Which way forward for the BRICS [Brazil-Russia-India-China-South Africa] in Africa, a year after the Durban summit?

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This week's special issue takes a gloomy look at the BRICS (Brazil, Russia, India, China and South Africa) and their subimperialist extractive tentacles around the African continent. Social justice movements must start with a common critical analysis of the BRICS in order to intensify South to South resistance and solidarity

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The Brazil-Russia-India-China-South Africa bloc met in Durban at the end of March last year, expressing both continental and global ambitions. But things have not gone well since then. Extremely challenging financial, geopolitical, military and environmental problems emerged over the subsequent year – in Africa and across the world.

This issue of *Pambazuka* – co-edited with Khadija Sharife – takes repeated snapshots of BRICS corporate and parastatal activities across Africa, with a bias towards the southern region, especially Zimbabwe, Angola and the DRC. This partly reflects our editorial location, but also that because South Africa has recently claimed to serve as a more active 'gateway' for BRICS investments in Africa, we can start in the countries closest to Durban.

As we will see, the vast investments anticipated in infrastructure across the region are mainly aimed at extraction of resources, along neo-colonial lines. In March 2013, it was telling that the single biggest deal announced at the BRICS summit was a Chinese bank loan to Transnet of $5 billion; and it is telling that exactly a year later, the largest investment Transnet has ever undertaken was announced: $4.8 billion in locomotive purchases.

Such locomotives were once made in South Africa; now the critical first batch of more than 1000 will be imported from China, through the Durban port. In July 2013, that port received several mega-cranes from China, capable of unloading four containers in a single-lift. The digging out of Durban's port to handle ships with more than 15,000 containers is the next big investment for Transnet, and no doubt the finance will include Chinese bank loans.

THE WORLD IN CHAOS

Reliance on China is, in turn, quite a gamble for Durban municipal planners as well as for National

Development Plan authors in Trevor Manuel's planning ministry. Manuel is expected to leave office after the 7 May elections, having served 20 years – mostly as a notoriously neoliberal finance minister – and will go into business or a multilateral organization. He has often been mentioned as a front-runner for leading jobs in the Bretton Woods Institutions, for example.

The global governance system is straining badly, and Manuel would not have the capacity to make any difference, given the paralysis of the G8 core powers, the G20, the largest multinational corporations and gatherings such as the Davos World Economic Forum, the Bretton Woods Institutions, the United Nations Framework Convention on Climate Change and UN Security Council, and the World Trade Organisation. The need for a Southern bloc to contest injustice within the multilateral mess is without question, and the 'Bank of the South' and ALBA trade bloc that the late Venezuelan president Hugo Chavez initiated could have been a strong example, had South Africa joined. It didn't when given the chance.

Nevertheless, over the past year there have been a few encouraging developments within the BRICS: a coherent strategy within the G20 to halt Washington's threatened attack on Syria last September, and the promise of new non-US-routed (i.e. relatively spook-free) internet infrastructure and fairer financial institutions (albeit without convincing evidence there will be genuine differences from imperialist offerings).

However, everywhere else, the BRICS failed on nearly every count, and added to allegations of sub-imperialist or inter-imperialist positioning that belies anti-imperialist posturing. And as for brics-from-below popular solidarity and struggle, the logic is inescapable but nowhere near being realized.

Are the BRICS countries' politicians, civil society forces and business sectors positioned to properly grapple with world crises, such as the ongoing, moving-around financial meltdown? How is that three BRICS – Brazil, India and SA – became lead members of the 'Fragile Five' emerging market crashers in mid-2013, and by early 2014 another – Russia – crashed because of fears resulting from its loss of influence in Ukraine and then its apparent illegal annexation of Crimea?

This was meant to be the 'building block' country network for the 21st century, according to Jim O'Neill in 2001. But a dozen years later, he revised the prediction and counted only one BRICS country worthy of that label: China.

Without a doubt, China's investment invasion of Africa grows by leaps and bounds each year, but there is more resistance now than before. Ideally for the Chinese, a South African partner would have opened the 'gateway' – but this is not going smoothly. The SA National Defense Force made a fool of itself in the Central African Republic just before the 2013 BRICS summit, defending 'Jo'burg businesses' (including some with apparent African National Congress links) according to troops who came home furious about what was termed (by the new government) their 'mercenary' mission.

A larger problem is the lack of overall coordinating finance, as witnessed in and $100 billion Contingent Reserve Arrangement in either Durban or at the G20 Summit in St Petersburg last September. In mid-July, following the World Cup final in Rio de Janeiro, the five BRICS leaders (probably including the Indian premier from a newly-victorious rightwing Hindu nationalist BJP) will jet to Fortaleza for another summit.

