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The Looting of Africa[1]

Introduction

Unequal trade and investment relationships are nothing new for Africa, although beginning in 2005 the world's attention was drawn to Africa's plight as never before. However, in contrast to the neo-orthodox strategy implied by Gordon Brown, Bono, Bob Geldoff and other mainstream campaigners, Africa's deepening integration into the world economy has typically generated not wealth but the outflow of wealth. There is new evidence available to demonstrate this conclusively, just as the current fusion of neoliberalism and neoconservatism consolidates.

In fact, the deeper global power relations that keep Africa down (and, simultaneously, African elites shored up) should have been obvious to the world during 2005. It was a year in which numerous events

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were lined up to ostensibly help liberate Africa from poverty and powerlessness, to provide relief from crushing debt loads, to double aid and to establish a 'development round' of trade:

- the mobilization of NGO-driven citizens campaigns like Britain's Make Poverty History and the Johannesburg-based Global Call to Action Against Poverty (throughout 2005);
- Tony Blair's Commission for Africa (February);
- The main creditor countries' debt relief proposal (June);
- a tour of Africa by the new World Bank president Paul Wolfowitz (June);
- the G8 Gleneagles debt and aid commitments (July);
- the Live 8 consciouness-raising concerts (July);
- the United Nations' Millennium Development Goals review (September);
- the return to Nigeria of monies looted by Sani Abacha and deposited in Swiss bank accounts (September);
- the IMF/World Bank annual meeting addressing debt and Third World 'voice' (September);
- a large debt relief package for Nigeria (October); and
- the deal done at the World Trade Organization's ministerial summit in Hong Kong (December).

These all revealed global-elite hypocrisy and power relations which remained impervious to advocacy, solidarity and democratization. At best, partial critiques of imperial power emerged amidst the cacophony of all-white rock concerts and political grandstanding. At worst, polite public discourse tactfully avoided capital's blustering violence, from Nigeria's oil-soaked Delta to northeastern Congo's gold mines to Botswana's diamond finds to Sudan's killing fields. Most of the London charity NGO strategies ensured that core issue areas –debt, aid, trade and investment– would be addressed in only the most superficial ways. The 2005 events also revealed the limits of celebrity-chasing tactics aimed at intra-elite persuasion rather than pressure. Tragically, the actual conditions faced by most people on the continent continued to deteriorate.

Today, Africa is still getting progressively poorer, with per capita incomes in many countries below those of the 1950s-60s era of independence. If we consider even the most banal measure of poverty, most Sub-Saharan African countries suffered an increase in the percentage of people with income of less than $1/day during the 1980s and 1990s, the World Bank itself concedes[2] (World Bank, 2005c:66). Not just poverty but also inequality must be central to the analysis, for Africa hosts some of the world's worst cases. The following countries exceed a 0.50 Gini coefficient score, placing them at the very top of the world's ranking: Namibia, Botswana, the Central African Republic, Swaziland, Lesotho, South Africa, Zambia, Malawi, The Gambia and Zimbabwe.

Table 1

African inequality (Gini coefficients by country, early 2000s)*

Namibia	72	Burundi	41
Botswana	65	Nigeria	41
Central African Republic	62	Burkina Faso	40
Swaziland	61	Angola	39
Lesotho	58	Senegal	39
South Africa	57	Mozambique	39
Zambia	53	Mali	38
Malawi	51	Ghana	38
The Gambia	50	Guinea	38
Zimbabwe	50	Mauritania	37
Madagascar	46	Benin	36
Cote d'Ivoire	43	Tanzania	35
Kenya	42	Níger	33
Uganda	42	Etiopía	28
Cameroon	41	Mauritius	19

Source: World Bank (2005), World Development Report 2006: Equity and Development, Washington, p.39.

* A Gini score of 0 is perfect equality while 100 indicates that one person has all the income and all others have none. Scores above.50 represent quite extreme conditions. Bank staff calculated Gini coefficients from household survey data, and dates differ by data availability.

The looting of Africa has also been intensely gendered. Women are the main victims of systemic poverty and inequality, whether in productive circuits of capital (increasingly subject to sweatshop conditions)

2 For a critique of the $/day measure, see Reddy, S. (2005).

or in the 'sphere of reproduction' of households and labour markets, where much primitive accumulation occurs through unequal gender power relations.–There are many ways, Dzodzi Tsikata and Joanna Kerr have shown, that markets and mainstream economic policy 'perpetuate women's subordination' (Tsikata and Kerr, 2002).

In particular, the denial of Africans' access to food, medicines, energy and even water is a common reflection of neoliberal dominance in social policy, as people who are surplus to capitalism's labour power requirements find that they had better fend for themselves –or simply die. In even relatively prosperous South Africa, an early death for millions –disproportionately women– was the outcome of state and employer reaction to the AIDS epidemic, with cost-benefit analyses demonstrating to the state and capital that keeping most of the country's five to six million HIV-positive people alive through patented medicines cost more than the people were 'worth'[3].

The decimated social wage is one indicator of Africa's amplified underdevelopment in recent years. In the pages that follow, however, we focus on the material processes of Africa's underdevelopment via trade and extractive-oriented investment, largely through the depletion of natural resources. This is an area of research that has already helped catalyse the ecological debt and reparations movement, and that has sufficient intellectual standing to be the basis of a recent World Bank study, *Where is the Wealth of Nations?* (World Bank, 2005a) (A similar critique could be levelled against financial processes, showing how the June 2005 G7 Finance Ministers' debt relief deal perpetuates rather than ends debt peonage[4].)

The story is not new, of course. We can never afford ourselves the luxury of forgetting the historical legacy of a continent *looted*: trade by force dating back centuries; slavery that uprooted around 12 million Africans; land grabs; vicious taxation schemes; precious metals spirited away; the appropriation of antiquities to the British Museum and other trophy rooms; the 19th century emergence of racist ideologies to justify colonialism; the 1884-85 carve-up of Africa into dysfunctional territories in a Berlin negotiating room; the construction of settler-colonial and extractive-colonial systems

3 In the case of the vast Johannesburg/London conglomerate Anglo American Corporation, the cut-off for saving workers in 2001 was 12%. The lowest-paid 88% of employees were more cheaply dismissed once unable to work, with replacements found amongst South Africa's 42% unemployed reserve army of labour, according to an internal study reported by the *Financial Times*. For more, see Bond, Patrick (2005).

4 One of the strongest recent overviews of African debt is Capps, G. (2005); see also Bond, P. (2006).

–of which apartheid, the German occupation of Namibia, the Portuguese colonies and King Leopold's Belgian Congo were perhaps only the most blatant– often based upon tearing black migrant workers from rural areas (leaving women vastly increased responsibilities as a consequence); Cold War battlegrounds –proxies for US/USSR conflicts– filled with millions of corpses; the post-Cold War terrain of unipolar power; other wars catalysed by mineral searches and offshoot violence such as witnessed in blood diamonds and other precious metals and minerals such as coltan (the cellphone ingredient found in the eastern Democratic Republic of the Congo); poacher-stripped swathes of East, Central and Southern Africa now devoid of rhinos and elephants whose ivory became ornamental material or aphrodisiac in the Middle East and East Asia; societies used as guinea pigs in the latest corporate pharmaceutical test; and the list could continue.

