

*Brazilian views on
South African
foreign policy*

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Edited by

Samuel Pinheiro Guimarães



CAPES

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Foreword

The importance of international political and economic affairs and of relations with third countries to the Brazilian State and society is rapidly increasing and this trend only tends to intensify. On the other hand, the bibliography elaborated by Brazilian scholars on third countries is scarce, even when the relations with these are of great importance to Brazil.

Therefore, the main goal of the International Policy Yearbook project, organised by IPRI – International Relations Research Institute, with the support of CAPES – Co-ordination for the Improvement of Higher Education Personnel, is to promote the elaboration of studies on countries with special importance to Brazil and in this way contribute to the gradual building of a Brazilian view of the main societies and States.

The articles assembled in this book were elaborated by renowned political scientists, diplomats and economists and focus on political and economic aspects of South Africa's foreign policy. The preliminary texts of each study were the object of seminars, held in Rio de Janeiro and São Paulo, with the participation of specialists who contributed with their reflections and criticism to the improvement of the preliminary texts and who presented articles on specific aspects of the South African foreign policy.

The final texts here published are of exclusive responsibility of each author and present their personal view on the issues they approach.

Samuel Pinheiro Guimarães

South African Foreign Policy (1945-1999)*

*Hélio Magalhães de Mendonça***

Proposal

It is almost a commonplace to say that a country's foreign policy is conditioned by its domestic policy. It is no less true, however, that the outside world has a decisive influence on its creation and execution, establishing the background and the limits of its field of action. In a period of interdependence, when globalisation is reaching into almost all areas of human activity, foreign policy can no longer be seen as a projection into the "vast foreign kingdom" of the national plan. The latter, on the contrary, has to take into account, in its definition, both the intrinsic aspects on which national power is based, and the extrinsic aspects that determine the civilised co-existence of nations. According to Henry Kissinger, "in each century a country seems to emerge with the power, the will and the intellectual and moral force to change the international system in line with its own values".¹ It may have been thus in the past. Today mankind is increasingly organising itself into an international society that is able to establish values and rules that all countries, even those capable of exercising dominance, are obliged to observe, as long as they are the result of negotiation and consensus. This essay will examine, therefore, South Africa's foreign policy since 1945 from the point of view of the forces originating from both the internal and external contexts that shaped its essential elements.

South Africa is perhaps the best example of what has been stated above. Its foreign policy was, after 1945, or more precisely, 1948, intimately connected to the path of the doctrine of apartheid as a form of social

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¹ Kissinger, H. *Diplomacy*. Simon and Schuster, 1994. p. 17.

organisation. Adopted from the year 1948, apartheid placed South Africa increasingly against the current of history. The period 1948 to 1994 saw its implementation, its taking root, resistance to it and finally its gradual dismantling. After 1994 a new South Africa appeared which was formally free of apartheid, but still struggling against its terrible political, economic and social legacy. In 1948, just after the end of the war against nazism and the revelation to the world of its crimes, apartheid revolted the conscience of a mankind that was looking for a way to institute democratic values and respect for human rights. During the following decades the ambiguities of the international system itself and the imperfect application of values by various nations allowed apartheid to survive until effective sanctions imposed by the main global international organisation, together with internal resistance, brought it to an end.

History, however, does not change abruptly. A qualitative leap forward is the result of the quantitative accumulation of changes. If the history of apartheid began just before 1948, from the theories of intellectuals and the exploitation by politicians, the history of segregation starts much earlier and many historians place its roots in the 19th century. It is, however, the early years of the 20th century that saw the gradual development and adoption of the complex legislation that would make it a reality in ways that would reach from basic political rights to place of residence, level of education, type of work, transport and amenities. Apartheid lifted segregation to the level of a system in the view of T.R.H. Davenport, who went on to say that it “differed in extent and meaning, more than in its nature, from previously established policies”.² And the blacks were not the only people segregated, the so-called “coloureds” (mixed race peoples) and Indians also suffered discrimination. The scope of this essay cannot include a history of apartheid or an examination of the philosophy in which it is based, but one point should be considered. The idea of separate development, defended by the regime’s theoreticians, was discredited by the dual systems it created and by the results of segregation in terms of high rates of child mortality, low life expectancy, malnutrition, sickness,

² Davenport, T. R. H. *South Africa: a modern History*. The Macmillan Press Ltd., 1977, p. 254.

poverty and, in essence the negation of human rights and human dignity.³ From a purely human point of view the whites were also made victims of a sick society.

Two other aspects should also be considered. The first deals with the question of national identity which is obviously a decisive factor - and in the case of South Africa in an even more specific form - in the formation of foreign policy. Apartheid created a monster - a white state encapsulated within a multi-ethnic nation. This state, while it was responsible for representing the country to the outside world, reproduced in this context its internal ideology which evolved, between 1948 and 1990, from feeling itself to be a European country set in Africa, to a European African country.⁴ Both options were unrealistic in the sense that it is not possible to be European outside Europe and it is not possible to be half African and deny the black background. The other aspect, related to the first, is the question of isolation. Apartheid isolated South Africa from the international community and its foreign policy incorporated this isolation when it built up its nucleus of theory and action concerning the defence and survival of the regime. It was never seen, not even in moments of extroversion, as a movement directed towards the outside world nor as a view that would widen the nation's horizons. The great challenge of new South Africa's foreign policy will be, however, to break with this self-isolation disguised as marginalisation. The curious expression coined by Deon Geldenhuys that South Africa is the world's favourite pariah country neatly expresses the fact that the international community acknowledges that favourable conditions existed for the country's integration on the world stage, which apartheid prevented from coming to fruition.

The Period from 1945 to 1994

The Union of South Africa became independent in 1910 under a Westminster-type regime that encompassed the union of British and Boers and denied the right of political representation to the black population. The

³ Kuper, L. *Race, class and power*. 1974; quoted by Davenport, T. R. H. *South Africa: a modern History*. The Macmillan Press Ltd., 1977, p. 354.

⁴ Vilalva, Mario. *A política externa da África do Sul: do isolamento à convivência*. Reflexões sobre as relações com o Brasil. Instituto Rio Branco, 1993.

brief period that began in 1945, the point of departure of this essay, and ended in 1948, which is when apartheid was effectively implemented, saw the end of the coalition government established in 1934 by the United Party - joining the Nationalist Party and the South African Party - which had the support of the population of English origin and of the less important proportion of the Afrikaners or Boers who were descended from Flemings, Dutch, Germans and French Huguenots. Under the influence of the political and economic superiority of the former, the state saw itself as a European country established in Africa.

Its external position, in spite of the internal debate about its “status” within the empire, benefited from all types of relations with the United Kingdom, the former metropolis and, in particular with the British Commonwealth, on which it believed its position in the context of foreign relations depended. On a lower level, there were relations with other European countries, above all with the colonial powers and with the United States that were already important however in the areas of trade and investment. Relations with the Soviet Union, left over from joint participation in World War II, were distant.

