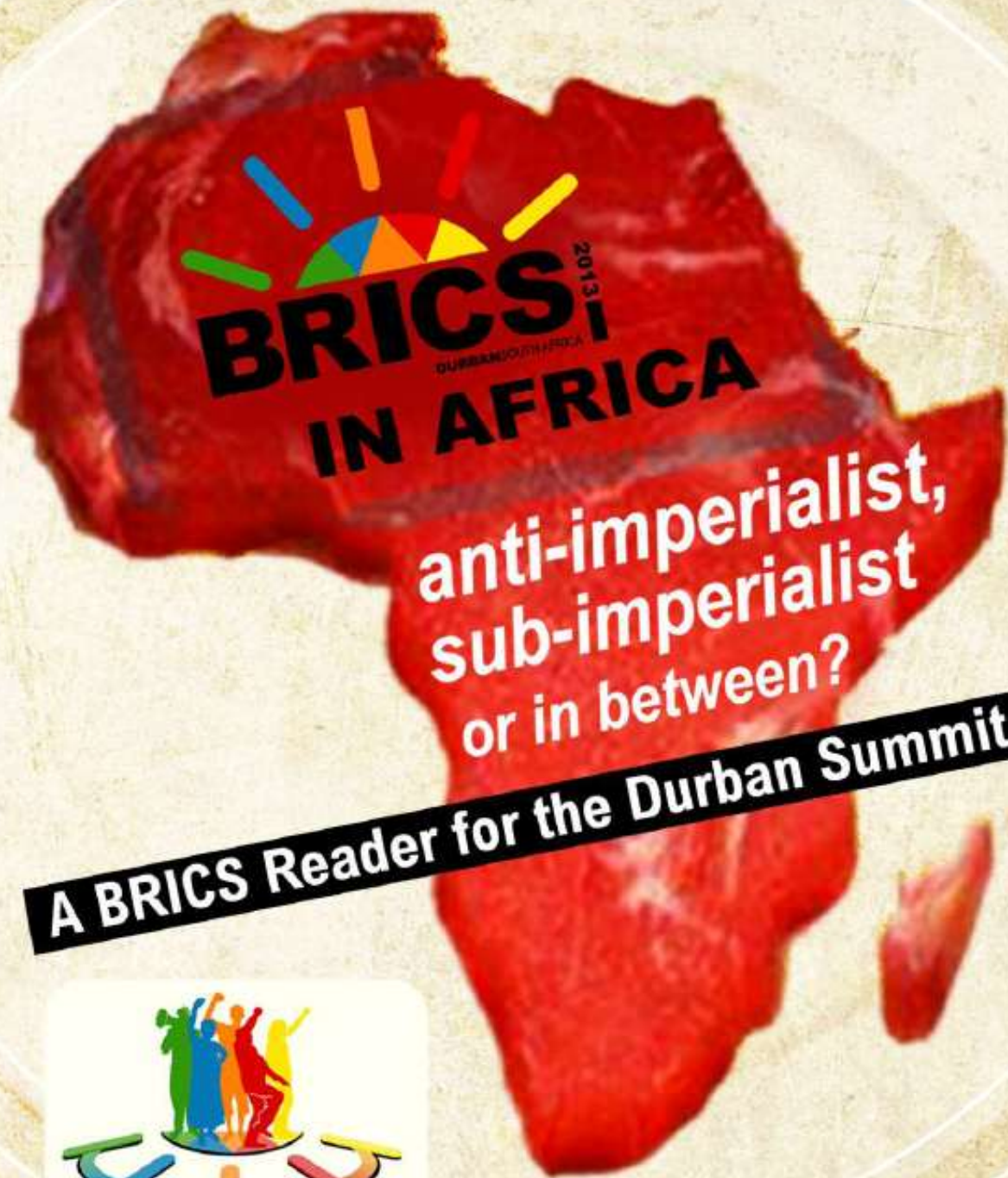


BRICS: anti-imperialist, sub-imperialist or in between? edited by Patrick Bond



**anti-imperialist,
sub-imperialist
or in between?**

A BRICS Reader for the Durban Summit



edited by **Patrick Bond**
with the Centre for Civil Society, groundWork and
South Durban Community Environmental Alliance
and in conjunction with Pambazuka News



In Durban, five heads of state meet to assure the rest of Africa that their countries' corporations are better investors in infrastructure, mining, oil and agriculture than the traditional European and US multinationals. The Brazil-Russia-India-China-SA summit also includes 16 heads of state from Africa, including notorious tyrants. A new 'BRICS Bank' will probably be launched. There will be more talk about monetary alternatives to the US dollar.

Three narratives have emerged about BRICS. The first is promotional and mainly comes from government and allied intellectuals; the second is uncertain, with wait-and-see patience; and the third is highly critical, from forces who meet as 'brics-from-below' – this **Reader** is for them, and contains the best arguments we've located from all three camps.

Patrick Bond is senior professor of development studies and director of the University of KwaZulu-Natal Centre for Civil Society

BRICS

in Africa

***anti-imperialist,
sub-imperialist
or in between?***

a reader for the Durban Summit

**edited by Patrick Bond
University of KwaZulu-Natal
Centre for Civil Society**

**with groundWork and the South Durban Community Environmental Alliance
and In conjunction with *Pambazuka News***

NB: This material was gathered as an educational tool for dissemination on a non-commodified basis in March 2013, with no remuneration granted to our generous contributors of text, photos, cartoons and ideas. We are most grateful for their work.

BRICS in Africa

anti-imperialist, sub-imperialist or in between?

a reader for the Durban Summit

TABLE OF CONTENTS

Introduction to Brics and brics-from-below	1
<i>Patrick Bond</i>	
The Brics come to Durban	5
<i>Maite Nkoana-Mashabane</i>	
Recommendations from academics to Brics	10
<i>The 5th Brics Academic Forum</i>	
Brics as radical shift – or mere relocation of power?	12
<i>Fatima Shabodien</i>	
Will SA’s new pals be so different from the West?	15
<i>Peter Fabricius</i>	
Brics and the ANC sell-out to international capital	17
<i>Patrick Bond</i>	
Brics as a spectre of alliance	19
<i>Anna Ochkina</i>	
Brics viewed positively from Moscow	22
<i>Vladimir Shubin</i>	
From Nepad to Brics, SA’s toll at the ‘gateway to Africa’	25
<i>Patrick Bond</i>	
Brics grab African land and sovereignty	30
<i>Tomaso Ferrando</i>	
A day-light robbery in Ethiopia	38
<i>Obang Metho</i>	
Brics cook the climate	42
<i>Patrick Bond</i>	
Vale leads corporates in offsetting and ‘false solutions’	46
<i>Friends of the Earth International</i>	
Brics lessons from Mozambique	50
<i>Bobby Peek</i>	
Watchdogging the Brics Bank	52
<i>Carlos Tautz</i>	
The Brics’ dangerous endorsement of ‘financial inclusion’	54
<i>Susanne Soederberg</i>	
Brics, the semi-periphery and future progress	56
<i>Chris Chase-Dunn</i>	
Will Brics change the course of history?	59
<i>Oliver Stuenkel</i>	
Scramble, resistance and a new non-alignment strategy	61
<i>Sam Moyo and Paris Yeros</i>	
Future trajectories for Brics	64
<i>Achin Vanaik</i>	
So, are the Brics ‘sub-imperialist’?	67
<i>Patrick Bond</i>	

Introducing Brics from above, and brics-from-below

By Patrick Bond

In Durban, South Africa, five heads of state meet on March 26-27 2013 at the International Convention Centre, to assure the rest of Africa that their countries' corporations are better investors in infrastructure, mining, oil and agriculture than the traditional European and US multinationals. The Brazil-Russia-India-China-SA (Brics) summit also makes space for 16 heads of state from Africa, including notorious tyrants. A new \$50 billion 'Brics Bank' will probably be launched. There will be more talk about monetary alternatives to the US dollar.

Three narratives have emerged about Brics. The first is promotional and mainly comes from government and allied intellectuals; the second perspective is wait-and-see patience; and the third is highly critical, from forces who meet as 'brics-from-below.' All can be found in the following pages.

The first narrative is represented through the most intellectually-engaged speech about Brics we have found by any local politician: Maite Nkoana-Mashabane, South Africa's foreign minister. At a gathering of the 5th Brics Academic Forum on March 10, she requested robust, critical engagement, and by reading the 'Recommendations' of that group's meeting at the Durban University of Technology, you can assess whether she can be satisfied.



We think not. Historians will judge whether, indeed, Brics 'have given African nations the ability to start to escape the clutches of neo-colonial dependence on foreign aid, and the

policies and "advice" of Western-controlled finance institutions' – as claimed by Pretoria's minister of higher education Blade Nzimande at the same meeting.

(Historians may judge this line of argument to be 'Pretorian' in thinking, with the term defined on one internet site this way: 'characteristic of or similar to the corruptible soldiers in the Praetorian Guard with respect to corruption or political venality; "a large Praetorian bureaucracy filled with ambitious and often sycophantic people makes work and makes trouble" – Arthur M.Schlesinger Jr.')

Also from Pretoria, the Human Sciences Research Council will host the temporary Brics 'think tank,' drawn from researchers at sites like the SA Institute for International Affairs at Jan Smuts House (long considered an Anglo American Corporation braintrust), and we worry that if the Academic Forum's Recommendations are the basis for judgment so far, then Naomi Klein's definition of this sort of institution may apply here: '*people who are paid to think, by people who make tanks.*'

So as you can already tell, the debate over Brics is getting quite sharp, as witnessed both by Nkoana-Mashabane's use of Fanon's *Wretched of the Earth* to attack those of us who question Brics, and by the personal invective unveiled in a story by Peter Fabricius of the *Star* newspaper. He was reporting on a February 28 debate in Johannesburg involving the SA deputy foreign minister, ActionAid-South Africa's director Fatima Shabodien (whose speech replete with pointed questions is reproduced below), and myself – followed by my reply to Fabricius documenting the local ruling party's 'sell-out to international capital.'

Again from the critical end of the spectrum, Anna Ochkina of Moscow's Institute for Globalisation and Social Movement Studies (not a think-tank by the Klein criterion) argues that there is merely a 'spectre of alliance.' However, Vladimir Shubin provides a vigorous counter-argument.

The critics note how badly divided the Brics bloc is at several crucial junctures, and indeed

the one major unifying initiative in Durban aside from a Brics Bank announcement, is the highly dubious 'Africa gateway' grab by South Africa. As I report (in 'From Nepad to Brics, SA's toll at the "gateway to Africa"'), this is not likely to end well, if the last decade's experience is any guide.

After all, as Tomaso Ferrando argues in great detail, the land grabbing underway by Brazil, India, China and South Africa is a shocking update, reminiscent of Berlin's 'Scramble for Africa' conference in 1885, of colonial landgrabs. These are now replaying through Bilateral Investment Treaties and other legalistic attacks by Brics members and corporations. Victims are peasants and others reliant on land, water and related resources, as well as food consumers, as Obang Metho from Ethiopia testifies.

Moreover, if the strength of commitment to Africa's basic survival is measured in part by the way the Brics have helped to cook the climate – given an anticipated 200 million unnecessary African deaths this century due to floods, storms, droughts, famines and vastly increased disease burdens (carried especially by women) – then the gateway metaphor transforms into a rather hellish entryway, as I argue in another article. Friends of the Earth International illustrates the corporate connections with a case study of Vale, followed by Bobby Peek considering winners and losers from Brics' Mozambique investments.

The Brics Bank is another site of contestation, and Carlos Tautz provides a warning of dangerous financing from above, while Susanne Soederburg reviews crises caused by predatory lending against those below.

It doesn't have to be this way, according to University of California sociologist Chris Chase-Dunn, who believes Brics are not necessarily 'sub-imperialist'; nor Sam Moyo and Paris Yeros who call for a revival of Non-Aligned strategies; nor University of Delhi political scientist Achin Vanaik. They see trajectories from the Brics semiperiphery that can move in counter-hegemonic directions, though Vanaik leans across the fenceline into Brics-sceptic territory. Another more mainstream voice who is doubtful that the Brics can overcome their 'useful idiot'

role is the prolific Sao Paulo geopolitical commentator Oliver Stuenkel.

These searching essays require a final argument to help specify, well what exactly is this idea 'sub-imperialism,' and can it travel across space and time from its early use in Brazil nearly a half-century ago? Or is Nkoana-Mashabane correct that this is simply outmoded, lazy intellectualism? You decide.



Durban's International Convention Centre and Hilton

But if you are thinking about these matters from 'below' (or like me, within 'brics-from-the-middle'), you will intrinsically understand that the debate is only beginning. Given how much is at stake, critical civil society must scrutinise the claims, the processes and the outcomes of the Brics summit and its aftermath. Civil society critics point to four groups of problems in all the Brics:

- socio-economic rights violations, including severe inequality, poverty, unemployment, disease, inadequate education and healthcare, costly basic services and housing, constraints

- on labour organising, and extreme levels of violence, especially against women (such as the high-profile rapes/murders of Delhi student Jyoti Singh Pandey last December 16, and in South Africa, of Anene Booysen on February 2 in Bredasdorp, Reeva Steenkamp on February 14 in Pretoria, and countless others);
- political and civil rights violations, such as widespread police brutality, increased securitisation of our societies, militarisation and arms trading, prohibitions on protest, rising media repression and official secrecy, activist jailings and torture, debilitating patriarchy and homophobia, and even state-sanctioned massacres (including in Durban where the notorious Cato Manor police hit squad executed more than 50 suspects in recent years);
 - regional domination by Brics economies, including extraction of hinterland raw materials, and promotion of 'Washington Consensus' ideology which reduces poor countries' policy space (for example, in the Brics 2012 donation of \$75 billion to the International Monetary Fund with the mandate that the IMF be more 'nasty,' according to South African Finance Minister Pravin Gordhan, or in the desire of China, Brazil and India to revitalise the World Trade Organisation to maximise their trading power against weaker neighbours); and
 - 'maldevelopment' based on elite-centric, consumerist, financialised, eco-destructive, climate-insensitive, nuclear-powered strategies which advance corporate and parastatal profits, but which create multiple crises within all the Brics (as witnessed during the Marikana Massacre carried out by police on behalf of Lonmin platinum corporation last August, and in South Durban where R225 billion (\$25 bn) in white-elephant state infrastructure subsidies for chaotic port, freight and petrochemical industry expansion – and more labour-broking exploitation – are being vigorously resisted by victim communities).

Confusingly to some, Brics regimes carry out this agenda at the same time they offered radical, even occasionally 'anti-imperialist' rhetoric, accompanied by mainly trivial diplomatic actions. Yet the Brics alliance is incoherent, as shown in the elites' debilitating disagreement over who would lead the IMF and World Bank in 2011-12. In the UN Security Council, Brics countries seek greater power for themselves, not the collective: repeated bids for permanent membership by India, Brazil and South Africa are opposed by Russia and China.

And recall the humiliation when Beijing told Pretoria's Home Affairs Minister (now African Union chairperson) Nkozasana Dlamini-Zuma not to grant a visa to the Dalai Lama to attend Archbishop Tutu's 80th birthday party in 2011, or attend a 2009 Tibet solidarity gathering. We seem to have lost foreign policy autonomy to Chinese whims.

Meanwhile, the African continent has been overwhelmed by Brics corporations. The rate of trade between Africa and the major emerging economies – especially China – rose from 5 to 20 percent of all commerce since 1994, when apartheid ended. Destructive though it often is, one of Pretoria's leading objectives, according to deputy foreign minister Marius Fransman, is that 'South Africa presents a gateway for investment on the continent, and over the next 10 years the African continent will need \$480 billion for infrastructure development.'

'Resource Curse' maldevelopment often follows such infrastructure. This is also true, geopolitically, when it comes to facilitating Brics investments. In January 2013, for example, Pretoria deployed 400 troops to the Central African Republic during a coup attempt because 'We have assets there that need protection,' according to deputy foreign minister Ebrahim Ebrahim. Allegations by a former South African official are that these mineral interests include uranium arranged via corrupt heads-of-state collaboration, and has Ebrahim confirmed that Pretoria sent sophisticated arms to the brutal regime of François Bozizé.

Other extreme cases are the Democratic Republic of the Congo where Johannesburg-based mining capital (AngloGold Ashanti) paid off warlords in a region where five million people were killed mainly to get access to minerals such as the coltan we use in our cellphones, and Zimbabwe where Chinese firms and a military junta – along with SA businesses, Indian and Israeli traders, Dubai middlemen and other vultures – prop up President Robert Mugabe’s rule, together looting the country of billions of dollars worth of diamonds.

In 2010, 17 out of Africa’s top 20 companies were South African, even after extreme capital flight from Johannesburg a decade earlier, which saw Anglo American, De Beers, SA Breweries and Old Mutual relocate to London. Just as in Cecil John Rhodes’ day, the greed of South African business is backed by government officials, through the (failed) New Partnership for Africa’s Development – praised as ‘philosophically spot on’ by the Bush Administration – and useless African Peer Review Mechanism. More recently, SA’s National Development Plan sheepishly conceded a ‘perception [*sic*] of the country as a regional bully.’

In bullying Africa, the traditional SA, US, European, Australian and Canadian corporations have been joined by major firms from China, India and Brazil. Their looting has mainly built upon colonial infrastructural foundations – road, rail, pipeline and port expansion – connected to mines, plantations, petroleum and gas. Durban simply updates the investment strategy.

There is similar collusion with Washington when it comes to global finance: in July 2012, the Brics treasuries sent \$75 billion in fresh capital to the IMF, which was seeking new funds for bailing out for banks exposed in Southern Europe. Like Africa’s experience since the early 1980s, the resulting austerity in Greece, Spain, Portugal, Cyprus, Ireland and other failing European states does far more harm than good to both local and global economies. As for voting power within the IMF, the result of this Brics intervention was that China gained many more

votes (for dollars rule at the IMF), while Africa actually lost a substantial fraction of its share.

For these reasons, *will Durban 2013 be known as the logical successor to Africa’s initial carve-up: Berlin 1885?*

Building a bottom-up civil society network to analyse, watchdog and represent silenced voices of dissent has never been more important. One part of this process involves an analysis of the pros and cons of Brics.

We hope you the reader can join the conversation because from Africa, too little has been said about Brics, given what is at stake.



The infamous Berlin carvery, 1885



Cecil John Rhodes stretches from the Cape to Cairo



Dilma Rousseff, Vladimir Putin, Manmohan Singh, Hu Jintao, Jacob Zuma (2011) Xi Jinping (replacing Hu in 2013)

The Brics come to Durban

By Maite Nkoana-Mashabane

It is my distinct honour and pleasure to deliver the keynote address at the welcome dinner for the Brics Academic Forum. I wish to extend warm greetings and a heartily South African welcome on behalf of President Zuma, the Government and people of South Africa.

It is indeed a momentous occasion for South Africa to host the Fifth Brics Summit, the first time on African soil.

The Brics Summit process has its origins in the extraordinary vision of our founding Leaders who constituted this grouping at a time of global uncertainty and transition during the financial crisis. The dire need for providing additional impetus to global governance reform debates was recognized. The growing interdependence between nations of the world required joint efforts to address common challenges.

Our Leaders urged us to establish this Forum out of recognition of the importance of ideas in the realization of the vision and objectives of Brics. As academics, you will all be aware of the value of research, knowledge sharing, knowledge transfer, and capacity building to policy development.

It is in the area of ideas where this Forum has a role to play in the Brics architecture. You are

the brain-trust that must enrich policy development within Brics and in the Brics countries; and generate scientific knowledge to improve our understanding of the world and nature.

You are best positioned to make this contribution when you are fully engaged. The Brazilian philosopher, Paulo Freire, emphasized the dialectic of scientific inquiry and practice in knowledge production in his *Pedagogy of the Oppressed* when he wrote that, and I quote: 'For apart from inquiry, apart from the praxis, individuals cannot be truly human. Knowledge emerges only through invention and re-invention, through the restless, impatient, continuing, hopeful inquiry human beings pursue in the world, with the world, and with each other.'

However, knowledge can be used to engender the hegemony of certain ideas, in the process manufacturing consent and the legitimacy of particular interests in society. There are a set of ideas that we take for granted today and consider self-evident because they were packaged for us as 'scientific' and 'objective' (in inverted commas) when in fact they are views of a particular class or group of

people. In this sense, knowledge production is not a neutral exercise. It is highly contested and not immune from the political economy of power relations in society and the world.

Accordingly, the North-South disparities in knowledge production and the content of today's dominant ideas reflect the inequalities and power imbalance that characterize our global system. Therefore, if Brics is to be a factor in the current global system, we must extend our engagement to the terrain of ideas.

As the intelligentsia, you have an opportunity to play your part in the shaping of the 21st century given your function in society of observing, analyzing and influencing policy direction in the reconfiguration of the global landscape.

The world is experiencing a quiet and yet profound shift from the old locus of political, economic and social power into a multipolar system with Brics countries being the catalysts and drivers. In essence, the Brics concept and its associated forums represent a counter to hegemonic unilateral creation of knowledge into a more pluralistic co-determination of knowledge production and policy agenda setting recognizing multiple centres of human civilization.

In this regard, you have a role in demystify unilateral hegemonic pretences of universality of the current dominant paradigm into a positive force that recognise diversity of humanity and the potential contribution that each knowledge base can make to human development. If this Forum is to be effective, it must contribute to emancipating plurality of discourse with the sole purpose of advancing humanity.

Indeed, the Brics countries have produced many prominent scholars for centuries whose works continue to survive the passage of time and influence generation after generation. China's Confucius has had an influence on humanity for more than two thousand years.

Amartya Sen is another example – his work not only won him the Nobel Memorial Prize in Economic Sciences; but he was also instrumental in the creation of the widely-used United Nations

Human Development Index. Leo Tolstoy's novel, War and Peace, has been immortalized in many languages in movies, music and theatre, among others.

We have given to humanity Nelson Mandela and Mahatma Gandhi who continue to inspire millions all over the world, even those just searching for meaning in life. Gautama Buddha, the father of Buddhism, is the son of India.

The intelligentsia was in the forefront of the struggle in our respective countries, challenging hegemonic ideas and generating alternative knowledge.

Therefore, when we challenge you to stand up against the apparatus of knowledge production whose ideas dominate the world in favour of one side, we are not asking you to do something that you have not done before or you are not doing as we speak. We challenge you to marshal your forces through Brics for effectiveness and higher impact.

The emergence of Brics has not been well received by all of us. There are those who do not have a positive appreciation of Brics because they believe that its continued existence will threaten the status quo and tamper with the current international balance of forces.

At the other end, we find critics of Brics who see it as a body of what they call 'sub-imperialist' countries that are joining the club of traditional powers. These critics talk of what they call a 'new scramble' for Africa, comparing the growing interest on our continent by Brics countries to the late 19th century when European colonial powers partitioned Africa among themselves.

What these two groups of critics have in common is their lack of appreciation of multipolarity for the geopolitical health of our international system. The first groups views multi-polarity in a negative sense, as a threat; while the second group would rather remain in the old system than to see it being shaken by emerging players from the South.

To see Brics countries as 'sub-imperialists' is the result of a dogmatic application of classical notions of imperialism and Immanuel

Wallerstein's centre-periphery model to a situation that is fundamentally different from what these theories were trying to comprehend and explain. Our scholars have to be innovative and courageous enough to develop new tools of analysis and theoretical models when history challenges us to do so.

I am reminded here of a warning Franz Fanon made in his *The Wretched of the Earth* that, and I quote: 'It so happens that the unpreparedness of the educated classes, the lack of practical links between them and the mass of the people, their laziness, and, let it be said, their cowardice at the decisive moment of the struggle will give rise to tragic mishaps.'

The tragic mishap in this case is that such intellectuals will be left behind and rendered irrelevant by history.

A poignant question being posed today is whether Brics represent a real paradigm shift or are new role players just assuming traditional balance of power positions?

Brics Leaders and people have clearly signalled that we do not compete with any country or grouping and in fact wish to transform the former model of cooperation based on a zero-sum relationship in favour of more equitable and sustainable global partnerships, hence also the theme that was selected for the Summit, namely Brics and Africa: Partnership for Development, Integration and Industrialisation. This approach indeed constitutes a plurilateral or in the older idiom, a multipolar structure of International Relations.

When South Africa planned our hosting of the Summit and related meetings, we reflected on the existing synergies within the grouping and appreciated that the Academic and Business Forums as well as our Think Tank network are critical components of our people-to-people interaction and that their salient relevance vis-à-vis the Brics leadership needs to be emphasised.

It is therefore particularly significant that the Summit theme has been adopted as the theme for the Academic Forum this year.

The Brics Academic Forum endeavours to complement and supplement the Brics Leaders

Summit and the official consultation process amongst officials and ministries of the respective Brics countries.

This Forum seeks to collectively offer viable and timely advice and recommendations to government leaders of the Brics to support policy making, the adoption of best practices, exploration of new frameworks, and assistance in implementation of existing and new schemes and programmes. This Forum also serves as our 'alter ego' which will analyse our agendas and critique it, often in a robust manner.

What make Brics timely and historic are few factors which I wish to emphasize. Firstly, is the common history that brings the Brics countries together. This is a history that distinguishes the Brics countries from the traditional powers. It is a history of struggle against colonialism and underdevelopment, including the spirit of Bandung. Circumstances of history have put these countries on the same side.

Secondly, the Brics countries have common challenges as developing nations. Here at home, we speak of the triple challenges of inequality, poverty and unemployment. We have set in motion processes to grow our economy and expand our infrastructure, among others. Other Brics member states are dealing with similar challenges that, however, differ in scale and degree.

Thirdly, we are driven by shared interests not only in the definition of our respective national interests as individual Brics countries. We also share a common vision of the world of the future.

Fourthly, each of the Brics countries works for a true partnership with Africa and this resonates well with us because Africa is the centre-piece of our foreign policy. The topic chosen for this Summit is a testimony to the consensus that exists among the Brics countries on the importance of forging a true and effective partnership with the African continent.

The Summit theme acknowledges the various engagement activities of Brics countries vis-a-vis the African continent.

Viewing Africa as the new global growth centre, Brics countries are emerging as the new largest investors and trade partners to the continent with strong exponential growth potential for the future.

The Summit theme emphasises the African Union's own prioritisation of infrastructure development and industrialisation and will also contribute to sharing of related international and regional approaches and best practices between Brics and Africa. Finally, bilateral relations among Brics countries are on the rise and improving across many sectors, notably in political cooperation and the economic field. We are frank and open to each other.

I have perused though your programme which is very impressive and comprehensive enough to cover the core issues that are on the agenda of the Brics Leaders. I am looking forward to receiving your recommendations at the end of your deliberations. Like with previous Academic Forums, the Leaders will study your recommendations closely and use them to inform their decisions.

In respect on the themes posed to the Forum's deliberations, I wish to make some preliminary reflections.

In the context of the global financial situation, Brics economies have become the engines for sustainable global growth and served during the financial crisis as the anchor for Low Income Countries through its economic relationships with these countries. The overarching risk for all of us however, remains that of sustainability. This takes several forms, the most important of which revolve around inclusiveness, dealing with inequality and creating jobs.

Indeed we meet at a time of global uncertainty, which requires that we consider issues of mutual interest and systemic importance in order to explore shared concerns and develop solutions.

The prevailing global economic system is regulated by institutions which were conceived in circumstances when the global economy was characterised by very different challenges and opportunities. We also need to focus our 'lenses'

from a more Brics specific perspective as opposed to adhering to traditional views.

As emerging economies become more integrated and interdependent, they increasingly shape the global economy and influence its dynamics. Brics offers an historic opportunity to explore new models and approaches towards more equitable development and inclusive global growth by emphasizing complementarities and building on our respective economic strengths.

