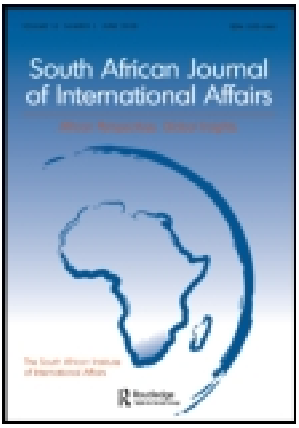
This article was downloaded by: [University of Sussex Library]
On: 20 August 2013, At: 04:12
Publisher: Routledge
Informa Ltd Registered in England and Wales Registered Number: 1072954 Registered office: Mortimer House, 37-41 Mortimer Street, London W1T 3JH, UK



South African Journal of International Affairs
Publication details, including instructions for authors and subscription information:
http://www.tandfonline.com/loi/rsaj20

Emerging powers in Africa: Is Brazil any different?

Lyal White [a]
[a] Gordon Institute for Business Science, University of Pretoria, South Africa
Published online: 24 Apr 2013.

To cite this article: Lyal White (2013) Emerging powers in Africa: Is Brazil any different?, South African Journal of International Affairs, 20:1, 117-136, DOI: 10.1080/10220461.2013.781257

To link to this article: http://dx.doi.org/10.1080/10220461.2013.781257

PLEASE SCROLL DOWN FOR ARTICLE

Taylor & Francis makes every effort to ensure the accuracy of all the information (the "Content") contained in the publications on our platform. However, Taylor & Francis, our agents, and our licensors make no representations or warranties whatsoever as to the accuracy, completeness, or suitability for any purpose of the Content. Any opinions and views expressed in this publication are the opinions and views of the authors, and are not the views of or endorsed by Taylor & Francis. The accuracy of the Content should not be relied upon and should be independently verified with primary sources of information. Taylor and Francis shall not be liable for any losses, actions, claims, proceedings, demands, costs, expenses, damages, and other liabilities whatsoever or howsoever caused arising directly or indirectly in connection with, in relation to or arising out of the use of the Content.

This article may be used for research, teaching, and private study purposes. Any substantial or systematic reproduction, redistribution, reselling, loan, sub-licensing, systematic supply, or distribution in any form to anyone is expressly forbidden. Terms & Conditions of access and use can be found at http://www.tandfonline.com/page/terms-and-conditions

South African Journal of International Affairs, 2013
Vol. 20, No. 1, 117–136, http://dx.doi.org/10.1080/10220461.2013.781257

Routledge
Taylor & Francis Group

Emerging powers in Africa: Is Brazil any different?

Lyal White*

Gordon Institute for Business Science, University of Pretoria, South Africa

Africa's economic rise and growing prosperity over the past decade has attracted the attention of investors, development agencies and governments from across the globe. Brazil has joined this charge of established and emerging powers in Africa. Recent activities across the continent and the development of certain bilateral agreements suggest an alternative approach from other emerging powers in Africa, underpinned by development cooperation between Brazilian and African partners in key sectors. The 'Brazilian way', building on its positive image in Africa – primarily through development cooperation – while accumulating core commercial and strategic assets, appears to be aiming at sustainable engagement with long-term objectives. The explicit role of business in Brazil's development agenda in Africa sets it apart from traditional European and US counterparts, which have typically relied on donor-led aid and development. However, criticism has also crept in around Brazil's general reluctance to use its influence and commercial leverage to push for greater democratic freedoms in some of the African countries where it operates. While Brazil's commercial interests on the African continent are slightly different from commodity-starved players like India and China, which are explicitly reliant on extractive motives linked to price and efficiency, the question remains, 'Is Brazil's interest and engagement with Africa any different from the rest?'

Keywords: Brazil; Africa; emerging powers; development

Downloaded by [University of Sussex Library] at 04:12 20 August 2013

Introduction

Africa's growth and development prospects in recent years have captured the attention of investors and new development partners around the world. While traditional partners in the North and West (Europe and the US) remain salient actors in Africa, new players from Asia and Latin America are increasing their share of trade and investment – as well as political and developmental engagement with Africa – at a rapid pace. Leading this charge are new emerging powers like China, India and Brazil; others, like South Korea, Turkey and Argentina, are increasingly also part of this drive. These players are bringing with them a new era of rivalry on the African continent. They are also introducing nuanced approaches to business and development that, while still poorly understood, appear likely to shape African and leading global economies for years to come.

Brazil can claim a specific approach to engaging with Africa based on history, current political and economic power dynamics, and future trajectories. This is especially relevant as Brazil emerges as a global economic power and leader of the

*Email: whitel@gibs.co.za

© 2013 The South African Institute of International Affairs

developing South, and as Africa grows into an important commercial resource and collective political partner.

Brazil may trail behind the likes of China, India and South Africa in trade and investment flows in Africa in terms of the magnitude of numbers, but it is clear that, since 2002, Brazil has made Africa a key priority in its global outlook.[1] This is a decisive shift from decades of largely empty emotive gestures that drew on historical linkages, but lacked clear political and economic commitment. In more recent years, the Brazilian agenda in Africa has become more established, and has begun delivering key tangibles for Brazilian investors as well as development outcomes across the continent in a diverse array of sectors from agriculture, energy and healthcare, to public policy and vocational training.

The 'Brazilian way' of conducting business and promoting development in Africa was started under the leadership of former President Luis Inacio 'Lula' da Silva (2002–2010), by building on historical, mostly cultural, linkages and expanding these in terms of substance and intensity, with pronounced economic and development tangibles. The transition from Lula to President Dilma Rousseff in January 2011 has maintained significant continuity around Brazil's long-term strategy in Africa, with an increased focus on certain initiatives and policies under President Rousseff.

Brazil's engagement with Africa has entailed a three-pronged pursuit of political diplomacy, strategic commercial interests and development cooperation. However, it is the country's emphasis on a specific approach to development that distinguishes it from other emerging powers in Africa. Brazil's approach to business and development in Africa is somewhat unique when compared with new players like China[2] and India – and even traditional partners like the US and Europe. This is due to the seamless link Brazil has encouraged, or even manufactured, between business interests and development initiatives. Commercial players from Brazil have become important as active role players in development across the African continent, and development has become part of Brazilian firms' sustainable commercial interests.

Such an approach, by bringing together these three areas of engagement under the 'Brazilian way' in Africa, mark a new era of policy coherence between a range of traditional external actors from Brazil, ranging from Itamaratuy (or the Brazilian Foreign Ministry) to commercial players like Vale, Odebrecht and Petrobras, and development partners like the Brazilian Agricultural Research Corporation (EMBRAPA) and the Brazilian National Development Bank (BNDES), along with Brazil's investment incentive programmes that have supported Brazilian activities in Africa since the early 2000s.[3]

This approach differs from the US and European approach of donor-led development, which has been kept clearly separate from commercial investments. While policies and trade agreements like the African Growth and Opportunities Act in the case of the US and the Trade and Development Cooperation Agreement in the case of the EU, have aspired to the notion of 'development through trade' by granting preferential market access to African producers, US and European firms do not actively engage or undertake specific development projects in conjunction with donor agencies. Commercial activities and development aid have typically remained separate from each other.

Brazil's approach to Africa may be interpreted as the combination of self-interest with an increasing sense of responsibility as an emerging global leader.[4] Apart from Brazil's growing role in Africa, it is increasingly evident that the continent forms a crucial part of Brazil's next phase of industrial development – in sectors like mining,

Downloaded by [University of Sussex Library] at 04:12 20 August 2013

energy and agriculture – and more broadly in its global political and economic aspirations. However, it should also be emphasised that, unlike counterpart powers from Asia – notably India and China – Brazil is not completely reliant on Africa's raw commodities for its growth and industrialisation. Brazil has one of the richest endowments of metals, minerals and energy reserves in the world. Brazil, like Africa, is a major exporter of these commodities. This directly impacts on its approach to Africa.