As is also abundantly clear, Africa also suffers a systemic cultural and ideological impoverishment in the North. International mass media images of Africans were nearly uniformly negative during the recent period. It was from West Africa that the neoconservative, neo-Malthusian writer Robert Kaplan described for his frightened US audience a future defined in terms of 'disease, overpopulation, unprovoked crime, scarcity of resources, refugee migrations, the increasing erosion of nation-states and international borders, and the empowerment of private armies, security firms, and international drug cartels' (Kaplan, 1994: 46). As the 'dark continent', Africa has typically been painted with broad-brush strokes, as a place of heathen and uncivilized people, as savage and superstitious, as tribalistic and nepotistic. David Wiley has shown how western media coverage is crisis driven, based upon parachute journalism, amplified by an entertainment media which 'perpetuates negative images of helpless primitives, happy-go-lucky buffoons, evil pagans. The media glorify colonialism/European intervention. Currently, Africa is represented as a place of endemic violence and brutal but ignorant dictators'. Add to this the 'animalization of Africa via legion of nature shows on Africa that present Africa as being devoid of humans', enhanced by an 'advertising industry that has built and exploited (and thereby perpetuated) simplistic stereotypes of Africa'[5]. Thus it was disgusting but logical, perhaps, that African people were settled into a theme village at an Austrian zoo in June 2005, their huts placed next to monkey cages in scenes reminiscent of 19th century exhibitions. In an explanatory letter, zoo director Barbara Jantschke

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5 <http://exploringafrica.matrix.msu.edu/curriculum/lm1/1/lm1_teachers.html>.

denied that this was 'a mistake' because 'I think the Augsburg zoo is exactly the right place to communicate an atmosphere of the exotic' (Hawley, 2005).

Ironically, the World Bank's ecological economists have conceded as much in their calculations of natural resources depletion: petroleum, other subsoil mineral assets, timber resources, nontimber forest resources, protected areas, cropland and pastureland. Indeed, the Bank calculates that much of Africa is poorer not wealthier the more its comparative advantage in resources is pursued. *Where is the Wealth of Nations?* makes several crucial adjustments to gross national income and savings accounts. By subtracting fixed capital depreciation, adding education spending, subtracting resource depletion and subtracting pollution damage, the Bank finds that some countries are vast losers via export processing.

The picture is not entirely negative, for there has been a slight upturn in the terms of trade for African countries thanks to higher commodity prices associated with East Asian demand. But this should not disguise the profoundly unequal and unfair system of export-led growth, which has impoverished Africans in many ways. As a result, according to Christian Aid, 'Trade liberalization has cost Sub-Saharan Africa $272 billion over the past 20 years… Overall, local producers are selling less than they were before trade was liberalized'[6] (Aid, 2005). Deconstructing African countries according to whether there was rapid or slow trade liberalization from 1987-99, Christian Aid found a close correlation between trade openness and worsening poverty. One reason was falling commodity prices during the 1980s-90s.

Commodity export dependency and falling terms of trade

The most important myth of neoliberal economics is that production for export inexorably creates prosperity. In reality, 'unequal exchange' in trade –including the rising African trade deficit with South Africa– is another route for the extraction of superprofits from Africa. The continent's share of world trade declined over the past quarter century, but the volume of exports increased. 'Marginalization' of Africa occurred, hence, not because of insufficient integration, but because other areas of the world –especially East Asia– moved to the export of manufactured goods, while Africa's industrial potential declined thanks to excessive deregulation associated with structural adjustment.

Overall, primary exports of natural resources accounted for nearly 80% of African exports in 2000, compared to 31% for all developing

6 See also Kraev, E. (2005).

countries and 16% for the advanced capitalist economies. According to the UN Conference on Trade in Development, in 2003, a dozen African countries were dependent upon a single commodity for exports, including crude petroleum (Angola 92%, Congo 57%, Gabon 70%, Nigeria 96% and Equatorial Guinea 91%); copper (Zambia 52%); diamonds (Botswana 91%); coffee (Burundi 76%, Ethiopia 62%, Uganda 83%), tobacco (Malawi 59%) and uranium (Niger 59%) (Oxfam, 2005: 21). Excluding South Africa, the vast majority (63%) of Sub-Saharan exports in recent years have been petroleum-related, largely from Nigeria, Angola and other countries in the Gulf of Guinea. The next largest category of exports from the subcontinent (and not including South Africa) is food and live animals (17%) (UN Conference on Trade in Development, 2003: 250). The problems associated with primary product export dependence are not only high levels of price volatility and downward price trends for many natural resources. In addition, especially for minerals, production is highly capital-intensive, offers low incentives for educational investments, and provides a greater danger of intervention by parasitical rentiers (Cornia, 1999).

More than two-thirds of Africa's trade is with developed countries, although beginning in 1990, China's share rose from 2% to 9%, in the process attracting growing controversy over geopolitics (because from Sudan to Zimbabwe to Angola, Chinese loans and investments propped up corrupt regimes) and deindustrialization. The Chinese threat to African industry is profound, with Nigeria losing 350,000 jobs directly (and 1.5 million indirectly) due to Chinese competition from 2000-05. Lesotho's garment industry collapsed when the Africa Growth and Opportunity Act benefits evaporated in 2005 once China joined the WTO (Chiahemen, 2005).

But the main damage remains the long-term decline in primary product price trends. As Michael Barrett Brown explains: 'The value added in making up manufactured goods has been greatly increased compared with the raw material required; synthetics continue to replace natural products in textiles, shoes and rubber goods; and the elasticity of demand for agricultural products (the proportion of extra incomes spent on food and beverages) has been steadily falling'. Notwithstanding the 2002-05 price increases –especially oil, rubber and copper thanks to Chinese import demand– the value of coffee, tea and cotton exports many African countries rely upon continues to stagnate or fall. Falling prices for most cash crops pushed Africa's agricultural export value down from $15 billion in 1987 to $13 billion in 2000 notwithstanding greater volumes of exports[7] (Barratt-Brown, 2004).

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7 See also Barratt-Brown, M. and Tiffen, P. (1992).

Table 2
Commodity price declines, 1980-2001

Product, Unit	1980	1990	2001
Cafe (Robusta) cents/kg	411.70	118.20	63.30
Cocoa cents/kg	330.50	126.70	111.40
Groundnut oil dollars/ton	1090.10	963.70	709.20
Palm oil dollars/ton	740.90	289.90	297.80
Soya dollars/ton	376.00	246.80	204.20
Sugar cents/kg	80.17	27.67	19.90
Cotton cents/kg	261.70	181.90	110.30
Copper dollars/ton	2770.00	2661.00	1645.00
Lead cents/kg	115.00	81.10	49.60

Source: Touissant, E. (2005), *Your Money or Your Life*, Chicago, Haymarket Books, p. 157.

