carroll (2017) indicated that South Africa could be the primary bridge between the United States and Africa. According to the U.S. embassy, over six hundred U.S. companies have offices in South Africa (Gaspard, 2015). Moreover, companies that offer both goods and services increase in the oldest country on the African continent. For example, Ford, as an American multinational carmaker, has made significant investments in South Africa, with a total investment of \$170 million in 2016, making this investment in South Africa the highest value investment among Ford's worldwide network's most productive and efficient assets (Cokayne, 2016). In addition, Ford's commitment to invest an extra R2.5 billion in the Pretoria assembly plant has been hailed as a vote of confidence in South Africa and proof of the AGOA framework's two-way superiority. This certainly further strengthens South Africa's position as a strategic export base for Ford Motor Company, as declared by Ford's executive vice president Jim Farley (ENCA, 2016).

AGOA has helped to support South Africa's regional integration and to link regional values especially in the automotive and textile sectors. This condition makes South Africa become the most technologically sophisticated place to do business in Africa with the capital markets they had, bank operations, and professionals in technical services that suit the U.S. standards (Creamer, 2017).

With petroleum, automotive components, iron ore, comparable solid fuels, and gold as its essential export items, South Africa becomes highly open to the foreign market, accounting for 59.2 percent of the country's GDP. Already more than a third of the value of the country's imports is also made up of machinery and transportation equipment. According to the most recent International Monetary Funds or IMF statistics, South African exports of goods are expected to rise by 9.6% in 2021, up from a fixed return of 11.4 percent in 2020 due to the global economic crisis prior to the onset of the Covid- 19 pandemics (Santander, 2021). It is interesting to know that five of the world's ten fastest-growing countries are in Africa, with South

Africa being one of them. Apart from the United States, South Africa's significant commercial relationships are China, Germany, the United Kingdom, India, and Japan. Furthermore, South Africa is currently becoming the EU's largest African retail partner. South Africa is predicted to account for almost a quarter of the global labor and consumers by 2030.

However, analysts suggest that additional employment opportunities must be created to take advantage of this expansion, in order to help South Africa realize its objective of improving its country and its people (Ching, 2018). With the wide-open market opportunities provided by the United States of America as a superpower through AGOA, many multinational companies both originating from the U.S. themselves and from abroad helped build branch companies in the South African region and this is also very good to help encourage community growth so that the country's income also increases. Through this agreement, South Africa has benefited significantly since the presence of AGOA.

CONCLUSION

United States foreign policy under the AGOA was enacted to assist development in the African region. The agreement that started in 2000 and is expected to be completed in 2025 where if calculated to date, AGOA has been running for 20 years, and this longstanding policy aims to improve the quality of the African economy as well as achieving the U.S. goals which based on the plan that has been prepared. The long history behind the making of an agreement involving two major state actors between the United States and Africa has made the relationship tighter. The good impact produced by AGOA, especially in the South Africa region, makes this region much better than the previous condition. Currently, South Africa is known to be an industrial area where many multinational companies from various countries place their factories to carry out economic activities in the region.

However, due to severe agreement limits as well as Trump's administration decisions to cut aid spending to Africa, AGOA's progress during Trump's presidency has diminished. The direction of America's trade policy and agenda under the Trump administration that was more focused on renegotiating the North American Free Trade Agreement or NAFTA, countering China to implement significant changes of its economic system, as well as initiate trade protectionism through Trade War thus making Africa no longer become a priority on the U.S. political agenda at that time.

The decision leaves its contemporary rival, China, has an ample opportunity to attract African attention.

The role and influence given by China in helping the development of trade in Africa began to rival the power of the U.S. under the AGOA as Beijing finances massive infrastructure projects in the African region even some through the Asian Infrastructure and Investment Bank or AIIB which is an instrument of peaceful development initiated by China to increase economic and social outcomes in the Asian region. China, who also sees that the Sub-Saharan African region has good potential for development, led President Xi to say that China will continue to be committed to aiding developing countries without political conditions although to enhance various cooperation in the region and will continue to adopt a win-win solution approach for both parties for further development. However, it cannot be denied that there is political interest behind China's presence in Africa.

Therefore, a preferred policy that is shown to strengthen bilateral relations between the two countries within the scope of the United States-Africa policy through the AGOA framework must be emphasized repeatedly and beyond precisely. The African-China relationship, which is projected to be far more progressive than the US-Africa trade relationship, forces America to take bold steps to continue to achieve its national goals in the face of these challenges. The perspective of Africa as a recipient country also needs to be investigated further to find out more comprehensive information on AGOA and the difficulties felt by recipient countries from not seeing the effectiveness of this agreement which will determine the future of the United States' foreign policy within AGOA.

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