

# Is SA 'subimperialist'?

## Evidence from Brics

Has South Africa been playing gatekeeper to global capitalist interests or has it been serving the interests of African countries, and what role is the country playing in Brics? **Patrick Bond** explains.

**A**fter 1994, a new era of post-apartheid foreign policy was to have begun, but a great many leftover habits continued, including Pretoria's self-interested geopolitical activity elsewhere in Africa (mainly on behalf of Johannesburg capital). Just as controversial, Pretoria served the interests of larger powers intent on the exploitation of the African continent via a South African 'gateway'. This 'subimperial' stance was strengthened at the same time rhetoric was uttered about a new 'seat at the world table' for South Africa. The question would immediately arise, given the carnage in the Central African Republic: what food was being served at this table?

As just the most recent example, the opportunity to establish a Brics Bank was anticipated at the March 2013 Durban meeting of the Brazil-Russia-India-China-South Africa (Brics) leadership, although it would only be at the September 2013 G20 meeting before details were to be released. The Durban summit advanced some potentially helpful institutional prospects, including monetary cooperation, a currency reserve and more Chinese bilateral lending for South African infrastructure, but debates continued about development finance. Precedents for the Brics Bank are not only the Bretton Woods Institutions, which some Brics finance ministers say they aim

to avoid, but also the countries' own development finance institutions. The Brics seem to need a bank to assure a speeded up extraction of Africa's minerals, petroleum, gas and cash crops, suggesting a similar pro-corporate economic growth model to the West's, and to the older colonial carve-up of Africa mainly organized at the 1884-85 Berlin conference.

### WHAT IS SUBIMPERIALISM?

In 1965, Ruy Mauro Marini defined the Brazilian case of subimperialism in a way that applies to present-day South Africa: '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.'

Nearly half a century later, we see the rise of Brazil, Russia, India, China and South Africa 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 by driving overproductive and overconsumptive maldevelopment. They also joined in the destruction of not just the world environment – through unmatched contributions

to climate change – but in the sabotage of any potentially workable global-scale ecological regulation (favouring instead deepened commodification through emissions trading).

Confusingly to some, Brics regimes carried out this agenda quite consistently at the same time they offered radical, even occasionally 'anti-imperialist' rhetoric and mainly trivial diplomatic actions, e.g. at the United Nations Security Council, mainly for the sake of their internal nationalist political needs. Their growing alliance was not entirely coherent, of course, as can be observed in the interface between Brics and the Bretton Woods Institutions, or in the UN Security Council. But the Brics agenda of relegitimising 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 subimperialism, especially in South Africa's case.

Much of the long-standing (apartheid-era) critique of South African subimperialism 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, capital has denationalized. 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. Their 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 and amongst the world’s highest interest rates to attract footloose finance.

Meanwhile, the African continent expanded its rate of trading with the major emerging economies – especially China – from around 5 to 20% of all commerce in the post-apartheid era (1994–2012). By 2012 the rationalisation and facilitation of tighter continental economic relationships was one of Pretoria’s leading objectives, according to its main foreign official dedicated to Brics, deputy minister Marius Fransman: ‘South Africa also presents a gateway for investment on the continent, and over the next 10 years the African continent will need \$480 billion for infrastructure development.’

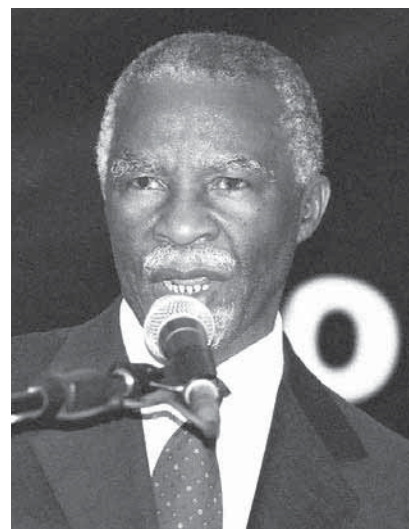
Aside from lubricating world neoliberalism, hastening world eco-destruction, and serving as coordinator of hinterland looting, what other features of subimperialism must be assessed, in a context of Washington’s ongoing power domination or hegemony? As argued below, if a ‘new imperialism’ entails – as David Harvey 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 subimperialism in the world today.

## DEPUTY SHERIFF

The older generation of arguments about South Africa’s ‘articulations of modes of production’ by Harold Wolpe – 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. Consider the 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). But the point is that contemporary subimperialism lubricates global neoliberalism, and that within Brics, South Africa joins the other ‘deputy sheriffs’ to keep regional law and order (e.g. in the Central African Republic and Democratic Republic of the Congo in 2013).

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 subimperial 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



*Former President Thabo Mbeki and one of his ministers Trevor Manuel supported SA business capital accumulation in Africa.*



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 subimperial interests mainly aimed at resource extraction, a variety of cross-fertilising intra-corporate relationships emerged, as seen 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.

