

SOUTH AFRICAN SUBIMPERIALISM

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Abstract

If modern imperialism necessarily combines neoliberalism and “accumulation by dispossession” in peripheral sites like Africa along with increasing subservience to the USA’s indirect, neocolonial rule, the next logical step is to locate South Africa’s own position as regional subimperial hegemon within the same matrices. That requires identifying areas where imperialism is facilitated in Africa by the Pretoria-Johannesburg state-capitalist nexus, in part through Mbeki’s New Partnership for Africa’s Development and in part through the independent (though related) logic of private capital. Finally, in response to this subjugation, we can consider what kinds of analyses, strategies, tactics and alliances are being posed by serious African anti-imperialists. First, however, we must clarify imperialism’s militarist and geopolitical inclinations.

Key words: Imperialism / Subimperialism / South African

Introduction¹

Imperialism, subimperialism and anti-imperialism are all settling into durable patterns and alignments in Africa –especially South

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¹This contribution is in two parts, combining chapters from two forthcoming books: BOND, P. (2006), *Looting Africa: The Economics of Exploitation*, Chapter

Africa– even if the continent’s notoriously confusing political discourses sometimes conceal the collisions and collusions. “All Bush wants is Iraqi oil”, the highest-profile African, Nelson Mandela, charged in January 2003. “Their friend Israel has weapons of mass destruction but because it’s [the US] ally, they won’t ask the UN to get rid of it... 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”². Mandela’s remarks were soon echoed at a demonstration of 4,000 people outside the US embassy in Pretoria, by African National Congress (ANC) secretary-general Kgalema Motlanthe: “Because we are endowed with several rich minerals, if we don’t stop this unilateral action against Iraq today, tomorrow they will come for us”³.

This was not merely conjunctural anti-war rhetoric. Mandela’s successor Thabo Mbeki was just as vitriolic when addressing the broader context of imperial power, for example when welcoming dignitaries to the August 2002 Johannesburg World Summit on Sustainable Development: “We have all converged at the Cradle of Humanity to confront the social behaviour that has pity neither for beautiful nature nor for living human beings. This social behaviour has produced and entrenches a global system of apartheid”⁴. Mbeki’s efforts to insert the phrase “global apartheid” in the summit’s final document failed, due to opposition by then US secretary of state Colin Powell, who in turn was heckled by both civil society activists and Third World leaders in the final plenary session.

A year later, in the immediate run-up to the Cancun World Trade Organization ministerial in Cancun, Malaysia’s *Straights Times* reported Mbeki’s comment on the global justice movements at a Kuala Lumpur seminar: “They may act in ways you and I may not like and break windows in the street but the message they communicate relates”⁵.

Six , Zed Books and Pietermaritzburg, University of KwaZulu-Natal Press, London; and BOND, P. (2006), *Talk Left, Walk Right: South Africa’s Frustrated Global Reforms*, Afterword to the Second Edition, Africa World Press and Pietermaritzburg, University of KwaZulu-Natal Press, Trenton.

² *South African Press Association*, 29 January 2003.

³ *Business Day*, 20 February 2003.

⁴ MBEKI, T. (2002), «Address by President Mbeki at the Welcome Ceremony of the WSSD», Johannesburg, 25 August.

⁵ *The Straights Times*, 3 September 2003.

Moreover, in light of Pretoria's centrality to the India-Brazil-South Africa bloc and the G20 group often credited (incorrectly) with causing the Cancun WTO summit's collapse and threatening the Hong Kong WTO summit, the logical impression is that the anti-imperialist cause has an important state ally in Africa.

But these outbursts can best be understood as "talking left, walking right", insofar as they veil the underlying dynamics of accumulation, class struggle and geopolitics⁶. Alongside parallel economic, ideological and military functions played by the governments of Nigeria, Ghana, Senegal, Algeria, Uganda and Kenya (amongst others), Pretoria's crucial role as Washington's main subimperial African partner requires unpacking.

For example, in early 2003, at the same time as Mandela's outburst, the ANC government permitted three Iraq-bound warships to dock and refuel in Durban, and the state-owned weapons manufacturer Denel sold \$160 million worth of artillery propellants and 326 hand-held laser range finders to the British army, and 125 laser-guidance sights to the US Marines⁷. South Africa's independent left immediately formed a 300-organization Anti-War Coalition which periodically led demonstrations of 5,000-20,000 protesters in Johannesburg, Pretoria and Cape Town. Despite the embarrassment, Pretoria refused the Coalition's demands to halt the sales. George W. Bush rewarded Mbeki with an official visit just as the dust from the Baghdad invasion had settled, in July 2003. As *Business Day* editorialized, the "abiding impression" left from Bush's Pretoria stopover was "of a growing, if not intimate trust"⁸.

In the course of organizing large demonstrations against Bush in Pretoria and Cape Town, the Anti-War Coalition complained, "The ANC's public relations strategy around the war directly contradicts their actions, which are pro war and which have contributed to the deaths of thousands of Iraqi civilians"⁹. But public relations finally caught up to reality, as Mandela, too, recanted his criticism of Bush in May 2004¹⁰.

⁶ BOND, P. (2004), *Talk Left, Walk Right: South Africa's Frustrated Global Reforms*, University of KwaZulu-Natal Press, Pietermaritzburg.

⁷ CLARNO, A. (2003), «Denel and the South African Government: Profiting from the War on Iraq», *Khanya Journal*, 3rd March.

⁸ *Business Day*, 11 July 2003.

⁹ *Anti War Coalition Press Statement*, 1 July 2003.

¹⁰ *Mail and Guardian*, 24 May 2004.

How much of this political inconsistency linking Pretoria and the Washington-London imperialist axis was merely contingent? In contrast, how badly does the world capitalist empire need Africa for surplus and resource extraction and the deepening of global neoliberalism, and South Africa for legitimacy and deputy-sheriff support? After all, it should be clear that the imposition of neoliberal logic, in the form of concrete policies, has amplified Africa's uneven and combined development.

As Stephen Gill has shown, continual enforcement of imperialism is crucial, both through a "disciplinary neoliberalism" entailing surveillance and a "new constitutionalism" that locks these policies in over time¹¹. Leo Panitch and Sam Gindin have conducted emphatic studies of empire's management capacities via the power and centrality of Washington, linking the neoconservative military-industrial complex in the Bush White House and Pentagon to the Washington Consensus nexus of the US Treasury, Bretton Woods Institutions and Wall Street¹². Sub-Saharan Africa may be a site to demonstrate *both* the structurally-rooted need to extract surpluses (based on crisis tendencies discussed in Chapter 2) and agency: the importance of Washington's combined political and economic power. In his recent survey, Robert Biel identified two central contradictions in US imperialism vis-à-vis Africa:

First, central accumulation always tends to siphon away the value which could form the basis of state-building, bringing with it the risk of "state failure", leading to direct intervention. Second, the international system becomes increasingly complex, characterized by a range of new actors and processes and direct penetration of local societies in a way which bypasses the state-centric dimension¹³.

¹¹ GILL, S. (2003), *Power and Resistance in the New World Order*, Basingstoke, Palgrave Macmillan.

¹² PANITCH, L. and GINDIN, S. (2003), «Global Capitalism and American Empire», in PANITCH, L. and LEYS, C., *Socialist Register 2004*, Merlin Press and New York, Monthly Review Press, London.

¹³ BIEL, R. (2003), «Imperialism and International Governance: The Case of US Policy towards Africa», *Review of African Political Economy*, 95, p.87.

Because of the complexity associated with “indirect rule”, and especially the difficulty of coopting all relevant actors, Biel continues, “A reversion to the deployment of pure power is always latent, and the post-September 11th climate has brought it directly to the fore. This is a significant weakness of international capitalism”.

If modern imperialism necessarily combines neoliberalism and “accumulation by dispossession” in peripheral sites like Africa along with increasing subservience to the USA’s indirect, neocolonial rule, the next logical step is to locate South Africa’s own position as regional subimperial hegemon within the same matrices. That requires identifying areas where imperialism is facilitated in Africa by the Pretoria-Johannesburg state-capitalist nexus, in part through Mbeki’s New Partnership for Africa’s Development and in part through the independent (though related) logic of private capital. Finally, in response to this subjugation, we can consider what kinds of analyses, strategies, tactics and alliances are being posed by serious African anti-imperialists. First, however, we must clarify imperialism’s militarist and geopolitical inclinations.

Washington’s reach

What are US planners up to in Africa? The period during the 1990s after the failed Somali intervention, when Washington’s armchair warriors let Africa slide out of view, may have come to an end with September 11. One of the most acute critics of US Africa policy, Bill Martin, argues that

Bill Clinton broke new ground by forcefully applying free market policies to Africa and, often unnoticed, by placing Africa on the US foreign policy map by casting it as a transnational security threat... Secretary of State Madeleine Albright was blunt in 1999: “Africa is a major battleground in the global fight against terror, crime, drugs, illicit arms-trafficking, and disease”. Bush’s discourse and web of military engagements after 9/11 have turned these Democratic policy statements into concrete actions, sustaining compliant allies in the hope they can contain local unrest and resistance to corrupt local states, international capital, and imperial interventions. The discourse of internal and international terrorism is thus not simply substituting for the ideology of the Cold War, but is forging

new military and ideological networks as capable of repressing internal dissent as pursuing 'foreign' terrorists¹⁴.

The US has developed an Africa Contingency Operations and Assistance Programme to strengthen favoured militaries, but to do so under civilian control to prevent rogue forces from emerging (such as the Venezuelan precedent), according to David Wiley. The Pentagon's goal appears to be the deployment of 200 US troops at a half-dozen light bases which maintain stores of petrol, runways and 24-hour operations¹⁵.

Army General Charles Wald, who controls the Africa Programme of the European Command, told the BBC in early 2004 that he aims to have five brigades with 15,000 men working in cooperation with regional partners including South Africa, Kenya, Nigeria and two others still to be chosen¹⁶. NATO's Supreme Allied Commander for Europe, General James Jones, confirmed the US geographical strategy in May 2003: "The carrier battle groups of the future and the expeditionary strike groups of the future may not spend six months in the Mediterranean Sea but I'll bet they'll spend half the time down the West Coast of Africa"¹⁷. Within weeks, that coast was graced by 3000 US troops deployed offshore from Liberia (and briefly onshore to stabilize the country after Charles Taylor departed). Potential US bases were suggested for Ghana, Senegal and Mali, as well as the North African countries of Algeria, Morocco and Tunisia¹⁸. Another base was occupied by 1500 US troops in the small Horn country of Djibouti. Botswana and Mozambique were also part of the Pentagon's strategy, and South Africa would remain a crucial partner.

Central and eastern Africa remains a problem area, and not merely because of traditional French and Belgian neocolonial competition with British and US interests. President Clinton's refusal

¹⁴ MARTIN, B. (2004), «Beyond Bush: The Future of Popular Movements and US Africa Policy», *Review of African Political Economy*, 102, pp.585-587.

¹⁵ Notes from David Wiley's presentation to the Association of Concerned African Scholars, African Studies Association, Washington, 19 November 2005.

¹⁶ PLAUT, M. (2004), «US to Increase African Military Presence», <http://www.bbc.co.uk>, [23 March].

¹⁷ <http://www.allAfrica.com>, [2 May 2003].

¹⁸ *Ghana News*, 11 June 2003.

to cite Rwanda's situation as formal genocide in 1994 was an infamous failure of nerve in terms of the emerging doctrine of "humanitarian" imperialism, in comparison to intervention in the white-populated Balkans. The lesson Wald drew was the need to engage more carefully, using proxy forces, rather than disengage. Hence in northern Uganda, the US has cooperated in state counter-insurgency efforts against the persistent guerrillas of the Lord's Resistance Army. Ian Taylor summarized the subregion's geopolitical alignment in the late 1990s: "Pro-American leaders in Asmara, Addis Ababa, Kampala and Kigali seemed to be constructing a new bloc of regimes friendly to Washington's interests, linking up with South Africa as a group of states that America could do business with"¹⁹.

With an estimated three million dead in Central African wars, partly because of their proximity over access to coltan and other mineral riches, conflicts worsened between and within the Uganda/Rwanda bloc, vis-à-vis the revised alliance of Kabila's DRC, Zimbabwe, Angola and Namibia. Only with Kabila's 2001 assassination and Pretoria's management of elite peace deals in the DRC and Burundi are matters settling, however briefly, into a fragile peace combining neoliberalism and opportunities for minerals extraction. Another particularly difficult site is Sudan, where US Delta Force troops have been sighted in informal operations, perhaps because although China broached oil exploration during the country's civil war chaos, US firms have subsequently arrived.

Bridging Sub-Saharan Africa and North Africa is another subregion of crucial importance to US imperialism. Not only is Libya being brought into the fold of weapons certification and control. Already, US troops have been deployed for small-scale interventions in Mali, Chad and Mauritania. A site of future extraction lies between northern Nigeria and southern Algeria, where gas pipeline options have been contracted by the US multinationals Halliburton and Bechtel. The major petro prize remains the Gulf of Guinea. With African routes to Louisiana oil processing plants many weeks less time-consuming for tanker transport than the Persian Gulf, the world's shortage of supertankers is eased by direct sourcing from West Africa's offshore oil fields.

¹⁹ TAYLOR, I. (2003), «Conflict in Central Africa: Clandestine Networks and Regional/Global Configurations», *Review of African Political Economy*, 95, p.49.

In continent-wide settings, the US military is also ambitious. For example, of \$700 million destined to develop a 75,000-strong UN peace-keeping force in coming years, \$480 million is dedicated to African soldiers²⁰. But Africa is also a site to recruit private mercenaries, as an estimated 1500 South Africans –reportedly including many of Mbeki’s own personal security forces– joined firms such as Executive Outcomes in Johannesburg and British-based Erinys to provide more than 10% of occupied Iraq’s bodyguard services²¹. Some African countries joined the Coalition of the Willing against Iraq in 2003, including Angola, Eritrea, Ethiopia and Rwanda, although temporary UN Security Council members Cameroon, Guinea and the Republic of the Congo were opponents, notwithstanding Washington’s bullying. In addition, Martin warns of the

\$100 million Eastern Africa Counter-Terrorism initiative involving Kenya, Ethiopia, Uganda, Tanzania and Eritrea as well as Djibouti. Another new State Department program, the Pan-Sahel Initiative, is being implemented by Pentagon and civilian contractors in Mali, Mauritania, Chad, and Niger. These actions suggest the obvious targeting and encirclement of Islamic Africa. Yet the number of African armies involved extends well beyond Islamic or oil-rich areas... More than 120 senior African military officers and defense officials from 44 states participated, for example, in seminars this past February [2004] at the Pentagon’s Africa Center for Strategic Studies. Compliant African states and militaries offer Washington far more than checks to radical Islam; they are increasingly seen as a counter-weight to rival core powers in the North and

²⁰ Training for African soldiers will be undertaken at the Kofi Annan Centre in Ghana, along with one in Kenya and three others still to be chosen. Other training candidate countries include Mali, Mauritania, Chad and Niger. The African Contingency Operations Training Assistance Programme aims to place soldiers into many conflict-ridden settings, under the rubric of the UN, but with direct Pentagon control. The major dilemma, here, appears to be the very high level of HIV-positive members of the armed forces in key countries. Hence both Namibian and South African defense ministers recently banned HIV+ soldiers from active duty, to the great consternation of human rights advocates (the decision was reversed in Namibia). See ELBE, S. (2003), *Strategic Implications of HIV/AIDS*, Adelphi Paper 357, International Institute for Strategic Studies, Oxford University Press, Oxford, pp.23-44.

²¹ *Vancouver Sun*, 11 May 2004.

unruly states and leaders in the South. African peacekeeping forces, the thinking goes, may be especially valuable in replacing, as the occupation of Iraq has so starkly indicated, European and other allies now unwilling to occupy areas conquered by direct US military action or deploy to areas the U.S. is unwilling or unable to (due to overextension in Iraq and Afghanistan).

And even if South African troops are not sent to Iraq, the South African government seems more than willing to allow their mercenaries, now converted into "private military contractors", to play major roles in the U.S. occupation. African states are clearly judged by some US policymakers to be more politically compliant as well as more militarily dependent-and have a proven track record. This may prove especially valuable as the "war on terrorism" transmutes into a broader discourse that supports a global, post-liberal order including repressive regimes in the South. The current top ten contributors to UN operations are Third World states, with Africa providing four of the ten (Nigeria, 2,930 troops; Ghana, 2,790 troops; Kenya, 1,826 troops; Ethiopia, 1,822 troops)²².

Africa remains an important site in Washington's campaigns against militant Islamic networks, especially in Algeria and Nigeria in the northwest, Tanzania and Kenya in the east, and South Africa. Control of African immigration to the US and Europe is crucial, in part through the expansion of US-style incarceration via private sector firms like Wackenhut, which has invested in South African privatized prison management, along with the notorious Lindela extradition camp for "illegal immigrants". The development of a highly racialized global detention and identification system is proceeding apace.

Of course, the US military machine does not roll over Africa entirely unimpeded. Minor potholes have included Pretoria's rhetorical opposition to the belligerent parties in the Iraq war, conflicts within the UN Human Rights Commission (especially over Zimbabwe), and the controversy over US citizens' extradition to the International Criminal Court. Regarding the latter, on the eve of Bush's first-ever Africa trip in July 2003, the Pentagon announced it would withdraw \$7.6 million worth of military support to Pretoria, because the South African government -along with 34 military allies of Washington (and

²² MARTIN, B. (2004), «Beyond Bush...», *op. cit.*, pp.590-591.

90 countries in total)- had not agreed to give US citizens immunity from prosecution at The Hague. Relations with Pretoria became somewhat more complicated, as noted below, but several other countries, including four on Bush's itinerary (Botswana, Uganda, Senegal and Nigeria) signed these blackmail-based immunity deals and retained US military spending²³.

It is in these functions that we can observe the ongoing relevance of the national state, not only to accumulation via traditional facilitative functions (securing property rights, the integrity of money, and the monopoly on violence), but also to the "coauthorship" of the neoliberal project, in turn reflecting a shift in the balance of forces within societies and state bureaucracies. Thanks largely to capitalist crisis tendencies and the current orientation to accumulation by dispossession, imperialism can neither deliver the goods nor successfully repress sustained dissent in Africa. It is here, hence, where the ideological legitimization of "free markets and free politics" requires renewal. Sub-Saharan Africa is so rife with state failure and "undisciplined neoliberalism" (witnessed in repeated IMF Riots) that Washington needs a subimperial partner, even (maybe especially) one whose politicians are as cheeky as those in Pretoria -and who have become, hence, just as vital for broader systemic legitimization as other talk-left, walk-right allies in Delhi and Brasilia²⁴. After all, anti-imperial critique continues to emerge across Africa, not just rhetorically (as cited at the outset) but even in practical form when African ministers withdrew consensus from the WTO's Seattle and Cancun summits. Thus Nepal becomes especially important as surrogate for imperialism, as argued below.

In July 2004, the Center for Strategic and International Studies publicly launched a bipartisan US-Africa policy blueprint, requested

²³ *Sapa*, 2 July 2003. Other African countries where US war criminals are safe from ICC prosecutions thanks to military-aid blackmail are the DRC, Gabon, The Gambia, Ghana, Kenya, Mauritius, Sierra Leone and Zambia.

²⁴ For India, see CHIBBER, V. (2004), «Reviving the Developmental State?», in PANITCH, L. and LEYS, C. (Eds), *The Empire Reloaded: Socialist Register 2005*, Monthly Review, Merlin Press and New York, London. For a critique of Brazilian neoliberalism, see MORAIS, L. and SAAD-FILHO, A. (2004), «Lula and the Continuity of Neoliberalism in Brazil: Strategic Choice, Economic Imperative or Political Schizophrenia?», Unpublished manuscript, available from as59@soas.ac.uk.

by Colin Powell and the Congress. That document, "Rising US Interests in Africa", recommends seven interventions: political stabilization of Sudan, whose oil is craved by Washington; support for Africa's decrepit capital markets, which could allegedly "jump start" the Millennium Challenge Accounts; 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 include "a Muslim outreach initiative"; expanded peace operations, which can be transferred to tens of thousands of African troops thanks to new G8 funding; and more attention to AIDS, whose treatment is feared by pharmaceutical corporations because it will require generic drugs. In all but Sudan, South African cooperation will be crucial for the new US imperial agenda²⁵.

Does Pretoria qualify as subimperialist? Aside from Mandela's vacillation, there is much to consider in the hectic activities of Mbeki and his two main internationally-oriented colleagues: finance minister Trevor Manuel (chair of the IMF/World Bank Development Committee from 2001-05) and trade/privatization minister Alec Erwin. The question will be put: are these gentlemen breaking or shining the chains of global apartheid?.

South Africa's subimperial functions

During an August 2003 talk to business and social elites at Rhodes House in Cape Town, Mandela offered the single most chilling historical reference possible: "I am sure that Cecil John Rhodes would have given his approval to this effort to make the South African economy of the early 21st century appropriate and fit for its time"²⁶. (In the same spirit, Mandela took that opportunity to publicly criticise, for the first time and at a crucial moment, activists from the Jubilee South Africa anti-debt movement and apartheid-victims support groups. As discussed in the conclusion, their sin was filing lawsuits in

²⁵ AFRICA POLICY ADVISORY PANEL (2004), «Rising US Stakes in Africa», Centre for Strategic and International Studies, Executive Summary, May, Washington.

²⁶ SOUTH AFRICAN PRESS ASSOCIATION (2003), «Mandela Criticises Apartheid Lawsuits», 25 August.

New York demanding reparations from corporations for their pre-1994 South African profits, along the lines of the Nazi-victims ancestors' banking and slave labour cases. Mandela backed Mbeki, who formally opposed the suits on grounds that Pretoria had its own reconciliation strategy, and that such litigation would, if successful, deter future foreign investors).

Is the Rhodes comparison apt? We do have much to learn from revisiting late 19th-century imperial rule in Africa, in part because no other buccaneer did as much damage to the possibilities for peace and equitable development in Africa as Cecil Rhodes. As diamond merchant, financier and politician (governor of the Cape Colony during the 1880s-90s), Rhodes received permission from Queen Victoria to plunder what are now called Gauteng Province (greater Johannesburg) once gold was discovered in 1886, and then Zimbabwe, Zambia and Malawi; his ambition was to paint the map British imperial red, stretching along the route from the Cape to Cairo. Rhodes' two main vehicles were the British army, which invented the concentration camp and in the process killed 14,000 blacks and 25,000 Afrikaner women and children during the 1899-1902 Anglo Boer South African War, and the British South Africa Company (BSAC), a for-profit firm which in 1890 began systematically imposing settler colonialism across the region. The BSAC's charter, following the notorious Rudd Concession which Rhodes obtained deceitfully from the Ndebele king Lobengula, represented a structural switch from informal control of trade, to trade with rule. British imperialists assumed that competition for control of Africa would continue beyond the 1885 Berlin conference which partitioned Africa, and that only BSAC-style 'imperialism on the cheap', as it was termed, would ensure geographical dominance over the interior of the continent in the face of hostile German, Portuguese, and Boer forces. Such a strategy was critical, they posited, to the protection of even the Nile Valley, which in turn represented the life-line to the prize of India²⁷.

