The ANC's 'Left Turn' and South African Subimperialism: Ideology, Geopolitics and Capital Accumulation

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ABSTRACT

The South African government is widely considered to play a progressive role in world and African politics, and expectations rose after the 2004 election that Pretoria would join a global backlash against neoliberalism. However, Africanists and African social justice activists should consider such claims with caution, in view of contrary evidence during the first half of 2004. The radical rhetoric often emanating from Pretoria hardly disguises the post-apartheid record of integrationist strategies. Those ongoing strategies, such as the New Partnership for Africa's Development, include 'normalised' bilateral military relations with the US Pentagon and geopolitical alliances with Washington across Africa; further trade liberalisation; increasing legitimation of Western financial power; lubrication of transnational capital in Africa; and opposition to reparations for the West's apartheid-era profits. While some academic commentators have not yet grasped the essence of the problem, activists in the African Social Forum networks have, and periodically demand alternative strategies. Their vision is grounded in social justice and international solidarity; Pretoria's appears to be merely subimperialist.

Introduction

Reviews of South Africa's 'ambiguous' foreign policy emerged from respected scholars during 2004, in part based upon a presumption, as Chris Alden and Garth le Pere argued in these pages, of Pretoria's 'loftier aims to play a key role in reshaping current international norms, institutions and process to further global justice for Africa and the South.'[1] This is an important claim to consider, especially during an alleged move leftwards by the ruling African National Congress (ANC), in geopolitical, ideological and economic terms. In June 2004, according to *Business Day* newspaper, 'President Thabo Mbeki set the seal yesterday on a decisive broad policy shift to the left for his final term in office, lashing out at what he called the "new conservatism" sweeping the world, which enshrined the individual and denigrated the state in a way which could never bring a better life for SA's millions.'[2] The 'full-frontal attack on free-market economics' was interpreted by *The Economist* in these terms:

> *Since attaining power, Mbeki has governed in a reasonably market-friendly manner. But he has recently started to veer back to the left, in word if not yet in deed... Two years ago he fought trade unionists and communists, who are formally allied with the ruling party, the African National Congress, when they threatened to strike against privatisation. He beat them down, but he fears they may bounce back.*[3]

Hence, it is fair to ask, does 'talking left' correspond with 'veering back to the left', or on the contrary, to Pretoria's post-1994 'walking right', i.e., words without deeds? We must ask this not only about domestic politics, but also pose the question at regional and international scales. For example, SA deputy foreign minister Sue van der Merwe opened the August 2004 Non-Aligned Movement ministerial conference in Durban with this anti-imperialist argument:

> *There is a growing tendency on the part of countries of the North to mount global 'campaigns' against threats that are perceived and defined in the North but allegedly originate or are based in the countries of the South. This is done without the prior acknowledgement of the contributions of developing countries to both the definition and also the condemnation of these threats. These unilateral actions, disregarding the centrality of the United Nations Charter and international law, have become the flagrant response. This tendency is further exacerbated by the re-emergence of a type of state behaviour reminiscent of the colonial era, with the emphasis*

> *on greater interference in domestic affairs of states in the developing world… The re-writing of the rule-book that at present condemns the majority of the world's people to perpetual economic and social marginalisation and rewards the minority with infinite wealth is at the heart of the endeavours of this Movement. Fundamental among our concerns are the current processes of globalisation and liberalisation that in effect create a wider gap between the rich and the poor of the world.*[4]

What, indeed, is Pretoria's contemporary relationship to the US-led empire, in the wake of institutional and racial linkages that wedded the apartheid regime to Western interests and 'anti-communist' campaigning during most of the 20th century? If one treats the problem of imperialism in broader terms, based upon dynamics within the global mode of production, a clearer picture emerges, linking the era of apartheid to post-apartheid political economy. It is his apparent willingness to do so, as recorded in mid-2004 official statements, that makes Mbeki and his colleagues so compelling to *Review of African Political Economy* readers.

However, after reviewing the new rhetoric, we must consider several fields where ongoing controversies - in arms dealing, trade, finance, regional investment and reparations - exhibit a relatively durable, not shifting, set of policies and practices. I conclude that notwithstanding vocal radical-nationalism on the ideological front, these fit the overall function of 'deputy sheriff' in geopolitical terms, in the context of a subimperial orientation with respect to capital accumulation. The 'left turn' advertised is, hence, a distraction from the underlying problems that African anti-imperialist activists - e.g. in the African Social Forum, Jubilee Africa or the Africa Trade Network - will face when confronting Pretoria's agenda.

Spinning Left...

'African scholarship has a responsibility to educate us about the consequences of the colonial system on the birth and practice of neo-colonialism that has characterised much of Africa during the years of its independence,' Mbeki wrote in his weekly message to constituents on 9 July 2004:

> *There is a continuing and urgent need for Africa's historians, sociologists and others to assess and write about the long-term impact of these three historical phenomena on Africa: slavery, colonialism and racism. There are some in our country and the rest of the world who demand that we should view and treat these phenomena merely as a matter of historical record, with no relevance to our contemporary struggles for Africa's rebirth. In part, this is driven by the determination to compel the victims of gross injustice to forget the harm that was done to them, inducing a collective African amnesia, the better to be able to persuade the victims to blame themselves for their wretchedness. We see this clearly in our own country, where some insist that apartheid is a thing of the past, and that all references to the continuing impact of that past constitute an attempt to 'play the race card.'*[5]

Although this rhetoric is thoroughly contradicted by Pretoria's activities on the reparations front, as we shall observe below, Mbeki provided further indication of a renewed interest in radical development theory a week later, in seeking

> *to understand the extent of the success of the struggle of the African Americans to free themselves from poverty and underdevelopment, in a situation in which, principally, this challenge was and is being addressed through reliance on the market. In principle this should help to improve our own success in confronting our own challenge of poverty and underdevelopment, given that we are striving to overcome the legacy of 'colonialism of a special type'.*[6]

The anti-market rhetoric was to some extent a reversion to an analysis learned within the exiled ANC and at the Lenin Institute in Moscow, and it deeply worried Peter Bruce, editor of *Business Day*: 'Has President Thabo Mbeki lost his mind? Has he lost his temper? His patience? Or has he just lost his faith?'[7] (Just a year earlier, in mid-2003, Bruce was more confident: 'The government is utterly seduced by big business, and cannot see beyond its immediate interests.')[8]

This conjuncture means that Mbeki's advice to intellectuals to consider 'the consequences of the colonial system on the birth and practice of neo-colonialism' should be taken seriously. After all, the colonial system's main consequence for Africa was the structuring of capitalist-noncapitalist relationships in a manner described so well by Rosa Luxemburg,[9] and updated eloquently as 'accumulation by dispossession' (David Harvey)[10] or more simply permanent 'primitive accumulation' (Michael Perelman).[11] While playing its subordinate role within world capitalism, hence, Africa cannot hope to 'develop' but instead remains caught in various trade, debt, investment, technology and cultural traps which correlate growing international economic integration to worsening inequality (as even World Bank staff have come to admit).[12]

Following from such analysis, the way forward from colonialism and neo-colonialism to a fairer world economy and better-balanced geopolitical system would not pass through Washington, London, Geneva, Brussels or the G8 meeting-ground resorts, which is where Mbeki and his two key allies - finance minister Trevor Manuel and trade/public enterprises minister Alec Erwin - have mainly chosen to promote reforms. Were Mbeki genuinely serious about challenging 'global apartheid' (his preferred term for imperialism), he would have addressed international power relations rather differently. The analysis, strategies, tactics and alliances adopted by Pretoria reveal a *subimperial* location in terms of both geopolitics and capital accumulation, instead of an approach based upon Mbeki's counter-hegemonic rhetoric.