The G20 has become an important player in the reform of the global economic architecture, including the Bretton Woods Institutions. In its work, the G20 should continue to put development first.

Furthermore, Brics considers the United Nations to be the foremost multilateral forum entrusted with bringing about hope, peace, order and sustainable development to the world. The UN enjoys universal membership and is at the centre of global governance and multilateralism.

We express our strong commitment to multilateral diplomacy with the UN playing the leading role in dealing with global challenges and threats. In this regard, we reaffirm the need for a comprehensive reform of the UN, including its Security Council, with a view to making it more representative, effective, legitimate and efficient, so that it can deal successfully with global challenges.

In terms of education, research and skills development of building industrializing economies, I wish to draw from a study that UNESCO published in 2011 which found in recent decades that University-industry partnerships have moved high onto the policy agenda and is fast becoming a new and expanded phenomenon.

The university-industry partnership is conceptualized as a means to bridging the perceived gap between the science base and the productive sector which would allow new knowledge to be transformed rapidly into innovation. As was already stated, the Brics Business and Academic Fora are critical elements to harness our skills development in this regard, and we should also strengthen

linkages between these fora through joint initiatives.

The nexus of university and industry holds potential for economic development, entrepreneurship and job creation. It is evident that we need to take the opportunities presented to us vigorously as governments aim to strengthen international partnerships in the pursuit of new knowledge and innovation for technology transfer opportunities.

Regarding our core Summit theme and our cooperation on the African continent, we celebrate the 50th anniversary of our continental organisation, the OAU, this year, and it is poignant that this coincides with the first Brics Summit on African soil.

President Zuma will be convening a Brics Leaders-Africa Dialogue Forum Retreat immediately after the Fifth Brics Summit to offer an opportunity for Brics and African Leaders to exchange views under the theme, 'Unlocking Africa's potential: Brics and Africa Cooperation on Infrastructure.' The Retreat will reflect primarily on infrastructure development, as well as integration and industrialisation which are aligned to Africa's own priorities, to the mutual benefit of the Brics countries and the Continent.

The theme on peace and security requires special focus from our academics considering the various debates in this regard. From our perspective, the peaceful resolution of any conflict situation is paramount and we emphasise the importance of preventive diplomacy and mediation.

The African Union (AU) has made significant progress in conflict resolution and peace building on the Continent through its peace and security architecture since its formation more than 10 years ago. In order to enhance its positive role, we encourage Brics to support closer collaboration with the AU peace and security architecture.

Especially of importance is continued focus of the UNSC on the formalized cooperation between the UNSC and the AU PSC as reflected in UNSC Resolution 2033 (2012) unanimously adopted by the Security Council under the South Africa Presidency in 2012.

As we celebrate the 50th anniversary of the OAU, we should also remember a stalwart of Pan Africanism, Dr WE Dubois, who died in 1963 in Ghana, just a few months after the formation of the OAU. At the height of the First World War in 1915, Dr Dubois wrote his famous article entitled 'The African Roots of War' wherein he described what was contributing to the development and accumulation of wealth by the North while the South was being underdeveloped.

He asked, and I quote: 'Whence comes this new wealth [that the North is accumulating] and on what does its accumulation depend? It comes primarily from the darker nations of the world - Asia and Africa, South and Central America, the West Indies and the islands of the South Seas.'

This is the analysis we need to distinguish the emerging global players of the South, some of whom are in Brics, from the traditional powers.

When Dr Dubois visited China in 1959 he was so moved by the revolution there that when he addressed Peking University during this tour he proclaimed: 'Africa, arise, face the rising sun... China is flesh of your flesh and blood of your blood.' Since then China has risen and Africa is rising.

I can anticipate the vibrant debates that will take place over the next few days and I wish you a successful engagement and trust you enjoy the warm hospitality of the city of eThekweni.

I thank you!

(Maite Nkoana-Mashabane is SA's Minister of International Relations and Cooperation)

	Brazil	Russia	India	China	South Africa	Total BRICS	World	BRICS in the world
Area (km ²)	8.514.877	17.098.242	3.287.263	9.596.961	1.219.090	39.716.433	510.072.000	7,79%
Area - land (km ²)	8.459.417	16.377.742	2.973.193	9.569.901	1.214.470	38.594.723	148.940.000	25,91%
Population (mi)	192	143	1.200	1.341	50	2.926	7.021	41,67%
Work Force	104	75	487	816	18	1.500	3.262	45,98%
GDP - nom (US\$ bi)	2.517	1.884	1.843	6.988	422	13.654	70.280	19,43%
GDP - growth	2,9%	4,1%	7,4%	9,2%	3,1%	5,3%	3,7%	
GDP - PPP (US\$ bi)	2.309	2.376	4.469	11.316	555	21.025	78.980	26,62%
GDP per capita - nom (US\$)	12.917	13.235	1.527	5.183	8.342	4.666	10.010	
GDP per capita - PPP (US\$)	11.846	16.746	3.703	8.394	10.977	7.186	11.800	
Export total (US\$ bi)	256	394 *	242 *	1.552 *	97	2.541	18.150	14%
Import total (US\$ bi)	226	239 *	363 *	1.423 *	100	2.351	17.990	13%
Trade total (US\$ bi)	482	634 *	605 *	2.975 *	197	4.892	36.140	14%

Recommendations from academics to Brics

By the 5th Brics Academic Forum, 13 March 2013

The 5th Brics Academic Forum, comprising experts and scholars from the research and academic institutions of India, China, Brazil, Russia and South Africa, met on the 11th and 12th of March 2013 in Durban.

After discussions, the Forum has come up with Recommendations to be presented to the Summit leaders of Brics Summit to be held in Durban later this month. The Indian delegation is led by Mr. HHS Viswanathan, Distinguished Fellow of Observer Research Foundation, which has been the official convenor for the country.

Given that the Brics have covered significant ground since the inception of the partnership five years' ago, the Forum believes that they must build upon the progress made in the first five-year cycle of Brics by consolidating the agreements reached and the achievements registered and by making further concrete proposals for realising the unfolding objectives of the Brics partnership.

The theme for this year's Forum, 'Brics and Africa: Partnership for Development, Integration and Industrialisation,' represents the common aspirations of Brics for cementing partnerships with one another and with emerging markets and developing countries including the African

continent in order to strengthen progressive development trajectories, promote integration, and expedite industrialisation in developing countries.

A shared desire for peace, security, development, cooperation, respect for International Law and sovereignty continues to serve as the fundamental principles for Brics members in pursuit of a more equitable and fair world. These principles hold particularly in dealings with African countries, the sovereignty of many of which has not been respected in the past, especially by colonial powers.

The Forum believes that Brics must continue to create synergies for enhancing economic growth through greater engagement with one another as well as with the rest of the world, particularly the African continent.

The Brics Think Tank workshop of 8 and 9 March 2013 saw the establishment of the Brics Think Tanks Council (BTTC), which provides the platform for the exchange of ideas among researchers, academia and think tanks and the convening of the Brics Academic Forum. The BTTC agreed on a process for finalising the joint long-term vision document for Brics on the basis of the Indian draft, with inputs from other Brics

countries, in pursuance of paragraph 17 of the Delhi Declaration.

The Forum discussed five themes, which generated the following recommendations:

1. Brics and the Global Economy

Brics should facilitate greater cooperation in the area of trade, especially in goods and services, towards strengthening partnerships for development and industrialisation. They should engage in further discussions on the feasibility of implementing preferential trade agreements among themselves. In addition, Brics should strengthen financial and development cooperation through the establishment of the Brics Development Bank, and create mechanisms to deal with volatility in global currency markets.

2. Reform of Institutions of Global Governance

Recognising the shared objective of progressive and democratic transformation of the institutions of global governance, Brics should strive to enhance the voice and representation of emerging economies and developing countries in multilateral forums. Brics should actively explore innovative and complementary partnerships for sustainable and equitable development. The delegations propose the creation of a Brics parliamentary forum as a platform for intensifying political interaction.

Brics should continue to collaborate to identify and utilise strategic opportunities to advance its objectives of reform of global multilateral institutions in order to make them more democratic, representative and accountable.

3. Cooperation on Africa

Brics should recognise the diversity of values and experiences represented in the separate and intersecting histories of their own and African countries in the pursuit of mutually beneficial

social and economic development on the African continent. This should include the pursuit of deeper cooperation with the African Union, taking into account Africa's priorities, especially integration.

4. Education, Research and Skills Development for Building Industrialising Economies

Brics should intensify its support for collaboration amongst academics and scholars through a variety of institutions, networks and programmes that advances education, research and skills development. This includes valuing local languages and cultural practices and establishing the required support mechanisms to make this possible. Brics should consider the establishment of an independent Brics rating agency for educational institutions as well as a Brics university. The Forum proposes the establishment of a data bank with primary data on the five countries, as a well as a digital platform with detailed information on researchers and institutions dealing with Brics issues. The delegations note Brazil's offer to host the digital platform and the data bank.

5. Peace and Security

Brics should continue to promote the centrality of the United Nations (UN), based on the principles of equality, mutual trust, and cooperation. It should be more active in the peaceful resolution of conflict, dealing with issues of international terrorism, non-proliferation of weapons of mass destruction, and drug- and human trafficking. Mutual security concerns, such as water, food, environment, health, and disaster preparedness, should continue to be a focus. Brics should also promote the peaceful use of outer space. Brics should utilize their relative strengths in post-conflict resolution and peace-making, peace building and peace keeping under the auspices of the UN.

Brics as radical shift – or mere relocation of power?

By Fatima Shabodien

The claim by the Brics nations is that despite its 2001 origins in Goldman Sachs economist Jim O'Neill's prediction, the group represents a potentially radical shift in the prevailing global political economic framework in which a few rich northern nations use their economic muscle to bully the world, and especially poor southern nations into submission.



Goldman Sachs geoeconomics guru Jim O'Neill



However, Goldman is famous for bubbly investments

The growing combined economic power of these five nations presents an alternative centre of power, they claim. Only time will tell if Brics will bring about a radical restructuring of our prevailing inequitable globalised framework; or it will merely translate into a re-arrangement of

this framework in which the powers will now be located in new geographic sites without a substantial change in the ideologies and values that drive that system?

In relative terms, Brics is still in its infancy and as citizen of the Brics nations, at this stage we sit with more questions than answers. This is natural during these early days. As Brics citizens we do however hold tremendous powers – especially in the India-Brazil-South Africa bloc (IBSA) where there is a much more vibrant tradition of citizen engagement – to help shape the Brics agenda. If Brics sets out to do what it says it wants to, it can potentially represent one of the single biggest developments of our era and we should take an active interest in, and actively engaged in shaping its potential.

There is a growing consensus that poverty in its current form and scale is not an accident of history or circumstance. Nelson Mandela is often quoted arguing this position: *'Overcoming poverty is not a task of charity; it is an act of justice. Like Slavery and Apartheid, poverty is not natural. It is man-made and it can be overcome and eradicated by the actions of human beings.'*

Poverty should thus be defined as outcome of human rights violations, and in itself represents a gross violation of human rights of a significant proportion of the world's population, of which the majority are women and children in the South.

We understand that in our current context of globalisation and a growing interconnected and interdependent world, the decisions and actions of a small group of people in one corner of the world often can and do have far-reaching consequences people on the other side of the earth. It is in this globalised world where sustainable solutions to our multiple developmental challenges can often no longer be realistically generated within the confines of our borders.

This is most devastatingly illustrated by the growing impacts of global warming which shows no respect to the borders drawn through our colonial histories, nor does it respect any north south or political divides. It is in this context that globalisation and political configurations matter profoundly in the lives of those living in poverty.

We know that for the last 35 years, the development discussion was largely governed by the Washington Consensus: a neoliberal economic approach that entailed: liberalisation at all costs, privatisation of natural resources, shrinking of the state and budget austerity measures with direct consequences on social services to the poor. We know that this so called consensus has not worked for the poor as it reinforced and protected prevailing patterns of power and privilege while reproducing and deepening poverty, exclusion and inequality.

The combined policies of the Bretton Woods institutions have had particularly pernicious impact on the lives of poor women on the African continent. Our world is in dire need of alternatives. In our vision of another world without poverty and injustice, another globalised political framework has to be a non-negotiable.

Thankfully today there is (or should be) no more debate about the devastation that these policies have created in the South broadly, and on the African continent specifically. The creation of an alternative can therefore not only be about simply relocating the centres of power from the North to the South, but about fundamentally and radically challenging the ideology that underpins this historical dominance.

It is not enough for Brics to say it wants to create an alternative to this framework. We need to start hearing what this alternative vision and commitments look like in real terms: In the South African context a relevant example of this would be the market based approach to land reform.

Despite repeated acknowledgement of its failure to give effect to meaningful land reform, it remains the standing policy of government in which the magical invisible hand of the market is

expected to affect land redistribution from white to black, rich to poor, men to women. Seventeen years into the post-apartheid era we know this not to be the case. Despite repeated political proclamations to the contrary, first by the then President Mbeki at the 2005 National Land Summit, and more recently by sitting president Zuma during the State of the Nation address, we have yet to see tangible changes in land reform policies or their implementation.

In addition to the shared classification as emerging economies and regional hegemony, the Brics countries share a range of developmental challenges: poverty, unemployment, inequality.

While the Brics formation came about as a result of a prediction of economic growth prospects, it is important not to get lost in an exclusive focus on macro-economic factors. We know from our experience in South Africa that the growth rate is not a magic bullet. It is important, certainly part of the solution, but not the solution itself. It is possible for a country to continue growing alongside deepening inequality, growing crises in the oppression of women, and in the provision of adequate education and healthcare.

These are also some of the challenges common to Brics members: the devastation of gender based violence for example is also, sadly, a shared feature of Brics life. If Brics is going to be vehicle for an alternative global paradigm, let it also be a stage where we collectively craft radical solutions to ensure that what happened to Anene Booysen and Jyoti Singh also becomes part of the old paradigm we want to reject. Let these issues (usually defined as the 'soft issues') also get their prominent place on this Brics 5th Summit agenda.

We have also heard the proposals for a Brics Bank, of which the details still remain vague and we're hoping to hear more about this at the upcoming Durban summit. Our most critical concern would be to caution against the Brics Bank becoming an 'emerging economies' version of the World Bank. We know the policies and the ideology represented by the World Bank has not worked for us, and has been largely inimical to

the needs and aspirations of the poor, and of African women in particular.

We have also heard about its intended focus on infrastructure development, which should be a cause for concern to us all because that represents a vintage World Bank approach to development: build dams, harbours, and roads regardless of their social, environmental or actual economic impact.

While we recognize the importance of developing the infrastructure of our continent, the example of South Africa is a case in point: - that infrastructure without a defined redistributive mechanism does not do much for poor. Yes, it may grow businesses, but how does it lift people out of poverty? It is a cold comfort to the South African poor that they live in the African country with the most developed infrastructure on the continent while struggling to access water, electricity, decent housing and quality education for children.



Lastly, while the regions represented by Brics nations did not choose their representatives, we need to see a mechanism put in place to ensure that the Brics members develop a programme that goes beyond the interest of only the Brics members. Herein we have to be protective in the

interest of our continent representing the last vestige of untapped reserves in a resource hungry world: African people, forests, water, land, mineral wealth, even the air we breathe, is now up for grabs!

We have to ask what is needed to ensure that South Africa best represents not only the business interest of SA, but that of the continent more broadly in this formation. Brics members have to ensure that development in their respective regions happens in as inclusive a manner as possible.

If not, it would be a betrayal of the retrospective mandate of the AU and NEPAD given to President Zuma to represent the interest of our continent in Brics, in such a way that it genuinely reflects the principles of South Africa-south solidarity for the 1955 Bandung conference of which Brics represents an extension.

Lastly, while the SA government invested more than any of the other Brics nations in taking Brics to the people in the form of the Brics provincial road shows, government must be encouraged to commit to a more formal forum of engagement with the South African public not only on Brics, but on matters of international policies more broadly.

In South Africa we have a vibrant albeit imperfect process of public engagement on state policy matters; to date, the DIRCO has been the one department for which very little formal processes of transparent, accountable public engagement exist – in which South Africans citizens often learn alongside the rest of the world, the positions our country is taking regarding matters of global significance. Brics represents a further opportunity to address this dire democratic deficit.

(Fatima Shabodien is the Country Director of ActionAid South Africa, and a feminist political activist)

Will SA's new pals be so different from the West?

By Peter Fabricius

The African National Congress doesn't enjoy being attacked from the Left. Attacks from the Right can, of course, be breezily dismissed as racist/neo-colonialist/imperialist/liberal, you name it. The ANC dictionary overflows with ready-made ripostes to the Right.

But it is rather devoid of easy ripostes to the Left. This was evident at a recent public debate organised by the development NGO ActionAid on South Africa's hosting of the Brics summit in Durban later this month.



The theme was 'Brics: Paradigm Shift or more of the same?' and ActionAid-South Africa director Fatima Shabodien framed the debate by asking if Brics offered a 'fundamental shift in ideology' or just more of the same 'neo-liberal' economic ideology, but now with the new big emerging powers – namely South Africa's Brics partners Brazil, Russia, India and China – as the key actors rather than the old Western powers.

Patrick Bond, a senior professor in the school of built environment and development studies at the University of KwaZulu-Natal, answered the question in no uncertain terms, berating the government for not just abetting but for 'actively collaborating' with the new 'sub-imperialist' powers of Brazil, Russia, India and China by helping them to 'carve up Africa.'

'This is 1885 all over again,' Bond declaimed, accusing the Brics countries of mounting a 'second Scramble for Africa' in their haste to extract the continent's natural resources. China's major construction of infrastructure on the continent – much lauded by South Africa and other African governments as well as development economists – became, in Bond's perspective, just an instrument of Beijing's neo-colonialist enterprise.

It was all about getting minerals from mines to ports to be shipped to China, he declared, adding that the new Chinese President Xi Jinping, who will attend this month's Durban summit, 'would be perfectly comfortable' with the arch-colonialist Cecil John Rhodes's view of Africa.

He and Shabodien asked some familiar questions, which have emanated from no particular ideological direction, such as: if South Africa's Brics partners are such good friends, why have China and Russia not supported our bid for a permanent seat on the UN Security Council; why did the Brics countries not back Africa's candidate to be boss of the World Bank; and why did China pressure South Africa to deny a visa to the Dalai Lama?



Deputy Minister of International Relations and Co-operation Ebrahim Ebrahim, representing the government, seemed rather nonplussed by Bond's attack, although he could

hardly not have expected it, as Bond is a familiar exponent of old-style communism.

He offered the standard government line, that the emergence of the Brics represented a fundamental shift in global economic power away from the West and towards a new multipolar – or ‘plurilateral’ – world. South Africa’s role in Brics should be seen, essentially, as helping to shift the world in that direction. But that didn’t answer the question posed by Shabodien, whether Brics offered a ‘fundamental shift in ideology’ or just a rearrangement of the players in the old game.

Ebrahim took some refuge in South Africa’s ‘sous-sherpa’ for Brics, Anil Sooklal, the deputy director-general for the Middle East and Asia, to reply to some of the questions. Sooklal seemed taken aback by Bond’s frontal assault from the Left, suggesting it was arrogant. It recalled the attitude both of the ‘apartheid lecturers’ at the segregated Indian university he had had to attend in the old South Africa and of EU academics ‘who have answers to everything.’

Bond had done a ‘disservice to academia,’ he added.

Sooklal was probably on the right line in recalling his university days, as he probably ought, from a purely rhetorical perspective, to have dismissed Bond’s attack as student politics. For certainly Bond was firing a blunderbuss at all of what the Left regards as the ANC’s sell-out to international capital and neo-liberalism etc, rather than just at Brics.

Yet the one nagging question posed by him and Shabodien remained: what does Brics really offer South Africa that is different, other than the satisfaction of poking the West in the eye?

Sooklal touched on that when he said the definition of infrastructure articulated by Bond was much too narrow, and that Brics had in mind a far broader definition – addressing poverty, underdevelopment and unemployment – in its policy of investing in infrastructure.

That evidently referred to South Africa’s belief that the Brics partners will fashion their investment in South Africa – and the rest of the continent – to process and thus add value to raw

materials, creating local jobs and greater local growth, rather than just extracting the stuff and shipping it out.

President Jacob Zuma put it more directly in an interview with the *Financial Times* this week when he warned Western companies that they would have to stop treating Africa as a former colony or Africa ‘will go to new partners who are going to treat them differently.’

Zuma warns west’s ‘colonial’ corporates
By Alec Russell in Cape Town



Jacob Zuma, South Africa’s president, has warned western companies they must change their old “colonial” approach to Africa or risk losing out even more to the accelerating competition from China and other developing powers.

Western businesses and governments have a “psychological problem” and are still prone to lecturing Africa, Mr Zuma said in an interview with the *Financial Times*. He advised them to resist warning against the embrace of China and rethink their own investment strategies.

“I’ve said it to the private sector from the western countries: ‘Look. You have got to change the way you do business with Africa if you want to regain Africa. If you want to treat Africa as a former colony ... then people will go to new partners who are going to treat them differently,’” he said.

More

ON THIS STORY
South Africa in good health, says

He particularly accused Western mining companies of only extracting ore and not fostering support industries, such as diamond-polishing, in the host nations.

He nonetheless added that Africa was aware that its new friends such as China might do the same.

Zuma was articulating what his government presumably regards as the essential difference between Xi Jinping and Cecil John Rhodes. And it is revealing that for him it did not seem yet to be an entirely closed question.

(Peter Fabricius is Foreign Service editor of Independent newspapers, where this appeared on 8 March 2013)

Brics and the ANC sell-out to international capital

By Patrick Bond

In a recent review ('Will SA'S new friends turn out so different from the West?') about a public debate on February 28 over the coming Brazil-Russia-India-China-South Africa heads-of-state summit, South Africa's leading foreign policy journalist, Peter Fabricius, chose insults, perhaps to avoid addressing some deep dilemmas.

'Bond is a familiar exponent of old-style communism,' he alleged, and thus Ambassador Anil Sooklal 'ought, from a purely rhetorical perspective, to have dismissed Bond's attack as student politics. For certainly Bond was firing a blunderbuss at all of what the Left regards as the African National Congress (ANC) sell-out to international capital and neo-liberalism etc, rather than just at Brics.'

No, actually, like many South Africans, ideas of the New Left attract me – while Stalinism and corrupted nationalism repel. And although the ANC's adoption of neoliberalism instead of the 1994 Reconstruction and Development Programme was indeed an historic sell-out, I do plead guilty to hoisting a blunderbuss.

Why? Because we must now be blunt if, as is certain, the Durban summit will be remembered as a latter-day 1884-85 Berlin conference. Five colonial powers – host Germany, Britain, France, Portugal and Belgium (plus Italy and Spain) – divvied up the continent back then with one common objective: efficient resource extraction through export-oriented infrastructure.

To update this very task, five Brics leaders will invite 16 heads of state from Africa, many of whom are notorious tyrants, to a gated Zimbali luxury lodge on March 27 – having confirmed the continent's economic carve-up the day before. Their knife of choice is a sharp new 'Brics Bank' that London and New York economists Nick Stern and Joe Stiglitz – both former World Bank senior vice presidents – told them would cost \$50 billion in start-up capital (exactly the thumbsuck number they've already chosen to announce).

This new Bank comes nine months after \$75 billion was wasted by the same five, bailing out the International Monetary Fund in a manner that *shrunk* both Africa's voting share and prospects for world economic recovery. And 11 months ago, two Brics nominees for World Bank president were soundly defeated by Washington's candidate thanks to unfair US-EU voting power.

The Brics aim to replace the 'Bank of the South' – dreamt of by the late Hugo Chavez although repeatedly sabotaged by more conservative Brasilia bureaucrats and likewise opposed by Pretoria – but will theirs be any different than Washington's twin banks?



Chavez's Banco Sur foiled by neoliberal Brazilians

If Sooklal is correct that Beijing now backs South Africa's bid to host the new bank, with no other offers from the remaining three at this stage, then we should worry.

After all, our own precedent, the Development Bank of Southern Africa (DBSA), is a very sick institution. It promoted dumb ideas like commercialised water and toll roads, and turned a blind eye to construction industry collusion. After losing a stunning R370 million in 2012, its work was termed 'shoddy' by its new Chief Executive last December. The DBSA was also attacked last July by the Southern African Development Community, whose second-in-

command remarked that a new SADC Bank would be preferable.

And yes, we have grounds for concern about dubious overseas influence when the DBSA's main international envoy is Mo Shaik, a former spy who wrongfully accused the attorney general of being an apartheid agent, who has zero banking or development experience, who was party to questionable Ferrostaal arms dealing, who revealed Zuma cabinet secrets to US State Department officials (according to secret Washington cables published by WikiLeaks) about what really goes on in Pretoria.



Mo Shaik and Pravin Gordhan can be nasty

Also disturbing is that when it comes to reforming world finance, finance minister Pravin Gordhan has called on the IMF to be more 'nasty' to low-income Europeans, while SA Reserve Bank deputy governor Daniel Mminele bragged last November that Pretoria stands alongside Washington in *opposing global regulation* such as the 'Robin Hood tax' on financial transactions.

Moreover, as Mminele put it, 'South Africa is aligned with advanced economies on the issue of climate finance' – i.e., against paying 'ecological debt' to increasingly desperate countries already losing 400,000 people per year to climate-caused deaths. The same Washington-Brics alliance can be found at the UN climate summits, which refuse to adopt binding emissions cuts: a decision that the name Durban will always be remembered for in shame following the failed COP17 in December 2011.

As a result, Africa could become an even more violent battleground for conflicts between Brics firms intent on oil, gas and minerals extraction, whether Brazil's Vale and Petrobras, or South Africa's Anglo or BHP Billiton (albeit with London and Melbourne financial headquarters), or India's Tata or Arcelor-Mittal, or Chinese state-owned firms and Russian energy corporations.

A few years ago, minister of justice Jeff Radebe termed such firms '*new imperialists*' because 'many SA companies working elsewhere in Africa come across as arrogant, disrespectful, aloof and careless in their attitude towards local business communities, work-seekers and even governments.'

The maldevelopment that results is exemplified in South Durban where R250 billion in white-elephant state infrastructure subsidies will soon flow to chaotic port, freight and petrochemical industry expansion notwithstanding resistance by victim communities.

That resistance will grow, including at a March 23 community teach-in at Settlers Primary School next to the area's main oil refinery, and then from 25-27 March, during the 'brics-from-below' counter-summit at the Diakonia church in central Durban. It's here that critics can discuss both Brics *and* ANC neoliberalism without Fabricius' shallow journalistic distortion.

(This appeared on 12 March 2013 in the Independent newspapers)

Brics as a spectre of alliance

By Anna Ochkina

The construction of Brics is in many ways artificial. This alliance is more visible in the media debates than in practical international politics. But is there a reason for these countries to get together except making real fantasies of experts and journalists? Yes, there is.

Though these countries are so different in so many ways they still have a lot in common:

- their position as semi-periphery within global capitalist system as strong countries playing an important though not dominant role in the process of neoliberal globalization;
- their social and economic policies, though not completely following neoliberal patterns stay within the framework of neoliberal model;
- all these countries practice neoliberal economic policies, but neither country is orthodox in this respect (till recently they were able to combine free market approach with some elements of social redistribution, state intervention and other measures that somehow compensated market failures).