In historical terms, the prices of primary commodities (other than fuels) have risen and fallen according to a deeper rhythm. Exporters of primary commodities, for example, fared particularly badly when financiers were most powerful. The cycle for an exporting country typically begins with falling commodity prices, then leads to rising foreign debt, dramatic increases in interest rates, a desperate intensification of exports which lowers prices yet further, and bankruptcy. Using 1970 as a base index year of 100, from 1900 to 1915, the prices of commodities rose from 130 to 190, and then fell dramatically to 90 in 1919. From a low point of 85 in 1930, as the Great Depression began, the commodity price index rose mainly during World War II to 135, as demand for raw materials proved strong and shipping problems created supply-side problems. Prices fell during the subsequent globalization process until 1968 (to 95 on the index), but soared to 142 at the peak of a commodity boom in 1973 when oil and minerals –especially gold– temporarily soared. The subsequent fall in commodity prices took the index down steadily, well below 40 by the late 1990s (Leon and Soto, 1997: 350). In Ethiopia, to illustrate, coffee exports rose from 1992, with the volume of output doubling by 2003. But the export value fell from $450 million to less than $100 million during the same period (United Nations Development Programme, 2005:141).

Commodity prices were extremely volatile in key sectors affecting Africa. Gold rose from $35/ounce in 1971 to $850/ounce in 1981 but then crashed to as low as $250 by the late 1990s. The 2002-05 minor boom in some commodity prices reflected strong Chinese import demand and the East Asian recovery from the 1997-98 depression in four key countries; from a very low base in early 2002, the prices of agricultural products rose 80% and metals/minerals doubled. Perhaps most spectacularly, the rise of the oil price from $11/barrel to $70/barrel from 1998-2005 meant that price volatility did indeed assist a few countries. But the soaring price of energy came at the expense of most of Africa, which imports oil.

Supporters of the status quo argue that there are mitigating factors in the world trading system designed to offer Africa a safety net. But 'preferential access' that permits somewhat greater Northern imports from Africa represents only 1% of world trade volume. And the 'Special and Differential Treatment' (SDT) concessions grudgingly provided some Third World exports are typically hard-fought and minimal, as Tetteh Hormeku of the Africa Trade Network explains:

> Countries at different stages of growth and development should not assume the same level of responsibilities in international agreements as these are unequal partners. But by end of the Uruguay Round the spirit of SDT was reduced to a narrower concept: developing countries had to essentially accept the same obligations as developed countries, and may be exempted from implementing some measures, as well as allowed different time scales. But almost all obligations would be adopted by them… [At Doha,] over 200 proposals were made relating first to strengthening SDT and second to resolving implementation issues. Since the Round has been launched, all discussions on SDT and implementation issues have made no progress, except on 22 issues which are widely described as of having little or no commercial value (Hormeku, 2005).

A related problem is the northern agricultural subsidy system, which is worth several hundred billion dollars a year, whether for domestic market stabilization (in an earlier era) or export promotion. Overproductive European, US and Japanese agro-industrial corporations producers find African markets in the form of dumped grains and foodstuffs. Rarely examined, however, are the differential impacts of subsidies, especially when associated with glutted global agricultural markets. This is a general problem associated with export-led growth, but is particularly acute in the farming sector because of uneven access to state subsidies, especially affecting export crops.

It is not only a matter of much lower national-scale productive potential in the Third World than would have been the case had liberalization not decimated many local industries, including domestic farming. In the process, rapid trade-related integration caused growing social inequality, as Branco Milanovic has reported (Milanovic, 2002). Those who benefited most include the import/export firms, transport/shipping companies, plantations and large-scale commercial farmers, the mining sector, financiers (who gain greater security than in the case of produce designed for the domestic market), consumers of imported goods, and politicians and bureaucrats who are tapped into the commercial/financial circuits.

Agricultural subsidies are merely one aspect of growing rural inequality. Farm subsidies today mainly reflect agro-corporate campaign contributions and the importance of rural voting blocs in advanced capitalist countries. (In the 1930s, the first generation of US farm subsidies instead reflected the dangers of agricultural overproduction to society and ecology, for the 'dust bowl' phenomenon in the Midwest emerged when many family farmers simply left their failing lands fallow after markets were glutted.)

The power of the agro-corporate lobby is substantial and getting stronger. The UN Development Programme found that agricultural subsidies had risen 15% between the late 1980s and 2004, from \$243 billion to \$279 billion (a figure Vandana Shiva considers a vast underestimate), with Japan (56%) relatively most subsidy-intensive in relation to the total value of agricultural production, compared to the EU (33%) and US (18%) (United Nations Development Programme, 2005:19).

Unlike earlier periods when farming was smaller-scale and atomized, advanced capitalist countries' agricultural subsidies today overwhelmingly benefit large agro-corporate producers. Subsidies in the EU's fifteen major countries are even more unequally distributed than the US, with beneficiaries in Britain including Queen Elizbeth II (\$1.31 million), Prince Charles (\$480,000) and Britain's richest man, the Duke of Westminster (\$1.13 million)[8] (Sharma, 2005a). Studies of the Gini coefficients of northern agriculture subsidy recipients, as reported by the UNDP, confirm that large farming corporations benefit far more than do small farmers. In 2001, the EU 15's Gini coefficient was 78 and the US coefficient was 67, both far higher than income distribution in the world's most unequal countries (United Nations Development Programme, 2005: 130). Were political power relations to change, a massive redirection of subsidies to small, lower-income,

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8 Sharma argues that in response: "Developing countries should ask for: agricultural subsidies to be classified under two categories: one which benefits small farmers and the remaining which goes to agri-business companies and the big farmers/landowners; and since less than 20% of the \$1 billion farm subsidy being doled out every day genuinely benefit small farmers, the remaining 80% subsidies need to be outright scrapped before proceeding any further on agriculture negotiations."

family farmers in the North would be more equitable and could have the effect of moving agricultural production towards more organic (and less petroleum-intensive) farming.

A detailed debate regularly occurs over whether subsidies are 'trade-distorting'. If they represent export subsidies or price supports, these subsidies belong in what the WTO terms an 'Amber Box', targeted for elimination. Export subsidies of $7.5 billion in 1995 were reduced, as a result, to $3 billion by 2001. Formerly trade-distorting subsidies were reformed by the EU, with the new aim of limiting production of crops (farmers are paid to simply leave land fallow), and are hence 'Green Box': not subject to cuts. The US government proposed that the large counter-cyclical payments it makes to US cotton producers when the price declines should not be considered amber, even though the WTO itself agreed with Brazilian complaints that the subsidies still distort trade by increasing US output and lowering world prices. Generally, the complexity associated with the subsidy regimes reflects Northern capacity to maintain their subsidies but continually dress them up in new language (Sharma, 2005b).

What impact would the removal of northern agricultural subsidies have in Africa? Explicit agro-export subsidies, which account for less than 1% of the total and are mainly provided by the EU, will finally cease in 2013, thanks to concessions at the Hong Kong WTO summit. (Implicit EU export subsidies worth 55 billion euros will continue, however.) This reform aside, the most important debate is over whether substantive reductions would genuinely benefit African peasants.

One problem is that power relations prevailing in the world agricultural markets allow huge cartels to handle shipping and distribution, and they usually gain the first round of benefits when prices change. A second problem is that local land ownership patterns typically emphasise plantation-based export agriculture, with the danger that further cash crop incentives will crowd out land used for food cropping by peasants. No reliable studies exist to make definitive statements. There are, indeed, African heads of state in food-importing countries who advocate continuing EU agricultural subsidies for a third reason, because lower crop prices reduces their own costs of feeding their citizenry.

