# BRICS corporate snapshots during African extractivism

Baruti Amisi
Bobby Peek
Farai Maguwu

## 1 BRICS CORPORATES IN AFRICA

The centuries-old looting of Africa, followed by the conference in Berlin that from 1885 began the 'Scramble for Africa', is being repeated now in a predatory attack by BRICS countries on the continent's resources. Large corporations from Brazil, Russia, India, China and South Africa are not committed to development for ordinary people – whether in the homeland or the victim countries. As BRICS penetrate further into Africa, the winners consist of multinational and parastatal corporations, including some based in the industrialised countries – e.g. the Walmart retail empire – which purchase semi-processed inputs or finished goods from BRICS, along with local elites who lubricate the looting through corruption, cost overruns, and access to our cheapest electricity supplies.

Many African countries, if not all, are located at the extreme end of what Immanuel Wallerstein thirty years ago termed the core-periphery relationship, a position which impoverishes them to the advantage of rich and industrialised countries in the core. BRICS countries represent sub-imperialists trying to improve their relative location in the world system, perhaps moving toward imperialist power and thereafter even to imperialist superpower status, as the USSR once enjoyed. These countries have different levels of economic development and political influence, vested interests in the African continent and the DRC in particular, and geopolitical positions in world politics.

But they all share four characteristics. First, BRICS countries present important opportunities for foreign direct investment (FDI) which, drawn towards mega developments like the Congo River Inga Hydropower Project or towards minerals and petroleum extraction, impoverish the same people that they should empower. Impoverishment occurs through dispossession of natural resources with little or no compensation, unequal shares of the costs and benefits of mega development projects, repayments of debts incurred to build these projects, and structural exclusion from accessing the outcomes of these initiatives.

Second, BRICS countries share the same *modus operandi* at their different stages of imperialism, either as countries which have been active in Africa for a very long time (Russia and China); newly arrived (India); or playing their traditional sub-imperialist countries (Brazil and South Africa). The pattern is similar: accumulation by dispossession is taking place through abuse of local politics, national elites, warlords, and war economies, as in the eastern side of the DRC, where between BRICS and the West as consumers of the resulting mineral outflows, six million or more deaths have been the result.

Third, BRICS countries share the same interests in natural resources including but not limited to mining, gas, oil and mega-dam projects for water and for electricity to meet their increasing demands for cheap and abundant electricity. They are also actively involved in the search for new markets, and hence they promote construction of roads, railways, bridges, ports and other infrastructure. But this infrastructure is often indistinguishable from colonial-era projects, meant to more quickly extract primary products for the world market.

Fourth, BRICS countries have poor records of environmental regulation. There is virtually no commitment to mitigate climate change and invest in truly renewable energy, to take environmental impact assessments seriously, and to consult with and compensate adversely affected communities.

With three BRICS countries having crashed in 2013 to join the ‘fragile five’, and Russia crashing in March 2014 thanks to the implications of its Ukranian political and Crimean land grab, following China’s surprising trade deficit in February 2014 as many of its major industrial companies lowered their production, there is desperation in the air. The prices of important commodities such as copper and iron are falling, as a result. The BRICS appear to need new market niches for trade, along with cheap energy through oil, coal and hydroelectricity, which can assist in lower-cost extraction and transportation. But each BRICS country is different.

### 1.1 Brazil

Brazil's approach to Africa's natural resources seems to be characterised by the rhetoric of indigenisation to advance its sub-imperialist interests and those of other imperialist powers. It uses its historical ties with people of African descent to establish to sign lucrative contracts in the continent. In fact, Brazil has the largest population of black people in the world after Nigeria.

Brazil has interests in African mining. Vale, the world's second largest miner, has exploited coal in Mozambique since 2004. Other mining interests abound in Angola, the Democratic Republic of Congo, and South Africa. In infrastructure, Odebrecht, Brazil's biggest construction company, is building dams, housing and hospitals. There are also growing investments in oil, biofuel, diamond and the supermarket sector. In energy, Petrobrás, a state-controlled energy group, is acquiring further exploration rights and increasing production.