Every country from this group has a specific role in the capitalist world-system. Every of these countries provides resources which determine its position and function in the system. Brazil is essential for agricultural supplies, China provides cheap labour, India supplies cheap intellectual work force for high tech industries, South Africa provides minerals and Russia supplies minerals, oil and gas. The scale and conditions of provision of these resources for global capital makes Brics countries essential for the current system. However, the economic, cultural and human potential of Brics countries is 'excessive' from the point of view of the role which Brics countries play in the world-system.

We may represent Brics countries as equivalent to teenagers who have grown up too quickly, 'modernizing' themselves very rapidly if we look at that process in historic perspective. This leads to a contradictory situation when impressive growth of economic and cultural

potential (at least in case of Russia and China) was not accompanied by the development of democratic political traditions or the mass involvement of people in political life through self-organization. As a result, in these countries neoliberalism – even when destroying accumulated economic and cultural potential – produces high levels of social tension, but does not generate conscious social resistance.

In each country, though in different ways, development of a neoliberal model of capitalism creates a need to overcome structures and relations which contradict this model. In Russia, aggressive marketization was accompanied by the use of some elements of the Soviet Welfare state. Free education and healthcare, the social security system and cultural capital that had accumulated within families during the Soviet period helped Russians to adjust to the market economy and even become successful. Decline of living standards as a result of 'shock therapy' and later neoliberal reforms was real – but less painful because of safety nets provided by the remaining structures of the Soviet Welfare state.

However, now these Welfare state institutions themselves are eroded or destroyed by the neoliberal reforms. Contradictions are becoming more painful. The Russian state faces a choice which it has to make very quickly. One route is to go forward with neoliberal policies along the lines of the mainstream tendencies within the global system in which the Russian government wants to remain, provoking ever-increasing conflicts with its own society. Trying to remain loyal to the global economic institutions and their logic, the state becomes less and less capable of sustaining existing mechanisms of social compromise, using its financial resources to address mass interests.

The other route is to stop destroying the Welfare state and reorient government policies towards rebuilding and developing the Welfare

system, but this means a conflict both with global institutions and with Russia's own elite.

Brics countries are dominant forces in their regions. They engage in different macro-regional alliances, but each time they do so to achieve local or regional goals. Their potential to go beyond that is still too weak. In the case of Russia, its ambitions based on the imperial tradition of leading the disintegrating commonwealth of independent states (CIS) and other alliances, contradict its own subordinate position in global capitalist economy and world politics.

Brics countries are the strongest among the states of semi-periphery and that makes them potentially dangerous for the balance of forces of the current global capitalism. This creates an objective precondition for an alliance between these states, trying to increase their weight in the World-system.

But on the other hand, elites of these countries exist quite comfortably within this system and are not interested to risk this situation even when they have some political ambitions on the global level. Their loyalty to global economic institutions is seen as a guarantee of their international and even local status. That's why Brics remain a specter rather than a real alliance, a factor that can be used sometimes to blackmail their partners from the global center, but not a working mechanism of integration of societies joining forces to solve common or similar problems.

No matter how different the specific situations in Brics countries, they have a common problem in the context of the global attack on the Welfare state and its institutions. But the potential for social development that is either remaining unused or has been destroyed is thus becoming transformed into society's potential for resistance to neoliberalism. And this factor makes Brics countries a place where objective preconditions for anti-capitalist alternatives are emerging.

This block of countries may form into a force opposing neoliberal order, but only on a condition of domestic social change in each of

these countries. Unfortunately this can only happen when societies overcome their own weakness and authoritarian control. Unless that it happens, the Brics alliance doesn't have a perspective to become a real global force capable of changing the world order.

The model which can be called 'know how Brics' seems to be exhausted. Up to some point local elites were able to keep both sheep and wolves satisfied. That was possible because of important resources which these countries provided to the global market gaining some advantages in this division of labour. Economic crisis limits these advantages, diminishes the flow of external money into Brics countries and the real value of this money.

This leads to the intensification of domestic neoliberal reforms which undermine institutional basis of social compromise as well as social and political mechanisms of consensus-building. Following the recommendations of global institutions such as WTO, IMF and the World Bank leads to even deeper transformation of social and economic structures. Economies are more and more getting oriented to the weakening demand of international market at the expense of domestic market which also gets weaker or doesn't realize its potential growth. This intensifies domestic social crisis and conflicts.

In case of Russia this is expressed by chronic social crisis which can't be overcome without changing existing economic structures and political system. Majority of Russian population still bases their life strategies on the assumption that basic welfare guarantees are going to be provided, but their chances in this respect are diminishing rapidly. Given current tendencies even those welfare provisions and rights that are formally remaining available will become technically dysfunctional.

This policy creates problems not only to the masses of people but also for regional elites. Trying to cut costs for itself, federal administration expends powers of regional authorities, but doesn't provide them with access

to additional financial resources. In practice this means more responsibility without more rights.

Regional administrations face deep crisis trying to cope with this new situation. In practice they have to slow down the implementation of the neoliberal policies introduced by the central government because for them this is the only chance to avoid or postpone mass protests. But this increases political contradictions and conflicts within the state system and creates a real governability crisis.

Ironically, at the central level this leads to even stronger insistence on the market reform as central authorities see that as an only way to overcome the 'inefficiency' of local bureaucratic structures. Thus stochastic sabotage at local level leads to new institutional struggles and decomposition of state institutions, including the most basic ones. Russia faces catastrophic governability crisis which adds to economic and social crisis, producing preconditions for serious political destabilization.

The exhaustion of social compromise model objectively creates conditions for stronger cooperation between Brics countries, which at least have a chance to work together against global neoliberal institutions demanding that they soften their approach. But here we face considerable obstacles:

- Brics countries themselves are structurally dependent on the global economy – their neoliberal reforms are not only produced under the pressure of global capital but also result from this dependency;
- Brics elites are involved in global competition trying to increase their weight in the current world-system;
- Domestic (national) elites oriented to the global market are not interested in changing neoliberal policies, on the contrary they want to intensify it.

Being unable to create a real functional alliance Brics countries imitate alliance-building to put symbolic pressure on the global center. But their inability and unwillingness to go beyond that limits their chance to use even this political tool.

This weakness is increased by the impotence of local political elites at least in some Brics countries, lacking political actors capable to articulate and defend their own state interests against capitalist global elites.

These characteristics of Brics countries and their elites lead to the situation that instead of being a force contributing globally to the improvement of the conditions of the countries of the periphery, they become the Center's 'fifth column,' a force of subglobal support for neoliberal strategy.

But even here we see Brics rather a potential factor of world politics than a serious player. In practice the Center isn't interested in encouraging an integration of a block of countries with impressive resources and a population of over three billion people. Even under neoliberal leadership such integration can produce problems. It is better to have an alliance in name only, without much substance.

Contradictions between society and the state which we see in Brics countries are basically the same as in the Center of capitalist system, but they are deepened by the economic dependency. However Brics countries have a strong tradition of revolutions and resistance struggles which remain part of the collective memory of the people. They have rich history and cultural traditions of their own. They can be seen as a subglobal support base for the Welfare State.

The problem is that actual level of resistance and struggles is very weak compared with the objective level of social discontent. Here the problem is with the lack of social subjectivity. What is needed is a new social alliance or rather a historic block to be built in order to promote and consolidate these struggles making them effective in terms of practical social change. And even now we have all the conditions to use Brics as a space for dialogue of these emerging forces working for a new strategy of progressive social transformation both at local and global level.

(Anna Ochkina is a researcher with the Institute of Globalisation and Social Movement Studies in Moscow)

Brics viewed positively from Moscow

By Vladimir Shubin

The Brics summit in Durban, or, rather, eThekweni, naturally draws attention of academics and activists to this group. Opinions on Brics differ, whether in South Africa or in Russia. Some scholars, on one end of the political spectrum, even called rejoicing at South Africa's joining 'an amorphous entity such as the BRICs' 'an affront to our national pride'¹, while others, on the opposite side, reduce Brics to a group of 'sub-imperialists' and even 'deputy sheriffs.'

In Russia the poorly-organised right wing, routed at the two latest general elections is missing Yeltsin's pro-Western policy of the early 1990s², while the 'disorganised' part of the left (if I may use such an expression) regards Brics as 'the Center's "fifth column"'.³



As to the organised left forces, their positive (though cautious) attitude was stated in the Political Report of the Central Committee to the Communist Party's congress held last February: 'The emergence of Brics involving Brazil, Russia, India, China and South Africa means an

application for the formation of an alternative centre of global influence. In the arsenal of those countries – the majority of the world's population and an increasingly "weighty" share of the world economy. In the case of the expression of common will the growing power of Brics countries can become a serious obstacle to the establishment of a new colonial model of the world.'⁴

Let us try to look into Brics (and Russia's place in it) objectively, avoiding both calling names and ululation and trying to detect the areas where research is needed. For example, as much as written about Brics, you can hardly find the comparison of the political stand of the ruling parties in Brics countries.

Meanwhile the picture of ruling parties is rather complicated: the Communist Party in China that still speaks about socialism even if it is often accused in moving towards capitalism; the left-centre Partido dos Trabalhadores in Brazil; the centrist (formerly also left-centrist) Indian National Congress; the African National Congress (a member of the Socialist International – in Jacob Zuma words it is 'a disciplined force of the left with a bias towards the poor,' but also a broad church);⁵ and finally the 'United Russia' that according to Evgeny Primakov 'was founded as a right-wing, conservative party.'⁶



1. Mills Soko and Dr Mzukisi Qobo, South Africa and the BRICs: A Crisis of Identity in Foreign Policy. Mail and Guardian, 7 January, 2010.

2. Irina Hakamada, a former leader of the 'Union of Right-wing Forces' ('Soyuz pravyyh sil') party stated that Russia's 'global mission' is to 'close a Northern ring: USA-Europe-Japan.' (<http://www.scilla.ru/works/partii07/sps.html>.)

3. Anna Ochkina (from the Institute for Globalisation and Social Movements), Brics: a spectre of alliance (received via Debate network)

4. Pravda, 7 February 2013.

5. <http://www.anc.org.za/show.php?id=9989>

6. http://ru.wikipedia.org/wiki/Единая_Россия



Nevertheless, according to a representative of the UR, it agreed with China that Brics would 'have a party dimension. The ruling parties of these countries will try to coordinate their policies'⁷. It remains to be seen whether this 'dimension' will be different from inter-governmental relations and whether it will contain some ideological input.

The name of Evgeny Primakov deserves a special attention. We are all aware, that for the first time the term BRIC was 'coined' in 2001 by Jim O'Neill of Goldman Sachs Asset Management. However his idea of BRIC was rather far from what happened later, for him BRIC was an object but as a body it at once became a subject of world policy. More related with Brics of today is the idea expressed by Primakov when during his visit to New Delhi in 1998 he envisioned the creation of a strategic triangle connecting Moscow-Beijing-New Delhi.

As to practical interaction between the first four future BRIC members, it began in 2006 when on Russia's initiative the first ministerial meeting took place on the 'fringes' of the UN General Assembly, and then such a meeting was convened in 2008 in Yekaterinburg, in the Urals to be followed by the first summit in the same place in June 2009.

All these details come to mind when one reads how some academics question 'the



7. <http://www.appf21.com/ru/media/99/>

inclusion of the failing Russian state⁸, as if Russia was not an initiator of BRIC!

The creation of BRIC was quite consonant with South Africa's efforts to create a core of 'Non-Western' powers that initially resulted in 2003 in the establishment of IBSA which was regarded in Pretoria/Tshwane just as the beginning of the desirable process⁹.

Yet South Africa initially remained outside BRIC, and disappointment was quite visible. Francis Kornegay, a prominent US academic living now in South Africa, without any argument even called Russia 'the main culprit in this plot.'¹⁰ But in fact during almost three years preceding the first summit, South Africa did not show interest in the gradual formation of BRIC.

However Russia welcomed South Africa's entry the next year. There were apparently several reasons for it. One of them was the need 'to close a gap' in the geographical composition; South Africa is certainly the leading country on the continent, even if not everybody likes it.

Then with its excellent infrastructure it is the 'gateway' to an entire continent for trade and investment. And last but not the least, South Africa, the country that got rid of the apartheid regime, occupies a high moral ground.

The rising Russia's attention to Brics was highlighted in the period preceding its summit in Durban. It coincided with Russia's chairing of the G20, and Brics is regarded in particular as 'an important "locomotive" of G20's development.'¹¹ The preparation of the 2015 summit to be hosted by Russia has begun well in advance; its venue, Ufa, is the capital of the Republic of Bashkortostan in the Urals.¹²

8. Mail and Guardian, Johannesburg, 7 January, 2011.

9. Discussion with a South African minister, 28 April, 2005.

10.

http://www.newsfromafrica.org/newsfromafrica/articles/art_11630.html.

11. Lukov V. BRIC is an important 'locomotive of G20's development' (in Russian). The author is former ambassador to South Africa is Russian su-Sherpa in Brics. <http://www.mid.ru/bdcomp/brics.nsf/WEBforumBric/B84C7A2A9FB4D01944257B020026CB7D>

12. <http://www.udprf.ru/press-center/soobsch-smi/2012-12-04>.

Recent official statements and academic works show that Moscow's long-term objective is the conversion of Brics from a dialogue forum into a full scale mechanism of strategic and ongoing interaction on key issues of world politics and economy.

The criticisms of Brics from the left come from those who occupy a 'perfectionist' stance. However it is naïve (at the best) to expect the very existence of Brics to radically change the world.

I would rather agree with the view, expressed in the above-mentioned Russian Communist Party Political Report. It points to the formation of several intergovernmental bodies in the recent years – such as Brics, Soc, Mercosur, Celac, etc – and correctly says that this kind of integration is often an expression of capitalist competition.

But on the other hand, '(t)he formation of such alliances is constraining the ambitions of USA, Nato and the world reactionary forces behind them. This process gives an additional chance to win time before the new forces of resistance to imperialism, forces of socialist choice grow up and become stronger.'¹³

For the author, who first came to Africa over 50 years ago, the evolving situation resembles the early 1960s, when Britain and France changed their methods of control, while the economically much weaker Portugal resorted to brutal repression.

And nowadays it looks like imperialist powers, undergoing serious economic difficulties, are no more in a position to use 'neocolonial' methods and are increasingly resorting to military force. It became more evident after NATO's aggression in Libya. Hence the unity of those who are determined to defend their independence, Brics countries in particular, becomes especially important.

(Vladimir Shubin is a senior researcher at Moscow's Institute for African Studies)

13. Pravda, 7 February 2013.

From Nepad to Brics, SA's toll at the 'gateway to Africa'

By Patrick Bond

Amongst Pretoria's main objectives at the Brics summit in Durban, says deputy foreign minister Marius Fransman, is to serve as 'a gateway for investment on the continent, and over the next 10 years the African continent will need \$480 billion for infrastructure development.'¹

Going back a decade, what can observers of Brics learn about the role South Africa may serve the four other countries as the gateway to Africa? The origins of the New Partnership for Africa's Development (Nepad) and the African Peer Review Mechanism (APRM) are revealing. Their sponsor, SA president Thabo Mbeki, had launched a late 1990s 'African Renaissance' branding exercise, which he endowed with poignant poetics but not much else.



By early 2001, Mbeki had managed to sign on as partners two additional rulers from the crucial north and west of the continent: Abdelaziz Bouteflika of Algeria and Olusegun Obasanjo of Nigeria, both leaders of countries that suffered frequent mass protests and various civil, military, religious and ethnic disturbances. Later, he added Senegal's Abdoulaye Wade, who in 2012 had to be ousted from power by mass popular protest, when he attempted to change the constitution to allow further rule.

1. M Fransman, 'South Africa: A strong African Brick in Brics,' Stellenbosch, University of Stellenbosch, 21 November 2012.

Addressing an international business gathering in Davos, January 2001, Mbeki made clear whose interests Nepad would serve: 'It is significant that in a sense the first formal briefing on the progress in developing this programme is taking place at the World Economic Forum meeting. The success of its implementation would require the buy in from members of this exciting and vibrant forum!'²

International capital would benefit from large infrastructure construction opportunities, privatised state services, ongoing structural adjustment (which lowers the social wage and workers' real wages), intensified rule of international property law, and various of Nepad's sectoral plans, all co-ordinated from a South African office at the Development Bank of Southern Africa (DBSA), a World Bank-styled institution staffed with neoliberals and open to economic and geopolitical gatekeeping.

Once Mbeki's plan was merged with an infrastructure-project initiative offered by Wade, it won endorsement at the last meeting of the Organisation of African Unity, in June 2001. In 2002, the organisation evolved into the African Union, and Nepad was made its official development plan.³

The actual Nepad document was publicly launched in Abuja by African heads of state in October 2001. In February 2002, global elites celebrated Nepad at venues ranging from the World Economic Forum to a summit of self-described 'progressive' national leaders (but including Britain's Tony Blair) who gathered in Stockholm to forge a global 'Third Way.'

2. T Mbeki, 'Briefing at the World Economic Forum meeting: Millennium Africa Renaissance Program - implementation issues,' Davos, Switzerland, 28 January 2001, <http://www.au2002.gov.za/docs/speeches/mbeki010128.htm>.

3. P Bond (Ed), *Fanon's Warning*, Trenton, Africa World Press, 2005.



Elite eyes were turning to the ‘scar on the world’s conscience’ (as Blair described Africa), hoping Nepad would serve as a large enough bandaid, for G8 leaders at their June 2002 summit in Canada had rejected Mbeki’s plea for an annual \$64 billion in new aid, loans and investments for Africa.⁴ He was simply not a sufficiently reliable deputy sheriff for imperialism, at that stage.

The main reason for doubts about Mbeki’s commitment to neoliberalism and the rule of law was his repeated defense of the continent’s main violator of liberal norms, Mugabe. This loyalty was in spite of Nepad promises such as: ‘Africa undertakes to respect the global standards of democracy, the core components of which include political pluralism, allowing for ... fair, open and democratic elections periodically organised to enable people to choose their leaders freely.’



4. *Ibid.*

In reality, Mbeki would term Zimbabwe’s demonstrably unfree and unfair March 2002 presidential election ‘legitimate,’ and repeatedly opposed punishment of the Mugabe regime by the Commonwealth and the UN Human Rights Commission. In February 2003, South African foreign minister Nkosazana Dlamini-Zuma – now African Union chairperson – stated, ‘We will never criticise Zimbabwe.’

The Nepad secretariat’s Dave Malcomson, responsible for international liaison and co-ordination, then admitted to a reporter, ‘Wherever we go, Zimbabwe is thrown at us as the reason why Nepad’s a joke.’⁵

In the meantime, South African capital’s drive to accumulate up-continent continued, as Johannesburg business sought out new opportunities especially in mining, retail, banking, breweries, construction, services and tourism.

The largest South African corporations benefited from Nepad’s lubrication of capital flows out of African countries, yet most of the money did not stop in Johannesburg, as was the case prior to 2000. The financial flight went mainly to London, where Anglo American Corporation, DeBeers, Old Mutual insurance, South African Breweries, Liberty Life insurance and other huge South African firms had relisted at the turn of the Millennium (thanks to permission from Mbeki).

In spite of a high-profile mid-2002 endorsement of Nepad by 187 business leaders and firms, led by Anglo American, BHP Billiton and the Absa banking group, there were no investments made in twenty key infrastructure projects two years later, only vocal corporate complaints that the peer review mechanism had insufficient teeth to discipline errant politicians. According to the chief reporter of (pro-Nepad) *Business Day* in mid-2004, ‘The private sector’s reluctance to get involved threatens to derail Nepad’s ambitions.’⁶

5. *Financial Times*, ‘G8 vows to ‘fully commit’ to developing African nations,’ 2 June 2003.

6. R Rose, ‘Companies ‘shirking’ their Nepad obligations,’

But would the corporates have contributed to Africa's genuine development? To illustrate drawing upon a telling incident associated with household water provision 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, as also happened in Maputo (Saur from Paris) and Dar es Salaam (Biwater from 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.⁷

The problem of overreach was a more general one. In July 2003, the Johannesburg *Sunday Times* reported from the African Union meeting in Maputo that Mbeki was viewed by other African leaders as 'too powerful, and they privately accuse him of wanting to impose his will on others. In the corridors they call him the George Bush of Africa, leading the most powerful nation in the neighbourhood and using his financial and military muscle to further his own agenda.'⁸

These critics of Mbeki were joined by African intellectuals who demanded better from their leaders as well, including those who understand Pretoria's continental ambitions. To illustrate, at a joint conference in April 2002 in Accra, Ghana, the Council for Development and Social Science Research in Africa and Third World Network-Africa identified the 'most fundamental flaws of Nepad' as follows:

- the neoliberal economic policy framework at the heart of the plan ... which repeats the structural adjustment policy packages of the preceding two decades and overlooks the disastrous effects of those policies;
- the fact that in spite of its proclaimed recognition of the central role of the African

Business Day, 24 May 2004.

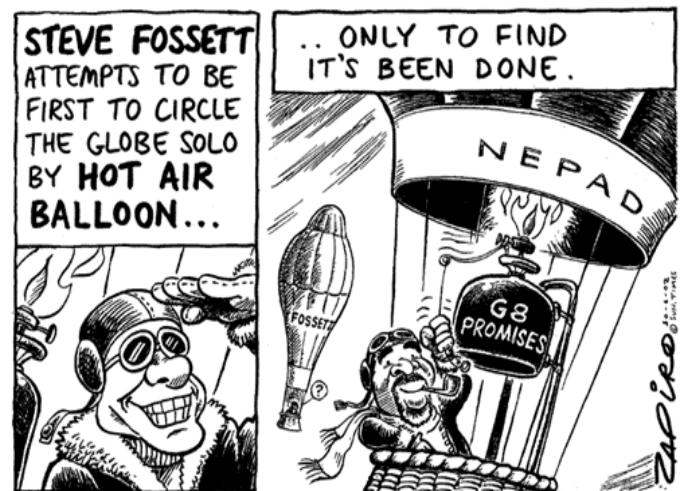
7. J Amanthis. 'How the private sector didn't solve Ghana's water crisis,' *Pambazuka*, 27 July 2012.

8. R Munusamy, 'The George Dubya of Africa,' *Sunday Times*, 13 July 2003.

people to the plan, the African people have not played any part in the conception, design and formulation of the Nepad;

- notwithstanding its stated concerns for social and gender equity, it adopts the social and economic measures that have contributed to the marginalisation of women;
- that in spite of claims of African origins, its main targets are foreign donors, particularly in the G8;
- its vision of democracy is defined by the needs of creating a functional market.⁹

It did not take long for the pessimists' predictions to come true, for even on its own terms, Nepad was fundamentally flawed. As Wade stated in October 2004: 'I am disappointed. I have great difficulties explaining what we have achieved when people at home and elsewhere ask me... We're spending a lot of money and, above all, losing time with repetition and conferences that end and you're not quite sure what they've achieved.'¹⁰



In June 2007, at the World Economic Forum meeting in Cape Town, he acknowledged that Nepad 'had done nothing to help the lives of the

9. Council for Development and Social Science Research in Africa, Dakar and Third World Network-Africa, 'Declaration on Africa's development challenges,' Resolution adopted at the Joint Conference on Africa's Development Challenges in the Millennium, Accra, 23-26 April 2002, p.4.

10. BBC, 'Africa's big plan "disappointing",' London, 22 October 2004.

continent's poor.'¹¹ Later that year, Wade was even more frank: 'The redirection of the project has become inevitable, because nobody has yet understood anything from Nepad and nobody implemented Nepad.'¹²

As Mbeki himself confessed a few weeks after his ouster from power, in December 2008, 'I am afraid that we have not made the progress we had hoped for. Indeed, and regrettably, I believe that we have lost some of the momentum which attended the launch and detailed elaboration of the Nepad programmes.'¹³



Mbeki's African Peer Review Mechanism (APRM) was conceived so that African regimes – including South Africa's, to great internal consternation – would essentially review themselves with kid gloves, and when civil society critique emerged, this was repressed.¹⁴

According to Bronwen Manby from AfriMAP (a pro-APRM NGO), 'Although each country that has undergone the APRM process is supposed to report back to the APR Forum on its progress, there is no serious monitoring exercise of how

effectively this is done. Nor any sanctions for failure to act.' She concluded, 'Without this sort of integration into other national planning systems, debates and oversight mechanisms, the APRM process seems doomed to become little more than a cosmetic exercise without effect in the real world of policy and decision making.'¹⁵

In sum, the imposition of Nepad's neoliberal logic soon amplified uneven development in Africa, including South Africa. Adding to the invasion by Chinese firms – specializing in neo-colonial infrastructure construction, extractive industries and the import of cheap, deindustrializing manufactured goods – and the West's preparations for military interventions from the oil-filled Gulf of Guinea in the west to the Horn of Africa in the east, Africa is being squeezed harder than ever in its history.



Patents, marketing restrictions and inadequate state-financed research made life-saving medicines unreasonably scarce. Genetically modified food threatened peasant farming. Trade was also increasingly exploitative because of the 'Singapore issues' advanced by the G8 countries: investment, competition, trade facilitation, government procurement. The new conditionalities amplified grievances of developing nations over the G8's vast agricultural subsidies, unfair industrial tariffs, incessant services privatisation and intellectual property monopolies.

11. L Ensor, 'South Africa: Get down to brass tacks – Mbeki,' *Business Day*, 18 June 2007.

12. *Daily Observer*, 'Wade: Nepad has failed,' 4 October 2007.

13. Sapa, 'Nepad losing momentum: Mbeki,' 12 December 2008.

14. Patrick Bond, 'Removing neocolonialism's APRM mask: A critique of the African Peer Review Mechanism,' *Review of African Political Economy*, 36: 122, 2009, pp.595-603.

15. B Manby, 'African Peer Review Mechanism: Lessons from Kenya,' *Pambazuka News*, 362, 15 April 2008.



Together, they prompted African-Caribbean-Pacific withdrawal from the ministerial summit of the World Trade Organisation (WTO) in Cancun in September 2003, leading to its collapse, with no subsequent improvements in the following years. Although there was talk of 'Africa Rising' thanks to high GDP growth in several countries – mainly those that benefited from the commodity boom or civil wars ending – the actual wealth of Sub-Saharan Africa shrunk dramatically during the 2000s once we factor in non-renewable resource depletion, with the height of the boom recording a -6 percent annual decline in 'adjusted net savings' (i.e., correcting GDP for ecological and social factors typically ignored).

In sum, from Nepad to Brics, South Africa's toll at the 'gateway to Africa' is high, and there is very little to show for it.

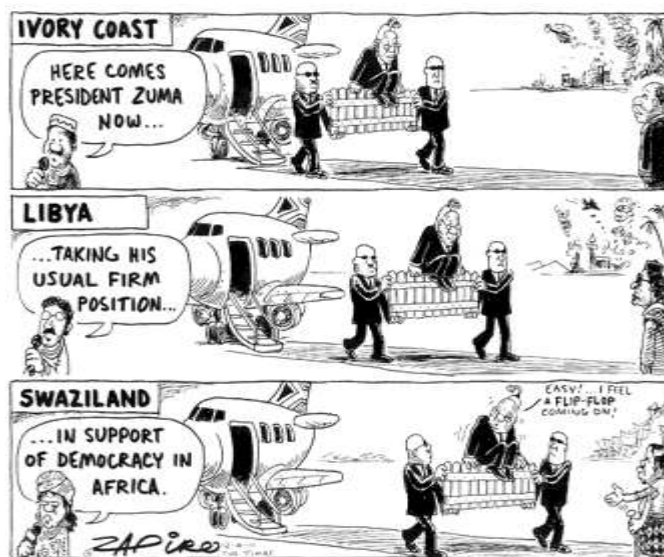
Having failed to coordinate continental economic activity in the interests of the World Economic Forum, Mbeki retired in shame in September 2008, tossed out of power in Pretoria, eight months before his term ended. Nepad played no role in his own decline, which was most spectacular in terms of local and international delegitimation when it came to Mbeki's denial that HIV and AIDS were related and hence that medicines would assist the six million HIV+ South Africans. He is still considered a *genocidaire* for that, but after he was defeated and medicines flowed, the

country's life expectancy rose from a low of 52 in 2004 to 60 in late 2012.

