

NAIROBI 2007: an interview

The draining of Africa's wealth

Friday 26 January 2007, by [BOND Patrick](#) (Date first published: 24 January 2007).

WHAT ARE the dynamics of the looting of Africa?

LET'S START with the process by which the new imperialism relies on the extraction of resources at ever-cheaper prices.

We are in a confused period, because since 2002, commodity prices—minerals, energy and even cash crops—have been on the rise. But many people will agree that it's a small upturn in a commodity-price cycle that since the 1970s has been on a dramatic decline. It's that sense in which multinational corporate power, and fealty to that power by African elites, has reached unprecedented peaks now.

This has become so extreme that even the World Bank has recognized that there's no basis for economic development from the extraction of resources under the present regime. A little-known World Bank report, *Where is the Wealth of Nations?* which was published on the Web site this year, has even acknowledged the wealth drainage.

For example, in Gabon, Gross Domestic Product (GDP) per capita in 2002 was \$3,370, which is fairly high because of oil wealth. But net savings per capita is negative \$1,183. That's the most extreme case. But the pattern is true of virtually all of the African resource-extractive economies. The two most intensive cases, by the way, Angola and the Democratic Republic of Congo (DRC), aren't even listed because they don't have enough data.

There you see the process of extraction of Africa's wealth without reinvestment. This is combined with capital flight by African elites—as well one other factor, the incredibly high GINI coefficient [a statistical measure of social inequality]. These countries are really the worst in the world for inequality, for relative capital flight, and for the extraction of resources without reinvestment.

In those respects, Sudan is a more extreme version, but still part of the overall process by which multinational capital doesn't flow into Africa, but skips from one site of mineral extraction to another. That's the way Africa finds itself integrated.

There are two other factors to be mentioned. One is U.S. imperialism, and the other is the China factor.

With U.S. imperialism, we've also had South African subimperialism, and the U.S. and South Africa—notwithstanding a few rhetorical differences now and again—are operating fairly coherently in setting up the structures to drain Africa. One of them is the New Partnership for Africa's Development—NEPAD—which the U.S. State Department has called philosophically spot on, because it amplifies the neoliberal project.

Former U.S. Secretary of Defense Donald Rumsfeld announced last year that there would be a new

Africa command. Until recently, Africa has been patrolled by the Mediterranean command, the southern command of Europe.

The other factor, China, is critical because of the new trade regime, with China entering the WTO. There used to be a sort of smallish benefit for manufacturing in Africa because of the U.S. Africa Growth and Opportunity Act (AGOA), which allowed a few countries, Lesotho for example, to export a little bit of manufacturing, especially clothing and textiles into the United States.

That's now history, and the big story is the destruction of virtually all of Africa's clothing and textile capacity through the imports. It extends to footwear and electronics and a variety of sectors. The Chinese import wave has simply destroyed much of Africa's capacity.

WHAT IS the Chinese government's policy in Africa?

THE RELATIONSHIP seems to be one of opportunistic patronage.

Last year, the Chinese government advanced a \$200 million loan to the Zimbabwe government. This came more or less exactly a year after Zimbabwe turned down a \$500 million loan from the South African government because of reported conditions that might have opened up more space for opposition and engagement with the regime. In addition, it would have entailed more liberalization of Zimbabwe's economy vis à vis South Africa's.

What the Chinese have done, we don't know in detail. But it is comparable to another arrangement that was made in 2005, in which China bailed out the Angolan government, which, although it's got very strong oil revenues, urgently needed \$2 billion.

It was going to the International Monetary Fund, and the IMF had a variety of conditions. The Chinese made the loan, presumably at or near the same interest rate—I don't have those details—but without those conditions.

And likewise in Sudan, there's plenty of Chinese infrastructure investment to support oil extraction—in the range \$8 billion, I've heard.

In these three cases, plus many more we're now familiar with in terms of details, Chinese relationships with repressive regimes in Africa seem to be growing, and seem to be occurring without any leverage for progressives, who somehow want to condition those relationships.

Just to illustrate: The grassroots movement in Zimbabwe is calling for smart sanctions against Robert Mugabe. The South African relationship with Zimbabwe is also terribly important, because so much of the material resources and ideological support for the Mugabe regime can be found in official South Africa.