Brazil's imports from Africa are overrepresented by minerals and crude materials representing 80 percent whereas Africa's import from Brazil is diversified to include agricultural products (sugar, dairy, meat, cereals), vehicles and parts, nuclear reactors and machinery, ores and ash. Brazil's major trading partners in Africa consist of Nigeria (32 percent), Angola (16 percent), Algeria (12 percent), South Africa (10 percent), and Libya (7 percent). These countries make up 77 percent of Brazil total trade with the continent.

BRICS scholar Oliver Stuenkel argues that Brazilian economic and commercial interests are becoming much more visible than before. Petronas is present in 28 countries investing 1.9 billion US dollars in coal, oil, and natural gas in Nigeria in 2005. Eletrobrás is planning the construction of a 6 billion US dollars hydroelectric power plant in Mozambique, which will most likely be financed by BNDES, Brazilian Development, which provides more funds than the World Bank. Vale invested 700 million US dollars in coal, oil, and natural gas in Mozambique in 2007. Vale has recently signed a $1 billion deal to build a railway in Malawi to transport coal from Mozambique.

### 1.2 Russia

Russia's position in the race for natural resources of the African continent is ambiguous. This country takes advantages of its historical presence, relations, and involvement in anti-colonial wars and its failed attempts to create communist states in the continent to advance its economic and political interests. Some key Russian officials believe that they were left behind in the scramble for Africa's natural wealth. As then president Medvedev put it in 2009, 'Frankly, we were almost too late. We should have begun working with our African partners earlier.'

Russians can use the rhetoric of historical exclusion and exploitation to lobby African leaders to give them lucrative contracts in the exploitation and processing of natural resources, construction projects, and arms deals. Russia-Africa relations reached their peak in the 1960s, which incidentally coincided with the wave of independence in various countries in the continent.

Russia-Africa relations then regressed significantly in 1991 when Boris Yeltsin, the first president of Russian Federation, declared that 'Russia's policy of foreign aid would be halted and that Russia would ask African countries to repay their debts as soon as possible.' This period also concurred with the dissolution of the Soviet Union and the introduction of the market economy in Russia.

Russia-Africa relations are taking a new turn now due to Russia's search for new natural resources, and market niches for Russian goods. Russia also needs the support of developing countries to strengthen its voice in different bodies of the United Nations around pressing issues such as the Chechnya and Crimea crises, international conflicts, violations of human rights, and lack of freedom of expression of individuals who oppose or call for regime change.

The priorities of Russia for its foreign economic strategy in the region include but are not limited to the following: (1) prospecting, mining, oil, construction and mining, purchasing gas, oil, uranium, and bauxite assets (Angola, Nigeria, Sudan, South Africa, Namibia, etc.); (2) construction of power facilities—hydroelectric power plants on the River Congo (Angola, Zambia, Namibia, and Equatorial Guinea) and nuclear power plants (South Africa and Nigeria); (3) creating a floating nuclear power plant, and South African participation in the international project to build a nuclear enrichment centre in Russia; (4) railway Construction (Nigeria, Guinea, and Angola); (5) creation of Russian trade houses for the promotion and maintenance of Russian engineering products (Nigeria and South Africa).

Prospecting and mining represent the first priority Russia' foreign economy policy to gain access to source of supply of key minerals – e.g. zinc, manganese, copper, nickel, and platinum – which are essentials for the functioning of a modern economy but will be depleted within the next decade or become difficult to access and costly to develop. Africa is the best destination for the new scramble because availability o these resources and the lower costs of exploitation. Russia has also military and arms interests in Africa. Indeed, Russia is the 2$^{nd}$ largest arms exporter, which in 2011 amounted to a total value of US$66.8 billion.

Most of these activities occur through five major Russian companies alone or in partnership with other MNCs:

- Renova Company recently concluded with the South African government;
- RusAl is close purchasing the still incomplete Aluminium Smelter Company of Nigeria, Alscon;
- RusAl is to participate in the privatization of a smelter in Tema (Ghana) that, in contrast to the projects in Nigeria and Congo, is operating and supplying primary aluminium to the American market;
- Alrosa owns 32.8% of the stock in the Katoka Mining Society which manages an industrial complex Angola;
- The South African Lonmin Company, the third largest platinum producer in the world, may also be of the interest to Renova; and
- SUAL and the UK-based investment company Fleming Family and Partners (FF&P)'s assets are concentrated in Sub-Saharan Africa (for example, tantalum production in Mozambique).