In understanding Brazil's new drive in Africa, it is important to contextualise it alongside the other emerging powers vying for commercial and political influence across the continent.

The 'rise of the rest' in Africa

Africa is an important commercial partner for rapidly industrialising Asian economies in need of commodities to fuel their development and feed their growing populations. It is also an important partner for Latin American countries seeking to advance and diversify their industrial development while pursuing new markets and scalable production opportunities to meet the growing demand for energy and other resources in global markets.[5]

Trade and investment between African countries and new emerging markets has improved markedly in recent years. The original BRICS countries – Brazil, Russia, India and China (the formation now includes South Africa, since 2010) – tend to lead the charge. Trade between Africa and these four nations increased from just 1% of Africa's total trade in 2000 to more than 20% of total trade by 2012. Unsurprisingly, China is ahead of the rest, and is Africa's largest trading partner. Total trade between China and the African continent reached more than $120 billion in 2011. While Africa's trade with India and Brazil has grown around 7-fold since 2000, each still represents just a quarter and a fifth, respectively, of Chinese trade with the continent.[6]

Investment growth has followed a similar trend, drawing in companies from a diverse array of industries and geographies from these regions. Foreign direct investment (FDI) stock from the BRICS nations in Africa is expected to double in the next five years to 2017. It is still largely focused on resource extraction. In 2010, for example, Brazil was responsible for nearly 30% of mining investments in Africa followed by China (13%), Australia (10%) and South Africa (9%).[7] However, there is growing diversification within national portfolios, particularly seen in investment from India, which has grown strongly in the areas of telecommunications, services and manufacturing.

While FDI figures are notoriously difficult to measure, in 2012 China's FDI in Africa reportedly stood at about $50 billion, India's at about $30 billion and Brazil's at around $20 billion, with investments that, in each case, had grown at a rate of 50–80% per year over the previous decade.[8] It should also be noted that China's loan portfolio to African countries far outweighs its actual investments. According to a Fitch Ratings report released in December 2011, the largest Chinese lenders to Africa are China's Export–Import Bank (EXIM) and the China Development Bank. It estimates that between 2001 and 2010, China's EXIM loans to Sub-Saharan Africa reached $67.2 billion, overtaking World Bank lending of $54.7 billion to Africa for the same period.[9] Brazilian development and commercial banks have started following a similar trend in recent years – with a surge in credit lines to certain

Downloaded by [University of Sussex Library] at 04:12 20 August 2013

African countries and specific projects – but at far lower levels than their Chinese counterparts.

Trade and investment are, of course, between companies and not necessarily countries. In this regard, there are a few key firms vying for opportunities in Africa, ranging from mining, construction and infrastructure to oil, gas and telecommunications. They are the pistons on the ground in Africa, driving the new agendas of their home countries.

The flagship of Brazilian corporations is Petrobras, Brazil's state-owned oil and gas company, which is exploring the entire western seaboard of Africa. Its \$250 billion market capitalisation value makes it the largest company in the southern hemisphere. It is well placed to develop deepwater oil reserves around Africa, given its expertise from across the Atlantic, where it is spearheading the move into offshore pre-salt oil and gas deposits.

Vale, another Brazilian giant and the world's second largest mining company by market capitalisation after BHP Billiton, is quickly becoming a household name in Africa's corporate world as it ploughs ahead with mega-projects in Guinea (iron ore) and Mozambique (coal). Vale is at the heart of an economic boom in Mozambique's Tete province, where the massive Moatize coal mine is spinning off a number of related industries. Vale's Moatize project has also brought about challenging political negotiations around infrastructure development, sustainable economic activities and the social implications of these major new developments in one of Mozambique's poorest regions, as will be discussed further below.[10]

By 2012, Vale's total investments in Africa exceeded \$4 billion and continued to grow as the company sought investments elsewhere on the continent. It is building a copper mine in Zambia and looking for opportunities in the Democratic Republic of Congo (DRC), Gabon and others. The company plans to invest over \$12 billion in Africa by 2016.[11]

Another Brazilian company with a long history in Africa is diversified multinational Odebrecht, the construction and engineering company with interests in energy, agriculture and even retail. Odebrecht is the largest construction firm in Mozambique, working with Vale on the Moatize coal project, and one of the top four construction players in Africa. With more than 30 years of experience in Angola, Odebrecht is the largest private sector employer in that country. However, its interests lie well beyond Lusophone Africa and it has championed projects in Liberia, Libya and Djibouti, to name just a few. In 2011, Odebrecht opened a regional office in South Africa to gain better access to new markets in Southern and East Africa.

Chinese companies tend to fall under the umbrella of state-run oil and gas companies or financial institutions, working closely with each other on projects. Flush with capital, they have built their political leverage in Africa through historical liberation-era ties and substantial financial packages for investment in infrastructure, resources, telecommunications and other sectors. The big players include China National Offshore Oil Corp, EXIM Bank, China Steel and the Industrial and Commercial Bank of China. The latter is the largest bank in the world and acquired a 20% stake in South Africa's Standard Bank for \$5.5 billion in 2007.

Chinese brands are generally not well known in Africa, but telecommunications equipment manufacturer Huawei is an exception. This global company, which employs more than 110,000 people worldwide (Africa included), appears to have prioritised the continent in terms of product development, manufacturing and

Downloaded by [University of Sussex Library] at 04:12 20 August 2013

Downloaded by [University of Sussex Library] at 04:12 20 August 2013

market access. In 2011, it invested over 11% of its turnover in research and development in Africa, showing its commitment to a long-term presence on the continent.[12]

Indian companies have a long tradition of commercial ties with Africa and represent some of the largest investments in Africa in recent years – they are associated with a greater number of projects than China, albeit mostly smaller ones. Their interests are multisectoral, covering services, pharmaceuticals, telecommunications, mining, infrastructure and energy. Companies such as Essar and Tata have a long track record in Africa and their footprint continues to broaden. In 2010, Bharti Airtel's acquisition of mobile phone company Zain's assets in 15 African countries for $10.7 billion in 2010 marked a new dawn for Indian corporate interests in Africa.

Emerging market companies were, until recently, relatively unknown outside their home countries. Today they are global players that are playing a role in shaping Africa's new economic landscape and are rapidly becoming household names. While these companies have a significant collective impact in Africa and do share some similar attributes and ambitions, they are often competing with each other.[13] Their strategies and approaches also differ from each other and tend to carry a certain national culture or orientation. This often helps distinguish between the companies from the various countries.

In this respect, while the Brazilian firms are as competitive and as interested in healthy profits as their Chinese and Indian counterparts, they have explicitly pursued an agenda in line with the foreign policy of their home country. They, for instance, adopt a developmental orientation in which, relative to China and India, they employ a larger contingent of local labour and claim to adopt a longer-term and more sustainable outlook. These practices seek to place Brazilian firms' activities within the socioeconomic development imperatives of the locations in which they are operating.[14]

Among emerging powers, this stands in stark contrast to the Chinese approach, which seeks to maintain high levels of efficiency at low cost, and shows seemingly scant regard for long-term development priorities in the African markets in which they operate. Brazilian firms operate with an explicit link to development in their investment strategy and their talent management.[15]

Brazilian interests have, however, been criticised for their lack of commitment to the promotion of more inclusive policies – or, more plainly, their poor regard for inclusive democracy – in some of the countries where they are a significant investment partner. This fits the mould of other new powers in Africa, like India and most notably China. Such a non-interventionist claim arises from Brazilian foreign policy, steeped as it is in the 'autonomy through diversification' motto.[16] This pattern, however, contradicts Brazilian ambitions as an emerging power and a moral leader of the South. Brazil, like other state or corporate players, is being confronted with the implications of its growing investments and influence in countries like Angola and Mozambique – the social and political ramifications associated with the Vale's Moatize project offer a recent example.