Just as destructively, Mbeki in Africa was doing work – promoting Nepad – considered by the Bush regime's main Africa official to be 'philosophically spot on.'¹⁶

Prior to the 2003 G8 summit in France, former International Monetary Fund managing director Michel Camdessus explained Nepad's attraction in a telling remark: 'The African heads of state came to us with the conception that globalization was not a curse for them, as some had said, but rather the opposite, from which something positive could be derived... You can't believe how much of a difference this makes.'¹⁷

Will South Africa make a similar 'difference' when it comes to gateway service for the other Brics countries' looting of Africa? Will Jacob Zuma continue the West's (and Mbeki's) tradition of pretending to support democracy – as he postured in the Ivory Coast, Libya and Swaziland recently – while doing nothing concrete? And just as the West did for Nepad, will the Brics group endorse Pretoria's gateway role for the sake of legitimation? Like Nepad, is it all purely symbolic diplomacy, and ultimately a huge waste of time and effort?



16. D Gopinath, 'Doubt of Africa,' *Institutional Investor Magazine*, May 2003.

17. http://www.g7.utoronto.ca/summit/2003evian/briefing_apr030601.html

Brics grab African land and sovereignty

By Tomaso Ferrando

Although there are many different analyses, one general approach to Brics relationships with the South asserts that they are distinguishable from traditional Northern donors (as opposed to investors which will be discussed below).¹ In particular, it is often claimed that South-South development cooperation does not attach policy conditionalities, provides assistance based on a win-win paradigm, and places emphasis on how to ensure economic sustainability of the receiving country.²

While China especially stresses the need to respect the sovereignty of the receiving country, all the Brics promote a development strategy based on equality, solidarity, mutual development and cooperation. These differences from Northern donors, it is said, contribute to more effective cooperation and to a better perception by local populations.

Some differences do exist between the way in which Northern donors and Brics conceive receiving countries' sovereignty and their independence when official development assistance is at stake. But not so with foreign direct investments (FDI) in land for when access to this precious resource is at stake, the approaches and positions of both the North and the South toward low-income countries (LICs) countries converge more significantly than it might be thought.

The current 'land rush' is characterized by some peculiar features: it is happening at an unprecedented speed as a product of cumulative local and global forces; it has a direct impact on access to land and water, which have now become scarce resources; it is happening in a

world inhabited by more than seven billion people, the majority of whose food security is everyday more at risk; it is almost never the consequence of wars or occupations, but is taking place within the boundaries of the existing legal framework.

However, even though land grabbing is a global phenomenon, it is firmly rooted in the local reality and it is this local reality that has to be studied in order to fully grasp its effects.³ Land grabbing is bad not only because it takes the land away, but also because it implements an economic model which is socially, economically, politically and ethically unsustainable and unacceptable.

Looking at where the investments come from, the *lack* of a central driving region is striking. What we see is the coexistence of actors (public, private and mixed) from the North, Gulf States, emerging economies – including Brics – and, in some cases, from Low Income Countries themselves. On average, investors' countries have a GDP per capita (four times higher than target countries) and this difference is even higher when we exclude countries that are both the origin and target of investment flows.⁴

A June 2011 study by the International Land Coalition suggested that land grabbing concerned around 80 million hectares, 64 percent of which are located in Africa,⁵ whereas

3. Boaventura de Sousa Santos brilliantly affirms that 'it does not exist a global problem which is not rooted in a local reality' (Santos B.S., *Globalizations*, 23 THEORY, CULTURE & SOCIETY 393–399 (2006).

4. Anseeuw W., et al., *Transnational Land Deals for Agriculture in the Global South: Analytical Report based on the Land Matrix Database*, The Land Matrix Partnership, April 2012, p. 39.

5. Global Land Project (GLP), 2010, *Land Grab in Africa: emerging land system drivers in a teleconnected world*, The Global Land Project: http://www.globallandproject.org/Documents/GLP_report_01.pdf; Borras, S.M. Jr., R. Hall, I. Scoones, B. White and W. Wolford, 2011, *Towards a Better Understanding of Global*

1. This article is a condensed version of a chapter that will appear in "Multipolar World: A Movement Reader" to be published by the Transnational Institute and Focus on the Global South in mid-2013; see <http://www.tni.org>.

2. Mwase N. and Y. Yongzheng, *Brics' philosophies for development and their implications for LICs*, IMF Working Paper, WP/12/74, March 2012

the latest update by the same organization refers to more than 200 million hectares, i.e. eight times the size of Britain, or the entire North-West Europe.⁶

Brics land grabs in Africa

Country and Total Land	Total Land and Regional Area	Target Countries
Brazil 28,000 ha	Eastern Africa 28,000 ha	Mozambique, Ethiopia
India 1,924,509 ha	Central Africa: 15,000 ha Eastern Africa: 1,761,800 ha Northern Africa: 8,020 ha South East Asia: 139,689 ha	Cambodia, Indonesia, Lao, Philippines, India, Cameroon, Ethiopia, Madagascar, Mozambique, Sudan
China 1,140,683 ha	Central Africa: 10,000 ha Eastern Africa: 126,171 ha South America: 348,972 ha South-East Asia: 628,139 ha Western Africa: 26,000 ha	Cambodia, China, Sudan, Lao, Philippines, India, Bolivia, Peru, Argentina, Benin, Cameroon, Ethiopia, Mali, Democratic Republic of Congo, Uganda, Zimbabwe
South Africa 1,416,411 ha	Central Africa 340,000 ha Eastern Africa: 367,174 ha South America 55,794 ha Western Africa 650,000 ha	Colombia; Angola; Benin; Ethiopia, Democratic Republic of Congo, Mozambique; Madagascar

According to the most recent data collected by the Land Matrix Initiative and elaborated by Anseuuw et al. (ibid), 83.2 million of hectares of land in developing countries have certainly been targeted by investors, 56.2 million of which are located in Africa, 17.7 million in Asia and 7 million in Latin America.⁷ Moreover, the majority

Land Grabbing: An Editorial Introduction, Journal of Peasant Studies, 38(2): 209-216.

6. Oxfam, *Land and Power: The Growing Scandal Surrounding the New Wave of Investments in Land*, 151 Oxfam Briefing Paper, Oxfam International, London, UK, 2011.

7. For the moment, the Land Matrix Initiative has elaborated only half of the available data, because the other half has not been confirmed with a sufficient degree of certainty. Therefore the figures might be significantly higher. Moreover, the member of the Matrix (GIGA Institute, CDE, ILC, CIRAD and GIZ) have decided not to take into account operations of merge and acquisition

of reported acquisitions are concentrated in just a few countries.

Data shows that Brics investors play an increasingly crucial role (*except Russia*, which remains at the margin of the rush probably due to the amount of available land) demonstrating that land grabbing is happening not only from the traditional core to the peripheries, but also transversally on the geopolitical map of the world. There are zones of interest for each country, with a predilection toward neighbouring countries (especially in the case of Brazil, South Africa and China) and certain areas of the African continent depending on geographical proximity or linguistic ties.

Brics investors target low-income countries, while a recent report released by Oxfam has underlined the close relationship between weak internal governance and land grabbing.⁸ Moreover, it can be affirmed that geographical proximity, regional integration, and cultural connections are other three factors that can determine the flow of the investments.

Indian investors are particularly active in Indonesia, Malaysia and in the eastern part of Africa (especially Ethiopia⁹ and Kenya), while Brazilian interests appear to be reduced and limited to Eastern Africa. Interestingly, South African capital is crossing the borders of Mozambique, Zambia¹⁰ and Swaziland,¹¹ but also of the Democratic Republic of Congo,¹² Angola,

(M&A), which are undoubtedly increasing all over the world.

8. Ricardo Fuentes-Nieva and Marloes Nicholls, 2013, *Bad governance leads to bad land deals: The link between politics and land grabbing*, Oxfam International, available from <http://www.oxfamblogs.org/fp2p/?p=13636> [last visited 4 March 2013].

9. According to the data collected by Grain, Indian corporations are involved in at least twelve agricultural projects in India, ranging between 3,000 to 311,000 hectares.

10. Cf Mulenga N., *Foreign Farmers Undermine Food Security in Zambia*, November 1st, 2012, available from <http://www.ipsnews.net/2012/11/foreign-farmers-undermine-food-security-in-zambia/>, last access November 11th, 2012.

11. Grain, 2012.

12. Cf *Commercial farming in the Congo not for the faint-*

Benin, Congo and Ethiopia.¹³ Finally, according to the available data, China is the most active investor, with more than five million hectares of land accessed in all the continents, with a stronger presence in Southern Asia,¹⁴ Oceania and South America, rather than in Africa.¹⁵

Brazilian rhetoric – the ‘dawn of a new economic era between Africa and Brazil’¹⁶ – is belied by President Dilma’s recently-concluded agreement with Mozambique and Japan to develop a 14 million hectares agricultural project in the north of Mozambique.¹⁷ Indeed

hearted, October 26th 2012, available at http://www.howwemadeitinafrica.com/commercial-farming-in-the-congo-not-for-the-faint-hearted/21576/?utm_source=feedburner&utm_medium=feed&utm_campaign=Feedpercent3A+HowWeMadeItInAfrica+percent28How+We+Made+It+In+Africa+percent29, last access November 11th, 2012.

13. Source Land Matrix 2012. Last accessed November 11th, 2012.

14. Mainly in Indonesia, Laos, Philippines, Pakistan. Source, Grain 2012.

15. Chinese interests are significantly strong in Australia and New Zealand, where Grain (2012) has evidenced at least two agrobusiness projects, one financial and the acquisition of a local farming corporation. The largest agricultural Chinese public corporation, Beidahuang, had concluded a 320,000 ha investment agreement with the governor of the Rio Negro Region, in Argentina, which has been halted by judicial decree, and has also triggered a legislative proposal against foreign access to land.

16. Calestous Juma, *Africa and Brazil at the Dawn of New Economic Diplomacy*, Belfer Center for Science and International Affairs, John F. Kennedy School of Governance, Harvard University, February 26, 2013, Available from http://belfercenter.ksg.harvard.edu/publication/22793/africa_and_brazil_at_the_dawn_of_new_economic_diplomacy.htmllted by judicial decree, and has also triggered a legislative proposal against foreign access to land.

17. The Land Matrix Initiative’s data concerning Brazil do not take into consideration the future implications of ProSavana, a 14 million hectares project of agricultural development based on a trilateral agreement concluded between Mozambique, Brazil and Japan. Although the final document will only be disclosed in September, the struggle between the Mozambican government and the Mozambican civil society has already started. Cf. All Africa, Mozambique: ‘pro-Savana’ Will Not Deprive Farmers of Land, Agencia de Informacao de Mocambique (Maputo),

Brazil is leading the pack when it comes to land grabbing.¹⁸

Brazil, Indian, South African and Chinese investors have already obtained access, via lease or purchase, to millions of hectares located in other Southern countries, directly competing with Northern and Gulf countries for the land

December 26, 2012,

<http://allafrica.com/stories/201212270644.html> (last visited feb 19, 2013); Xicuaana, *Camponeses Moçambicanos desconfiam do projeto Pro-Savana ndhaneta* (2012), <http://ndhaneta.blogspot.com.br/2012/11/camponeses-mocambicanos-desconfiam-do.html> (last visited Feb 19, 2013).

18. Interestingly enough, Brazil is both a target and source countries, as recently evidenced by Borras et al Saturnino M. Borras, Jennifer C. Franco & Chunyu Wang, *The Challenge of Global Governance of Land Grabbing: Changing International Agricultural Context and Competing Political Views and Strategies*, 10 *GLOBALIZATIONS* 161–179 (2013).. However, in the specific case of the Latin American country, the Land Matrix database does not appear to fully represent the relevance of the intra-regional and global land grabbing that is nationally and internationally conducted by Brazilian investors. In particular, Grain (2012) reports of investments in Argentina (7,000 ha), Australia (1,876 ha for livestock), Colombia (13,000 ha for agrobusiness), Ghana (5,000 ha for rice production), Sudan (100,000 ha for cotton production in cooperation with Agadi, a Sudanese state corporation). Moreover, Luis A. Galeano has recently stressed the relevance of Brazilian investments in Paraguay (Luis A. Galeano, *Paraguay and the expansion of Brazilian and Argentinian agribusiness frontiers*, 33 *CANADIAN JOURNAL OF DEVELOPMENT STUDIES/REVUE CANADIENNE D’ÉTUDES DU DÉVELOPPEMENT* 458–470 (2012). In addition, the Land Matrix database reports of 255,000 ha of land acquired in Brazil by foreign investors. Finally, we cannot forget the planned ProSavana investment in the North of Mozambique, (Cf Mozambique: Pro-Savana a Priority Programme – PM, available from <http://allafrica.com/stories/201204230099.html>, last access November 11th, 2012; Patel Raj, *Pro-Savanna Anti Peasant*, available from <http://rajpatel.org/2012/10/24/prosavana-antipeasant/>). Moreover, Grain’s latest report has evidenced the presence of Brazilian investments in Argentina, Colombia, Ghana, Mozambique, Sudan and Australia, but there are evidences of large investments in Paraguay too. Source, Grain 2012. According to a recent analysis conducted by Rabobank, in fact, the Latin American country is seeking to expand within its immediate region (Rabobank International, *New Models of Farming in Argentina*, Rabobank Industry Note, 2011).

and water resources which sustain millions of local communities (to say nothing of the environmental equilibrium and biodiversity).

Crucial for this land grab are the diplomatic and legislative strategies adopted by the governments of the Brics. As global players in need of economic expansion, energy and food, the Brics economies are enhancing and facilitating operations involving land abroad in a way that is inconsistent with their proclamations of sustainable development, cooperation, solidarity, and respect of foreign sovereignty.

China, India and South Africa have adopted legal reforms that favor the delocalization of food and energy production. In contrast, Brazil has used its legislative autonomy *to reduce access to Brazilian land by foreign investors*, while the ongoing accumulation of Russian land is the consequence of the privatization that took place in the 1990s.

The role of the South African in sustaining investments in land abroad is illustrative. Given that the crops produced abroad by South African investors are generally sold on the global market rather than imported back to South Africa, the efforts undertaken by the government primarily concern international trade, rather than the creation of legal incentives to guarantee food security through productive delocalization.

Minister of Agriculture Tina Joemat-Pettersson announced in 2010 a fund of six billion South African Rand (ZAR) (or about 680 million US dollars) for supporting South African farmers, half of which would be spent on projects beyond South Africa's borders.¹⁹

19. R. Hall, *The next Great Trek? South African commercial farmers move north*, 6 in INTERNATIONAL CONFERENCE ON GLOBAL LAND GRABBING 8 (2011) quoting SA, *Zim not safe for investments*, Farmers Weekly 2010, 9 May 2010. The same Minister was first quoted saying 'If we can't find opportunities for white South African farmers in this country, we must do it elsewhere in the continent' (Hoffstatter S. 2009a. 'Government drive to set up white SA farmers in Africa,' Business Day, 12 October, accessed 15 November 2012 at: <http://allafrica.com/stories/200910120009.html>

Moreover, despite the rising concerns about the negative impact of land grabbing, both in South Africa and abroad, the African state has proposed no legal intervention to require a stronger and more effective respect of international human and environmental rights by national investors undertaking projects abroad. The African solidarity supposedly at the base of the relationship between South Africa and its neighbor countries appears particularly weak when it's time to support national investments and profit generation.

Brazil's approach toward large-scale investments in land is very strategic, not to say hypocritical. On the one hand, the Parliament has been debating for almost one year the introduction of new legislation to prohibit foreign ownership of Brazilian land²⁰ while at the same time pursuing a policy of land concentration and massive industrialization, both nationally and abroad, with specific attention to the production of agrofuels.

The fight against foreign ownership began in 2010 when limits on the area of land foreign companies can buy were imposed by a new interpretation of the existing law issued by the Brazilian attorney general's office. However this does not appear to be accompanied by a fully coherent politics in favor of peasants and local realities.

While it is true that the Lula administration introduced some initiatives that were favourable to small-scale farmers, including the 2009 revision of the productivity indexes that determine which properties are subjected to expropriation, and while the pressure exercised by the Movimento dos Trabalhadores Sem Terra (MST) has achieved some good results such as securing access to land for 800,000 families, the

20. According to the Movimento Sim Terras, the project is currently facing a moment of impasse due to the different positions adopted by Beto Faro, who presented the bill, and Homero Pereira, who is president elected of the Agriculture Parliamentary Front (FPA). *The MST defende proibição da aquisição de terras por estrangeiros e pede mobilização contra retrocessos*, Movimento Sim Terras, 28 March 2012.

power of agribusiness and levels of land concentration continues to rise.²¹

Brazil's economic growth has been strongly dependent on the expansion of arable land and pastures, land consolidation through property regularization, market liberalization, and a clear commitment to agribusiness and agrofuel production – in particular in the area of the Cerrado, where the a 'march toward the West' was proclaimed by the state in order to occupy its 'empty spaces.'²²

This combination of policies and preferences has significantly affected the environmental and social equilibrium of vast tracts of the country, where it is estimated that 40-50 per cent of the vegetation has been destroyed.²³ Paradoxically, internal pressure against deforestation is significantly moving the attention of the

21. Cf. Leandro Vergara-Camus, *The legacy of social conflicts over property rights in rural Brazil and Mexico: Current land struggles in historical perspective*, 39 JOURNAL OF PEASANT STUDIES 1133–1158 (2012); Gustavo de L.T. Oliveira, Land regularization in Brazil and the global land grabbing: A State-making framework for analysis, paper presented at the

22. Gustavo de L.T. Oliveira, *Land Regularization in Brazil and the Global Land Grab*, 44 DEVELOPMENT AND CHANGE 261–283, 264 (2013). The Cerrado, which occupies almost 25 per cent of Brazilian territory represents the most attractive state for foreign investors. According to recent surveys, the total land in the hands of foreigners within that state accounts to 180.581 squared kilometers, which is the 20 percent of the Mato Grosso's land. Alastair Stewart, *Brazil's Foreign Land Ownership Saga*, *The Progressive Farmer*, January 02, 2012, available from <http://www.dtnprogressivefarmer.com/> (last visited Apr 17, 2012); Chang Bao, CGG IS SETTING UP A SOYBEAN BASE IN BRAZIL COMPANIES, CHINADAILY.COM.CN (2011), http://www.chinadaily.com.cn/bizchina/2011-11/24/content_14153948.htm (last visited Apr 17, 2012). However, a critical analysis should not buy into the 'anti-foreigners' rhetoric of the Brazilian government, and understand that partnerships and national investors are actively involved in an internal and inter-regional land grabbing.

23. Ministry of the Environment, 2009, 'Monitoramento do Desmatamento no Bioma Cerrado 2002-2008: dados revisados' ['Monitoring the Deforestation in the Cerrado Ecosystem 2002-2008: Revised Data'], Brasilia: MMA/IBAMA. Cited in Oliveira, *ibid*.

government and of the investors toward peripheral countries.

Land grabbing has been facilitated by the expansion of bilateral investment treaties (BITs) which amplify economic and power asymmetries. The surge in BITs represents the switch from the universal multilateralism of the past to a more fragmented bilateralism. Investments are free to move, and take advantage of their mobility to force countries into a fierce competition whose outcome is a subordination of the collectivity to the interests and economic needs of the investor.

The number of BITs is exploding and the Brics are increasingly part of this trend. Between 1959 and 1991, over 400 BITs were signed, a figure that rose to 2600 by mid-2008, while BIT-like provisions have been written into a growing number of broader free trade agreements (FTAs).²⁴ By 2004, South-South BITs accounted for 28 per cent of the total number of BITs signed.²⁵

These BITs are first of all utilized by states to create reinforced regional ties with target countries, so as to create an easily reachable zone for investors based on the subordination of sovereign prerogatives and a simpler access to factors of production, such as land and labour, and raw materials. BITs between the Brics and LICs with strongly pro-investor content rebuts, in reality, the South-South rhetoric of the Brics.

China has concluded BITs with developing and LICs countries (Chad, Costa Rica, Cuba, Republic of Korea, Cote d'Ivoire, Gabon, Seychelles, Laos, Libya, Mali, Myanmar/Burma, Madagascar, Ethiopia, Uganda, etc.). Sixty percent of the BITs concluded by China between

24. UNCTAD, *Recent Developments in International Investment Agreements 2007-June 2008*, IIA Monitor, no. 2, 2008, available from

www.unctad.org/en/docs/webdiaeia20081_en.pdf

25. UNCTAD, 2006, *South-South Investment agreements proliferating*. IIA Monitor No. 1 (2005) International Investment Agreements. New York: United Nations. Available from:

http://www.unctad.org/en/docs/webiteit20061_en.pdf

2002 and 2007 were with developing countries, mainly African.²⁶

South Africa too has been extremely active in signing BITs since the end of the apartheid era, as it reorients its international relations according to the economic needs of national investors. In an official 2009 review of South Africa's BITs, the Department of Trade and Industry stated, 'given the sizable intra-Africa investments made by Republic of South Africa (RSA) companies, the RSA ought to assess how best such investments by its citizens may be safeguarded.'

As a consequence of the intra-regional expansion of South African investments, the Government has BIT-type agreements on the promotion and reciprocal protection of investment (plus related protocols) with Angola, Cameroon, Democratic Republic of the Congo (DCR), Gabon, Guinea, Ethiopia, Mauritania, Namibia, Sudan, Tanzania, Zambia and Zimbabwe.

In sum, rather than acting as institutional and legal laboratories for testing new rules and instead of constructing a parallel network of bilateral agreements based on new principles and new relationships between investors and states, South-South BITs reproduce the same logic and, in some cases, the same wording as North-South BITs.

And hypocrisy is evident, when in 2009 a notice of the Department of Trade and Industry referring to the ongoing review of bilateral investment treaties entered into by the Republic of South Africa since 1994 to date, states that the 'Existing international investment agreements are based on a 50-year-old model that remains focused on the interests of investors from developed countries. Major issues of concern for developing countries are not being addressed in the BIT negotiating processes. BITs extend far into developing countries' policy space, imposing

damaging binding investment rules with far-reaching consequences for sustainable development.'²⁷

However, although RSA has decided to adopt a policy of not renewing BITs concluded during the apartheid period which impose a huge burden over State's prerogatives – such as the ones with Luxembourg and Belgium²⁸ – in the same period, South Africa was adopting the same approach when concluding a BIT with Zimbabwe. Looking at the 2009 BIT concluded between the two African countries, it clearly replicates the same legal architecture that is so openly criticized – included an extremely generous expropriation clause which requires the state to fully compensate the market value in any case of nationalization, expropriation or equivalent measures, with no admitted exceptions.²⁹

Likewise, South-South investment contracts in land replicate the same content as North-South agreements. One of the most striking elements contained in the contracts involving Brics investors is the use of sovereignty in order to define land as void and immediately disposable, particularly in the case of Sub-Saharan Africa.

Although studies conducted on the availability of land and the voices of the people themselves tell us that there is no underutilized or void land in Sub-Saharan Africa, the exercise of sovereignty over public land legitimizes the production of a different vision of reality that is

27. Republic of South Africa DTI (Department of Trade and Industry), NOTICE 961 OF 2009, 3 NO.32386, July 7, 2009.

28. Adam Green, South Africa: BITs in piece, Financial Times, beyond the brics blog, 19 October 2012, available from <http://blogs.ft.com/beyond-brics/2012/10/19/south-africa-bits-in-pieces/#axzz2LNfwrtp> [last visited 19 February, 2013].

29. Cf Article 5 of the Agreement between the Government of the Republic of South Africa and the Government of the Republic of Zimbabwe for the Promotion and Reciprocal Protection of Investment, done at Harare on November 27th 2009. Available from http://unctad.org/sections/dite/ia/docs/bits/SA_Zimbabwe.pdf [last visited February 18, 2013].

26. Malik M., 2010, *South-South, Bilateral Investment Treaties: The same old story?*, IV Annual Forum for Developing Country Investment Negotiators Background Papers New Delhi, October 27-29

then codified and crystallized in the clauses of the contract.

In the name of the people, the representatives of the states assume the obligation to 'hand over vacant possession of the land' or to 'ensure that such lands shall be free from Encumbrances at the date of handover of such lands in accordance which the Development Project,' and noncompliance would represent a contractual breach.³⁰

According to the majority of the constitutions of African nations, non-titled land belongs to the public, the nation or the state, i.e. the institutionalized authority, which has the duty to manage but can never fully dispose of it. The occupation of the land by people without any official title is thus admitted but not legally recognized, and the state has the legitimate power to dispose of its natural resources.

Whenever it concludes an investment contract that defines occupied land as void and available, the state is therefore looking at the legal reality, leaving aside the evidence on the ground: acting as the owner of the land, and by maximizing its power and prerogatives, the state constructs a functional legal reality and has the coercive power to legitimately enforce it. Whoever does not respect the new legal canon defined into the contract is immediately wiped out from the sphere of legality, becoming illegal. Peasants who do not treat nature as an exploitable source, farmers who practice shifting cultivation, nomadic pastoralism or hunting and gathering, suddenly become legally non-existent or, even worse, outlaws.³¹

30. Cf. Article 6.1 of the contract concluded between the Ethiopian government and Karaturi Agro Products Plc. (R. Rowden, *India's role in the new global farmland grab*, 29 Economics Research Foundation and GRAIN, (2011).

31. In Ethiopia, for example, a statement issued by the Ministry of Foreign Affairs in January 2010 affirms that 'the Agricultural Investment Support Directorate 'has identified more than 7 million acres available now for lease [and that] Ethiopia has 74 million hectares of land suitable for agriculture out of its total 115 million hectares, but less than 15 million hectares is currently in use agriculturally.' FDRE Ministry of Foreign Affairs, 'Politically motivated opposition to agricultural investment,' *A Week*

Despite the fact that investors and the state claim that the projects are taking place in 'available marginal lands' – i.e. marginal, under-utilized or un-used, empty or sparsely populated, geographically remote, and socio-politically and legally available lands – evidence shows that land investments around 'flex crops' and other food sectors also compete for fertile land, creating struggles that are silenced by the contracts.

In conclusion, the investment contract concluded between states and Brics investors allows a reinterpretation of reality according to the needs of the investor through the exercise of the prerogatives of the state, which is subsequently enforced by the possibility for the investor to trigger principles of international law in order to ensure the contract is respected. In this way, sovereignty is exercised neither autonomously nor for the good of people.

Millions of people have already been displaced or prevented from accessing their traditional land, and this is happening under the cover of a complex legal network formed by contract, national, international and investment law.

Moreover, in order to fully develop large-scale projects, investors frequently have to rely on massive inputs, including water which is frequently diverted from its natural course and utilized for their production. Wherever large-scale agriculture is adopted, water is crucial and its diversion can seldom be achieved in a way that is entirely consistent with the needs and survival of small-scale peasantry.

Interception, diversion or storage of water creates downstream effects or may place demands on upstream land users. Investment contracts are the legal instrument that legitimizes the appropriation of water for industrial needs and the codification of a power

in the Horn, 22 January 2010.

'http://www.mfa.gov.et/Press_Section/Week_Horn_Africa_January_22_2010.htm.' See Stebek, E.N., 2012, *Between 'Land Grabs' and Agricultural Investment: Land Rent Contracts with Foreign Investors and Ethiopia's Normative Setting in Focus*, *Mizan Law Review* 5, 175–214.

asymmetry that is detrimental to people's fundamental rights.