In Zimbabwe, there was terrible torture of trade unionists in September, arrests of women activists, and beatings and continuing repression. It's really important to amplify the voice of progressives in Zimbabwe to get international solidarity up and running. Pambazuka, the leading African progressive Web site, has come out with a major publication on China, Africa and alternatives from below, rather than the elite, patronage-based systems that seem to have solidified from above.

WHAT IS the political situation in South Africa?

AFTER A very confusing period, the trade unions, meeting at a conference last year, again endorsed the candidacy of Jacob Zuma in the upcoming leadership elections of the African National Congress (ANC).

Zuma also had to apologize for an incredibly homophobic remark he made to a traditional Zulu gathering. But he's also said on the record that if he becomes president, he'd reappoint the neoliberal finance minister, Trevor Manuel, and that economic policy is going just fine.

The way in which COSATU—the Congress of South African Trade Unions—and the South African Communist Party (SACP), the SACP Youth League and the ANC Youth League have embraced Zuma is ground for some concern. This is no left candidate.

WHAT IS Zuma's base?

HE HAS an extraordinary base that the South African Communist Party strategist Jeremy Cronin describes as a coalition of those with grievances.

President Thabo Mbeki has acted in such a haughty and non-consultative manner centralizing power, and imposing his choice of bureaucrats and politicians upon party structures—even municipalities—from above. A widespread revolt has solidified. Although the ANC is still a popular party, and Mbeki does surprisingly well in opinion polls, the actual internecine dynamics reflect a profound split.

The base of Zuma is partly the largest ethnic group, the Zulu people, who have felt some ethnically grounded concern that their underdevelopment in one of the three poorest provinces, KwaZulu Natal, might have something to do with ethnic fears. I don't know if there is any basis for that, but certainly ethnicism is on the rise, because Zuma plays the Zulu card as much as he can.

"One hundred percent Zulu boy" is one of the ways this has manifested as a slogan. It has appeared on placards, and some ethnic slurs made against him as a Zulu in some hoax emails that were circulating in the highest ranks of the ANC late last year.

Secondly, and much more importantly, the trade union leadership—at least the largest faction—got behind Zuma. This was partly, in my view, because of frustration with Mbeki and the neoliberal clique around him—especially Manuel, the finance minister, and Alec Erwin, the public enterprises minister.

This has reached a point of despair for these union leaders, who have pursued a social contract between labor and government. That has been unfulfilled, as the government has broken virtually all its promises to them, especially in relation to economic policy.

So trade union leaders, also joined by most of the Communist Party leadership—although there are some important exceptions—have felt that Zuma is a better track into the ANC leadership.

There is always talk that with a Zuma presidency might come cabinet positions, and the so-called ladder between the trade unions and the government has been a very strong incentive. Several of the top trade union leaders have walked out of COSATU or affiliates into government ministerial positions.

That's always a factor—the way the tripartite alliance of the ANC, SACP and COSATU reproduces its own ruling managerial and political elite without necessarily having any ideological framework. Zuma represents a better route for that process than anybody that's closer to Mbeki.

There's a final factor, which is a genuine sense that Zuma was harmed [by being put on trial for rape], and that organs of the state were illegitimately used to try to destroy him.

Another major allegation is that Zuma pulled a lot of pressure away from an arms deal investigation

within the parliament, particularly because he wrote a letter to the parliament, which decommissioned a major investigative arm of the parliament.

Allegedly, that had something to do with a bribe of some \$70,000 supposedly given to Zuma by a French arms company, Thint. It transpires that that letter was authored by Mbeki and only signed by Zuma. That arms deal, which was worth roughly \$1 billion in offensive weaponry, put South Africa in a very strong subimperial location to do all manner of activities across the continent.

The arms deal—for which one parliamentarian already went to jail—also represents the way in which Zuma is becoming a fall guy for a much wider phenomenon.

So this is a very convoluted moment in which people with integrity are probably supporting Zuma on some of these grounds.

Although Zuma was recently acquitted of rape charges, there is all manner of evidence to suggest that what he did, as Archbishop Desmond Tutu said, was take advantage of a woman half his age—an HIV-positive woman he ran the risk of re-infecting, and to protect himself from infection went and took a shower. This is the sense in which Zuma has become a laughingstock.