In sum, two crucial questions associated with subsidies and agricultural exports are typically elided by neoliberal economists and other pro-trade campaigners: which forces in Northern societies benefit from subsidies that promote export-orientation, in both the short- and long-term?; and which forces in Southern societies would win and lose in the event exports are lifted? Furthermore, the crucial strategic question is whether self-reliant development strategies –which were the necessary (if insufficient) condition for most industrialization in the past– can be applied if low-income exporting countries remain mired in the commodity trap. The same points must be raised again below with respect to Africa's mineral exports, where depletion of nonrenewable resources drains the wealth of future generations.

But a final reflection of trade-related power relations was also unveiled in Hong Kong. For Walden Bello, the most disturbing political development was that India and Brazil structurally shifted their location from an alliance with 110 Third World countries, to the core of the 'Five Interested Parties' (joining the US, EU and Australia) which cut the final deal:

> In the end, the developing country governments caved in, many of them motivated solely by the fear of getting saddled with the blame for the collapse of the organization. Even Cuba and Venezuela confined themselves to registering only 'reservations' with the services text during the closing session of the ministerial… The main gain for Brazil and India lay not in the impact of the agreement on their economies but in the affirmation of their new role as power brokers within the WTO [9] (Bello, 2005).

Investment, production and exploitation

Africa, meanwhile, remains disempowered on fronts ranging from trade to direct investment. Walter Rodney described foreign direct investment in stark terms:

> Under colonialism the ownership was complete and backed by military domination. Today, in many African countries the foreign ownership is still present, although the armies and flags of foreign powers have been removed. So long as foreigners own land, mines, factories, banks, insurance companies, means of transportation, newspapers, power stations, etc. then for so long will the wealth of Africa flow outwards into the hands of those elements. In other words, in the absence of direct political control, foreign investment ensures that the natural resources and the labour of Africa produce economic value which is lost to the continent (Rodney, 1981).

In recent years, Africa has not been overwhelmed by interest from foreign corporate suitors. During the early 1970s, roughly a third of all FDI

9 Bello particularly blames Brazilian foreign minister Celso Amorim and Indian commerce minister Kamal Nath.

to the Third World went to Sub-Saharan African countries, especially apartheid South Africa. By the 1990s, that statistic had dropped to 5%. Aside from oil field exploitation, the only other substantive foreign investments over the last decade were in South Africa, for the partial privatization of the state telecommunications agency and for the expansion of automotive-sector branch plant activity within global assembly lines. These inflows were by far offset by South Africa's own outflows of foreign direct investment, in the forms of relocation of the largest corporations' financial headquarters to London, which in turn distorted the Africa FDI data, not to mention the repatriation of dividends/profits, payments of patent/royalty fees to transnational corporations.

One of the most careful analysts of foreign corporate domination of African economies, UN Research Institute for Social Development director Thandika Mkandawire, recently studied African economies' 'maladjustment' and concluded, 'Little FDI has gone into the manufacturing industry. As for investment in mining, it is not drawn to African countries by macroeconomic policy changes, as is often suggested, but by the prospects of better world prices, changes in attitudes towards national ownership and sector specific incentives'. Moreover, 14% of FDI was 'driven by acquisitions facilitated by the increased pace of privatization to buy up existing plants that are being sold, usually under "fire sale" conditions'. What little new manufacturing investment occurred was typically 'for expansion of existing capacities, especially in industries enjoying natural monopolies (e.g. beverages, cement, furniture). Such expansion may have been stimulated by the spurt of growth that caused much euphoria and that is now fading away' (Mkandawire, 2005:6). According to Mkandawire:

> It is widely recognized that direct investment is preferable to portfolio investment, and foreign investment in 'green field' investments is preferable to acquisitions. The predominance of these [portfolio and aquisition] types of capital inflows should be cause for concern. However, in their desperate efforts to attract foreign investment, African governments have simply ceased dealing with these risks or suggesting that they may have a preference for one type of foreign investment over all others. Finally, such investment is likely to taper off within a short span of time, as already seems to be the case in a number of African countries.
> Thus, for Ghana, hailed as a 'success story' by the Bretton Woods Institutions, FDI, which peaked in the mid-1980s at over $200 million annually –mainly due to privatization– was rapidly reversed to produce a negative outflow. It should be noted, in passing, that rates of return of direct investments have generally been much higher in Africa than in other developing regions. This, however, has not made Africa a favourite among investors, largely because of considerations of the intangible 'risk factor' nurtured by the tendency to treat the contingent

> as homogenous and a large dose of ignorance about individual African countries. There is considerable evidence that shows that Africa is systematically rated as more risky than is warranted by the underlying economic characteristics" (Mkandawire, 2005:7).

The critique of foreign investors in Africa must now extend beyond the EU, US and Japan, to China. For example, the Chinese National Petroleum Corporation (CNPC) and two other large Chinese oil firms are active in seventeen African countries. One is Sudan where $2 billion of oil investments are underway notwithstanding the Darfur genocide, responsible already for of 5% of China's import requirements, along with Chinese-financed development of a homegrown Sudanese military capacity. (Arms sales to Robert Mugabe are also dubious.) As Ben Schiller reports,

> Concerns have been raised over the environmental impact of various Chinese-run mining operations in Africa, including copper mines in Zambia and Congo, and titanium sands projects in ecologically sensitive parts of Mozambique, Kenya, Tanzania, and Madagascar.
> Moreover, China is a major importer of illegal timber from forests in Indonesia, Cameroon, Congo, and Equatorial Guinea. Though accurate figures are hard to access, www.globaltimber.org.uk says that up to 50% of all timber imported to China in 2004 was illegal. Chinese businesses have also been implicated in ivory smuggling, notably in Sudan and Zimbabwe. According to Care for the Wild International, Chinese companies buy up to 75% of Sudan's ivory.
> In its rush to expand, development experts say China is reinvigorating an older, crude style of development, re-establishing an era of 'white elephants' and 'prestige projects' with little benefit to local people. In Ethiopia, the Chinese state-owned Jiangxi International built $4 million worth of new housing, after a flood left hundreds destitute. But instead of accommodating the homeless, the blocks ended up being used by military officials. A Jiangxi manager later told the *Wall Street Journal*: "It was a political task for us and so long as Ethiopia officials are happy, our goal is fulfilled" (Schiller, 2005).

Given that mining houses have been central to looting Africa for at least a century and a half, it is fitting to next consider the damage done by depletion of minerals and other non-renewable natural resources.

FDI and resource depletion

In the most brazen case, the oil sector demonstrates how profit and dividend outflows, often lubricated by corruption, have had extremely negative consequences. As demonstrated by the Open Society-backed campaign, 'Publish what you Pay', elites in Africa's oil producing countries –Angola, Chad, Congo, Equatorial Guinea, Gabon, Nigeria and

Sudan– are amongst the world's least transparent[10]. In Nigeria, demands by the Ogoni people relate not only to the massive destruction of their Delta habitat, but also to the looting of their natural wealth by Big Oil. According to Sam Olukoya,

> Reparations is a crucial issue in the struggle for environmental justice in Nigeria. Many of the ethnic groups in the Niger Delta have drawn up various demands. A key document is the Ogoni Bill of Rights which seeks reparations from Shell for environmental pollution, devastation and ecological degradation of the Ogoni area. Shell's abuses in Ogoniland were made infamous by the late playwright and activist Ken Saro-Wiwa, who was executed by the Nigerian government (Olukoya, 2001).