The social and environmental impact of the large-scale railway link between Moatize and Nacala has been and remains the source of much controversy, both within Mozambique and internationally. Both Vale and the local authorities handled poorly the initial displacement of local farmers in Tete province: in addition to inadequate infrastructure, housing and transport, they were relocated far from the markets where they sell their produce. Violent unrest and protests followed. While the immediate concerns seem to have been quickly addressed by Vale and the Mozambican government, the incidents did highlight a number of important issues resulting from Vale's approach to new projects in Africa.[17]

While it is still too early to tell how Brazil's specific model will translate in African contexts, one must note that the local content goals and other efforts to develop recipient economies do point to a much more coherent engagement between Brazil and partner countries in Africa. Such an approach uses private and public firms as instruments of Brazilian foreign policy and development, and if executed effectively could be enormously beneficial to both Brazil and Africa over the long term.

Downloaded by [University of Sussex Library] at 04:12 20 August 2013

Brazil's trajectory in Africa

Brazil's relations with Africa span a period of 200 years, but it is since the presidency of Lula that a more robust relationship has developed. Historical linkages through the slave trade in the 17^{th} century resulted in Brazil boasting the largest black population in the world outside of Africa. According to the 2010 census, over 50% of Brazilians claim direct African ancestry. Such a cultural connection should not be underestimated as a potential ground for deeper political and economic ties between Brazil and Africa – although it has admittedly done little to ignite closer ties in the past. Economic tangibles may yet fuel a common cultural and political agenda, while a common cultural orientation provides the necessary starting point and emotive reference for deeper economic, political and developmental engagements.

Even though Brazil is home to one of the largest African diasporas, it has historically focussed almost exclusively on Lusophone Africa. Such cultural – and subsequently political – connections are believed to have paved the way for strategic Brazilian investments in resource extraction after independence. Brazil had already recognised Lusophone states like Guinea-Bissau and Cape Verde even before they formally became independent. In 1975 Brazil also established relations with Mozambique and became the first 'Western' government to recognise the MPLA (Movimento Popular de Libertação de Angola) in post-independence Angola. A Brazilian construction firm, Odebrecht, took advantage of the diplomatic gesture and set up an office in Luanda in the early 1980s, despite the on-going civil war. Such initiatives paved the way for other Brazilian companies to find a preferential footing in what is currently one of Africa's fastest growing markets.[18]

Brazil–Africa relations ebbed and flowed between diplomatic malaise and gestures of good will throughout the late 1980s and 1990s. Beyond inter-regional forays through Mercosur,[19] little serious engagement occurred until 2003 when the IBSA (India, Brazil, South Africa) Forum provided the first real platform for constructive dialogue, knowledge sharing and development. The BRICS summits offered another opportunity for Brazil and South Africa, at least, to discuss market access as well as to build a strong collective voice in global agenda setting.

The specific nature of Brazil's interactions with Africa also stems from the characteristics of its own success story. Brazil's dramatic turnaround from macroeconomic instability and poorly managed monetary and fiscal policies to broad-based socioeconomic success is well documented. The country may not have enjoyed Chinese rates of growth in recent years – with the exception of 2010 when the Brazilian economy grew by an impressive 7.5% – but more people are employed, FDI has surged, fewer people are below the poverty line, more are joining a growing middle class and per capita income grew as much at 1.8% above gross domestic product (GDP) growth between 2003 and 2009.[20] This has helped narrow the inequality gap, long seen to be the Achilles heel of development.[21]

Apart from demonstrating great success in various social development programmes, Brazil has over the years implemented innovative reforms that have boosted agriculture and opened new avenues for energy production and consumption. Today Brazil is also the third largest exporter of food in the world (after the European Union and the US) – with substantial increases recorded particularly in the last 10 years.[22] It has emerged as the largest exporter of beef – recording a 10-fold increase over the same period – chicken, sugar cane, ethanol, orange juice and coffee. It is, after the US, the second largest exporter of soybeans.[23] These developments are in stark contrast with the status quo in Africa where, despite roughly 60% of the population depending on agriculture, the continent remains by and large a net food and energy importer.[24]

The Brookings Institute, in a 2009 publication, described Brazil as 'reaping the benefits of its legacy of policies',[25] a statement that invites some clarification. The protectionist policies implemented in Brazil during the 1960s, 1970s and 1980s were originally designed to build self-sufficiency and to empower the state through a large and controlling public sector. Contrary to the dominant assumptions at the time, these state-owned enterprises were viable and set the basis for today's internationally competitive and technologically superior Brazilian multinational corporations and development agencies. Before Brazil's privatisation drive during the 1990s, 38 of Brazil's 100 largest firms were still government-owned. Government-controlled Petrobras is still widely regarded as the largest company headquartered in the southern hemisphere.[26]

Although a large body of literature once described the state-led development policies adopted by Brazil decades ago as 'costly and counterproductive',[27] it is these very policies that have actually set the foundations for Brazil's outward-looking business and political leadership. These policies have also contributed to the acquisition of a competitive advantage in sectors like agribusiness, biofuels (bioethanol in particular) and resource extraction, which are now being exported around the world – and especially to Africa. Brazil has become a case for a progressive brand of 'state capitalism' that challenges conventional 'neoliberal' capitalism. Many of the key actors behind 'state capitalism' in Brazil are also those who have been drivers in promoting investment and development in Africa.

To be sure, the model in Brazil is slightly different and does not fit any rigid template of 'state capitalism' per se, especially in the context of the internationalisation of Brazilian interests. This shows that the Brazilian approach, especially in the African context, may be more of a combination of 'state capitalism' and 'enterprise-led development' with key strategic commercial interests. We see this, in particular, through the financial support and credit lines offered to provide incentives to Brazilian companies entering and operating in Africa.

In addition to this, Brazil has, through the years, acquired high levels of technocratic and bureaucratic skills geared towards innovative social programmes and broad-based development.[28] These skills and programmes are often collectively referred to by Brazilians as 'social technology', and form part of the exports, viewed holistically, from Brazil to Africa. This is a dimension of Brazilian internationalisation that transcends various sectors relevant to both social and commercial development.

Downloaded by [University of Sussex Library] at 04:12 20 August 2013

Ultimately, Brazil's protectionist policies from the 1960s to 1980s, while they were designed for internal sustainability and not to build global competitiveness, have had the consequence of creating a competitive advantage in a range of commercial and social sectors particularly relevant to Africa. This experience informs Brazil's engagement with the continent today.

Brazil's integrated Africa strategy

Brazil's re-engagement with Africa has taken on a distinctive three-pronged approach. Overt political diplomacy was championed at the highest level throughout the Lula presidency and has been carried on by President Rousseff, along with the promotion of commercial investments especially in resources, construction and, more recently, agriculture, and development cooperation. This has involved key areas like healthcare, agriculture and technical training or 'social technology'.[29] These are inter-related and offer a useful strategic map of Brazil's engagement with the continent.

The intensification of diplomatic initiatives

President Lula single-handedly changed the face of Brazil's international engagement and multilateral activism during his two terms in office (2003–2011). Under Lula, Brazil reprioritised the developing South through various multilateral forums. Nowhere was such an emphasis more apparent than in Africa, which received special attention and unprecedented visits during the Lula presidency.

