BRICS, development and land grabbing

In March 2013, the presidents of the so-called BRICS countries – Brazil, Russia, India, China and South Africa – met in Durban, South Africa. Surrounded by security barriers so that no one who would dare to protest could get near them, the presidents of these nations discussed a number of issues, including cooperation proposals.

One of the proposals most widely highlighted in coverage of the event was the creation of a BRICS development bank, with USD 50 billion in seed capital contributed in five equal parts by the bloc's member countries.

Experiences with development banks in countries like Brazil (BNDES) demonstrate that this type of bank promotes a vertical model of development, which benefits big corporations and contributes to land grabbing. In Brazil, for example, BNDES has intensively supported the expansion of millions of hectares of monoculture plantations of eucalyptus trees for the production of pulp for export and of sugar cane for export, as well as ethanol production. It has also heavily financed the beef export sector – driving deforestation for the expansion of cattle grazing, even in the Amazon – as well as the construction of hydroelectric dams and power plants, mining, and the oil industry. The latter has undergone major growth in the very midst of the global environmental and climate crisis, and has led to unprecedented "land" grabbing off Brazil's shores, as well as generating pollution that threatens the livelihoods of thousands of small-scale artisanal fisherfolk.

Dozens of non-governmental organizations in Durban during the meeting also expressed concern over the transparency of the development bank initiative, given that BNDES is currently one of the least transparent banks, and lacks any sort of social policy aimed at preventing financing for projects that contribute to land grabbing, as well as other forms of social and environmental injustice.

One organization, Oilwatch International, issued a statement stressing that although the BRICS countries pretend to be "standing up" to a world dominated by the wealthy countries, the idea of BRICS actually came from Goldman Sachs, the powerful investment banking and commodities firm based in the world financial centre of New York. One could therefore conclude that this grouping of countries was not created to benefit and effectively involve the people of these countries, but rather in the interests of a handful of corporations, in the BRICS countries themselves and in the North.

Oilwatch notes that, in fact, the big corporations in the BRICS countries are no different from the multinational corporations of the North: they apply the same logic and the same methods, and seek to extend their reach both inside and outside their own national borders. Countries are viewed as markets, and their populations as a source of labour, which is sought out where it is cheapest. Countries are not considered territories, with peoples, identities and cultures. But it is these peoples who suffer and will continue to suffer the consequences of both the "greater cooperation" among the BRICS countries and the activities of a new development bank, while the big corporations in these countries take over more and more territories to drive up their profits.

As Oilwatch observes, "Of late, land grabs have supplemented the grabbing of other African

resources. Through these grabs, BRICS and similar blocs seek to entrench failed neoliberal agendas as well as an already obsolete fossil fuel- and dirty energy-driven civilization. The BRICS do not seem to realize that the destination of their planned drive on wheels of markets driven by dirty investments and the grabbing of resources is a brick wall."

With regard to the proposal to create a BRICS development bank, Oilwatch maintains, "Such a BRICS Bank could only exacerbate the social, economic and environmental chaos already caused in part by multilateral financing. Existing development finance institutions in BRICS countries – like South Africa's Development Bank of Southern Africa or BNDES, the Brazilian development bank – offer sobering lessons. Oilwatch International denounces the contraption called BRICS and all other groupings set up to drive divisive and exploitative agendas around the world. We believe the time has come for the peoples of the countries in groups such as the BRICS, G8, and G20 to demand that their elected leaders shun those harmful blocs that destroy formal multilateral spaces and plunge the world into violence and deeper crises as evidenced by spiralling climate change, financial, economic and food crises."

This article is based on the following sources: http://www.bbc.co.uk/portuguese/noticias/2013/03/130327_brics_paralelo_social_mm_rc.shtml; and the Oilwatch International statement issued on 26 March 2013: "BRICS to sustain the oil-based system", available at http://www.oilwatch.org/en/home/132-several/documents-en/568-brics-to-sustain-the-oil-based-systemwww.oilwatch.org/en/home/132-several/documents-en/568-brics-to-sustain-the-oil-based-system