The commitment of Russia in the extraction and processing of Africa's natural resources is illustrated by four Russian companies – RusAl, Norilsk Nickel, Alrosa and Renova – which plan to invest in Sub-Sahara Africa at least $5 billion over the next five years.

### 1.3 India

India has historical ties with Africa since the 9th century based on British colonialism. India has been actively involved in anti-colonial and liberation struggles as well as providing diplomatic support and solidarity to newly emerging African nations. Conversely, there have been limited trade ties as well as episodes of antagonism and neglect in Indian-African relations despite Indian's migration to Africa. Technical support established in early 1970s from India to African countries was modest.

As its economy expands, India extended commercial interests, exports, cooperation beyond Eastern and Southern Africa to include many other African countries. India has trained over 1500 Africans in Indian universities. The presence of India in Africa has been led by entrepreneurs and private business interests.

Indian business interests are mainly dominated by firms such as Tata Motors, Jindal coal, Vendata Mining (in Zambia's copper industry), Dabur, Marico, Essar Group, Godrej, Bharti Airtel, Kirloskar, Karuturi Agro Products (in Ethiopia), and several pharmaceuticals. Currently, India is also involved in Oil and Natural Gas Company (ONGC), steel through Mittal Steel, to produce a comprehensive bid for a lease in Nigeria in 2006. There is also involvement by the Indian navy in the northern Indian Ocean against Somali pirate activities. India also has interests in the mining of diamonds in Zimbabwe with an investment of 1.2 million USD; and has reserves of uranium in Namibia and Malawi.

Africa supplies some 20 percent of India's fuel imports. Thirty percent of India's energy is met by oil with 70 percent of this commodity being imported. The remaining 70 percent is met through domestic coal reserves. It is expected that India's demand for energy will double by 2015, pushing India to import 90 percent of its oil. India is therefore obliged to diversify its energy suppliers through oil exploration and production. This is undertaken by the Oil and National Gas Corporation (ONGC), which has ventured into Africa e.g. oil exploration in Libya and Nigeria, investment in hydrocarbure in Sudan and offshore drilling in the Ivory Coast.

India's foreign policy is characterised by a readiness 'to cooperate with various international partners, without becoming too strongly bound to any particular partner or possibly entering into a relationship of dependency'. As a result, India maintains strong ties with Russia (its main supplier of weapons). India is also developing positive relations with various Asian partners, including Japan and South Korea – with whom India signed strategic partnership agreements in 2006 and 2010, respectively – as well as the resource-rich Central Asian states.

### 1.4 China

From the 1960s, China was involved in several liberation struggles in Africa through provision of military trainings and logistical supports. It also provided development aid such as the Tanzania – Zambia Railway (TAZARA), which remains the crown jewel of China's assistance. With a US$412 million interest-free construction loan, the TAZARA was designed and built in the 1960s to offer an alternative to South African ports to ship minerals from Central Africa.

In addition, it served as an ideological and practical role within Beijing's strategy to oppose Moscow's authority in East Africa. China's interests in Africa were renewed by its increasing need for Africa's natural resources, yet without a doubt, African political leaders have long appreciated China's presence. Popular opinion has always remained mix, with South Africans listing fear of China as the second most common political opinion about threats to the country, according to recent Pew surveys.

China has four main interests in Africa: (1) access to raw materials, (2) access to new markets, (3) political influence, and (4) isolation of Taiwan from African states, according to US scholar David Shinn: 'China imports about 90 percent of its cobalt, 35 percent of its manganese, 30 percent of its tantalum, and 5 percent of its hardwood timber from Africa'. In 2003 China consumed 25 percent of global aluminium and steel production; 32 percent of iron ore and coal production: and 40 percent of the world's cement, figures that have probably risen since. China's imports from Africa are led by Angola, the second largest single source of Chinese oil supply, followed by the Sudan, and Nigeria which account for 32 percent of oil imports.