Consider a few hypothetical questions that transcend Mbeki's superficial rhetoric.[13] Instead of selling US$250 million worth of arms to the Iraq War aggressors – the US and UK – and warmly welcoming George W. Bush a few weeks after his illegal occupation of Baghdad, what if Mbeki had taken the lead of former president Nelson Mandela and explicitly punished Bush with a snub, and strengthened anti-war resistance and even US/UK boycotts in venues like the Non-Aligned Movement and African Union?

Instead of rejecting reparations struggles to punish international financiers, corporations and the Bretton Woods Institutions for supporting apartheid, what if Mbeki and his colleagues had nurtured the anti-racism cause, for the sake of both repairing apartheid's racial and socio-economic damage and warning big capital off future relations with odious regimes?

Instead of battling the global justice movement and African trade officials from Seattle through Doha to Cancun, what if trade minister Erwin had tried uniting the continent and its allies behind a counterhegemonic trade agenda so as to meet popular needs, not those of global capital?

Instead of rejecting debt cancellation as a strategy, what if Manuel had joined the Jubilee movement, denounced bogus World Bank and IMF plans for crumbs of relief in the midst of amplified neoliberalism, and helped to organise a debtors' cartel?

Instead of a New Partnership for Africa's Development considered, simultaneously, 'philosophically spot-on' by the Bush regime and ridiculous by Zimbabweans, Swazis and many other Africans hoping for pro-democracy pressure, what if Pretoria had helped establish a bottom-up African programme for recovery based upon partnerships between Africans themselves?

Instead of exacerbating the World Summit on Sustainable Development's orientation to commodification, not to mention repressing legitimate dissent, what if the ANC leaders had tried to harmonise and genuinely implement the agendas of poverty-eradication and environment? And instead of promoting water commercialisation and large dams, what if South Africa helped establish sound principles of decommodification and respect for nature, both in water catchments at home and in international talk-shops?

As I have argued here and elsewhere,[14] the ideology adopted by Mbeki and his colleagues since liberation has been radical on the surface, but essentially integrationist-reformist in intent. This follows from classical modernisationist analysis, dressed up today in dualistic terms. Mbeki typically describes global apartheid, as well as post-apartheid South Africa, as having ‘two economies’ which do not interrelate; impoverishment in the second is caused by its ‘marginalisation’ from the first. This, in turn, justifies the New Partnership for Africa’s Development as a homegrown ‘Washington Consensus’ strategy for the continent’s deepening global integration, and at home, helps promote an enrichment-oriented version of ‘Black Economic Empowerment’ (BEE) via ownership charters that entail large gifts of shares to favoured investors, in the wake of first-generation BEE’s many debt-based failures.[15]

Unfortunately, the SA Communist Party has helped to give the integrationist analysis a progressive spin, as in this statement denying the idea the ANC suddenly shifted to the left (a site it has always occupied, according to this discourse), by general secretary Blade Nzimande:

> *The idea that there has been a dramatic ‘U-turn’ in policy comes mainly from those who, over the last decade, have attempted from the outside to put words into the mouths of senior ANC leaders. Liberals (and, indeed, various anti-ANC ultra-left groups) have portrayed government policies as uncomplicatedly ‘free market capitalism’.*[16]

When Mbeki delivered his June 2004 budget speech in parliament, he used Will Hutton’s *The World We’re In* to contrast US-style neoliberalism with European social democracy, public services and social solidarity. As Mbeki put it,

> *There can be no doubt about where we stand with regard to this great divide. It is to pursue the goals contained in what Hutton calls the ‘broad family of ideas that might be called left’ that we seek to build the system of governance we indicated today and in previous Addresses. The obligations of the democratic state to the masses of our people do not allow that we should join those who ‘celebrate individualism and denigrate the state’.*[17]

For Nzimande,

> *These important value statements from our President, like the many positive socio-economic policy indications and commitments from the ANC election manifesto and government in the recent period, once more reaffirm these basic truths. They create a constructive climate in which meaningful and ongoing discussion and debate can be carried forward.*

...While Moving Right

The reality is not only persistence in neoliberal policies, with two very minor exceptions: privatisation has only slowed not halted (mainly due to popular resistance and adverse market conditions), and the tight post-apartheid fiscal straightjacket has been loosened very slightly. In addition, the climate for debate between the centre-left ruling party and its Alliance partners - the SACP and Congress of South African Trade Unions (Cosatu) - on the one hand, and the independent left on the other, is still chilly. The latter still allege that the ANC adopted and continues to implement neoliberal macroeconomic and microdevelopment policies, as orthodox monetary policy is maintained, liberalisation of trade and finance proceeds apace, corporatisation of state enterprises speeds up,[18] and the ongoing attack by state service providers against low-income people continues.

To illustrate, in June 2004, Cosatu expressing confidence in minister of public enterprises Alec Erwin: ‘We welcome the fact that the minister has, like the president, placed the issue of employment creation at the centre of the restructuring of the State-Owned Enterprises.’ But by September, the only logical reply was or unions to threaten ‘the worst strike in Spoornet’s history if the railway company went ahead with plans to retrench 946 employees in the next two months,’ in the immediate wake of parent parastatal firm Transnet's R6.3 billion pretax loss. According to Chris de Vos, secretary-general of the Spoornet union Utatu, at his first meeting with labour in July, ‘Erwin had said Spoornet as a state-owned company had the responsibility of creating jobs, not shedding them.’ By the end of August, Erwin had changed position, ‘saying state-owned companies were not employment agencies and that managers had to do everything possible to make businesses profitable, including cutting jobs.'[19]

The impact of the dramatic rise in employment was still rippling through the economy and society, leaving low-income communities with declining access to state services. According to chief water bureaucrat Michael Muller, for example, '275 000 of all households attributed interruptions to cut-offs for non-payment' in 2003 alone, which extrapolates to in excess of 10 million people affected since liberation.[20] The figures for electricity and telephone disconnections are even higher.[21]

Moreover, there are ongoing reports of state repression and judicial harassment against social movements which resist. *Mail and Guardian* editor Ferial Haffajee initially ridiculed as 'melodrama' the observations of Naomi Klein, who wrote of South Africa:

> *There's a huge amount of struggle going on in this country. There are movements exploding. They are resisting privatisation of water and electricity, resisting eviction and demanding land reform. They are reacting against all the broken promises of the ANC. This is a security state. It spends three times as much on private security as it does on affordable housing - just to keep the rich from the poor.*[22]

A month later, Haffajee's paper revealed:

> *The killing of a 19-year-old boy in Phoenix, Durban, two weeks ago by city council security guards has again cast a spotlight on the measures state authorities use against impoverished communities in protest. Marcel King was shot dead on Thursday June 24 by a member of a security company hired by the Durban council to disconnect electricity that had apparently been illegally reconnected in the impoverished Durban suburb...*
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> *This incident is one of many recent clashes between state security, social movement activists and community members in suburbs in Gauteng, the Western Cape and KwaZulu-Natal. Marchers and protests are a regular feature of political life and are governed by a series of regulations governing gatherings. Most occur without incident. But several have gotten ugly recently.*
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> *On election day this year (14 April 2004) three Landless People's Movement activists were arrested and were detained and allegedly tortured. On Freedom Day (21 March 2004) police fired on a group of Anti-Privatisation Forum members protesting outside the Constitutional Court in Johannesburg against electricity cut-offs.*[23]

There are many mores such cases, of course.[24] Moreover, if we project Pretoria's style of governance to the regional scale, it is easy to comprehend the processes of domination and exclusion that allow the South African government to exploit its semi-peripheral position within imperialism. For example, in spite of promoting the globalisation of *capital*, Pretoria is opposed to the globalisation and regionalisation of *people*, according to a recent Refugees International (RI) report:

> *South Africa is denying access to political asylum to thousands of Zimbabweans seeking to escape persecution. Of the 5,000 applications for political asylum filed by Zimbabweans to date, fewer than 20 Zimbabweans have actually received political asylum in South Africa. But more troubling still is the fact that few Zimbabweans are able even to apply for political asylum...*
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> *RI interviewed people who told of being asked for a bribe merely to receive a letter giving them an appointment to present their asylum claim. Police officers ask for bribes to look the other way when rounding up undocumented asylum seekers or those whose temporary permit of stay has expired. One Zimbabwean told us, 'I was stopped while walking down the street. The policeman asked for my papers but told me that for 200 Rand [U$33] he would not deport me.' At the Lindela detention center, bribes are demanded for release, while deportees can also pay to jump from the 'deportation train' on the way back to Zimbabwe...*

> *Police and Army in the border regions rely on spurious methods to identify Zimbabweans, such as asking questions in a South African language or checking which arm bears a smallpox scar. According to an NGO working in Musina, 'The police have no training. Some people are being deported because [Zimbabweans] are darker.'*[25]

The best explanation for Pretoria's increasing repression of poor and working-class people both locally and regionally is growing desperation. As conceded even by Joel Netshitenzhe - government's leading ideologue - in a review of post-apartheid accomplishments, 'The advances made in the First Decade by far supersede the weaknesses. Yet, if all indicators were to continue along the same trajectory, especially in respect of the dynamic of economic inclusion and exclusion, we could soon reach a point where the negatives start to overwhelm the positives.'[26]

The negatives are formidable, and in mid-2004 took various forms combining economic austerity and financial vulnerability. According to Nenad Pacek of The Economist Corporate Network, 'Portfolio investments accounted for a massive 24% of South Africa's gross domestic product, and 65% of the rand's trading took place offshore.'[27] Given the strength of the currency – a July 2004 high of R5.8/US$ - that logically resulted from vast financial capital inflows beginning in late 2001, when the rand hit a low of R13.8/US$, South Africa's cumulative trade balance fell spectacularly from a US$2 billion surplus in 2003 to a deficit of US$290 million during the first half of 2004.[28]

Meanwhile, in the real productive sectors, job shedding continued unabated, notwithstanding the rise of unemployment from 15% in 1994 to 32% in 2003 (43% when frustrated jobseekers are added).[29] In spite of a minor uptick of domestic fixed investment - at 15% of GDP in late 2003, still far below the 25% required for 5% GDP growth - the official statistical agency reported that formal sector (non-agricultural) employment fell by another 41,000 in the first quarter of 2004.[30] The contrast between the economy's 'slow rotting' (in the words of frequent government consultant Stephen Gelb)[31] and the vast speculative inflow was explained by Michael Power (a Keynesian economist who writes regularly for *Business Day*):

> *Take a look at the emerging market rankings in The Economist. First where we 'lead': currency strength, 1/25; lowest inflation, 3/25. Yet we lag in: gross domestic product growth, 25/25; foreign exchange reserves, 25/25; industrial production, 21/25; current account, 20/25. A little digging reveals our real interest rates, cost of capital and unemployment is among the highest; our foreign direct investment inflow is among the lowest.*
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> *No wonder our president is asking his advisers hard questions. No wonder he is tasking his ministers with hard delivery targets. And, unsurprisingly, he is doubting parts of the Washington Consensus package adopted by SA in 1994.*[32]

But even if doubt is expressed regularly by Mbeki, trade union economist Neva Seidman Makgetla notes that 'in response to the crisis within the economy, the government has adopted limited reforms involving increased spending on basic social services and housing, greater emphasis on job creation and equity, a renewed stress on planning and coordination and greater support for cooperatives. Yet these new initiatives do not constitute a systematic plan for transforming the economy.'[33] The same is true at the international scale, and the main question before us remains: when will Pretoria cease polishing the economic chains of global apartheid, and begin to break them? We can consider geopolitics and military affairs, trade, finance, regional investment, and reparations claims to help illustrate the options and the choices made in Pretoria during the period of the alleged left turn.

Geopolitical and military postures

How are we to interpret Pretoria's recent global political zigzag? On the one hand, Pretoria's grand continental plan, the New Partnership for Africa's Development (NEPAD), was declared 'philosophically spot-on' by the Bush regime,[34] and Mbeki was anointed Washington's 'point man' for resolving the Zimbabwe crisis by Bush himself, during the US president's July 2003 visit to Pretoria, in spite of Mbeki's continual nurturing of Mugabe's repression.[35] Hence in one breath in January 2003, Nelson Mandela remarked, 'If there is a country which has committed unspeakable atrocities, it is the United States of America'[36], but in another breath in May 2004, retracted his criticism, simply because 'The United States is the most powerful state in the world, and it is not good to remain in tension with the most powerful state.'[37] As Greg Mills of the SA Institute of International Affairs explained,

> *I think there was a bluster by the South African government, or those associated near or around it, prior to the American invasion of Iraq in March last year, but that was toned down fairly quickly by the South African government and most notably, President Mbeki. Really, there has not been much in the way of condemnation of the American position since March last year.*[38]

In mid-July, the US House of Representatives extended a ban on military assistance to 32 countries - including South Africa - which agreed to cooperate in future with the International Criminal Court against alleged US war criminals. Nevertheless, Washington's ambassador to Pretoria, Cameron Hume, quickly announced that several bilateral military deals would go ahead in any case. According to Peter McIntosh of *African Armed Forces* journal, the US 'had simply re-routed military funding for South Africa through its European Command in Stuttgart.' Hume reported the Pentagon's desire 'to train and equip two additional battalions to expand the number of forces the [SA National Defense Force] have available for peacekeeping in Africa.' South African newspaper *ThisDay* commented, in the wake of two successful joint US/SA military maneuvres in 2003-04: 'Operations such as Medflag and Flintlock clearly have applications other than humanitarian aid, and as the US interventions in Somalia and Liberia have shown, humanitarian aid often requires forceful protection.'[39]