But as today, there was also a crucial economic dynamic underway in Britain (and much of Europe) – beyond the never-ending search for gold – which undergirded Rhodes' conquests: chronic overaccumulation of capital, especially in the London financial markets, combined with social unrest. The easy availability of foreign portfolio

²⁷ LONEY, M. (1975), *Rhodesia: White Racism and Imperial Response*, Penguin, Harmondsworth, pp.31-32.

funding for nascent Southern African stock markets stemmed from a lengthy international economic depression, chronic excess financial liquidity (a symptom of general overaccumulation), and the global hegemony enjoyed by City of London financiers²⁸. From the standpoint of British imperialism, the main benefit of Rhodes' role in the region was to ameliorate the contradictions of global capitalism by channelling financial surpluses into new investments (such as the telegraph, railroad and surveying that tamed and commodified the land known as Rhodesia), extracting resources (especially gold, even if in tiny amounts compared to the Rand), and assuring political allegiance to South African corporate power, which was in harmonious unity with the evolving British-run states of the region.

Can Mandela claim he is faithfully following in these footsteps? Today, for Victoria, substitute the White House. Instead of the old-fashioned power plays of the Rudd Concession and similar BSAC tricks of dispossession, read Nepad and its many corporate backers. Likewise, the SA National Defense Force stands ready to follow British army conquests, what with its invasion of Lesotho in September 1998, justified by Pretoria's desire to protect a controversial, corrupt megadam from alleged sabotage threat. As Rhodes had his media cheerleaders from Cape Town to London, so too do many Western publications regularly promote Mandela and Mbeki as Africa's saviours, and so too does SA Broadcasting Corporation screen pro-Pretoria propaganda to the continent's luxury hotels and other satellite broadcast receivers.

Mandela's less honourable foreign policy intentions were also difficult to disguise. Although South Africa can claim one intervention worthy of its human rights rhetoric -leadership of the 1997 movement to ban landmines (and hence a major mine-clearing role for South African businesses which helped lay the mines in the first place)- the first-ever democratic regime in Pretoria recognized the Myanmar military junta as a legitimate government in 1994; gave the country's highest official award to Indonesian dictator Suharto three months before his 1998 demise (in the process extracting \$25 million in donations for the ANC); and sold arms to countries which practiced mass violence, such as Algeria, Colombia, Peru and Turkey.

²⁸ PHIMISTER, I. (1992), «Unscrambling the Scramble: Africa's Partition Reconsidered», Paper presented to the African Studies Institute, University of the Witwatersrand, Johannesburg, 17 August.

Another moment of ideological confusion was cleared up in 2004. As noted above, in mid-2003 the US House of Representatives extended a ban on military assistance to 32 countries –including South Africa– which agreed to cooperate in future with the International Criminal Court against alleged US war criminals. Nevertheless, Washington’s ambassador to Pretoria, Cameron Hume, quickly announced that several bilateral military deals would go ahead in any case. According to Peter McIntosh of *African Armed Forces* journal, the US “had simply re routed military funding for South Africa through its European Command in Stuttgart”. Hume reported the Pentagon’s desire “to train and equip two additional battalions to expand the number of forces the [SA National Defense Force] have available for peacekeeping in Africa”. South African newspaper *ThisDay* commented, in the wake of two successful joint US/SA military manoeuvres in 2003-04: “Operations such as Medflag and Flintlock clearly have applications other than humanitarian aid, and as the US interventions in Somalia and Liberia have shown, humanitarian aid often requires forceful protection”²⁹.

The two countries’ military relations were fully “normalized” by July 2004, in the words of SA deputy minister Aziz Pahad. In partnership with General Dynamics Land Systems, State-owned Denel immediately began marketing 105 mm artillery alongside a turret and light armoured vehicle hull, in support of innovative Stryker Brigade Combat Teams (“a 3500-personnel formation that puts infantry, armour and artillery in different versions of the same 8x8 light armoured vehicle”). According to one report, “The turret and gun is entirely proprietary to Denel, using only South African technology. At sea level, it can fire projectiles as far as 36 km”³⁰. This followed a period of serious problems for the SA arms firm and others like it (Arm Scor and Fuchs), which were also allowed full access to the US market in July 2004 after paying fines for apartheid-era sanctions-busting³¹.

²⁹ SCHMIDT, M. (2004), «US offers to Train and Equip Battalions», *ThisDay*, 19 July.

³⁰ SOUTH AFRICAN PRESS ASSOCIATION (2004), «Denel to Benefit from US Defence Trade», 21 July.

³¹ BATCHELOR, P. and WILLETT, S. (1998), *Disarmament and Defence Industrial Adjustment in South Africa*, Oxford University Press, Oxford; CRAWFORD-BROWNE, T. (2004), «The Arms Deal Scandal», *Review of African Political Economy*, 31.

Given Pretoria's 1998 decision to invest \$6 billion in mainly offensive weaponry such as fighter jets and submarines, there are growing fears that peacekeeping is a cover for a more expansive geopolitical agenda, and that Mbeki is tacitly permitting a far stronger US role in Africa –from the oil rich Gulf of Guinea and Horn of Africa, to training bases in the South and North– than is necessary³². On the surface, Pretoria's senior roles in the mediation of conflicts in Burundi and the Democratic Republic of the Congo (DRC) during 2003 appeared positive. However, closer to the ground, the agreements more closely resemble the style of elite deals which lock in place "low-intensity democracy" and neoliberal economic regimes. Moreover, because some of the belligerent forces were explicitly left out, the subsequent weeks and months after declarations of peace witnessed periodic massacres of civilians in both countries and a near-coup in the DRC. By mid-2004, the highly-regarded intellectual and leader of the Rassemblement Congolais la Democratique, Ernest Wamba dia Wamba, was publicly critical of Pretoria's interference:

When a [transition process] takes off on a wrong footing, unless a real readjustment takes place on the way, the end cannot be good... Some feel like South Africa has actively put us in the situation we are in. They had a lot of leverage to make sure that certain structural problems were anticipated and solutions proposed. They seem to have fallen in the Western logic of thinking that mediocrity is a less evil for Congolese, if it stops the war. They also have a lot of leverage to get a clear on going commitment to resolve the contradictory fears of both the DRC and Rwanda; they do not seem to use it. This is why some feel that South Africa is too close to Rwanda³³.

Pretoria was not alone, playing the role of proxy for the great powers in its own extended periphery. Simultaneously, similar concerns were raised about another new democracy with a centre-left regime, Brazil, which took leadership of the armed occupation of Haiti, just four months after the US-supported overthrow of the previous

³² BLACK, D. (2004), «Democracy, Development, Security and South Africa's 'Arms Deal'», in NEL, P. and VAN DER WESTHUIZEN, J. (Eds), *Democratizing Foreign Policy? Lessons from South Africa*, Lexington Books, Lanham, MD.

³³ MAJAVU, M. (2004), «Interview with Ernest Wamba dia Wamba», <http://www.zmag.org>, [22 June].

government³⁴. The Congress-led government in New Delhi, likewise, has come under criticism for its close military ties to Washington. From Brazil to South Africa to India, the dangers of growing regional political hegemony, in the context of military alliance with the US, are amplified when we consider some of Pretoria's *global* opportunities.

Pretoria's world leadership?

Once the South African government showed its willingness to put self-interest above principles, the international political power centres invested increasing trust in Mandela, Mbeki, Manuel and Erwin, giving them insider access to many international elite fora. As global-establishment institutions came under attack, they sometimes attempted to reinvent themselves with a dose of New South African legitimacy; witness Mandela's 1998 caressing of the IMF during the East Asian crisis, and of Clinton during the Lewinsky sex scandal. Indeed, Pretoria's lead politicians were allowed, during the late 1990s, to preside over the UN Security Council, the board of governors of the IMF and Bank, the United Nations Conference on Trade and Development, the Commonwealth, the World Commission on Dams and many other important global and continental bodies. Simultaneously taking Third World leadership, Pretoria also headed the Non-Aligned Movement, the Organization of African Unity and the Southern African Development Community.

But this was just the warm up period. During a frenetic four years beginning in September 2001, Mbeki and his colleagues hosted, led, or played instrumental roles at the following major international events: the World Conference Against Racism in Durban (September 2001); the launch of Nepad in Abuja, Nigeria (October 2001); the Doha, Qatar ministerial summit of the World Trade Organization (November 2001); the UN's Financing for Development conference in Monterrey, Mexico (March 2002); G8 summits in Kananaskis, Canada (June 2002), Evian, France (June 2003), Sea Island, Georgia (June 2004) and Gleneagles, Scotland (July 2005); the African Union launch in Durban (July 2002); the World Summit on Sustainable Development (WSSD)

³⁴ SADER, E. (2004), «What is Brazil Doing in Haiti?», *Interhemispheric Resource Center*, <http://www.americaspolicy.org/commentary/2004/0406brazil.html>, [29 June].

in Johannesburg (August-September 2002); the Davos World Economic Forum (January 2003 and occasionally thereafter); George W. Bush's first trip to Africa (July 2003); the Cancun WTO ministerial (September 2003); World Bank/IMF annual meetings in Dubai (September 2003) and Washington (September 2004 and 2005); the UN Millennium Development Summit (September 2005); and the Hong Kong WTO ministerial (December 2005).

Virtually nothing was actually accomplished through the 2001-05 opportunities:

- at the UN racism conference, Mbeki colluded with the EU to reject the demand of NGOs and African leaders for slavery/colonialism/apartheid reparations;
- Nepad provided merely a homegrown version of the Washington Consensus;
- at Doha, trade minister Alec Erwin split the African delegation so as to prevent a repeat of the denial of consensus that had foiled the Seattle ministerial in December 1999;
- at Monterrey, Manuel was summit co-leader (with former IMF managing director Michel Camdessus and disgraced Mexican ex-president Ernesto Zedillo), and legitimized all ongoing IMF/Bank strategies;
- from Kananaskis, Mbeki departed with only an additional \$1 billion commitment for Africa (aside from funds already pledged at Monterrey), and none of the subsequent G8 Summits -Evian, Sea Island and Gleneagles- represented genuine progress;
- the African Union supported both Nepad and the Zimbabwean regime of president Robert Mugabe, hence further delegitimizing the self-defensive political project of Africa's elite;
- at the Johannesburg WSSD, Mbeki undermined UN democratic procedure, facilitated the privatization of nature, and did nothing to address the plight of the world's poor majority;
- in Davos, global elites ignored Africa, in 2003 and subsequently;
- for hosting a leg of Bush's Africa trip, Mbeki merely became the US 'point man' on Zimbabwe, and he avoided any conflict over Iraq's recolonization;
- in Cancun, the collapse of trade negotiations - again, catalysed by a walkout by Africans - left Erwin "disappointed";
- at World Bank and IMF annual meetings from 2001-05, with

Manuel leading the Development Committee, there was no Bretton Woods democratization, new debt relief or Post-Washington policy reform; and

- the UN Millennium Review Summit provided Mbeki grounds for heart-break, leaving him to bemoan, "We should not be surprised when these billions do not acclaim us as heroes and heroines"³⁵.

Elsewhere I have recounted these consistent defeats for African interests, with attention to South Africa's own complicity³⁶. Further failures can be reasonably anticipated in 2006 when Pretoria hosts the "Progressive Governance Summit" (with very unprogressive leaders such as Tony Blair and Meles Zenawi) and the G77 group of Third World countries. Notwithstanding periodic "talk left" gripes such as Mbeki's in New York, Pretoria's failures left it slotted into place as a subimperial partner of Washington and the European Union. Although such a relationship dates to the apartheid and colonial eras, the ongoing conquest of Africa –in political, military and ideological terms– and the reproduction of neoliberalism together require a coherent new strategy: Nepad.

Staking claims through Nepad

The origins of the Nepad plan are revealing. Mbeki had embarked upon a late 1990s' "African Renaissance" branding exercise, which he endowed with poignant poetics but not much else. The contentless form was somewhat remedied in a powerpoint skeleton

³⁵ MBEKI, T. (2005), «Address of the President of South Africa at the United Nations Millennium Review Summit Meeting», New York, 15 September.

³⁶ BOND, P. (2005), *Elite Transition: From Apartheid to Neoliberalism in South Africa*, University of KwaZulu-Natal Press, Pietermaritzburg; BOND, P. (Ed) (2005), *Fanon's Warning: A Civil Society Reader on the New Partnership for Africa's Development*, Africa World Press and Durban University of KwaZulu-Natal Centre for Civil Society, Trenton; BOND, P. (2004), *Talk Left, Walk Right: South Africa's Frustrated Global Reforms*, University of KwaZulu-Natal Press, Pietermaritzburg; BOND, P. (2003), *Against Global Apartheid: South Africa Meets the World Bank, IMF and International Finance*, Zed Books and Cape Town, University of Cape Town Press, London; and BOND, P. (2002), *Unsustainable South Africa: Environment, Development and Social Protest*, Merlin Press and Pietermaritzburg, University of KwaZulu-Natal Press, London.

unveiled during 2000 during Mbeki's meetings with Clinton in May, the Okinawa G-8 meeting in July, the UN Millennium Summit in September, and a subsequent European Union gathering in Portugal. The skeleton was fleshed out in November 2000 with the assistance of several economists and was immediately ratified during a special South African visit by World Bank president James Wolfensohn "at an undisclosed location", due to fears of the disruptive protests which had soured a Johannesburg trip by IMF managing director Horst Koehler a few months earlier. By this stage, Mbeki managed to sign on as partners two additional rulers from the crucial North and West of the continent: Algeria's Abdelaziz Bouteflika and Nigeria's Olusegun Obasanjo. Both suffered regular mass protests and various civil, military, religious and ethnic disturbances at home.

By early 2001, in Davos, 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!"³⁷. International capital would benefit from large

³⁷ *Business Day*, 5 February 2001. Replied community activist Trevor Ngwane in the same *Business Day*: «This sounds suspiciously like June 1996, when the Growth, Employment and Redistribution policy was launched prior to public debate, to parliamentary enquiry, to consultations with the people affected. And the exclusive club of Davos fatcats who use Third World leaders like Mbeki as figleaves will probably give the new programme exactly the same support they have given Gear: currency speculation, capital flight, refusal to invest, free-trade deals filled with last-minute Northern protectionism, and pressure on our government not to provide desperately-needed cheap drugs to ward off HIV/AIDS». For other critiques, see BOND, P. (Ed) (2005), *Fanon's Warning... op. cit.*; ADEDEJI, A. (2002), «From the Lagos Plan of Action to the New Partnership for Africa's Development, and from the Final Act of Lagos to the Constitutive Act: Whither Africa?», Keynote Address prepared for the African Forum for Envisioning Africa, Nairobi, 26-29 April; ADESINA, J. (2002), «Development and the Challenge of Poverty: Nepad, Post-Washington Consensus and Beyond», Paper presented to the Codesria/TWN Conference on Africa and the Challenge of the 21st Century, Accra, 23-26 April; NABUDERE, D. (2002), «Nepad: Historical Background and its Prospects», in ANYANG'NYONG'O, P., et al (Eds), *Nepad: A New Path?*, Heinrich Böll Foundation, Nairobi; and OLUKOSHI, A. (2002), «Governing the African Political Space for Sustainable Development: A Reflection on Nepad», Paper prepared for the African Forum for Envisioning Africa, Nairobi, 26-29 April.

infrastructure construction opportunities on the public-private partnership model, privatized state services, ongoing structural adjustment, intensified rule of international property law and various of Nepad's sectoral plans, all coordinated from a South African office staffed with neoliberals and open to economic and geopolitical gatekeeping.

Once Mbeki's plan was merged with an infrastructure-project initiative offered by the neoliberal Senegalese president, Abdoulaye Wade, it won endorsement at the last meeting of the Organization of African Unity, in June 2001. (In 2002, the OAU transformed into the African Union, and Nepad serves as official development plan). Then, as 300,000 protesters gathered outside the July 2001 G8 summit, Mbeki and other African leaders provided the G8 a modicum of cover.

In the wake of the World Conference Against Racism, the actual Nepad document was publicly launched in Abuja, Nigeria, by African heads of state on October 23, 2001. In February 2002, global elites celebrated Nepad in sites ranging from the World Economic Forum meeting in New York City to the summit of self-described "progressive" national leaders (but including Blair) who gathered in Stockholm to forge a global Third Way. Elite eyes were turning to the world's "scar" (Blair's description of Africa), hoping that Nepad would serve as a large enough bandaid, for as *Institutional Investor* magazine reported, the G8's "misleadingly named" Africa Action Plan represented merely "grudging" support from the main donors with "only an additional \$1 billion for debt relief. (The G8) failed altogether to reduce their domestic agricultural subsidies (which hurt African farm exports) and –most disappointing of all to the Africans– neglected to provide any further aid to the continent"³⁸. Mbeki had requested \$64 billion in new aid, loans and investments each year, but South Africa's *Sunday Times* remarked that "the leaders of the world's richest nations refused to play ball"³⁹. So on the one hand, within weeks, Nepad was endorsed by the inaugural African Union summit, by the WSSD as the chapter on Africa, and by the UN's head of state summit in New York. Yet on the other hand, pro-Nepad lip-service could not substitute for the "new constitutionalism" (to borrow Gill's phrase) that would translate into long-term, non-retractable leverage over the continent.

³⁸ GOPINATH, D. (2003), «Doubt of Africa», *Institutional Investor*, May.

³⁹ *Sunday Times*, 30 June 2002; *Business Day*, 28 June 2002.

The main reason for doubt about Mbeki's commitment to disciplinary neoliberalism and the rule of law was his repeated defence of the main violator of liberal norms, Robert Mugabe⁴⁰. Both Mbeki and Obasanjo termed Zimbabwe's March 2002 presidential election "legitimate", and Mbeki repeatedly opposed punishment of the Mugabe regime by the Commonwealth and UN Human Rights Commission (although finally in 2003 then Commonwealth host Obasanjo agreed Zimbabwe should be suspended, at which point Mugabe simply quit the organization). The Nepad secretariat's Dave Malcomson, responsible for international liaison and co-ordination, once admitted to a reporter, "Wherever we go, Zimbabwe is thrown at us as the reason why Nepad's a joke"⁴¹.

Just prior to the 2003 G8 meeting in Evian, France, *Institutional Investor* magazine captured the tone: "Like other far reaching African initiatives made over the years, this one promptly rolled off the track and into the ditch"⁴². More than 100,000 activists protested the G8 in nearby Geneva and Lausanne. To Mbeki's consternation, African activists joined them, in part because Nepad had recently been described as "philosophically spot-on" by the White House's main Africa official⁴³. Moreover, just prior to the Evian summit, former International Monetary Fund managing director Michel Camdessus, subsequently France's personal G8 representative to Africa, explained Nepad's attraction in the following way: "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 [home-grown pro-globalization attitude] makes"⁴⁴.

⁴⁰ There exists enormous confusion over Mbeki's role in Zimbabwe, which is addressed in BOND, P. and MANYANYA, M. (2003), *Zimbabwe's Plunge: Exhausted Nationalism, Neoliberalism and the Search for Social Justice*, Merlin Press, London, University of KwaZulu-Natal Press, Pietermaritzburg; and HARARE, Weaver Press. For an extremely important critique of Mugabe from an Afro-feminist standpoint, see CAMPBELL, H. (2003), *Reclaiming Zimbabwe: The Exhaustion of the Patriarchal Model of Liberation*, David Philip, Cape Town.

⁴¹ *Business Day*, 28 March 2003.

⁴² GOPINATH, «Doubt of Africa», *op. cit.*

⁴³ *Ibidem*. A few months later, Walter Kansteiner resigned as assistant secretary of state for Africa, but the sentiment remained.

⁴⁴ http://www.g7.utoronto.ca/summit/2003evian/briefing_apr030601.html

Given this background, the African left has expressed deep scepticism over Nepad's main strategies. A succinct critique emerged from a conference of the Council for Development and Social Science Research in Africa (Codesria) and Third World Network-Africa in April 2002. According to the meeting's resolution:

The most fundamental flaws of Nepad, which reproduce the central elements of the World Bank's *Can Africa Claim the Twenty-first Century?* and the UN Economic Commission on Africa's *Compact for African Recovery*, include:

- (a) the neoliberal economic policy framework at the heart of the plan, and which repeats the structural adjustment policy packages of the preceding two decades and overlooks the disastrous effects of those policies;
- (b) the fact that in spite of its proclaimed recognition of the central role of the African people to the plan, the African people have not played any part in the conception, design and formulation of the Nepad;
- (c) notwithstanding its stated concerns for social and gender equity, it adopts the social and economic measures that have contributed to the marginalization of women;
- (d) that in spite of claims of African origins, its main targets are foreign donors, particularly in the G8;
- (e) its vision of democracy is defined by the needs of creating a functional market;
- (f) it under-emphasizes the external conditions fundamental to Africa's developmental crisis, and thereby does not promote any meaningful measure to manage and restrict the effects of this environment on Africa development efforts. On the contrary, the engagement that it seeks with institutions and processes like the World Bank, the IMF, the WTO, the United States Africa Growth and Opportunity Act, the Cotonou Agreement, will further lock Africa's economies disadvantageously into this environment;
- (g) the means for mobilization of resources will further the disintegration of African economies that we have witnessed at the hands of structural adjustment and WTO rules⁴⁵.

⁴⁵ COUNCIL FOR DEVELOPMENT AND SOCIAL SCIENCE RESEARCH IN AFRICA, DAKAR AND THIRD WORLD NETWORK-AFRICA (2002), «Declaration on Africa's Development Challenges», Resolution adopted at the «Joint Conference on Africa's Development Challenges in the Millennium», Accra, 23-26 April, p.4.

Given Nepad's purely destructive role in Zimbabwe, Mbeki and Obasanjo apparently did not even take good governance seriously beyond platitudes designed for G8 governments. Those governments need Nepad, as Camdessus' comment indicates, partly because it reinforces their capacity to manipulate African countries through the aid mechanism; Nepad helps sell their own taxpayers on the myth that Africa is "reforming".

There was, nevertheless, hope that the good-governance rhetoric in the Nepad base document might do some good: "With Nepad, Africa undertakes to respect the global standards of democracy, which core components include... fair, open, free and democratic elections periodically organized to enable the populace choose their leaders freely"⁴⁶. South Africa under Mbeki's rule permits free and fair elections (after all, the ANC wins easily, with 70% of the vote in the 2004 elections, due to the lack of a credible alternative), but Obasanjo does not, judging by an April 2003 "victory" which strained democratic credibility⁴⁷, notwithstanding Mbeki's strong endorsement⁴⁸.

⁴⁶ *The New Partnership for Africa's Development*, <http://www.nepad.org>, paragraph 79.

⁴⁷ During the April 2003 presidential poll, in Obasanjo's home state of Ogun, the president won 1,360,170 votes against his main opponent's 680. The number of votes cast in a simultaneous race in the same geographical area was just 747,296. Obasanjo's explanation, by way of denigrating European Union electoral observers, was that «certain communities in this country make up their minds to act as one in political matters... They probably don't have that kind of culture in most European countries». International observers found «serious irregularities throughout the country and fraud in at least 11 of 36 states». (*Mail & Guardian*, 26 April 2003.)