Similar to western counterparts, China's economic growth goes hand-in-hand with the need for new markets to sustain its industry. China's exports to Africa have increased by a factor of nine since 2000. But some 60 percent of Chinese exports to Africa go to just six countries – South Africa, Egypt, Nigeria, Algeria, Morocco, and Benin. The export of machinery, automobiles, and electronic products, which now account for more than half of China's exports to Africa, is also on the rise.

In exchange for these exports, China also enforces on Africa's poorest countries its 'One-China Principle' – which insists that all countries must only recognise China, and that Taiwan is part of China. Taiwan remains a thorn in China's flesh. China is consequently using its economic and geopolitical power as well as its veto rights to punish African countries which have diplomatic ties Taiwan even though the Chinese Communist Party (CCP) tolerates trade relations with Taiwan.

China needs Africa to strengthen its political position in global affairs. It therefore has to use the expansion of economic power – through its first two interests discussed earlier – to seek for support from 54 African countries which now represent over one-quarter of the UN's 193 members, in institutions such as the UN Security Council, the United Nations Human Rights Council, and the World Trade Organisation (WTO) where there are unending disputes and negotiations.

### 1.5 South Africa

South Africa has two main interests at play in Africa. First, there is its own influence as regional hegemon and its quest for political and economic expansion. This occurs through humanitarian aid and peacekeeping missions in war torn countries. South Africa uses these missions as stepping-stones for economic conquest of new territories and conquest for territories previously exploited directly by western countries.

South African capitalists have advanced in Africa via mining, banking, defence, retail, and tourism, many of which require a supply of cheap energy. Second, there is the intermediary or sub-imperialist roles that South Africa plays between imperialist economic and military powers such as the United States, United Kingdom, Canada, and several others in the core; and poor and underdeveloped countries with abundant natural resources in the periphery countries including but not limited to the DRC, Mozambique, Zambia and others).

South African sub-imperialism is invading Africa through both MNC and foreign-owned MNCs with long-term bases in the country, including companies like Anglo American, De Beers and BHP Billiton which used to be domiciled in SA. There are now also black-owned and controlled firms such as African Rainbow Minerals, and some smaller initiatives close to the ruling party and president himself.

## 2 BRICS IN MOZAMBIQUE

In Mozambique, there is a new neo-colonial exploitation underway. It is not Europe or the United States that are dominating, but rather countries which are often looked up to as challengers, such as Brazil, Russia, India, China and South Africa. This is a dangerous statement to make but let us consider the facts.

South Africa is extracting 415 megawatts of electricity from Mozambique through the Portuguese developed Cahora Bassa Dam, which has altered permanently the flow of the Zambezi River, resulting in severe flooding on a more frequent basis over the last years. In the recent floods earlier this year it is reported that a women gave birth on a rooftop of a clinic, this follows a similar incident in 2000, when Rosita Pedro was born in a tree after severe flooding that year.

South Africa's failing energy utility Eskom is implicated in the further damming of the Zambezi, for it is likely to make a commitment to buy power from the proposed Mpanda Nkua dam just downstream of Cahora Bassa. Most of the cheap energy generated by that dam is fed into a former South African firm, BHP Billiton, at the world's lowest price – but jobs are few and profits are repatriated to the new corporate headquarters in Melbourne, Australia.

After years of extracting onshore gas from near Vilanculos, the South African apartheid-created oil company Sasol is planning to exploit what are some of Africa's largest offshore gas fields, situated off Mozambique, in order to serve South Africa's own export led growth strategy.

Brazil is also in Mozambique. Sharing a common language as a result of colonial subjugation by the Portuguese, business in Mozambique is easier. The result is that the Brazilian company Vale, which is the world's second largest metals and mining company and one of the largest producers of raw materials globally, has a foothold in the Tete province of Mozambique between Zimbabwe and Malawi. They are so sensitive about their operations there that an activist challenging Vale from Mozambique was denied entrance to Brazil last year to participate in the Rio +20 gathering. He was flown back to Mozambique, and only after a global outcry was made led by Friends of the Earth International, was he allowed to return for the gathering.