Initially both in favour of neutrality in respect to the European conflict, the leaders of the Party, J.B.M. Hertzog and Jan Smuts, finally disagreed. Jan Smuts, Prime Minister from 1939, a figure of international prestige and negotiator of the Versailles Treaty, joined the allied powers against the Axis and took an active part in the San Francisco Conference that created the United Nations Organisation (UNO). He became one of the co-authors of the preamble of the Organisation’s Charter. As well as being identified with the liberal European values that led him to this decision against the opposition of his allies and of the radical nationalists, Smuts attempted to take advantage of the alliance with the victors, of the obligations incurred through participating in the war effort and of his personal prestige in order to ensure the “status” of his country and the legitimisation of its territorial ambitions.

He foresaw a federal state, the Greater Union, based on the annexation of Southwest Africa (already under the administration of the Union), on the incorporation of the Rhodesias (Zambia and Zimbabwe), of Kenya and Tanzania and the transference of United Kingdom sovereignty over Bechuanaland (Botswana), Basutoland (Lesotho) and Swaziland, the

so-called High Commission Territories. Hertzog had tried to acquire them in 1924 but the High Commission denied the request. In the same way, Smuts' appeal in October, 1939, met with the opposition of the Dominions Secretariat which was now responsible for the territories.

From the time of the first debates in the General Assembly of the United Nations, however, the Pretoria Government was obliged to defend itself in regard to two questions: the legal situation of Southwest Africa (the future Namibia) and the segregationist treatment of the Indian immigrants. In the first case, Smuts argued that the international protectorate system had disappeared along with the League of Nations and that the UN was not the place for territorial complaints. He claimed that the Union had received the League's mandate to administer the territory according to its laws. In fact it had been Smuts himself who had negotiated with President Wilson the type of mandate that was very close to annexation, which was his real intention with regard to the ex-German territory. He formally proposed annexation, which was refused. So he agreed to administer it in the spirit of the mandate and to submit a follow-up report to the Protectorate Committee. In the case of the Indians, he attempted to claim that it was a matter to be dealt with internally.

His arguments did not succeed and it started to become clear that the South African regime was in conflict with the value system on which the UN was based and the new mood of international co-operation. Failure in the field of foreign relations and internal resentment at the inadequacy of social programmes (wage disputes and the housing problem) and the lack of reaction to revolts against discrimination opened the way to the taking power by the National Party (NP), made up of dissident radical Afrikaner nationalists and led by Daniel Francis Malan, which exploited in the elections the white population's fear of increasing integrationist tendencies.

Apartheid and the rise of the National Party

With the rise of the nationalists to power in 1948, South Africa's history enters a much more complex phase, during which appear the political, economic and social changes that created the country the world knew and apartheid became notorious, until the negotiated transition to democracy. What characterised the new period, according to Ben Fine

and Zavareh Rustomjee, is the disassociation between economic and political power; the population of English origin maintained its economic ascendancy while the Afrikaners came to hold political power.⁵ Apartheid would be one of the pillars of the consequent new development boom.

Economic development and the systematisation of segregationist policies resulting from apartheid have their counterpoint in the renewal of resistance movements and their fighting strategies. The international community participated in this resistance after 1946, as we have seen, by means of the questions linked to Southwest Africa and to the treatment given to the Indians, and specifically from 1952 when for the first time apartheid was discussed at the UN. This participation would reflect the development of the new international political order with the bipolar division of the world in the Cold War.

Anton Du Plessis claims that, thanks to the country's geo-strategic position and to the spreading of the Cold War to secondary theatres, the new government saw South African foreign policy as an extension of the global bipolar structure, thus including the Union in what he called "the geo-politics of war".⁶ To understand the connection we must remember that the dominant white elite kept its traditional links with Western Europe and more recent ones with the USA to the point of deceiving itself about the country's identity. Geographically the Union is at the confluence of shipping routes, especially in commanding the route around the Cape of Good Hope and has under its surface minerals vital to modern economic development which the West needs and which it would lose if the country fell victim to communist expansion. These were the elements that justified the South African Union in presenting itself as a bastion of the so-called "free world" against the expansionist ambitions of communism. Du Plessis also argues that the Union would exploit

⁵ Fine, B. and Zavareh, R. *The political economy of South Africa*. University of Witwatersrand, 1996.

⁶ Du Plessis, A. The geopolitical context: a sea change from old to new geopolitics. Carlsnaes, W. and Muller, M. (eds.). *Change and South African external relations*. International Thomson Publishing Ltd., 1997, p. 16-34.

these circumstances with proposals in the areas of politics, economics and security.⁷ Nor was it difficult to identify the resistance to apartheid, which was hardly beginning and whose links with communism were well-known, with subversive movements. Thus, segregationist policies were disguised as tactical blows in the struggles against internal subversion against the state.

The nationalists' objective was a complete take over, with consolidation of the country's independence and replacement of the prevailing anglophile culture by one promoting Afrikaner or Boer values based on Calvinist puritanism. Their aim was not to alienate the population of British origin but to place the Afrikaners on the same level. In the economic field, they struggled to promote Afrikaner capital, introducing it into the core of the economy - the mining sector - then still a realm of the capital of whites of British origin and of foreign investors. The expansion was made easier by the favourable treatment they received from the State, in view of their institutional position and their role as main consumer in the market.

The State began to have expressive participation in the economy, occasionally in joint ventures that permitted industrial expansion, with import substitution in the steel, chemical, processed minerals and energy sectors, and, later, in the arms industry. An early industrialisation cycle (foodstuff, beverages, metals, textiles and leather goods) took place in the 30s. The State also provided the country with ample infrastructure, in transports, ports and telecommunications.

In the first decade of the NP administration, the foreign policy conducted by Prime Ministers D. F. Malan and J. G. Strijdom, was, to a certain extent, a variant of the one implemented by the previous government. According to T. R. H. Davenport, on the multilateral plan, Malan, aware of the direction taken by world opinion, decided that South African interests would be better protected by a categorical affirmation of its sovereignty rather than by the type of conciliation Smuts was inclined to defend. In 1948, the Pretorian government advised the UN that the

⁷ Du Plessis, A., *op. cit.*, p. 16-34.

Southeast African mandate had ended and announced the interruption of the courtesy reports. In 1949, the territory began to have a representative in the Union's Parliament. In 1950, Pretoria refused to accept the International Court of Justice's judgement which, though recognising that the mandate was intangible, determined that the Union should submit to the UN with regard to this issue as it had done to the League of Nations. The UN then decided to accept the motions against South African administration in the territory, presented by Reverend Michael Scott and to hear - something the League had failed to authorise - the testimony of Chiefs Herero, Nama and Damara, whose case he defended. The relations with the UN became so bitter that the Union almost left the organism. The opposite happened in 1958, when, stating that some governments had shown a greater understanding of the South African position, South Africa began to take an active part in the international organisation once again. In 1955, it had left UNESCO.