In all these respects, diverse forces in society have moved away from considering oil merely a matter of private property, to be negotiated between corporations and governments, as was the case during much of the 20th century. Instead, these forces now treat oil as part of a general 'commons' of a national society's natural capital. George Caffentzis explains:

> There are three levels of claims to petroleum as common property, correlating with three kinds of allied communities that are now taking shape, for there is no common property without a community that regulates its use:
>
> – first, some local communities most directly affected by the extraction of petroleum claim to own and regulate the petroleum under its territory as a commons;
> – second, Islamic economists claim for the Islamic community of believers, from Morocco to Indonesia, and its representative, the 21st century Caliphate in formation, ownership of and the right to regulate the huge petroleum fields beneath their vast territory;
> – third, UN officials claim for the 'coming global community' the right to regulate the so-called global commons: air, water, land, minerals (including petroleum) and 'nous' (knowledge and information). This imagined global community is to be represented by a dizzying array of 'angels' that make up the UN system, from NGO activists to UN environmentalist bureaucrats to World Bank 'green' advisors" (Caffentzis, 2004).

From a September 2005 conference in Johannesburg organized by the South African NGO groundWork, delegates petitioned the World Petroleum Congress:

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10 <http://www.opensociety.org>

> At every point in the fossil fuel production chain where your members 'add value' and make profit, ordinary people, workers and their environments are assaulted and impoverished. Where oil is drilled, pumped, processed and used, in Africa as elsewhere, ecological systems have been trashed, peoples' livelihoods have been destroyed and their democratic aspirations and their rights and cultures trampled…
> Your energy future is modeled on the interests of over-consuming, energy-intensive, fossil-fuel-burning wealthy classes whose reckless and selfish lifestyles not only impoverish others but threaten the global environment, imposing on all of us the chaos and uncertainty of climate change and the violence and destruction of war. Another energy future is necessary: yours has failed![11].

In a remarkable essay, 'Seeing like an oil company', anthropologist James Ferguson argues that 'capital "hops" over "unusable Africa", alighting only in mineral-rich enclaves that are starkly disconnected from their national societies. The result is not the formation of standardized national grids, but the emergence of huge areas of the continent that are effectively "off the grid". In the process, there emerges 'a frightening sort of political–economic model for regions that combine mineral wealth with political intractability', ranging from African oil zones to occupied Iraq. The model includes protection of capital by 'private military companies' (in Baghdad, Blackwater, Erinys and Global Risk Strategies), and protection of the 'Big Man' leader (Paul Bremer, John Negroponte) 'not by his own national army but, instead, by hired guns' (Ferguson, 2005: 381). The bottom line is enhanced profit for international capital and despotism for the citizenry.

Of interest, though, is that in the wake of higher consciousness regarding full environmental accounting, some of the costs of this model are now being measured at even the World Bank. Along with this we are entering a potentially fruitful period in which the depletion of natural resources plus associated negative externalities –such as the social devastation caused by mining operations– can now begin to be taken seriously as a way of envisioning a global commons. That entails at least a rough accounting of the costs associated with tearing resources from the ground, forests and fisheries, even as we continue to recognize that many aspects of valuation –human life's worth, indigenous people's traditions and culture, aesthetics of the natural environment– are impossible to quantify.

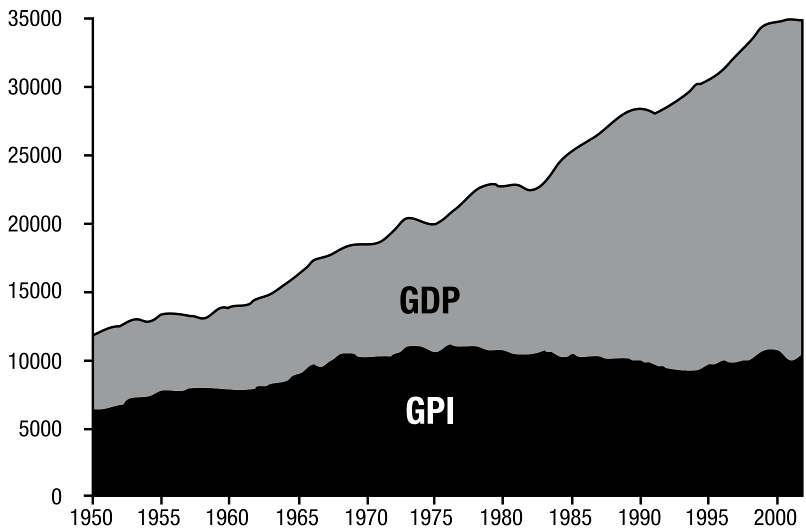
Accounting for nature

Because of the legacy of environmental economists such as Herman Daly, even the World Bank has begun to address the question of re-

11 <http://www.groundwork.org.za>.

source depletion, in *Where is the Wealth of Nations?*, using the methodology of correcting bias in GDP wealth account surprisingly, this is nowhere near as expansive as parallel efforts by groups such as San Francisco-based Redefining Progress[12]. There, statisticians subtract from GDP the cost of crime and family breakdown; add household and volunteer work; correct for income distribution (rewarding equality); subtract resource depletion; subtract pollution; subtract long-term environmental damage (climate change, nuclear waste generation); add opportunities for increased leisure time; factor in lifespan of consumer durables and public infrastructure; and subtract vulnerability upon foreign assets. Using this approach and accounting for natural resource depletion, pollution and the other factors that, in the aggregate, comprise the onset of the era marked by neoliberalism, globalisation and the ecological crisis, global welfare began declining in absolute terms during the mid-1970s. Nevertheless, the Bank's tentative approach is at least a step forward in recognizing that extractive investments may not contribute to net welfare, and indeed may cause national savings and wealth to actually shrink, along with their better known qualitative manifestations.

Figure 1
Global GDP versus a genuine progress indicator, 1950-2003



Source: www.redefiningprogress.org

12 <http://www.redefiningprogess.org.>.

The Bank's first-cut method subtracts from the existing rate of savings factors such as fixed capital depreciation, depletion of natural resources and pollution, but then adds investments in education (defined as annual expenditure). The result, in most African countries dependent upon primary products, is a net negative rate of national savings to Gross National Income (GNI). Notwithstanding some problems, the Bank's methodology at least indicates some of the trends associated with raw materials extraction. In making estimates about the decline in a country's wealth due to energy, mineral or forest-related depletion, the World Bank adopts a minimalist definition based upon international pricing (not potential future values when scarcity becomes a more crucial factor, especially in the oil industry). Moreover, the Bank does not fully calculate damages done to the local environment, to workers' health/safety, and especially to women in communities around mines. And the Bank's use of average –not marginal– cost resource rents also underestimates the depletion costs. In particular, the attempt to generate a 'genuine savings' calculation requires adjusting net national savings to account for resource depletion. The Bank suggests the following steps:

> From gross national saving the consumption of fixed capital is subtracted to give the traditional indicator of saving: net national savings. The value of damages from pollutants is subtracted. The pollutants carbon dioxide and particulate matter are included. The value of natural resource depletion is subtracted. Energy, metals and mineral and net forest depletion are included. Current operating expenditures on education are added to net national saving to adjust for investments in human capital (World Bank, 2005a: 39).