Further to this, India also has an interest in Mozambique. The Indian based Jindal group which comprises both mining and smelting set their eyes on Mozambican coal in Moatize, as well as having advanced plans for a coal-fired power station in Mozambique, again to create supply for the demanding elite driven economy of South Africa.

Russia also plays an interesting role in Mozambique. While not much is known about the Russian state and corporate involvement, following the break when the Soviet Union collapsed, there is a link with Russia's Eurasian Natural Resources Corporation which has non-ferrous metal operations in Mozambique. Interestingly the Russian government has just invested R$1.3 billion in Mozambique to facilitate skills development to actively exploit hydrocarbons and other natural resources, according to Russian Foreign minister Sergei Lavrov.

So this tells a tale of one country, in which tens of billions of rands of investment by Brics countries and companies in extracting minerals results in the extraction of wealth. Mozambique will join the Resourced Cursed societies of our region, with polluted local environments, and a changed structure of peoples' lives, making them dependent on foreign decisions rather than their own local and national political power. This is not a random set of exploitations, but rather a well-orchestrated strategy to shift the elite development agenda away from Europe, the US and Japan, to what we now term the Brics.

This positioning means that the BRICS drive for economic superiority is pursued in the name of poverty alleviation. No matter how one terms the process – imperialist, sub-imperialist, post-colonial, or whatever – the reality is that these countries are challenging the power relations in the world, but sadly the model chosen to challenge this power is nothing different from the model that has resulted in mass poverty and elite wealth globally.

This is the model of extraction and intensely capital-intensive development based upon burning and exploiting carbon, and of elite accumulation through structural adjustment also termed the Washington Consensus. The agenda of setting up the BRICS Bank is a case in point: it is opaque and not open to public scrutiny. Except for the reality as presented above, these countries are coming together with their corporate powers to decide who gets what were in the hinterland of Africa, Latin America, Asia and the Caucuses.

It is projected that by 2050, BRICS countries will be in the top ten economies of the world, aside for South Africa. So the question has to be asked why is South Africa in the BRICS? Simply put, the reality is that South Africa is seen as a gateway for corporations into Africa, be they energy or financial corporations. This is because of South Africa's vast footprint on the continent.

Remember Thabo Mbeki's peace missions? Well they were not all about peace; they were about getting South African companies established in areas of unrest so that when peace happens they are there first to exploit the resources in these countries. This could potentially be a negative role, if South Africa is only used as a gateway to facilitate resources extraction and exploitation of Africa by BRICS countries, as it is now by the West. The question has to be asked by South Africans why do we allow this? I do not have the answer.

Returning to poverty alleviation, the reality is that in the BRICS countries we have the highest gap between those that earn the most and the poor, and this gap is growing. Calling the bluff of poverty alleviation is critical. How to unpack this opaque agenda of the Brics governments is a challenge. For while their talk is about poverty alleviation the reality is something else.

We recognise that what the Brics is doing is nothing more than what the North has been doing to the South, but as we resist these practices from the North, we must be bold enough to resist these practices from our fellow countries in the South.

Thus critically, the challenge going forward for society is to understand the Brics and given how much is at stake, critical civil society must scrutinise the claims, the processes and the outcomes of the Brics summit and its aftermath, and build a strong criticism of the Brics that demands equality and not new forms of exploitation.

## 3 BRICS SEEN FROM ZIMBABWE

Zimbabwe's latest economic blueprint, known shorthand as Zim Asset, identifies BRICS as central to the country's economic revival. There has been an upsurge of Russian, Chinese and South African investments in Zimbabwe's extractive sector over the past decade, but mining has been characterised by environmental degradation, tax evasion, human rights abuses and exploitative labour practices. No one knows whether Zimbabwe stands to benefit from BRICS, nor does the government have clearly stated objectives or a well defined strategy of getting the most out of BRICS. Even the much celebrated 'Look East Policy' remains more of a political slogan than a coherent strategy.