By 1952, the issue of apartheid, denounced by the new Arab and Asian countries, began to be discussed. In the following years, various resolutions were passed with a recommendatory character, urging the Pretoria government to repeal the segregationist legislation and to submit the African Southeast to the Organisation's tutelage system. These resolutions were grounded on the principle, recognised by the United Nations Charter, of universal respect for human rights and essential freedoms independent of race, creed, gender or language. To oppose this, the Union used that other principle, equally subscribed to, of non-intervention in matters of the member countries' internal competence. The country was sure that the Western powers, and in particular the United Kingdom, would refrain from adopting coercive measures because of the parliamentary situation influenced by the Cold War and its growing economic and commercial interest in South Africa.

The Union used anti-communism as a sort of shield. As the aggressive Chancellor Eric H. Louw had done before at the UN General Assembly, the Union openly accused the communist countries to be leading the attack against South Africa's domestic policies. In 1950, the government passed the Communism Suppression Law and, in 1956, demanded that Moscow should close its Consulate General

in Pretoria under the accusation of maintaining contacts with subversive elements and of disseminating communist propaganda. In T. R. H. Davenport's view, the anti-communist boisterousness may have produced an opposite result to the one intended and helped to increase Pretoria's isolation.⁸

As a counterpart to the policy of resistance at the multilateral plan, the Union tried to strengthen the bilateral channel, emphasising the similarity of values, in particular anti-communism. It re-established relations with the German Federal Republic and with Italy and established diplomatic ties, in Europe, with Austria, Spain, Portugal and Switzerland and, in South America, with Argentina and Brazil. The relationship with European countries was strengthened in the economic and commercial areas. In the political area, however, relations remained distant, in particular due to those countries' fear of appearing to condone South Africa's segregationist practices. This ambiguity allowed Pretoria to collaborate with the colonial interests of its European partners.

However, in view of South Africa's interest in affirming its independence, relations with the United Kingdom underwent a major transformation. Malan nurtured deep mistrust in relation to the Commonwealth which he, at first, saw as an instrument of British imperialism, and later - with the admission of new African and Asian countries in equal terms with white countries - began to fear, would act as a channel for British interference. Next, the government attempted to reduce the dependency that the population of British origin had on its association with the Commonwealth. It discontinued a plan to recruit British immigrants and, when the immigration flux was allowed to start once more, the government encouraged the immigration of Europeans of different origins. In 1949, it adopted the Law of South African Citizenship, which, on the one hand, made it difficult for immigrants to take up South African citizenship, whilst, on the other, reduced the benefits previously granted to British subjects, including whites from other Commonwealth countries. Also worth mentioning is the controversy within the NP itself with regard

⁸ Davenport, T. R. H., *op. cit.*, p. 314.

to the Statute of the Republic it intended to adopt and participation in the Commonwealth.

Nor was the United Kingdom free from this paradigm of ambiguity in its relations with the Union, being its main partner and the largest foreign investor in the country. Although British diplomacy acted in an attempt to dissuade the international community from adopting punitive measures, political relations also cooled down. Distrustful of the Union's expansionist aspirations, the UK sponsored, in 1953, the formation of the Central African Federation, bringing Zambia, Zimbabwe and Malawi together. South Africa's opposition to any desire for self-determination in the continent was not well received in the UK, for the latter wished to maintain its colonies whilst granting their autonomy. Notwithstanding, the UK agreed to negotiate the transfer of the sovereignty and administration of the Simonstown Naval Base to the Union, but made sure that it could still make use of the base's facilities. As T. R. H. Davenport reports, the 1955 Simonstown Agreement foresaw the Union's acquisition, from the United Kingdom, of ships for war and coastal defence and a joint plan for the defence of the strategic maritime zone that run along the coasts of Southeastern Africa and South Africa itself, until the junction with Mozambique's South border. The Union was responsible for internal defence and the United Kingdom for keeping open the Suez route. The Suez crisis, when the Union had no previous warning of the Franco-British attack to the Canal Zone, eroded much of the efficiency of the agreement.⁹ All the same, the United Kingdom appeared to share the Union's strategic views.

As a corollary to the ties with the West, and to the resistance against de-colonisation, within the "geopolitics of war" logic, and as basis for its own security, the Union attempted to join the military alliances formed in the post-war period, in particular, NATO. To demonstrate its loyalty to the Western side, the Union took part in the Korean War. However, NATO does not work below the Tropic of Cancer. The ANZUS Treaty aimed at the defence of the Pacific rather than of the Indian Ocean. In the African

⁹ Davenport, T. R. H., *op. cit.*, p. 316.

context, the Union proposed, unsuccessfully, the formation of an alliance for the defence of the continent against the penetration of communism at the Conferences of Nairobi in 1951 and Dakar in 1954, counting on the participation of both the colonial powers and of the US. Nor was Malan's idea of negotiating an African Charter any more successful. This Charter fought for protection against Asian influence, the maintenance of Africa for the Africans, the development of Western and Christian standards, the exclusion of communism and de-militarisation. By then, as de-colonisation progressed, the powers showed no interest in associating themselves with an old-fashioned view of the continent. In the circumstances, the Simonstown Agreement became the only opening obtained by the Union in a context of rejection to its presence in the Western defensive schemes, justified by the fact that the powers believed there was no real threat in Southern Africa and by their disavowal of apartheid.

The Union's African policy in this phase reflected its self-perception as a European African country expecting to be recognised as a regional power on equal terms with the colonial powers. It attempted to exercise its leadership on neighbour countries on the basis of the development of ties with the European elites, or at least with the Afrikaner minorities as in the case of the two Rhodesias, of Kenya and Tanzania, which, in the Union's opinion, would oppose the movement towards self-determination. The African Charter acted as passport for the actions of travelling Ambassador Charles Te Walter, in his contacts in the various African capitals. The desire to export the adopted model of white predominance to the new countries about to become independent was obvious. Diplomatic success, however, was small.

The attempts to get closer to the independent Black African countries carried out by Prime Minister Strijdom and by the Foreign Minister Louw knocked against the segregation issue. In a revealing way, the Union refused Nkrumah's invitation to participate in the Conference of Independent African Countries held in Accra in 1958, alleging that the colonial powers had not been invited. Thus, in the late 50s, the Union's contacts in the continent were limited to its participation in the Council for Technical Co-operation in Africa, in the Foundation of Mutual Assistance, in the Scientific Council for Africa and in the Commission for the Preservation and Utilisation of the Soil in Southern Africa, the latter with

headquarters in the Union, and all of which had the colonial powers' participation. The Union regarded co-operation and assistance as major political instruments and hoped they would become a channel for a forthcoming establishment of diplomatic relations. These organisations were mostly absorbed by the OAU, from which the Union was to be excluded.