In sum, my intention has been to look at whether the Brics rhetorics of 'respect of national sovereignty' and the 'promotion of solidarity'³² are valid and applicable in the case of the current large-scale investments in land, which is an issue of mounting global concern, and has been variously described as 'land grabbing,' 'neo-colonialism,' 'modern imperialism,' 'green rush,' 'scramble for Africa,' etc.

The dominant narrative about the Brics approach to development is based upon G77 principles that affirm South-South cooperation, equality, solidarity, mutual development and complementarity.³³ Yet in reality, the proliferation of South-South bilateral investment treaties together with an extraordinary level of capital mobility provides investors with the possibility to generate a regulatory competition between peripheral countries, who in turn utilize their sovereignty (in particular, their sovereignty over natural resources, ability to set taxes, etc.) to become more attractive than their neighbors. The consequence is that formally public or common goods such as land, water, labor and fiscal resources have been progressively privatized and accumulated under cover of private investment agreements.

As in the case of North-South investments by hedge funds, pension funds, and agrobusiness, Brics relationships with African LICs are based on investment contracts that emerge from asymmetrical positions, and codify and crystallize the legal order that best fits the interests of the investors. In this way, it is not only the communities and the environment that are kept outside the framework, but public scrutiny as a whole.

Instead of respecting national sovereignty and promoting solidarity, most Brics (not Russia) are utilizing international law and

diplomatic powers in order to bind foreign governments in bilateral agreements which inherently favor the investors and reduce the scope for national autonomy.

Yet as we can see by the mounting tensions around the numerous Chinese investments in Brazilian land, Brics can also attack each other's sovereignty over natural resources, a situation that could degenerate into the freezing of international relations and in deepening diplomatic tensions. Finally, Brics can also be competitors for the same finite resource, a contingency that could potentially produce a race to the top in the quality and content of the investments, but that could also degenerate in an acceleration of resource grabbing, exacerbating the negative impacts over people and the environment, but also creating deeper political instability.

The case of land demonstrates that South-South relationships have to be studied more deeply and critically and that the notion of Brics has to be fragmented in its pieces and tested on the ground. In order to do so, we need to re-centre the study of international relations in order to finally take people into account. Land grabbing as a form of neo-colonialism is not a matter of names and origins, but simply a matter of global expansion of the capitalist system.

(Tomaso Ferrando is a PhD candidate from Sciences Po Law School in Paris, a former Visiting Researcher at the University of Cape Town Public Law Department, and a Visiting Researcher in Commercial Law at the University of Sao Paulo)



32. Mwase N. and Y. Yongzheng, *supra* note 1.

33. For the South-South Cooperation principles see <http://www.g7.org/doc/Declaration2009.htm>.

A daylight robbery in Ethiopia

By Obang Metho

'If it is unacceptable for Ethiopians to go to India, China or Saudi Arabia and clear their land without consulting the people, it is unacceptable here. We are human too and we care about the future of our children like everyone else...my message to the foreign investors is, listen to the owners of the land!'

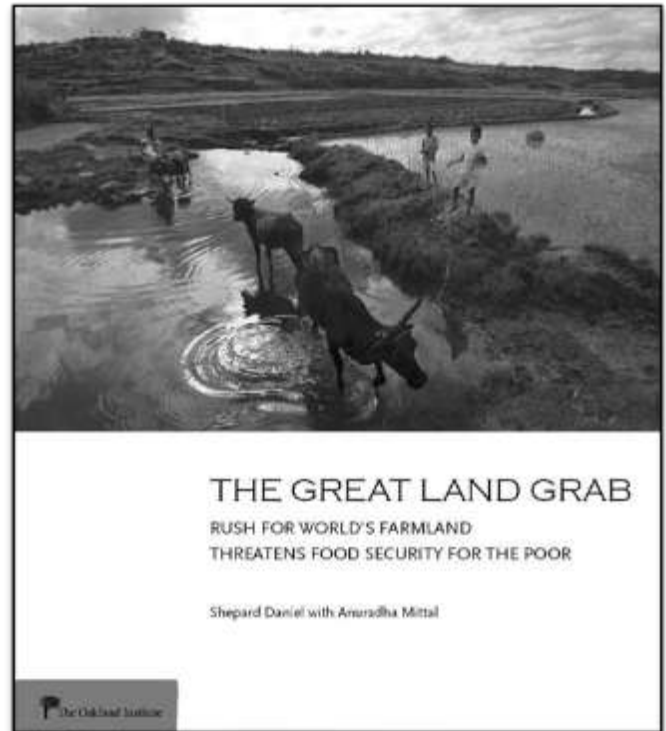
- Anuak man from southwestern Ethiopia

June 15, 2011

Dear People of India:

I greet you in peace and hope that the good people of India, who have yourselves thrown off the shackles of colonialism only 63 years ago, will join with Ethiopians and other Africans in confronting the hundreds of Indian companies who are now at the forefront of colluding with African dictators in robbing the people of their land, resources, lives and future! As either prospective buyers or simply as justice-loving Indians, you deserve to have full disclosure regarding the nature of these Ethiopian 'business deals,' the impact it is having on 'real people' on the ground, and the risks of 'doing business' in Ethiopia with the current dictator of Ethiopia, Meles Zenawi.

On June 8, 2011, Oakland Institute (OI) and the Solidarity Movement for a New Ethiopia (SMNE) released a joint investigative report on Ethiopia, *Understanding Land Investments in Ethiopia*, part of a larger study of nine African countries affected by the new phenomenon called land-grabs. In Ethiopia, these 'land-grabs' are being carried out as foreign investors make deals to lease some of the most fertile agricultural land for up to 99 years at negligible prices. Because private land ownership is prohibited in Ethiopia, 'land deals' are being negotiated in secret agreements between these foreign investors and the Ethiopian government; without any consultation with the people.



My name is Obang Metho and I am writing this to you on behalf of the Solidarity Movement for a New Ethiopia (SMNE), a non-violent, grassroots social justice movement of diverse Ethiopians committed to bringing truth, justice, freedom, equality and the respect for human and civil rights to the people of Ethiopia and beyond. Our guiding principles are based on putting 'humanity before ethnicity,' or any other distinctive that dehumanizes other human beings; and secondly, that 'no one is truly free until all are free,' meaning that ignoring or contributing to the injustice, exploitation and oppression of our neighbors, near or far, creates greater insecurity and disharmony for all of us in this global world.

I come to you first and foremost as a fellow human as I call you to join our effort to stop the plundering of Ethiopia and Africa by African dictators, their cronies and their foreign partners –some of whom are Indian – who are hungry for our resources but care little for our people.



An indigenous Ethiopian man described it this way: 'This regime is one of the most hated regimes in Ethiopian history... they kill the people like they are nothing and with no remorse.' In light of this, I must warn you that those who are 'doing business' in Ethiopia, are partnering with an illegitimately elected dictator and his authoritarian regime built on the brutal suppression of the rights of its citizens. The intent of my open letter is to expose the dark underside of these 'deals' with the hope of joining forces with those in India who demand justice and human rights for all.

Ethiopia is controlled by a repressive regime, posing as a democracy, which maintains its power not by the ballot, but by the bullet; clearly shown by its 99.6 percent claim to victory in the 2010 election and complete closing off of any political space. All sectors of society are tightly controlled by a one-party minority government, which politicizes all benefits – including business opportunities, education, jobs, agricultural supports and even food aid (see recent Human Rights Watch report) – and punishes any dissent; creating a silenced Ethiopian society.

Ethiopians are pro-business and pro-investment; particularly as Ethiopia is reported to be the second poorest country in the world with 90 percent of the people living under the poverty level. What we oppose is the daylight robbery of Ethiopia by modern day bandits who are willing to make secret deals with a corrupt government that would be illegal in India and other more developed countries. Abundant resources; combined with a disenfranchised

public, few protective regulatory mechanisms, a lack of transparency, duty-free deals and government promises of cheap labor have brought opportunists from all over the world – from India, China, Saudi Arabia, the United Kingdom, Egypt, Turkey and beyond – all hungry to eat off the weakened carcass of the future hopes of the Ethiopian people.

Into this environment, have come over 500 Indian companies – more than from any other country in the world – to capitalize on this 'goldmine of opportunity.' One Ethiopian from the Oromia region protested: 'Our land is being given to the Indian companies and anyone who speaks out against it is labeled as a terrorist who is not supposed to have any rights or question any actions by the government.'

Why would any Indians be part of this? Any who resent the colonial past of your own country, should know that it began through the British East India Trading Company; where some of the more unscrupulous often colluded with corrupt indigenous government officials. What would Gandhi say today were he to know that Indians, who were only freed from the shackles of colonialism in recent history, were now at the forefront of this 'land-grabbing' as part of the race for foreign control over African land and resources; currently being called the Neo-Colonialism of Africa?

Karuturi Global Ltd, (KGL), the largest investor, has now leased 300,000 hectares in Gambella for 99 years; allegedly paying only \$1.19 US per hectare; starting six years from now. This is the equivalent of 55 rupees per hectare! The local people have not been consulted nor compensated and are now being forced from ancestral land and told to build their own homes in resettlement villages. Please watch the following 12 minute video for the families who have been forced from their ancestral land. The Karuturi contract, as well as others that have been seen, show no benefits to the local people despite what was said publically. Instead, the regime promises foreign investors that the land will be handed over to them as 'vacant' land, free of any impediments. Because

villages of people have been living on this newly leased land for centuries, their resettlement elsewhere is being assured in these contracts. Anticipating resistance from the displaced, the regime also promises to provide 'security' to these companies.

No one is representing the people or refuting government claims. One indigenous Anuak man in the highly fertile Gambella region complained, 'This land is not just "nobody's land" as the government claims; it is our life! Without it, we could have never existed as a people. I don't think we will accept our land being given away to foreigners without resisting.' Many Anuak have already been displaced and many more have been warned to leave their homes so Karuturi Global Ltd, can take possession of their land but the people have refused. In response, Ethiopian troops have arrived in Gambella; arresting increasing numbers of Anuak. Some have disappeared; others have been killed. Whenever the troops come, human rights violations increase. This is not new.

In 2003, 424 Anuak leaders who were opposed to the exploration of oil – due to lack of input from the people and adequate measures to prevent environmental destruction – were brutally massacred in three days. Extra-judicial killings, arrests, rape and destruction of property continued for two years. Investigations by Genocide Watch called these acts of genocide and crimes against humanity; linking culpability to top Ethiopian leadership. The case is now referred to the International Criminal Court.

As Ethiopians are threatening to rise up against the large-scale robbery of land and resources; accompanied by the widespread perpetration of human rights abuses; the Meles regime just has purchased 200 new tanks for \$100 million (USD) rather than meet the growing food needs of the 13 to 16 million Ethiopians who must rely on falling levels of food aid from donor countries in the coming months. Who will these tanks be used against if not Ethiopian citizens who are only wanting to survive in their own land?



Companies like Karuturi, Ruchi Soya Industries Limited, Enami Biotech, Supra Floritech, Sharpoorji Pallonji and Co, Praj Industries and others doing business in Ethiopia, should be warned of the risks of complicity in human rights violations or corrupt practices – including bribes and kickbacks – when partnering with a regime known for both; particularly as the government attempts to evict citizens from their land.

Additionally, once this TPLF/EPRDF regime ends – something inevitable considering the rising outrage surrounding these deals – a whole new set of laws will be put in place and any prior agreements will not be binding. Instead, companies seeking to do long-term business in Ethiopia should put pressure on this regime to ensure that no unethical business practices were followed and that the civil and human rights of the people were upheld. As Gandhi warned, 'There have been tyrants, and murderers, and for a time they can seem invincible, but in the end they always fall. Think of it – always.'

My fellows' Indian people, from far away, you may not hear the cries of the Ethiopian mothers, see the tears flowing on the cheeks of the children, feel the pain in the hearts of the elders or know the desperation of the fathers as they lose hope in providing for their families. You may not see the increasing numbers of Ethiopian children with swollen bellies, the emaciated people dying in the streets or the homeless children searching for food, for Ethiopia is already widely known for these images of suffering; however, to Ethiopians, the level and

depth of poverty has tragically deepened despite claims of double digit economic growth – the profits of which all must be ending up in the pockets of those in power who have sold out on the people. Only good leadership, accompanied by good governance, will change the image of Ethiopia. As the people of Ethiopia engage in a fervent struggle for such change, will the people of India support or hinder them?

What would you do if an Ethiopian company came to India and evicted citizens from millions of hectares of their own land in order to grow food for export; affecting food security for generations? Would you stand for it? As Indians anticipate the vote on the National Right to Food, does that same right apply to Ethiopians?

In 1947, the Brits did not offer independence to the Indian people, but liberation only came when the Indian people rose up to peaceably demand their God-given rights – something that has made India a shining example to the world. Will you deny us the same? Ghandi's fight for Indian independence was undergirded with a deep belief in the worth and dignity of every human being. It inspired the greatest movements for freedom and rights in the 20th century; including the Civil Rights Movement of Dr. Martin Luther King, Jr.

We Africans have been the target of colonialization, slavery and exploitation in the 17th, 18th and 19th centuries and a target of African dictators and their foreign cronies in the 20th century. We have had enough and will not tolerate this new onslaught of exploitation and dehumanization in the 21st century! Many want to keep us Africans poor, disenfranchised and vulnerable only to more easily take advantage of the pillaging of our continent.

Will you help work within India to bring greater transparency and compliance with whatever protective laws and safeguards are in place in India? Will Indian individuals, social justice groups, the media, policy making groups, religious groups and all other stakeholders join

us in our struggle for freedom from a dictatorial regime robbing us of our future?

Ethiopians are ready for their liberation and they will slowly, but surely claim it, but we ask you not to be a roadblock. Africans know that when two elephants fight, the grass in the middle is trampled. Right now, the people of Ethiopia and Africa are in the middle of a giant struggle for African resources. Many who are profiting want Africans to stay just as they are – struggling for survival so they 'do not get in their way.' Yet, behind the scenes of these business deals, real people are suffering.

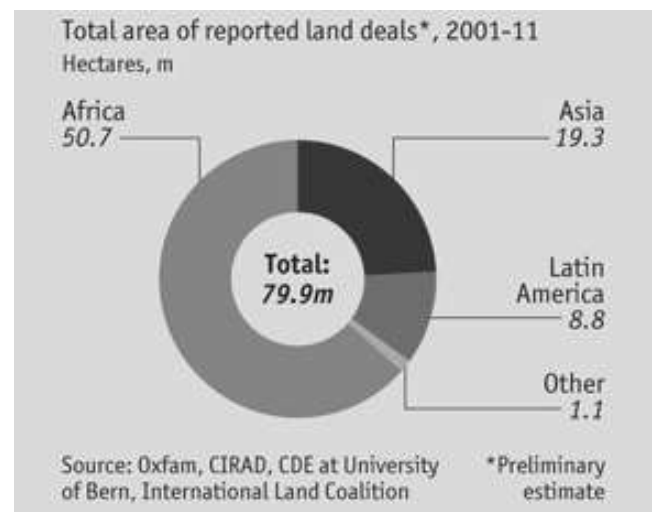
Gandhi said, 'Non-cooperation with evil is a sacred duty.' What does this mean today? As investors, companies and nations seek opportunity; let none of us forget the shared humanity of our brothers and sisters both near and far and our God-given responsibility to live 'humanely' among each other. Only then will we have reason to hope for greater peace, harmony and cooperation among peoples and nations, for 'no one will be free until all are free!

Your African brother,

Obang Metho, Executive Director of the SMNE
Phone 202 725-1616

Email: Obang@solidaritymovement.org

Website: www.solidaritymovement.org



Brics cook the climate

By Patrick Bond

As they meet in Durban on March 26-27, leaders of the Brics countries – Brazil, Russia, India, China and South Africa – must own up: they have been emitting prolific levels of greenhouse gases, far higher than the US or the EU in absolute terms and as a ratio of GDP (though less per person). How they address this crisis could make the difference between life and death for *hundreds of millions of people* this century.

South Africa's example is not encouraging. First, the Pretoria national government and its Eskom parastatal electricity generator have recently increased South Africa's already extremely high emissions levels, on behalf of the country's 'Minerals-Energy Complex.' This problem is well known in part because of the failed civil society campaigns against the world's third and fourth largest coal-fired power plants (Eskom's Medupi and Kusile), whose financing in 2010 included the largest-ever World Bank project loan and whose subcontractor includes the ruling party's investment arm in a blatant multi-billion rand conflict of interest.

Other climate campaigns have made little dent against the guzzling industries which chew up South Africa's coal-fired electricity and export the profits. The same is true for the high-polluting industries of the other Brics countries, even in China where environmental protests are rising and where it is unsafe to breathe Beijing air on the majority of days so far this year.

How bad are the Brics? The 2012 Columbia and Yale University Environmental Performance Index showed that four of the five states (not Brazil) have been decimating their – and the earth's – ecology at the most rapid rate of any group of countries, with Russia and SA near the bottom of world stewardship rankings.¹ And China, South Africa and India have declining scores on greenhouse gas emissions.

1. Columbia University and Yale University, *Environmental Performance Index 2012*, New York.

While Brics fossil fuel addiction is well known, less understood is how their heads of states consistently sabotage global climate talks hosted by the United Nations Framework Convention on Climate Change (UNFCCC) by effectively destroying the Kyoto Protocol – in everything but name – starting with the Copenhagen Accord in 2009, picking up the pace with the Durban Platform in 2011, and sealing the deal in 2012 with Russia's formal withdrawal from Kyoto.



The Copenhagen Accord (only missing Putin)

In 2009, the 'BASIC' (Brazil, South Africa, India, China) countries' leadership joined with Washington to confirm climate catastrophe at the 15th Conference of the Parties (COP) to the UNFCCC in Denmark. The Copenhagen Accord between Jacob Zuma, Barack Obama, Lula da Silva, Wen Jiabao and Manmohan Singh foiled the UN global strategy of mandatory emissions cuts, thus confirming that at least 4 degrees global warming will occur this century. The Accord is officially non-binding, and in exchange, the Green Climate Fund that Obama promised would provide \$100 billion annually has simply not been forthcoming in an era of austerity.

'They broke the UN,' concluded Bill McKibben from the advocacy movement 350.org.² Copenhagen was what Naomi Klein called 'nothing more than a grubby pact between the world's biggest emitters: I'll pretend that you are

2. For more, see P Bond, *Politics of Climate Justice*, Pietermaritzburg, University of KwaZulu-Natal Press, 2012.

doing something about climate change if you pretend that I am too. Deal? Deal.’³

A secondary objective of the Copenhagen deal – aside from avoiding emissions cuts the world so desperately requires – was to maintain a modicum of confidence in carbon markets. Especially after the 2008 financial meltdown and rapid decline of European Union Emissions Trading Scheme, BASIC leaders felt renewed desperation to prop up the ‘Clean Development Mechanism’ (CDM), the Third World’s version of carbon trading.⁴ Questioning the West’s banker-centric climate strategy – which critics term ‘the privatisation of the air’ – was not an option for Brics elites, given their likeminded neoliberal orientation.



3. N Klein, ‘For Obama, no opportunity too big to blow,’ *The Nation*, December 21, 2009.

4. P Bond (Ed), *Durban’s Climate Gamble*, Pretoria, University of South Africa Press, 2011.

By the end of 2012, the Brics no longer qualified to receive direct CDM funds,⁵ so efforts shifted towards subsidies for new internal carbon markets, especially in Brazil and China. In February 2013, South African finance minister Pravin Gordhan also announced that as part of a carbon tax, Pretoria would also allow corporations to offset 40 percent of their emissions cuts via carbon markets.

The best way to understand this flirtation with emissions trading is within the broader context of economic power, for it is based on the faith that financiers can solve the world’s most dangerous market externality – when in reality they cannot maintain their own markets. As sustainability scholars Steffen Böhm, Maria Ceci Misoczky and Sandra Moog argue, ‘the subimperialist drive has remained the same: while domestic capital continues to invest heavily in extractive and monocultural industries at home, it is increasingly searching for investment opportunities in other peripheral markets as well, precipitating processes of accumulation by dispossession within their broader spheres of influence. This mode of development can be observed in many semiperipheral nations, particularly in the Brics.’⁶

For example, according to Böhm, Misoczky and Moog, ‘China’s extensive investment in African arable land and extractive industries in recent years has been well documented. What is perhaps less well recognized in the development literature, however, is the extent to which financing from carbon markets like the CDM is now being leveraged by elites from these Brics countries, to help underwrite these forms of subimperialist expansion.’

5. P Bond *et al*, *CDMs Cannot Deliver the Money to Africa*, Report for the Environmental Justice Organisations, Liabilities and Trade project, December 2012, <http://www.ejolt.org/2012/12/the-cdm-cannot-deliver-the-money-to-africa-why-the-carbon-trading-gamble-won-percentE2-percent80-percent99t-save-the-planet-from-climate-change-and-how-african-civil-society-is-resisting/>

6. S Böhm, M Misoczky and S Moog, ‘Greening capitalism?’, *Organization Studies*, November 2012, 33, 11, p.1629.

In terms of global-scale climate negotiations, the Washington+BASIC negotiators can thus explicitly act on behalf of their fossil fuel and extractive industries to slow emission-reduction obligations, but with a financial-sector back-up, in the event a global climate regime does appear in 2020, as agreed at the Durban COP17. Similar cozy ties between Pretoria politicians, London-based mining houses, Johannesburg 'Black Economic Empowerment' tycoons and sweetheart trade unions were subsequently exposed at Marikana, the site of a massacre of 34 Lonmin platinum workers in August 2012.

Other Brics countries have similar power configurations, and in Russia's case it led to a formal withdrawal from the Kyoto Protocol's second commitment period (2012-2020) in spite of huge 'hot air' benefits the country would have earned in carbon markets as a result of the industrial economy's disastrous exposure to world capitalism during the early 1990s. That economic crash cut Russian emissions far below 1990 Soviet Union levels during the first (2005-2012) commitment period. But given the 2008-13 crash of carbon markets – where the hot air benefits would have earlier been realised as €33/tonne benefits but by early 2013 fell to below €3/tonne – Moscow's calculation was to promote its own oil and gas industries helter-skelter, and hence binding emissions cuts were not in Russia's interests, no matter that 2010-11 climate-related droughts and wildfires raised the price of wheat to extreme levels and did tens of billions of dollars of damage.

The same pro-corporate calculations are being made in the four other Brics, although their leaders occasionally postured about the need for larger northern industrial country emissions cuts. However, the crucial processes in which UN climate regulatory language was hammered out climaxed at the COP17 in Durban in December 2011 in a revealing manner. 'The Durban Platform was promising because of what it did not say,' bragged US State Department adviser Trevor Houser to the *New York Times*. 'There is no mention of historic responsibility or per capita emissions. There is no mention of

economic development as the priority for developing countries. There is no mention of a difference between developed and developing country action.'⁷



7. J Broder, 'Signs of new life as UN searches for a climate accord,' *New York Times*, 24 January 2012.

Like the South African leadership precedent at the 2002 UN World Summit on Sustainable Development in Johannesburg, the COP17 deal squashed poor countries' ability to defend against climate disaster. With South African foreign minister Maite Nkoana-Mashabane chairing, the climate summit confirmed this century's climate-related deaths of what will be more than 180 million Africans, according to Christian Aid. Already 400 000 people die each year from climate-related chaos due to catastrophes in agriculture, public health and 'frankenstorms.'



What, then, should be done about the Brics? They have been given a 'pass' from many climate activists because on per capita and in historic terms, their industries and agriculture have not been nearly so guilty of greenhouse gas emissions as the rich Western countries. Most recently, the huge increase in emissions by China for the sake of manufacturing production is now understood to be associated with the deindustrialisation of the West: the 'outsourcing' of emissions. So emissions from the east coast of China should logically be attributed to Western consumers, in large part.

But the pass is over. Pablo Solon and Walden Bello of the Bangkok-based institute Focus on the Global South opened a debate in September 2012: 'We should demand that China, India, Brazil and South Africa also agree to mandatory cuts without offsets, although of course, these should be lower than the Annex 1 countries, in

line with the UNFCCC principles.' For Solon and Bello, the problem is the Brics' 'high-speed, consumption-dependent, and greenhouse gases-intensive growth paths.'⁸



The Durban summit is an opportune moment to ask and answer many questions regarding the Brics' economic strategies. With Zuma recently declaring his government 'anti-imperialist' on foreign policy,⁹ it is appropriate to ask whether this is not merely another case of talk left so as to walk right, because on the most crucial long-term foreign policy of all, climate, Brics appear distinctly sub-imperialist.



Children in South Durban demand their future, 2011

8. P Solon and W Bello, 'Why are climate negotiations locked in a stalemate?', <<http://focusweb.org/node/1916>>

9. J Zuma, 'ANC January 8 Statement,' Durban, <http://www.politicsweb.co.za/politicsweb/view/politicsweb/en/page71619?oid=350068&sn=Marketingweb+detail>

Vale leads corporates in offsetting and ‘false solutions’

By Friends of the Earth International

The Brazilian company Vale is the world’s second largest metals and mining company and one of the largest producers of raw materials globally¹. The company is expanding rapidly², including in Africa where it has significant interests in coal – one of the most carbon intensive sources of energy.

Keen to protect its extractive and energy interests, Vale has used its proximity to the Brazilian government (which owns part of the company) to push for industry-driven measures through the UN’s climate negotiations, urging greater financial incentives and less stringent regulations for offsetting. Vale’s two-handed climate strategy – through which it develops a global extractive business while undertaking profitable offsetting initiatives at home – has allowed it to profit from false solutions to the climate crisis and simultaneously exacerbate the climate problem through its mining activities. Vale’s actions prove that climate change is a good business opportunity.

Vale is the world’s largest producer of iron ore and pellets (a key raw material for the iron and steel industry) and the world’s second largest producer of nickel, used to produce stainless steel and metal alloys. A publicly-listed company, its profits were \$17 billion in 2010.³ The group also produces manganese, ferroalloys, coal, copper, cobalt, platinum metals, and fertilizer nutrients, which account for almost 20 percent of its gross revenues.⁴

The former state-owned and profitable company was privatized in 1997 in the midst of people’s protests and accusations of corruption

of the privatization process. It maintains close ties with the Brazilian government. Early in 2011, Vale was reported to have replaced its chief executive following criticism from the government.⁵ Murilo Pinto de Oliveira Ferreira now heads the company. It is therefore difficult to say whether the company operates in the interest of private shareholders or in the government’s interest.⁶ By the same token, it is hard to know when governments rule in favor of people or of corporations like Vale.⁷



1 <http://www.vale.com/en-us/investidores/perfil-vale/fact-sheet/Documents/factsheeti.pdf>

2 <http://www.reuters.com/article/2011/03/23/vale-expansion-idUSL3E7EN15J20110323>

3 <http://money.cnn.com/magazines/fortune/global500/2011/companies/V.html>

4 <http://www.vale.com/en-us/investidores/perfil-vale/fact-sheet/Documents/factsheeti.pdf>

5 <http://www.bloomberg.com/news/2011-05-06/vale-posts-record-profit-as-base-metals-sales-boost-revenue.html>

6 <http://revistaepoca.globo.com/Revista/Epoca/0,,EMI230316-15223,00.html>

7 The full report “How corporations rule, Part 3: Vale” can be accessed at the Friends of the Earth International website: <http://www.foei.org/en/resources/publications/pdfs/2012/how-corporations-rule-vale/view>

Vale and climate change

Vale describes its corporate mission as ‘to transform mineral resources into prosperity and sustainable development’¹ and in 2008 launched ‘Corporate Guidelines on Climate Changes and Carbon’, setting out its intentions for cutting carbon dioxide emissions.² According to its own figures, Vale emitted 20 million tons of CO₂ in 2010, increasing from 15 million tons in 2007.³

Vale’s commitment to cutting carbon dioxide does not include phasing out its coal operations and indeed its guidelines state: ‘It is our understanding that coal and other fossil fuels will continue to have an important role in the global energy matrix, and that there is a need to strive for balance between energy security and climate security.’