During his eight years in office, Lula visited no less than 21 African countries in 12 separate missions (Table 1). Brasilia, meanwhile, received 47 African heads of state from 27 nations during this time.[30] By 2012 Brazil had 37 diplomatic representations across the continent (these doubled in number during Lula's tenure) – almost as many as South Africa's 41. These efforts have contributed to the dissemination of a Brazilian soft power across the continent. African leaders and citizens alike seem receptive to Brazilian advances and development assistance, as seen for example in the ease of access and privileged status granted to Brazilian contractors and development plans. At the same time, Brazil covets the support of African leaders for Brazil's grand plans of global governance reform. This is evident in the United Nations, where Brazil is vying for a permanent seat on the UN Security Council, but also in collective action in forums like the World Trade Organization and the G20, where Brazil has also been relying on the vote and support of African states.[31]

Trade and investment: Brazil's multinational corporations as drivers

Brazil is still, in Africa, a far smaller trade and investment partner than China. Commercial flows between Brazil and the continent are, however, on the increase and look set for substantial growth in years to come. China's total trade with Africa (over $120 billion at present), eclipses that of Brazil,[32] but the rate of growth of trade relations between Brazil and Africa is the second highest of the four original BRICS countries with Africa: trade has increased 6-fold from $4.2 billion in 2000 to $27 billion in 2011, while Africa's share of Brazil's external trade also doubled during

Downloaded by [University of Sussex Library] at 04:12 20 August 2013

Table 1. African countries visited by Brazilian presidents, 2000–2010

Year	Visited countries
2000	Mozambique
2001	None
2002	None
2003	São Tomé and Príncipe, Angola, Mozambique, Namibia, South Africa, Egypt and Libya
2004	São Tomé and Príncipe,Gabon and Cape Verde
2005	Cameroon, Ghana, Nigeria, Guinea-Bissau and Senegal
2006	Algeria, Benin, Botswana, South Africa and Nigeria
2007	Burkina Faso, Congo, South Africa and Angola
2008	Ghana and Mozambique
2009	Libya
2010	Cape Verde, Equatorial Guinea, Kenya, Tanzania, Zambia, South Africa and Mozambique

Source: Prepared by Institute of Applied Economic Research (IPEA) in Brazil and the Brazilian Ministry of Foreign Affairs.

Downloaded by [University of Sussex Library] at 04:12 20 August 2013

these years (Figure 1). Trade figures dropped as a result of the financial crisis in 2009–2010, as total trade barely reached $20 billion. However, since 2011 the upward trend has resumed, surpassing the previous peak in 2008.[33] Africa now accounts for roughly 9.5% of Brazil's total world imports, while exports to Africa represent about 5.5% of Brazil's total exports. The trade balance is in Africa's favour, and Africa as a whole is Brazil's fifth largest trade partner.[34]

Brazil's trade with Africa is still dominated by oil.[35] Nigeria is Brazil's largest trade partner in Africa, with oil exports from that country totalling $6.3 billion (or one-third of total Brazilian imports from Africa). Angola and Algeria, both large oil

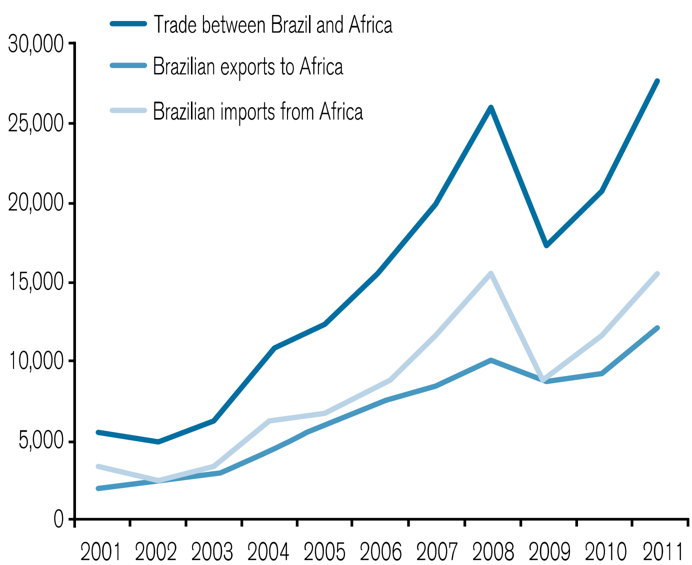


Figure 1. Brazil–Africa trade, 2001–2011 ($ billion).
Source: C. Stolte, 'Brazil in Africa: Just another BRICS country seeking resources?', Briefing Paper, Chatham House, November 2012.

producers, follow closely behind Nigeria. South Africa is the exception, but the balance is deeply in favour of Brazil.

Critics may argue that such expansion in trade is yet to translate into significant flows of FDI from Brazil into Africa. This overlooks the distinctive characteristics of Brazilian investments and projects. Brazilian companies are focused on Lusophone Africa and well established in their traditional sectors, namely resource extraction, engineering and construction. In 2010 Brazil was the largest investor in the African mining sector, ahead of leading players like China, South Africa and Australia. Large Brazilian companies like Vale and Petrobras are increasingly active in new markets across the continent. Odebrecht, the mega-construction and engineering company, is the largest private sector employer in Angola, for instance, active in diverse sectors ranging from construction and supermarkets to food and ethanol production.

Investment and the activities of the emerging Brazilian multinational corporations tell a slightly different story to that of simply trade. While Brazilian investments in Africa total a modest less than $20 billion (vs China's $50 billion), the players concerned are clearly in it for the long haul.

Odebrecht has been in Angola for close on 30 years, as noted earlier, arriving shortly after Brazil became the first Western government to recognise the MPLA in 1975. Its first major project was the construction of the Capanda dam in 1984. Since then the company has taken on a range of similar such projects in the DRC, Gabon, Mozambique, Djibouti, Liberia, Libya and Botswana. It has diversified into various other sectors (beyond construction and engineering), most recently agribusiness and biofuels. In Ghana the firm has been supported by credit lines provided by BNDES to develop the biofuels sector in West Africa. Apart from its long-term commitment to Africa, Odebrecht has also become known for its style of integration in the countries it enters, where it employs mostly locals. In Angola, for example, where it is the largest private sector employer, Angolans are firmly part of the management and leadership of Odebrecht in that country, so much so that it is now seen very much as a local company.[36]

Petrobras, the Brazilian state-owned oil company, has also been in Angola over a long period and now has blocs in Nigeria. In Angola, it recently extended its area of expertise to deep-water oil deposits off the coast of Luanda. It is currently focused on prospecting and extracting oil (especially deep sea-level) in Angola, Libya, Nigeria and Tanzania. It recently acquired a 50% stake in a 7400 square kilometre block off the coast of Benin and another 50% in a block off the coast of Namibia.

Vale, the second largest mining company in the world – and Odebrecht's largest private client – has become the most visible Brazilian operator in Africa. Its most significant project is the Moatize coal plant in Tete, Mozambique, noted earlier with regard to resettlement issues. Once those difficulties are addressed, it is expected to become one of the biggest coal mines in the world and Vale has already invested over $2 billion since 2004, following the completion of phase one of the mine in 2011, which produces around 11 million tons of coal. Vale will invest $4 billion more with the rolling out of phase two, which is expected to double production to 22 million tons as from 2014.

Apart from these significant greenfield operations in Mozambique – a first for Vale outside of Brazil – the company also bought an iron ore mine in Guinea Bissau in 2010 for $2.5 billion. Both Vale and Odebrecht have on-going operations in

Downloaded by [University of Sussex Library] at 04:12 20 August 2013

Downloaded by [University of Sussex Library] at 04:12 20 August 2013

Liberia, through which the iron ore from Guinea can be exported. This all forms part of Vale's grand strategy for Africa, for which it has announced a $15–20 billion investment in projects before 2015. Despite Roger Agnelli's departure from the helm in 2011, recent acquisitions in Zambia and the DRC indicate that the company is still committed to its developments on the continent. Meanwhile, Agnelli has launched a new firm, AGN, that is equally as committed to seeking opportunities in Africa through its investment arm B&A (Brazil and Africa). Agnelli still strongly believes the future of mining, agriculture and energy is in Africa.[37]

The activities and geographical spread of Brazilian companies in Africa have increased significantly since 2007 (see Table 2 and Figure 2). Companies like Petrobras, Odebrecht and even Vale have developed a long track record of traditional resource extraction and construction in Africa. Marcopolo, a manufacturer of buses, has established operations in South Africa (2000) and in Egypt (2008) in an effort to capitalise on the opportunities of Africa. Others companies, like Queiroz Galvão, Andrade Gutierrez and Camargo Correa have followed their home country competitors into the African market – some recently, like Camargo Correa (2006), others, such as Andrade Gutierrez, since the mid-1980s.

