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Bankrupt Africa: Imperialism, Sub-Imperialism and the Politics of Finance

I. Introduction

Branwen Gruffwyd Jones argues: ‘Marx’s historical materialist method and theory of capital explains why capital is necessarily expansionary; why the plunder of Africa was an integral part of the primitive accumulation of western capital; why the reorganisation of Africa’s human and natural resources to meet the needs of Europe’s developing industries required colonial occupation and domination’. Calling forth such explanatory power...
is a tall order, but the argument makes most sense, perhaps, if we take a central aspect of these claims: namely, the financial component of capital’s uneven historical and contemporary expansion into Africa during periods of capitalist ‘crisis’; the role of financiers in the process of primitive accumulation, not just in the slave and colonial eras but as a permanent aspect of global capitalism; and the importance of financial power to the extraction of surpluses in both historical and contemporary times.

The specific South-African financial role in Africa was made clear in mid-2002, when Pretoria’s finance minister Trevor Manuel promised the Commonwealth Business Council he would ‘fast-track financial market integration through the establishment of an internationally competitive legislative and regulatory framework’ for the continent. But, without any Africa-wide progress to report two years later, Manuel’s director-general Lesetja Kganyago announced a new ‘Financial Centre for Africa’ project to amplify the financialisation tendencies already evident in Johannesburg’s exclusive new Sandton central business district: ‘Over the five years to 2002, the financial sector grew at a real rate of 7.7% per year, more than twice as fast as the economy as a whole’. Responsible for a full quarter of post-apartheid South African GDP growth, the sector required further room to expand. According to Kganyago:

What is needed is a financial hub especially focused on the needs and circumstances of the region, much in the same way that Singapore and Hong Kong cater for the capital needs of the Asian continent. . . . International financial centres tend to have a foundation in common. Elements include political stability, free markets, and what is best described as the rule of commercial law.

Pretoria’s specific aims included ‘opening South Africa’s markets to African and global issuers; global lowest trading costs and trading risk; global leadership in investor protection; and a global hub for financial business process outsourcing’. Concluded Kganyago,

Africa’s economies cannot wait the slow maturing of national financial markets to provide the necessary channel for large-scale foreign capital flows