The two countries' military relations were fully 'normalised' by July 2004, in the words of SA deputy minister Aziz Pahad. In partnership with General Dynamics Land Systems, State-owned Denel immediately began marketing 105 mm artillery alongside a turret and light armoured vehicle hull, in support of innovative Stryker Brigade Combat Teams ('a 3500-personnel formation that puts infantry, armour and artillery in different versions of the same 8x8 light armoured vehicle'). According to one report, 'The turret and gun is entirely proprietary to Denel, using only South African technology. At sea level, it can fire projectiles as far as 36 km.'[40] This followed a period of serious problems for the SA arms firm and others like it (Armscor and Fuchs), which were also allowed full access to the US market in July 2004 after paying fines for apartheid-era sanctions-busting.[41]

Given Pretoria's 1998 decision to invest US$6 billion in mainly offensive weaponry such as fighter jets and submarines, there are growing fears that peacekeeping is a cover for a more expansive geopolitical agenda, and that Mbeki is tacitly permitting a far stronger US role in Africa - from the oil rich Gulf of Guinea and Horn of Africa, to training bases in the South and North - than is necessary.[42] On the surface, Pretoria's senior roles in the mediation of conflicts in Burundi and the Democratic Republic of the Congo (DRC) during 2003 appeared positive. However, closer to the ground, the agreements more closely resemble the style of elite deals which lock in place 'low-intensity democracy' and neoliberal economic regimes. Moreover, because some of the belligerent forces were explicitly left out, the subsequent weeks and months after declarations of peace witnessed periodic massacres of civilians in both countries and a near-coup in the DRC. By mid-2004, the highly-regarded intellectual and leader of the Rassemblement Congolais la Democratic, Ernest Wamba dia Wamba, was publicly critical of Pretoria's interference:

> *When a [transition process] takes off on a wrong footing, unless a real readjustment takes place on the way, the end cannot be good... Some feel like South Africa has actively put us in the situation we are in. They had a lot of leverage to make sure that certain structural problems were anticipated and solutions proposed. They seem to have fallen in the Western logic of thinking that mediocrity is a less evil for Congolese, if it stops the war. They also have a lot of leverage to get a clear on-going commitment to resolve the contradictory fears of both the DRC and Rwanda; they do not seem to use it. This is why some feel that South Africa is too close to Rwanda.*[43]

Pretoria was not alone, playing the role of proxy for the great powers in its own extended periphery. Simultaneously, similar concerns were raised about another new democracy with a centre-left regime, Brazil, which took leadership of the armed occupation of Haiti, just four months after the US-supported overthrow of the previous government.[44] From Brazil to South Africa, the dangers of growing regional political hegemony, in the context of military alliance with the US, are amplified when we consider some of the material economic forces at work.

Trade

At stake in ongoing trade relationships is not only the growing role of bilateral deals, especially linking South Africa and its hinterlands to the US and European Union. Just as importantly, Pretoria's active role in international commerce continues to support global corporate business interests, as well as those of the largest Johannesburg-based firms, whose financial headquarters shifted to London during the late 1990s.

To illustrate, eleven months after the Seattle debacle, the then director general of the World Trade Organisation (WTO), Michael Moore, actively subordinated the interests of Africa-Caribbean-Pacific (ACP) countries at Doha, where he attempted to table four 'Singapore issues' which amplify trade liberalisation and government deregulation, at the behest of the US and European Union. London School of Economics professor Robert Wade reported on the WTO manager's tactics and allies:

> *Moore, according to one delegate, took to phoning ministers at home at the weekend to pressure them for cooperation. A week after Tanzanian trade minister Simba had expressed his 'sense of happiness' at the final outcome, Dar es Salaam received $3 billion in debt relief from the IMF. The murderous attacks of September 11 were, of course, very helpful in forging the consensus at Doha, two months later. Moore, with US trade representative [Robert] Zoellick and EU trade commissioner [Pascal] Lamy, toured developing-country capitals to insist that the new free-trade round would be a blow against Al-Qaeda - and that objectors would be considered as renegades in the war on terror. Once gathered at Doha, as Moore recounts, the trusty lieutenants went to work: 'The wise and experienced minister from Brazil, Celso Lafer, South Africa's Irwin [sic], Egypt's Boutros Ghali and Nigeria's Bello worked the African caucus.'...*
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> *The Declaration, when it finally emerged, contained the Singapore issues. Erwin played a crucial role in talking a joint ACP-LDC-Africa Group meeting through the reasons why they should accept it, nevertheless. Since such groups have informally agreed to operate on the principle of unanimity, it is easy enough for one country's representatives to block the rest - and for the US, or other G7 states, to 'buy' one or two of these to act as their agents to prevent the group reaching a collective position. Faced with one member's intransigent opposition, the group does not expel that country and move on, but falls into disarray - as happened at Doha.*[45]

For Erwin, the Third World's disarray at Doha produced a 'fantastic' result. But no subsequent progress was made in cutting European/US/Japanese/Canadian farm subsidies. Hence in September 2003, the Cancun WTO session broke down in acrimony over subsidies and Singapore issues. That result was, according to Erwin, 'disappointing', in contrast to most of the Third World, which felt deeply empowered, especially as it was the ACP bloc that repeated its Seattle feat of walking out, blocking consensus and halting the proceedings. At the heart of the new G20 grouping alongside Brazil and India, South Africa had wanted to continue negotiating, and was not opposed to negotiating the Singapore issues.[46]

Erwin was subsequently mooted as the leading candidate for WTO director-general when the current occupant, Supachai Panitchpakdi, leaves the job on schedule in 2005. However, Erwin's health has been an issue, and in May 2004, he was redeployed to lead Pretoria's Ministry of Public Enterprises. His first major act there was to slow the privatisation of electricity, telecommunications, transport and defence parastatals, although moves to corporatise, downsize and outsource operations continued apace.

As for the WTO, it was reborn in Geneva following a tense July 2004 negotiation which gave renewed momentum to the Doha framework, once the US and EU conceded two points: reduction of export subsidies (though with no timeline and specifics on numbers), and removal of three Singapore issues from the Doha work programme. According to Zoellick, 'After the detour in Cancun, we have put these WTO negotiations back on track.' In reality, wrote *Guardian* journalist Larry Elliott, 'The trade ministers from 147 countries faced up to the possibility that a fresh failure could scupper the round launched in Doha almost three years ago for good. They were prepared to sign up to a framework agreement safe in the knowledge that there will be plenty of chances over the coming weeks, months and probably years to carry on haggling.' Without the stitched-up deal, he continued, 'The WTO's authority as a multilateral institution would have been shattered; the prospect of the global trading system fragmenting into regionalism and bilateralism would have been real.'[47] Columbia University economist Arvind Panagariya explained the alleged breakthrough in *The Financial Times*: 'Barring a few exceptional cases such as cotton, the least developed countries will actually be hurt by this liberalisation. The biggest beneficiaries of the rich country cuts in farm subsidies will be the rich countries themselves, which bear the bulk of the cost of the associated distortions, followed by the Group of 20.'[48]