⁴⁸ Mbeki's weekly ANC internet ANC Today letter proclaimed, «Nigeria has just completed a series of elections, culminating in the re election of president Olusegun Obasanjo into his second and last term. Naturally, we have already sent our congratulations to him». Mbeki registered, but then dismissed, the obvious: «It is clear that there were instances of irregularities in some parts of the country. However, it also seems clear that by and large the elections were well conducted», <http://www.anc.org.za> [25 April 2003].

Johannesburg business interests

What of the subimperial part of the equation? To be sure, there were many naïve observers who expected, as Manuel Castells put it, that

the end of apartheid in South Africa, and the potential linkage between a democratic, black majority-ruled South Africa and African countries, at least those in eastern/southern Africa, allows us to examine the hypothesis of the incorporation of Africa into global capitalism under new, more favourable conditions via the South African connection⁴⁹.

In reality, the most important new factor in that incorporation is the exploitative role of Johannesburg business⁵⁰. For example, in 2002, the UN Security Council accused a dozen South African companies of illegally “looting” the DRC during late 1990s turmoil which left an estimated three million citizens dead, a problem that went unpunished by Pretoria⁵¹. Other SA companies had collaborated with the corrupt dictator Mobutu Sese Seko in looting then-Zaire.

But such roles did not stop officials from Pretoria, Kinshasa and the IMF from arranging, in mid-2002, what the South African cabinet described as “a bridge loan to the DRC of Special Drawing Rights (SDR) 75 million (about R760 million). This will help clear the DRC’s overdue obligations with the IMF and allow that country to draw resources under the IMF Poverty Reduction and Growth Facility”. What this represented was a shocking display of financial power, with the earlier generation of IMF loans to Mobutu now codified by South Africa, which under apartheid maintained a strong alliance with the then Zaire. Moreover, IMF staff would be allowed back into Kinshasa with their

⁴⁹ CASTELLS, M. (1998), *The Information Age*, Vol III: End of Millennium, Blackwell Publishers, Oxford, p.88.

⁵⁰ DANIEL, J., NAIDOO, V. and NAIDU, S. (2003), «The South Africans have Arrived: Post-Apartheid Corporate Expansion into Africa», in DANIEL, J., HABIB, A. and SOUTHALL, R. (Eds), *State of the Nation: South Africa 2003-04*, Human Sciences Research Council, Pretoria.

⁵¹ UNITED NATIONS PANEL OF EXPERTS ON THE ILLEGAL EXPLOITATION OF NATURAL RESOURCES AND OTHER FORMS OF WEALTH OF THE DEMOCRATIC REPUBLIC OF THE CONGO (2002), «Final Report», New York, October 8.

own new loans, and with neoliberal conditionalities (disguised by “poverty reduction” rhetoric) again applied to the old victims of Mobuto’s fierce rule. In the same statement, the South African Cabinet recorded its payment to the World Bank of R83 million for replenishment of its African loan fund, to “benefit our private sector, which would be eligible to bid for contracts financed from these resources”⁵². Within eighteen months, Mbeki forged a \$10 billion deal with Kabila for trade and investment, and gained access to \$4 billion worth of World Bank tenders for South African companies.

The relationship between Pretoria, Johannesburg capital, Kinshasa and the IMF was merely an extreme case of a typical situation, in which state power is required to lubricate otherwise difficult markets. South African capital was already advancing rapidly into the region during the late 1990s, supported by special exchange control exemptions. By 2001, a researcher of the SA Institute of International Affairs warned that then trade minister Alec Erwin’s self-serving trade strategy “might signify to the Africa group of countries that South Africa, a prominent leader of the continent, does not have their best interests at heart”⁵³. In 2003, a colleague issued a technical report on trade which conceded that African governments viewed Erwin “with some degree of suspicion” because of his promotion of the WTO, which in Seattle and Cancun put Erwin in direct opposition to the bulk of the lowest-income countries, whose beleaguered trade ministers were responsible for derailing both summits⁵⁴.

On the one hand, officials in Pretoria regularly claimed to be advancing regional projects in part so as to steer the investment path of (and also regulate) Johannesburg capital, with Nepad the main example. Capital was not so malleable, however, and (pro-Nepad) *Business Day* newspaper admitted in mid-2004 that, “The private sector’s reluctance to get involved threatens to derail Nepad’s ambitions”⁵⁵. Hence the prospect that Johannesburg-based corporations will be “new imperialists” was of “great concern”, according to

⁵² SOUTH AFRICAN GOVERNMENT COMMUNICATIONS AND INFORMATION SERVICE (2002), «Statement on Cabinet Meeting», Pretoria, 26 June.

⁵³ *Mail & Guardian*, 16 November 2001.

⁵⁴ *Business Day*, 2 June 2003.

⁵⁵ ROSE, R. (2004), «Companies ‘Shirking’ their Nepad Obligations», *Business Day*, 24 May.

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"⁵⁶.

But Radebe could also have been describing his Cabinet colleagues Erwin and Mbeki. In August 2003, the *Sunday Times* remarked on Southern African Development Community delegates' sentiments at a Dar es Salaam regional summit: "Pretoria was 'too defensive and protective' in trade negotiations [and] is being accused of offering too much support for domestic production 'such as duty rebates on exports' which is killing off other economies in the region"⁵⁷. More generally, the same paper reported from the AU meeting in Maputo the previous month, Mbeki is

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 agenda⁵⁸.

Indeed, the pumping up of Pretoria's post-apartheid military muscle has been rather revealing. Thanks especially to former international banker Terry Crawford-Brown of Economists Allied for Arms Reduction, much more is known about the invidious ways that French, German and British governments (as well as even Swedish trade unions) corrupted African National Congress leaders through a multibillion dollar arms deal⁵⁹.

Perhaps it is thus fitting, as we turn to resistance in the last chapter, that some of the most exciting anti-imperial initiatives being advanced in contemporary Africa are emanating from the most proletarianized and arguably organized country, South Africa. Critique and practical opposition to neoliberalism in South Africa are stronger than in any other African country, perhaps with the exception of

⁵⁶ SAPA (2004), «SA's 'Imperialist' Image in Africa», 30 March

⁵⁷ *Sunday Times*, 2⁴ August 2003

⁵⁸ *Sunday Times*, 13 July 2003.

⁵⁹ BROWN, T. (2005), «The Arms Deal», Unpublished paper, Diakonia, Durban.

Ghana⁶⁰. Indeed, in 2005 the long-standing Campaign Against Privatization in Ghana sent staff to South Africa's major cities to meet water activists, as Johannesburg's Rand Water won a commercialization joint venture concession for Accra's water arranged by the World Bank. Rand moved into Accra under the rhetorical cover of Nepad and the Millennium Development Goals, sparking strong critical reactions by the Anti-Privatization Forum in Johannesburg.

The question for us, in conclusion, is whether those South African activists –and their comrades up-continent and across the world– are achieving an appropriate mix of local, regional anti-subimperial, and global justice struggles, and whether their analysis, strategies, tactics and allies are feasible and sufficiently militant to be really effective?

Afterword

The following analysis –updating by two years the first edition of *Talk Left, Walk Right*– grapples with several troubling, contradictory processes that have gathered pace since early 2004:

- South Africa's global reform proposals were utterly, thoroughly frustrated, which meant in the cases of the UN, World Bank,

⁶⁰ See, e.g., SAUL, J. (2005), *The Next Liberation Struggle*, Between the Lines Press, Toronto, Merlin Press, London, Monthly Review Press, New York, and University of KwaZulu-Natal Press, Pietermaritzburg; GUMEDE, W. (2005), *Thabo Mbeki and the Struggle for the Soul of the ANC*, Zebra Press, Cape Town; BARCHIESI, F. and BRAMBLE, T. (Eds)(2003), *Rethinking the Labour Movement in the «New South Africa»*, Macmillan, London; KIMANI, S. (Ed)(2003), *The Right to Dissent: Freedom of Expression, Assembly and Demonstration in the New South Africa*, Freedom of Expression Institute, Johannesburg; ALEXANDER, N. (2002), *An Ordinary Country*, University of Natal Press, Pietermaritzburg; JACOBS, S. and CALLAND, R. (Eds) (2002), *Thabo Mbeki's World*, Zed Books, London, and University of KwaZulu-Natal Press, Pietermaritzburg; HART, G. (2002), *Disabling Globalization*, University of KwaZulu-Natal Press, Pietermaritzburg, and University of California Press, Berkeley; DESAI, A. (2002), *We are the Poors*, Monthly Review Press, New York; BELL, T. and NTSEBEZA, D. (2001), *Unfinished Business*, RedWorks, Cape Town; ADAMS, S. (2001), *Comrade Minister*, Nova Science Publishers, New York,; and MARAIS, H. (2000), *South Africa Limits to Change*, Zed Books, London, and University of Cape Town Press, Cape Town.

IMF and WTO that Pretoria politicians began retreating noticeably from the scene in 2005 – an encouraging sign if it leads to further awareness of counterhegemonic power potential but discouraging given the South African government's still-integrationist perspective and the overall balance of global forces.

- South Africa's own subimperial project also began to falter, as peace deals in Africa proved unreliable, as embarrassing dictators solidified power and as Johannesburg capital seemed to exhaust its opportunities – hence raising the danger of more desperate strategies in years ahead.
- As for resistance, on the one hand a faction of the global justice movement – those associated with international NGOs – was sidetracked into its own set of frustrated and misguided reform campaigning, while on the other hand the South African independent left's internationalist and regional campaigning was beginning to bear fruit, though not at the rate and size needed to make a difference.

In other words, the recent period can be considered a *cul de sac* into which wandered various actors in search of an exit from global apartheid. They invariably returned back from whence they had come, weary and sometimes ill-mannered – though unclear as to the next way forward. Although in 2006 South Africa took leadership of the G77 group of Third World countries – an occasionally vocal bloc on global economic problems – and also hosted the so-called “Progressive Governance Summit” (including the United Kingdom, Sweden, Ethiopia, New Zealand and South Korea), there was no real prospect ahead for shifting power relations, especially in light of the defection of India and Brazil to the international neoliberal camp during the Hong Kong WTO summit in December 2005.

Without question there were some countervailing forces and alternative trails to consider, leading mainly to left-leaning Latin American countries which expanded state welfare following the long 1980s-90s contractions. There were also efforts at genuine anti-imperialism from Venezuela and Cuba, with uncertain prospects for Bolivia, whose president-elect, indigenous coca-farming leader Evo Morales, visited South Africa in January 2006. As for activists, the South African independent left's strategies for deglobalisation continued to

emerge, albeit not with the success of prior years, while decommodification struggles also continued and strengthened through the formation of a broad front in search of employment rights, but again without a major breakthrough.

Before delving into the story above, it is first important to note the difficult context, and enquire whether the imperial system was ready to make any concessions? This is the core question, especially during a crucial set of events in 2005 characterised by unprecedented elite hand-wringing about African poverty: Britain's Make Poverty History (quickly hijacked by Gordon Brown), Tony Blair's Commission for Africa, the main creditor countries' debt relief proposal, Paul Wolfowitz's Africa tour, the G8 at Gleneagles and Live8 consciousness-raising concerts, the United Nations' Millennium Development Goals review summit, the IMF/World Bank annual meeting addressing debt and Third World "voice" (September), and the World Trade Organisation's Hong Kong ministerial summit.

Certainly by the end of 2005, there were sufficient strains appearing to suggest the need for reform, but power relations were not amenable to even the moderate changes Pretoria favoured, as even Thabo Mbeki came to understand. Walden Bello explained, at the time, that three problems were becoming overwhelming at empire headquarters in Washington, starting with "a crisis of overextension, or the growing gap between imperial reach and imperial grasp"⁶¹. For Bello, "Hugo Chavez's scintillating defiance of American power would not be possible without the Iraqi resistance's successfully pinning down US interventionist forces in a war without end".

Secondly, the overaccumulation of capital continued, based upon generalised overproduction but under the new circumstances of rising Chinese and Indian output. According to Bello, "Efforts by global capital to regain profitability by more intensively exploiting labor in the North or moving out to take advantage of significantly lower wages elsewhere have merely exacerbated the crisis" because the long neoliberal austerity lowered the rates of increase in global demand to levels lower than in earlier decades.

⁶¹ BELLO, W. (2005), «The Global Crisis of Legitimacy of Liberal Democracy», Speech at Dalhousie University, St. Francis Xavier University and York University, Canada, October; and BELLO, W. (2005), *Dilemmas of Domination*, Zed Books, London.

Thirdly, “the crisis of legitimacy of US hegemony” was reflected in “the US no longer wanting to act as a *primus inter pares*, or first among equals, in the WTO, World Bank, and the IMF, and wishing to unilaterally pursue its interests through these mechanisms, thus seriously impairing their credibility, legitimacy, and functioning as global institutions”. Bello found evidence in the illiberal Patriot Act and “the massive hijacking of elections by corporate financing that has corrupted both the Republican and Democratic parties and the systematic disenfranchisement of poor people”. Bush was comfortable “doing the bidding of US industry in torpedoing the Kyoto Protocol, awarding his vice president’s corporate allies such as Halliburton with no-bid contracts, going to war for his oil cronies, and creating a free-market paradise for US corporations in Iraq”.

We need to continually assess the contradictory role Pretoria plays on this terrain, given the persistent pattern of talking left just as a move to the right gathers momentum. It is in serving Washington’s needs quite consistently during the late 1990s, more so during the early 2000s notwithstanding hiccups, and with reliability and even loyalty in the mid-2000s, that Pretoria can be justly accused of a “subimperial” orientation, even while rhetoric remains radical. If the 2004-06 period was one of more explicitly failed initiatives, perhaps the coming period will require a change in strategy.

Elusive SA

The argument that follows is consistent with the rest of this book, although nuances are needed, of course. The main twist to the story is –or may be– that frustration over constipated and often reactionary global governance in 2004-05 appeared to be the basis for a more sober understanding of power relations. The hubris exhibited by Pretoria politicians may finally begin to evaporate, leading South Africa to a backdoor exit not frontstage view in some crucial venues, such as the UN, World Bank, IMF and World Trade Organisation.

By way of distinguishing this analysis from other scholarship circulating recently, consider more mainstream reviews of Pretoria’s diplomatic policy and international economic strategy that emerged in 2004. These were largely based upon the quaint presumption, Chris Alden and Garth le Pere posited, of Pretoria’s “loftier aims to play a key role in reshaping current international norms, institutions and

process to further global justice for Africa and the South”⁶². For Chris Landsberg, Mbeki is extremely principled about race and the place of Africa in world affairs’ and in the process pursues “global redress very seriously in his politics”⁶³. (Landsberg entirely neglected to consider the crucial question of apartheid reparations). Without documentation, Maxi Schoeman asserted that the Mbeki government “forcefully articulated critical standpoints on the issue of international debt and on the new round of multilateral trade negotiations in the WTO. In both instances one finds evidence of a seemingly increasingly confident South Africa taking up a leadership position in and on behalf of the global South, but always with particular emphasis on the needs of Africa”⁶⁴. (As noted above in Chapters Four and Five, in fact Pretoria was largely uncritical of the standard Washington Consensus debt strategy, and played a decisive role in undermining African interests at WTO summits and in intra-African trade negotiations).

As for Mbeki’s Africa strategy, three analysts from the state Human Sciences Research Council –John Daniel, Varusha Naidoo and Sanusha Naidu– ignored the neoliberal spectre of NEPAD (which was not even mentioned) in their useful documentation of Johannesburg capital’s greedy march up-continent. The vast state support structure required to lubricate subimperial capital accumulation –including Reserve Bank permission to relax exchange controls for regional investments, as well as intense pressure on the Southern African Development Community to deregulate trade, finance and investment– would not be considered, so as to arrive at this argument:

⁶² ALDEN, C. and LE PERE, G. (2004), «South Africa’s Post-apartheid Foreign Policy: From Reconciliation to Ambiguity?», *Review of African Political Economy*, 100, pp.104,106. In the same spirit, see SIDIROPOULOS, E. (Ed) (2004), *Apartheid Past, Renaissance Future: South Africa’s Foreign Policy 1994-2004*, Johannesburg: South African Institute of International Affairs. For more skeptical views, see NEL, P. and VAN DER WESTHUIZEN, J. (Eds) (2004), *Democratizing Foreign Policy? Lessons from South Africa*, Lexington Books, Lanham.

⁶³ LANDSBERG, C. (2004), *The Quiet Diplomacy of Liberation: International Politics and South Africa’s Transition*, Jacana, Johannesburg, p.160.

⁶⁴ SCHOEMAN, M. (2003), «South Africa as an Emerging Middle Power, 1994-2003», in DANIEL, J., HABIB, A. and SOUTHALL, R. (Eds), *State of the Nation: South Africa 2003-04*, HSRC, Pretoria, p.356.

A distinction needs to be drawn between the behaviour of South Africa's corporates and its government⁶⁴. It is not possible for Africa's politicians to make the same charge ["they bulldoze their way around", according to a Kenyan MP on Johannesburg business leaders in 2001] against those who represent South Africa's political interests in Africa... Here there has been a sea-change from the past... non-hegemonic cooperation has in fact, been the option embraced by the post-apartheid South African state⁶⁵.

"Non-hegemonic cooperation?" To be fair, within a year, Daniel (with Jessica Lutchman) did revise the view of the alleged sea-change, and after reviewing Pretoria's oil deals with dictatorships in Sudan and Equatorial Guinea, conceded that, "The ANC government has abandoned any regard to those ethical and human rights principles which it once proclaimed would form the basis of its foreign policy"⁶⁶. Mbeki himself downplayed Sudan's Darfur crisis, even when sending peace-keeping troops, because, as he said after a meeting with Bush in mid-2005, "If you denounce Sudan as genocidal, what next? Don't you have to arrest the president? The solution doesn't lie in making radical solutions - not for us in Africa"⁶⁷. Pretoria's national oil company, PetroSA, had five months earlier signed a deal to share its technicians with Sudan's Sudapet, so as to conduct explorations in Block 14, where it enjoyed exclusive oil concession rights⁶⁸.

But there are many other cases where centrist and centre-left analysts –and especially journalists like Peter Fabricius of the *Independent Group*, Jonathan Katzenellenbogen of *Business Day* and Jean-Jacques Cornish of the *Mail & Guardian*– avoided the harsh reality

⁶⁵ DANIEL, J., NAIDOO V. and NAIDU S. (2003), «The South Africans have Arrived: Post-Apartheid Corporate Expansion into Africa», in DANIEL, J., HABIB, A. and SOUTHALL, R. (Eds), *State of the Nation...*, *op. cit.*, pp.388-389. See also DANIEL, J., LUTCHMAN, J. and NAIDU, S. (2004), «Post-apartheid South Africa's Corporate Expansion into Africa», *Review of African Political Economy*, 31, pp.343-348.

⁶⁶ DANIEL, J. and LUTCHMAN, J. (2005), «South Africa in Africa», Presentation to the SA Association of Political Studies Colloquium, Pietermaritzburg, 22 September.

⁶⁷ BECKER, E. and SANGER D. (2005), «Opposition to Doubling Aid for Africa», *GreenLeft Weekly*, 2 June.

⁶⁸ FABRICIUS, P. (2005), «PetroSA to send Technicians to Explore Oil Possibilities in the Sudan», *The Star*, 5 January.

so as to paint a loftier impressionistic view of David (Mbeki) and Goliath (global apartheid). The idea that Pretoria collaborates with the imperial centres and with global and local capital to the detriment of the broader populations and environments of the Third World has, apparently, been too impolite to mention in public.

Persistent talk-left rhetoric from government still fuels these sort of analyses. For example, SA deputy foreign minister Sue van der Merwe opened the August 2004 Non-Aligned Movement ministerial conference in Durban with this anti-imperialist argument:

There is a growing tendency on the part of countries of the North to mount global “campaigns” against threats that are perceived and defined in the North but allegedly originate or are based in the countries of the South. This is done without the prior acknowledgement of the contributions of developing countries to both the definition and also the condemnation of these threats. These unilateral actions, disregarding the centrality of the United Nations Charter and international law, have become the flagrant response. This tendency is further exacerbated by the re-emergence of a type of state behaviour reminiscent of the colonial era, with the emphasis on greater interference in domestic affairs of states in the developing world... The rewriting of the rule book that at present condemns the majority of the world’s people to perpetual economic and social marginalisation and rewards the minority with infinite wealth is at the heart of the endeavours of this Movement⁶⁹.

In contrast, this book has argued that under presidents Mandela and Mbeki, Pretoria was Washington’s loyal African coauthor of the rewritten rule book - or at the very least claimed influence at lavish book review parties in sites like WTO summits, UN events and Bretton Woods Institution gatherings. As just one example, at the 2004 G8 summit at Sea Island, Georgia, Mbeki joined Africa’s other main pro-Western rulers: Abdelaziz Bouteflika of Algeria, John Kufuor of Ghana, Olusegun Obasanjo of Nigeria, Abdoulaye Wade of Senegal and Yoweri Museveni of Uganda. Treated only to a lunch meeting which

⁶⁹ VAN DER MERWE, S. (2004), «Challenges for Multilateralism in the 21st Century», Opening Statement at the Senior Officials Meeting of the 14th Ministerial Conference of the Non-Aligned Movement Durban, 17 August.

began late and ended early, the Africans promised the G8 to help unblock the multilateral “logjam” that had emerged at the previous year’s Cancun WTO meeting, which failed because African delegates withdrew consent. The next day, Mbeki was in Washington for the funeral of Ronald Reagan –notorious supporter of the old Pretoria regime, even during the mid-1980s states of emergency– and justified his presence to National Public Radio: “For those of us who were part of the struggle against apartheid, it was actually during Reagan’s presidency [that] the US government started dealing with the ANC”⁷⁰.

To successfully serve as Bantustan elites in global apartheid requires the appearance of occasional dissent. During South African apartheid, men like Buthelezi, Matanzima, Mangope and the like blustered periodically about Pretoria’s blatant racism while they benefited from a high standing in that very system (Buthelezi was a favourite of Reagan’s). But their essential function was unmistakable: to persistently legitimise a non-existent reform process, and make life very unpleasant for more serious anti-apartheid radicals. Likewise today, one often must look behind closed doors, rarely opened to the public (aside from readers of *Business Day*), to gauge the emptiness of Pretoria’s anti-imperialist rhetoric. Explained Greg Mills, then director of the SA Institute of International Affairs,

I think there was a bluster by the South African government, or those associated near or around it, prior to the American invasion of Iraq in March last year (2003), but that was toned down fairly quickly by the South African government and most notably, president Mbeki. Really, there has not been much in the way of condemnation of the American position since March last year⁷¹.

Indeed in May 2004, Nelson Mandela retracted his criticism of George Bush:

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. I therefore took the initiative and spoke to George Bush after I criticized him, because the United States can play a very

⁷⁰ *Washington File*, 11 June 2004.

⁷¹ WILLIAMS, L. (2004), «SA to Export Arms?», *Business Day*, 21 July.

important role in promoting peace in the world, and this is the role which we would like the United States to play⁷².