Can they finally make a financial move, especially if Russia is in the throes of Western sanctions for its Crimea invasion? If not, we can anticipate the continuation of Africa's subordination to a world economy that continues to both make it poorer and at the same time offer ridiculous 'Africa Rising' rhetoric by citing annual Gross Domestic Product increases – without realizing that GDP counts the looting of African minerals a positive, without debiting the obvious negative: non-renewable resources are taken away, never to be returned (or to grow back).

The metaphor to explain world economic abuse of Africa is a family whose historic legacy of inherited jewels are found by a drunken nephew (probably a South African, judging by the rowdy behaviour). He sells the jewels for a pittance, and buys more booze, then takes the family car and wrecks it, killing numerous innocent bystanders. The family now has no resources, but acquires a series of debilitating bills for the auto accident victims (and the nephew's liver damage): an economic, political, social and ecological curse.

PRETORIA POSITIONS JOBURG FOR DEEPER PENETRATION

What kind of system would facilitate that kind of destruction? The broader economic context for South African subimperialism is crucial, because South African expansion into African markets was a logical aspect of geopolitics.

Put simply but accurately by the Texas intelligence firm Stratfor in 2009 in an internal memo (as revealed by WikiLeaks in 2013), 'South Africa's history is driven by the interplay of competition and cohabitation between domestic and foreign interests exploiting the country's mineral resources. Despite being led by a democratically-elected government, the core imperatives of South Africa remain the maintenance of a liberal regime that permits the free flow of labor and capital to and from the southern Africa region, as well as the maintenance of a superior security capability able to project into south-central Africa.'

Concretely, Stratfor argues, 'Angola and the DRC are prime areas of interest. South Africa has long held an interest in those two countries' diamond mines, but it has been unable to develop lasting control over them. South Africa has had a little more success with mining operations in the DRC, which it accesses through Zambia's Copperbelt province. Angola and the DRC are anxious to develop diamond concessions in the remote interior of their respective countries, where mining operations so far remain largely artisanal. South African technical and financial know-how can be used to develop the largely untapped diamond riches in those two countries, and the ANC government knows that it can bring its influence to bear to present South African companies favorably to gain mining concessions.'

In other words, according to Nairobi-based journalist Charles Onyango-Obbo last year, 'South Africa put on its suit, picked up its fat briefcase, and stepped out into the continent. Imperial expeditions have not changed over the ages. They always require that the generals, princelings, and businessmen earn some silver and gold from it, if they are to continue cultivating elite and ruling class support for it back home. Places like the DRC, where there is plenty of silver and gold will therefore always be the logical and rational destination – whether the imperialist is Asian, European, American, or African.'

With capital pushed and pulled, to and from the region, the 'silver and gold' earned were increasingly important to shore up South African firms' balance sheets. The earlier opening of SA to the world economy was a vital prerequisite, however, introducing its own intense contradictions.

In late 1993 as apartheid walls tumbled, Mandela authorized agreements binding on the first democratic government to repay apartheid-era debt, to give the SA Reserve Bank insulation from democracy and to take up an IMF loan with standard structural adjustment conditions. In 1994, South Africa acceded to what became the World Trade Organisation at great cost to its uncompetitive manufacturing industries and their workers, and in 1995 the financial rand exchange control system was entirely lifted, thus allowing wealthy South Africans permission to export a much greater share of their apartheid-era wealth.

Repeated exchange control relaxation by the SA Reserve Bank subsequently prioritized South African corporate investment in the Africa region. But by 2000, the financial headquarters of what were formerly Johannesburg and Cape Town-based corporations – Anglo American Corporation, DeBeers, Gencor (later BHP Billiton), Old Mutual and Liberty Life insurance, SA Breweries (later merged with Miller), Investec bank, Didata IT, Mondi paper, etc – escaped the continent entirely. These largest of SA firms are now primarily listed in London, New York and Melbourne.

The resulting outflows of profits, dividends and interest after 2000 are the main reason South Africa was ranked by The Economist in 2009 as the 'riskiest' amongst 17 emerging markets. And as mentioned earlier, in order to cover the hard currency required to facilitate the vast capital flight, which apparently peaked at more than 20 percent of GDP in 2007, vast new foreign debt obligations were taken on.

During this period of increasing economic desperation, the regional hinterland was shifting, especially because of the commodity super-cycle which rose especially quickly from 2002-08. The African continent expanded its rate of trading with the major emerging economies – especially China – from around 5 to 20 percent of all commerce in the post-apartheid era (1994-2012). By 2009, China had overtaken the United States as Africa's main trading partner. Soon after, rationalising and facilitating tighter continental economic relationships with BRICS countries became one of Pretoria's leading objectives, according to deputy foreign minister Marius Fransman at a Stellenbosch University BRICS seminar in 2013: 'South Africa also presents a gateway for investment on the continent, and over the next 10 years the African continent will need $480 billion for infrastructure development.'