As for Washington's ongoing strong-arm role in this continent, the Pentagon's Africa Command has prepared for an increasing presence across the Sahel (e.g. Mali) 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 from Africa. Since taking office in 2009, Barack Obama maintained tight alliances 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 on 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. In Gambia, for example, President Yahya Jammeh's agreement 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 – in propping up the Mubarak regime until the final days spoke volumes about the persistence of strong-man geopolitics, trumping the 'strong institutions' that Obama had promised.

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. Yet thanks to South African politicians' anti-imperialist rhetorical twitch, one of the most confusing features of the post-apartheid era has been foreign policy, especially in view of the conflicting traditions of internationalism from which the African National Congress (ANC) – in exile from 1963 to 1990, during the period Nelson Mandela was imprisoned – launched its bid for power.

Material and ideological supporters of the ANC ranged from the United Nations, Soviet Union and Sweden to black-consciousness, Third Worldist and international progressive movements and institutions in civil society. Hence it was not out of character, given the ANC's hot political traditions, to hear Nelson Mandela declare, just prior to the invasion of Iraq in 2003, that George W. Bush, 'who cannot think properly, is now wanting to plunge the world into a holocaust. If there is a country which has committed unspeakable atrocities, it is the United States of America'. Yet within weeks, three Iraq-bound US warships refuelled in Africa's largest harbour in Durban, and South Africa's state-owned weapons manufacturer sold \$160 million worth of artillery propellants and 326 handheld laser range-finders to the British army, and 125 laser-guidance sights to the US Marines.

Bush visited Mandela's successor, Mbeki, in Pretoria in July 2003, and left the impression, according to Johannesburg's Business Day newspaper, 'of a growing, if not intimate trust between himself and Mbeki. The amount of public touching, hugging and back patting they went through was well beyond the call of even friendly diplomatic duty'. By May 2004, Mandela had withdrawn his criticism as reported by the Associated Press: 'The United States is the most powerful state in the world and it is not good

to remain in tension with the most powerful state'. Mandela's outburst was one of many confusing signals from South Africa's leaders: occasionally talking left while mainly walking right, indeed sometimes talking left so as to walk right.

## CAPITAL ACCUMULATION ON CONTINENT

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 huge South African firms had relisted at the turn of the Millennium (thanks to permission from Thabo Mbeki and Trevor Manuel).

Within Africa, regional acquisitions by South African corporations were in any case mainly takeovers, not 'greenfield projects' involving new fixed investments. This was not difficult insofar as in 2010, 17 out of Africa's top 20 companies were South African, even after the capital flight a decade earlier. Yet 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 20 key infrastructure projects two years later, only vocal corporate complaints that the peer review mechanism had insufficient teeth to discipline errant politicians. As pro-Nepad Business Day reported in mid-2004, 'The private sector's reluctance to get involved threatens to derail Nepad's ambitions'.

On the other hand, the prospect that Johannesburg-based corporations would be 'new imperialists' was of 'great concern',

according to Pretoria's then public enterprises minister, Jeff Radebe, in early 2004: 'There are strong perceptions that many South African 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'. To illustrate drawing upon a telling incident in 2012, the Johannesburg parastatal firm Rand Water was forced to leave Ghana after failing – with a Dutch for-profit partner (Aqua Vitens) – to improve Accra's water supply, 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.

Radebe could also have been describing his cabinet colleague Mbeki. According to Ranjeni Munusamy of the Sunday Times, at the July 2003 African Union meeting in Maputo, 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'.

### NEPAD

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' especially 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.'

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 – specialising in neo-colonial infrastructure construction, extractive industries and the import of cheap, deindustrialising 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 was squeezed even harder. 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, and government procurement.

The new conditionalities amplified grievances of developing nations over the G8's vast agricultural subsidies, unfair industrial tariffs, continuous services privatisation and intellectual property monopolies. 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% annual decline.

The same pro-corporate

calculations are being made in the other four Brics, although their leaders did sometimes posture about the need for larger northern industrial country emissions cuts. The Columbia and Yale University Environmental Performance Index showed that in 2012, four Brics states (not Brazil) were decimating their – and the earth's – ecology at the most rapid rate of any group of countries, with Russia and South Africa near the bottom of world stewardship rankings. Climate was not exceptional when it came to the Brics approach to environmental preservation.

Moreover, like the political carving of African in Berlin 130 years earlier, the Brics 2013 Durban summit had 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, with 15 African leaders present as collaborators. Reading between the lines, its resolutions would:

- support favoured corporations' extraction and land-grab strategies, including through provision of army troops
- worsen Africa's retail-driven deindustrialisation (South Africa's Shoprite and Makro – soon to be run by Walmart – were 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 Development Bank', in spite of the damaging role of the Development Bank of Southern Africa (DBSA) in its immediate hinterland, following Washington's script. <sup>16</sup>

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