Just over a year later, Mbeki visited Bush and told him, "I appreciate it very much the commitment you have demonstrated now for some years with regard to helping us to meet our own domestic South African challenges, as well as the challenges on the African continent". At that point, US majority public opinion had shifted to oppose the presence of Washington's troops in Iraq. With memories of the defeated US mission in Somalia, Mbeki assisted Bush enormously by offering African –not US– soldiers to police the continent: "We've got the people to do this –military, police, other– so long as we get this necessary logistical support. I think that's what's critically important"⁷³. Bush agreed wholeheartedly, although opening bases in crucial African sites will be one exception.

US military aid was a sensitive issue, because to get the "critically important" logistical support, Bush had demanded a particularly onerous *quid pro quo*: denuding the International Criminal Court. In 2003, South Africa was one of the countries which had supposedly lost a few million dollars worth of US military aid, because it agreed to cooperate in future with the Court against US citizens –e.g. the Pentagon's and State Department's war criminals– if and when they are brought to trial. In 2005, however, it was revealed that instead of Pretoria being blacklisted for US military aid, Washington "had simply re routed military funding for South Africa through its European Command in Stuttgart" so that two additional battalions could be made available for African missions. That, in turn, would relieve Washington's own imperial burden for policing Africa⁷⁴.

However, occasionally the schizophrenia associated with serving as a global apartheid Bantustan elite became too much. Mbeki's attempts at reform of global governance were acknowledged as a failure in September 2005, at the UN heads-of-state summit in New York. There, Security Council reforms –aimed at getting South Africa

⁷² *Mail & Guardian*, 24 May 2004.

⁷³ Cited in WHITE HOUSE (2005), «President and South African President Mbeki Discuss Bilateral Relations in the Oval Office: Press Conference», Washington, 1 June.

⁷⁴ SCHMIDT, M. (2004), «US offers to Train and Equip Battalions», *ThisDay*, 19 July.

a permanent seat– were so distant that Mbeki turned his speech into a leftist invective:

The powerful, some of whom are weapons states, use their power to perpetuate the power imbalance in the ordering of global affairs. As a consequence of this, we have not made the progress of the reform of the UN that we should have. Because of that, we have the result that we have not achieved the required scale of resource transfer from those who have these resources, to empower the poor of the world to extricate themselves from their misery. Simply put, this means that the logic of the use of power is the reinforcement of the might of the powerful, and therefore the perpetuation of the disempowerment of the powerless⁷⁵.

Mbeki did not get his way in New York in part because of earlier opposition to his Bantustan elite function by the African Union (AU), especially Robert Mugabe but also the heads of state of Algeria, Burkina Faso, Egypt, Kenya, Libya, Mali, Sudan, Uganda and Zambia. In August 2005, these leaders opposed a compromise entailing two African seats without veto rights, as well as seats for Germany, Japan, India and Brazil. In effect, Mbeki offered the AU a global neo-apartheid solution by which the new members would sit at the table but have infinitely less power than the five standing permanent members, who can exercise a veto on Security Council matters. It was not unlike the apartheid reform strategy proposed by PW Botha in 1983 (and rejected by the ANC and other activists) to dilute the power of the majority with differential citizenship rights.

To have put any faith in the UN as a site of progressive advocacy –or even as friction to US power– was by that point delusional in any case. A formidable bloc of neoconservative and neoliberal men (and occasional women) had taken the helm of key multilateral institutions. The European Union's choice of the Spanish neoconservative Rodrigo Rato as International Monetary Fund managing director in mid-2004 was followed in January 2005 by the new head of UNICEF, Bush's agriculture minister Ann Veneman (even though the USA and Somalia are the only two out of 191 countries which refused to ratify the United Nations Convention on the Rights of the Child). A month later, for

⁷⁵ MBEKI, T. (2005), «Address of the President of South Africa at the United Nations Millennium Review Summit Meeting», New York, 15 September.

another key UN post, the outgoing neoliberal head of the World Trade Organisation, Supachai Panitchpakdi from Thailand (who served US and EU interests from 2003-05), was chosen to lead the United Nations Conference on Trade and Development⁷⁶. Paul Wolfowitz –a veritable war criminal– was chosen by Bush to head the World Bank in March 2005. The European Union’s hardline trade negotiator Pascal Lamy won the directorship of the World Trade Organisation a few weeks after that.

Finally, to ensure that Washington’s directives to Kofi Annan continued to be as explicit as possible, Bush appointed John Bolton as US Ambassador to the UN. The nominee –never confirmed by the US Congress because Bush snuck him into the job during a mid-2005 recess– is, as the powerful (and once pro-apartheid) former US senator Jesse Helms put it, “the kind of man with whom I would want to stand at Armageddon, or what the Bible describes as the final battle between good and evil”. As former Clinton aide Sidney Blumenthal described, Bolton’s political duties on behalf of Bush were varied: “In the heat of the battle over the Florida vote after the 2000 US presidential election, a burly, mustachioed man burst into the room where the ballots for Miami-Dade County were being tabulated, like John Wayne barging into a saloon for a shoot-out. ‘I’m with the Bush-Cheney team, and I’m here to stop the count’”. At the international scale, Bolton’s main function was to disempower the UN, as witnessed in these remarks: “Americanists find themselves surrounded by small armies of globalists, each tightly clutching a favourite new treaty or multilateralist proposal... If I were redoing the Security Council today, I’d have one permanent member because that’s the real reflection of the distribution of power in the world”⁷⁷. Abuse of US power was indeed Bolton’s proud record, Blumenthal recounted:

At the State Department, Bolton was Colin Powell’s enemy within. In his first year, he forced the US withdrawal from the anti-ballistic missile treaty, destroyed a protocol on enforcing the biological weapons convention, and ousted the head of the

⁷⁶ TOUSSAINT, E. and MILLET, D. (2005), «Multilateral Institutions Taken Hostage», *Le Soir*, 15 April.

⁷⁷ BLUMENTHAL, S. (2005), «The Enemy Within: How an Americanist devoted to Destroying International Alliances became the US Envoy to the UN», *The Guardian*, 10 March.

Organisation for the Prohibition of Chemical Weapons. He scuttled the nuclear test ban treaty and the UN conference on the illicit trade in small arms and light weapons. And he was behind the renunciation of the US signature on the 1998 Rome statute creating the international criminal court.

According to Phyllis Bennis of the Institute for Policy Studies, Bush's appointment of such a maniac was not unpredicted, since

many of the secretary-general's top staff were replaced over the last two years or so with active supporters of the US agenda for the United Nations. That effort includes the US-orchestrated replacement of Kofi Annan's longstanding chief of staff Iqbal Riza with Mark Malloch-Brown (who called Bolton "very effective"), and the appointment of Bush loyalist and right-wing American State Department official Christopher Burnham as undersecretary-general for management⁷⁸.

It is in this context of a desperately adverse balance of forces that we can consider Mbeki's pessimistic address to the UN heads of state. A few weeks after that came the September 2005 annual meeting of the World Bank and IMF in Washington, the last time that Trevor Manuel chaired the Development Committee, the second main standing committee that sets Bank/IMF policy. That was followed in December 2005 by the Hong Kong World Trade Organisation summit. Pretoria's reform project was unveiled as futile in all these settings. This is evident when we look, first, at the global financial architecture, followed by the ongoing trade and agricultural subsidies debacle.

Financial reform reversed

South Africa's local government minister Sidney Mufamadi expressed the dire need for change in global governance and the dominant ideology in stark terms one day in April 2005, in a talk to a communist audience in Paris:

⁷⁸ DEEN, T. (2005), «UN Faces New Political Threats From US», *Inter Press Service*, <http://www.ipsnews.net/news.asp?idnews=31152> [23 November].

As we speak, the neoliberal orthodoxy sits as a tyrant on the throne of political-economic policymaking. The dominant social and economic forces are doing their utmost to hegemonise the discourse both materially and in respect of how developmental processes are to be institutionalised and theorised. Among other things, they use such transnational governmental organisations as the International Monetary Fund, the World Bank and the World Trade Organisation to shape the discourse within which policies are defined, the terms and concepts that circumscribe what can be thought and done⁷⁹.

Hear hear. Yet with one exception –pressure on the World Bank to belatedly, in 2004, penalise a Canadian firm found guilty of bribery (during part of the period 1988-98) on the massive Lesotho-Johannesburg water transfer project– Pretoria’s role in debates over the Bretton Woods Institutions was counterproductive, contributing to rather than reversing the authoritarian tendencies and international financial injustices that continued during 2004-05. There were, in particular, three events around which we can understand resistance to reform:

- inability to democratise the Bretton Woods Institutions, emblematised by the anointment of IMF managing director Rodrigo Rato and Bank president Paul Wolfowitz;
- failure to change World Bank social and environmental policies in the crucial minerals and energy sectors (due to receive 40% of all Bank infrastructure financing), particularly as Wolfowitz began implementing Washington’s petro-military agenda; and
- ongoing extraction of excessive debt repayments by the Third World notwithstanding some debt relief rhetoric in mid-2005.

South African officials bear substantial responsibility for these, because of their high-profile position on some of the specific issues, including Manuel’s role as chair of the IMF/Bank Development Committee. The reform rhetoric continued until late 2005, when Manuel confessed his impotence at even marginally expanding the African presence on the Board of Directors.

⁷⁹ MUFAMADI, S. (2005), «Fighting the Stranglehold of Neoliberalism», *Umrabulo*, 23, <http://www.anc.org.za/ancdocs/pubs/Umrabulo/Umrabulo23/neoliberalism.html>.

Until then, the rhetoric had been occasionally fierce. Declared Mbeki, at a March 2004 conference dedicated to increasing Africa's "voice" at the Bank and IMF,

Although we agree that there are already processes towards reforming these multilateral institutions, many of us are understandably impatient with the fact that these have largely been at protracted discussion levels. Accordingly, we are faced with a challenge to ensure that the urgent need for radical reform is translated into a concrete and tangible programme underpinned by effective participation, especially by the developing countries⁸⁰.

Notwithstanding "the urgent need for radical reform", Pretoria did virtually nothing to organise effective African or middle-income country resistance, and indeed continued to disparage –and in the reparations case successfully sabotage– civil society efforts to change North-South financial power relations. Tellingly, the same month as Mbeki's "urgent" call, Manuel wrote a sparing two-page letter to fellow Development Committee members, arguing that reforms on "voting rights" within the IMF and Bank were "likely to be postponed for some time". In the meantime, said Manuel, the committee should address "those situations where countries' quotas/capital shares were egregiously out of line with their economic strength⁸¹".

That particular strategy would have led to the interim empowerment of wealthier countries, especially Japan, which thus should receive greater voting rights alongside its increasing IMF quotas and World Bank capital investment. The result would be much more money for the two institutions, in the process of strengthening the systemic inequality by which rich countries exert control. However, at the April 2004 World Bank/IMF "spring" meetings in Washington, Manuel made no progress, even on his "eminent persons group" idea that the Bank/IMF commission a neutral report on board governance

⁸⁰ MBEKI, T. (2004), «Remarks at the Consultative Meeting of African Governors on Voice and Participation of Developing and Transition Countries in the Bretton Woods Institutions», Johannesburg, 12 March, p.3.

⁸¹ MANUEL, T. (2004), «Dear Colleague» letter to Members of the Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries, Pretoria, 29 March, pp.1-2.

to report in 2005. Nor did his letter refer to the highly controversial question of who would run the IMF.

This was either an egregious oversight or reflection of political cowardice, because, at that time, a revolt was brewing –even by some IMF/Bank executive directors– against a (figurative) apartheid-style “Europeans Only” sign on the door to the IMF managing director’s office. The sign was blatantly obvious when Horst Koehler resigned the job to become president of Germany in early 2004. From Spain’s outgoing conservative regime, finance minister Rodrigo Rato got the job thanks to support from British chancellor of the exchequer Gordon Brown, chair of the other crucial IMF/Bank board committee. Rato’s austerity-oriented role in Spain, according to University of Barcelona professor Vincente Navarro, should have generated a massive protest from Africa and the rest of the Third World:

Rato is of the ultra-right. While in Aznar’s cabinet, he supported such policies as making religion a compulsory subject in secondary schools, requiring more hours of schooling in religion than in mathematics, undoing the progressivity in the internal revenue code, funding the Foundation dedicated to the promotion of francoism (i.e., Spanish fascism), never condemning the fascist dictatorship, and so on. In the economic arena, he dramatically reduced public social expenditures as a way of eliminating the public deficit of the Spanish government, and was the person responsible for developing the most austere social budget of all the governments of the European Community. The elimination of the deficit in the Spanish government’s budget has had an enormous social cost⁸².

Ironically, notwithstanding four years of lobbying by Manuel Mbeki and other Third World politicians for Bretton Woods reform, the succession of IMF leadership was less amenable to Africa in 2004 than in 2000. In the earlier struggle over the job of managing director, Africa’s finance ministers adopted what *Time* magazine described as a “clever” strategy: nominating Stanley Fischer, the Zambian-born, South African-raised acting managing director of the IMF, to become director. But Fischer’s “fatal flaw”, according to *Time*, was his US citizenship, so Kohler got the job instead, in view of the unwritten rule

⁸² NAVARRO, V. (2004), «Meet the New Head of the IMF», <http://www.counterpunch.org> [19 June].

that divides such spoils between the US and Europe⁸³. In 2004, there was no such clever attempt, and Africa's finance ministers expressed hope, instead, for merely a few more advisors to Rato and a few more resources for the two African executive directors⁸⁴.

Rather than condemning this evidence of worsening global governance inequality, with the US dominating the Bretton Woods Institutions and a club rule in which a European runs the IMF and a US citizen runs the Bank, Manuel downplayed these problems, as witnessed in the ultradiplomatic tone of the 29 March 2004 letter, which did not even refer to the IMF leadership controversy. Instead of breaking the chains of global apartheid –by halting the juggernaut of financial liberalisation and the intensification of structural adjustment (the agenda of the Bretton Woods twins), via refusal to legitimise these institutions until they democratise– Manuel appeared content with polishing the chains, namely promoting very slow and minimalist reforms, such as his proposed eminent persons' committee and the strengthening of powerful economic agents (Japan) inside the Bank and IMF. Yet he was incapable of even winning the chain-polishing reforms, because he chose ineffectual analysis, strategies, tactics and alliances.

The single instance where Manuel's anger at World Bank behaviour appeared to result in reform was the Lesotho dam corruption problem. The Bank had vacillated for a decade, initially (in 1994) prohibiting the Maseru government from firing the official later convicted of taking \$2 million in bribes, Masupha Sole; then promising support for funding Lesotho's prosecution in 1999 but not delivering; then finding the first company –Canada's Acres International– innocent in a 2001 probe, prior to Maseru's guilty verdict in 2003; and then delaying a reexamination of Acres until 2004, while in the meantime Acres had received three Bank contracts worth \$400,000, in Tanzania, Sri Lanka and Palestine. Acres meanwhile refused to pay its \$2 million fine to the Lesotho government. At one point, Manuel became sufficiently embarrassed by the Bank's sloth on the Lesotho corruption to remark, "The World Bank is giving us the runaround"⁸⁵.

⁸³ HILLENBRAND, B. (2000), «Economic Upheaval», *Time Europe*, 155, 10, March 13.

⁸⁴ SERIA, N. (2004), «African States call for more Say in IMF», *Business Day*, March 15.

⁸⁵ AGENCE FRANCE PRESS (2004), «Big Business urges Quick Action on African Peer Review», 4 June.

According to the main NGO watchdog group, International Rivers Network, the decisive push came in May 2004 at a humiliating US Senate Foreign Relations Committee hearing on the billions of dollars of identified corruption associated with Bank projects. The next month, under withering scrutiny, the Bank “debarred” Acres for three years, the first time a major transnational corporation was held accountable by the Bank for malpractice. Manuel’s own government, meanwhile, did nothing to debar South African and other global corporations implicated in the corruption; one was Paris-based Suez, whose subsidiary was accused of making a bribe to the Lesotho official, prior to Suez winning a five-year contract to run Johannesburg Water (itself a great matter of controversy, as discussed in Chapter Eight).

But on the matter of the World Bank’s own minerals and energy sector reforms in the Extractive Industries Review, Pretoria actively opposed progress, because it would curtail some of the more extreme activities of the large mining houses. That Review concluded that the Bank should phase out oil and coal lending by 2008 to mitigate global warming. In August 2004, less than a fortnight after the Bank’s 60th anniversary, the institution’s board rejected the main Commission recommendations. According to Samuel Nguiffo of Friends of the Earth Cameroon, “The Bank’s response is a deep insult for those affected by its projects”. His Amsterdam colleague Janneke Bruil added: “Billions of misspent public dollars and sixty years of outcries by people around the world have not been enough. What more does it take?”⁸⁶.

Pretoria’s mining minister Phumzile Mlambo-Ngcuka, who in February 2004 told the Bank to ignore “green lobbyists” and reject the Review, subsequently became South Africa’s deputy president in mid-2005, once Jacob Zuma was fired for corruption. She was soon tasked with developing South Africa’s new (but basically continuous) economic strategy, characterised by resolute irresponsibility with respect to the economy’s worsening carbon intensity. Across the world, the main energy challenge in coming years is to urgently reduce carbon and other greenhouse gas emissions from levels already responsible for severe climate change. South Africa’s per capita carbon dioxide emission rate as a percentage of economic output is twenty times higher than even the United States. Notwithstanding Pretoria’s status as

⁸⁶ FRIENDS OF THE EARTH INTERNATIONAL (2004), «Media Advisory: World Bank Misses Historic Opportunity», Washington, 3 August.

signatory to the United Nations Framework Convention on Climate Change, CO2 emissions increased 18% during the 1990s⁸⁷.

Instead of reducing emissions through sensible economic restructuring, the Bank's promotion of a carbon market through its "Prototype Carbon Fund" allows South African industry to profit from this irresponsible inheritance of energy-intensive capital accumulation. In order to accommodate this diabolical situation, Pretoria's "National Climate Change Response Strategy" of October 2004 adopted what can only be described as the pimping of the Kyoto Protocol's Clean Development Mechanism (CDM): "It should be understood up-front that CDM primarily presents a range of commercial opportunities, both big and small. This could be a very important source of foreign direct investment, thus it is essential that the Department of Trade and Industry participate fully in the process"⁸⁸.

The Bank's Prototype Carbon Fund manages monies from 17 corporations and several carbon-intensive Western governments. Because of investments such as Bisaser Road, these polluters will face greatly reduced official pressure to cut emissions. South Africa is thus a willing co-conspirator in a farcical non-solution to the worst environmental disaster our descendants are likely to face.

The most substantial emissions trading pilot project in South Africa until 2005 –when community resistance proved intimidating– was the Bisaser Road dump in Durban's Clare Estate neighbourhood. That dump, the largest in Africa yet located by apartheid planners within an Indian/African residential neighbourhood, emits methane which can be captured –albeit with extensive hazardous flaring– and turned into a minor amount of electricity to augment the municipality's supply. But a World Bank study found that the electricity potentially produced would cost more than double the rate that Eskom charges Durban, so the project was considered economically infeasible without Bank subsidies, which would have amounted to \$15 million. By not factoring in the community's health crisis, the Bank termed the dump "environmentally friendly" in 2002, even though toxics in the air led to many community cancer cases and to condemnation by the SA Cancer Society⁸⁹.

⁸⁷ JURY, M. (2004), «Presentation to Durban Declaration Group», Richards Bay, 9 October.

⁸⁸ DEPARTMENT OF ENVIRONMENTAL AFFAIRS AND TOURISM (2004), «National Climate Change Response Strategy», Pretoria, September 2004.

⁸⁹ BOND, P. and DADA, R. (Eds) (2005), *Trouble in the Air: Global Warming and*

In opposition, a “Durban Declaration” was signed by international environmental and social activists in October 2004. Signatories pointed out numerous alternatives, were governments and international agencies serious about global warming: regulation, taxation, support for existing low-fossil-carbon economies, energy efficiencies, development of renewables and non-fossil-fuelled technologies, responsible tree planting, and other strategies that do not involve commerce and do not presuppose that big business already owns the world’s carbon-cycling capacity⁹⁰.

Instead of seeking out such alternatives, energy and petromilitary corporations expanded their power, from Pretoria to Washington. At World Bank headquarters, the peak moment for the big oil and energy companies may have been the April 2005 board meeting, when Wolfowitz was confirmed as James Wolfensohn’s replacement.

The new wolf: A “wonderful individual, perfectly capable”

The Bank’s leadership transition from James Wolfensohn (“Wolfy 1”) –the neoliberal financier long located in the Democratic Party– to the neoconservative Paul Wolfowitz with his base in the petromilitary complex, was revealing. In order to appoint one of the men most responsible for mass destruction in Iraq and Afghanistan, George W. Bush needed some very strong allies. Along with the presidents of France, Germany, Japan and Italy, the other world leader whom Bush phoned to vet the appointment, was Thabo Mbeki.

What possible case would Bush have made? On March 16, 2005, when announcing Wolfowitz’s qualifications in a press conference, Bush ad libbed with typical depth: “He helped manage a large organization. The World Bank is a large organization; the Pentagon is a large organization –he’s been involved in the management of that organization–. He’s a skilled diplomat, worked at the State Department in high positions. He was Ambassador to Indonesia where he did a

the Privatised Atmosphere, UKZN Centre for Civil Society, Durban, and Transnational Institute, Amsterdam.

⁹⁰ <http://www.carbontradewatch.org>

very good job representing our country”⁹¹. Quipped Jon Stewart, “Evidently the president makes these choices alphabetically”⁹².

Dennis Brutus commented, “It is revealing that there is this link between Bush and Mbeki on the nomination of Wolfy 2. We do not know at this stage what Mbeki’s response was. We know that the people of South Africa in our millions would yell No! to a warmonger running the most powerful financial institution in the world”⁹³. (Brutus couldn’t speak for Trevor Manuel, who within a month of the nomination called Wolfowitz a “wonderful individual, perfectly capable”).

There was plenty of other elite opposition that Pretoria might have joined⁹⁴. According to Reuters, “European sources said Wolfowitz’s name was circulated informally among board directors several weeks ago and was rejected”⁹⁵. Former Bank vice president and Nobel-winning economist Joe Stiglitz predicted that a Wolfowitz-run Bank would “become an explicit instrument of US foreign policy... It will presumably take a lead role in Iraqi reconstruction, for instance. That would jeopardize its role as a multilateral development body... He has no training or experience in economic development or financial markets”⁹⁶.

Was he at least a champion of democracy? Wolfowitz’s history had included a role in shoring up the dictatorship of president Suharto during the American’s stint as Ronald Reagan’s ambassador to Indonesia during the late 1980s. He regularly bragged about the strong role of US oil companies in Indonesia, but not once went on record against the myriad abuses which finally in 1998 led to such intense street riots that Suharto was thrown out⁹⁷. As a military bureaucrat,

⁹¹ WHITE HOUSE (2005), «President’s Press Conference», White House transcript, 16 March.

⁹² STEWART, J. (2005), Transcript of the *Daily Show*, 16 March.