Not just a gateway, but a vanguard, for as Nkoana-Mashabane correctly observed, 'In 2012, South Africa invested in the rest of Africa more than any other country in the world'. In 2010, 17 out of Africa's top 20 companies were South African, even after the capital flight a decade earlier. As Ernst & Young's 'Africa Attractiveness Survey' recorded, thanks to predictable mining houses and MTN cellphone service, Standard Bank, Shoprite retail, and Sanlam insurance, SA's foreign direct investment in the rest of Africa had risen 57 percent since 2007.

WHAT DO WE LEARN FROM A CAR WRECK?

The results were mixed, however. Central African Republic (CAR) investments, for example, followed the forging of close ties between several individuals at the top level of the ANC and its Chancellor House investment arm, in search of a diamond monopoly facilitated by a well-known CAR fixer, Didier Pereira. In 2006, these deals were codified by presidential-level relations involving Mbeki. But contradictions emerged and intensified, as France dropped its traditional support for the CAR's dictator Francois Bozizé. He then visited Pretoria to request urgent military support.

In January 2013 Zuma sent hundreds more SA National Defence Force (SANDF) troops to Bangui for a five-year commitment whose cost was officially estimated at R1.28 billion. 'We have assets there that need protection,' according to deputy foreign minister Ebrahim Ebrahim.

Tragically, the day before BRICS dignitaries arrived for the Durban summit, on 25 March 2013, more than a dozen corpses of SA soldiers were recovered in Bangui after a two-day battle in which hundreds of local fighters and bystanders were killed. Two hundred SANDF troops were apparently trying to guard the South African assets against the Chad-backed Seleka rebel movement. Bozizé fled to safety and Seleka invaded his presidential compound, taking state power that day in spite of resistance from the SANDF men they labeled ‘mercenaries.’

‘The Sunday Times’ did interviews with SANDF troops who made it back alive: ‘Our men were deployed to various parts of the city, protecting belongings of South Africans. They were the first to be attacked. Everyone thought it was those who were ambushed, but it was the guys outside the different buildings – the ones which belong to businesses in Jo’burg… We were lied to straight out… We were not supposed to be here. We did not come here to do this. We were told we were here to serve and protect, to ensure peace.’

This tragic episode could potentially have led to the ‘Vietnam syndrome,’ in which after a humiliating military experience, popular support waned for other US government attempts to protect its corporate allies’ assets. Zuma approached the quandary with fortitude, however, calling for ‘decisive intervention: an African Standby Force for rapid deployment in crisis areas.’

A few weeks later, he sent another 1350 SANDF troops to the resource-rich eastern Democratic Republic of the Congo, making up nearly one half of a United Nations (UN) force, alongside Tanzanian and Malawian troops. It was the first known UN peace-keeping mission that was authorized to go on the offensive, and immediately after SA’s formidable helicopter firepower (three Rooivalks and five Oryx) flew five sorties, the M23 rebel movement surrendered in October 2013.

According to ‘Jane’s Defence Weekly,’ ‘the Rooivalks were extremely effective, firing 70 mm rockets with great accuracy at M23 defensive positions.’ In observing that the helicopter was originally designed to fight Cuban troops defending Angola from apartheid, industry analyst Simon Shear ruefully remarked, ‘We should not forget that the Rooivalk, as with so many of the country’s advanced weapons, was conceived and designed in the service of brutal wars fought by an illegitimate regime.’

The DRC battlefield was, notably, not far from where Zuma’s nephew Khulubuse had bought into a major oil exploration project.

So with the hubris of renewed subimperial ambitions and capabilities, it was now time, said Nkoana-Mashabane, to do business: ‘The new South Africa is 19 years old, but we’re always confronted with this history of the 101-year-old political movement [ANC]. The 101-year-old grandfather wants to go around making peace everywhere. The 19-year-old has got to look at every aspect of a relationship, needs to be impatient, and say: “Hey, we need to make our people get the peace dividends”… South African companies need to be more aggressive, but we can do better if we are co-ordinated. This 19-year-old who’s beginning to discover that there’s no place overseas where we can go and make money, but that we can make money in our own neighbourhood, needs to move faster.’

She continued, ‘We’ve moved beyond talking, we’ve established an economic diplomacy tool for our diplomats. Our White Paper on international relations says our diplomats must play an important role in advancing the cause of South African businesses beyond our borders and attracting investments in their respective countries of accreditation.’