Table 2. Brazilian firms in Africa by industry and country[38]

Company	Industry	Country
Adeco Agropecuária	Sugar and ethanol	Mozambique
Andrade Gutierrez	Construction	
Aquamec Equipamentos Ltda	Water treatment	Algeria, Angola, Cameroon, Equatorial Guinea Bissau, Libya, Mauritania and DRC
Camargo Correa	Construction	Angola
Vale	Mining and metals	Angola, Morocco, Guinea Bissau, Mozambique and South Africa
Marcopolo S.A.	Bus manufacturing	Angola, Guinea, Mozambique and South Africa
Medabil	Construction materials	Egypt and South Africa
Odebrecht	Diversity of industries, mostly construction	Angola, Botswana, Djibouti, Guinea, Gabon, Liberia, Libya, Mozambique, DRC and South Africa
Petrobras S.A.	Oil and gas	Algeria, Angola, Equatorial Guinea, Libya, Madagascar, Mozambique, Nigeria, Senegal and Tanzania
Symnetics	Management consultancy	Angola
Volkswagen Caminhões e Ônibus	Bus manufacturing	South Africa
Weg S.A.	Electromechanical	Algeria, Angola, Botswana, Cameroon, Côte d'Ivoire, DRC, Ghana, Guinea, Kenya, Mauritania, Morocco, Mozambique, Namibia, Niger, Nigeria, South Africa, Togo, Tunisia, Zambia and Zimbabwe
Queiroz Galvão	Construction, oil and gas, steel	Angola, Libya

Source: Compiled by author based on information from De Freitas Barbosa A, T Narciso & M Biancalana, 'Brazil in Africa: Another emerging power in the continent?', *Politicon*, 36, 1, 2009, pp. 59–86, and 'Bridging the Atlantic: Brazil and Sub-Saharan Africa – South-South Partnering for Growth.' The World Bank and IPEA, 2011.

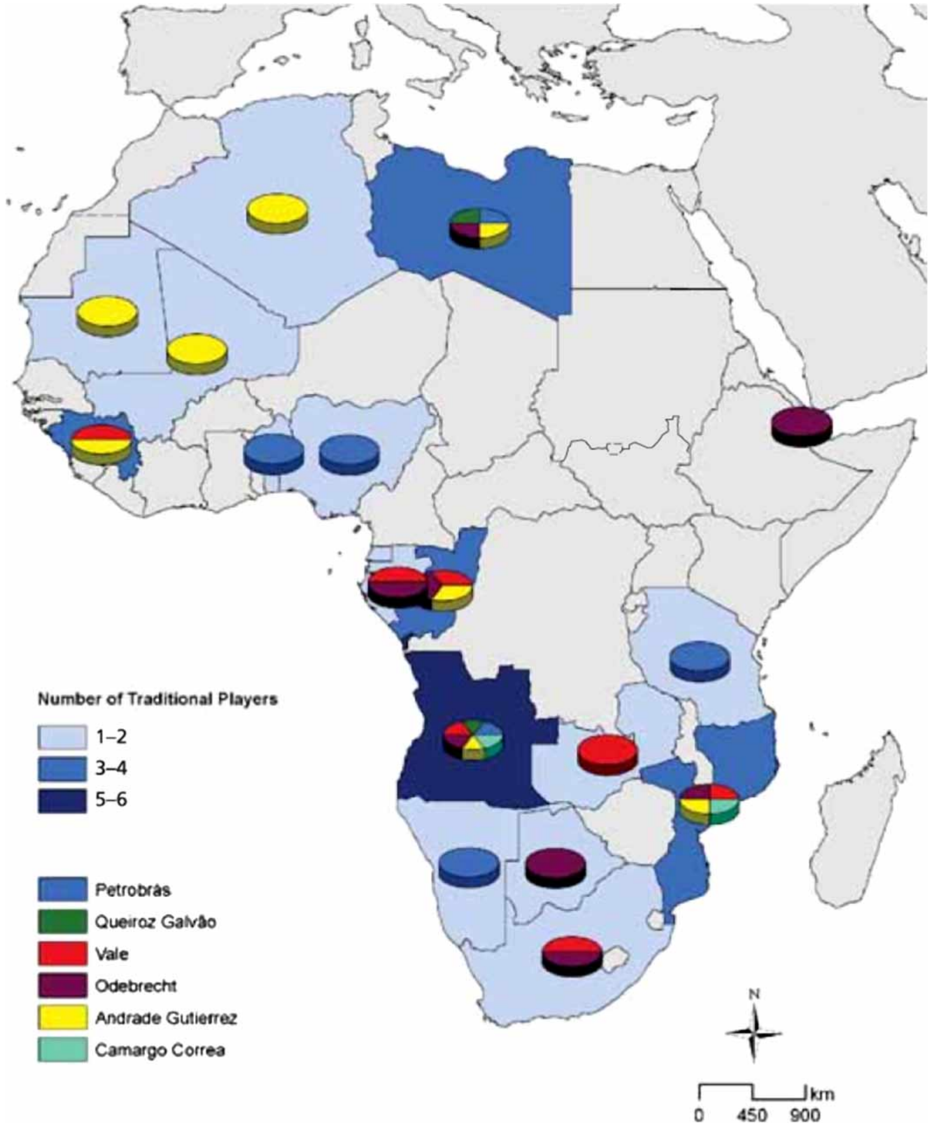


Figure 2. Brazilian companies in Africa (2010).
Source: IPEA/World Bank Study, 'Bridging the Atlantic: Brazil and Sub-Saharan Africa – South-South Partnering for Growth,' 2011.

Development cooperation

Brazil's various state agencies and development banks have offered modest support to Brazilian investments in Africa (modest when compared to China's support for Chinese investments). Brazilian aid and development cooperation, however, tends to be linked with private and public companies. For example, funding from the likes of BNDES and EMBRAPA increasingly provides credit to Brazilian firms eager to start new projects or to expand existing ones, especially in the areas of construction, agriculture and biofuels.

Downloaded by [University of Sussex Library] at 04:12 20 August 2013

BNDES, which has been instrumental in facilitating Brazil's export drive and the subsequent internationalisation of Brazilian firms through various incentive packages worldwide, has funded well over 30 infrastructure and ethanol projects undertaken by Brazilian companies in Africa. BNDES has extended over $5 billion of credit to Angola, Ghana and Mozambique for the development of agribusiness and bioethanol energy plants. These initiatives are most often undertaken in cooperation with Brazilian firms like Odebrecht and the Brazilian agricultural body, EMBRAPA.

BNDES has also offered incentives for Brazilian firms to export to Africa. In 2008 the programme disbursed about $265 million, which increased to above $360 million in 2009. These incentives are linked to the Brazilian Agency for the Promotion of Exports and Investment (APEX), which aims to diversify Brazilian exports to Africa, or within the framework of the Productive Development Policy, which promotes Brazil's national economic expansion. BNDES and APEX provide very particular incentives to increase exports to Africa (under the Programme for Integration with Africa).[39] Brazil, through such financial benefits and support towards exporting to Africa, has disbursed in excess of an estimated $1.5 billion in recent years.

Development cooperation is presented as the underpinning feature and principal driver of Brazilian foreign policy in Africa. Brazil's relative success in social development programmes in its own country has made it a primary exporter of 'social technology' to other developing countries. Being both a provider and recipient of technical cooperation has positioned it well as a development partner for African economies looking to replicate Brazil's success. Agriculture, energy and specialised areas of healthcare (like generic drug manufacturing and combatting the spread of HIV/AIDS) are specific areas of potential cooperation and learning for African countries.