The advancement of the de-colonisation process in Africa, together with the changes in the internal context derived from the modernisation of the economy, gave new life to the resistance movements. On the other hand, the appearance on the international stage of new independent countries implied not only a strengthening of the opposition against apartheid, including in the UN, but also a change in the ways this opposition manifested itself. Internal resistance came from activist groups of Indian immigrants and Africans who had organised themselves in the South African Indian Congress (SAIC), founded in 1920, and in the African National Congress (ANC) in 1912. At first these groups defended the petit bourgeoisie's interests. The model for their rebellion was Gandhi's peaceful resistance. Urban development resulting from industrial expansion led to the exodus of Indians and Negroes to the towns, and this gave the resistance movements a new mass configuration and a new tone. The renewed ANC, with the participation of leaders such as Nelson Mandela, Oliver Tambo and Walter Sisulu, transformed itself into an ample multiracial front that, in addition, presented a very wide range of ideological positions, headed by Martin Luthuli. The Freedom Charter adopted by the ANC defended the democratic principles of equal rights and self-determination. The Front fought for political autonomy and the repeal of the segregationist laws. It promoted civil disobedience and defiance of the repression. The Pan-Africanist Congress (PAC) which would compete with the ANC, emerged as a more radical dissident group.

Verwoerd and self-isolation

In March 1960, the ANC called for a national demonstration to be held on the following 31st against the pass laws (internal passports), linked to the demand for a minimum daily wage of 1 pound; PAC adopted a similar initiative, with the difference that it demanded a slightly higher minimum wage, and its demonstration was to be held on the 21st. In fact, this latter date became a landmark in the development of South Africa's

resistance movements. Despite the fact that until then the repression of demonstrations had been basically non-violent, in Sharpeville the police lost control and opened fire, killing 69 people and injuring 180. The demonstrations continued with solidarity between the groups, and repression increased; 18 thousand people were arrested, of which more than 5 thousand were tried and sentenced for various crimes. Both the ANC and the PAC were declared illegal, as the Communist Party had been once, and their leaders went underground. The full and detailed coverage of the massacre reinforced world consciousness against apartheid. The uncertainty with regard to the regime's future led to a retraction of foreign investments, capital flight and the exodus of skilled labour. The State and big capital occupied these spaces, deepening the concentration of wealth characteristic of the South African economy. Such facts occurred during the period when Hendrick F. Verwoerd, the most self-confident and arrogant among the nationalist leaders, held the post of Prime Minister. Moreover, Verwoerd was the architect of the separated development theory that would add new elements to apartheid.

Verwoerd took apartheid to its last logical consequences, when, in 1959, he proposed the Law for the Promotion of Bantu Self-Government. The objective was to change the old black reservation areas, organised by tribes and in accordance with the old traditions of chieftdom, into Territorial Authorities, the so-called bantustans. Initially, the possibility of political autonomy was not considered, simply self-government (administrative autonomy) under Pretoria's protection. Verwoerd, in his defence of the draft bill in Parliament, mentioned, however "the eventual development of these areas towards full independence".¹⁰ What he visualised, in the near future, was the constitution of a community of nations (one white and eight Bantu) to which would be added the British protectorates, whose independence he started to defend. Moreover, he got rid of a source of irritation in the country's relations with the United Kingdom: the latter's resistance to all attempts at the annexation of the BLS (Botswana, Lesotho and Swaziland) by the Union. The Transkei was the first to accept some manipulated form of self-government in 1963, possibly under the influence

¹⁰ Geldenhuys, D. *The diplomacy of isolation*. New York: St. Martin's Press. 1984.

of the US. The Law also foresaw the end of the (white) representation elected by the Africans, thus eliminating the black population's political influence on white areas. The intention, therefore, was to deflate the pressures for a majority government in the Union. The independent bantustans, or at least four of them, since the others opted for autonomy only, would eventually be little more than satellites and would not be regarded as countries in their own right.

Wishing to consolidate the political emancipation, Verwoerd submitted the statutes of republic to the Union, a referendum from which he emerged as the winner, in October 1960. His intention was to ask the 1961 Prime Ministers' Conference to authorise the admission of the new republic to the British Commonwealth. Previously, South Africa had supported the entry of the republican India. However, in view of the division created by this and of the rebukes to which it was subjected it decided to withdraw its application. Once the republic was constituted, its foreign policy tended towards self-isolation, in so far as Verwoerd showed himself incapable of compromising: despite all Western pleas for moderation in the segregation policy, he firmly believed that the vested interests involved in the Western alliance with South Africa would prevent the latter from being marginalised. In view of the balance of power in the Cold War context, and of the new nations' influence within the UN, both the United Kingdom and the US, South Africa's allies, tried to encourage a compromise, afraid of the effective communist contamination of the resistance movements. In February 1960, the British Prime Minister, Harold Macmillan, delivered his well-known speech in the Parliament in Cape Town, calling attention to the need for adaptation in view of the "winds of change blowing throughout this continent". To a certain extent, the Kennedy administration, also supported the British admonition, but Verwoerd did not give in.

With regard to the new Black African countries, he tended to recognise them and to establish diplomatic relations, but, like Strijdom, intended to do it gradually so that public opinion would have time to get used to the idea; and he was afraid that the diplomats from the independent black countries might act as "social change agents" within South Africa. In 1961 he broke diplomatic relations - that had been established during the war - with Egypt. And it was only at the end of his mandate that he

nominated for the Foreign Affairs Department a professional diplomat, Hilgard Muller, who tried to decrease the isolation and establish new partnerships, for instance, in Latin America.

In the multilateral context, from 1961 the UN resolutions became more openly critical of apartheid, urging its members to break diplomatic and economic relations with South Africa. In 1963, pressurised by the debates in the General Assembly, the UN Security Council passed a resolution recommending the voluntary arms blockade. As for the African Southeast, the General Assembly affirmed that the Union was administering its territory in a manner contrary to the mandate and to the Organisation's Charter. In 1960, Ethiopia and Liberia, member-States of the League, formally questioned South Africa in the International Court of Justice, for violent repression of popular disturbances in Windhoek. The Court waited two years before deciding it had the necessary jurisdiction to accept the case. Five years later, with a new composition, it backed away and declared itself incompetent to judge the issue. The Tutelage Committee demanded the defeasance of the apartheid legislation in the territory. To these initiatives were added those adopted by the Organisation of African Unity (OAU), constituted in Addis Abeba, in 1963, which, for instance, prohibited South African planes from flying over or landing at the continent and accepted the use of violent means in the struggle for emancipation. In 1964, South Africa was dismissed from the International Olympic Committee and from the International Federation of the Rugby Association. It was also expelled from the International Labour Organisation (ILO) and from the Food and Agriculture Organisation (FAO), having already been thrown out of the World Health Organisation (WHO) in 1963. One of the consequences of this was the fact that the country got behind in sports development and out of step with international technical regulations in those fields of activity.