A few weeks before, Zuma himself had made a public appeal to SA corporations to become more active on the continent: ‘It is always good to get there first. And if we don’t get there as African business then people from far away get there first, then we complain later to say they are interfering with us.’

South African capital’s drive to accumulate up-continent was already moving at a rapid rate, as Johannesburg business sought out new opportunities especially in mining, retail, banking, breweries, construction, services and tourism. The largest South African corporations benefited from the

African financial liberalization that Pretoria strongly promoted, so they could repatriate profits with increasing ease.

BRICS ENTERS AFRICA

How would BRICS affect these relations? On the one hand, there would be even more intense competitive pressures transmitted through trade, finance and investment. These became so severe in mid-2013 in relation to import of chickens from Brazil, as one example, that South African trade minister Rob Davies imposed an 82 percent import tariff, throwing into question whether in reality, BRICS was a genuine bloc of like-minded allies.

More generally, however, to enhance the extraction process for South Africa's benefit, the National Planning Commission argued, 'The country's diplomats should work closely with business and industry leaders, with research and academic institutions and with epistemic communities, to facilitate relationships with counterparts in BRICS… The Department of International Relations and Cooperation, in collaboration with South Africa's research institutions and professional bodies, should lead a strategic drive to engage China on minerals, mining, research and development and infrastructure expansion on the continent.'

The Commission also advocated that Pretoria 'strengthen economic diplomacy and build effective partnerships with the private sector and state-owned enterprises. In areas such as science, culture, higher education, sport and environmental protection, there is a need to showcase South Africa and promote its presence and leadership on strategic issues as part of its "soft power" in international relations, without losing sight of the increased value of mental power – the ability of countries to show restraint on emotional impulses and maintain a relatively stable mind-set in getting along with each other during international negotiations, and in general.'

What about Joburg capital? 'Involve the business community in foreign relations. South Africa's sophisticated business community needs to be intimately involved in foreign relations. Diplomats may strike foreign cooperation deals, but it is private companies that actually trade across borders. They are, therefore, central to wealth creation. The local business community is willing and able to provide managerial, administrative and general capacity-building services to South Africa's regional institutions. It is a resource that needs to be fully explored.'

Worry about this process was expressed by veteran Namibian political economist Henning Melber in late 2013, because Pretoria 'also always protected its own industry and destroyed infant industries in other countries. At the same time SA companies ruthlessly destroyed local enterprises to create monopolies in the Southern African Customs Union states. I never had any illusions that SA economic interests were only pursuing exactly these. Yes, from a Namibian perspective SA is subimperialist and a junior partner to imperialism.'

To illustrate drawing upon a telling incident in 2012, the Johannesburg parastatal firm Rand Water was forced to leave Ghana after failing – with a Dutch for-profit partner (Aqua Vitens) – to improve Accra's water supply. This followed similar expulsions in Maputo (Saur sent back to Paris) and Dar es Salaam (Biwater to London). Rand Water had long claimed its role in Ghana was part of both the Nepad and Millennium Development Goals mandate to increase public-private partnerships in water delivery.

But this disdain was also true of Pretoria bureaucrats, according to the National Planning Commission: 'In six months of consultations, the NPC encountered, alongside the perception of the country as a regional bully, and that South African policy-makers tend to have a weak grasp of

African geopolitics’.

The regional bully image was amplified in October 2013 when, during a discussion at the University of the Witwatesrand about a controversial new tolling system for Johannesburg-Pretoria highways, Zuma defended his semi-privatisation strategy with an unfortunate choice of words: ‘We can’t think like Africans in Africa. It’s not some national road in Malawi.’

This, then, is the context: BRICS investment in Africa facilitated by South Africans whose solidarity with the peoples who harboured them in the fight against apartheid is now reduced to ridicule and pure economic exploitation.

BRICS countries do, however, have activists working hard on their own and others’ behalf, and the brics-from-below idea still excites histories of South-South solidarity that we should continue to explore. (These examples are noted in the concluding paragraphs to my essay on ‘subimperialism’.)

But it is up to African victims of BRICS extractive investments to raise the call for solidarity, as Zimbabweans did to us in Durban in 2008, as a Chinese ship loaded with three million bullets ordered by the Mugabe regime (at a critical moment in the electoral calendar) pulled into our harbour. Thanks to diverse solidaristic support, the activists and especially the SA Transport and Allied Workers Union fought off that ship, refusing to unload it in Durban and across the region’s ports.

The idea of brics-from-below must, however, start with a common analysis, and the gloomy picture of BRICS-from-above painted in this essay and all the other portraits of Africa looted you find in these pages, should call forth more critical thinking. And more strategies and tactics of resistance.

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P.S.

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