⁹³ Cited in BOND, P. (2005), «A New War?», *ZNet Commentary*, 23 March. See also http://www.bicusa.org/bicusa/issues/wolfowitz_watch/index.php

⁹⁴ For a contrary –and entirely coherent– view from the left, welcoming Wolfowitz because of the damage he will do to the legitimacy of «multilateralism» and hence of US imperial coordination and power, see MONBIOT, G. (2005), «I’m with Wolfowitz», *The Guardian*, 5 April.

⁹⁵ WB PRESS CLIPS (2005), «Bush Picks Wolfowitz For New World Bank President», 17 March.

⁹⁶ PRESTON, R. (2005), «Stiglitz Warns of Violence If Wolfowitz Goes to World Bank», *Telegraph*, 20 March.

⁹⁷ VALLETTE, J. (2005), «The Wolfowitz Chronology», Institute for Policy

instead of serving the cause of democracy, the new World Bank president had a history of promoting unashamed US imperialism. By 1992, for example, Wolfowitz worked as chief strategist for US defence secretary Dick Cheney, where he drafted the Defense Planning Guidance memo. Excerpts show prescience:

Our first objective is to prevent the re-emergence of a new rival... The US must show the leadership necessary to establish and protect a new order that holds the promise of convincing potential competitors that they need not aspire to a greater role or pursue a more aggressive posture to protect their legitimate interests. In non-defence areas, we must account sufficiently for the interests of the advanced industrial nations to discourage them from challenging our leadership or seeking to overturn the established political and economic order. Finally, we must maintain the mechanisms for deterring potential competitors from even aspiring to a larger regional or global role⁹⁸.

Competitors may have been deterred by the naked aggression Wolfowitz demonstrated when he justified the US invasion choice of Baghdad, instead of a site which really *did* control weapons of mass destruction, Pyongyang: "The most important difference between North Korea and Iraq is that economically, we just had no choice in Iraq. The country swims on a sea of oil"⁹⁹. Wolfowitz also told *Vanity Fair* that the rationale for the invasion of Iraq was one of political convenience, not honesty: "For reasons that have a lot to do with the US government bureaucracy, we settled on the one issue that everyone

Studies Sustainable Energy and Economy Network, URL:http://www.ipsdc.org/wolfowitz/tl_intro.htm, March.

⁹⁸ US DEFENSE DEPARTMENT (1992), «Defence Planning Guidance Memo», Washington.

⁹⁹ *The Guardian*, 4 June 2003. Later a *Guardian* ombudsperson confessed that the quote was «out of context», but it is hard to comprehend how the context might change to alleviate the damaging revelation. As Steven Gowan remarks, Of greater significance is the fact that Pyongyang, seeing that the previous Iraqi government's compliance with the imperialist nations' demands to disarm simply facilitated the invasion, has taken steps to build a nuclear deterrent. Indeed, the question, «Why did you invade Iraq, which had no weapons of mass destruction, and not North Korea, which did» answers itself. Gowan, S. (2005), «A Rape in the Making», <http://gowans.blogspot.com> [15 June].

could agree on which was weapons of mass destruction as the core reason"¹⁰⁰.

This was not his only lapse of judgement. According to US political commentator Arianna Huffington,

It was Wolfowitz who, in the run up to the war, mocked Gen. Shinseki as "wildly off the mark" for saying the US would need at least 200,000 troops on the ground in Iraq. "It's hard to conceive", Wolfowitz told Congress three weeks before the invasion, "that it would take more forces to provide stability in post-Saddam Iraq than it would take to conduct the war itself and to secure the surrender of Saddam's security forces and his army. Hard to imagine". That failure of imagination has led to the death and mutilation of thousands of Americans and tens of thousands of Iraqis.

And we remember how Wolfowitz pooh-poohed the idea that the US would be saddled with the bill for the occupation and reconstruction of Iraq. "The idea that [cost of war estimates are] going to be eclipsed by these monstrous future costs ignores the nature of the country we're dealing with", he lectured Congress, going on to explain that Iraq had "\$10 to \$20 billion in frozen assets from the Gulf War", and generated "on the order of \$15 billion to \$20 billion a year in oil exports".

"There's a lot of money there", he insisted, "and to assume that we're going to pay for it is just wrong".

"Just wrong", indeed. The taxpayer tab for Iraq is a "monstrous" \$250 billion - and rising¹⁰¹.

Not "just wrong". Colin Powell's former chief of staff in the State Department, Lawrence Wilkerson, was yet more blunt about the way he and his boss helped advance Wolfowitz's agenda: "I participated in a hoax on the American people, the international community, and the United Nations Security Council"¹⁰². In *Foreign Affairs* journal, former senior CIA analyst Paul Pillar claims that the hoax required

¹⁰⁰ Cited in WESTPHAL, D. (2005), «Behind Iraq Prewar Debate», *Sacramento Bee*, 27 November.

¹⁰¹ HUFFINGTON, A. (2005), «When Did the World Bank Become the Home for Wayward Architects of War?», *The Huffington Post*, 29 November.

¹⁰² PRNEWswire (2006), «Powell's Former Chief of Staff Lawrence Wilkerson Calls Pre-War Intelligence a 'Hoax on the American People' Tonight on PBS Program NOW», <http://tinyurl.com/7qgou>.

Bush, Cheney, Rumsfeld and Wolfowitz to simply ignore their own spy agency: "If the entire body of official intelligence analysis on Iraq had a policy implication, it was to avoid war - or, if war was going to be launched, to prepare for a messy aftermath. What is most remarkable about prewar US intelligence on Iraq is not that it got things wrong and thereby misled policymakers; it is that it played so small a role in one of the most important US policy decisions in recent decades"¹⁰³.

Luckily for Wolfowitz, African elites proved forgetful of lies and amenable to his charms. In June 2005, Wolfowitz spent six days in Nigeria, Burkina Faso, Rwanda, and South Africa, and he reported back, "No one he met in Africa, no African at least, wanted to talk about Iraq... I don't believe it came up a single time". What was talked about, then, aside from platitudes about poverty and good governance? For one, Wolfowitz remarked later that the Bank aimed to take a stronger coordinating role for dispersing extra aid expected from the G8: "One of the challenges we need to address in the World Bank is that if someone puts together a big fund for Africa, and asks us to administer it, how would we do so?"¹⁰⁴.

In addition, Wolfowitz expressed desire for an alliance with Johannesburg capital to promote privatisation across Africa. After meeting with corporate chief executives, including Lazarus Zim (Anglo American), Saki Macozoma (Safika), Bobby Godsell (AngloGold Ashanti) and Maria Ramos (Transnet), he noted that local firms were already uniquely positioned for public-private infrastructure projects in the region. Through a partnership, "together we can probably increase our respective effectiveness"¹⁰⁵.

Wolfowitz met Mbeki for what the South African called "a general chat - really a courtesy call", leaving Mbeki "very pleased that he (Wolfowitz) came so soon". Wolfowitz praised Mbeki for fighting corruption: at the time, Jacob Zuma was being forced from his government and ANC roles¹⁰⁶. No doubt, Wolfowitz discretely avoided

¹⁰³ PILLAR, P. (2006), «Intelligence, Policy and the War in Iraq», *Foreign Affairs*, March/April, <http://www.foreignaffairs.org/20060301faessay85202/paul-r-pillar/intelligence-policy-and-the-war-in-iraq.html>.

¹⁰⁴ WORLD BANK PRESS CLIPS (2005), «Wolfowitz Urges Extra Aid to Africa», 21 June.

¹⁰⁵ KATZENELLENBOGEN, J. and DLAMINI, J. (2005), «Wolfowitz urges SA business to play lead role in Africa», *Business Day*, 20 June.

¹⁰⁶ Complained Pedro Buccellato, «South Africa is forced to ditch its popular

mention of the ongoing Imvume scandal which saw Mbeki's ruling party gain a R11 million election-time windfall donation in 2000 from an empowerment company, which was apparently illegally routed through the state oil company PetroSA. (Mbeki's bureaucrats in the Public Protector's Office worked hard to push the scandal under the carpet.) Nelson Mandela also received Wolfowitz, and a group of two dozen AIDS orphans in Soweto played on the Bank president's lap in front of photographers.

Others were less pleased by the trip. Two hundred Johannesburg protesters from Jubilee South Africa, the Anti-War Coalition and Social Movements Indaba marched to the provincial office of the finance ministry to condemn the man they termed a "terrorist". Their demands were straightforward: "the South African government should cut ties with the World Bank and IMF; all World Bank and IMF debt should be repudiated; the World Bank and IMF should make reparations for the damage they have caused; and the destructive policies they have introduced should be reversed"¹⁰⁷. A second protest was held in Cape Town. According to Jubilee South Africa general secretary George Dor,

The message was clear: "Paul Wolfowitz is not welcome in South Africa, he must go home!. The World Bank, its partner the IMF and related international financial institutions should be shut down!". For Jubilee South Africa, the opposition to these institutions is based on both their role in the use of debt to impose structural adjustment in the countries of the South as well as their impact on South Africa. The World Bank and IMF supported the Apartheid regime and its institutions in the form of substantial loans until they were instructed to stop doing so. They have returned in the post-Apartheid era to shape the country's neoliberal macroeconomic and social policies, resulting in rising unemployment and lack of access to social services¹⁰⁸.

deputy president over an insignificant and much over-rated alleged bribe in the same week that one of the world's most morally corrupt men arrives from the world's most politically corrupt capital to re-sell the very affronts we hold responsible for decades of brutality and corruption in Africa». BUCCELLATO, P. (2005), «Architect of War: Paul Wolfowitz not Welcome in New Africa», <http://architectafrica.com/bin1/worldbank.html>

¹⁰⁷ <http://www.sabcnews.com/economy/business/0,2172,106741,00.html>, MALULEKE, J. (2005), «Wolfowitz»a «Terrorist», *Citizen*, 19 June.

¹⁰⁸ DOR, G. (2005), «Gleneagles, Blair's Commission and Wolfowitz' Bank»,

Just as tough a condemnation was issued by Mbeki's Alliance partner, Cosatu:

We believe that Mr Wolfowitz embodies all the worst features of the international financial institutions –the World Bank and International Monetary Fund–. Like them, he has been dedicated to entrenching the power of big business and multinational corporations, at the expense of the workers and the poor. He will do nothing to make the World Bank more accountable or responsive to the needs of the world's poor countries. On the contrary, Wolfowitz's record, as a right-wing "hawk", architect of the US-led, illegal invasions of Afghanistan and Iraq, and his involvement in the "reconstruction" of Iraq, suggests that he is likely to move the World Bank in an even more pro-capital and anti-poor direction.

His recent role in Iraq has been to preside over a project riddled with corruption, cronyism and incompetence, which has failed to deliver the basic services it promised the Iraqi people. He will now be implementing similar policies in the rest of the world, pushing for more privatisation, tariff removal and trade liberalisation, all of which favour the big western business monopolies. He is likely to oppose moves to protect poor economies from unfair competition from the big powers or to safeguard the environment from further degradation by capitalist companies.

Cosatu endorses the view of Joseph Stiglitz, former chief economist of the World Bank, that Wolfowitz's appointment is "an act of provocation" that could "bring street protests and violence across the developing world"¹⁰⁹.

Activist leaders of the US anti-war and global justice movements, Njoki Njoroge Njehu and Leslie Cagan, wrote in the same spirit:

A man already notorious around the world for his leading role in the Iraq war has been appointed by president Bush to lead the World Bank. It makes the link between U.S. military and economic policy clear: they are two sides of the same coin. For the billions of people living in the countries marginalized by

Third World Resurgence 179, <http://www.twinside.org.sg/title2/resurgence/179/cover3.doc>.

¹⁰⁹ COSATU (2005), «Statement on the Visit of Paul Wolfowitz», Johannesburg, 17 June.

contemporary economic and political structures, the actions and motivations of the United States look pretty simple. It will do what is necessary to control whatever resources it considers essential, and it will use the available political, military, and economic tools to ensure that its dominance is never threatened, and in fact extended however possible. People in Africa, Asia, and Latin America have long seen that the culmination of any intervention by the United States and its allies in their countries, whether economic or military, is the re-structuring of their economies to serve foreign and corporate interests. Sometimes that means preserving unsavory regimes; occasionally it means overthrowing them. Most often it requires less violent means the enforcement of economic contracts by international institutions like the World Bank.¹¹⁰

There did indeed appear a serious public relations problem, especially if protesters were to link the new Bank president to Bush's imperial presidency. (An estimated 300,000 anti-war activists demonstrating in Washington on 24 September 2005 passed within three blocks of the Bretton Woods Institutions' annual meetings, and were encouraged by South African Virginia Setshedi and the Mobilization for Global Justice to connect the dots.) "I would certainly counsel Paul Wolfowitz to put himself in the hands of the professionals who run the World Bank's external-relations department: he needs an extreme makeover", former IMF chief economist Kenneth Rogoff advised: "If he listens to them and follows their guidance, he'll be a star on his own in no time"¹¹¹.

Indeed, the chief spin-doctor in the external relations department, brought in by Mamphela Ramphele during her fruitless 2000-05 tenure as a managing director, was Ian Goldin. Both are South African elites who became exceptionally adept during the 1990s at progressive-sounding rhetoric to veil neoliberal action. And there was no question that, at least through 2005, Goldin's guidance was effective. In an absurdly laudatory editorial, the *Los Angeles Times* remarked,

¹¹⁰ NJEHU, N. and CAGAN, L. (2005), «Wolfowitz's Move to the World Bank Presidency and the Sharpening of Economic Policy as a Weapon of Mass Impoverishment», commondreams.org [31 May].

¹¹¹ WORLD BANK PRESS CLIPS (2005), «Wolfowitz Tries To Reassure World Bank Staff», 13 May.

Wolfowitz's most valuable contribution to date may simply be his role as a cheerleader. Amid an agency and a US public that is cynical about the value of foreign aid, Wolfowitz has continually pointed out that things are changing for the better in Africa and that the world's contributions are making a difference¹¹².

As Huffington observed, "Talk about your Extreme Political Makeover. Wolfie has gone from war hawk to the second coming of Mother Teresa - all without having to make any kind of redemptive pit stop in political purgatory or having to apologize for being so wrong about Iraq"¹¹³. The same theme was addressed by *Washington Post* journalist Dana Milbank in December 2005:

Being Wolfie means not having to say you're sorry... Since taking the World Bank job six months ago he has found a second act. He has toured sub-Saharan Africa, danced with the natives in a poor Indian village, badgered the United States to make firmer foreign aid commitments and cuddled up to the likes of Bono and George Clooney¹¹⁴.

Or the likes of Manuel and Mbeki¹¹⁵. The airbrushing that Wolfowitz and the Bank attempted even extended to the cultural realm.

¹¹² *Los Angeles Times* (2005), «Banking on Wolfowitz», 28 September.

¹¹³ HUFFINGTON, «When Did the World Bank...», *op. cit.*

¹¹⁴ MILBANK, D. (2005), «Ex-Neocon Hawk Paul Wolfowitz now Touts Peace: World Bank Chief tries to Distance himself from Bush», *Washington Post*, 8 December.

¹¹⁵ For balance, the other people that Wolfowitz kept close to within the Bank president's suite included Robin Cleveland, Kevin Kellums and Suzanne Rich Folsom, high-profile Republicans from the military-industrial complex and Bush regime. In New York's *Village Voice*, Ward Harkavy reported on «Cleveland's entanglement in the Boeing/Pentagon tanker scandal that cost Air Force Secretary Jim Roche his job. E-mails revealed that Cleveland, while an official at the White House's Office of Management and Budget, was angling to get a relative a job at Northrop Grumman, where Roche had been a top executive before George W. Bush's handlers hired him at the Pentagon». Ironically, a January 2006 brouhaha emerged over Wolfowitz's displacement of several Bank officials amid an anti-corruption drive led by his Republican cronies. Cleveland and Kellems were accused of receiving «excessive pay and open-ended contracts» by Bank staff who filed a complaint to the

A moving Diego Rivera mural about historic injustice in Mexico –“Dream of a Sunday Afternoon in Alameda Park”, painted in 1948– was, in September 2005, emblazoned across the front of the Bank’s *World Development Report 2006*. Rivera himself once worked for the Rockefellers, and suffered their destruction of his great Rockefeller Center mural because he would not remove Lenin’s face. Still, it is fair to assess the Mexican National Museum’s licensing of the artwork to the World Bank as either a blasphemous mistake, or a logical result of Bank austerity policies which led to Mexican state fiscal shrinkage especially in the arts, requiring the museum to sell its art collection even to Wolfowitz’s World Bank. The use of the mural on the Bank’s flagship report may also be a signal about how badly the institution required legitimacy, given the record of its new president.

There is no question that after March 2005, Wolfowitz talked “left” about unfair trade subsidies, meagre US aid and corruption. Whether this was merely newly-learned superficial rhetoric, veiling the sinister agenda of the petro-military complex, would soon be tested, in August 2005 in Ecuador. There, the centrist government employed a Keynesian finance minister, Rafael Correa, who renewed Ecuador’s long-standing \$75 million tax-avoidance complaint against Occidental Petroleum. In addition, Wolfowitz specifically opposed a new law which would redirect 20% of an oil fund towards social needs and 10% for national development in science and technology, instead of debt servicing to foreign banks. (The windfall from the oil price rise from \$18/barrel when the fund was set up, to \$70/barrel in 2005, was being directed to creditors.) Correa aimed to rescind Occidental’s control of the oilfields, as the original contract allowed for under conditions of non-performance.

Next door to Ecuador, in Colombia, Wolfowitz had helped Occidental defend one of the most productive oil fields in the world, Cano Limon, whose pipeline runs through jungle adjacent to guerrilla controlled territory. The US Defence Department established a Colombian “Pipeline Brigade” with a \$150 million grant arranged by

Department of Institutional Integrity’s whistleblower hotline, and the Bank Staff Association complained that standard hiring procedures were ignored for the Kellems and Folsom appointments. See HARKAVY, W. (2006), «Wolfie at the Door: Preaching against Corruption at World Bank, he Practices it - and Staff Rebels», <http://www.villagevoice.com/blogs/bushbeat/> [24 January].

Wolfowitz when he was the second-ranking Pentagon official. A senior financier explained in *MRzine*:

Ecuador's decision to rescind Occidental Petroleum's contract was announced by the head of the national oil company on August 2nd - two days before Mr. Wolfowitz's abrupt and unforeseen decision to suspend Ecuador's loan assistance on the alleged grounds of financial instability (Occidental received formal notification a few days earlier). In reporting the news the next day, the *Houston Chronicle* (well known for petroleum matters) said: "With oil prices above \$60 per barrel, Wall Street sees no immediate threat to the country's finances if the contract is ended. Three Ecuadorean presidents have been ousted before their terms ended since 1997, most recently in April". Naturally, Mr. Wolfowitz's decision provoked a crisis in the government of president Alfredo Palacio who, especially with a weak government, has indicated his reluctance to confront the United States. After discussions with the president, finance minister Correa was obliged to resign and the head of the national petroleum company has been sacked. The new head of the petroleum company, Luis Roman, held the same post in the 1990s and helped Occidental into its current position. In fact, he is a supporter of further privatizing the oil fields¹¹⁶.

A few months later, a seemingly opposite case arose in Africa, namely a redirection of the controversial Chad-Cameroon oil pipeline's funds away from poverty, into the military. As leader of the country tied with Bangladesh for most corrupt in the world (according to Transparency International), Chad's authoritarian president Edriss Déby and the country's parliament amended a 1999 petroleum revenue management law during December 2005 in spite of warnings by Wolfowitz not to. The case was important because Bank cofinancing of the \$3.7 billion pipeline was the target of a long-running international campaign by community, human rights and environmental groups on grounds it would simply empower the Chad regime without supporting health, education and rural development, or providing for future generations. In 1999, the Bank had responded with the revenue legislation to mitigate these concerns. Hence Déby's 2005 amendment

¹¹⁶ ANONYMOUS (2005), «Wolfowitz at the World Bank: A New Leaf?», *MRzine*, 25 August. See also WEITZMAN, H. (2005), «Ecuador Finance Minister Quits over Loan Dispute», *Financial Times*, 6 August.

triggered Wolfowitz to withhold any new loans and grants and halt disbursement of \$124 million in International Development Association monies. A local group, the Chadian Association for the Promotion and Defense of Human Rights, endorsed the sanctions because “new money would mainly be used for military purposes and increasing repression of the Chadian people. But we regret that the Bank did not listen to the warnings of civil society organisations earlier”. Indeed, as the Bretton Woods Project records,

Poverty, public health, human rights abuses and environmental problems continue to increase as the Exxon-Mobil led consortium running the project expands drilling activities in both existing and new oilfields. The International Advisory Group, established by the World Bank to monitor project implementation, states that the oil consortium is taking land from poor subsistence farmers without ensuring that compensation payments will make up for lost livelihoods. Local authorities and the military are known to extort money from villagers when they receive cash compensation from the oil companies. Chadian human rights organisations report that human rights activists trying to defend local peoples’ rights often receive death threats and have to flee the region. Pollution is taking a toll on the health and crops of some of the poorest people on earth, but none of the project sponsors are even studying it, let alone resolving the problems¹¹⁷.

Surprisingly perhaps, this case of petro-military alignment was resolved –temporarily– against the World Bank’s allies in repressive regimes and multinational corporations. Wolfowitz apparently required a dose of public credibility in what was Africa’s highest-profile oil-related financing dispute. Cynics might add, on the other hand, that the other crucial function of the clampdown was to impose Bank discipline on an errant country, in the process sending a tough lesson to others, to obey Washington’s orders.

Likewise, the same conflict of objectives arose in Ethiopia and Kenya in late 2005. In the former, Africa’s second most populous country and the world’s seventh-poorest, donors announced the

¹¹⁷ BRETTON WOODS PROJECT (2006), «Bank Freezes Pipeline Funds to Chad», [http://www.brettonwoodsproject.org/article.shtml?cmd\[126\]=x-126-507557](http://www.brettonwoodsproject.org/article.shtml?cmd[126]=x-126-507557) [20 January].

suspension of \$375 million budget support following severe state repression including a massacre of opposition political protesters and mass arrests. Although this threatened to wipe out fully a third of the country's budget, and although president Meles Zenawi –an ex-Marxist ex-guerrilla– was a favourite of the neoliberals, the Bank complied.

In Kenya, a corruption scandal debilitated Mwai Kibaki's government, and by January 2006 Wolfowitz again suspended financing, in this case \$265 million, over half of which had been approved by the Bank's board just a few days earlier. The motive here, transparently, was the need to urgently save face, given that the main Kenyan corruption investigator, John Githongo, had fled to Oxford and from the safety of distance. Michaela Wrong takes up the story:

In the very week the [World Bank] loan was unveiled, the Kenyan press began publishing Githongo's explanation of why he resigned. The contents of a 36-page dossier compiled in exile are being drip-fed to a transfixed audience. His dossier accuses a clutch of key ministers, including the finance minister, of setting up bogus contracts designed to steal hundreds of millions of dollars in public funds. The scandal stretches to the top, for, despite being briefed by Githongo, Kibaki took no action. All those named protest their innocence. But if the claims are true –and few whistleblowers come with more credibility than Githongo– Kenya's three-year-old government has not so much broken with the sleazy practices of Daniel arap Moi's administration as raised them to new levels of sophistication¹¹⁸.