Naturally, given oil extraction, the Middle East region (including North Africa) has the world's most serious problem of net negative gross national income and savings under this methodology. But Sub-Saharan Africa is second worst, and for several years during the early 1990s witnessed net *negative* GNI for the continent once extraction of natural resources was factored in. Indeed, for every percentage point increase in a country's extractive-resource dependency, that country's potential GDP declines by 9% (as against the real GDP recorded), according to the Bank (World Bank, 2005a: 55). African countries with the combined highest resource dependence and lowest capital accumulation included Nigeria, Zambia, Mauritania, Gabon, Congo, Algeria and South Africa. In comparing the *potential* for capital accumulation –i.e., were resource rents not simply extracted (and exported) and resources depleted– on the one hand and, on the other, the *actual* measure of capital accumulation, Bank researchers discovered that,

> In many cases the differences are huge. Nigeria, a major oil exporter, could have had a year 2000 stock of produced capital five times higher than the actual stock. Moreover, if these investments had taken place, oil would play a much smaller role in the Nigerian economy today, with likely beneficial impacts on policies affecting other sectors of the economy (World Bank, 2005a: 55).

A more nuanced breakdown of a country's estimated 'tangible wealth' is required to capture not just obvious oil-related depletion and rent outflows, but also other subsoil assets, timber resources, nontimber forest resources, protected areas, cropland and pastureland. The 'produced capital' normally captured in GDP accounting is added to the tangible wealth. In the case of Ghana, that amounted to $2,022 per capita in 2000. The same year, the Gross National Saving of Ghana was $40 per capita and education spending was $7. These figures require downward adjustment to account for the consumption of fixed capital ($19), as well as the depletion of wealth in the form of stored energy ($0), minerals ($4) and net forest assets ($8). In Ghana, the adjusted net saving was $16 per capita in 2000. But given population growth of 1.7%, the country's wealth actually shrunk by $18 per capita in 2000 (World Bank, 2005a: 64-65).

Table 3

Adjustment to Ghana's 2000 savings rate based upon tangible wealth and resource depletion (per capita $)

Tangible wealth	Adjusted net saving
Subsoil assets $65	Gross National Saving $40
Timber resources $290	Education expenditure $7
Nontimber forest resources $76	Consumption fixed capital $-19
Protected areas $7	Energy depletion $0
Cropland $855	Mineral depletion $-4
Pastureland $43	Net forest depletion $-8
Produced capital $686	
Total tangible wealth $2022	Adjusted net saving $16
Population growth 1.7%	Change in wealth per capita $-18

Source: World Bank, *Where is the Wealth of Nations?*, pp.64-65.

How much of this exploitation is based on transnational capital's extractive power? In the case of Ghana, $12 of the $18 decline in 2000 could be attributed to minerals and forest-related depletions, a large proportion of which now leaves Ghana (World Bank, 2005a: 64-65). The largest indigenous (and black-owned) mining firm in Africa, Ashanti, was recently bought by AngloGold, so it is safe to assume than an increasing amount of Ghana's wealth flows out of the country, leaving net negative per capita tangible wealth. Other mining houses active in Africa which once had their roots here –Lonrho, Anglo, DeBeers, Gencor/Billiton– are also now based off-shore.

It is logical to assume that an increased drive by London, New York and Sydney shareholders for profits results in accumulation of capital within Africa being systematically stymied. The central question is whether any of the financial capital that returns to Africa –by way of royalties on minerals or profits to local shareholders (still significant in the case of South Africa)– is reinvested, or merely becomes the source of further capital flight.

Ghana was an interesting example given that it has often played the role of World Bank poster child country. Other African countries whose economies are primary product dependent fare much worse, according to the Bank methodology. Gabon's citizens lost $2,241 each in 2000, as oil companies rapidly depleted the country's tangible wealth. The Republic of the Congo (-$727), Nigeria (-$210), Cameroon (-$152), Mauritania (-$147) and Cote d'Ivoire (-$100) are other African countries whose people lost more than $100 in tangible national wealth each in 2000 alone. (Angola would rank high amongst these, were data available for the Bank's analysis.) A few countries did benefit, according to the tangible wealth measure, including the Seychelles (+$904), Botswana (+$814) and Namibia (+$140), but the majority of African countries saw their wealth depleted (World Bank, 2005a: 66).

Even Africa's largest economy, South Africa, which from the early 1980s has been far less reliant upon minerals extraction, recorded a $2 drop in per capita wealth in 2000 using this methodology. According to the World Bank, the natural wealth of $3,400/person in South Africa included subsoil assets (worth $1,118 per person)[13]; timber ($310); non-timber forest resources ($46); protected areas ($51); cropland ($1,238); pastureland ($637). This sum can be compared to the value of produced capital (plant and equipment) and urban land (together worth $7,270 per person in 2000). Hence even in Africa's most industrialized economy, the estimated value of natu-

13 According to a different study by the United Nations Development Programme, the value of minerals in the soil fell from $112 billion in 1960 to $55 billion in 2000. See United Nations Development Programme (2004).

ral wealth is nearly half of the measurable value of plant, equipment and urban land[14].

In part, minerals depletion and associated pollution costs are a function of expanded foreign direct investment. Even in South Africa, with a 150-year old organic mining-based bourgeoisie, mineral depletion today disproportionately benefits overseas mining houses (especially given that some of the largest Johannesburg firms relisted their primary share residences to London after 1994). In addition, CO_2 emissions plus a great deal of other pollution (especially SO_2) are largely the result of energy large multinational corporations (Mittal Steel, BHP Billiton and the Anglo group). Any assessment of FDI, especially in oil and resource rich countries, must henceforth take into account its contribution to the net negative impact on national wealth, including the depletion and degradation of the resource base. Ironically, given the source of leadership at the World Bank (Paul Wolfowitz of the US petro-military complex), the Bank's new accounting of genuine savings is a helpful innovation. Taking the methodology forward in order to correct biases, and rigorously estimating an Africa-wide extraction measure in order to better account for the way extractive FDI generates net negative welfare/savings, still remain as important exercises.

There are many other modes of surplus and resource extraction through FDI, involving swindling. For example, corporate failure to pay taxes and state failure to collect them is a point stressed by Lawrence Cockcroft of Transparency International:

> Most African countries operate some form of tax break for new investors, with varying degrees of generosity. In fact such incentive schemes are frequently deceptive in that the real deal is being done in spite of them and alongside them, with a key cabinet minister or official coming to an alternative arrangement which may well guarantee an offshore payment for the individual in question as well as a 'tax holiday' for the company concerned (Cockcroft, 2001: 2).

14 Given the constant depletion of this natural capital, South Africa's official gross national savings rate of 15.7% of GDI therefore should be adjusted downwards. By subtracting consumption of fixed capital at 13.3%, the net national savings is actually 2.4%, added to which should be education expenditure (amongst the world's highest) at 7.5%. Then subtract mineral depletion of 1%; forest depletion of 0.3%; 0.2% pollution damage (limited to 'particulate matter', a small part of South Africa's waste problem); and CO_2 emissions worth 1.6% of GDI (a serious undervaluation). In total, the actual 'genuine savings' of South Africa is reduced to just 6.9% of national income. (World Bank, 2005a:.179).