While not planning to phase out of coal, the Vale Carbon Program emphasizes the importance of investing in technology and in less carbon-intensive processes in order to minimize emissions. In Vale’s operations, this translates as expanding the use of tree plantation monocultures – which would be a less intensive use of carbon in the hypothetical case of charcoal replacing coal in its ever growing steel production – and a strategy of carbon sequestration and generation of carbon credits and offsets.

It also commits the company to making maximum use of offsetting mechanisms for greenhouse gas emissions reductions, urging that: ‘whenever possible to obtain associated financial benefits through participation in the carbon market, via the Clean Development Mechanism (CDM) and other current and future markets’.⁴ Another pillar of the program is

‘engagement with governments and the private sector to monitor and contribute to the preparation of regulatory frameworks required to tackle climate change’.⁵ In fact, the industry sector in Brazil played a big role in shaping climate policies that open up new carbon markets opportunities.

Vale in Mozambique

Vale has operations in a number of African countries and in 2004 was awarded a mining concession in Mozambique to extract coal. The Moatize coal project in the Zambezi River basin is based in one of the world’s largest coal reserves.

Vale Mozambique, a joint venture that is 85 percent controlled by Vale, began producing coal in 2008. The Moatize project is expected to produce 11 million tons of coal per year once it is fully operational.

Most of the coal will be exported to Brazil, Europe, Asia and the Middle East for producing steel and generating electricity⁶, although Vale has also announced its intention to build a coal-to-liquid plant in Mozambique⁷, thus allowing the coal to be used for transport fuel.

Mozambique is one of the poorest countries in Africa and its economy has traditionally relied on agriculture. Located in a low-lying coastal area, it is described as ‘vulnerable to the effects of climate change’, including tropical cyclones, floods and droughts.⁸

Estimates suggest Mozambique has some 23 billion tonnes of coal.⁹ Vale’s Moatize project has

us/sustentabilidade/mudancas-climaticas/Documents/Corporate_Guidelines_on_Climate_Changes_and_Carbon.pdf

5 <http://www.vale.com/en-us/sustentabilidade/mudancas-climaticas/programa-carbono-vale/pages/default.aspx>

6 <http://news.bbc.co.uk/1/hi/business/7967809.stm>

7 <http://www.bloomberg.com/news/2011-05-08/vale-will-double-mozambique-investment-to-4-billion-ceo-says.html>

8 <http://www.undp.org/climatechange/carbon-finance/CDM/mozambique.shtml>

9 <http://www.google.com/hostednews/afp/article/ALeqM>

1 <http://www.vale.com/en-us/conheca-a-vale/nossas-crencas/pages/default.aspx>

2 http://www.vale.com/en-us/sustentabilidade/mudancas-climaticas/Documents/Corporate_Guidelines_on_Climate_Changes_and_Carbon.pdf

3 <http://www.vale.com/en-us/sustentabilidade/mudancas-climaticas/emissoes-de-gee/pages/default.aspx>

4 <http://www.vale.com/en->

however attracted criticism. In a demonstration of the environmental impacts inherent in a large-scale coal mining operation, some 1,300 families were forced to relocate to make way for the mine. An investigation by the Mozambique Center for Public Integrity found that the company had pursued a divide and rule strategy in dealing with the community, and that houses provided for resettlement were built with leaky roofs and without foundations.¹⁰

Local people told Friends of the Earth (FoE) Mozambique that the company had taken over the area, creating a 'little Brazil'. They claim that local workers are employed on short-term contracts and have few rights.

One spokesperson from the community of Chipanga told FoE Mozambique that 'members of the affected communities have been threatened, persecuted and harassed.'

The mining project has drawn employees from neighbouring countries, as well as from further afield¹¹, creating resentment among local people who do not have jobs.

At present the situation surrounding Vale's Moatize project is dire and worsening by the day. In late 2011 FoE Mozambique invited members of the community from the area affected by the project to share their experiences and raise awareness of the problems they are facing with Vale. The issue was taken to Parliament, where it was agreed that a parliamentary working group should visit the area.

In January 2012, after numerous failed attempts by the affected communities to resolve the many issues and injustices associated with Vale, the community resorted to peaceful demonstrations, which were met with aggression by the state police in an attempt to

intimidate and suppress the communities' call for justice. Nevertheless, the train taking coal to the Beira harbour had to be turned back.



Vale in Brazil

Among Vale's several large scale mining projects that have direct impact on peoples and the environment in Brazil¹², FoE Brazil highlights the controversial steel complex of Companhia Siderurgica do Atlantico (TKCSA), a joint project between Thyssenkrupp and Vale at the Sepetiba Bay in Rio de Janeiro.

The plant that entered into operation in June 2010 was designed to produce around 5 million tons of steel per year and includes a coking plant fed by imported coal, blast furnaces, converters, and continuous casting machines.

Although increasing the CO₂ emission of the city of Rio de Janeiro by 76 percent, the project was elected by the CDM Board as a provider of carbon credits, due to a supposed reduction of CO₂ emissions through the installation of a highly efficient power plant that will run on Blast Furnace gas in a combined cycle mode of electricity generation.¹³

5iIzmYRod0hI_zpY4PjvX8I5yBXTQ?docId=CNG.aedc56363c26af5082f07cf4628516fa.2e1

10 http://www.cip.org.mz/cipdoc/percent5C50_Questoes/percent20a/percent20volta/percent20da/percent20mineracao/percent20em/percent20Mo/percentC3/percentA7ambique_TS_CIP_2010.pdf

11 <http://www.vale.com/en-us/carreiras/oportunidades-na-vale/outras-oportunidades/vagas-em-mocambique/Pages/default.aspx>

12 see a complete report on Vale's impacts and violations worldwide at: <http://atingidospelavale.wordpress.com/2010/04/27/dossie-dos-impactos-e-violacoes-da-vale-no-mundo/>

13 http://cdm.unfccc.int/filestorage/W/O/W/WOWXU084MFU41HY5GNNBENLL0K4923/CDM/percent20PDD_high

The project negatively affected the livelihoods of 8,000 fishing workers living in traditional communities in the Sepetiba bay¹⁴¹⁵. The onset of industrial activity led to air pollution levels exceeding environmental limits, and metal-like particulate matter spread all over the Santa Cruz neighbourhood and surrounding areas.¹⁶ TKCSA was denounced for environmental crimes in the Brazilian courts¹⁷, and condemned by the Peoples Permanent Tribunal in Madrid in May 2010¹⁸.

Yet both Vale and Thyssenkrupp have a seat on the *Rede Clima* of the National Confederation of Industries (CNI), a network created by the industrial sector to influence the government in its definition of national policies and Sectorial Plans for Climate Change and Adaptation.¹⁹

Vale's lobbying agenda

Vale has actively engaged in the international climate process by lobbying the Brazilian government, both in the run up to UNFCCC climate talks in Copenhagen in 2009 (COP15),²⁰ and as part of the Brazilian business

delegation.²¹ It was also part of the Brazilian official delegation to Cancun in 2010 (COP16).

Vale's Carbon Program is explicit about the company's desired approach in tackling climate change: 'We consider that the development and dissemination of technology are fundamental aspects for climate change.'

In the run up to COP15, Vale was the lead signatory to a joint open letter from 30 major Brazilian companies to the Brazilian government²² which presented proposals for action. These included calls to effectively weaken standards for the CDM, with a request for 'simplification of the evaluation process' including 'eliminating the concepts of financial and regulatory additionalities'; and a request to 'support the creation of an incentives mechanism for REDD' (the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries) and a set of demands and proposals.

Vale's two-handed climate strategy – through which it develops a global extractive business while undertaking profitable offsetting initiatives at home – backed up by its close relationship with the Brazilian government, has allowed it to profit from false solutions to the climate crisis while simultaneously profiting from exacerbating the climate problem through its mining activities. Again, climate change is good for business. Vale was also in Durban COP17 to ensure it stays that way.

Corporations such as Vale influence the current transition of public policies based on rights to market policies on the wave of the green economy. This is expanding their political role, as well as the concentration of power and profits in the green business, while delaying real solutions needed to help humankind overcome the current climate and environmental crises.

percent20efficient percent20Power
percent20Plant_V0.pdf?t=V3p8bHg2bGs4fDA_IViOTtmVrO
wJZOQ0AYgz

14 see complete report on TKCSA case by PACS at:
<http://apaca.files.wordpress.com/2011/10/doc-impco.pdf>

15 see complete timeline of the TKCSA case - from 2005 to 2011 at http://www.epsjv.fiocruz.br/upload/d/Linha_do_Tempo.pdf

16 see report on TKCSA case on human health and air pollution by Fio Cruz at: http://www.epsjv.fiocruz.br/upload/d/Relatorio_TKCSA.pdf

17 <http://www.ecodebate.com.br/2011/06/09/thyssenkrupp-csa-companhia-siderurgica-do-atlantico-tkcsa-e-denunciada-por-crimes-ambientais-pela-segunda-vez/>

18 http://kooperation-brasilien.org/index.php?option=com_content&task=view&id=568&Itemid=135

19 <http://www.ambienteenergia.com.br/index.php/2011/09/rede-vai-apoiar-reducao-de-carbono/14019>

20 <http://www.vale.com/en-us/sustentabilidade/mudancas-climaticas/carta-aberta-sobre-mudancas-climaticas/pages/default.aspx>

21 <http://www.cni.org.br/portal/data/pages/FF808081272B58C00127337F408E3F13.htm>

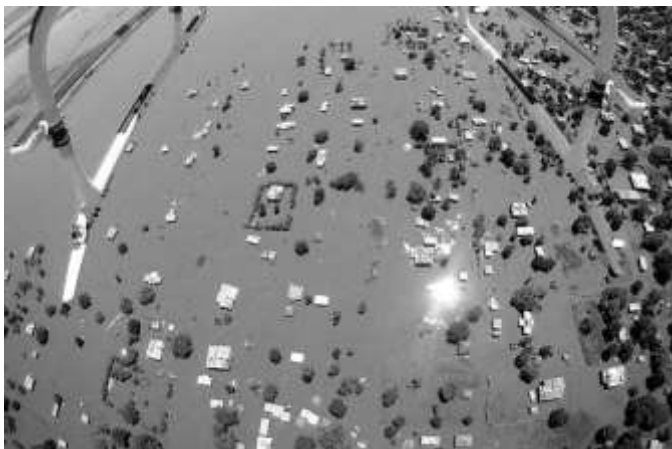
22 <http://www.vale.com/en-us/sustentabilidade/mudancas-climaticas/carta-aberta-sobre-mudancas-climaticas/pages/default.aspx>

Brics lessons from Mozambique

By Bobby Peek

Just across the border in Mozambique there is neo-colonial exploitation underway. It is not Europe or the United States that are dominating, but rather countries which are often looked up to as challengers, such as Brazil, Russia, India, China and South Africa. This is a dangerous statement to make but let us consider the facts.

South Africa is extracting 415 megawatts of electricity from Mozambique through the Portuguese developed Cahora Bassa Dam, which has altered permanently the flow of the Zambezi River, resulting in severe flooding on a more frequent basis over the last years. In the recent floods earlier this year it is reported that a woman gave birth on a rooftop of a clinic, this follows a similar incident in 2000, when Rosita Pedro was born in a tree after severe flooding that year.



South Africa's failing energy utility Eskom is implicated in the further damming of the Zambezi, for it is likely to make a commitment to buy power from the proposed Mpanda Nkua dam just downstream of Cahora Bassa. Most of the cheap energy generated by that dam is fed into a former South African firm, BHP Billiton, at the world's lowest price – but jobs are few and profits are repatriated to the new corporate headquarters in Melbourne, Australia.



After years of extracting onshore gas from near Vilanculos, the South African apartheid-created oil company Sasol is planning to exploit what are some of Africa's largest offshore gas fields, situated off Mozambique, in order to serve South Africa's own export led growth strategy.

Brazil is also in Mozambique. Sharing a common language as a result of colonial subjugation by the Portuguese, business in Mozambique is easier. The result is that the Brazilian company Vale, which is the world's second largest metals and mining company and one of the largest producers of raw materials globally, has a foothold in the Tete province of Mozambique between Zimbabwe and Malawi. They are so sensitive about their operations there that an activist challenging Vale from Mozambique was denied entrance to Brazil last year to participate in the Rio +20 gathering. He was flown back to Mozambique, and only after a global outcry was made led by Friends of the Earth International, was he allowed to return for the gathering.

Further to this, India also has an interest in Mozambique. The Indian based Jindal group which comprises both mining and smelting set their eyes on Mozambican coal in Moatize, as well as having advanced plans for a coal-fired power station in Mozambique, again to create supply for the demanding elite driven economy of South Africa.

Russia also plays an interesting role in Mozambique. While not much is known about the Russian state and corporate involvement, following the break when the Soviet Union collapsed, there is a link with Russia's Eurasian Natural Resources Corporation which has non-ferrous metal operations in Mozambique. Interestingly the Russian government has just invested R1.3 billion in Mozambique to facilitate skills development to actively exploit hydrocarbons and other natural resources, according to Russian Foreign minister Sergei Lavrov.

So this tells a tale of one country, in which tens of billions of rands of investment by Brics countries and companies in extracting minerals results in the extraction of wealth. Mozambique will join the Resourced Cursed societies of our region, with polluted local environments, and a changed structure of peoples' lives, making them dependent on foreign decisions rather than their own local and national political power. This is not a random set of exploitations, but rather a well-orchestrated strategy to shift the elite development agenda away from Europe, the US and Japan, to what we now term the Brics.

This positioning means that the Brics drive for economic superiority is pursued in the name of poverty alleviation. No matter how one terms the process – imperialist, sub-imperialist, post-colonial, or whatever – the reality is that these countries are challenging the power relations in the world, but sadly the model chosen to challenge this power is nothing different from the model that has resulted in mass poverty and elite wealth globally.

This is the model of extraction and intensely capital-intensive development based upon burning and exploiting carbon, and of elite accumulation through structural adjustment also termed the Washington Consensus. The agenda of setting up the Brics Bank is a case in point: it is opaque and not open to public scrutiny. Except for the reality as presented above, these countries are coming together with their corporate powers to decide who gets what were

in the hinterland of Africa, Latin America, Asia and the Caucuses.

It is projected that by 2050, Brics countries will be in the top ten economies of the world, aside for South Africa. So the question has to be asked why is South Africa in the Brics? Simply put, the reality is that South Africa is seen as a gateway for corporations into Africa, be they energy or financial corporations. This is because of South Africa's vast footprint on the continent.

Remember Thabo Mbeki's peace missions? Well they were not all about peace; they were about getting South African companies established in areas of unrest so that when peace happens they are there first to exploit the resources in these countries. This could potentially be a negative role, if South Africa is only used as a gateway to facilitate resources extraction and exploitation of Africa by BRIC countries, as it is now by the West. The question has to be asked by South Africans why do we allow this? I do not have the answer.

Returning to poverty alleviation, the reality is that in the Brics countries we have the highest gap between those that earn the most and the poor, and this gap is growing. Calling the bluff of poverty alleviation is critical. How to unpack this opaque agenda of the Brics governments is a challenge. For while their talk is about poverty alleviation the reality is something else.

We recognise that what the Brics is doing is nothing more than what the North has been doing to the South, but as we resist these practices from the North, we must be bold enough to resist these practices from our fellow countries in the South.

Thus critically, the challenge going forward for society is to understand the Brics and given how much is at stake, critical civil society must scrutinise the claims, the processes and the outcomes of the Brics summit and its aftermath, and build a strong criticism of the Brics that demands equality and not new forms of exploitation.

(Bobby Peek is director of the NGO groundWork)

Watchdogging the Brics Bank

By Carlos Tautz

The Brics Bank is planned for a launch announcement at the fifth summit of heads of state from Brazil, Russia, India, China and South Africa, in Durban. Officials have said \$50 billion will be contributed for start-up capital.

In our view, this bank must adopt at least five criteria to reach minimum democratic patterns:

- a wide public information policy, including norms of transparency;
- international accountability criteria;
- prior to the disbursements, an open process of discussion and decision with peoples potentially affected by the projects to be funded;
- a deliberative space of decision that includes civil society organizations of the countries impacted; and
- a norm against any violation of human rights by the projects supported.

The lack of access to official documents related to negotiations among banks and governments, and the lack of consultation mechanisms for civil society, together demonstrate the urgency of action over this powerful new institution.

We do not need more non-transparent public institutions. Modern democratic criteria for funding require that such a bank must incorporate rules of social control that meet recent standards in the development of a healthy relationship between governments and civil society organizations and popular movements.

One reason for opening the Brics Bank for broader negotiations is that its creation is not only a matter of economics. It reflects new political space thanks to the fragility of the US and Europe in the wake of the most recent financial crisis of globalized capitalism.

The 2008-09 crisis of the US and Europe economies revealed the fact that so-called emergent economies have huge accumulated reserves, due to the previous ascendancy of raw

materials prices and high demand in international markets.

Institutions such as the IMF and the World Bank, and forums like the G-20, have been regularly confronted by civil society protesters because of their incapacity to prevent and mitigate crisis. They were incapable of addressing the cyclical fragilities of accumulation, and there must be alternatives to these institutions – not copy-cat institutions.

This means that we embrace the opportunity of creating a new development bank governed by a special group of countries who could make a genuine difference. Even not all of them are (yet) central to the global capitalism, as a whole or isolatedly they have characteristics that are not negligible.

The Brics bloc has a \$20 trillion GDP (in purchasing power parity), for example, far higher than either the EU or US (about \$15 trillion each).

Among these five countries, two have permanent seats at the UN Security Council and are also among the world's largest producers, exporters and importers of oil and natural gas (Russia and China). Another three have repeatedly demanded their inclusion in the Security Council (Brazil, India and South Africa). Three have nuclear weapons (Russia, China and India), while one destroyed theirs (South Africa before apartheid ended). As a whole, they have 40 percent of the world's population but 48 percent of the formal workforce.

The creation of a Brics Bank is the outcome of criticism the five countries offer about the system of Bretton Woods Institution quotas which give the US and Europe hegemonic governance, and leave their management highly biased. Until recently, pressed by a weak balance of payments and non-autonomous governments, these five countries were too dependent on foreign resources and the two global financial

institutions were free to fix draconian conditions for their loans.

However, since the early 2000's, with increased demand and international prices for commodities, the Brics have accumulated expressive currency reserves (almost \$4.5 trillion as of late 2011) and recovered the capacity to conduct sovereign public policies. Among them are the creation of funds in their own currencies, dispensing with dollars and euros, and financing more economic infrastructure, thus helping to expand their markets and to reduce the impacts of future crises in a globally interconnected capitalism.

They also look at opportunities in green capitalism, particularly those related to the Reducing Emissions through Deforestation and Forest Degradation (REDD) scheme. They are capable of engaging in the most conceptually advanced financial mechanisms to tap natural resources (of which the Brics have abundant reserves) and they intend to fund the construction of economic infrastructure in Africa.

Another objective is to support Brics corporations particularly in Africa, which is the stage for a potential cold war between Brazil and China concerning the construction of infrastructure and the funding of agricultural fuel, both at an extremely large scale.

Not by coincidence, the Brics Bank feasibility studies point to infrastructure and sustainable development as priority areas for the bloc's future financial institution. Of course, this is all further enhanced by Brics countries' impatience with the Bretton Woods Institutions' slow democratizing reforms.

In April 2010, the BNDES, a bank 100 percent owned by the Brazilian State, signed a Memorandum of Understanding with development and foreign trade banks from China, India, and Russia, to form a common bank. Six months after, South Africa also joined them.

Perhaps the most important factor in the creation of the Brics Bank will be the role played by BNDES, a giant with an annual budget twice

as large as the World Bank (lending between \$70-80 billion).

If the Brics Bank is mirrored on BNDES, this reveals a probable lack of transparency and omissions in governance, given the examples of the mega-projects run by Brazil's multinationals which BNDES funds in Latin America and Africa, particularly in the extractive industries.

The BNDES philosophy is to put 'national champion companies' in place to create and expand major Brazil-based conglomerates. The largest projects financed by the bank show the same patterns: 1) a high level of state subsidies; 2) a lack of transparency; 3) credit to projects with serious compliance problems on labour and environmental concerns; and 4) a tendency to privilege certain economic groups.

In line with Brazil's official diplomacy, BNDES finances projects in Latin America, the Caribbean, and Lusophone Africa, where, coordinated with Embrapa (a Brazilian 100 percent state-owned company for agricultural research), the bank provides funds to large Brazilian groups to generate agricultural fuels. These fuels are becoming an internationally traded commodity, with Brazil playing a prominent role in this market.

Another operating front, converging with one of the areas pointed out as priority for the future Brics Bank, is climate financing, as seen in the recently created International Development Finance Club. BNDES president Luciano Coutinho is the vice-chairperson and the Fundo Amazônia, the world's largest REDD fund, managed by the BNDES, is presented as a benchmark.

Time has come for civil society across the five Brics countries to work pre-emptively during the coming Brics summit. We must focus on the new Brics Bank so as to avoid new mega-financial institutions without any citizen control, even if they are public in name.

(Carlos Tautz, a journalist, coordinates Brazil's More Democracy Institute)

The Brics' dangerous endorsement of 'financial inclusion'

By Susanne Soederberg

Coinciding with the 5th Annual Meeting of the Brics in South Africa in March 2013, the United Nations Development Programme (UNDP) released their flagship Human Development Report, *The Rise of the South: Human Progress in a Diverse World*. The latter is a celebration of the Brics and their 'striking transformation into dynamic major economies with growing political influence.' The Report emphasizes how this change is having a 'significant impact' on 'human development progress', as measured by the Human Development Index.¹

Armed with the recipe for development success, the UNDP recommends several neoliberal strategies that all countries in the South should pursue to ensure that *progress* be made available to *everyone*.

First, the South needs to ensure a tighter embrace of global markets. Aside from governments and private enterprises, financial liberalization involves a new subject: the poor, who have over the past decade been rebranded as the *bottom of the pyramid* or the *unbanked/underbanked*. The poor still comprise a considerable segment of the population, despite the 'Rise of the South.'

Second, the South needs to adhere to the rules of global governance, i.e., transparency, accountability, and rule of law – all of which have been defined by the IMF, World Bank, World Trade Organization, and the G20.² The focus on global financial market access and global governance come together most strikingly in the G20 Principles for Innovative Financial Inclusion of 2010 (hereafter: G20 Principles). In their capacity of members of the G20, leaders of the Brics countries have been endorsing the financial

inclusion agenda as a way to socially include the poor to reduce poverty.

Financial inclusion refers to increasing broad-based access for approximately 2.7 billion poor adults to formal or semi-formal financial services ranging from banking to micro-credit to housing loans.³ In the wake of the 2008 crisis, itself triggered by financial inclusion strategies gone awry in the US and Europe, G20 leaders embraced financial inclusion as a core development strategy for overcoming the global recessionary environment.

The G20 Principles were drafted by the G20's Access Through Innovation Sub-Group and the Financial Inclusion Expert Group, which involved three key implementing partners – Alliance for Financial Inclusion (funded by the Bill and Melinda Gates Foundation), the Consultative Group to Assist the Poor (CGAP), and the World Bank's International Finance Corporation. From this heady mix of pro-market 'experts', the Principles for Innovative Financial Inclusion were drafted and later approved by G20 leaders at the Summit in Seoul in 2010.

The G20 Principles entail a regulatory framework based on (individualized) responsabilization and voluntary guidelines. The G20 Principles represent extensions of, as opposed to a departure from, the neoliberal development project. The Principles act to legitimate, normalize, and consolidate the claims of powerful, transnational capital interests that benefit from the *status quo*.

The primary way this is achieved is through obscuring and concealing the exploitative relations and speculative tendencies involved in financial inclusion strategies. This trend, which is best described by David Harvey's notion of

1. UNDP (2013) Human Development Report – The Rise of the South: Human Progress in a Diverse World, New York, NY: UNDP.

2. S. Soederberg (2006) *Global Governance in Question: Empire, States and the New Common Sense in Managing North-South Relations*. London: Pluto.

3. CGAP (2009) 'Financial access: measuring access to financial services around the world,' Washington, DC: Consultative Group to Assist the Poor.

'accumulation by dispossession,'⁴ has also led to the growing dependence on, and increased vulnerability to, the volatile nature of global finance, which has been historically marked by speculation, panics and crises – all of which run counter to the aims of the pro-poor growth and poverty alleviation goals of the financial inclusion agenda.

A good example of the rise of speculative tendencies in global development is asset-backed securitization (ABS). Securitization describes a process of packaging individual loans and other debt instruments, transforming this package into a security or securities, and enhancing their credit status or rating to further their sale to third-party investors, such as mutual and pension funds.⁵

ABS began to increase dramatically in use in the US during the late 1990s before expanding to Europe and eventually to the South. In the wake of the litany of financial crises in emerging market economies in the late 1990s and the subsequent scarcity of low-cost, long-term loans, the IMF touted the virtues of securitization as a means for private and public sector entities in the global South to raise funds.

The ability of micro-finance institutions (MFIs), for instance, to turn to securitization to raise capital means that more 'financially excluded' people, who, in Western terms could be designated as sub-prime borrowers, are brought into the market. ABS in the global South is quite small in comparison to US markets. Nonetheless, the use of ABS in a wide variety of financial inclusion initiatives has been growing rapidly, albeit unevenly, since the late 1990s.

Yet it is important to grasp that, despite its technical and thus seemingly neutral language, securitization is neither an apolitical nor a win-win scenario for creditors and debtors alike, but instead is characterized by unequal and

exploitative (i.e., predatory lending) relations of power. While securitization may raise cheap capital for originators (e.g., MFIs) and serve to reduce financial risk for foreign investors engaging in ABS transactions in the global South, it does so at a social cost by transferring both risks and extractive levies onto the poor.

ABS has done little to deliver on the neoliberal promise of growth and *progress* through investments in production and thus the creation of stable and sustainable wages and, by extension, poverty reduction. Indeed, the increased frequency and intensity of financial debacles has made the South, and especially the poor therein, more susceptible to the aftershocks of speculative-led accumulation.

Notwithstanding the historical experience of neoliberalism since the 1980s, the solution to the latest crisis has been to include more poor people into a volatile, speculative, and highly interconnected financial system, so that they may, in the words of the G20, 'manage their low, irregular and unreliable income.'⁶

This is a class-based strategy to continually search for more outlets for speculative credit money by creating debtors linked to the global casino and cannot possibly replace a social wage, decent and affordable housing, education and health services. The 'financial' should be rejected as a means and end-goal of being socially included.⁷

(Susanne Soederberg is Professor of Global Development Studies and Political Studies at Queen's University, Canada)

6. G20 Financial Inclusion Experts Group (2010) 'Innovative financial inclusion: principles and report on innovative financial inclusion from the Access through Innovation Sub-Group of the G20 Financial Inclusion Experts Group,' Canberra: AusAid, p.85.

7. S. Soederberg (2013) 'Universalising Financial Inclusion and the Securitisation of Development, *Third World Quarterly*, 34(4), in press, and S. Soederberg (2012) 'The Mexican debtfare state: dispossession, micro-lending, and the surplus population', *Globalizations*, 9 (4), pp. 561-575.