Agricultural producers expecting to gain most were Brazil, Australia, Thailand, the Philippines and South Africa, according to the SA Institute of International Affairs, while African food importers would be faced with higher priced European and US products. On the other hand, few African sugar producers (especially Southern African) and cotton exporters (Mali, Burkina Faso, and Chad) would temporarily witness higher prices once subsidy cuts were made, until additional competitors were attracted to join the world markets and resume glut-scale production.[49]

Yet abused West African cotton lobbyists also failed to secure a reasonable package, as Third World Network analyst Martin Khor reported: 'Zoellick held a marathon all-night 12-hour meeting with some of the West African countries on the cotton issue. Eventually, the specific proposals for special treatment for cotton, aimed at eliminating cotton subsidies on a fast-track basis, were not included in the text.' Another Third World concession was agreement on much faster and deeper cuts in Third World industrial protection. At stake, says Khor, is 'the very survival of many local firms and industries in developing countries.' In sum, according to Khor, the Geneva deal provided 'a few significant gains for the developing countries, but this is more than offset in other areas where they have also lost ground. Also, the meeting and its outcome again showed up how the WTO's decision-making process is generally controlled by the big countries and how developing countries' positions are generally not properly reflected.'[50] As Mark Weisbrot, co-director of the progressive, Washington-based Center for Economic and Policy Research concluded,

> *The United States has only agreed in principle to eliminate a small part - perhaps 20% - of its agricultural subsidies. And even here, the language is vague and the loopholes large enough that it is not clear how much these subsidies will actually be cut. But even if the subsidies were altogether eliminated, it would have very little net impact on the developing world... The gains for the developing world if rich countries were to eliminate all of their subsidies, and open all of their markets completely to every export - manufactured as well as agricultural goods - from low and middle-income countries... are an extra 0.6 percent of income: in other words, a country with an income of $1000 per capita would move up to $1006. Only a small part of this small gain would come from the elimination of subsidies, and even less would trickle down to the world's poorest. A lot of countries - most of Latin America, for example - would actually suffer a net loss from the elimination of agricultural subsidies.*[51]

Most major environmental groups and NGOs complained about the deal, on grounds that further liberalisation would deindustrialise many weaker countries and also hasten ecological crises associated with mining, fisheries and forests. Greenpeace International's Daniel Mittler summarised: 'The deal is not a victory for multilateralism, but a dangerous fudge. The secretive process practiced in Geneva this week once again showed that the WTO is an undemocratic organisation mainly responsive to rich-country interests. The WTO does not seem capable or willing to deliver equitable and sustainable development for all; it only seems to be interested in ensuring its own survival.' According to Friends of the Earth's Alexandra Wandel, 'Corporate lobby groups will be the big winners, the environment and the poor the big losers.'[52]

South Africa's role in fostering liberalised trade was not limited to the WTO. Relations between the US and Southern Africa increasingly centred around the transition from the African Growth and Opportunities Act - overwhelmingly favourable to South Africa in contrast to other countries - to a free trade area encompassing the

Southern African Customs Union. The European Union and Southern African Development Community (SADC) began negotiating a similar package of 'Economic Partnership Agreements' featuring market access for agriculture and non-agriculture products and fisheries, trade in services (often amounting to privatisation), and the Singapore issues of investment, competition, trade facilitation, government procurement, and data protection. South Africa already has such an agreement.[53] In mid-2004, Pretoria also began bilateral trade liberalisation negotiations with China, which again will have enormous implications for the region's industries, without consultation involving smaller, more vulnerable countries.

In contrast, activists in the Africa Trade Network have reject the liberalisation agenda, especially the Economic Partnership Agreements, and instead call for trade cooperation that:

> ** is based on a principle of non-reciprocity, as instituted in General System of Preferences and special and differential treatment in the WTO;*
> ** protects ACP producers domestic and regional markets;*
> ** reverses the pressure for trade and investment liberalisation; and*
> ** allows the necessary policy space and supports ACP countries to pursue their own development strategies.*[54]

Finance

As with trade, Pretoria's 'left turn' is not at all evident when it comes to international finance, with one exception: pressure on the World Bank to penalise a Canadian firm found guilty of bribery on the massive Lesotho-Johannesburg water transfer project. Pretoria substantively supported the main processes associated with worsening international financial injustice during 2004: the failure to democratise the Bretton Woods Institutions, emblematised by the anointment of IMF managing director Rodrigo Rato; resistance to reform of the World Bank's social and environmental policies in the crucial minerals and energy sectors; and the ongoing extraction of excessive debt repayments by the Third World. South African officials bear substantial responsibility for these, because of their high-profile position on some of the specific issues, including finance minister Trevor Manuel's role as chair of the IMF/Bank Development Committee, a key policy-making body, starting in 2002.

The reform rhetoric continues, to be sure. As Mbeki himself put it at a March 2004 conference dedicated to increasing Africa's 'voice' in the Bretton Woods Institutions, 'Although we agree that there are already processes towards reforming these multilateral institutions, many of us are understandably impatient with the fact that these have largely been at protracted discussion levels. Accordingly, we are faced with a challenge to ensure that the urgent need for radical reform is translated into a concrete and tangible programme underpinned by effective participation, especially by the developing countries.'[55] Yet Pretoria did virtually nothing to organise effective African or middle-income country resistance, and indeed attempted to sabotage civil society efforts to change North-South financial power relations.

Sub-Saharan Africa has only two executive director seats on the 24-member Board of Governors of the IMF and World Bank, while eight rich countries have one seat each. The US enjoys veto power, and has used it to punish its political enemies, a voting arrangement even criticised by Manuel on occasion. In Washington on 15 April 2000, Manuel - then chair (largely symbolic) of the IMF/Bank Board of Governors - told SA Broadcasting Corporation that the US state's 17.8% shareholding in the Bretton Woods Institutions gives the US Treasury veto power over the major multilateral financial agencies, a situation which 'cannot be correct.' At the UN's Financing for Development Conference in Monterrey, Mexico on 19 March 2002, Manuel gave a speech - as one of two special conference envoys to Kofi Annan (the other was Michel Camdessus) - which included this complaint: 'Reform of international financial governance is critical to [ensure] that developing countries benefit from globalisation through participation. The consensus on enhanced partnership, which would entail clearly defined responsibilities for all stakeholders, cannot be met by a reluctance to change the status quo regarding international financial governance.' On 1 June 2003, Manuel chaired a United Nations Economic Commission for Africa meeting in Addis Ababa, where he complained about an IMF proposal to split the continent in half for internal organisational purposes: 'Will it be along colonial lines, or into north and south? We don't know. What we do know is that Europe is not being divided, nor is America.'[56]

In practice, however, Manuel has done little to turn his frustration into results, and his Development Committee provided merely a 'narrow, technocratic' governance strategy – as the *Financial Times* interpreted – which would add merely one additional representative from the Third World to the board. At the 2003 IMF/Bank annual meeting in Dubai, when asked why no progress was made on Bank/IMF democratisation, Manuel answered, 'I don't think that you can ripen this tomato by squeezing it.'[57]