Table 4
African countries' adjusted national wealth and 'savings gaps', 2000

	Income per capita ($)	Population growth rate (%)	Adjusted net saving per capita ($)	Change in wealth per capita ($)
Benin	360	2.6	14	-42
Botswana	2925	1.7	1021	814
Burkina Faso	230	2.5	15	-36
Burundi	97	1.9	-10	-37
Cameroon	548	2.2	-8	-152
CapeVerde	1195	2.7	43	-81
Chad	174	3.1	-8	-74
Comoros	367	2.5	-17	-73
Rep of Congo	660	3.2	-227	-727
Côte d'Ivoire	625	2.3	-5	-100
Ethiopia	101	2.4	-4	-27
Gabon	3370	2.3	-1183	-2241
The Gambia	305	3.4	-5	-45
Ghana	255	1.7	16	-18
Kenya	343	2.3	40	-11
Madagascar	245	3.1	9	-56
Malawi	162	2.1	-2	-29
Mali	221	2.4	20	-47
Mauritania	382	2.9	-30	-147
Mauritius	3697	1.1	645	514
Mozambique	195	2.2	15	-20
Namibia	1820	3.2	392	140
Niger	166	3.3	-10	-83
Nigeria	297	2.4	-97	-210
Rwanda	233	2.9	14	-60
Senegal	449	2.6	31	-27
Seychelles	7089	0.9	1162	904
South Africa	2837	2.5	246	-2
Swaziland	1375	2.5	129	8
Togo	285	4.0	-20	-88
Zambia	312	2.0	-13	-63
Zimbabwe	550	2.0	53	-4

Source: World Bank, *Where is the Wealth of Nations?*, p.66.

Official statistics have never properly picked up the durable problem of transfer pricing, whereby foreign investors misinvoice inputs drawn from abroad. Companies cheat Third World countries on tax revenues by artificially inflating their imported input prices so as to claim lower net income. It is only possible to guess the vast scale of the problem on the basis of case studies. The Oxford Institute of Energy Studies estimated that in 1994, 14% of the total value of exported oil 'was not accounted for in national trade figures as a result of various forms of transfer pricing and smuggling' (Cockcroft, 2001: 2). According to a 1999 United Nations Conference on Trade and Development survey on income shifting as part of transfer pricing, 'Of the developing countries with sufficient evidence to make an assessment, 61% estimated that their own national transnational corporations (TNCs) were engaging in income shifting, and 70% deemed it a significant problem. The income-shifting behaviour of foreign-based TNCs was also appraised. 84% of the developing countries felt that the affiliates they hosted shifted income to their parent companies to avoid tax liabilities, and 87% viewed the problem as significant' (UN Conference on Trade and Development, 1999: 167).

Similarly, another kind of corporate financial transfer aimed at exploiting weak African countries is the fee that headquarters charge for patent and copyright fees on technology agreements. Such payments, according to Yash Tandon, are augmented by management and consultancy fees, as well as other Northern corporate support mechanisms that drain the Third World. For the year 2000, Tandon listed export revenue denied the South because of northern protectionism of more than $30 billion for non-agricultural products[15].

Production, transport and the ecological debt

Most of the systems of unequal exchange have been identified (aside from labour which is considered below) In an indirect manner, such that victims are not aware of the process, another crucial outlet for Northern investors to exploit Africa is in their consumption of the global commons, particularly the earth's clean air. During the early 1990s, the idea of the North's ecological debt to the South began gaining currency in Latin America thanks to NGOs, environmentalists and politicians (including Fidel Castro of Cuba and Virgilio Barco of Colombia). According to Joan Martinez-Alier,

> The notion of an ecological debt is not particularly radical. Think of the environmental liabilities incurred by firms (under the United

15 <http://www.globalpolicy.org/socecon/develop/devthry/well-being/2000/tandon.htm>.

> States Superfund legislation), or of the engineering field called 'restoration ecology', or the proposals by the Swedish government in the early 1990s to calculate the country's environmental debt. Ecologically unequal exchange is one of the reasons for the claim of the Ecological Debt. The second reason for this claim is the disproportionate use of Environmental Space by the rich countries[16] (Martinez-Alier, 2003).

In the first category, Martinez-Alier lists:

- Unpaid costs of reproduction or maintenance or sustainable management of the renewable resources that have been exported;
- actualized costs of the future lack of availability of destroyed natural resources;
- compensation for, or the costs of reparation (unpaid) of the local damages produced by exports (for example, the sulphur dioxide of copper smelters, the mine tailings, the harms to health from flower exports, the pollution of water by mining), or the actualized value of irreversible damage;
- (unpaid) amount corresponding to the commercial use of information and knowledge on genetic resources, when they have been appropriated gratis ('biopiracy'). For agricultural genetic resources, the basis for such a claim already exists under the FAO's Farmers' Rights.

In the second, he cites 'lack of payment for environmental services or for the disproportionate use of Environmental Space':

- (unpaid) reparation costs or compensation for the impacts caused by imports of solid or liquid toxic waste;
- (unpaid) costs of free disposal of gas residues (carbon dioxide, CFCs, etc), assuming equal rights to sinks and reservoirs.

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16 Martinez-Alier elaborates with examples of ecological debt that are never factored into standard trade and investment regimes: 'nutrients in exports including virtual water… the oil and minerals no longer available, the biodiversity destroyed. This is a difficult figure to compute, for several reasons. Figures on the reserves, estimation of the technological obsolence because of substitution, and a decision on the rate of discount are needed in the case of minerals or oil. For biodiversity, knowledge of what is being destroyed would be needed.' Some of these cases are considered in the discussion earlier concerning depletion of natural capital. See also <http://www.deudaecologica.org>.

> These aspects of ecological debt defy easy measurement. Each part of the ecological balance sheet is highly contested, and information is imperfect. As Martinez-Alier shows in other work, tropical rainforests used for wood exports have an extraordinary past we will never know and ongoing biodiversity whose destruction we cannot begin to value. However, he acknowledges, 'although it is not possible to make an exact accounting, it is necessary to establish the principal categories [of ecological debt] and certain orders of magnitude in order to stimulate discussion' (Martinez-Alier, 1998).

The sums involved are potentially vast. Vandana Shiva and Tandon estimate that biopiracy of 'wild seed varieties have contributed some $66 billion annually to the US economy'[17]. Moreover, in the case of CO2 emissions, according to Martinez-Alier,

> Jyoti Parikh (a member of the UN International Panel on Climate Change) [argues that] if we take the present human-made emissions of carbon, the average is about one tonne per person per year. Industrialized countries produce three-fourths of these emissions, instead of the one-fourth that would correspond to them on the basis of population. The difference is 50% of total emissions, some 3000 million tons. Here the increasing marginal cost of reduction is contemplated: the first 1000 million tons could be reduced at a cost of, say, $15 per ton, but then the cost increases very much. Let us take an average of $25: then a total annual subsidy of $75 billion is forthcoming from South to North[18].

Excess use of the planet's CO2 absorption capacity is merely one of the many ways that the South is being exploited by the North on the ecological front. Africans are most exploited in this regard because non-industrialized economics have not begun to utilize more than a small fraction of what should be due under any fair framework of global resource allocation. The amounts involved would easily cover debt repayments.