The biggest dilemma is how to turn around the extraction and externalisation of resources, and generate a patriotic path for capital accumulation arising from diamonds, platinum, gold, chrome and other minerals. In order to achieve ambitious double-digit growth targets for minerals, the Mugabe government claims it will establish a Sovereign Wealth Fund, attract FDI, establish special economic zones, continue using the multi-currency system, implement value-addition ('beneficiation') strategies and ensure improved electricity and water supply. This will also require the re-capitalization of the Minerals Exploration Company, Zimbabwe Mining Development Corporation and Minerals Marketing Corporation of Zimbabwe.

BRICS investments in will be needed, but the past decade has seen highly controversial precedents. BRICS corporations make up Zimbabwe's top three investors: China leads with investments of $375 million approved by Zimbabwe Investment Authority (ZIA) in 2013, followed by Russia with approvals worth US$40 million and third, South Africa with US$39million. Next door in Mozambique, Brazilian and Indian corporations are not far away – in Tete Province – digging coal and displacing the peasantry on a vast scale.

### 3.1 China

Since 2000, China has been Zimbabwe's biggest foreign investor. ZIA records show that from 2010, investments contributed 72% of total FDI, or US$670million from a total of US$930million worth of projects. In 2012, China's cumulative investments in the mining sector (gold, diamonds and chrome) totalled US$583million, or 62percent of the total US$688million FDI approvals for the entire Zimbabwean mining industry last year. China is unapologetic about the fact that its aid and investment are not tied to political or economic conditions. Such conditions, when imposed by the US or Europe, typically mix liberal democratic provisions with structural adjustment. The latter policy was imposed on Zimbabwe, and in part accepted by Robert Mugabe's government , during most of the 1990s. They failed, as in most of Africa, but unusually, Mugabe bucked the trend of aquiescence from 1997, during a series of social uprisings, and he has since zigzagged between authoritarianism and concessions to the majority.Like the West, China seeks Africa's natural resources but its investments are not conditional upon achievement of minimal human rights and democratic objectives. There continue to be reports of human rights abuses perpetrated by Chinese employers against their Zimbabwean employees, and the resources from China's co-owned ventures in the diamond mines are reportedly responsible for the war chest that helped Mugabe hire an Israeli firm, Nikuv, to undermine the integrity of the July 2013 elections, which he won handsomely.

China has become a major player in the country's economy through joint venture enterprises like Anjin Investments – involved with the military in the Marange diamond fields – and Sino-Zimbabwe Holdings which previously had a concession in Marange as well. According to a recent report by Global Witness, Anjin enjoys the most lucrative diamond concessions. One gift, in exchange, was $98 million for the construction of the army's National Defence College. Sino-Zimbabwe is now conducting chrome mining along the Great Dyke belt.

### 3.2 Russia

There are a handful of Russian companies operating in Zimbabwe's mining sector. One company, DTZ-OZGEO (Private) Limited is jointly owned by the Development Trust of Zimbabwe (DTZ) and a Russian company, Econedra Limited. This company is involved in gold and diamond mining in Penhalonga and Chimanimani respectively and holds several claims all over Zimbabwe in places such as Shurugwi and the Bvumba. The world's biggest diamond producer, ALROSA (which produced 26%_of the world's diamonds in 2012), is seeking a joint venture partner to carry out geological explorations in Marange.

In the platinum sector, Russian firms Rostec and Vneshekonombank are part of a consortium that owns 40% if one of the world's largest platinum fields in Zimbabwe. Aside from South Africa, which contains an estimated 80% of the world's platinum – and which since late January has suffered a shutdown due to a trade union strike – the only other large producer of platinum is Russia.

The Darwendale platinum deposit reportedly includes 19 tonnes in proven reserves and 775 total tonnes of metals including palladium, gold, nickel and copper. Ruschrome is partly owned by the Harare government through the Zimbabwe National Army and the Center of Business Cooperation with Foreign Countries, an association of machinery and defence firms that retains a 10% stake in the project. Ruschrome is currently setting up a pilot open pit platinum mine in Darwendale. However DTZ OZGEO has performed poorly in terms of transparency, environmental management and corporate social responsibility.