4. Harvey, D (2003) *The New Imperialism*. Oxford: Oxford University Press.

5. R. Elul (2005) 'The economics of asset securitization.' *Business Review*. Federal Reserve Bank of Philadelphia, 3, pp. 16-25

Brics and a potentially progressive semiperiphery

By Chris Chase-Dunn

What is the potential for rising national regimes, coalitions of national states such as Brics, and transnational social movements to together transform the global capitalist system into a more humane and democratic human society within the next fifty years? This question can be asked using an evolutionary and world historical approach to the problem of contemporary transformation and reproduction.

One of the big ideas that has emerged from this approach is the notion of 'semiperipheral development': the idea that semi-peripheral polities often contribute to social change by implementing organizational and ideological forms that facilitate their own upward mobility and that transform the logics of social reproduction and development.

These insights allow us to ask, will potentially progressive forces – contemporary semi-peripheral national regimes and alliances of these with one another, and transnational social movements that are mainly based within them – either reproduce existing institutions and structures of the capitalist world-economy, or transform the global system into a qualitatively different, more egalitarian world society?

Today's political globalization evolved because the powers that be were in heavy contention with one another for geopolitical power and for economic resources, but also because resistance emerged within the polities of the core and in the regions of the non-core. The series of hegemonies, waves of colonial expansion and decolonization and the emergence of a proto-world-state occurred as the global elites contended with one another in a context in which they had to contain strong resistance from below.

In addition to the waves of decolonization, other important forces of resistance were slave revolts, labour, the extension of citizenship to men of no property, the women's movement, and other associated rebellions and movements.

These movements affected the evolution of global governance in part because rebellions often clustered together in time, forming what have been called 'world revolutions'.

Thirty years ago, Giovanni Arrighi, Terence Hopkins and Immanuel Wallerstein pointed out that revolutionaries rarely attain their demands immediately. Rather what happens is that 'enlightened conservatives' implement the demands of the most recent previous world revolution in order to cool out the challenges of a current world revolution. This is the way in which world revolutions produce the evolution of global governance:

- The Protestant Reformation in Europe was an early instance that played a huge role in the rise of the Dutch hegemony.
- The French Revolution of 1789 was linked in time with the American and Haitian revolts.
- The 1848 rebellion in Europe was both synchronous with the Taiping Rebellion in China and was linked with it by the diffusion of ideas, as it was also linked with the emergent Christian Sects in the United States.
- 1917 was the year of the Bolsheviks in Russia, but also the Chinese Nationalist revolt, the Mexican revolution, the Arab Revolt and the General Strike in Seattle led by the US Industrial Workers of the World.
- 1968 was a revolt of students in the US, Europe, Latin America, Chinese Red Guards.
- 1989 was mainly in the Soviet Union and Eastern Europe, but important lessons about the value of civil rights beyond justification for capitalist democracy were learned by an emergent global civil society.
- The current world revolution is an important context for the questions about semi-peripheral development that are the main topic of this paper.

The crucial point here is that the evolution of capitalism and of global governance is *a response to resistance and rebellions from below*. This has

been true in the past and is likely to continue to be true in the future. Capitalism and socialism have dialectically interacted with one another in a positive feedback loop similar to a spiral. Labor and socialist movements were obviously a reaction to capitalist industrialization, but also the US hegemony and the post-World War II global institutions were importantly spurred on by the World Revolution of 1917 and the waves of decolonization.

The nature of core/periphery interactions has changed with the invention and development of military technologies and organization, communications and transportation technologies and economic and religious institutions that conceptualize and regulate competitive and cooperative relations.

Where does the notion of the 'semiperiphery' fit? It is, first, a relational concept, for semi-peripheral polities are in the middle of a core/periphery hierarchy, but what that means depends on the nature of existing organizations and institutions and the forms of interaction that exist within a particular world-system.

Some observers have claimed that the world is now flat because of globalization. But studies of global inequalities do not find a strong trend toward a flatter world. Even with the rapid economic growth of China and India in the past few decades, the global system has not become significantly more equal. The large international differences in levels of development and income that emerged during the industrial revolution in the 19th century continue to be an important feature of the global stratification system.

Some have claimed that globalization and 'the peripheralization of the core' evident in the migration of industrial production to semiperipheral countries has eliminated the core/periphery hierarchy. Deindustrialization of the core and the process of financialization have had important impacts on the structure of core/periphery relations, but it is surely an exaggeration to contend that the core/periphery hierarchy has disappeared. Certainly US economic hegemony is in decline and there are newly arising challengers from the

semiperiphery. But recent upward and downward mobility has not reduced the overall magnitude of inequalities in the world-system.

Wallerstein's development of the concept of the semiperiphery has often implied that the main function of having a stratum in the middle is to somewhat depolarize the larger system analogously to a large middle class within a national society. This functionalist tendency has been elaborated in the notion of 'subimperialism' originally developed by Ruy Mauro Marini in 1972 and more recently discussed by Patrick Bond in his analysis of the Brics.

This approach focusses on the instances in which semiperipheral polities have reinforced and reproduced the existing global structures of power. Bond's study of post-apartheid South Africa's 'talk left, walk right' penchant is convincing. But he may underestimate the extent to which the emergent Brics coalition is counter-hegemonic.

For example, the discussion of the need for an alternative to the US dollar in the global economy and the proposal for a new development bank for the Global South have had an unsettling effect on the powers-that-be in Washington and New York even if Bond makes little of these challenges.

Of course, not all semiperipheral polities are hot-beds of progressive revolution. Some are under the control of reactionary elements and other are just trying to move up the food chain of global capitalism. But the fact that emerging powers are increasingly banding together and promulgating policies that challenge the hegemony of the United States and the institutions that have been produced by the European and Asian core powers indicates that semiperipherality does not just reproduce the existing global hierarchy.

The question for the New Global Left is how to encourage the potential for constructing a more egalitarian world society. Bond is certainly right that the transnational social movements need to push the Brics to more effectively address the fundamental problems of ecological crisis, global inequality and global democracy.

Among regimes, movements and coalitions that are progressive we distinguish between those that are reformists and those that are anti-systemic. In Latin America, we make a distinction between reformist regimes that have adopted some socially progressive policies or taken some anti-neoliberal international positions, and anti-systemic regimes such as most of the members of the Bolivarian Alliance for the Peoples of Our America.

Some of the challengers to global neoliberalism and the hegemony of the United States are not progressive. Thus the New Global Left must distinguish between its allies and those political actors that are deemed to not be progressive. And among the latter there may be some that can be worked with on a tactical basis or convinced to pursue more progressive goals.

Latin America as a whole has had more of these progressive regimes because there has been a regional propinquity effect, and because Latin American is in the 'backyard' of the global hegemon (the United States). Latin America has a larger proportion of semiperipheral countries than do other world regions.

The imposition of draconian structural adjustment programs in Latin America in the 1980s and the rise of neoliberal politicians who attacked labour unions and subsidies for the urban poor led to a reaction in many countries in which populist politicians were able to mobilize support from the expanded informal sector workers in the megacities, leading in many cases to the emergence of reformist and anti-systemic national regimes.

The relationship between the progressive national regimes and the progressive transnational social movements has been contentious. Despite strong support from the Brazilian Workers Party and the Lula regime in Brazil, the charter of the World Social Forum (WSF) does not allow people to attend the meetings as formal representatives of states. When the late Venezuelan leader Hugo Chavez and Lula tried to make appearances at WSF meetings, large numbers of activists protested. The horizontalists, autonomists and anarchists –

and also many environmental activists – tend to see those who hold state power as the enemy even if they claim to be progressives.

The WSF process has itself been a complicated dance toward global party formation and the construction of a new global United or Popular Front. Its charter prohibits the WSF itself from adopting a program or policy stances. The WSF is supposed to be an arena for the grass roots movements to use to organize themselves and make alliances with one another. What can they imagine when claiming, 'another world is possible'?

Both a new stage of capitalism and a qualitative systemic transformation to some form of socialism are possible within the next several decades, though a new cycle of capitalism is more likely. The progressive evolution of global governance occurred in the past when enlightened conservatives implemented the demands of an earlier world revolution in order to reduce the pressures from below that are brought to bear in a current world revolution.

The most likely outcome of the current conjuncture is global Keynesianism in which enlightened conservatives in the global elite form a more legitimate, capable and democratic set of global governance institutions to deal with the problems of the 21st century. If US hegemonic decline is slow, as it has been up to now, and if financial and ecological crises are spread out in time and conflicts between ethnic groups and nations are also spread out, then enlightened conservatives have a chance to produce a reformed world order that is still capitalist but that meets current challenges at least partially.

But if the perfect storm of calamities should all come together in a short period of time (a single decade) the progressive movements and the progressive non-core regimes would have a chance to radically change the mode of accumulation to a form of global socialism. On which side of the struggle will the Brics fall?

(Chris Chase-Dunn is a professor of sociology at the University of California-Riverside: <http://irows.ucr.edu/research/citemp/citemp.html>)

Will Brics change the course of history?

By Oliver Stuenkel

There are two fundamentally different ways of understanding the rise of the Brics concept. The first is that Jim O'Neill's idea was successful because it merely articulated an already existing drive towards a 'rising power identity' and closer cooperation between these countries. Under this assumption, the Brics would have started holding summits anyways, perhaps in a slightly different composition, even if O'Neill had never invented the BRICs term in the first place.

According to the other perspective, O'Neill not only invented the BRICs term, but also inspired emerging powers to work together and seek to develop joint positions on many important matters in global affairs. If this reading were correct, O'Neill's idea did in fact have a profound impact on international relations in the first decade of the 21st century.

There are some powerful arguments for both sides. Those who see O'Neill as a mere commentator rather than active change agent of history, point out that South-South cooperation was already a hot topic before the BRICs term came to life. Indeed, already under Brazil's President Fernando Henrique Cardoso, efforts were made in strengthen ties between Brazil and other emerging countries. Similar dynamics took place in Russia and India, which both experienced the end of the Cold War in a traumatic fashion.

Those with a more agent-focused reading of history say that emerging powers would have never been able to organize yearly summits had they not been provided with a global brand name – BRICs – that symbolized economic dynamism and power, and which, in turn, was backed by a similarly powerful brand name: Goldman Sachs. This made it highly advantageous for emerging powers to adopt the 'BRICs identity,' and even other countries such as South Africa undertook diplomatic efforts to join the exclusive grouping. All this, they say, would have been unthinkable without O'Neill's helping hand.

The truth, alas, is likely to be somewhere in between. South-South cooperation was already on emerging powers' policy makers' agenda in the late 1990s – but it cannot be denied that the BRICs idea provided a meaningful boost that made today's Brics Summits (with a capital S since South Africa's inclusion) possible. O'Neill's idea thus had a significant impact on how we think about the changing power dynamics.

The West is in decline and the world is becoming more multipolar. Emerging powers such as China, Brazil and India are claiming for more power within international institutions. The questions of how existing institutions can adapt to new realities, and whether we need new structures to respond to recent changes, are among the defining puzzles of our time.

Robert Wade, a professor of economics at the London School of Economics (LSE), has written a thoughtful article – 'The Art of Power Maintenance: How Western States Keep the Lead in Global Institutions' by Robert Wade (*Challenge*, vol. 56, no. 1, January/February 2013, pp. 5–39) – claiming that the West remains far more dominant in existing institutions than is generally thought, and there is little reason to believe that the South will be in charge anytime soon: 'The common narrative about China and some other developing countries rising to challenge the US and other major Western states turns out to be an exaggeration.'

More provocatively, he asserts that 'the US and other Western states continue to set the agenda of global economic and financial governance for the most part, while the big developing countries have exercised negligible leadership so far.' Southern leadership, that is, remains limited. Wade's essay describes a series of case studies of global politics to show how Western states have managed to retain their position of global leadership even after 2008 and the onset of the long slump in Western economies. The results are fascinating indeed.

The first one shows how, in 2009, Western states led by the UK and the US marginalized the United Nations General Assembly from a role in debating the global financial crisis and its impacts, so as to leave the subject to interstate organizations dominated by the West – which, naturally, were careful not to propose any measures that could be harmful to Western interests. Wade shows how Susan Rice outmaneuvered those who sought to give the General Assembly (the ‘G192’) a larger role. For example, General Secretary Ban Ki Moon denied any financial assistance to the Stiglitz Commission which had been tasked by the GA to provide an independent report. Despite the Commission’s competence, the US argued that it was their ‘strong view is that the United Nations does not have the expertise or the mandate to serve as a suitable forum or provide direction.’ The UK had ambassadors threaten the Commission’s members to quit. As the West wanted, the G20 did the foreplay, and the IMF reassumed the role of sole legitimate forum for hard discussions and negotiations.

The second case study shows how, in 2012, the West almost succeeded in stopping the United Nations Conference on Trade and Development (UNCTAD) – dominated by developing countries – from further analyzing the global financial crisis. As a senior US delegate declared in one of the last negotiating sessions in Doha, ‘We don’t want UNCTAD providing intellectual competition with the IMF and the World Bank.’ In effect, the West said, ‘We do not want UNCTAD to discuss any of these issues. They are for the G20 and IMF.’

The third case study shows how Western states managed, over 2008 to 2010, to craft a ‘voice reform’ in the World Bank, which appeared to give developing countries a significant increase in their share of votes but in reality failed to do so. Including only low-income and middle-income countries – the Bank’s borrower members – the voting share of developing countries increased from 34.67 percent to only 38.38 percent, while the developed (high-income) countries retained

more than 60 percent. Japan, Germany, the UK, France, and Canada have even increased their share of total votes by a combined total of 4.1 percent after 2010.

The fourth shows how, in 2012, the US retained the presidency of the World Bank, despite years of member state chorusing that the heads of international organizations like the Bank and the IMF should be open to all nationalities. Kim’s and Lagarde’s appointments also symbolized the emerging powers’ failure to fully unite around an alternative candidate. This was particularly clear when the Brics could not agree on jointly and openly calling on the US and Europe to support Ngozi Okonjo-Iweala, the Nigerian candidate to head the Bank. As Wade rightly notes, ‘the story equally shows how the developing countries’ distrust of one another makes it easy for the US-Americans to split them with bilateral deals.’

The article makes the reader wonder whether the West has succeeded in transforming today’s emerging powers into ‘useful idiots,’ who are so proud that they are part of the G20 that they no longer defend developing countries’ interests. Seen from this perspective, the rise of the Brics may have been a positive development for the West, now that the poor have lost powerful defendants in Brasília and Delhi, who are increasingly defending big-power interests. But emerging powers should not complain: It is natural that the West will do everything do hold on to its power – after all, even China is not fully committed towards permanently including Brazil and India in the UN Security Council.

Wade writes that Western states have been successful in their efforts to keep control of the commanding heights. Their success owes much to institutional rules they put in place decades ago, long before talk of the rise of the South – and still, the South is partly to be blamed for not being able to unite and present more powerful ideas about why reform is necessary.

(Oliver Stuenkel is Professor of International Relations at the Getulio Vargas Foundation in São Paulo)

Scramble, resistance and a new non-alignment strategy

By Sam Moyo and Paris Yeros

In what way is imperialism today different from the imperialisms of the past? And what strategies are capable of undermining it?

The most basic elements of contemporary imperialism have been analyzed extensively. They consist in the formation of a collective imperialism, an unprecedented event, the ongoing internationalization of production, the re-financialization of monopoly capital, and continuous military aggression, long after the end of the Cold War.

The economic changes underway have now sapped collective imperialism of its economic vitality and its domestic social peace, obliging it to escalate its military project externally and its class offensive internally. The concrete result today is a new wave of natural resource grabs and new military interventions in the peripheries, accompanied by the demise of social pacts in the centres of the system.

It is clear that the great systemic rivalry of the Cold War had no real winners among the superpowers. The Soviet Union may have been the first to succumb, but disaster is now looming in the centres as well. The only concrete advance of the last half-century has been decolonization and the emergence of the South. This marked the beginning of the end of the system born in 1492.

The emergence of the South has produced a new set of challenges. During the Cold War, the Bandung movement outlined a coherent set of objectives, comprising of total decolonization, economic development, and 'positive non-alignment'. The latter meant, specifically, non-participation in the military blocs of the superpowers and capacity to judge every external relation on its own merits, in accordance with national interests.

The emergence of the South has also produced a new set of contradictions. The internationalization of production has continued to differentiate the South among peripheries, semi-peripheries, and now 'emerging' semi-

peripheries. One of the key questions is what role do semi-peripheries, and especially the 'emerging' ones, play in the system. Semi-peripheries have in the past been seen as systemic safety-valves, by which monopoly capital outsources its production to areas with cheaper labour and natural resources.

In the Cold War, the safety-valve policy gained geo-strategic expression in the Nixon-Kissinger Doctrine, whose purpose was to select Southern partners as proxies in regional economic expansion and political-military stabilization. Rarely did the policy fail, as indeed it did in Iran. The most precious proxy, then as today, was Israel, but there were other important ones, like Brazil, where the phenomenon was termed 'sub-imperialism,' that is, an attempt to go beyond semi-peripheral conveyor-belt functions.

The term called attention to a new contradiction, not only between peripheries and semi-peripheries, but also between centres and the emerging semi-peripheries of the time, regardless of their ideological orientation (Brazil was under a right-wing dictatorship).

The contradiction remained non-antagonistic, until the military regime overstepped its boundaries. It negotiated a nuclear accord with West Germany and recognized independent Angola. Thus, the dictatorship was abandoned by the United States, at a time of swelling internal mass mobilization. The transition was controlled by financial and other political means, leading to the eventual 'reconversion' of this semi-periphery to a de-nationalized neoliberal financial playground.

The term also called attention to the fact that whatever emergence occurred under monopoly capitalism, and its financial and technological domination, it could only be based on the super-exploitation of domestic labour (not the social pacts characterizing the centres of imperialism).



It was this internal relation that intensified external dependence, creating the need for export markets for semi-peripheral manufactures and exertion of regional political-military influence, so as to resolve its chronic profit realization crisis.

The subsequent 'reconversion' of semi-peripheries generally has produced contradictory effects, whereby a process of privatisation, enhanced extroversion, and de-nationalisation has accentuated internal class conflicts, but also led to the formation of new giant blocs of domestic capitals, which are once again vying for a place in the sun.

They are no longer simply looking to export manufactures but also capital. The 're-emerging' semi-peripheries are even engaged in the 'new scramble' for land and natural resources in Africa. Of course, they are also being scrambled, which is no paradox, given their persisting incorporation into external monopolies.

The question has been raised as to whether the newly 'emerging' semi-peripheries are essentially subservient regional stabilizers, or a force antagonistic to imperialism. Some have argued that the collective emergence of these semi-peripheries implies a system-changing diversification of economic partners in the South.

Should we conclude that the semi-peripheral bourgeoisies have become, inadvertently, anti-systemic? Others have argued that the simultaneous emergence of a handful of big semi-peripheries, and especially of China, marks the inadvertent but terminal systemic contradiction from which the capitalist world system will not recover. Should we similarly

conclude that the system is on a progressive historical course?

We can pin our hopes neither on the newly shining bourgeoisies nor on inexorable historical laws. The immediate question is political, and it concerns the type of alliances that are necessary to oppose imperialism, especially as it escalates its military project. Thus, we should also be asking: are all emerging semi-peripheries equally subservient or antagonistic to imperialism? Do they have structural differences which manifest different political tendencies?

In fact, they differ significantly from each other. For example, Brazil and India are driven mainly by private blocs of capital, with strong public financial support, in conjunction with Western-based finance capital. China has much heavier and more autonomous participation by state-owned enterprises and banks.

Meanwhile, in South Africa it is increasingly difficult to speak of an autonomous domestic bourgeoisie of any sort, given the extreme degree of de-nationalisation and re-conversion that the country has undergone in the post-apartheid period.

The degree of participation in the Western military project is also different from one case to the next, although a 'schizophrenia' – one might say typical of sub-imperialism – is inherent to all this. Ironically, the most reconverted state, South Africa, has signed up to a regional mutual defense pact, effectively against Western military interference in Southern Africa, while continuing to serve as a conveyor belt for Western economic interests on the continent.

India has increasingly fallen into line with US strategy, especially in the nuclear field, but internal resistance remains significant. Brazil, no less schizophrenic than its peers, denounces *coups* in South America while zealously leading the post-*coup* invasion of Haiti under US auspices. Russia has remained a blocking power in the UN Security Council, increasingly alienated from NATO. China is the clearest counter-force to the West, consistently exercising full strategic autonomy, despite its evident dependence on external markets and monopolies.



Their modes of engagement with Africa are no less diverse or contradictory. To be sure, all are beneficiaries, including China, of the neoliberal prying open of African economies, conducted since the 1980s under the aegis of the West and its multilateral agencies.

Yet, they all maintain a higher sensitivity to matters of national sovereignty, even though there remains an unresolved race question everywhere, with paternalist tendencies towards Africa. Moreover, there is potential for the breaking of monopolies in certain sectors – and, by extension, the Western strangle-hold – especially by China and its trade finance and oil-for-infrastructure strategies.

Given the tendencies and counter-tendencies of this conjuncture, it is necessary to rekindle the strategy of Non-alignment on new terms. In so doing, it is imperative to avoid the highly ideological ‘equivalence’ between Western imperialism and the emerging semi-peripheries, whose clearest expression is China-bashing.

Whatever one makes of the new semi-peripheries, they are certainly not the main agents of imperialism, nor are they militarizing their foreign policies. Nor, for that matter, are they cohesive nations internally, given the ongoing super-exploitation on which their extroversion is based.

The first principle in a new Non-alignment should undoubtedly be non-participation in the

military project of the remaining superpower, that is, the United States, as well as its junior partners in NATO and its AFRICOM initiative. The second is the devising of a strategy with respect to *both* the established and the aspiring scramblers to enable a larger degree of maneuver for national development.

Few countries in Africa have used the existing room for maneuver in the current conjuncture in the interest of social and economic progress; and when they have, they have typically been labeled ‘corrupt’ or ‘tyrannical’ by the West. Zimbabwe, the country that has gone the furthest in breaking up monopolies and devising a pragmatic non-alignment policy (actually named ‘Look East’) has been one of the most despised for doing so.

The new Non-alignment implies not only resisting the West militarily and ‘looking East/South,’ but also setting conditions on all external relations. Such resistance can only be effective by collective strategies on the continental and sub-regional levels.

Establishing mutual defense pacts, like in Southern Africa – a pact which has shielded Zimbabwe’s radicalization – would constitute a fundamental building block, as would new forms of regional integration, beyond rule-based, commercial integration, which are yet to emerge.

(Sam Moyo is Executive Director of the African Institute for Agrarian Studies; Paris Yeros is Adjunct Professor of International Economics at the Federal University of ABC, São Paulo, Brazil)



Future trajectories for Brics

By Achin Vanaik

Can Brics emerge as a collective that will reject the current neoliberal order and seek to promote a much more social welfarist form of capitalist development – one that might at least unleash a dynamic much more conducive to the emergence of more progressive social and political forces whose pressures from below?

And will it seriously challenge the existing world order where the imperialist behaviour of the US continues to be highly – and sometimes decisively – influential in shaping the course of events?

Or are these governments headed by elites whose principal preoccupation is forging a more cooperative system of global management of a world capitalist order in which their voices will be more seriously listened to and in which their own rankings in the global pecking order of elites rises much more significantly?

If the official outcome of the fourth summit of Brics that took place in New Delhi on March 29, 2012 embodied in the consensual 'Delhi Declaration' offered insight into the current significance and trajectory of Brics as a collective body, matters will become even clearer after the Durban Summit.

There have been two contesting views. One is marked by considerable enthusiasm about its potential. The very fact of regular summit meetings with an 'escalating consensus' is thought to bode well for the body's future and its ability to reshape the institutions and practices of global governance.

That the G7 gave way to the G8 which in turn has now given way to the G20 (incorporating the Brics countries as well as other emerging economies) as the main international grouping undertaking to steer the world economy, is taken as testimony to the growing relevance of the emerging powers in general, Brics in particular.

Others are more skeptical. Here, the Brics countries are viewed not so much as major reformers of the current global neoliberal order

but as new members happily included in a still hierarchical 'world steering committee' because they too will play by the basic rules. Brics may account for 42 percent of the world's population, 18 percent of its GDP, 15 percent of world trade and 40 percent of its currency reserves.

(It is often ignored that the states comprising the Gulf Cooperation Council, namely Oman, UAE, Bahrain, Qatar, Kuwait and Saudi Arabia, which are all politically subordinate to the US and more obedient towards its economic needs, have in total more dollar reserves – official, sovereign wealth and other government funds – than does China.)

The main importance of Brics lies in the fact that it accounts for more than half of the world GDP *growth rate*. In what follows the Delhi Declaration issued after the last annual Summit is taken as a basis for assessing the nature and role of Brics precisely because it is their collective statement to date. That the final Durban Declaration will show some forward movement is very likely but in what direction? In the eyes of skeptics there will be more reinforcement than departure from the existing political and economic scripts.

The Delhi Declaration showed that there was no real challenge to the neoliberal order and no interest in promoting an NIEO (New International Economic Order) of the kind that was once discussed by the Nonaligned Movement (NAM) during the 1970s. Indeed, neither Brazil which has observer status in the NAM, or China, which got this in 1992, have shown interest in becoming full members of the NAM or in re-invigorating it as a mechanism for transforming global governance.

Whether it is being part of the G-20 or being aspirants to permanent status in the UN Security Council for those who are not yet permanent, or playing a bigger role in the WTO's Green Room decision-making, the emerging powers have shown more interest in joining a 'big boys' club.'

They use their membership of the G-77 and similar larger groups to project themselves as representatives of the interests of the majority of the poorer developing countries, the better to leverage pursuit of their national interests in negotiations within that club. This is a balancing act of sorts but not one whose primary purpose is to strengthen the South as a whole or prioritize the interests of the most vulnerable and poorest member countries within the South.

The Delhi Declaration accepted the free trade mantra as the key to global prosperity and simply calling for more regulation of the global financial system. So instead of seriously challenging the basic orientations of the IMF/WB/WTO triptych let alone working to radically transform it or build an alternative governing architecture to it, the Delhi Declaration promised to work with the G-20 in the domain of global macro-management.



Of the IMF it demanded merely that it live up to the '2010 Governance and Quota Reform' for providing greater representation and quotas to emerging powers. These reforms however will not alter the US position as the sole power capable alone of vetoing any crucial decisions in the Executive Board.

As for setting up some alternative mechanism for institutionalizing intra-Brics cooperation of a kind that might seriously challenge existing structures, this did not happen. Clearly, concerns about potential Chinese dominance of such a Bank, given its resources and reserves, were paramount among the other member countries on that occasion.

This Delhi Declaration talked about setting up a new 'Development Bank' but was careful to state that this would not compete with the World Bank and no timeline for setting it up was established. This will remain the case even if beginnings are made to set it up after the 2013 BRICs meet in Durban.

On the economic front, the one measure of some significance, though hardly a challenge to existing structures of global economic governance, was an agreement on intra-Brics



credit provision in local currencies for promoting intra-Brics trade. There would be greater inter-bank cooperation as well as facilitation of more cooperation in capital markets, financial services, treasury transactions, stock exchange investments and the issuance of local currency bonds according to national laws, i.e., minimising transaction costs in intra-Brics economic activities.

Collective self-interest rather than learning the lessons of the past and present meant that the pursuit of nuclear energy was endorsed even as UNSC resolutions on Iran were shamelessly endorsed. On the issue of global warming the feeble outcome in Durban in December 2011 – where the US, India and China as the big emitters were the main culprits responsible for this feebleness – was also endorsed.¹

If nothing else, this was an indication that the Brics countries are not going to take the bull by the horns as it were when it comes to charting out any new development paradigm that would be fundamentally eco-friendly.