There is a bloc in the ANC strongly supportive of Mbeki. There is a bloc in the ANC and the trade unionists strongly in support of Zuma. And there is an independent left disgusted by both. Who knows the relative strength of these blocs? We'll know about the first two when Mbeki puts forward his own candidate to replace himself as ANC president and then, in 2009, the country's president.

WHAT ARE the most important social movements in Africa today?

MOST OF the campaigns that represent a kind of progressive or anti-capitalist sensibility have been limited to either projects or sectors of the neoliberal threat. There are seven or eight struggles to watch.

There is the struggle over anti-retroviral medicine access. AIDS treatment activists have broken the hold of pharmaceutical corporations on their branded medicines, so we now have more generic medicines in Africa, although that has to be watched very carefully.

A second important struggle is the genetic modification drive—especially of Monsanto, which is using South Africa and Kenya as a launching pad for GM crops.

A third would be the blood diamonds victims' struggles, including one in Kimberly, South Africa, home of one of the biggest diamond mines, where De Beers was headquartered. Another related struggle is over diamonds and other minerals in Botswana, where the Kalahari Basarwa San Bushmen have fought very hard against De Beers and the World Bank to prevent their forced removal.

Also, major hydroelectricity projects and water transfer projects are being opposed by the Lesotho peasantry. The Bujagali hydropower dam near Kampala, Uganda, is also being opposed by residents. These are very effective struggles that link indigenous rights and land struggles with concern over the ways in which hydroelectricity is continuing to be fostered through white elephant dam projects, especially by the World Bank.

Then we've got the petroleum and energy-related struggles in Chad and Cameroon, because of a huge pipeline that's been contested by environmental activists, indigenous people who have had their land dispossessed, and human rights activists who are concerned about the dictatorship in Chad having access to arms because of the inflow of resources.

There has been a little dance between the Chadian dictatorship and the World Bank over the issue of corruption, and it ended recently with World Bank President Paul Wolfowitz signing off on the Chadian governments misuse of the funds flowing from new oil revenues.

Likewise, in the Niger Delta, there is probably the most powerful struggle in Africa against capital—especially the move by guerrilla groups to kidnap oil workers, which reflects just how desperate and difficult it's become to do any above-ground work.

We've had women leading that work, doing sit-ins in oil company facilities to try to get environmental justice and resources to flow back into the Niger Delta. That hasn't been successful, so now groups are resorting to kidnapping oil workers—who are given, as far as I can tell, decent treatment, and who come out of the experience, in some publicized cases, in favor of the activists' demands.

Finally, I would point out the Ghanaian and South African activists fighting privatization, especially water privatization. A South African company is involved in the Ghanaian project in Accra, the capital, which is leading to higher prices and worse services.

In South Africa, the water struggle has gotten to the point where major court challenges are being filed by left forces, like the Anti-Privatization Forum, to try to stop prepaid water meters. This goes to show the extent to which commodification is moving into every aspect of life—even the air, with carbon trading under the Kyoto protocol.

The South African activists—even though there are splits throughout the movement—are doing a marvelous job in making clear these kinds of problems that occur through privatization. They're also advancing a socialist strategy of decommodification through re-nationalizing the water, telecommunications, electricity and health systems, and really making them much better able to serve poor people, as a very explicit agenda.

The immediate strategy entails what some autonomists will call a self-activity of reconnection. After a disconnection of electricity or water, the Soweto Electricity Crisis Committee have got teams of township plumbers and electricians to reconnect illegally.

The extent to which that can continue is based on the strength of these movements, which is so far quite impressive. But over time, clearly, what is going to have to happen is the evolution of a major program by the left.

Hopefully that will be joined in the next five years by trade unions that have split from the ANC—and perhaps with the Communist Party joining them, in a new party of the left, a workers' party. But that's a few years away.

P.S.

* Published on Alternatives - International website.

Bond Bond has written several books on politics and society in South Africa, including *Elite Transition: from Apartheid to Neoliberalism in South Africa* and *Talk Left, Walk Right: South Africa's Frustrated Global Reforms*.