Former British ambassador Edward Clay accused Wolfowitz of “blind and offensive blundering” for initially providing the loan to Nairobi, yet Department for International Development minister Hillary Benn granted Kibaki £55 million at the same time, essentially turning a blind eye to Nairobi's corruption. As Wrong explains, “There are pragmatic reasons why lenders are reluctant to admit as much. In Britain's case, having pushed for a doubling of aid and less conditionality for ‘progressive’ African governments, London is finding it embarrassingly difficult to disburse”. Moreover, Nairobi was a solid ally of the UK and US against Islam. So the temporary retraction of Bank funds earmarked for Kenya reflected the embarrassment of the

¹¹⁸ WRONG, M. (2006), «Kenians want to Know why We're Feeding Corruption», *The Guardian*, 30 January.

Bank's collaboration in corruption, at the very time Wolfowitz was trying to shake out the Bank staff of officials implicated in various other scandals.

Meanwhile, one such scandal appeared, in early 2006, as too challenging for Wolfowitz. The Bank's Multilateral Investment Guarantee Agency had made a \$13.3 million political risk insurance investment in the DRC's Katanga province just before an October 2004 massacre. The lucrative Dikulushi Copper-Silver Mining Project, run by the Australian firm Anvil Mining, was given support in spite of intense social unrest in the country. Indeed, DRC armed forces killed 100 people during the suppression of a rebellion by the Mayi-Mayi militia in Kilwa, and the Australian Broadcasting Corporation reported that the firm's trucks moved troops to the site of the killings and then moved corpses out. Although company headquarters denied knowledge of an Anvil role in the massacre, critics in the DRC and watchdog agencies assumed that a subsequent Bank investigation would reveal corporate connivance. With Wolfowitz still reluctant to disclose the facts five months after receiving the document, Nikki Reisch of the Bank Information Centre remarked: "Stalling the release of the report only gives the impression that the Bank Group has something to hide. It seems strange that an audit of such a high-profile and controversial project would be kept secret"¹¹⁹.

There were other geopolitical hotspots, such as Haiti, where the Bank's contribution to malgovernance came under attack. A leading solidarity group, the Quixote Center in Washington, issued a petition in September 2005: "We call upon the World Bank to cease taking sides in Haiti's civil conflict, and to conduct an independent investigation into its own role in helping to destabilize the prior elected, constitutional government"¹²⁰.

Meanwhile in a country Wolfowitz knew far better, Iraq, resistance to Bank and IMF dictates began shortly after the new president took office. The Bank had agreed to co-administer the International Reconstruction Fund Facility for Iraq and World Bank Iraq Trust Fund in 2003, thus coordinating much international aid

¹¹⁹ MECKAY, E. (2006), «Groups Question World Bank's Role in Troubled Mine», *Inter Press Service*, 1 February.

¹²⁰ QUIXOTE CENTER et al (2005), «Open Letter to the World Bank Regarding Recent Statement on Haiti», http://www.zmag.org/content/print_article.cfm?itemID=8658§ionID=13 [4 September].

funding. The Pentagon and State Department, meanwhile, were in the process of short-changing the reconstruction programme notwithstanding the immense damage done by US/UK bombing (with South African supplied laser range finders). Washington pulled back financing for hundreds of promised projects, which in turn gave the Bank the opportunity, in July 2005, to prepare paperwork for \$500 million in International Development Association loans, which began flowing in November.

But strings were attached. For example, the Bank and IMF argued to the new government in late 2004 that the world's second-largest oil reserves be exploited by multinational companies through a very unusual arrangement, production sharing agreements, which amounted to a privatisation process. According to several international NGOs which produced the report *Crude Designs*, Iraq would suffer losses of more than \$74 billion because for forty years, Baghdad would be prevented from controlling the country's oil sector, responsible for 90% of Iraq's GDP.

Other IMF conditionality began to bite in December 2005, as a \$685 million stand-by credit was advanced to Baghdad on four conditions: cutting public subsidies especially on fuel (the cheapest in the world); restructuring Iraq's external debt; strengthening administrative capacity, including statistical reporting; and restructuring Iraq's two state-owned banks. When the Baghdad government raised petrol and diesel prices by up to 200%, riots ensued and the oil minister, Ibrahim Bahr al-Uloum, was compelled to resign in protest. Five Iraqi trade unions criticised IMF and World Bank policies and demanded:

- complete sovereignty for Iraq over its petroleum and natural resources;
- increased transparency and additional representation for Iraq in the decision-making structures of IFIs;
- cancellation of debt incurred by the former regime and an end to conditionality;
- rejection of the privatisation of publicly owned entities; and
- rejection of the increase in the price of petroleum products.

What can we conclude about the dire state of international financial governance under the leadership of Wolfowitz, Rato and the

like? Quite conclusively, governance reform had gone into reverse, as Manuel conceded during a Development Committee press conference in April 2005: "Both Rodrigo here and Paul Wolfowitz are wonderful individuals, perfectly capable. But unfortunately, the process hasn't helped. It's not their fault. It is a governance issue"¹²¹.

At the September 2005 annual meetings, Manuel blithely remarked that the undemocratic system was impervious to change: "Part of the difficulty in the present milieu is that it is more comfortable for too many countries to live with what we have, because there's a comfort zone around this, and that, I think, is a challenge". Who was to blame? According to Manuel, "we who are elected into office in the respective 184 Member States have passed the buck"¹²². Not really: the power to make change lies with just a few states, but these imperial powers ultimately went unchallenged by Pretoria's main man in

¹²¹ WORLD BANK (2005), «Proceedings of Press Conference», Washington, <http://www.worldbank.org>, [April].

¹²² WORLD BANK AND INTERNATIONAL MONETARY FUND (2005), «Transcript of a Joint IMF/World Bank Town Hall with Civil Society Organizations», Washington, 22 September, <http://www.imf.org/external/np/tr/2005/tr050922a.htm>. Asked by an Oxfam staffperson what he would do next on the governance question, Manuel replied: «You know, I don't have much to do in the next year. I chair my last meeting, and then, I go home. It's as easy as that. But clearly, the issues of voice and representivity are profoundly important. They tied into that set of issues as well. I don't think we should turn the heat on Mr. Wolfowitz on this matter. Clearly, he has views, but I don't think that we should actually deal with it thus. The issues in respect of representivity in these institutions are political decisions. They should be taken by the Boards of Governors, and indeed, those should be informed by what the heads of state want... The fundamental question is: what does the world deserve by way of institutions that govern the interrelationships between people? There's a wonderful bit of literature on this that was written by Kemal Dervis before he was appointed in his present job as head of UNDP that I think he was just sort of out then as Economy Minister in Turkey. But he proposes that there be a kind of weighted average, a set of weighted averages applied for all manner of issues, from seats on the Security Council to seats around this table, because this is where the Board sits. If it's going to be 24, how should the 24 be divided? Can it be purely technical? What political issues do you bring into play? And how do you strike those balances? ... How do we apportion responsibilities? What is the basis of accountability? What criteria do we want to use for this discussion? I don't know».

Washington. Manuel could not even bring himself to advocate for a democratic arrangement (such as one country-one vote at the UN General Assembly). Instead, he suggested something akin to a modified Jim Crow property-ownership clause prevalent in the 20th century US South, by which states would have a disproportionate voting weight based upon their GDP. The same slippery style was to the handling of the Third World debt in 2005, a year that debt was meant to be abolished.

Financial gimmicks and imperial/subimperial power

Although Manuel exited Washington with no accomplishments to speak of on the governance front, and although the Bank's role in global warming was worsening –and ironically Wolfowitz was given *more* power by G8 leaders in Gleneagles to increase the Bank's counterproductive financing on climate change– nevertheless there was one area of reform in 2005 worth debating seriously: debt relief. In June, the G7 finance ministers committed a \$40 billion package for writing off debt to 18 countries. But the devils were in the details. As journalist Norm Dixon summarised,

Washington will need only find between \$130 million and \$175 million a year, which is almost three times less than it spends each year just to run its Baghdad embassy. The total 10-year cost for the US is around what Washington will spend to build a new embassy in the Iraqi capital. Washington alone spends \$2 billion a month to wage war in Iraq. If those figures call into question the “historic” scale of the West's benevolence towards Africa and the Third World, compare them to the US annual defense budget, which will be more than \$441 billion in 2006 alone...

But surely, it's a step forward? Not according to African anti-debt campaigners. African Jubilee South pointed out on June 14 that to qualify for the G8 scheme, the initial 18 countries have had to pass what is known as the Highly Indebted Poor Country initiative's “completion point”. The 1996 HIPC was the rich-country governments' last much-hyped, now largely forgotten, “debt forgiveness” scheme. The 1999 G8 summit in Cologne promised that it would lead to the cancellation of \$100 billion in bilateral debt. Just a quarter of that was actually

delivered and the HIPC countries are now poorer than when they began the program¹²³.

A few months later, the World Bank proposed “what amounts to a 15-month delay for any additional countries to receive cancellation”, according to Jubilee USA, so that Burundi, Cameroon, Guinea, Malawi and Sierra Leone would only begin to qualify in July 2007 at the earliest. Moreover, the Bank suggested that instead of end-2004 as the starting point for cancellation, end-2003 should be the moment to tabulate outstanding debt¹²⁴.

With weaselling of this sort expected, Soren Ambrose reported in mid-2005 that two presidents of beneficiary countries, Abdoulaye Wade of Senegal and John Kufuor of Ghana, finally agreed on the need for “continent-wide cancellation”:

The example of Nigeria is fresh in people’s minds: when the lower house of the federal legislature called for repudiation of the entire external debt, and President Olusegun Obasanjo demurred but said it may come to that, the country’s bilateral creditors instantly became significantly more willing to make a deal at the Paris Club. The merits of the deal Nigeria got in June 2005 are the subject of fierce debate, but the important thing for campaigners is the successful deployment of a credible threat of repudiation, which can be held up to other countries¹²⁵.

That threat is needed across Africa, as even Jeffrey Sachs belatedly came around to understanding. From remarking on the need to redirect debt repayments to education and health (recorded in Chapter Five), he ratcheted up the advice: repudiate! Arriving finally at the stage Jubilee Africa activists had reached six years earlier¹²⁶, in

¹²³ «Africa needs Justice not Charity», *GreenLeft Weekly*, 29 June 2005, <http://www.greenleft.org.au/back/2005/631/631p28.htm>.

¹²⁴ JUBILEE USA NETWORK (2006), «As G-8 Finance Ministers Prepare to Meet in Russia, Jubilee USA Calls on Leaders to Halt Delays to Debt Cancellation at World Bank», Washington, 9 February.

¹²⁵ AMBROSE, S. (2005), «Assessing the G8 Debt Proposal and its Implications», *Focus on Trade*, 25 September 2005.

¹²⁶ HANLON, J. (1998), «We’ve been here Before: Debt, Default and Relief in the Past - and How we are Demanding that the Poor pay More this Time», Jubilee 2000, London, September.

mid-2004, Sachs told heads of state gathered in Addis Ababa that “The time has come to end this charade. The debts are unaffordable. If they won’t cancel the debts I would suggest obstruction; you do it yourselves”¹²⁷.

Pretoria saw things differently. As shown by the odd case of Zimbabwe, Manuel’s hard-nosed approach meant working hand-in-hand with the IMF to continue milking African countries¹²⁸. Mugabe’s 2005 fight with the International Monetary Fund illustrates how Pretoria served as its proxy, seeking repayment on vast arrears, as well as a full menu of Washington Consensus policy changes. To make those changes would undercut Mugabe’s patronage system, though, and might also generate popular unrest. Mbeki’s political objective was quite clearly an elite transition to keep Mugabe’s Zimbabwe African National Union/Patriotic Front (Zanu PF) party in power after his retirement, maintain the splintered Movement for Democratic Change (MDC) as a token opposition, and impose severe cuts in the social wage on the citizenry while opening the door for bargain sales of Zimbabwean assets to South African bargain basement shoppers. Recall that at one stage Mugabe was indeed implementing austerity with a vengeance, so much so that a decade earlier, the World Bank gave his government the highest possible rating in its scorecard of neoliberal orthodoxy: “highly satisfactory”¹²⁹. Within a decade, dirigisme had replaced liberalisation and Mugabe’s penchant for violence included, in the words of South African Communist Party general secretary Blade Nzimande, “the wanton destruction of homes and community facilities” for more than a million of the urban poor,

¹²⁷ BBC NEWS (2004), «Africa «Should not Pay its Debts», <http://news.bbc.co.uk/2/hi/business/3869081.stm> [6 July]. At the time, the IMF was controversially prohibiting expenditure of health funds donated to Africa, especially for HIV/AIDS mitigation, on grounds that civil service pay would rise to above 7% of GDP.

¹²⁸ BOND, P. (2005), «Zimbabwe’s Hide and Seek with the IMF: Imperialism, Nationalism and the South African Proxy», *Review of African Political Economy*, 106.

¹²⁹ «Zimbabwe’s Hide and Seek with the IMF: Imperialism, Nationalism and the South African Proxy», *Review of African Political Economy*, 106, 2005; WORLD BANK (1995), «Project Completion Report: Zimbabwe: Structural Adjustment Program», Country Operations Division, Southern Africa Department, Washington, p.23.

and “anti-democratic legislation, including legislation directed against the right to assembly and against media freedom”¹³⁰.

Of Mbeki’s proposed August 2005 loan of \$500 million, a reported \$160 million was earmarked to repay the IMF, with the rest ostensibly for importing (from South Africa) agricultural inputs and petroleum. According to Mbeki spokesperson Joel Netshitenzhe, the loan could “benefit Zimbabwean people as a whole, within the context of their program of economic recovery and political normalisation”¹³¹. Much of the debate in South Africa concerns whether Pretoria is putting sufficient –or indeed any– pressure on Harare to reform, as Netshitenzhe refused to clarify speculation that both political and economic liberalisation would be conditions for the proposed loan.

Mugabe spokesperson George Charamba revealed the process behind the proposed credit: “We never asked for any money from South Africa. It was the World Bank that approached Mbeki and said please help Zimbabwe. They then offered to help us”¹³². A Pretoria-based Bank economist, Lollete Kritzinger-van Niekerk, confirmed that her institution “is not ready to thaw relations with the ostracised Harare”¹³³. Other reports –in the usually unreliable but consistently pro-government *Herald*– were that second-ranking IMF official Anne Kreuger and a US diplomat also needed a backchannel¹³⁴.

Notwithstanding some mildly adverse impacts on investor confidence and refugees, whether Zimbabwe’s ongoing economic crash is entirely negative to South Africa remains disputed. As Dale Mckinley has argued, a weakened Zimbabwe has merits for both Johannesburg capital and Pretoria politicians¹³⁵. Harare-based business economist

¹³⁰ NZIMANDE, B. (2005), «Roll Back the Offensive against the Workers and the Poor», Speech delivered to Congress of SA Trade Unions Central Committee meeting, Johannesburg, 15 August, <http://www.mltoday.com/Pages/CPs/Nzimande-RollBack.html>

¹³¹ SA PRESS ASSOCIATION (2005), «SA Agrees in Principle to Help Zimbabwe», 3 August, http://www.mg.co.za/articlePage.aspx?articleid=247161&area=/breaking_news/breaking_news_national

¹³² MBERI, R. (2005), «We Never Asked SA for Money: Govt», *Financial Gazette*, 12 August.

¹³³ NJINI, F. (2005), «World Bank not Ready to Mend Zimbabwe Ties», *Financial Gazette*, 12 August.

¹³⁴ *IMF Morning Press Clips*, 18 August 2005.

¹³⁵ MCKINLEY, D. (2004), «South African foreign policy towards Zimbabwe under Mbeki», *Review of African Political Economy*, 31, June.

Tony Hawkins considered the “upside” of Zimbabwe’s problems from Mbeki’s perspective:

South Africa has gained market share in exports, tourism and services. SA’s share of investment in Zimbabwe has also risen as there has been an element of bargain-basement buying by some mining and industrial groups. SA is also taking significant skills from the country, especially scarce black skills in health, education, banking, engineering and IT. “It would be too much to say that SA has benefited in net terms, but there is a good deal of evidence to suggest that it is securing some gains from the crisis”¹³⁶.

But Mugabe didn’t entirely play the desperate debtor’s role. Showing an impressive resilience and desire to hold on to maximum power at all cost, he visited China in August 2005 (gaining unspecified resources) and snubbed Mbeki on the UN Security Council issue. Then he pulled a card from his sleeve no one thought he had: in September 2005 he came up with \$135 million from having scrounged all foreign currency available, and gave the IMF a substantial downpayment, enough to earn a six-month reprieve on the expulsion threat (after the September payments, outstanding IMF debt was \$160 million). Mugabe promised \$50 million more by March 2006, and vowed to repay the full amount. (No one outside Pretoria really believes the IMF would expel Zimbabwe, given that China and many African regimes would oppose this in the IMF board, where 15% of the vote would be enough to veto such a move).

By all accounts, this was an irrational and costly gesture. Even high-profile business spokespersons who are ordinarily most aggrieved by Mugabe’s dirigisme were opposed to the payment, in part because rumours suggest the Reserve Bank raided Harare capital’s foreign exchange accounts. Conservative economic commentator John Robertson complained, “This is just diverting foreign currency from exporters to the IMF at an enormous cost. We are starving local producers of hard currency and this is exacerbating the problem”¹³⁷.

¹³⁶ BISSEKER, B. and B.Ryan (2005), «An Ill Wind: Zimbabwe’s Impact on SA’s Economy», *Financial Mail*, 21 October.

¹³⁷ ZIMONLINE (2005), «Zimbabwe starves productive sector to pay IMF», 3 September.

The extent of Mbeki's own commitment to getting the IMF back into Zimbabwe was revealed a few weeks later. Addressing a forum of African Editors, he explained,

We had indeed said that we were ready to assist, and the reason we wanted to assist was because we understood the implications of Zimbabwe's expulsion from the IMF. What it would mean, among other things, is that everybody who is owed something by Zimbabwe would demand immediately to be paid. You would even get to a situation where they would seize anything that was being exported out of Zimbabwe because of that debt¹³⁸.

In reality, the IMF has never acquired much less used such power, but the hyperbole is telling. Private creditors presently dealing with Zimbabwe have various forms of security, because the government's likelihood of nonpayment was demonstrated for six years prior to the 2005 incident. In other words, a great deal of false information –putting Pretoria's loan offer in the best possible light without any revelation of secret loan conditions– was issued as a way of unveiling the more durable power relations.

Also emblematic of Mbeki's expansive regional ambitions was the mid-2002 case in which Pretoria, Kinshasa and the IMF arranged a R760 million bridge loan to the DRC to "help clear the DRC's overdue obligations with the IMF". The IMF loans were contracted by the dictator Mobutu Sese Seko who stole a vast proportion of the funds for his personal accounts. The South African Cabinet also recorded its payment to the World Bank of R83 million, so as to "benefit our private sector, which would be eligible to bid for contracts financed from these resources"¹³⁹.

Benefits were already flowing. A few months later, the UN Security Council accused a dozen South African companies –including the huge former parastatal Iscor– of illegally "looting" the DRC during late 1990s turmoil which left an estimated three million dead, a problem

¹³⁸ REUTERS (2005), «Zimbabwe would collapse if expelled from IMF: Mbeki», 15 October.

¹³⁹ SOUTH AFRICAN GOVERNMENT COMMUNICATIONS AND INFORMATION SERVICE (2002), «Statement on Cabinet Meeting», Pretoria, 26 June.

that went unpunished by Pretoria¹⁴⁰. In January 2004, Mbeki's state visit to Kinshasa generated a \$10 billion trade/investment package and the chance for South African firms to participate in \$4 billion worth of World Bank tenders. Instead of promoting the cancellation of African debt, hence, Pretoria's strategy has been to accommodate past financial support for odious regimes, ranging from Mobutu to Botha, and certainly Mugabe, as we consider in more detail below.

In sum, when it came to handling the global financial elites, a distinct lack of opposition –and indeed often outright support– given by Mbeki and Manuel reflected obeisance to a new neoconservative elite. The central problem was the elites' opposition to self-reform, as identified not only by Manuel in September 2005, but David Ellerman in a much more thoughtful way following his resignation as a senior economist, and formerly Stiglitz's advisor in the World Bank chief economist's office. Ellerman concluded that Bank reform was impossible based upon five structural flaws: the Bank's monopolistic power; its affiliation with US policies and interests; the inappropriateness of Bank funding; the Bank's propping up of governments that are part of the problem; and the Bank's attempt to "control bad clients rather than exit the relationship". Ellerman predicted that under Wolfowitz, "The Bank will be both pushed and pulled to become a hospital for the 'basket cases' of development assistance (e.g., post-conflict countries or 'low income countries under stress') - particularly in Africa"¹⁴¹.

In turn, because of ongoing exploitation through unfair trade, African basket cases will continue emerging for the foreseeable future, as we see next.

Trade traps continue

Pretoria's role in international commerce continues to support global corporate business interests, as well as those of the largest

¹⁴⁰ UNITED NATIONS PANEL OF EXPERTS ON THE ILLEGAL EXPLOITATION OF NATURAL RESOURCES AND OTHER FORMS OF WEALTH OF THE DEMOCRATIC REPUBLIC OF THE CONGO (2002), «Final Report», New York, 8 October.

¹⁴¹ ELLERMAN, D. (2005), «Can the World Bank be Fixed?», *Post-Autistic Economics Review*, <http://www.paecon.net/PAERReview/issue33/contents33.htm> [14 September].

Johannesburg-based firms, whose financial headquarters shifted to London during the late 1990s. As noted in Chapter Four, the key agent was Alec Erwin, who performed so well in the interests of capital that he was mooted in *The Economist* and *Foreign Affairs* journals in early 2004 as a leading candidate for WTO director-general to replace Supachai Panitchpakdi in 1995. However, in May 2004 he was redeployed by Mbeki to lead the Ministry of Public Enterprises, removing him from leadership of the country's trade strategy, and EU trade commissioner Pascal Lamy got the WTO job.

As for the WTO, it was reborn in Geneva following a tense July 2004 negotiation which gave renewed momentum to the Doha framework, once the US and EU conceded two points: reduction of export subsidies (though with no timeline and specifics on numbers), and removal of three Singapore issues from the Doha work programme. According to US official Robert Zoellick, "After the detour in Cancun, we have put these WTO negotiations back on track". In reality, wrote *Guardian* journalist Larry Elliott, "The trade ministers from 147 countries faced up to the possibility that a fresh failure could scupper the round launched in Doha almost three years ago for good. They were prepared to sign up to a framework agreement safe in the knowledge that there will be plenty of chances over the coming weeks, months and probably years to carry on haggling". Without the stitched-up deal, he continued, "The WTO's authority as a multilateral institution would have been shattered; the prospect of the global trading system fragmenting into regionalism and bilateralism would have been real"¹⁴². Columbia University economist Arvind Panagariya explained the alleged breakthrough in *The Financial Times*: "Barring a few exceptional cases such as cotton, the least developed countries will actually be hurt by this liberalisation. The biggest beneficiaries of the rich country cuts in farm subsidies will be the rich countries themselves, which bear the bulk of the cost of the associated distortions, followed by the Group of 20"¹⁴³.