The reaction and the "outward policy"

Verwoerd was killed in September 1966. But in the previous years he had placed the country back on the road to rapid economic growth through measures for controlling imports and financial fluxes such as the repatriation of profits and the export of capital. Thanks to the implementation of a Draconian legal system, the police succeeded in breaking up the underground organisations by arresting their leaders, who were brought to

trial and sentenced. Mandela, who had established the militant arm of the ANC, responsible for sabotage activities, the Umkonto we Sizwe (The Spurs of the Nation) was arrested in 1962 and sentenced to life imprisonment. In this context, Prime Minister Balthazar J. Voster's government that started soon after this, felt self-assured and confident enough to inaugurate a new style, less authoritarian and more decentralised, but not less repressive, and in the diplomatic ambit, promoted the so-called "outward policy", a genuine operation devoted to achieving external recognition for the country and its regime.

Vorster's apparent flexibility opened the way for the appearance of theories that regarded economic development as the road that would lead to internal pacification and to the gradual dismantling of apartheid, thus contributing to ease international pressures. To advance this policy, Vorster created the Department of Propaganda, that would implement a vast campaign of publicity and persuasion, and also Intelligence Services under the Bureau of State Security (BOSS). Military leaders started to participate more actively in foreign policy decisions. In 1972, the State Security Council, that would play a major role both in the domestic and foreign policies, was constituted by law.

To be accepted by the continent became a priority for the external insertion project. Closer relationships would be non-political and centred around mutual assistance, economic co-operation and joint investments. A first group included the bantustans and the BLS territories that had become independent under moderate governments. With the latter, South Africa subscribed to a Customs Union Agreement in 1969. The second was formed by the two Portuguese overseas territories of Angola and Mozambique, by Ian Smith's Rhodesia - that had declared itself unilaterally independent - and by Malawi. The migratory flux of labour to work in the mines, trade, railway inter-connections and infra-structural works, such as the Dams of Calueque and Cahora Bassa, both in association with Portugal were ties that, either newly formed or previously existent, started to promote dependency. South Africa did not adhere to the sanctions imposed to Rhodesia by the UN, and it also aided Smith's white regime in its struggle against the guerrillas from black nationalist organisations and involved itself militarily in the counter-insurgency in Angola and Mozambique, thus creating a "cohesive force between white governments

in Southern Africa”¹¹, the two geographically closer groups form the “prosperity zone”.

A third group, outside the *cordon sanitaire*, included Ghana, the Malgach Republic, the Seychelles, Gabon, Kenya, Senegal and the Ivory Coast. Relationship with these countries, often through secret contacts, was known as “an effort to establish a dialogue” and had “spectacular diplomatic strokes”. The dialogue with Pretoria at the latter level was possible in virtue of the 1969 Lusaka Manifesto, launched in the OAU’s context by 14 Eastern and Central African countries that, through the Manifesto, agreed to recognise South Africa as an independent African country and to fight apartheid by peaceful means instead of by armed struggle. South Africa, however, rejected the Manifesto that is withdrawn by the OAU in June 1971. For a time, Voster still managed to continue taking the initiative: he sent his Information Minister in a tour through ten African capitals, and held historical meetings with Black African leaders such as the President of the Ivory Coast, Felix Houphoué-Boigny, and that of Senegal, Leopold Senghor, in 1974, and the Liberian President, William Tolbert, in 1975. However the others’ gradual perception of Voster’s real objective, to win recognition for the regime rather than to discuss the latter’s possible moderation and eventual elimination, as his interlocutors originally supposed, ended by invalidating that initiative.

Foreseeing the end of the Portuguese Empire and the threat this represented in terms of security, Vorster tried to propose a solution for the Rhodesian and South West African issues, where the implementation of the separated development principles (ten bantustans) continued and where South Africa already faced the guerrilla organised by the South West Africa Peoples’ Organisation (SWAPO). He launched, then, the initiative known as *détente*, promoting, in co-operation with the Zambian President, Kenneth Kaunda, the Victoria Falls Conference between Ian Smith and the nationalist groups, and convening, in Windhoek, the Turnhalle Constitutional Conference, where all the ethnic groups, for the first time, discussed the country’s political future.¹² Through *détente*, Vorster hoped to achieve several objectives: to create alternatives for the international plans for

¹¹ Geldenhuys, D., *op. cit.*

¹² Geldenhuys, D., *op. cit.*

emancipation of the territories; to manoeuvre for the formation of governments with majority participation but led by the white elites, and to obtain the good will of countries ruled by the blacks in the region; hence the necessity of Kaunda's co-operation. The *détente* did not last very long: the South Africa-Zambia initiative reached an impasse and the Turnhalle Conference did not achieve international recognition. And, at any rate, SWAPO had refused to participate.

The Cravos Revolution in Portugal accelerated the end of the overseas empire. In Angola, abandoned by the Portuguese in November 1975, the conflict between Marxists (MPLA) and non-Marxists (UNITA and FNLA) took hold of the country. South Africa sent troops to help UNITA and FNLA forces to advance towards Luanda, the capital and the MPLA's main base. However, with the help of Cuban troops, estimated at 15 thousand men and equipped with Soviet materials, the MPLA repelled the attack. According to T. R. H. Davenport, South Africa was forced to withdraw its troops because neither the US nor NATO acted in order to prevent MPLA's victory or curtail the African countries' opposition to South African involvement, and this generated strong bad feelings against the West in South Africa. The episode practically invalidated the *détente* initiative.

The "outward policy" also included initiatives towards the main allies, aimed at obtaining their support, including in the case of South Africa's aspirations in the continent. The US, concerned with the fresh outbreak of the Cold War and both Soviet and Chinese involvement in the various emancipation movements in Africa, provided the main support. The path was made easier by Richard Nixon's rise to the Presidency, particularly in view of the perceptions of his National Security Adviser, Henry Kissinger, who favoured the relationship with whites wherever the latter had the upper hand, in the supposition that social changes could only occur on the whites' initiative. In 1976, already Secretary of State, Kissinger brought new life to the *détente* policy and met Vorster three times - in West Germany, in Switzerland and in South Africa itself - in order to deal with a possible mediation by South Africa to obtain Ian Smith's acceptance of the Anglo-North American plan for the transition to a majority government in Rhodesia.¹³ Kissinger's attitude reflected the realist line of North-

¹³ Rich, P. Changing relations with the United States. Mills, Greg (ed.). *From pariah to participant: South Africa's evolving foreign relations 1990-1994*. The South African Institute of International Affairs. 1994. p. 90-111.

American foreign policy - a policy that, in its own definition, contained the duality idealism/*realpolitik*¹⁴ - its conception of a balance of power at the regional level¹⁵ and, finally, its tendency towards personal diplomacy.