Brazil remains a country that faces enormous socioeconomic challenges, but it can boast impressive results in combating HIV/AIDS and, more recently, reducing poverty and inequality through innovative social programmes; Brazil exudes a genuine solidarity in its assistance as an emerging development partner. Brazilian programmes – and Brazilians themselves – are particularly well received in African countries. Citizens and officials of recipient countries appear to interpret Brazil's development cooperation initiatives as having a social and political impetus, rather than a purely economic motive.[40] Clearer links between Brazilian government aid efforts in Africa and growing investment interests have emerged more recently as development cooperation has advanced into areas of technology transfers, infrastructure development, energy and agriculture, where the notion of enterprise-led development has become a strong driver of socioeconomic advancement.

Criticism has crept in regarding the 'Brazilian way' following the recent social unrest in Mozambique. There is also Brazil's general reluctance to use its influence with recipient governments to push for a higher degree of participatory democracy and a greater recognition of human rights, especially in countries like Angola, Mozambique, Guinea and, most recently, Sudan. This is in juxtaposition to Brazil's development orientation in Africa, for which it prides itself as its basis of engagement with the continent. In this respect, Brazil's handling of political conditions associated with its commercial ties and growing presence in Africa may be compared with the behaviour of other emerging powers like India and China. Brazilian players – policy-makers, diplomats, development agencies and firms – will need to address

Downloaded by [University of Sussex Library] at 04:12 20 August 2013

this more directly at some stage if they wish to uphold their stated ambition to herald moral values underpinned by long-term development priorities. Some indications from the Brazilian government and business circles show that they are starting to assume greater responsibility in these areas.[41] This may need to be accelerated if Brazil really wishes to engage, beyond considerations linked to price and efficiency, in projects across the continent.

Overall, Africa has become a focus of Brazilian development and aid efforts. Extensive initiatives are currently underway across the continent from healthcare to vocational training. Brazil has also offered debt relief of over $1 billion to African countries.[42] This was the first overt commitment made by Brazil towards assisting African countries towards growth and prosperity. In addition to this, more than half of Brazil's budgetary resources for technical operations are directed to African countries (see Figure 3).

Agricultural cooperation, or what the Brazilians often refer to as knowledge sharing in the area of tropical agriculture and food security,[43] is quickly emerging as a major area of Brazilian development assistance in Africa. This sector also carries substantial commercial appeal: Africa shares similar geographies, climatic attributes and soil types with Brazil, which allows for broad areas of collaboration in various crops from cotton to rice to sugar cane and ethanol production.

Since the 1960s EMPRAPA, a public sector initiative that has built public–private partnerships, has revolutionised Brazilian agriculture through applied research and technology development, resulting in increased agricultural production and improved land and resource utility. Ultimately these ensured Brazil's food and energy security through sugarcane ethanol production. Brazil is today a leading exporter in the field of agriculture and ethanol, which is without a doubt the backbone of the Brazilian economy.[44] EMBRAPA is now deeply engaged in Africa with headquarters in Accra, Ghana (since 2008), and satellite offices throughout the continent.

As the world's second largest producer and largest exporter of ethanol, Brazil has by far the largest fleet of bio-ethanol cars in the world, with a concomitant infrastructure. Bio-ethanol already accounts for 40% of the country's energy demand, but only 1% of agricultural land is used for its production – a figure

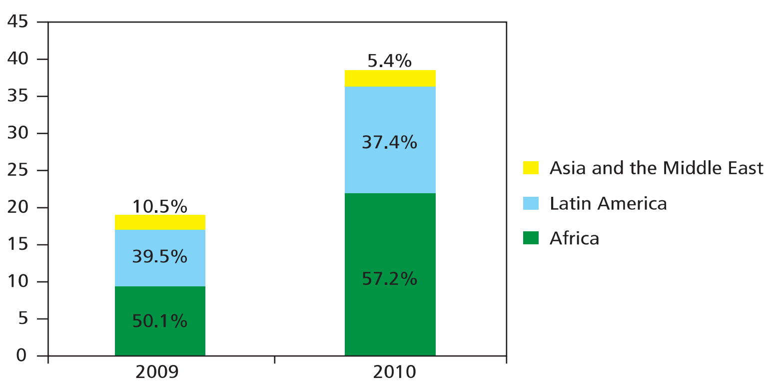


Figure 3. Brazilian Investments in International Development Projects, 2009/2010.
Source: Agencia Brasileira de Cooperação, 2009, 2011.
Note: the total amounts, in 2009 and 2010, respectively, were: for Asia and the Middle East $2,012,682 and $2,082,674; for Latin America, $7,575,235, and $14,437,785; and for Africa, $9,608,816.64 and $22,049,368.

Downloaded by [University of Sussex Library] at 04:12 20 August 2013

Downloaded by [University of Sussex Library] at 04:12 20 August 2013

that trumps concerns around the increased vulnerability of food security as biofuel production gains traction in developing countries.

Following its enormous success in Brazil, EMBRAPA began its international expansion in 1998. Brazil, through EMBRAPA, identified the needs and potential of agricultural cooperation with Africa early and had, by 2012, established technical agreements with more than 20 countries across the continent. Based on a strategy of 'providing free assistance to African governments looking to improve levels of farming and sophistication, as well as those interested in developing indigenous biofuel industries', EMBRAPA offers a range of technical, consultative and training support that looks to place Africa on a similar agricultural trajectory to Brazil and in the process forge close bilateral ties between Brazil and African countries.[45]

Shifting global production of food and energy towards Africa, as part of the developing South, is a goal that also fits with Brazil's broader strategy of leveraging South–South cooperation and market integration. The commercial incentive is undeniably compelling: developing a competitive food and biofuel energy supply chain across the south Atlantic carries enormous commercial potential for Brazil and particularly those holders of Brazilian technology.

Diversifying agricultural and biofuel production beyond Brazil to Africa will ensure continued and reliable supply for increasing demands from the US, Europe and Asia in the long run, while also developing new markets in Africa. A number of critical issues and transitions need to be clarified (per Ward Anseeuw's contribution in this issue), but agricultural and food production are already viewed as the new frontier of engagement between Brazil and Africa.[46]

EMBRAPA and its achievements in the field of agriculture are but one area that illustrates 'knowledge sharing' in development cooperation. Brazilian foreign assistance in Africa also emanates from the Brazilian Agency for Cooperation or Agencia Brasileira de Cooperação (ABC). Coordinated by the Ministry of External Relations, it holds a portfolio of commitments that ranges across the African continent, and works directly with host governments in recipient countries. ABC's on-the-ground activities focus on trying to replicate the success Brazil has achieved in areas such as health care and capacity building.

ABC has led many of the initial health-related engagements with African countries. During this process, Brazil concluded 53 bilateral health agreements with 22 African countries.[47] The result has been a significant impact on the lives of ordinary Africans. In one agreement in particular, a close partnership between the governments of Mozambique and Brazil and the Oswaldo Cruz Foundation built a plant to produce anti-retroviral drugs to combat HIV/AIDS in Mozambique and the southern African region. Apart from the $23 million investment between 2008 and 2010, this project will also train locals with the intention of handing over the entire production and authority of the plant to the Mozambicans as soon as possible. A similar project is underway in Ghana.[48]

Vocational training, transferring social technology in terms of skills development for policy-makers and technocrats, is another growing area of cooperation between Brazil and Africa. Much of this is driven through a joint partnership between EMBRAPA, the Brazilian government and SENAI, the National Service for Industrial Apprenticeship – all in an effort to bring policy-making, implementation, commercial activities and technical skills closer together. SENAI has a broad number of global projects, with five vocational training centres in Sub-Saharan Africa (in Angola, Cape Verde, Mozambique, Guinea-Bissau and São Tomé and Príncipe).

