BRICS Reaches Out to Africa, Africa Embraces BRICS

by David Cherry

Aug. 4—Many African leaders are passionate about making Africa into a manufacturing continent—to end its role as simply a raw materials exporter. Never has this passion been more dramatically manifest than in the Outreach Forum of the 10th BRICS Summit of July 25-27 in Johannesburg. The BRICS Summit—on the theme "BRICS in Africa"—was the leadership meeting of the five BRICS member nations, but it also brought together leaders of nine non-member African nations and the chairman of the African Union Commission, for the now traditional BRICS Outreach to the region of the summit host. 1 The government of South Africa, the host, explained that the 2018 Outreach was to ensure "BRICS support for African industrialization and infrastructure development." This is what the African leaders wanted to hear, and their responses were strong.

The bedtime stories of the old British paradigm, which attempted to divert Africans from industrialization, are losing traction. One of those fairy tales was that African countries can zoom ahead by skipping industrialization and instead marketing "services." Institutions such as the U.S. Agency for International Development (USAID) and the British Department for International Development (DFID) tell African governments that "we are now in the post-industrial stage," in which services dominate the economy, and that Africa can thrive by simply promoting its services sectors—banking in Nigeria, for example, and information technology services in Senegal.



Ship-to-shore cranes at the new container terminal in Walvis Bay, Namibia. Feb. 9, 2018.

These agencies do not wish to mention, that with the decline of manufacturing in the West, every other aspect of society is also decaying, from infrastructure to education. For example, the <u>estimate</u> of the American Society of Civil Engineers (ASCE) of the cost to repair the worsening infrastructure in the United States has been rising, and is now at \$4 trillion dollars. This estimate refers only to infrastructure *repair*, and does not include what it would take for the nation to progress to a higher level.

The same misdirection is evident in the frequent over-emphasis on the "digital revolution," as if software were somehow more important than—or could even supersede—the physical manufacturing processes themselves.

The BRICS Summit shows, however, that African governments are interested in the fundamentals, in manufacturing, even while the full name of the 10th BRICS Summit itself made reference to that software heaven, the "Fourth Industrial Revolution."

Here we report on just some of this commitment to manufacturing expressed by African leaders in the context of the BRICS Summit.

^{1.} An additional form of participation in the annual summits is BRICS Plus, which enables the host government to invite a few leaders from around the world. This year South Africa invited Argentina, Indonesia, Egypt, Jamaica, Turkey, and the UN Secretary General to participate. The nine African nations participating under the BRICS Outreach rubric this year were Rwanda, Senegal, Gabon, Uganda, Ethiopia, Togo, Zambia, Namibia, and Angola. In both cases—BRICS Plus and Outreach—South Africa chose countries that are currently chairing regional or international organizations. See http://www.brics2018.org.za/brics-outreach

Namibia: 'Manufacturing Is the Thing'

The President of Namibia, Hage Geingob, discussed BRICS in an interview with Mfundo Mabalane on South Africa's Afro Worldview television. Geingob expressed hope that the New Development Bank of the BRICS is different from the Bretton Woods banks, "so that we can industrialize in Africa." Africa exports its raw materials, he said, and they are processed in Europe, "and then we buy our own goods." But we will put an end to that through BRICS. "We can have one-on-one contact with big powers and we can see how we can actually manufacture in Africa."

There are powerful, industrialized countries in BRICS, he said, so if we are all pulling in the same direction, less developed countries can be "held under the wings, by South Africa, for instance," when it comes time to negotiate, so we will have more power.

President Geingob addressed criticisms of BRICS by recalling his first visit to China:

I saw all these capitalistic things, so I said, "Oh comrades, what is happening? I see America is here!" And they said "Yes, we have opened up thirty years ago, *but*, whoever comes here, comes on our terms!" And that is the problem in Africa, we allow them. So whoever comes, big or small, to South Africa, to Namibia, we must put our conditions. We told the Chinese, when you come to Namibia, don't bring ordinary wheelbarrow pushers, we have high unemployment....

Namibia must have vocational training, he said, so our people "will use their hands to create things that we will need." He emphasized, "Manufacturing is the thing. All countries in the world, you have to industrialize. Now industrializing also means manufacturing, and therefore to add value to our resources."

Malawi: 'From Consumer to a Producer Economy'

The President of Malawi, Arthur Peter Mutharika, at the BRICS Outreach Forum with African leaders on July 27, told South Africa's <u>Independent Media</u> that "Malawi has a 22-year infrastructure master plan—we need roads, railways and airports, and the creation of the New Development Bank will make it easier for us to



Afro Worldview TV

The interview with Hage Geingob, President of Namibia, conducted by Afro Worldview TV's deputy editor Mfundo Mabalane after the summit.

access funds in future for infrastructure development."

President Mutharika looked to South Africa to represent the continent: "South Africa has done well to bring African countries on board with regards to BRICS. Africa has a voice and South Africa must speak for us."