Agricultural producers expecting to gain most were Brazil, Australia, Thailand, the Philippines and South Africa, according to the SA Institute of International Affairs, while African food importers

¹⁴² ELLIOTT, L. (2004), «What WTO needs is a new Reformation», *Guardian*, 2 August.

¹⁴³ PANAGARIYA, A. (2004), «The Tide of Free Trade will not Float all Boats», *Financial Times*, 3 August.

would be faced with higher priced European and US products. On the other hand, few African sugar producers (especially Southern African) and cotton exporters (Mali, Burkina Faso, and Chad) would temporarily witness higher prices once subsidy cuts were made, until additional competitors were attracted to join the world markets and resume glut-scale production¹⁴⁴.

Yet abused West African cotton lobbyists also failed to secure a reasonable package, as Third World Network analyst Martin Khor reported: "Zoellick held a marathon all night 12 hour meeting with some of the West African countries on the cotton issue. Eventually, the specific proposals for special treatment for cotton, aimed at eliminating cotton subsidies on a fast track basis, were not included in the text". Another Third World concession was agreement on much faster and deeper cuts in Third World industrial protection. At stake, wrote Khor, is "the very survival of many local firms and industries in developing countries". The Geneva deal provided "a few significant gains for the developing countries, but this is more than offset in other areas where they have also lost ground. Also, the meeting and its outcome again showed up how the WTO's decision making process is generally controlled by the big countries and how developing countries' positions are generally not properly reflected"¹⁴⁵. Mark Weisbrot of the Washington-based Center for Economic and Policy Research concluded,

The United States has only agreed in principle to eliminate a small part perhaps 20% of its agricultural subsidies. And even here, the language is vague and the loopholes large enough that it is not clear how much these subsidies will actually be cut. But even if the subsidies were altogether eliminated, it would have very little net impact on the developing world... The gains for the developing world if rich countries were to eliminate all of their subsidies, and open all of their markets completely to every export manufactured as well as agricultural goods from low and middle income countries... are an extra 0.6 percent of income: in other words, a country with an income of \$1000 per capita would move up to \$1006. Only a small part of this small gain would come from the elimination of subsidies,

¹⁴⁴ *Business Day* (2004), «Can Africa run with the Post-Subsidy Ball?», 3 August.

¹⁴⁵ KHOR, M. (2004), «Preliminary Comments on the WTO's July Decision and Process», Penang, Third World Network, 6 August.

and even less would trickle down to the world's poorest. A lot of countries most of Latin America, for example would actually suffer a net loss from the elimination of agricultural subsidies¹⁴⁶.

Most major environmental groups and NGOs complained about the deal, on grounds that further liberalisation would deindustrialise many weaker countries and also hasten ecological crises associated with mining, fisheries and forests. Greenpeace International's Daniel Mittler summarised: "The deal is not a victory for multilateralism, but a dangerous fudge. The secretive process practiced in Geneva this week once again showed that the WTO is an undemocratic organisation mainly responsive to rich country interests. The WTO does not seem capable or willing to deliver equitable and sustainable development for all; it only seems to be interested in ensuring its own survival". According to Friends of the Earth's Alexandra Wandel, "Corporate lobby groups will be the big winners, the environment and the poor the big losers"¹⁴⁷.

South Africa's role in fostering liberalised trade was not limited to the WTO. Relations between the US and Southern Africa increasingly centred around the transition from the African Growth and Opportunities Act –overwhelmingly favourable to South Africa in contrast to other countries– to a free trade area encompassing the Southern African Customs Union. The European Union and Southern African Development Community (SADC) began negotiating a similar package of "Economic Partnership Agreements" featuring market access for agriculture and non-agriculture products and fisheries, trade in services (often amounting to privatisation), and the Singapore issues of investment, competition, trade facilitation, government procurement, and data protection. South Africa already has such an agreement¹⁴⁸.

In Pretoria's defense, it might be argued that the US agreement was bogged down during 2004-05, and that EU relations were much more important. Indeed, competition from other neocolonial sponsors has occasionally been a factor limiting Washington's arrogance, for

¹⁴⁶ WEISBROT, M. (2004), «No Boost for Development in World Trade Negotiations», Knight-Ridder Syndicate, 4 August.

¹⁴⁷ ONE WORLD (2004), «International Groups Denounce World Trade Pact», <http://us.oneworld.net/article/view/91015/1/3319> [2 August].

¹⁴⁸ <http://www.tralac.org/scripts/content.php?id=2762>

example in the only partially successful attempt by Monsanto to introduce genetically modified (GM) agriculture in Africa. Zambia, Zimbabwe and Angola have rejected World Food Programme and US food relief because of fears of future threats to their citizens, and not coincidentally, to European markets. Linking its relatively centralized aid regime to trade through bilateral regionalism, the European Union aims to win major Africa-Caribbean-Pacific (ACP) country concessions on investment, competition, trade facilitation, government procurement, data protection and services, which along with grievances over agriculture, industry and intellectual property were the basis of ACP withdrawal from Cancun. The Economic Partnership Agreements signify a new, even harsher regime of “reciprocal liberalization” to replace the preferential agreements that tied so many African countries to their former colonial masters via cash-crop exports. If these agreements are implemented from 2008, as presently scheduled, what meagre organic African industry and services that remained after two decades of structural adjustment will probably be lost to European scale economies and technological sophistication. An April 2004 meeting of parliamentarians from East Africa expressed concern, “that the pace of the negotiations has caught our countries without adequate considerations of the options open to us, or understanding of their implications, and that we are becoming hostage to the target dates that have been hastily set without the participation of our respective parliaments”. Even Botswana’s neoliberal president Festus Mogae admitted, “We are somewhat apprehensive towards EPAs despite the EU assurances. We fear that our economies will not be able to withstand the pressures associated with liberalization”¹⁴⁹.

In mid-2004, Pretoria also began bilateral trade liberalisation negotiations with China, which again will have enormous implications for the region’s industries. This was done, once again, without consultation involving smaller, more vulnerable countries. In late 2005, as Chinese exports to South Africa became a “tsunami” -attracting yellow-peril campaigning by trade unionists (who had not yet established durable ties with Chinese workers)- Pretoria began worrying about the trade deficit and deindustrialisation crisis, and negotiated a quota.

¹⁴⁹ <http://www.epawatch.net/general/text.php?itemID=161&menuID=28>,
<http://www.twnafrica.org/atn.asp>

In contrast, activists in the Africa Trade Network –including key leftist civil society agencies such as the Alternative Information and Development Centre, Southern African Centre for Economic Justice, the Southern and Eastern African Trade and Information Negotiations Institute, the US-SACU FTA Working Group and the Gender and Trade Network in Africa– reject the liberalisation agenda, especially the Economic Partnership Agreements, and instead call for trade cooperation that:

- is based on a principle of non reciprocity, as instituted in General System of Preferences and special and differential treatment in the WTO;
- protects ACP producers domestic and regional markets;
- reverses the pressure for trade and investment liberalisation; and
- allows the necessary policy space and supports ACP countries to pursue their own development strategies¹⁵⁰.

All these conflicts appeared again in December 2005 at the Hong Kong World Trade Organisation summit. According to an analyst from Focus on the Global South, Mary Lou Malig,

The so-called “development package” that Lamy is offering to least-developed countries (LDCs) is little more than a public relations stunt. While stating they will live up to promises made to LDCs on development, the text waters down the special and differential treatment provisions and resurrects other valueless provisions which were rejected two years ago in Cancun. Lamy tries to cover this up with the offer of “Aid for Trade”. This is a ploy to confuse and weaken the resistance of developing countries as the program only goes towards building the capacity of developing countries to implement agreements that they were forced to accept in the first place¹⁵¹.

In the event, the ploy worked, and because of capitulation by India and Brazil, the Hong Kong WTO came up with a last-minute

¹⁵⁰ <http://www.mwengo.org/acp/statements/default.htm>; <http://www.stopepa.org/>.

¹⁵¹ MALIG, M. (2005), «Movements Unite in Hong Kong», Focus on the Global South, Bangkok, 2 December.

deal. The blocking of consensus by braver African trade delegations that scuppered Seattle and Cancun did not transpire, as Lamy, Mandelson and US trade representative Rob Portman successfully divided the South.

What of South Africa's role? In his year-end ANC newsletter column, on the one hand, Mbeki could claim that "our continent has made important advances with regard to a whole range of important areas, including peace, democracy, economic development and poverty alleviation". On the other, his next paragraph conceded that at the Hong Kong WTO meeting,

We cannot expect an outcome that actually serves the interests of the African poor and the poor of the world. Of all the major global events that have taken place this year, above all others this WTO Conference emphasises the need for the African progressive movement to strengthen its ties of solidarity with the world progressive movement to build a global political, economic and social order focused on advancing the interests of the poor working people everywhere¹⁵².

This time, Erwin's usual derailing of the African progressive movement was not the problem. His replacement, Mandisi Mpahlwa, was much more sensitive, by all accounts, to the adverse power relations, and more willing to speak up from time to time against Northern bullying. Whereas Erwin was given Green Room and Friend of the Chair status, Mpahlwa had no such platform. Still, according to an acute observer of Pretoria's role in the WTO, Riaz Tayob, Mpahlwa sabotaged Africa's chances at accessing inexpensive generic medicines:

The EU and the US must be guffawing at the success of their tactics and strategies and must be surprised at how well they have been able to keep the entire world under their control... Finding a permanent solution to the intellectual property rights and public health discussion should have been the primer. Here countries with little or no production capacity had difficulty in securing adequate supplies of generic drugs. A temporary waiver was agreed to, so that access to generic drugs could be facilitated. The waiver proved so impractical that it was not

¹⁵² MBEKI, T. (2005), «To our Readers - a Merry Xmas and a Happy New Year!», *ANC Today*, 5, 50, 16 December.

used even once. As a consequence, the Africa Group made a proposal that sought a practical solution to the problem. The Africa Group proposal was progressive but it also precluded the Asians and Latin Americans from seeking an alternative solution to the problem under Article 30. The Africa Group proposal was recently withdrawn at the behest of South Africa and Kenya at the 2nd Extraordinary Session of Africa Union Trade Ministers meeting. This paved the way for a settlement of the issue based on the impractical waiver, which has now been made permanent. Neither South Africa nor Kenya were explicit about leading the attack on the Africa Group proposal. One could be forgiving if access to drugs in Africa was not such a monumental problem or if South Africa and Kenya had secured meaningful access to technology arrangements. But alas, this is not the case.

So we now have an agreement that essentially is a solution that forces every developing country to walk through a veritable legal minefield if they want to produce or import generic drugs. South Africa in particular bears specific mention because she was precluded from using her legally secured rights under the Trade Related Intellectual Property Rights (TRIPS) agreement in 1999. And less than a month before the AU meeting South African officials comforted civil society by stating that they fully supported the Africa Group proposal. Either they were deliberately deceptive or much changed in the month preceding the AU meeting. Whatever the case may be, the South African Trade Ministry ignored the statements of the AU and SADC Health ministers and have allowed themselves to be used to block progress by the Asians and Latin Americans¹⁵³.

Recall that the famous 2001 lawsuit by the Pharmaceuticals Manufacturers Association against the South African government ended with the corporations dropping their objections, once Pretoria pledged that it would only sparingly use generic anti-retroviral medicines. As a result of both “denialism” about AIDS and the high costs associated with treatment by brand-name medicines, the South African presidency and health ministry perpetually delayed roll-out of AIDS medicines. Expense was a factor, since generic medicines still weren’t widely available. The Aids Law Project and Treatment Action

¹⁵³ TAYOB, R. (2006), «Is it Getting Better or Worse at the WTO?», Harare, www.seatini.org.

Campaign (TAC) issued a July 2004 report showing that fewer than 10 000 patients had access to antiretroviral medicines at state hospitals and clinics, in contrast to 53 000 who should have been provided medicine by March 2004, according to the Cabinet's November 2003 plan¹⁵⁴. With the treatment numbers falling far behind those in need, it was easy to point an accusing finger at both Mbeki's regime and the US government, for its persistent attempts to force brand medicines instead of generics. This was one reason for, as Aidsmap reported in early 2005, a

fallout between the South African Ministry of Health and the Clinton Foundation [which promised a huge inflow of generic ARVs]. While South Africa had promised to contribute millions of Rand to pay for its HIV programme, it was also expecting to qualify for vast sums from President Bush's \$15 Billion Presidential Emergency Plan for AIDS Relief (PEPFAR). But PEPFAR's head Randall Tobias (former CEO of Eli Lilly Pharmaceuticals) had grave concerns about using PEPFAR monies to buy generic antiretrovirals¹⁵⁵.

This was just one reflection of severe strain in Pretoria's relations with civil society over a life-saving trade-related issue. In addition, trade minister Mandisi Mphalwa's delegation to Hong Kong met South African activists on December 16, 2005 and, under pressure, promised that South Africa would oppose services liberalisation affecting areas like water, electricity, education and telecommunications. Optimism rose based upon Pretoria's momentary alliance with delegations from Venezuela, Cuba, the Philippines and Indonesia¹⁵⁶. But at the last minute, Mphalwa folded under the West's pressure and agreed to approve services privatisation language in the final summit document.

¹⁵⁴ BRUMMER, W. (2004), «TAC Slams Govt on Aids Sloth», News-24, 6 July.

¹⁵⁵ BRUMMER, W. (2004), *op. cit.* Smart, T. (2005), «South Africa Completes Ne'gotiations for Large-Scale Antiretroviral Procurement», Aidsmap, <http://www.aidsmap.com/en/news/5C4983F9-7A77-491C-8FB1-D56D64590D02.asp> [22 February].

¹⁵⁶ Focus on the GLOBAL SOUTH (2005), «On the Road to Hong Kong», 8, Bangkok, 16 December. Lamy, at least, found himself the subject of recrimination at the SA Institute of International Affairs and the National Economic Development and Labour Council in Johannesburg, where his appearances on 10 February 2006 were marred by vigorous protesters.

In sum, while he was less manipulative than Erwin, at his best Mphalwa maintained an ineffectual stance that neither lifted South African exporters onto the new Brazilian/Indian comprador platform, nor provided solidarity to the poorer countries. What this suggests is that for South Africa, the next logical step for the liberalisation strategy is not global, but instead further consolidation within Africa.

To that end, Mphalwa and deputy minister Rob Davies did manage to fend off Portman's efforts to gain a United States-SA Customs Union Free Trade Area agreement in 2004-05. Likewise, SACU leaders have expressed great reservations about the European Union's Economic Partnership Agreements which replaced the Lome Convention's concessions (and which threaten to displace South African business with Africa due to greater European economies of scale). Southern Africans were wary of US and EU intentions especially in the areas of intellectual property rights, services, labor, environment, government procurement and investment. Poortman's office apparently threatened that SACU countries would face expulsion from the African Growth and Opportunity Act (AGOA) benefits, which in any case had faded substantially because of the Chinese clothing import surge. By early 2006, officials from the Bank of Namibia, for example, had concluded that "AGOA is temporary and does not provide long-term secure markets for trade and investment... The trade arrangement remains vague because it does not state how its intended free zones with Sub-Saharan African countries would be established, nor does it spell out any time frame for doing so"¹⁵⁷.

Nevertheless, in spite of a variety of countervailing pressures (including Cosatu and community groups which resist water and electricity commercialization), global elites remain conscious of Pretoria's overall orientation and continue to push officials towards ever faster trade liberalisation, no matter the obvious consequences. When EU trade commissioner Peter Mandelson visited Johannesburg in February 2006, his message was explicit: "South Africa needs to push the G-20 (Group of 20 developing nations) to open their markets",

¹⁵⁷ Focus on the GLOBAL SOUTH (2005), «On the Road to Hong Kong», 8, Bangkok, 16 December. Lamy, at least, found himself the subject of recrimination at the SA Institute of International Affairs and the National Economic Development and Labour Council in Johannesburg, where his appearances on 10 February 2006 were marred by vigorous protesters NEW ERA (2006), «Findings Query Agoa Benefits», *All Africa News*, 9 February.

specifically recording “dismay” at South Africa’s delay on services privatisation. Even South Africa’s leading delegate to the WTO, Faizel Ismail (an avid neoliberal), was moved to remark, “There is legitimate suspicion that Mandelson’s argument is an attempt to shift the blame for lack of movement in the Doha negotiations to the major developing countries”¹⁵⁸.

By that stage, Mphalwa may well have noticed that Pretoria’s long-term role in lubricating trade-related neoliberalism –including services privatisation of African infrastructure along the lines proposed in NEPAD– was being undermined due to factors beyond his government’s control, especially on the continent where the going had become somewhat rougher.

Nervous NEPAD economics

Is South Africa an accomplished subimperial power, or merely aspirant? Are too many of the continent’s opportunities already taken, and are the risks of further investment too great? The most important sectors through which Johannesburg capital penetrates its regional hinterland are retail trade, mining, agricultural technology and the NEPAD private infrastructure investment strategy¹⁵⁹. The terrain is terribly uneven, with NEPAD in particular failing to attract privatisation resources, notwithstanding a surge in multinational corporate mining activity associated with what may be a temporary minerals commodity boom. Perhaps the most visible emblem of

¹⁵⁸ Focus on the GLOBAL SOUTH (2005), «On the Road to Hong Kong», 8, Bangkok, 16 December. Lamy, at least, found himself the subject of recrimination at the SA Institute of International Affairs and the National Economic Development and Labour Council in Johannesburg, where his appearances on 10 February 2006 were marred by vigorous protesters LOURENS, C. and NJOBENIS. (2006), «SA Must push Rich Nations», *Business Day*, 13 February..

¹⁵⁹ MILLER, D. (2004), «South African Multinational Corporations, NEPAD and Competing Claims on Post-Apartheid Southern Africa», Institute for Global Dialogue Occasional Paper 40, Johannesburg and MILLER, D. (2003), «SA Multinational Corporations in Africa: Whose African Renaissance?», International Labour Research and Information Group Occasional Paper, Cape Town.

subimperialism is the deindustrialisation of many African countries caused by South African retailers sourcing their goods (often second-rate or past sell-by date) from Johannesburg instead of local producers. As noted above, South African mining firms became an embarrassment in part because of the DRC looting allegations, and in part because of the role the DeBeers diamond conglomerate and its Botswana government and World Bank allies played in the displacement of the Basarwa/San bushmen in 2003-04.

It may well be, however, that the longer-term implications of South African subimperialism can best be observed in the agricultural sector. While the governments of Zimbabwe, Zambia and Angola all attempted to resist genetically modified organisms in food crops, in part because that would shut down their European export potentials, South Africa became the gateway to infecting African agriculture. "Despite comprehensive objections raised by the African Centre for Biosafety and Biowatch South Africa", according to the *Mail & Guardian* in July 2004, Pretoria "approved a US-funded project that will soon see genetically engineered potatoes sprouting in six secret locations in African soil. Similar potatoes were first grown in the US but were withdrawn from the market due to consumer resistance". Biowatch South Africa requested a delay in the decision until a High Court ruling on the secret proliferation of genetically engineered organisms, but was unsuccessful¹⁶⁰. The WTO's 2006 ruling against Europe on GMOs will complicate matters further, and boost the confidence of the small but effective pro-GMO lobby supported by Monsanto in South Africa, Kenya and a few other beachheads.

In addition, biopiracy by South Africans and allied multinationals became evident by the mid-2000s. As Miriam Mayet of the African Centre for Biosafety remarked, "It's unbelievable how much has been taken without public accounting, and probably without any permission from the communities involved". Her agency documented 34 major cases, including the commercialisation by Pretoria's Council for Scientific and Industrial Research of a hunger suppressant from the Hoodia cactus which indigenous San people discovered. The Council and its British joint venture corporate partner signed an

¹⁶⁰ MAIL & GUARDIAN (2004), «SA Biosafety Regulators in Bed with Industry on GM Potatoes?», 27 July; <http://www.biosafetyafrica.net>; <http://www.biowatch.org.za>.

exclusive contract that –only after public protest– gave a tiny royalty payment to the San¹⁶¹.

Yet surprisingly, perhaps the most significant *potential* factor in South African corporate subimperialism, NEPAD, was apparently still-born as an operative investment framework. “In three years not a single company has invested in the plan’s twenty high-profile infrastructure development projects [roads, energy, water, telecommunications, ports], according to *Business Day* in mid-2004”. “The private sector’s reluctance to get involved threatens to derail NEPAD’s ambitions”. In contrast, a 2002 World Economic Forum meeting in Durban provided NEPAD with endorsements from 187 major companies, including Anglo American, BHP Billiton, Absa Bank and Microsoft. According to the programme’s chief economist, Mohammed Jahed, “NEPAD is reliant upon the success of these infrastructure projects, so we need to rethink how we will get the private sector involved, because clearly they have not played the role we expected”¹⁶².

This was also the finding of John Daniel and colleagues at the Human Sciences Research Council, who carried out several mid-2000s studies of Johannesburg capital’s march up-continent. Initially, the team identified a scramble for Africa in several sectors.

¹⁶¹ NGANDWE, T. (2006), «Thorny Problem: Sharing the Benefits of Research on Plants such as Hoodia Remains Controversial», SciDev.Net, 2 February.

¹⁶² ROSE, Rob (2004), «Companies «Shirking» their NEPAD Obligations», *Business Day*, 24 May.

SA Corporates and Parastatals in Africa¹⁶³

Sector	Corporates	Located
Aviation services	Airports Company of SA	9 countries
Airlines	South African Airways	3 joint ventures
Banking/fin services	Stanbic	18 countries
	Absa	4 countries
	Stanlib	9 countries
	Alexander Forbes	11 countries
Construction	Murray and Roberts	offices in 3 countries & 13 contracts
	Group 5	12 country contracts
Energy	Sasol	3 country contracts
	Petrol SA	3 country contracts
Manufacturing	Nampak	10 countries
	Sappi	3 countries
Media/broadcasting	Multichoice	21 countries
	TV Africa	33 countries
Mining	De Beers	3 countries
	Anglogold	3 countries
	Goldfields	3 countries
Retail trade	Shoprite	89 stores in 14 countries
	Massmart	over 300 outlets in SACU states
	SAB Miller	35 sorghum breweries in 5 countries
Research and development	Industrial Development Corporation	financing projects in 20 countries
	CSIR	conducting research projects in 17 countries
Telecommunications	MTN/M-Cell	cellular fixed-line contracts in 6 countries
	Vodacom	
	Eskom Enterprises	
Transport	Transnet (9 divisions including Spoornet, Comazar)	8 country contracts
	Unitrans	7 country contracts
	Protea Hotels	9 countries
Tourism and leisure services	Southern Sun	6 countries
	Imperial Car Rental	110 locations in 8 countries
	Eskom Enterprises	3 management contracts, 1 joint venture & 28 country contracts
Utilities - Power - Water	Umgeni Water	3 country contracts
	Rand Water	4 country contracts

However, according to Daniel and Lutchman, the process outside the mining sector may have run its course by mid-decade, as the most profitable of the low-hanging investment fruits were plucked:

¹⁶³ DANIEL, J., NAIDOO, V. and NAIDU, S. (2003), «The South Africans have Arrived», *op. cit.*

The near decade-long dash into the African market slowed in 2004 while some sectors like aviation, banking, and road construction showed a decline. In aviation, SAA's goal of establishing a West African hub in Nigeria was set back when its acquisition of a 30% stake in Nigeria's national carrier, Eagle Airlines, was abruptly cancelled by the Nigerian government in favour of the British Airline, Virgin Atlantic. In roads construction, groups like Aveng continued to scale back on their investments in Africa. In retail, even the expansionist high flyer of recent years, Shoprite Checkers slowed to a near standstill, opening only one store in Lagos, Nigeria. While Shoprite's turnover in its African stores increased by 26% in the period July-December 2004, its profits from these stores dropped by 71%. Shoprite during the same period opened its first store in India. This could be indicative of the fact that Shoprite's appetite for new African outlets may have peaked¹⁶⁴.