Voster also paid "private" visits - as they would be called - to Portugal, Spain, France and Switzerland, where he met their respective leaders. The exceptional boom of South Africa's economy attracted new fluxes of trade, investment and technology from traditional partners such as West Germany and France. This was the period when trade with Japan expanded enormously. The presence of oil favoured relations with Saudi Arabian countries, where elements from the South African Muslim community would act as non-official representatives, and Iran. As for the latter, and also in the case of Israel and Formosa, the military and intelligentsia contents of the relations were very important. Vorster continued the attempts to get closer to Latin America initiated by Verwoerd through Foreign Minister Hilgard Muller's visit to some Latin American countries in 1966, including Uruguay and Paraguay. The objectives here were to find alternatives for South African capital, new markets for the country's exports that could absorb that part of production not consumed by the internal market, compensate for the commercial deficits generated by the purchase of capital goods for the industrialisation process and balance the process of integration in Europe with greater co-operation with developing countries.

As suggested by Geldenhuys, the "outward policy" is related to the concern with regional security, in view of the changes that were beginning to take shape in South Africa's immediate surroundings.¹⁶ The military budget increased significantly in the early 60s, but later stabilised, remaining at the same levels until 1970, when, once more, it started to grow. In this period, rearmament was intense, both in quantity and in sophistication. The main suppliers were the United States, France and West Germany. Joint projects were developed with France and with Italy. The arms industry expanded with the creation, in 1977 - year of the arms blockade - of the

¹⁴ Kissinger, H., *op. cit.*, p. 18.

¹⁵ Rich, P., *op. cit.*, p. 90-111.

¹⁶ Geldenhuys, D., *op. cit.*

South African Arms Corporation (ARMSCOR). The effort was impressive. In 1970, South Africa spent 70% of its military budget with the importation of armaments. In 1980, this figure was reduced to a mere 15%. In 1982, ARMSCOR and its ten subsidiaries used 3 thousand subcontractors from the private sector, an illustration of the co-operation between the public and private sectors. Within the economic logic, the Corporation produced exportable spares that promoted South Africa to the role of a major arms supplier in the world market. With Israel's co-operation, South Africa also began to develop some nuclear capacity that, though not employable in conventional warfare situations, could act as a pressure factor.

Facts such as the growing Soviet influence on the liberation movements in Southern Africa, and the expansion of the USSR's fleet in the Indian Ocean, were the reason for serious concerns - related to South Africa's geo-strategic position - and for the country's wish to join defensive alliances. Insecurity increased with the United Kingdom's denunciation, in 1975, of the Simonstown Agreement. With Lisbon's help, South Africa tried, once more, to negotiate a formal association agreement with NATO, but achieved only informal collaboration with information exchanges. It also tried, unsuccessfully, to establish a military link with South American countries, having in mind the formation of a South Atlantic defence pact, or even a wider pact covering the South hemisphere seas, of which Australia and New Zealand would also take part, and linked to the Western alliance. In 1985, Brazil took the initiative to propose to the UN General Assembly the formation of the Peace and Co-operation Zone in the South Atlantic, with emphasis on the co-operation between the countries on the two shores of that sea.

The independence of Mozambique and Angola under governments of communist influence made the need for a solution of the Rhodesian and Southwest African situations even more urgent. North American foreign policy in Jimmy Carter's administration - Carter's inauguration was in 1977 - was in favour of the dialogue in the UN context and of the commitment, on the bilateral plan, to the promotion of human rights. It equally rejected the idea that a solution for the domestic situation of both South Africa and Southeast Africa could wait, because, in its view, South Africa was instrumental for the resolution of the Rhodesian problem. Pressure began to be exercised on three areas. Bilateral relations became

tenser after Prime Minister Vorster's meeting with US Vice-President Walter Mondale in Vienna, in 1977, when the former was annoyed by the pressures for measures designed to promote a majority government. The Carter administration, however, was unable to move from rhetoric to a firm commitment to political change. It agreed to the arms blockade in 1977, but opposed the adoption of economic sanctions.

The Geneva Conference on Rhodesia, in 1977, merged with the failure of the Anglo-North American plan. In March 1978, the Smith government reached an "internal" agreement with three of the black leaders and in April 1979, the general election took place with the result that black Bishop Abel Muzorewa became Zimbabwe-Rhodesia's Prime Minister. The Patriot Front, formed by Zimbabwe's African National Union (ZANU) and by Zimbabwe's African People's Union (ZAPU), was excluded both from the agreement and from the general election. Thus the war continued. In the case of Southeast Africa, Vorster accepted that conversations should be held between representatives of South Africa, of five Western powers nominated by the Contact Group and of the UN. General distrust prevailed. When the resignation expected from Vorster raised Pieter W. Botha to the Prime Minister's post, the latter created all sorts of obstacles to prevent the implementation of the UN's plan (Resolution n° 435/78) for Namibia's independence.

The total national strategy

Thus RSA found itself face to face with its isolation. The "outward policy" and its developments had failed, the country had its access to the UN General Assembly forbidden from 1974 and the compulsory arms blockade had been adopted in 1977. The ANC and the PAC began to be recognised internationally as the true representatives of the discriminated black majority, their offices abroad regarded as para-diplomatic entities and their major objectives are South Africa's isolation and the application of sanctions. A solution had yet to be found for the situation in Rhodesia and in the African Southwest. Mozambique and Angola were then under hostile communist governments. In this context, Botha tried to rescue part of Vorster's legacy, proposing the creation of a Constellation of South African States (CONSAS) comprising South Africa, Rhodesia, the African Southeast, the three independent bantustans and the group BLS and also opened to Zambia and Mozambique. According to the Foreign Minister R.

F. (Pik) Botha, "to establish a common approach in the fields of security, economic and even political". For Gelenhuys, the new strategy for regional relations is part of the "total national strategy" - as P. W. Botha's policy is known - against that what he perceives as an attempt of "total attack" against South Africa.

CONSAS' proposal, a regional hegemonic project such as the ones previously conceived by South Africa, brought together functional co-operation in a context of economic supremacy and security against the fear of communist infiltration from the moderate government of neighbour countries. However, it did not take into consideration, as pointed out by Anton du Plessis, "the existence of extreme political and ideological divisions at the internal and external levels". Independent countries, however economically dependent, and members of the OAU, the BLS refused to participate in the scheme with the bantustans, Murozewa's Zimbabwe and the African Southeast; and still less with Zambia and Mozambique. In Zimbabwe, the Lancaster House Conference, sponsored, in 1979, by the United Kingdom, promoted an agreement between Murozewa's government and the Patriot Front, and this led to a respite in the struggle and to the negotiation of an independent constitution. In the new elections, carried out in 1980, the winning party was Zimbabwe's African National Union under Roberto Mugabe's leadership that also rejected the South-African project. Thus the so-called Front Line countries - Zimbabwe, Botswana, Lesotho, Swaziland, Angola, Mozambique, Zambia, Malawi and Tanzania - strengthened themselves as a regional group opposed to the South Africa of apartheid and decided to form the Southern Africa Development Co-ordination Conference (SADCC), whose objective was to reduce the subcontinent's dependency on the South African economy and infra-structure.