A final way in which Africa's wealth is depleted is via skilled labour migration. This problem has become important, even if it is slightly mitigated by the inflow of migrant remittance payments to families at home. Approximately 20,000 skilled workers leave Africa each year. The World Bank's estimate of the share of Africa's skilled workers with a tertiary education who emigrate is more than 15%, higher than any other region. It is true that remittances from both skilled and unskilled labour flow back to Africa as a result, and in some cases represent an important contribution to GDP. But as the World Bank concedes,

17 <http://www.globalpolicy.org/socecon/develop/devthry/well-being/2000/tandon.htm>.

18 Martinez-Alier cites Parikh, J. K. (1995).

there are extremely high transaction costs (sometimes 20%) imposed upon the small sums that are transferred by migrants. For this reason, a great deal of migration-related inflows to Africa have become informal in nature, via black market systems, and in turn, once the flows reach their home destination, further problems often emerge, according to Sarah Bracking:

> While money sent from the 'other side' has a beneficial effect on close kin, remittances can also undermine the purchasing power of those households without migrating members. This is in part a result of asset price inflation, and in part due to the inflationary effects of parallel currency markets. The situation for those excluded from benefiting from foreign currency inputs is aggravated by chronic scarcity in the availability of consumables" (Bracking, 2003: 633).

The progressive position on migration has always been to maintain support for the 'globalization of people' (while opposing the 'globalization of capital') and in the process to oppose border controls and arduous immigration restrictions, as well as all forms of xenophobia. In October 2005, North Africans were expelled from the Moroccan-Spanish border at Granada by lethal force, and the supposedly progressive Zapatero regime announced it would build the equivalent of Israel's notorious apartheid wall at the border. It was, according to Slavoj Žižek, just another symptom of Fortress Europe:

> A couple of years ago, an ominous decision of the EU passed almost unnoticed: a plan to establish an all-European border police force to secure the isolation of the Union territory, so as to prevent the influx of the immigrants. *This* is the truth of globalization: the construction of *new* walls safeguarding the prosperous Europe from a flood of immigrants…
>
> The segregation of the people is the reality of economic globalization. This new racism of the developed world is in a way much more brutal than the previous one. Its implicit legitimization is neither naturalist (the 'natural' superiority of the developed West) nor culturalist (we in the West also want to preserve our cultural identity). Rather, it's an unabashed economic egotism - the fundamental divide is the one between those included into the sphere of (relative) economic prosperity and those excluded from it[19] (Žižek, 2005).

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19 Žižek continues, 'It is thus becoming clear that the solution is not "tear down the walls and let them all in," the easy, empty demand often put forth by soft-hearted liberal "radicals." Rather, the real solution is to tear down the true wall, not the police one, but the social-economic one: To change society so that people will no longer desperately try to escape their own world.'

According to Yash Tandon and the UN Development Programme, there is a substantial 'loss of revenue on account of blockage on the free movement of people', which they estimated to amount to at least $25 billion annually during the 1980s. But setting such numbers aside, in migration and many other forms of North-South power, it is also important to recognize an important basis for superexploitation within patriarchal power relations. In many (though not all) cases, women face such disempowering conditions across Africa that political-economic and human-environmental systems permit the processes discussed above –debt/finance, trade, investment and labour migration– to maintain inordinately high rates of exploitation.

Conclusion: From looting to liberation

The looting of Africa dates back many centuries, to the point at which value transfers began via appropriation of slave labour, antiquities, precious metals and raw materials. Unfair terms of trade were soon amplified by colonial and neocolonial relations. These processes often amounted to a kind of 'primitive accumulation', by which capital of Northern countries grew by virtue of looting Africa. This was not a once-off set of problems, solved by the 1950s-90s independence struggles. In recent decades, wealth extraction through imperialist relations has intensified, and some of the same kinds of primitive looting tactics are now once again evident. Moreover, key causes of Africa's underdevelopment since the early 1980s can also be identified within the framework of *neoliberal* (free market) policies adopted nearly universally across the continent and indeed the world, in part thanks to the emergence of local allies of the North within African states.

The mainstream impression –e.g., Tony Blair's Africa Commission– is mistaken when citing what appears as a vast inflow of aid, for more than 60% –so-called 'phantom aid'– is redirected backwards to the donors or otherwise misses the mark in various ways. Instead of a sustainable level of debt service payments, as claimed by those supporting the elites' limited debt relief schemes, Africa's net financial accounts went negative during the 1990s. And although remittances from the African Diaspora now fund a limited amount of capital accumulation, capital flight is far greater. At more than $10 billion/year since the early 1970s, collectively, the citizens of Nigeria, the Ivory Coast, the DRC, Angola and Zambia have been especially vulnerable to the overseas drain of their national wealth. In addition to the lifting of exchange controls, a major factor during the late 1990s was financial deregulation. In South Africa, for example, financial liberalization included the relisting of the primary share-issuing residence of the largest South African firms: from Johannesburg to London.

Likewise, trade liberalization has, according to Christian Aid, cost Sub-Saharan Africa $272 billion since the early 1980s. Trade is especially difficult to rely upon for growth, given that agricultural subsidies accruing to Northern farmers rose from the late 1980s to 2004 by 15%, to $279 billion, mainly benefiting large agro-corporate producers. Flows of people –a veritable brain drain– have also been formidable, but the value of wealth lost to the process is incalculable, given that more than 15% of Africa's best-educated professionals now live abroad.

Non-financial investment flows are driven less by policy –although liberalization has also been important– and more by accumulation opportunities. Foreign Direct Investment to Sub-Saharan began rising in the late 1990s after two decades of stagnation. But the vast bulk of investments were accounted for in two major processes: South African capital's changed domicile, and resurgent oil investments (especially in Angola and Nigeria).

In the latter cases, a report by the World Bank acknowledges stagnant and net negative 'genuine savings' in countries with high resource dependence and low capital accumulation. Moreover, much of Africa –including South Africa– has been victimized by privatization-related foreign investment. Transparency International blames part of the 'disappointment in many African countries' upon corruption. Other forms of corruption occur through tax fraud and transfer pricing. Ecological debt that the North owes the South, especially Africa, is also vast. Only some of these factors are incorporated in the alternative accounting systems of the World Bank and other ecological and social indicators such as Redefining Progress (which to be fair doesn't specify country-level data in sites like Africa).

In response, progressive African activists and allied intellectuals should be increasingly capable of building upon their citizenries' profound skepticism of ruling elites. According to *Afrobarometer* polls and the *World Values Survey,* 'Africans care about equity and public action to reduce poverty. They are less comfortable with wide wealth differentials, and have a strong commitment to political equality. About 75% of the respondents agree that African governments are doing too little for people trapped in poverty' (World Bank, 2005b: 5). The challenge will be to establish not only alternative conceptions of poverty and inequality so that the broader structural processes of accumulation by dispossession are clear –but also a different approach to public policy and politics.

Those conceptions are not limited to a set of policy reforms (though such can be provided whenever necessary, drawing upon real experiences in history and across the contemporary world). Most importantly, the solution to the looting of Africa is to be found in the self-activity of progressive Africans themselves, in their campaigns and declarations, their struggles –sometimes victorious but still mainly frustrated– and their hunger for an Africa which can finally throw off the chains of an exploitative world economy and a power elite who treat the continent without respect.

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