On the political front because Russia and China were shaken by how their earlier endorsement of limited UN sanctions on Libya helped the West to carry out regime change, they pressed for and obtained a collective statement advocating caution and non-intervention by the West in regard to the Syrian crisis, i.e., respect for its 'territorial integrity and sovereignty'.

The reality is that a basic political-economic incompatibility rather than organizational handicaps limit the collective's capacity to function as a powerful and innovative new force in the realm of global politics and governance.

The South African super-wealthy, mostly white, park much of their wealth and investments in Europe and Australia creating a domestic balance of payments problem because of repatriation of profits and dividends to parent companies set up abroad. Given this powerful

elite force, South Africa maintains a strong Rand unlike the other four who are nowhere near as committed to maintaining a strong Real, Rouble, Renminbi or Rupee.²

By demography (50 million) and total GDP, South Africa might not be in the same league as the other four or even as significant as Mexico, South Korea, Turkey. But it is far and away the biggest investor in Africa dwarfing the US, EU, China, India, Brazil and alone accounts for 40 percent of all African investment and 80 percent of all investments in the Southern African Development Community.

In foreign policy Pretoria is more obsequious than the others to US foreign policy except on Palestine. India is pursuing ever closer relations with the US despite hiccups and is part of Washington's China-containment policies. Brazil is paying more attention to its intra-continental economic activities as well as showing more foreign policy independence from Washington.

But outside Latin America this is more a way of asserting a greater self-confidence as an emerging power than actively seeking to put serious spokes in the functioning of US foreign policy. Russia and China however are both much more perturbed by US behaviour globally than the other three and thus seeking greater political-economic cooperation.

It is difficult to see just what the Brics countries can point to – economically, politically, culturally, strategically – that can serve as the kind of cement that could make the collective a unified and powerful force for significant change on the world level.³ The most perhaps that can be said is that a serious weakening of US global hegemony and influence would raise – by default more than anything else – the importance of Brics as a collective unit.

(Achin Vanaik is Professor in the University of Delhi Political Science Department)

1. P Bidwai, 'Inclement in Durban,' December 28, 2011, <http://www.hindustantimes.com/News-Feed/ColumnsOthers/Inclement-in-Durban/Article-1-788473.aspx>

2. L Gentle, 'The Root of all Evil? The Dollar, the Brics and South Africa,' *Deccan Chronicle*, March 29, 2012.

3. W Ladwig, 'Why Brics has no force,' *Indian Express*, March 28, 2012.

So, are Brics 'sub-imperialists'?

By Patrick Bond

'We reaffirm the character of the ANC as a disciplined force of the left, a multi-class mass movement and an internationalist movement with an anti-imperialist outlook.' So said Jacob Zuma, orating to his masses at the year's largest African National Congress celebration, in Durban on January 12.¹

Eleven days later, Zuma spoke to the World Economic Forum's imperialists in a small, luxurious conference room in Davos, Switzerland: 'We are presenting a South Africa that is open for business and which is open to provide entry into the African continent.'² (As a carrot, Zuma specifically mentioned the \$440 billion in economic infrastructure investment planned in coming years, while back at home, above-inflation price increases were hitting those low-income consumers of electricity, water and sanitation lucky not to have been disconnected for non-payment.)

South African officials often talk anti-imperialist but walk sub-imperialist. In 1965, Ruy Mauro Marini first defined the term using his own Brazilian case: 'It is not a question of passively accepting North American power (although the actual correlation of forces often leads to that result), but rather of collaborating actively with imperialist expansion, assuming in this expansion *the position of a key nation*.'³

1. J Zuma, 'ANC January 8th statement 2013,' speech to the African National Congress, Durban, 12 January 2013.

2. J Zuma, 'South Africa is open for business,' speech to the World Economic Forum, Davos, 23 January 2013.

3. RM Marini, 'Brazilian interdependence and imperialist integration,' *Monthly Review*, 17, 7, 1965, p.22. Two preliminary debates can be joined. First, recommending Marini's ideas to fellow South Africans, Melanie Samson offers a valid critique of earlier analysis: 'Although Bond is clear as to who benefits from sub-imperialism, he does not explicitly elaborate a theorisation of sub-imperialism. As an aside he asserts that, in the earlier imperial period analysed by classical theorists, imperial capacity was 'reproduced through sub-imperial processes.' He also notes continuities in South Africa's sub-imperial project in the Democratic Republic of Congo in the apartheid and

Nearly half a century later, such insights appear prescient, in the wake of the rise of Brazil, Russia, India, China and South Africa (Brics) as an active alliance. By 2013 these five key nations encircling the traditional Triad (the US, European Union and Japan) were decisive collaborators with imperialism.

They advanced the cause of neoliberalism by reaffirming its global institutional power structures and driving overproductive and overconsumptive maldevelopment, and they colluded in destruction of not just the world environment – through prolific contributions to climate change – but in the sabotage of any

post-apartheid eras. Despite his careful elaboration of the changing nature of imperialism, Bond presents an ahistorical, unchanging conceptualisation of sub-imperialism.' (M Samson, '(Sub)imperial South Africa? Reframing the debate,' *Review of African Political Economy*, 36,119, 2009, p.96.) The rise of Brics offers an opportunity to correct this conceptualisation, although I hold to the standard argument that imperialism in Africa is largely exercised through the looting of resources and the application of neoliberal socio-economic policies, with South Africa mainly lubricating that process; for an earlier version, see P Bond, *Looting Africa*, London, Zed Books, 2006.

Second, 'While Pretoria might at times be justifiably accused of sub-imperialism and arrogance,' writes Ian Taylor in these pages, 'the incomplete form of capitalism in much of southern Africa militates against a too easy application of the concept of sub-imperialism within the region... liberal regionalism and South African foreign policy are unlikely to enjoy an easy ride if and when they confront the non-hegemonic state and its ruling classes across the subcontinent.' I am not convinced, because sub-imperialism follows not only from Marini's definition, but from worsening 'combined and uneven development' which incorporates and amplifies 'incomplete' capitalism (via 'accumulation by dispossession'). Moreover, those advocating neoliberalism in the region *did indeed* enjoy an easy ride, to the extent widespread imposition of structural adjustment programmes was accomplished hand-in-glove with local ruling classes. See I Taylor, 'South African 'imperialism' in a region lacking regionalism,' *Third World Quarterly*, 32, 7, 2011, pp.1233-1253.

potentially workable global-scale ecological regulation (favouring instead deepened commodification through emissions trading).

The Brics agenda of re-legitimising neoliberalism not only reinforces North American power, of course. In each case, the Brics countries' control of their hinterlands for the sake of regional capitalist hegemony was another impressive feature of sub-imperialism, especially in South Africa's case. As Brazilian scholar Oliver Stuenkel remarked in 2012, 'None of the Brics members enjoys meaningful support from its neighbours, and none has a mandate to represent its respective region. Quite to the contrary, their neighbours' suspicion of Brics projects of regional hegemony is remarkably similar for all members.'⁴

Much of the long-standing (apartheid-era) critique of South African sub-imperialism still applies, but what is new is that thanks to financial deregulation associated with the country's 'elite transition' from racial to class apartheid during the 1990s, what were formerly Johannesburg and Cape Town-based regional corporate powers – 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.

These firms' financial headquarters are now in London, New York and Melbourne, and the outflows of profits, dividends and interest are the main reason South Africa was ranked the 'riskiest' amongst 17 emerging markets by *The Economist* in early 2009, requiring vast new foreign debt obligations to cover the hard currency required to facilitate the vast capital flight. South Africa cannot, thus, be described as 'imperialist' – it is simply retaining far little of the surplus.

4. O Stuenkel, 'Can the Brics Co-operate in the G-20? A View from Brazil,' South African Institute for International Affairs, Occasional Paper 123, Johannesburg, December 2012.

Aside from lubricating world neoliberalism, hastening world eco-destruction, and serving as coordinator of hinterland looting, what are the other features of sub-imperialism that must be assessed, in a context of Washington's ongoing hegemony? If a 'new imperialism' entails – as the City University of New York's renowned Marxist scholar David Harvey⁵ suggests – much greater recourse to 'accumulation by dispossession' and hence the appropriation of 'non-capitalist' aspects of life and environment by capitalism, then South Africa and the other Brics offer some of the most extreme sites of new sub-imperialism in the world today.

The older generation of arguments about South Africa's 'articulations of modes of production' – i.e., migrant male workers from Bantustans providing 'cheap labour' thanks to black rural women's unpaid reproduction of children, sick workers and retirees generally without state support – seems to apply even more these days, when it comes to notorious Chinese pass-laws or the expansion of the South African migrancy model much deeper into the region in the wake of apartheid (notwithstanding tragic xenophobic reactions from the local working class).

First, to make the case that sub-imperialism lubricates global neoliberalism in these various ways, and that within Brics South Africa joins the other 'deputy sheriffs' to keep regional law and order (e.g. in the Central African Republic, at the time of writing in early 2013), requires dispensing with naïve accounts of foreign policy that remain popular in the international relations field.

Some scholars argue that South Africa's role is neither anti-imperialist nor sub-imperialist – that as a 'Middle Power,' Pretoria attempts to constructively 'lead' Africa while acting in the continent's interests (Maxi Schoeman),⁶ through

5. D Harvey, *The New Imperialism*, Oxford, Oxford University Press, 2003.

6. M Schoeman, 'South Africa as an emerging Middle Power, 1994-2003,' in J Daniel, A Habib and R Southall (Eds), *State of the Nation: South Africa 2003-04*, Pretoria, HSRC, 2003.

'building strategic partnerships... in a constant effort to win over the confidence of fellow African states, and to convince the world community of its regional power status' (Chris Landsberg),⁷ thus seeking 'non-hegemonic cooperation' with other African countries (John Daniel et al).⁸

But these thinkers are missing an opportunity to interrogate the power relations with the critical sensibility that these times demand, not least because superexploitative extractive industries based upon migrant labour, without regard to community degradation and ecological damage (e.g. the well-known Marikana platinum mine so profitable to Lonmin until 2012), continue to be the primary form of Brics countries' engagement with Africa.

Occasionally this agenda leads directly to war, a fetish about which is also a common distraction amongst scholars attempting to elucidate imperial-sub-imperial power relations. In the recent era, the main military conflicts associated with Washington-centred imperialism have been in the Middle East, Central Asia and North Africa, and so Israel, Turkey and Saudi Arabia are often cited as the West's sub-imperial allies.

But it was not long ago – from the 1960s through late 1980s – that Southern Africa was the site of numerous wars featuring anti-colonial liberation struggles and Cold War rivalries, with apartheid South Africa a strong and comforting deputy to Washington.

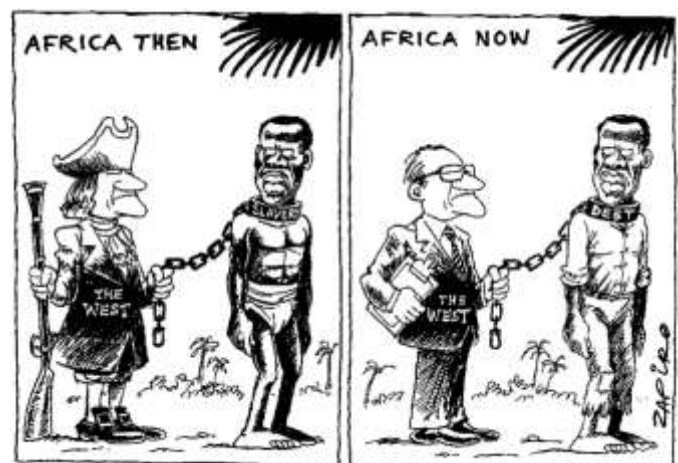
Over two subsequent decades in this region, however, we have witnessed mainly state-civil tensions associated with conflict-resource battles (e.g. in the Great Lakes region where

southern Africa meets central Africa and where millions have been killed by minerals-oriented warlords), neoliberalism (e.g. South Africa and Zambia), an occasional coup (e.g. Madagascar), dictatorial rule (e.g. Zimbabwe, Swaziland and Malawi) or in many cases, a combination.

The civil wars engineered by apartheid and the CIA in Mozambique and Angola had ceased by 1991 and 2001, respectively, with millions dead but with both Lusophone countries subsequently recording high GDP growth rates albeit with extreme inequality.

Across Southern Africa, because imperial and sub-imperial interests have both mainly focused upon resource extraction, a variety of cross-fertilising intra-corporate relationships emerged, symbolised by the way Lonmin (formerly Lonrho, named by British Prime Minister Edward Heath as the 'unacceptable face of capitalism' in 1973) 'benefited' in mid-2012 from leading ANC politician Cyril Ramphosa's substantial shareholding and connections to Pretoria's security apparatus, when strike-breaking was deemed necessary at the Marikana platinum mine.

South African, US, European, Australian and Canadian firms have been joined by major firms from China, India and Brazil in the region. Their work has mainly built upon colonial infrastructural foundations – road, rail, pipeline and port expansion – for the sake of minerals, petroleum and gas extraction. Brics appears entirely consistent with facilitating this activity, especially through the proposed Brics Bank.



7. C Landsberg, 'South Africa's global strategy and status,' Johannesburg, Friedrich Ebert Stiftung 'New powers for global change?' Briefing Paper February 2006, http://www.fes-globalization.org/projects/new_powers.htm

8. J Daniel, V Naidoo and S Naidu, 'The South Africans have arrived: Post-Apartheid corporate expansion into Africa,' in J Daniel, A Habib and R Southall (Eds), *State of the Nation: South Africa 2003-04*, Pretoria, HSRC, 2003.

Might this conflict of interests result in armed conflict as a result of Washington's more coercive role in this continent? The Pentagon's Africa Command has prepared for an increasing presence across the Sahel (e.g. Mali at the time of writing) out to the Horn of Africa (the US has a substantial base in Djibouti), in order to attack Al-Qaeda affiliates and assure future oil flows and a grip on other resources. Since taking office in 2009, Barack Obama maintained tight alliances – and prolific White House photo-ops – with tyrannical African elites, contradicting his own talk-left pro-democracy rhetoric within a well-received 2009 speech in Ghana.



According to Sherwood Ross, one reason is that amongst 28 countries 'that held prisoners in behalf of the US based on published data,' are a dozen from Africa: Algeria, Djibouti, Egypt, Ethiopia, Gambia, Kenya, Libya, Mauritania, Morocco, Somalia, South Africa and Zambia.⁹



9. S Ross, 'Rendition and the global war on terrorism: 28 nations have supported the US in the detention and torture of "suspects",' Global Research, 1 April, 2010, <http://www.globalresearch.ca/index.php?context=va&aid=18419>

In Gambia, President Yahya Jammeh's acquiescence to the CIA's need for a rendition site for US torture victims may explain Obama's blind eye towards his dictatorship. Likewise, the US role in Egypt – another rendition-torture hotspot – propping up the Mubarak regime spoke volumes about the persistence of strong-man geopolitics, trumping the 'strong institutions' that Obama had promised.¹⁰

With fewer direct military conflicts in Africa but more subtle forms of imperial control, and with 'Africa Rising' rhetoric abundant since the early 2000's commodity price boom, the continent and specifically the Southern African region appear as attractive sites for investment, in no small measure because of South Africa's 'gateway' function, with Johannesburg as a regional branch-plant base for a variety of multinational corporations.

Throughout this period, there was a restrained yet increasingly important Washington geopolitical agenda for Africa, which Bush's first Secretary of State, Colin Powell, described cogently in a document, *Rising US Stakes in Africa*:

- political stabilisation of Sudan, whose oil was craved by Washington;
- support for Africa's decrepit capital markets, which could allegedly 'jump start' the Millennium Challenge Account, a new US AID mechanism;
- more attention to energy, especially the 'massive future earnings by Nigeria and Angola, among other key West African oil producers';
- promotion of wildlife conservation;
- increased 'counter-terrorism' efforts, which included 'a Muslim outreach initiative';
- expanded peace operations, transferred to tens of thousands of African troops thanks to new G8 funding; and more attention to AIDS.

10. P Bond, 'Who will get 'whacked' next in Africa?', *Black Agenda Report*, 16 October 2012, <http://blackagendareport.com/content/who-will-get-percentE2-percent80-percent9Cwhacked-percentE2-percent80-percent9D-next-africa>

On all but Sudan, South African co-operation was crucial for the US imperial agenda. However, after the US military's humiliating 1993 'Black Hawk Down' episode in Somalia, there was insufficient appetite at the Pentagon for direct troop deployment in Africa, and as a result, President Bill Clinton was compelled to apologise for standing idly by during the 1994 Rwandan genocide. Instead, as Africa Command head Carter Ham explained in 2011, Washington 'would eventually need an AfriCom that could undertake more traditional military operations... [although] not conducting operations – that's for the Africans to do.'¹¹



Bush needed a Pretoria 'point man', as he called Mbeki when desiring pro-Western intervention in Zimbabwe

11. AfriCom Public Affairs, 'Ham discusses AFRICOM mission with African journalists, PAOs at symposium,' Garmisch, Germany, 29 August 2012, <http://www.africom.mil/getArticle.asp?art=8266&lang=0>

Likewise, the US Air University's *Strategic Studies Quarterly* cited a US military advisor to the African Union: 'We don't want to see our guys going in and getting whacked... We want Africans to go in.'¹² In late 2006, for example, when Bush wanted to invade Somalia to rid the country of its nascent Islamic Courts government, he called in Mbeki to assist with legitimating the idea, though it was ultimately carried out by Meles Zenawi's Ethiopian army three weeks later.¹³

When in 2011, Obama wanted to invade Libya to rid the country of Muammar Gaddafi, South Africa voted affirmatively for NATO bombing within the UN Security Council (where it held a temporary seat), in spite of enormous opposition within the African Union.

There was similar reliance by the G8 upon G20, Brics and even South African 'deputy sheriff' support on the economic battlefield. At the nadir of the 2008-09 crisis, for example, the G20 was described by Walden Bello: 'It's all show. What the show masks is a very deep worry and fear among the global elite that it really doesn't know the direction in which the world

12. S Cochran, 'Security assistance, surrogate armies, and the pursuit of US interests in Sub-Saharan Africa,' *Strategic Studies Quarterly*, Spring 2010, 4, 1, <http://www.au.af.mil/au/ssq/2010/spring/cochran.pdf>

13. White House Press Office, 'Press release: Remarks by President Bush and President Mbeki of South Africa in photo opportunity,' Washington, 8 December 2006. Specifically, Mbeki referred to: 'the difficult situation in Somalia' – ('Yes, sir,' Bush intervened) and Mbeki continued, 'and the President, together, we are very keen that, indeed, something must move there. This was a failed state. It's necessary to support the transitional government, to restoring a government and to reunify the country, and so on. It's an important thing because the problem, one of the big problems is that as it is, it provides a base for terrorists, find safe haven there and then can spread out to the rest of the continent. It's something that is of shared concern.' Within three weeks, at Washington's behest, Ethiopia invaded Somalia. (See *Sudan Tribune*, 10 December 2010, reporting on WikiLeaks cables: <http://www.sudantribune.com/US-behind-Ethiopia-invasion-in,37189>).

economy is heading and the measures needed to stabilize it.’¹⁴

According to Harvey, the G20 asked, simply, ‘how can we actually reconstitute the same sort of capitalism we had and have had over the last thirty years in a slightly more regulated, benevolent form, but don’t challenge the fundamentals?’¹⁵

For foreign policy, the big question raised by Zuma’s presidency was whether the momentum from Mbeki’s expansionist ‘New Partnership for Africa’s Development’ would be resumed after that project’s demise, given the former’s preoccupations with domestic matters and comparatively weak passion for the international stage. Only in 2012 was the answer decisively affirmative: Nkozana Dlamini-Zuma’s engineered election as African Union Commission chairperson.

By mid-2012, Pretoria’s National Development Plan – overseen from within the SA Presidency and endorsed at the ANC’s December 2012 national conference – provided a variety of mandated changes in policy so as to align with South Africa’s new Brics identity and functions. These mainly involved pro-business statements for deeper regional economic penetration, alongside the exhortation to change ‘the perception of the country as a regional bully, and that South African policy-makers tend to have a weak grasp of African geopolitics.’¹⁶

That problem will haunt Pretoria in coming years, because like the political carving of African in Berlin in 1884-85, the Brics 2013 Durban summit has as its aim the continent’s *economic* carve-up, unburdened – now as then – by what would be derided as ‘Western’ concerns about democracy and human rights. Also invited

were 16 African heads of state to serve as collaborators.

Reading between the lines, the Durban Brics resolutions will:

- support favoured corporations’ extraction and land-grab strategies;
- worsen Africa’s retail-driven deindustrialization (South Africa’s Shoprite and Makro – soon to be run by Walmart – are already notorious in many capital cities for importing even simple products that could be supplied locally);
- revive failed projects such as Nepad; and
- confirm the financing of both African land-grabbing and the extension of neo-colonial infrastructure through a new ‘Brics Bank,’ in spite of the damaging role of the Development Bank of Southern Africa in its immediate hinterland, following Washington’s script.¹⁷

With this evidence, and more, can we determine whether the Brics are ‘anti-imperialist’ – or instead, ‘sub-imperialist,’ doing deputy-sheriff duty for global corporations and neoliberal ideologues, while controlling their own angry populaces as well as their hinterlands through a more formidable security apparatus? The eco-destructive, consumerist-centric, over-financialised, climate-frying maldevelopment model throughout the Brics works very well for corporate and parastatal profits, especially for Western capital, but is generating repeated crises for the majority of its people and for the planet.

Hence the label sub-imperialist is tempting. During the 1970s, Marini argued that Brazil was ‘the best current manifestation of sub-imperialism,’ for three central reasons:

- ‘Doesn’t the Brazilian expansionist policy in Latin America and Africa correspond, beyond

14. W Bello, ‘U-20: Will the global economy resurface?’, *Foreign Policy in Focus*, 31 March 2009.

15. D Harvey, ‘The G20, the financial crisis and neoliberalism,’ Interview on Democracy Now!, New York, 3 April 2009.

16. National Planning Commission, *2030, Our future – make it work: National Development Plan*, Minister in the Office of the President, Pretoria, August 2012, Chapter 7.

17. *CityPress*, ‘Sadc banks on own development bank,’ 23 June 2012, <http://www.citypress.co.za/business/sadc-banks-on-own-development-bank-20120623/> and for more on the neo-colonial comparison, see T Ferrando, ‘Brics and land grabbing: Are South-South relationships any different?’, unpublished paper, Pretoria, <http://ssrn.com/abstract=2174455>

the quest for new markets, to an attempt to gain control over sources of raw materials – such as ores and gas in Bolivia, oil in Ecuador and in the former Portuguese colonies of Africa, the hydroelectric potential in Paraguay – and, more cogently still, to prevent potential competitors such as Argentina from having access to such resources?

- ‘Doesn’t the export of Brazilian capital, mainly via the State as exemplified by Petrobras, stand out as a particular case of capital export in the context of what a dependent country like Brazil is able to do? Brazil also exports capital through the constant increase of foreign public loans and through capital associated to finance groups which operate in Paraguay, Bolivia and the former Portuguese colonies in Africa, to mention just a few instances.
- ‘It would be good to keep in mind the accelerated process of monopolization (via concentration and centralization of capital) that has occurred in Brazil over these past years, as well as the extraordinary development of financial capital, mainly from 1968 onward.’¹⁸

Matters subsequently degenerated on all fronts. In addition to these criteria – regional economic extraction, ‘export of capital’ (always associated with subsequent imperialist politics) and internal corporate monopolization and financialisation – there are two additional roles for Brics regimes if they are genuinely sub-imperialist. One is ensuring regional geopolitical ‘stability’: for example, Brasilia’s hated army in Haiti and Pretoria’s deal-making in African hotspots like South Sudan, the Great Lakes and the Central African Republic for which \$5 billion in corruption-riddled arms purchases serve as military back-up.

18. RM Marini, *Subdesarrollo y Revolución*, Mexico City, Siglo XXI Editores, 1974, p. 1-25, translated at http://mrzine.monthlyreview.org/2010/bt280210p.html#_edn13

The second is advancing the broader agenda of neoliberalism, so as to legitimate deepened market access. Evidence includes South Africa’s Nepad; the attempt by China, Brazil and India to revive the WTO; and Brazil’s sabotage of the left project within Venezuela’s ‘Bank of the South’ initiative. As Eric Toussaint remarked at a World Social Forum panel in 2009, ‘The definition of Brazil as a peripheral imperialist power is not dependent on which political party is in power. The word imperialism may seem excessive because it is associated with an aggressive military policy. But this is a narrow perception of imperialism.’¹⁹

A richer framing for contemporary imperialism is, according to agrarian scholars Paris Yeros and Sam Moyo, a system ‘based on the *super-exploitation* of domestic labour. It was natural, therefore, that, as it grew, it would require external markets for the resolution of its profit realisation crisis.’²⁰

This notion, derived from Rosa Luxemburg’s thinking a century ago, focuses on how capitalism’s extra-economic coercive capacities loot mutual aid systems and commons facilities, families (women especially), the land, all forms of nature, and the shrinking state; Harvey’s accumulation by dispossession, and in special cases requiring militarist intervention, Naomi Klein’s ‘Shock Doctrine.’²¹

The forms of Brics sub-imperialism are diverse, for as Yeros and Moyo remark, ‘Some are driven by private blocs of capital with strong state support (Brazil, India); others, like China, include the direct participation of state-owned enterprises; while in the case of South Africa, it is increasingly difficult to speak of an autonomous domestic bourgeoisie, given the extreme degree

19. O Bonfond, E Toussaint and MT Gonzales, ‘Will capitalism absorb the WSF?’, *MRzine*, 28 February 2010, http://mrzine.monthlyreview.org/2010/bt280210p.html#_edn13

20. P Yeros and S Moyo, ‘Rethinking the theory of primitive accumulation,’ Paper presented to the 2nd IIPPE Conference, 20–22 May 2011, Istanbul, Turkey, p.19.

21. Harvey, *The New Imperialism*, *op cit*; N Klein, *Shock Doctrine*, Toronto, Knopf Canada, 2007.

of de-nationalisation of its economy in the post-apartheid period. The degree of participation in the Western military project is also different from one case to the next although, one might say, there is a 'schizophrenia' to all this, typical of sub-imperialism.'²²

All these tendencies warrant opposition from everyone concerned. The results are going to be ever easier to observe,

- the more that Brics leaders prop up the IMF's pro-austerity financing and catalyse a renewed round of World Trade Organisation attacks;
- the more a new Brics Bank exacerbates World Bank human, ecological and economic messes;
- the more Africa becomes a battleground for internecine conflicts between sub-imperialists intent on rapid minerals and oil extraction (as is common in central Africa);
- the more the hypocrisy associated with Brics/US sabotage of climate negotiations continues or offsetting carbon markets are embraced; and
- the more that specific companies targeted by victims require unified campaigning and boycotts to generate solidaristic counter-pressure, whether Brazil's Vale and Petrobras, or South Africa's Anglo or BHP Billiton (albeit with London and Melbourne headquarters), or India's Tata or Arcelor-Mittal, or Chinese state-owned firms and Russian energy corporations.

In this context, building a bottom-up counter-hegemonic network and then *movement* against both imperialism and Brics sub-imperialism has never been more important.²³



22. *Op cit*, p.20.

23. The objective of a 'brics-from-below' counter-summit in late March 2013, described at <http://ccs.ukzn.ac.za>