



**#BRICS**

## **BRICS in Africa: more of the same? Pacs' study compares investment treaties between the BRICS and African countries**

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Text by Instituto PACS

BRICS was established as a group in 2009 during the global financial crisis and sparked the idea that it could be a counter-hegemonic alternative from the Global South in relation to Western powers. However, how companies from emergent countries act in poor countries from African continent? This is the main question which bases the most recent study released by Instituto Políticas Alternativas para o Cone Sul (Pacs): **"BRICS in Africa: more of the same?"**

**Download the English version of the study [here](#).**

The study came from a critic view on the ability and motivation of BRICS to build a new global order from the South. So, it compares investment treaties between the BRICS and African countries.

This research was coordinated by Pacs and developed by Ana Garcia, professor of International Relations at the Federal Rural University of Rio de Janeiro, with Bárbara Dias and Yasmin Bitencourt help. Dias and Bitencourt are students of International Relations at the same university. The study was

financed by Brazilian Oxfam office and published both in Portuguese and English.

The results of this study are presented in a fact sheet format, which contains maps, graphics, tables, besides texts and maps that join a lot of data about BITs, main investments in which country and investor-state arbitration cases.

The highlight of this study are the maps that list Bilateral Investment Treaty (BIT) from the five BRICS countries in Africa and Foreign Direct Investments (FDIs), by pointing main economical sector and companies acting in each African country.

Another important contribution from the research is the list of international arbitration cases involving BRICS countries [*check on page 65*] in several countries in the world.

### **Main questions proposed by the research**

- How many treaties does each country have, with whom and in what year?
- Are the BRICS investment treaties similar to traditional BITs or are there signs that a new model is being developed?
- What are the main investments of each BRICS country in Africa in terms of volume, companies and sectors?
- How are the BRICS countries positioned in the international arbitration system and what problems and conflicts involve companies from BRICS countries in Africa?

## **What's a BIT?**

A Bilateral Investment Treaty (BIT) is an agreement between two countries for promoting and protecting investments by companies from the respective countries in each other's territory

"In a broader context of capitalist accumulation, the BRICS are acting based on a logic of competition over natural resources and market access that is imperialist in nature and is taking colonialism back to Africa in modern times", the research highlights.

## **Pacs and Africa**

In recent years, the PACS has been taking part in the International Alliance of People Affected by Vale, a network of social organizations and trade unions set up to address problems caused by the Brazilian mining company Vale do Rio Doce in Brazil and around the world. As part of this work, we have strengthened our relationship with civil society organizations and affected communities in Mozambique. In addition, the work carried out by the PACS is focused on issues related to debt, budgets, management approaches and to the social, economic and environmental impacts of megaprojects. As a result, the PACS took an active part in the BNDES Platform, a network of social organizations and movements set up to monitor and carry out advocacy-related activities in connection with the impacts of projects financed by the bank.

In 2012, the PACS conducted a field research in Angola and Mozambique with the aim of map-ping out Brazil's participation in those two countries in terms

of investment (of Brazilian companies such as Vale and Odebrecht), funding (especially from BNDES) and development cooperation policies. The study, entitled "The story told by the hunt or the hunter? Perspectives on Brazil in Angola and Mozambique" (*A história contada pela caça ou pelo caçador? Perspectivas sobre o Brasil em Angola e Moçambique*), demonstrated the impacts and implications of Brazil's interventions in Africa from the perspective of local actors<sup>2</sup>. In 2014, the PACS carried out a new field research in Mozambique and Malawi to investigate the impacts of the Nacala Corridor