"Our biggest challenge," he said, "is to turn our country around from being a consuming to a producing economy, so that we have value-added products to export." Malawi exports raw cotton, for example, but it could be exporting cotton thread or garments.

Angola: 'In the Interest of All Humanity'

Angolan President João Lourenço, in a <u>statement</u> released after the Outreach Forum on July 27, said that the conditions were right for "a concerted strategy of inclusive growth, fight against hunger, reducing the unemployment rate, housing development, improve the people's living conditions, and the creation of partnerships for the integration and industrialization of the entire southern region" of Africa. The BRICS countries had experienced the same stage of economic and social development that Angola is now enduring, "but they managed to make a decisive move toward industrialization."

He called on BRICS to "help Angola overcome the existing constraints to ensure the country's economic development, progress, and people's well-being. We are aware that the collaboration between BRICS and Africa may result in inclusive societies and global partnership in the interest of all humanity."

At the summit, President Lourenço had meetings, as some other presidents did, with China's President Xi Jinping, Russian President Vladimir Putin, Prime Minister of India Narendra Modi, and the President of Turkey, Recep Erdogan.



Nairobi terminal of the new Mombasa-Nairobi rail line.

Uganda: 'Bring Hope to Our Millions'

President of Uganda Yoweri Museveni has been widely quoted as saying, at the Outreach Forum, "Africa is home to more than 1.25 billion people. In East Africa, there are opportunities in fishing, steel, copper, milk, construction, to mention a few. We want the BRICS countries, including South Africa, to invest in railways, construction of roads and other infrastructure development projects in our region." President Museveni said that a partnership with BRICS would bring hope to the more than 168 million people living in East Africa.

Ethiopia: 'BRICS for Space Exploration'

While the BRICS summit was concluding in Johannesburg on July 27, the Xinhua news bureau in Addis

Abeba spoke with Gedion Jalata, CEO of an Ethiopian consulting firm, the Center of Excellence International Consult, who said, "BRICS can act as the key financial arm for planned infrastructure projects in Africa.... BRICS could help developing African economies like Ethiopia in future projects like ICT [information and communications technology] development, space exploration and aerospace engineering."

"With South Africa being a member of the BRICS group," he said, "there are bound to be some commitments to support African countries, while the increasing strength of the BRICS bloc means an extended infrastructure commitment for African countries."

Rwanda: 'Revolutionary, More Precious than Money'

In a toast that Rwanda's President Paul Kagame offered to China's President Xi in Johannesburg, President Kagame implicitly acknowledged China's moving spirit in the BRICS. He said,

The growing relationship with China is based as much on mutual respect, as on mutual interests. That is evident, first of all, in your personal commitment to our continent, Mr. President. More generally, China relates to Africa as an equal. We see ourselves as a people on the road to prosperity. China's actions demonstrate that, Mr. President, you see us in the same way. This is a revolutionary posture in world affairs, and it is more precious than money.

Just days earlier, at the conclusion of a July 23 bilateral meeting with President Xi in Kigali, Rwanda, President Kagame said he looked forward to the signing of an MOU in the framework of the Belt and Road Initiative. He laid out his vision of the future of Africa's economy, which BRICS will have a great role to play in bringing into being. He said in part:

This [cooperation with China] presents new opportunities for Rwanda, the region, and our continent as a whole. Rwanda's location, at the convergence of western and central African regional blocs, presents opportunities to become the land-



Xinhua/CG0

The Muyanza Dam in Rwanda, built by China Geo-Engineering Corp., Feb. 16, 2018.



Xinhua/Li Sibo

Beijing Automotive Industry Corporation shows off the first automobile produced at its plant in Port Elizabeth, South Africa. July 24, 2018.

bridge in the heart of Africa. Through projects such as a standard gauge railway, the interior of Africa will be linked to the coast, thereby contributing to deeper integration of African economies and beyond.

We welcome businesses from China to invest in Rwanda, especially in manufacturing, development of industrial parks, and energy. As China moves towards shifting its production structure, moving up the technology value chain through its "Made in China 2025" policy, Rwanda could strategically position itself to acquire some of its primary industries, in sectors such as automobile assembling plants, electronic products, garment, and shoe-making.

I, once again, wish to congratulate China for the partnership in building the recently opened Djibouti International Free Trade Zone. I was there, myself, to witness that, and encourage the same company, China Merchants Holdings, a subsidiary of China Merchants Group, to invest in free trade zones in Rwanda.

All of the African nations represented in this survey have already had direct experience, in their own countries, of the new spirit that has animated China especially since it announced its Belt and Road Initiative in September and October 2013. It is this experience that has prepared the way for these nations' reception of the BRICS and its vision

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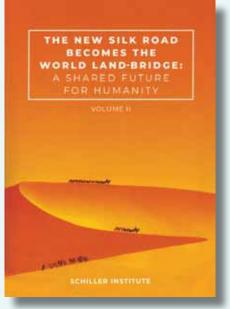
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