

# Africa's new best friends

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The US and Britain are putting the multinational corporations that created poverty in charge of its relief

began to realise how much trouble we were in when Hilary Benn, the secretary of state for international development, announced that he would be joining the Make Poverty History march on Saturday. What would he be chanting, I wondered? “Down with me and all I stand for”?

Benn is the man in charge of using British aid to persuade African countries to privatise public services; wasn't the march supposed to be a protest against policies like his? But its aims were either expressed or interpreted so loosely that anyone could join. This was its strength and its weakness. The Daily Mail ran pictures of Gordon Brown and Bob Geldof on its front page, with the headline “Let's Roll”, showing that nothing either Live 8 or Make Poverty History has done so far represents a threat to power.

The G8 leaders and the business interests their summit promotes can absorb our demands for aid, debt, even slightly fairer terms of trade, and lose nothing. They can wear our colours, speak our language, claim to support our aims, and discover in our agitation not new constraints but new opportunities for manufacturing consent. Justice, this consensus says, can be achieved without confronting power.

They invite our representatives to share their stage, we invite theirs to share ours. The economist Noreena Hertz offers, according to the commercial speakers' agency that hires her, “real solutions for businesses and individuals. Hertz teaches companies how to be smart and avoid the frictions that surface when corporate interests conflict with private life ... the political right is not necessarily wrong.” Then she stands on the

Make Poverty History stage and calls for poverty to be put at the top of the agenda. There is, as far as some of the MPH organisers are concerned, no contradiction: the new consensus denies that there's a conflict between ending poverty and business as usual.

The G8 leaders have seized this opportunity with both hands. Multinational corporations, they argue, are not the cause of Africa's problems but the solution. From now on they will be responsible for the relief of poverty.

They have already been given control of the primary instrument of US policy towards Africa, the African Growth and Opportunity Act. The act is a fascinating compound of professed philanthropy and raw self-interest. To become eligible for help, African countries must bring about "a market-based economy that protects private property rights", "the elimination of barriers to United States trade and investment" and a conducive environment for US "foreign policy interests". In return they will be allowed "preferential treatment" for some of their products in US markets.

The important word is "some". Clothing factories in Africa will be allowed to sell their products to the US as long as they use "fabrics wholly formed and cut in the United States" or if they avoid direct competition with US products. The act, treading carefully around the toes of US manufacturing interests, is comically specific. Garments containing elastic strips, for example, are eligible only if the elastic is "less than 1 inch in width and used in the production of brassieres". Even so, African countries' preferential treatment will be terminated if it results in "a surge in imports".

It goes without saying that all this is classified as foreign aid. The act instructs the US Agency for International Development to develop "a receptive environment for trade and investment". What is more interesting is that its implementation has been outsourced to the Corporate Council on Africa.

The CCA is the lobby group representing the big US corporations with interests in Africa: Halliburton, Exxon Mobil, Coca-Cola, General Motors, Starbucks, Raytheon, Microsoft, Boeing, Cargill, Citigroup and others. For the CCA, what is good for General Motors is good for Africa. "Until African countries are able to earn greater income," it says, "their ability to buy US products will be limited." The US state department has put it in charge of training African governments and businesses. The CCA runs the US government's annual forum for African business, and hosts the Growth and Opportunity Act's steering committee.

Now something very similar is being set up in the UK. Tomorrow the Business Action for Africa summit will open in London with a message from Tony Blair. Chaired by Sir Mark Moody-Stuart, the head of Anglo American, its speakers include executives from Shell, British American Tobacco, Standard Chartered Bank, De Beers and the

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Corporate Council on Africa. One of its purposes is to inaugurate the Investment Climate Facility, a \$550m fund financed by the UK's foreign-aid budget, the World Bank and the other G8 nations, but "driven and controlled by the private sector". The fund will be launched by Niall FitzGerald, now head of Reuters, but formerly chief executive of Unilever, and before that Unilever's representative in apartheid South Africa. He wants the facility, he says, to help create a "healthy investment climate" that will offer companies "attractive financial returns compared to competing destinations". Anglo American and Barclays have already volunteered to help.

Few would deny that one of the things Africa needs is investment. But investment by many of our multinationals has not enriched its people but impoverished them. The history of corporate involvement in Africa is one of forced labour, evictions, murder, wars, the under-costing of resources, tax evasion and collusion with dictators. Nothing in either the Investment Climate Facility or the Growth and Opportunity Act imposes mandatory constraints on corporations. While their power and profits in Africa will be enhanced with the help of our foreign-aid budgets, they will be bound only by voluntary commitments: of the kind that have been in place since 1973 and have proved useless.

Just as Gordon Brown's "moral crusade" encourages us to forget the armed crusade he financed, the state-sponsored rebranding of the companies working in Africa prompts us to forget what Shell has been doing in Nigeria, what Barclays and Anglo American and De Beers have done in South Africa, and what British American Tobacco has done just about everywhere. From now on, the G8 would like us to believe, these companies will be Africa's best friends. In the name of making poverty history, the G8 has given a new, multi-headed East India Company a mandate to govern the continent.

Without a critique of power, our campaign, so marvellously and so disastrously inclusive, will merely enhance this effort. Debt, unfair terms of trade and poverty are not causes of Africa's problems but symptoms. The cause is power: the ability of the G8 nations and their corporations to run other people's lives. Where, on the Live 8 stages and in Edinburgh, was the campaign against the G8's control of the World Bank, the International Monetary Fund and the UN? Where was the demand for binding global laws for multinational companies?

At the Make Poverty History march, the speakers insisted that we are dragging the G8 leaders kicking and screaming towards our demands. It seems to me that the G8 leaders are dragging us dancing and cheering towards theirs.