If South Africa's private sector was increasingly nervous about the rest of Africa, would more public agencies move in? The signal for state enterprises to lubricate African privatisation came not only from NEPAD, but also the United Nations. Rand Water CEO Simo Lushaba cited both NEPAD and the Millennium Development Goals as motivating the Johannesburg water catchment manager's "involvement throughout our African continent to assist where we can". This statement came, however, in the course of rejecting a mid-2005 request from the Freedom of Expression Institute for a public debate with the Coalition Against Water Privatisation on Rand Water's bid for a major Ghana management contract¹⁶⁵.

Visiting from Accra at the time was Alhassan Adam of Ghana's National Coalition Against the Privatization of Water, who taught activists in Johannesburg, Durban and Cape Town how his network had prevented water privatisation since 2001, losing only later in 2005 after the World Bank replaced its ineffectual country resident representative. Rand and its Dutch partner Vitens won the initial two-year contract, and the deal allowed the new operation's top 13 managers to pocket a vast, tax-free salary package topping 10 million

¹⁶⁴ DANIEL, J. and LUTCHMAN, J. (2005), «*South Africa in Africa*», *op. cit.*

¹⁶⁵ LUSHABA, S. (2005), «Re: Invitation to Speak at Public Debate on Management Contracts and Privatisation», Letter to FXI, Johannesburg, 28 June.

euros, while 1200 water workers were laid off. By December 2005, Adam and the other activists complained of worsening cronyism, foreign exchange dependency, excessive price increases that generated disconnections and public health hazards (cholera, guinea-worm), and undercharging of the rich, and demanded,

All essential services must be free at the point of provision and use. There are sources of taxation that the big men refuse to look at. Many of the water supply problems in urban areas arise from the unplanned way in which individuals, especially rich and powerful ones, simply divert or tap into water mains with impunity¹⁶⁶.

As Johannesburg Water's own commercialization showed (Chapter Eight), the rich get relatively cheap water while poor people are disconnected because they can't afford the bills. Rand Water never intervened to change this state of affairs in the South African retail systems it supplied, even when it ran several directly.

Nefarious NEPAD politics

Combining multiple labour/consumer grievances and offering alternatives, exactly this critical spirit against malevolent state management and incoming privatisation could also be translated into political analysis across Africa. In contrast to the clarity of the activists, though, conventional elite wisdom (as expressed here by the World Bank) anticipated that state problems would sort themselves out:

African leaders are taking several actions at the regional level to resolve conflicts, improve governance and foster competitiveness. The NEPAD peer review process, through the Africa Peer Review Mechanism, for example, creates incentives for African countries to take on "ownership" and assume leadership and accountability for their development programs. Peer reviews help improve the reputation of the region through certification of good practices in governance... Recent progress

¹⁶⁶ NATIONAL COALITION AGAINST THE PRIVATIZATION OF WATER (2005), «Privatisation of GWCL and Cronyism», *Press Statement*, Accra, 12 December.

is encouraging. Africa appears to be at a turning point. This is occurring on several fronts. Perhaps most important, African leaders are spearheading the development effort¹⁶⁷.

The reality was somewhat different, according to a report from a September 2004 African Investment Forum meeting. There, South African finance minister Trevor Manuel openly conceded it was “shameful that a year after the African peer-review mechanism was launched, less than half of African countries had signed up to be independently reviewed” because they had “misbehaving governments”¹⁶⁸. In any case, NEPAD peer reviews undertaken or begun by late 2005 –in Ghana and South Africa, especially– are considered farcical by leading activists.

“Shameful” and “misbehaving” regimes in Africa are foiling NEPAD? Looking more closely, we see a good deal of Pretoria’s own collusion with those very regimes. Ranging from corrupt and politically-reactionary deals with repressive oil tycoons –Saddam Hussein’s Iraq, Omar al-Bashir’s Sudan, Obiang Nguema Mbasogo’s Equatorial Guinea– to the Zimbabwe fiasco to recognition of the Myanmar junta running Burma to the close relationship he enjoys with George W. Bush, Mbeki has given comfort and legitimacy to some of the world’s most brutal elites.

This often passes the point of immorality and becomes ludicrous. The desperate parastatal arms company Denel was banned from further deals in India after being implicated in corruption, and then in 2004 posted a loss of R378 million followed by another R1.6 billion in 2005 after a 15% decline in sales.

And just days after Mugabe’s activism at the AU helped prevent South Africa from gaining second-class citizenship at the UN Security Council, Mbeki followed with an offer of a \$500 million loan (discussed above) and minister of intelligence Ronnie Kasrils soon confirmed Pretoria’s close military and intelligence ties to Harare a few weeks later¹⁶⁹. Not long after, Kasrils won the release of a (white) spy he’d

¹⁶⁷ WORLD BANK, «Meeting the Challenge of Africa’s Development», p.2.

¹⁶⁸ SAPA (2004), «Response to Peer Review Dismal», *Business Day*, 16 September.

¹⁶⁹ NEWS24 (2005), «SA, Zim Strengthen Ties», 17 November. According to the report, «Kasrils praised Zimbabwe’s advances and successes» in the 25 years since its independence from Britain. He said the two countries shared a

sent to buy information about Zanu(PF) political intrigues. The spy was captured, tortured and jailed for a year. Meanwhile, Pretoria parastatal Armscor sold weapons and parts to the Zimbabwean army. Throughout, the Zimbabwean people got nothing positive out of the military relationship with Pretoria.

When in February 2006 there was finally pressure on Mugabe in the form of South African fuel and electricity supply cuts, these were explained as merely commercial in nature, though at that stage Bulawayo Catholic Archbishop Pius Ncube did indeed issue a call for energy sanctions: "Mbeki kneels before Mugabe... Cut electricity supplies now"¹⁷⁰. Mbeki ignored civil society requests for intervention, but tellingly, with the opposition in disarray, he claimed in an SABC interview that government and the MDC had written a draft constitution "initialled by everybody". Said Morgan Tsvangirai, "As a party we are not aware of what he was talking about. We are in shock". According to the other faction leader, Welshman Ncube, "The talks never bore fruits which were palatable to the MDC. We never gave Mbeki a draft constitution - unless it was Zanu (PF) which did that. Mbeki has to tell the world what he was really talking about"¹⁷¹.

Notwithstanding the many factors which contribute to periodic political disintegration in key African sites, including his own controversial interventions, Mbeki soldiers on. If NEPAD runs aground on shameful governments, and if war breaks out again and again, and if Johannesburg capital and Pretoria politicians are forever running into African scandals, what compels South Africa to maintain rhetorics and delegations devoted to peace-building interventions across the continent? Even *Business Day* newspaper –generally favourable to Pretoria’s African initiatives– can’t help but connect the dots:

Why then, if there is little chance of success, does SA get involved? One reason might be what one could euphemistically

«common world view» and would «march forward shoulder to shoulder». Zimbabwe reported –though Kasrils denied– that this cooperation would include surveillance of NGOs who were struggling to build a democracy solidarity movement.

¹⁷⁰ GRUNDY, T. (2006), «'Cut our Supplies' Ncube tells Mbeki», *The Zimbabwean*, 11 February.

¹⁷¹ GANDU, G. and CORNISH, J. (2006), «Mbeki’s had it with Zim», *Mail & Guardian*, 10 February.

call SA's economic diplomacy. Congo and Côte d'Ivoire are rich in mineral resources and peace there would open up new markets for South African companies. In Congo, for instance, the likes of telecoms company Vodacom took the risk of investing during that country's most troubled period. So far, the dividends have been significant... It is no wonder then that Pretoria has invested so much time and resources in peace efforts in Congo. The same applies to Côte d'Ivoire. If peace and stability is restored in Congo and Côte d'Ivoire, there can be no doubt the economic and financial benefits for SA would be considerable¹⁷².

A big if. After all, Mbeki's interventions in both sites were notably unsuccessful. Conflict in the eastern DRC dragged on, reflecting Pretoria's failure to properly stitch up an agreement with all parties years earlier. South African companies prospered amidst the DRC chaos, although in June 2005, AngloGold Ashanti was caught by Human Rights Watch giving "meaningful financial and logistical support which in turn resulted in political benefits" to brutal warlords in the Nationalist and Integrationist Front¹⁷³.

Shortly afterwards, the three-year old Côte d'Ivoire conflict erupted in diplomatic crisis. According to *Business Day*, "SA told the UN Security Council on August 31 [2005] that its mediation efforts had removed the obstacles to implementing the latest peace accord ending the civil war in Côte d'Ivoire. It was now up to the government and rebel leaders to carry out their part of the deal". Like Mbeki's repeated wishful thinking in Zimbabwe, the harsh reality emerged within days, when a "highly tense meeting" of the African Union's Peace and Security Council found that Mbeki's mediation role had only "reinforced the divide" between president Laurent Gbagbo and rebel forces thanks to Pretoria's "biased" (pro-Gbagbo) report and his delegation's endorsement of Gbagbo's anti-democratic actions in prior weeks¹⁷⁴. Mbeki was replaced and the peace process moved to a new stage with interim leaders chosen by Obasanjo.

¹⁷² *Business Day* (2005), «Putting Out Fires», Editorial, 23 December.

¹⁷³ HUMAN RIGHTS WATCH (2005), «DR Congo: Golf Fuels Massive Human Rights Atrocities», *Human Rights News*, <http://www.hrw.org/english/docs/2005/06/02/congo11041.htm> [2 June].

¹⁷⁴ KANINDA, J. (2005), «AU relieves South Africa of Côte d'Ivoire Peace Process», *Business Day*, 20 September.

Other problems cropped up where they were least expected. In East Africa, three key regimes anointed by Tony Blair as modernising, liberalising states –Tanzania, Kenya and Ethiopia– went into mini-meltdowns in 2005:

Corpses in city streets. Heads cracked and bloodied by rifle-butts. Stone-wielding rioters running from shots and tear-gas on dusty fields. They were not the images supposed to be coming out of three major east African nations whose leaders had been feted by the West as beacons of hope for a troubled continent. But they have been all too familiar scenes of late as dozens of protesters died in Ethiopia, a poll in Tanzania's Zanzibar islands was overshadowed by violence and fraud claims, and Kenya's constitution debate degenerated into daily clashes...

Many across the vast east African region have questioned the relatively muted international reaction to recent events. With the exception of a few calls for inquiries or restraint, there has been little firm action or speech. "If it was (President Robert) Mugabe in Zimbabwe instead of Meles in Ethiopia, you'd see a very different reaction from the West", said [*Africa Confidential* editor Patrick] Smith. "That international 'pick and choose' approach makes people feel very irritable, very cynical".

Another reason the world may not be worrying itself too much about events in Kenya, Ethiopia and Tanzania is that their economies are all doing relatively well, with annual growth near or above 5% despite widespread poverty. "There is an element of 'if the figures are good, let's leave politics to the local guys'", a Western diplomat said¹⁷⁵.

As noted, by early 2006, after Zenawi hammered his opposition with a massacre, mass arrests and beatings, finally aid was put on hold to Addis Ababa, and World Bank credit was withdrawn from Kibaki's corrupt regime in Nairobi. But bizarrely, Zenawi traveled to Johannesburg as the only other African member of the "Progressive Governance Summit" that Mbeki convened in February 2006.

A few weeks earlier, in Sudan, Africa's elites had gathered at an African Union summit that again revealed the durability of venal rulers. In spite of a damning report by the African Commission on Human

¹⁷⁵ CAWTHORNE, A. (2005), «Once Favoured E. African Leaders' Lustre Fades», *Reuters*, 13 November.

and Peoples' Rights, the heads of state refused to consider action on Zimbabwe. Because host president Omar al-Bashir was widely accused of genocide in Darfur, he was obviously unsuitable to lead the AU in 2006 (though he may nominate himself in 2007). Congo-Brazzaville's president Denis Sassou-Nguesso was chosen as the 2006 AU head, notwithstanding his two ascents to power (in 1979 and 1997) through coups, between which he shifted ideology from Marxist posturing to, the *Mail & Guardian* reported, "an unashamedly market view of economics these days"¹⁷⁶. A few months earlier, in New York, Sassou-Nguesso demonstrated how such a shift can improve one's personal comfort, by running up a \$300,000 hotel bill during a brief UN summit. According to a report,

He paid \$8,500 a night for a three-storey suite with art deco furniture, a Jacuzzi bathtub and a 50in plasma television screen. His room service charges on September 18 alone came to more than \$3,800. More than 70% of the 3 million people in the republic live on less than \$2 a day. The president's entourage of more than 50 people included his butler, his personal photographer and his wife's hairdresser. The group also occupied 25 rooms at the Crowne Plaza hotel, near the UN headquarters... The main purpose of the president's visit was to deliver a 15 minute speech to the general assembly's 60th anniversary summit. He was also entertained by an American oil firm¹⁷⁷.

¹⁷⁶ CORNISH, J. (2006), «AU Delays Tough Decisions», *Mail & Guardian*, 27 January.

¹⁷⁷ The report continued with yet more gory details of power relationships gone sour: «The details might never have been made public had some of Congo-Brazzaville's creditors not been pursuing the country through US and British courts over repayment of debts. Among the creditors was a US investment fund, Elliott Management, which owns more than \$100m of Congo-Brazzaville debt. Sassou-Nguesso's hotel bills were among documents subpoenaed by Elliott lawyers. Congo-Brazzaville's UN mission did not respond to requests for comment on the hotel bills last week. In the past Sassou-Nguesso has denounced so-called 'vulture' investment funds that buy up Third World debt at a discount. He has also pledged to the World Bank and the IMF his willingness to co-operate in financial reforms... Jay Newman of Elliott Management noted that the president's hotel suite cost 'more per day than the average Congolese makes in a decade'. Newman added: «It is oh-so-chic to rock out with Bono and Kofi Annan (the UN secretary-general)

Conclusion: The resistance continues

What kinds of popular resistance await Sassou-Nguesso, al-Bashir, Mugabe, Mbeki and other elites? With the 2004-05 South African protest rate at 16 per day, of which 13% were illegal, it is evident that local activists have returned to an earlier militancy which some worried would be forgotten or completely repressed¹⁷⁸. To do this grassroots protest movement justice, a full-length work on its internationalist orientation awaits publication. From the World Conference Against Racism to the World Summit on Sustainable Development to the Iraq War and on various other occasions, South Africa's independent, progressive movement has successfully contested Pretoria.

To be sure, the wily ex-Marxism that still emanates from Union Buildings and Luthuli House confounds mainstream political commentators, some international observers and many South African academics who, as a result, downplay the dangers associated with unashamed market power¹⁷⁹. Nevertheless, activists persevere, and the highest-profile social and political struggles in South Africa against talking left while walking right on the international stage remain the anti-war movement, the campaign for access to generic medicines, solidarity struggles (e.g. with Palestine, Burma, Zimbabwe and Swaziland), advocacy for reparations and debt-cancellation, anti-WTO and unfair trade activism, the anti-privatisation movement, and various environmental battles.

On the nuclear front, for example, Pretoria's former environment minister Valli Moosa –subsequently a carbon trading executive and chairperson of Eskom– was criticized for hypocrisy by groundWork in 2005 because of his presidency of the World Conservation Union, a network ostensibly opposed to the nuclear power that Eskom is trying

and there may be instances in which debt forgiveness makes sense. But rather than forgiveness, for some countries the right answers are political sanctions and, when warranted, criminal prosecutions». ALLEN-MILLS, T. (2006), «Congo Leader's £169,000 Hotel Bill», *Sunday Times*, 12 February, <http://www.timesonline.co.uk/article/0,,2089-2036138,00.html> .

¹⁷⁸ MADLALA, B. (2005), «Frustration boils over in protests: Community angered at snail pace service delivery», *Daily News*, 14 October; CAPE ARGUS (2005), «66 cops injured in illegal service delivery protests», 13 October.

¹⁷⁹ In association with the UN Research Institute for Social Development, that co-edited study with Ashwin Desai is forthcoming in 2006.

to ratchet up using internationally-rejected Pebble Bed reactor technology. When high nuclear radioactivity was found by the NGO Earthlife Africa near Pretoria's Pelindaba power plant in April 2005, within a few meters of a housing project, it embarrassed Mbeki just as he was accepting the United Nations "Champion of the Earth" award. (Earthlife discovered radioactive ores buried in shallow concrete containers, with an open gate and inadequate warning signs.) The president replied that Earthlife's "reckless statements" were without foundation "and are, in my view, totally impermissible" and the minerals and energy minister (then deputy president) Phumzile Mlambo-Ngcuka threatened legislation against "incitement" and "the spreading of panic-causing information... so that if people make such allegations there is a sanction". But the National Nuclear Regulator confirmed the problem by constructing a fence and putting up hazard signs¹⁸⁰.

Just as robust a group of activists can be found demanding debt cancellation and reparations for apartheid-era interest and profits taken from South Africa by multinational corporations. In June 2004, the US Supreme Court handed down a surprising defeat for the Bush regime in the case of *Sosa v Alvarez*, when corporate plaintiffs requested that foreigners not be permitted to file lawsuits for human rights violations committed elsewhere in the world under the Alien Tort Claims Act (cases were then pending against companies for repressive operations in Burma, Nigeria, Indonesia and apartheid South Africa).¹⁸¹ According to the corporations, US courts might infringe upon the sovereignty of nations and interfere with the business of free trade.

The judgement was mixed, however. On the one hand, although the conservative Supreme Court's ruling was a "huge blow" to the firms, according to Khulumani and Jubilee South Africa lawyers, on the other hand,

The US Supreme Court cautioned that the right to civil relief must be balanced by the domestic policy interests of the foreign nations in which the conduct occurred and the foreign policy

¹⁸⁰ SAPA (2005), «State Dismisses Nuclear Threat», 28 April. More analysis of the incident and the general problem of nuclear energy is provided in Bond and Dada, *Trouble in the Air*.

¹⁸¹ ENGELBRECHT, L. (2004), «Apartheid Victims turn to US Court», *Business Report*, 5 July.

concerns of the United States. Regrettably though, in a footnote in the judgment, the US Supreme Court referred to the declaration submitted by the former South African Minister of Justice and Constitutional Development, Dr Penuell Mpapa Maduna, submitted to a district court where the Khulumani and other Apartheid cases are pending as an instance where the caution should be applied. The declaration expressed the South African government's concern that the cases before the court would interfere with the policy embodied in the Truth and Reconciliation Commission. The South African government has specifically asked the court to abstain from adjudicating the victims claims in deference to its paramount national interests¹⁸².

In reality, the Final Report of the Truth and Reconciliation Commission, chaired by Tutu, contained a different sentiment, namely that the New York reparations cases posed no conflict with South Africa law or policy: "Business failed in the hearings to take responsibility for its involvement in state security initiatives specifically designed to sustain Apartheid rule". The TRC also found, according to Jubilee, that

It is also possible to argue that banks that gave financial support to the Apartheid state were accomplices to a criminal government that consistently violated international law. The recognition and finding by the international community that Apartheid was a crime against humanity has important consequences for the victims of Apartheid. Their right to reparation is acknowledged and can be enforced in terms of international law¹⁸³.

Taking the most conservative approach possible, judge John Sprizzo of the Southern District of New York dismissed the apartheid-related lawsuits in November 2004 on grounds that aiding and abetting claims could not be brought to bear under the Alien Tort Statute. The judge ruled that Pretoria "had indicated it did not support the lawsuits

¹⁸² APARTHEID DEBT AND REPARATIONS CAMPAIGN (2004), «Support for the Khulumani Lawsuit», Johannesburg, 13 July.

¹⁸³ Apartheid Debt and Reparations Campaign, «Support for the Khulumani Lawsuit».

and that letting them proceed might injure the government's ability to handle domestic matters and discourage investment in its economy"¹⁸⁴.

Jubilee and Khulumani appealed and at the time of writing, there has been no decision. But within a few months, the adverse implications of Maduna's intervention for international justice became even more ominous, in a case involving women who were victims of Japanese atrocities during World War II. Fifteen "comfort women" from Korea, China, the Philippines and Taiwan sued the Japanese government in the US, using the Alien Tort Claims Act. They had been held as sex slaves, raped and tortured by the Japanese military. In June 2005, the US Court of Appeals in the District of Colombia rejected their suit in part by citing Maduna's affidavit.

Jubilee next took the opportunity to tackle Barclays Bank in a mass citizens' campaign, in the course of the London financier's 2005 takeover of South Africa's second-largest bank, Absa (formerly the Amalgamated Banks of South Africa, a collection of mediocre and failing institutions, several with Afrikaner roots, stitched together by the SA Reserve Bank in a controversial 1991 rescue operation). Once again, when an Alien Tort Claims suit was filed against Barclays, Pretoria's justice minister Brigitte Mabandla (Maduna's 2004 replacement) responded with an October 2005 friends of the court brief on behalf of the bank, prompting a demonstration by Jubilee.

As noted at the outset, the context remains the failure of any of Mbeki's main initiatives to bear fruit. As noted, Mbeki and some colleagues have begun to express reservations about sites of struggle including the UN, WTO and Bretton Woods Institutions. They still haven't reached the point of realigning political relationships so as to build -instead of destroy- fledgling progressive projects of the independent left. With internecine squabbling added to the mix, the initiatives noted just above are only in their formative stages. But they have much better prospects for long-term success, so long as the more reformist international NGO projects -such as Make Poverty History and even the Global Call for Action Against Poverty in 2005- don't prove too distracting in coming months and years.

In addition to building the popular movement at home in a more general way, intense challenges remain in the *linkage* of issues between

¹⁸⁴ NEUMEISTER, L. (2004), «Lawsuits Seeking Billions from U.S. Companies in South Africa Dismissed», *Associated Press*, 29 November.

often fractious movements across the sectors and transnationally, in venues such as the African Social Forum and its affiliates. Notwithstanding the steep climb ahead, in all these cases, it is evident where the antidote to imperialism and subimperialism is to be found. It is because of these activists' work that society and the environment have a chance of survival, and we must be especially grateful that they are beginning to undo the damage done so consistently by the ruling crew in Pretoria.