In 1976, the independence of Angola and Mozambique made things easier for the anti-apartheid guerrilla movements of the ANC and of SWAPO. Internally, there was an outburst of resistance activities, and these took new contours with Steve Biko's black consciousness movement and the action of the black trade unions. Resistance started with the rise of Soweto in Johannesburg in June, and spread throughout the townships. The result was a new domestic crisis, with capital flight and the exodus of skilled labour. The enthusiasm generated by this made it easier for the

movements of liberation to recruit new members and thousands of young people left the country to join the ANC. Neighbour countries acted as sanctuaries, training grounds and administrative centres, from where activists infiltrated South Africa once more to carry out acts of sabotage. In view of these facts, the apartheid government developed a new political approach that no longer made any distinction between the internal and the external threat.

In this new conception, South Africa considered itself to be under threat of a total onslaught inspired by communists. In Greg Mills' words, "the conventional external military threat, the domestic insurgency with external help, the anti-apartheid propaganda and the international economic pressures were projected as a war led by the Kremlin against Pretoria".¹⁷ To counteract this total threat, the security sectors prepared the total national strategy, that, in its own definition, demanded "co-ordinated and independent action in all fields of activity". It was the militarisation of politics, with emphasis on counter-insurgency and on the systematic control of social unrest associated with a few palliative systemic reforms. As for regional relations, CONSAS' proposal represented, in Mills' terminology, the "soft way" that, if rejected, would lead to the setting in motion of the "hard way", interventionist of de-stabilisation.

De-stabilisation was grounded on the principle of economic and military coercion as a means to submit neighbour countries and force them to accept Pretoria's designs and hegemony. South Africa believed that, with this, it would succeed in putting a stop to the external aid to the insurgency movements both internally and in the African Southeast and occasionally promote the substitution of hostile governments by more docile ones. Once more, the North American posture facilitated the adoption of this policy. The Reagan administration's "constructive compromise" gave free reins to South Africa, whilst, at the same time, attempting to induce changes in the apartheid system itself. The new policy, conceptualised by the State Sub-Secretary for Africa, Chester Croker, reflected the perception that the US did not have sufficient means to pressurise for change in

¹⁷ Mills, G. and Baynham. South African foreign policy, 1945-1990. Mills, G. (ed.). *From pariah to participant: South Africa's evolving foreign relations 1990-1994*. The South African Institute of International Affairs, 1994, p. 10-36.

South Africa's political regime and that there was still time to suggest reforms that would reduce the influence of those groups of the resistance movements regarded as "Left". But in its assessment of the situation, the new policy failed to consider the change that had already occurred in the South African administration due to the predominance of those sectors associated with security.

South Africa started then to make raids into Angola, Mozambique and Lesotho against the ANC's and SWAPO's sanctuaries. It helped UNITA militarily and provided the anti-government groups in Angola, Zimbabwe, Mozambique and Lesotho with financial and logistic support, training and armaments. It performed acts of sabotage against these countries' military and economic objectives. It exercised coercion against Front Line countries using their dependency on South African infrastructures. In Wolfgang Dopcke's words, it was a "period of undeclared war" that resulted in "extreme insecurity and great hostility in regional relations", with effects that will only be noticed in the future. The balance is supposed to have been of 1 million and a half people dead and a loss of US\$ 60 billion.¹⁸

At first success was impressive. South Africa expanded its predominance over Southern Africa to such an extent that it was even able to force its neighbours to subscribe to non-aggression treaties, in which they agreed to refuse sanctuary and assistance to the ANC's and SWAPO's guerrillas, in exchange for a promise of an end to de-stabilisation. The cases of the Treaties with Swaziland, in 1982, the Lusaka Treaty with Angola, and the Incomati Treaty with Mozambique, all in the same year, are worth mentioning. If, at the regional plan, the situation seemed to be developing in the direction desired by South Africa, the domestic scenario confronted the regime with an increasingly higher number of de-stabilising elements.

The reform of the political system, with a proposal for a tri-cameral Parliament with individual white, mixed and Asian representations, represented a manoeuvre to keep the non-white groups in a subordinate

¹⁸ Dopcke, W. Uma nova política exterior depois do *apartheid*? Reflexões sobre as relações regionais da África do Sul. 1974-1998. *Revista Brasileira de Política Internacional*, nº 1, year 41, 1998, p. 133-59.

position and also to exclude the black majority. Therefore, it was seen as an instrument designed to perpetuate white supremacy. Moreover, it created a division in the NP itself. Resistance intensified. The attempt to co-opt some black groups was answered with violence. The non-collaboration policy of the United Democratic Front - ANC's domestic wing that brought together civil, religious, labour and even women's organisations - practically stopped the country, beginning at the level of municipal and local structures. In 1985, diplomatic contacts with white business started, led by the President of the Anglo-America's Administration Council and the ANC. The government suppressed the disturbances violently, and declared state of emergency twice, taking the country to the brink of civil war. The economic situation worsened with recession and the partial moratorium of the debt, in 1985. But it was not the case of total collapse, and at the financial level, the debt was rolled.

The international community's reaction was soon to be felt, with a stronger disavowal of apartheid and the adoption of effective economic sanctions by the UN and the EEC, the objective of which was to interrupt the flux of capital originating from investments and bank loans and of the import/export trade of sensitive materials, high technology and armaments. The willingness to talk was over and had been replaced by a view that the regime would only change under external coercion in collaboration with internal resistance. In 1986, despite President Reagan's veto, the US Congress passed the Comprehensive Anti-Apartheid Act (CAAA), forbidding the importation of strategic products and establishing conditions for the withdrawal of sanctions. Other countries also began to apply sanctions effectively, including Brazil, in 1985, by presidential decree.

The last reservations with regard to the impropriety of sanctions in the ambit of the Commonwealth, inclusive for neighbour countries, led to the idea of talks with the liberation movements in an attempt to bring the government nearer to the resistance and assess the possibility of a negotiated solution. The Group of Eminent People, created with the approval of the West and of the Front Line countries, met with the ANC's leaders, including Nelson Mandela, then in prison. Coming to the conclusion that negotiation was still possible, they suggested, for the purpose and as preliminary measures, that South Africa freed all political prisoners, withdrew military forces from the townships, legalised political activities

and suspended all violent acts. The government demanded, however, that the ANC should renounce all violence. The ANC refused to do this and the process became even more complex.

Meanwhile, the military re-started their acts of aggression against neighbour countries, in particular Mozambique, and this brought an end to diplomatic negotiations. South African Armed Forces, that, in 1981, had gone 110 km. inside Angolan territory, failed to withdraw from the Northern province of Cunene, from where they attacked SWAPO's guerrillas and gave assistance to UNITA. From mid-1987 to February 1988, an offensive by the MPLA's forces, aided by a large Cuban contingent and equipped with Soviet armament, forced South Africa to withdraw. Defeat at the battle for Cuito Cuanavale, gave South Africa a clear idea of its material inferiority, in particular with regard to high technology armaments and air warfare and forced it towards the negotiation table. Pretoria had used the connection made by the US between Namibia's independence (ex-Southeast Africa) and the Cuban presence in Angola as an excuse to delay negotiations about Namibia. But at this stage, the US imposed an agreement that foresaw both the end of the foreign military presence in Angola and Namibia's independence, which was accorded in December 1988 in New York. Namibia became independent in 1989 and elections brought SWAPO to power.