President Robert Mugabe expressed disappointment with the secretive nature of DTZ OZGEO operations during the ZANU PF

People's Conference held in Mutare in December 2010 and during a meeting with traditional chiefs in Manicalalnd in 2011. As he bitterly put it, 'The company (Development Trust of Zimbabwe) having joined hands with the Russians approached us saying they wanted to mine gold in Mutare and we gave them the go-ahead. They later moved to Chimanimani. We were told that DTZ and their Russian counterparts are mining gold in Chimanimani and now it is diamonds. We have not realized any real revenue coming from them and they are saying they are having some difficulties. I talked to some of the directors during our December People's Conference here in Mutare and I told them that they were remaining too much in isolation and why don't they become transparent. We will pursue the matter because we want to know what they are doing. We want our people especially our children to benefit through this company.'

However, three years later DTZ OZGEO continues with its opaque operations amidst massive environmental degradation. Penhalonga residents are up in arms with the company for destroying the course of Mutare River. Since commencement of its operations about a decade ago, DTZ OZGEO has been panning for gold on the banks. For a stretch of over three kilometers, the Mutare River has been reduced to a canal whilst vegetation on either side of the river has disappeared. Water in the river has become perennially muddy due to panning. Yet the Mutare River is a major source of drinking water for humans, livestock and wild animals further downstream.

In August 2013 the company was temporarily stopped from its environmentally unfriendly mining activities but later resumed operations, doing exactly the same things they had been fined for. DTZ-OZGEO co-director, Ismail Shillaev, speaking during a media tour of journalists from Mutare on June 24, 2011, could not convincingly explain their operations, insisting that they sell their gold to Fidelity Printers. When asked to explain the actual quantities they were getting on a daily basis he remained mum.

Shillaev said they were involved in community development work when approached by local authorities like the Mutasa Rural District Council. He said they had rehabilitated some of the roads in the district, but most roads remain impassable.

A 2013 visit to Tsvingwe Primary School by this researcher exposed a distinct lack of corporate social responsibility: children were learning in the open even during the dead of winter due to shortage of classroom blocks. Tsvingwe Primary School is situated about a kilometre from the DTZ operations. Authorities at the School also expressed their disappointment with DTZ OZGEO, adding that most of their pupils had their parents working for the company. The pupils are also exposed to new environmental hazards such as the increasing occurrence of dust in the air, the disappearance of vegetation and impassable roads due to DTZ OZGEO's operations. The smash and grab operations of DTZ OZGEO, coupled with the failure by the company even to construct houses for its employees, reveal a company that has no long-term plans for the community.

### 3.3 South Africa

Due to its proximity to Zimbabwe and close political relations over the past century, many South African companies have invested in Zimbabwe's mining sector. The major players have been De Beers, Gold Fields, Implats, Aquarius Platinum and Anglo American plc. Anglo American and its subsidiary companies have invested in Zimbabwe for 60 years.

While De Beers has been fingered in murky underhand dealings in Marange from 1965 to 2006, most South African investors have performed more reasonably in terms of safety, health and environment and literacy levels of employees. Indeed, many researchers remark that South African companies in the platinum sector in Zimbabwe offer higher standards than in their parent companies back home.

Nevertheless the dominance of South African companies in Zimbabwe's platinum sector, especially Implats' Zimplats, reflects South African economic hegemony in Zimbabwe. Until a recent ban on the export of raw platinum, Zimbabwe exported raw ore to South Africa where it was refined. This means South Africa has always had the lion's share of Zimbabwe's platinum by value, and helps explain why SA companies dominate mining.

### 3.4 India

India's investments in Zimbabwe's mining sector have enormous potential, but so far have been hindered by politics. Essar, an Indian global company, emerged as the preferred bidder for Zimbabwe Iron and Steel Company (ZISCO) in 2011 after an international tender had been issued by government. It set up New Zim Steel, to revive the steel-making capacity at the currently not functional ZISCO plant and New Zim Minerals, which would explore beneficiation of iron ore that is owned by ZISCO Steel and create value so that the country becomes a world leader in beneficiated iron ore.