The reluctance to squeeze was again evident in March 2004, when Manuel wrote a sparing two-page letter to fellow Development Committee members, arguing that reforms on 'voting rights' within the IMF and Bank were 'likely to be postponed for some time', so in the meantime the committee should address 'those situations where countries' quotas/capital shares were egregiously out of line with their economic strength.' That would have led to the interim empowerment of wealthier countries, especially Japan, which should have greater voting rights, alongside increasing IMF quotas and World Bank capital, so the two institutions would get much more money in the process of strengthening the systemic inequality by which rich countries control these institutions. However, at the April 2004 World Bank/IMF 'spring' meetings in Washington, Manuel made no progress, even on his 'eminent persons group' idea that the Bank/IMF receive a neutral report on board governance within a year. Nor did his letter refer to the highly controversial question of who would run the IMF.[58]

There was, at that time, a revolt - even by some leading IMF/Bank executive directors - against a (figurative) apartheid-style 'Europeans Only' sign on the door to the IMF managing director's office, which was blatantly obvious when Horst Koehler resigned to become president of Germany in early 2004. The finance minister of Spain under the outgoing conservative regime, Rodrigo Rato, got the job thanks to support from British chancellor of the exchequer Gordon Brown. Rato's austerity-oriented role in Spain, according to University of Barcelona professor Vincente Navarro, should have generated a massive protest from Africa and the rest of the Third World:

> *Rato is of the ultra-right. While in Aznar's cabinet, he supported such policies as making religion a compulsory subject in secondary schools, requiring more hours of schooling in religion than in mathematics, undoing the progressivity in the internal revenue code, funding the Foundation dedicated to the promotion of francoism (i.e., Spanish fascism), never condemning the fascist dictatorship, and so on. In the economic arena, he dramatically reduced public social expenditures as a way of eliminating the public deficit of the Spanish government, and was the person responsible for developing the most austere social budget of all the governments of the European Community. The elimination of the deficit in the Spanish government's budget has had an enormous social cost.*[59]

Ironically, notwithstanding four years of lobbying by Manuel, Mbeki and other Third World politicians for Bretton Woods reform, the succession of IMF leadership was less amenable to Africa in 2004 than in 2000. In the earlier struggle over the job of managing director, Africa's finance ministers adopted what *Time* magazine described as a 'clever' strategy: nominating Stanley Fischer, the Zambian-born, South African-raised acting managing director of the IMF, to become director. But Fischer's 'fatal flaw', according to *Time*, was his US citizenship, so Kohler got the job instead, in view of the unwritten rule that divides such spoils between the US and Europe.[60] In 2004, there was no such clever attempt, and Africa's finance ministers expressed hope, instead, for merely a few more advisors to Rato and a few more resources for the two African executive directors.[61]

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

On the matter of the World Bank's own minerals and energy sector reforms, Pretoria actively opposed progress, because it would curtail some of the more extreme activities of the large mining houses. Bank loans to huge pipelines in Chad-Cameroon and the Caspian, as well as its subsidisation of global warming through other vast fossil-fuel activities, attracted numerous criticisms from the environmental, human rights and social justice communities. A Bank-sponsored, multi-stakeholder 'Extractive Industries Review' chaired by former environment minister Emil Salim of Indonesia argued in December 2003 that public funds should not be used to facilitate private profits in the terribly destructive minerals and energy sector, and hence the Bank should phase out oil and coal lending by 2008. Bank staff vigorously opposed the recommendations.[62] The South African minister of minerals and energy, Phumzile Mlambo-Ngcuka, gave the staff her support in February 2004, advocating that the Bank ignore the 'green lobbyists'.[63] In August, less than a fortnight after the Bank's 60th anniversary, the institution's board rejected the main Commission recommendations. According to Samuel Nguiffo of Friends of the Earth Cameroon, 'The World Bank's response is a deep insult for those affected by its projects.' A Friends of the Earth staffperson, Janneke Bruil in Amsterdam, added: 'Billions of misspent public dollars and sixty years of outcries by people around the world have not been enough. What more does it take?'[64]

Bank ambivalence about reform of this sort suited Johannesburg mining magnates across Africa. A striking example occurred in mid-2002, when officials from Pretoria, Kinshasa and the IMF arranged what the South African cabinet described as 'a bridge loan to the Democratic Republic of the Congo of Special Drawing Rights (SDR) 75 million (about R760 million). This will help clear the DRC's overdue obligations with the IMF and allow that country to draw resources under the IMF Poverty Reduction and Growth Facility.' What this represented was a shocking display of financial power, with the earlier generation of IMF loans to the dictator Mobuto Sese Seko now codified by South Africa, which under apartheid maintained a strong alliance with the then Zaire. Moreover, IMF staff would be allowed back into Kinshasa with their own new loans, and with neoliberal conditionalities (disguised by 'poverty reduction' rhetoric) again applied to the old victims of Mobuto's fierce rule. In the same statement, the South African Cabinet recorded its payment to the World Bank of R83 million for replenishment of its African loan fund, to 'benefit our private sector, which would be eligible to bid for contracts financed from these resources.'[65] A few months later, the UN Security Council accused a dozen South African companies – including the huge former parastatal Iscor - of illegally 'looting' the DRC during late 1990s turmoil which left an estimated three million dead, a problem that went unpunished by Pretoria.[66] In January 2004, Mbeki's state visit to Kinshasa generated a $10 billion trade/investment package and the chance for South African firms to participate in $4 billion worth of World Bank tenders.

Instead of promoting the cancellation of African debt, hence, Pretoria's strategy has been to accommodate past financial support for odious regimes, ranging from Mobotu to Botha, as we consider in more detail below. An alternative approach, still within the realm of establishment reason, was the logic proposed by UN secretary general Kofi Annan's economic adviser Jeffrey Sachs, a reform-minded neoliberal. He told heads of state at a July 2004 African Union meeting in Addis Ababa, 'African countries should refuse to repay their foreign debts' and instead use the funds to invest in health and education.[67] (At the time, the IMF was controversially prohibiting expenditure of health funds donated to Africa, especially for HIV/AIDS mitigation, on grounds that civil service pay would rise to above 7% of GDP.) Pretoria maintained its NEPAD stance, namely that Africa's foreign debt should be paid, and that Africa should adhere to Bank and IMF programmes such as the Highly Indebted Poor Countries (HIPC) initiative and Poverty Reducation Strategy Papers. The most critical comment about HIPC's notorious inadequacy made by Manuel was in 2002, when he appealed to a Commonwealth Business Council audience that 'the HIPC Trust Fund be fully funded, and that provision is made for topping-up when exogenous shocks impact on countries' debt sustainability'.[68]

The single instance where Manuel's anger at World Bank behaviour appeared to result in reform was the Lesotho dam corruption problem. The Bank had vacillated for a decade, initially (in 1994) prohibiting the Maseru government from firing the official later convicted of taking $2 million in bribes, Masupha Sole; then promising support for funding Lesotho's prosecution in 1999 but not delivering; then finding the first company – Canada's Acres International - innocent in a 2001 probe, prior to Maseru's guilty verdict in 2003; and then delaying a reexamination of Acres until 2004, while in the meantime Acres had received three Bank contracts worth $400,000, in Tanzania, the West Bank and Gaza, and Sri Lanka. Acres meanwhile refused to pay its $2 million fine to the Lesotho government. At one point, Manuel became sufficiently embarrassed by the Bank's sloth on the Lesotho corruption to remark, 'The World Bank is giving us the runaround.'[69] However, according to the main NGO watchdog group, International Rivers Network, the key variable was a humiliating US Senate Foreign Relations Committee hearing about billions of dollars of Bank project corruption in May 2004. The next month, the Bank 'debarred' Acres for three years. It was the first instance in which a major transnational corporation was held accountable for its malpractice on a World Bank project.