It should come as no surprise that these training centres are located in Lusophone countries, with the cultural and historical ties these nations share with Brazil, and that the largest recipients of Brazilian investment in Africa are Mozambique, Guinea-Bissau and Angola.[49] SENAI provides on-going educational and technical training for Brazilian companies in Africa, an essential service in locations like Tete where decades of civil war and under-development have completely hollowed out the skills base of the population. SENAI thus contributes to the development of society and to the efficiency of Brazilian investments, and ultimately to the economies in which they operate.

Conclusion

Africa has captured the attention of investors, policy-makers and development agencies around the world. It has become a testing ground for new emerging powers as they balance their national and strategic interests with their roles as leading global players, along with their new obligation as economic development partners. Africa is also the site of emerging rivalries between firms from countries like India, China and Brazil – all vying with each other and with established players for market access and a healthy portion of the resource potential on offer across the continent.

Like other emerging powers, Brazilian interests are in search of untapped resources and new markets, leading some to wonder whether it may be 'just another BRICS country seeking resources?'[50] What it does share in common with its Asian counterparts – India and China – is the lack of clarity around its intentions and operations in Africa. The extent of its political engagement is limited, with little to no overt encouragement of participatory democracy in Africa, even though this is a key component of the Brazilian domestic model.

With regard to economic interests and the role of resources in Africa, Brazil's priorities are somewhat different from the rest. Although Brazil still imports predominantly basic commodities from Africa and exports processed and manufactured products, the nature of investment flows and the types of projects being developed tell a slightly different story. Like Russia, but unlike India and China, Brazil has significant energy and commodity resources of its own, thus making its approach to Africa seem less compulsive or commodity-driven. Brazil also seems to be pursuing a much broader strategy of resource diversification (from resources interests exclusively in Brazil), sustainable development, and cooperation and collaboration to develop these resources. Brazil also seeks economies of significant scale in the South, adding value by developing associated industries around primary resources available in Africa – as had been done in Brazil over the past five decades. The various bioethanol plants under construction from Mozambique to Ghana and Zimbabwe are just one example of this.

The Brazil economy, although it may be lagging behind India and China in terms of magnitude, is an important trade, investment and development partner for Africa from among the emerging powers. This has been especially true as investment activities and development initiatives surged in the last few years of Lula's presidency, and continue under Rousseff. Symmetrically, African states are likely to play an important part in Brazil's rise as a leading global player. African countries are already strong political supporters of Brazil in various forums. This is likely to extend further into economic support as Brazilian firms grow and prosper in Africa,

Downloaded by [University of Sussex Library] at 04:12 20 August 2013

while African firms seek market access in the lucrative Brazilian and South American market.

While some might criticise the seamless link between Brazil's active diplomatic agenda in Africa, development cooperation and its commercial interests, others would argue that this is simply the new reality in Africa, where the lines between investment, commerce, development and foreign assistance are increasingly blurred. The aid and development environment in Africa is becoming just as competitive as the investment environment. There is an undeniable economic incentive for investors to become involved in development assistance, which, in turn, should make initiatives more sustainable over the long term. This is different from the approach of the Europeans and Americans, who have long been commercially involved, yet maintain a strict line between commerce and donor-led aid and development initiatives. Brazil, some might argue, is able to merge these with ease and has been mostly well received in Africa, free of the stigma of traditional powers of the past.

While Brazil's approach may be different to that of China and India – as well as the traditional powers of Europe and the US – they are all competing in the same game. One may ask, which country will be most successful in this new development paradigm? And which will be the ideal partner in Africa's rise? Brazil certainly has managed to kick off with a head-start in this new game and does appear to be an ideal partner for emerging Africa, advocating commercial and developmental diplomacy in a coordinated and coherent approach with a high degree of reciprocity, as it too continues to emerge.

The foregoing has demonstrated that African governments seem to believe that there is a greater sense of mutual partnership and reciprocity in their relationship with Brazil. This bodes well for on going relations as Brazil and Africa forge deeper ties and both continue to rise in stature in the global political economy. Is Brazil any different? Perhaps it is, as an important contributor towards Africa's long term development. In any case, it is most definitely set to be a key partner as Africa emerges.

Downloaded by [University of Sussex Library] at 04:12 20 August 2013

Notes on contributor

Dr Lyal White is the Founding Director of the Centre for Dynamic Markets (CDM) and a Senior Lecturer at the Gordon Institute of Business Science (GIBS), University of Pretoria. His area of interest covers strategic political economy issues in Africa, Asia and Latin America relevant to business and policy makers. He has lived and worked in South Africa, Rwanda, Argentina, Colombia, Morocco and the US. He has taught at the University of Cape Town in South Africa, Universidad de Los Andes in Colombia and Al Akhawayn University in Morocco, and was a Visiting Scholar at the Center for Latin American studies (CLAS) at UC Berkeley.

Notes

1. See White L, 'Understanding Brazils new drive for Africa', *South African Journal of International Affairs*, 17, 2, August 2010, pp. 221–242. This article builds on the previous research for the Development Bank of Southern Africa and the South African Institute of International Affairs for that article.
2. The Chinese approach, often referred to as 'Chinese exceptionalism' also claims a unique development orientation. While this may rhetorically appear to have some similarities to the approach assumed by Brazil, in practice – and especially with regard to the close interplay between Brazilian development agencies and business – it is clearly different in implementation and objectives. This will be demonstrated in the discussion that follows.

3. These are discussed in some detail in a World bank/IPEA study titled, ‘Bridging the Atlantic: Brazil and Sub-Saharan Africa – South–South partnering for growth’, <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/0,,contentMDK:23061951~pagePK:146736~piPK:226340~theSitePK:258644,00.html>. These commercial and development activities – and their partners – are discussed later in this article.
4. See for instance White L, ‘Understanding Brazil’s new drive for Africa’, *The South African Journal of International Affairs*, 2010, pp. 221–242, and detailed in Brainard L & L Matinez-Diaz (eds), *Brazil as an Economic Superpower? Understanding Brazil’s Changing Role in the Global Economy.* Washington, DC: The Brookings Institute, 2009.
5. See White, L, ‘Africa: The West and the rest’, in Games D, *Business in Africa – Corporate Insights.* Penguin: South Africa, 2012.
6. *Ibid*.
7. ‘This is Africa: A global perspective’, *FT Business*, April/May 2011.
8. These figures are based on Davies A, ‘The new commercial actors in Africa’. *MasterCard Worldwide Insights*, 2012 and Stevens J & S Freemantle, ‘BRIC and Africa: New sources of foreign capital mobilising for Africa complementing and competing with traditional investors’, *Standard Bank Economics*, 4 August, 2010.
9. Davies A, ‘The new commercial actors in Africa’. *MasterCard Worldwide Insights.*
10. In October 2012 these came to a head in demonstrations of social unrest by locals who had been displaced by Vale’s expanding mining operations. Such implications of Vale’s expansion and the associated challenges for poor societies and subsequent political dialogue will be crucial for Vale going forward and for Brazil in general, if it is to maintain the positive momentum it has built across the continent.
11. This is based on a presentation made at VALE to a visiting group of MBAs from the Gordon Institute of Business Science in October 2011. The title of the presentation is ‘Vale: A Brazilian Global Leader’.
12. ‘Huawei Reports FY11 revenue of CNY 203.9 billion, R&D investment of CNY 23.7 billion and embarks on business transformation’, <http://www.huawei.com/en/about-huawei/newsroom/press-release/hw-131149-2011financialresultssalesrevenues-growthnetprofitso.htm>.
13. Games D, ‘Emerging rivalries’, SAIIA Policy Briefings, April 2010.
14. This is evident when evaluating the employment contingent of companies like Odebrecht in Angola and Mozambique and in statements made by the executives from companies like Vale and Odebrecht in descirbing their operations across Africa.
15. This is described in various reports and articles, as well as in interviews with executives from Brazilian construction firm Odebrecht and South African construction firms Group Five and TWP Basil Read, all of whom are competing with Chinese firms in Africa. A balanced and realistic view is offered by Haroz D, ‘China in Africa: Symbiosis or exploitation’, *The Fletcher Forum of World Affairs*, 35, 2, Summer, 2011.
16. For a detailed analysis of Brazilian foreign policy over time with a clear description of the concept ‘autonomy through diversification’, see Vigevani T & G Cepaluni, ‘Lula’s foreign policy and the quest for autonomy through diversification’, *Third World Quarterly*, 28, 7, 2007. Also see Doelling R, ‘Brazil’s contemporary foreign policy towards Africa’, *Journal of International Affairs*, 10, Spring 2008 for a reference of this concept in the context of Brazil in Africa.
17. The unrest is covered somewhat in a few news articles published in the international media. One in particular, Polgreen L, ‘As coal boosts Mozambique, the rural poor are left behind’, *The New York Times*, 10 November, 2012 provokes various questions around how the influx of investment in countries like Mozambique is being managed by government, supranational agreements and companies like Vale and others. In essence, the problem in Tete is less around a possible resurgence of unrest and violence (as suggested by some in the international community) and more about revisiting the issues that emerged from the poor management of society in the region. The resettlement from the new Vale mining sites proved seriously problematic. In short, the farmland people were awarded to replace their old area is of uneven quality and is largely poor, water supplies are inadequate and people have lost access to alternative income streams because they are so far from any viable market. Vale, along with other mining companies