Two years on, operations have not started due to a myriad of challenges, chief of which is the rights to an estimated $60 billion worth of iron ore reserves in Chivhu. Essar's Resident Director for Africa, Middle East and Turkey, Firdhose Coovadia admits, 'Yes there are challenges, in our particular case bear in mind we are dealing with a national asset, it's an emotive asset.'

Another company, India's State-owned National Mineral Development Corporation (NMDC) is reported to have signed a Memorandum of Understanding with a Zimbabwean company, Mosi-oa-Tunya Development Company (MtDC). The MoU paves the way for the formation of a 50/50 joint venture company that will undertake diamond, gold, chrome and iron-ore exploration and mining in Zimbabwe. NMDC, listed on the Bombay Stock Exchange (BSE), is India's largest iron-ore producer, with a yearly output of 30 million tonnes.

The Mosi-oa-Tunya Development Company is reported to be a special purpose vehicle under the administrative control of Walter Mzembi's Tourism ministry. It is perplexing why a parastatal under the Ministry of Tourism is signing MoUs for mining deals when this is the prerogative of the Zimbabwe Mining Development Corporation. This is the sort of shady dealing which greatly undermines the long-term investment potential of relationships with BRICS corporations and countries. There is need to clearly define the functions of all ministries and departments to avoid confusion and corruption in the operations of government.

**3.5 Brazil**

Although not active in Zimbabwe in any major mining investments, just over the eastern border, the Brazilian mining company Vale has a large coal project whose operations have raised serious concern among the affected communities. The company displaced over 700 Mozambican families in Cateme, who are now being controlled by the police after violent repression occurred at a community protest in 2012.

Angered by Vale's failure to keep the promises made before the relocation in 2009, and the lacklustre response by the national and provincial government to their problems, over 700 families living in Cateme gave the company and authorities an ultimatum in December 2011 for them to address their demands by the following January 10th. Otherwise, they warned that they would mobilize.

On the eve of January 10th, over 600 people blocked the rail roads and roads of the area. Police responded by violently suppressing the demonstration, resulting in several injuries. In addition, 14 people were arrested, according to the Maputo environmental-justice NGO Justiça Ambiental, and several were tortured while in prison. Today these Vale victims live without basic services, warned activist Jeremias Vunjanhe, of Justiça Ambiental –Friends of the Earth Mozambique in an interview with Real World Radio. Human Rights Watch noted that 'in many cases the people lost the ability to grow food and ended up relying on the foreign coal companies for handouts.'

Vale is the world's largest producer of iron ore and pellets, a key raw material for the iron and steel industry and the second largest producer of nickel. Since 2007, the company has owned the concession of a coal extraction project in Moatize, an area considered as one of the world's largest reservoirs of coal. The project has been severely criticized by some national groups, among other things because 1300 families had to be displaced. In addition to the Cateme relocation center, the September 25th Centre is home to 500 families.

Vunjanhe testied to Real World Radio that Cateme inhabitants lack access to water, to land for agriculture and to transportation to get medical attention. The issue of transportation is extremely urgent as residents regularly need to be transported to the provincial hospital in Villa de Moatize, 40kms away. Cateme's Health Center can only meet some basic needs.

The population of this area understands that the relocation process was ill-managed and they complain about Vale's broken promises, among them the ones referring to the maintenance of their homes for the first five years of the project. They also demand the establishment of a water channel system that can ensure access to tapped water. Also, the Brazilian company had promised to give each affected family two hectares of land for agriculture, but the promise has been broken.

## 4 CONCLUSION

In short, it is obvious that corporations from the BRICS countries have intensified extractivism in Mozambique, Zimbabwe and other sites in Africa, at a time the continent's wealth is being rapidly evacuated, in large part due to corporate malpractices. These include tax evasion, transfer mispricing and outright theft of minerals. BRICS elites – both country leaders and corporations – are not allies of ordinary Africans, but rather are pursuing their own agendas. Without a clear strategy of maximizing gains and minimizing losses, Africa is likely to come out of the BRICS engagement worse off, having lost its valuable assets, seeing the environment destroyed, witnessing debilitating political corrosion, and with a much poorer population.