Meanwhile, African resistance movements voiced their own anger against international finance. The most striking single indication of African popular anger was probably the February 2004 march called by the Zambia Congress of Trade Unions, in which half a million workers decended upon parliament in Lusaka to reject a civil service wage freeze promoted by the IMF, demanding instead a minimum wage and other budgetary concessions.[70] In June 2004, a Cape Town meeting of Jubilee South Africa members from Angola, Cameroon, Cote d'Ivoire, the DRC, Kenya, Mozambique, South Africa, Swaziland, Zambia, Tanzania and Zimbabwe, and partners from Brazil, Argentina and the Philippines working on a comprehensive Illegitimate Debt Audit 'expressed deep concern with South Africa's sub-imperialist role and its use of NEPAD to promote the neoliberal paradigm to further dominate the rest of the African continent politically, economically, culturally and militarily, serving the interests of transnational corporations.' The groups demanded:

> * *Full unconditional cancellation of Africa's total debt;*
> * *Reparations for damage caused by debt devastation;*
> * *Immediate halt to HIPC and PRSPs and the disguised structural adjustment program through NEPAD and any other agreements that do not address the fundamental interests of the impoverished majority and the building of a sustainable and sovereign Africa; and*
> * *a comprehensive audit to determine the full extent and real nature of Africa's illegitimate debt, the total payments made to date and the amount owed to Africa.*[71]

As discussed below, Pretoria continued to discount the Jubilee movement, and to support US corporations in the New York courts where Jubilee and its allies had filed reparations lawsuits.

Investment

The most important ways that South African investments in the region foster subimperial relations are through retail trade, mining, agricultural technology and the NEPAD private infrastructure investment strategy.[72] The terrain is terribly uneven, with NEPAD in particular failing to attract privatisation resources, but an emblem of subimperialism is the highly visible manner in which South African retailers are deindustrialising many African countries by sourcing their goods from Johannesburg instead of local producers, so as to take advantage of economies of scale. As noted above, South African mining firms became an embarrassment in part because of the DRC looting allegations, and in part because of the role the DeBeers diamond conglomerate and its Botswana government and World Bank allies played in the displacement of the Basarwa/San bushmen in 2003-04.

It may well be, however, that the longer-term implications of South African subimperialism can best be observed in the agricultural sector. While the governments of Zimbabwe, Zambia and Angola all attempted to resist genetically modified organisms in food crops, in part because that would shut down their European export potentials, South Africa became the gateway to infecting African agriculture. 'Despite comprehensive objections raised by the African Centre for Biosafety and Biowatch South Africa,' according to the *Mail and Guardian* in July 2004, Pretoria 'approved a United States funded project that will soon see genetically engineered potatoes sprouting in six secret locations in African soil. Similar potatoes were first grown in the United States but were withdrawn from the market due to consumer resistance.' Biowatch South Africa requested a delay in the decision until a High Court ruling on the secret proliferation of genetically engineered organisms, but was initially unsuccessful[73]

Surprisingly, perhaps the most significant *potential* factor in South African corporate subimperialism, NEPAD, was apparently still-born as an operative investment framework. 'In three years not a single company has invested in plan's 20 high-profile infrastructure development projects [roads, energy, water, telecommunciations, ports], according to *Business Day* in mid-2004. 'The private sector's reluctance to get involved threatens to derail NEPAD's ambitions.' In contrast, a 2002 World Economic Forum meeting in Durban provided NEPAD with endorsements from 187 major companies, including Anglo American, BHP Billiton, Absa Bank and Microsoft. According to the programme's chief economist, Mohammed Jahed, 'NEPAD is reliant upon the success of these infrastructure projects, so we need to rethink how we will get the private sector involved, because clearly they have not played the role we expected.'[74]

The highest-profile arena in which South African foreign economic policy appears, at surface level, to challenge the privileges of transnational capital is monopoly drug company patents on anti-retroviral medicines. However, the famous 2001 lawsuit by the Pharmaceuticals Manufacturers Association against the South African government ended with the corporations dropping their objections, once Pretoria pledged that it would only sparingly use generic anti-retroviral medicines. As a result of both 'denialism' about AIDS and the high costs associated with treatment by brand-name medicines, the South African presidency and health ministry perpetually delayed roll-out of AIDS medicines. The Aids Law Project and Treatment Action Campaign (TAC) issued a July 2004 report showing that fewer than 10 000 patients had access to antiretroviral medicines at state hospitals and clinics, in contrast to 53 000 who should have been provided medicine by March 2004, according to the Cabinet's November 2003 plan. According to the report, 'Advertisements regarding antiretroviral treatment have disappeared from television and rumours have it that this was ordered by [health minister] Manto Tshabala-Msimang.' Moreover, overall health system breakdown also threatens the success of the programme: 'At some hospitals in Johannesburg patients have to wait until next year to get an appointment.'[75]

Reparations

A final example illustrates how inaccurate it is to consider Mbeki's government capable of making the 'Left turn.'The end of June 2004 witnessed a surprising defeat for numerous multinational corporations and the Bush regime, in the United States Supreme Court. In the case of Sosa v Alverez, the corporate plaintiffs requested that foreigners not be permitted to file lawsuits for human rights violations committed elsewhere in the world under the Alien Tort Claims Act. Current cases are pending against companies for repressive operations in Burma, Nigeria, Indonesia and apartheid South Africa. According to Jubilee South Africa and the Khulumani Support Group, representing 32 000 South Africans, 'Today the door is open to a narrow class of international norms'. The option was maintained to sue 23 financing, technology, transportation, oil, and arms corporations for their role in apartheid-era human rights abuses. The companies included IBM, General Motors, Exxon Mobil, JP Morgan Chase, Citigroup, Caltex Petroleum Corporation, Ford Motor Company and the Fluor Corporation.[76] According to the corporations, the danger was that US courts would infringe upon the sovereignty of nations and interfere with the business of free trade. The conservative Supreme Court's ruling was a 'huge blow' to the firms, according to Khulumani and Jubilee South Africa lawyers:

> *However, the US Supreme Court cautioned that the right to civil relief must be balanced by the domestic policy interests of the foreign nations in which the conduct occurred and the foreign policy concerns of the United States. Regrettably though, in a footnote in the judgment, the US Supreme Court referred to the declaration submitted by the former South African Minister of Justice and Constitutional Development, Dr Penuell Mpapa Maduna, submitted to a district court where the Khulumani and other Apartheid cases are pending as an instance where the caution should be applied. The declaration expressed the South African government's concern that the cases before the court would interfere with the policy embodied in the Truth and Reconciliation Commission. The South African government has specifically asked the court to abstain from adjudicating the victims claims in deference to its paramount national interests.*[77]

Yet the Final Report of the Truth and Reconciliation Commission contained a different sentiment, namely that the New York reparations cases pose no conflict with South Africa law or policy: 'Business failed in the hearings to take responsibility for its involvement in state security initiatives specifically designed to sustain Apartheid rule.' The TRC also found, according to Jubilee, that 'It is also possible to argue that banks that gave financial support to the Apartheid state were accomplices to a criminal government that consistently violated international law. The recognition and finding by the international community that Apartheid was a crime against humanity has important consequences for the victims of Apartheid. Their right to reparation is acknowledged and can be enforced in terms of international law.'