Downloaded by [University of Sussex Library] at 04:12 20 August 2013

like Rio Tinto, who have also had to resettle local communities, are actively looking to solve the issue and provide some economic alternatives for the population. This will surely be an important case study for Vale vis-à-vis Africa as they grow into new markets across the continent.

18. See White L, 'Understanding Brazil's new drive for Africa', *South African Journal of International Affairs*, 17, 2, 2010, p. 224.
19. The Common Market of the South (Mercosur) and the Southern African Customs Union have a preferential trade agreement, which was under a long process of diplomatic discussions and negotiations spanning nearly a decade.
20. *Ibid*.
21. In countries like South Africa and even some Asian nations, the divide between the 'haves' and 'have-nots' has increased in recent years; the World Bank's Gini Coefficient Index (see <http://data.worldbank.org/indicator/SI.POV.GINI>) and described in more comparative detail by Patel K, 'Brazil and South Africa: United in inequality', *Daily Maverick*, 15 August 2012.
22. These figures are based on data from the World Trade Organization, 2009.
23. See 'Bridging the Atlantic: Brazil and Sub-Saharan Africa – South–South partnering for growth'. The World Bank and IPEA, 2011.
24. These figures are based on various findings by the African Development Bank in 2011.
25. See Brainard L & L Martinez, 'Brazil as an economic superpower? Understanding Brazil's changing role in the global economy'. The Brookings Institute, 2009.
26. Thirteen of the 100 largest firms are still clearly state-owned today, including Petrobras. In the rise of so-called 'state capitalism' even companies like Vale, which were privatised in the late 1990s, are said to be strongly influenced and even controlled by state entities. This was most obvious in the forced departure of Vale President and CEO, Roger Agnelli, in 2011, who, despite his excellent record at the helm was criticised by powerful leftist factions in government or his overly 'outward' view for Vale and the lack of commitment towards retaining jobs in Brazil.
27. See in particular, Vargas Llosa *A, Liberty for Latin America: How to Undo Five Hundred Years of State Oppression*. New York: Farrar, Straus and Giroux, 2005.
28. See Sotero P, 'Brazil as an emerging donor: Huge potential and growing pains', Development Outreach, February 2009, <www1.worldbank.org/devoutreach/articleid526. html>.
29. These include the much-discussed social programmes like *Bolsa Familia*, developed in Brazil, which involve conditional cash transfers and incorporate education, healthcare and poverty alleviation, and which are now being exported to other parts of the developing world in Latin America and Africa. They also include specialised training for policy-makers and operational practitioners employed by Brazilian firms in Africa.
30. *Ibid*. President Lula's foreign minister, Celso Amorim, made 67 official visits to 34 African countries during his time with the Lula government.
31. See De Fretas Barbosa A, Narciso T & M Biancalana, 'Brazil in Africa: Another emerging power on the continent?', *Politicon*, 36, 1, 2009.
32. Davies A, 2012, 'The new commercial Actors in Africa', *MasterCard Worldwide Insights*.
33. *Ibid*.
34. Stolte C, 'Brazil in Africa: Just another BRICS country seeking resources?', Briefing Paper, Chatham House, November 2012.
35. Brazil's 10 leading trade partners in Sub-Saharan Africa include (percentage of total trade with Brazil): Nigeria (32%), South Africa (11.5%), Angola (9%), Ghana (1.5%), DRC (0.8%), Senegal (0.7%), Côte d'Ivoire (0.7%), Cape Verde (0.45%), Benin (0.4%) and Mauritania (0.4%).
36. Odebrecht has separate offices in Lisbon for its international opperations and Angolan opperations, suggesting that its operations in Angola are treated differently from other international operations. This was also alluded to by Julio Brant and other executives from Odebrecht in Rio De Janeiro at a workshop titled 'Brazilian foreign policy toward the South: IBSA, Africa and Latin America', hosted by CEBRI, in collaboration with SAIIA, on 28 August 2009.

Downloaded by [University of Sussex Library] at 04:12 20 August 2013

37. Roger Agnelli made these comments in a presentation delivered to an MBA group from the Gordon Institute of Business Scienc, University of Pretoria in São Paulo, October 2012.
38. This is by no means complete, but does give an indication of the geographical and project spread of Brazilian companies in Africa.
39. *Ibid.*
40. This can be inferred from statements and interviews conducted by the writer over the past three years in South Africa, Angola, Mozambique, Zimbabwe and Zambia with some government officials and general public who have expressed a more positive sentiment towards Brazilian activities in their countries. Discussions and informal interviews were conducted with a respect for confidentiality. Government officials from Mozambique and Angola preferred not to be quoted since it might be interpreted as showing favouritism towards the Brazilians. 'General Public' in this case refers to acquaintances, taxi drivers and truck drivers, informal workers, etc.
41. This was the impression created following discussions with top executives like Roger Agnelli, former president and CEO of Vale in Sao Paulo in October 2012, and policy advisors and policy-makers in Brasilia, who are direclty engaged in African relations.
42. 'Bridging the Atlantic: Brazil and Sub-Saharan Africa – South–South partnering for growth'. The World Bank and IPEA (2011).
43. That has been referred to in various studies, most notably in *ibid*.
44. Brazil is the world's top exporter of sugar, beef, chicken, orange juice, green coffee, soya, meat and oil, and the forth largest exporter of maize and pork. See Freemantle S & Stevens J, 'Brazil weds itself to Africa's latent agricultural potential', *Standard Bank, Economics: Bric and Africa*, 1 February 2010.
45. *Ibid.*
46. This was reaffirmed by Roger Agnelli the former CEO of Vale, in a presentation to the visiting MBA group from the Gordon Institute of Business Science, delivered in October 2012. Agnelli's new company (AGN) and its African investment arm (B&A) are focusing on agriculture and energy – alongside mining and infrastructure – as key drivers of African growth. See Terzian F, 'Os novos Vales de Agnelli', *Forbes Brasil, Outubro*, 2012.
47. *Ibid.*
48. *Ibid.*
49. *Ibid.*
50. This was the title of a 'Brazil in Africa' report by Stolte C, 'Brazil in Africa: Just another BRICS country seeking resources?', Briefing Paper, Chatham House, November 2012.

Downloaded by [University of Sussex Library] at 04:12 20 August 2013