Against the lawsuits, former South African president Nelson Mandela argued that 'South Africans are competent to deal with issues of reconciliation, reparation and transformation amongst themselves without outside interference, instigation or instruction. We have dealt with our political transition in that manner and we are capable of dealing with other aspects of our transformation in similar ways.' Mandela's comment was made upon launching the Mandela Rhodes Foundation at Rhodes House in Cape Town, the former De Beers corporate headquarters. De Beers is a defendant in the apartheid profits lawsuits, and it was telling that Mandela's speech contained a positive reference to its founder's subimperial role: I am sure that Cecil John Rhodes would have given his approval to this effort to make the South African economy of the early 21st century appropriate and fit for its time.'[78]

Conclusion

The growing challenge by progressive activists means that again and again, Pretoria is confronted with genuine challenges to its rhetoric, and typically unveils that rhetoric as merely a distraction. The more durable project pursued by the Mbeki government is attaining global-scale status.

There are exceptions, of course, for not all South African politicians are as pro-corporate as those noted above. In mid-2004, deputy minister of environmental affairs and tourism Rejoice Mabudafhasi commented on Thor Chemicals' slow payment of fines for apartheid-era mercury dumping: 'We are not yet through with the company. If they want me to wave a big stick, I will. All over Africa these companies are undermining us as developing countries.'[79]

However, when the stakes are as high as they remain today in global geopolitics and economics, Mbeki ensures that a pro-business environment continues, and that the US regime is comfortable with its 'point man' in Africa. Under the circumstances, this is no time for intellectual equivocation. Yet many commentators are finding it hard to make up their minds whether South African regional hegemony is good or bad. Part of the problem, it appears, is the tendency of analysts to believe government rhetoric. Without any documentation, University of Pretoria professor Maxi Schoeman recently claimed that the Mbeki government

> *forcefully articulated critical standpoints on the issue of international debt and on the new round of multilateral trade negotiations in the WTO. In both instances one finds evidence of a seemingly increasingly confident South Africa taking up a leadership position in and on behalf of the global South, but always with particular emphasis on the needs of Africa.*[80]

Nothing could be further from the truth: Pretoria has been largely uncritical of the standard Washington Consensus debt strategy, and indeed played a decisive role in undermining African interests in the main 1999-2003 WTO summits at Seattle, Doha and Cancun.[81]

And as for Mbeki's ambiguous Africa strategy, three analysts of subimperial *economic* processes – John Daniel, Varusha Naidoo and Sanusha Naidu of the state Human Sciences Research Council – ignored the neoliberal spectre of NEPAD in their documentation of Johannesburg capital's march up-continent. The vast state support structure required to lubricate subimperial capital accumulation left Daniel et al to fade into apologetics:

A distinction needs to be drawn between the behaviour of South Africa's corporates and its government… it is not possible for Africa's politicians to make the same charge ['they bulldoze their way around', according to a Kenyan MP on Johannesburg business leaders in 2001] against those who represent South Africa's political interests in Africa... Here there has been a sea-change from the past... non-hegemonic co-operation has in fact, been the option embraced by the post-apartheid South African state.[82]

The reality, as even journalists have surmised, is very different. In August 2003, the *Sunday Times* remarked on SADC delegates' sentiments at a Dar es Salaam regional summit: 'Pretoria was "too defensive and protective" in trade negotiations [and] is being accused of offering too much support for domestic production "such as duty rebates on exports" which is killing off other economies in the region.'[83] More generally, the same paper reported from the AU meeting in Maputo the previous month, Mbeki is 'viewed by other African leaders as too powerful, and they privately accuse him of wanting to impose his will on others. In the corridors they call him the George Bush of Africa, leading the most powerful nation in the neighbourhood and using his financial and military muscle to further his own agenda.'[84]

Daniel et al found only Pretoria's reprehensible post-2000 policy towards Zimbabwe[85] and the September 1998 invasion of Lesotho worthy of criticism. In the latter case, in the wake of a rumoured coup, the South African National Defence Force quickly helicoptered to the main Lesotho dam, Katse, killing dozens of Basotho soldiers (in their sleep). For Daniel et al, 'The operation was widely condemned and criticised at the time and the exercise has not been repeated anywhere else on the continent.'[86] Again, it is worth citing a much more realistic assessment of that incident – not as a once-off mistake but instead as 'policy' – which was reported shortly afterwards in the *Cape Times*: 'The recent military intervention by South Africa and Botswana in Lesotho had demonstrated the Southern African Development Community's commitment to creating a climate conducive to foreign investment, deputy president Thabo Mbeki told a high-powered investment conference in the city yesterday.'[87] In other words, Lesotho dams were worth defending in even the most egregious style, so that Johannesburg capital and rich suburbanites could continue drawing water in an unstainable manner.

The tendency to overlook structural power relationships of the Pretoria-LHWP type, and all that they imply, is one of the reasons for a long overdue return to South Africa's older political-economic traditions of intellectual engagement. In doing so, the reasons for and implications of dubious geopolitical arrangements, the failed reforms of international trade and multilateral institutions, counterproductive investments and Pretoria's resistance to reparations arguments fit into place. The problem can be summed up in a word: subimperialism.

NOTES

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14 Ideological issues are taken up in greater depth in Bond, Patrick (2001), 'South Africa's Agenda in 21st Century Global Governance,' *Review of African Political Economy*, 28, 89, pp.415-428; (2003), *Against Global Apartheid: South Africa meets the World Bank, IMF and International Finance*, London: Zed Books; (Ed)(2002), *Fanon's Warning: A Civil Society Reader on the New Partnership for Africa's Development*, Trenton: Africa World Press; and (2002), 'The New Partnership for Africa's Development: Social, Economic and Environmental Contradictions,' *Capitalism, Nature, Socialism*, 13, 2, pp.151-180.
15 Class formation along these lines is proceeding apace. According to even Brett Kebble, the ANC's closest white ally in the mining industry, 'The old order has gone and co-opted a few little Uncle Toms, pasted them onto their boards and companies, promised them all kinds of power and ability to do things, given them a selective and very discreet deal-flow... Some of those people whom we have empowered have become part of an elite and developed amnesia. There is in this country, unfortunately, a self-proclaimed black royalty. Most of them couldn't give a shit about liberation.' (O'Toole, Sean (2004), 'The Artful Mr Kebble,' *Sunday Times*, 18 July.)
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