Thus, the conditions were laid for a transition from the apartheid regime to a majority government. At the international level, Mikhail Gorbachev's *perestroika* had made possible an agreement between the superpowers with regard to bringing an end to regional conflicts. The impact on the white population's spirit of the high costs of maintaining an external war and internal repression under an economic recession and the heavy human losses as well as the military defeat before the enemy's superiority, induced South Africa to agree to peace negotiations. The exchange for Namibia's independence - a process that was jointly conducted by the UN and South Africa - attracted international good will. On the one hand, the end of the Cold War, with the Soviet Union's debacle and the collapse of communism eroded all credibility from the total attack theory and, consequently, invalidated any justification for a "total strategy"; on the other, it forced the liberation movements into a new revaluation of their fighting strategy. The white minority still felt strong in view of its economic

superiority and the black majority glimpsed at the possibility of finally achieving the political representation that would open the way for a compatible position in society for them. Such circumstances made possible a negotiated and relatively peaceful transition. In a historical speech, on 2nd February 1990, President Frederick W. de Klerk, who had replaced President Botha, announced the release of all political prisoners, including Nelson Mandela, and the legalisation of the political organisations in the resistance. A new phase of political development had begun, under the influx of civil administration and, externally, of the Department of Foreign Affairs' diplomatic apparatus.

The period from 1990 to 1994

President De Klerk's speech put in motion a process that, in essence, permitted South Africa to go from the apartheid regime of white minority supremacy to a majority government in a multiracial society. In this period, the foreign policy was necessarily one of transition. It was also dualist, in so far as a negotiated process of internal change led by the government/NP and by the ANC took shape. This dualism included both conflict and co-operation. Because international participation had been instrumental in the decision to change the regime, each of the sides tried extremely hard to obtain as much external support as possible in order to strengthen their own position in the negotiations. Only when the new government that was formed as a final result of the process came into power, was it possible to develop a foreign policy consistent with the new internal situation and with the international scenario. It is interesting to observe that the implantation of apartheid coincided with the bipolar division of the world by the Cold War and that its decline and transformation coincided with the end of that structure and with an identical transitional process at the global level. If apartheid included South Africa in the "geopolitics of war" according to Anton du Plessis' analysis, its transformation would include it in the "geopolitics of peace". During the transition, however, emphasis was given to the country's re-integration into world politics and to the normalisation of international relations.

Greg Mills and Simon Baynham understand that for the post-World War South African governments' the "creation of a stable regional environment that would favour the country's economic and security interests

was the primary objective of its foreign policy". Given the internal regime, changes in the regional context were regarded as extremely serious threats to its survival.¹⁹ These two conceptualisations led to the understanding, seemingly valid, that the apartheid foreign policy was an attempt to immobilise an external environment that could become a threat to its survival. Hence the visions of a larger Union, as a result, at first, of incorporation and, later, of various forms of hegemonic practices. At the global level, this foreign policy was grounded on a non-formal alliance with the West, despite the fact that - as T. R. H. Davenport suggests - external behaviour was a struggle *contra mundum*. Retrospectively, it is possible to think that apartheid was the biggest threat to regional stability, and not just in its last phase. It delayed, with various subterfuges, the process of independence of both Zimbabwe and Namibia conducted by the UN. Through internal repression, it drove the liberation movements beyond South Africa's borders towards the neighbours that were prepared to give them shelter. Consequently, it sharpened the internal divisions in the BLS and especially in Angola and Mozambique, and, in the Angolan case, it may have been an immediate cause for the escalation of external intervention, even if not for the intervention itself. Finally its survival was a consequence of the West's ambiguity and geopolitical aspirations.

When the period of political militarisation ended, the civil institutions did not take long to produce a new discourse that, taking into consideration the changes that had occurred internally and externally, was able to point to the new paths to be followed. In his speech on 2nd February 1900, President De Klerk stated that:

Southern African countries are now facing a specific challenge: Southern Africa has now a historical opportunity to put aside its conflicts and ideological differences to establish a joint programme for reconstruction. This programme must be sufficiently attractive to ensure that the region will receive an adequate amount of investment capital and of loans from industrialised countries. Unless Southern African countries achieve stability and a common approach to economic development, they will soon have to face major decline and ruin.

¹⁹ Mills, G. and Baynham, *op. cit.*, p. 10-36.

De Klerk also said that the conditions for this task existed, in so far as “the season of violence had ended”. Still in 1988, the Director General of the Department of Foreign Affairs, Neil van Heerden, had denied that violence was a means to promote political objectives, recognised that “South Africa is part of Africa and it is in Africa and through her that rests our future” and had added:

The African problems must be solved by Africans. Common interests and responsibility with regard to Southern Africa’s economic, sociological and environmental welfare must be the bases for co-operation and friendliness towards one’s neighbours. South Africa is economically strong and holds the infra-structure and the capacity to be the basis for regional development.

These are the basic guidelines of the so-called “new diplomacy” or of the “new realism” as the foreign policy was characterised during the transition. It reflected the reality of a South Africa that was conscious of its limitations in the military field and of the economically recessive effects of isolation. The view on regional relations followed the general conception on external action. In the 90s, faced with the economic globalisation and commercial liberalisation, South Africa understood, as other developing countries had done before, that the import substitution model had exhausted itself and that, in its place, it was necessary to adopt another model, of an insertion in the world economy based on greater competitiveness. Kent Durr, the Minister of Commerce, Industry and Tourism, would express this same point later, when he stated that, if South Africa wished to grow, it would have to make use of its comparative advantages and become an export economy. To this end, it should solve its internal situation whilst, at the same time, promoting its participation in international markets. Thus, President De Klerk visited, in the first year of his mandate, 25 countries, particularly in Africa and Europe, besides the United States. Diplomatic, commercial and cultural ties were established with countries in the most varied geographical areas.

Africa was first priority in an attempt to make use of the good will generated by the role South Africa had played in Namibia’s independence. During P. W. Botha’s government, South Africa had already contributed towards the first negotiations between MPLA and UNITA promoted in

Gbadolité by Zaire's President Mobutu and had restarted talks and co-operation with Mozambique. Emphasis was given, however, to the commercial area and to economic co-operation. André du Pisani, quoting Robert Davies, remembers that the parameter of dependency and economic subordination in Southern Africa manifests itself in terms of labour imports, export markets for products and services and as reserve for South African capital investments. From the mid-1970s, the decline became evident in two areas: labour market and transport and by the 1980s, it was worsened by the manipulation of economic relations with strategic objectives. Trade started to grow again and from 1988 to 1990, direct investments in Africa jumped from US\$2.2 billion to US\$4 billion or from 12.6 to 22.3 % of total external investments.

André du Pisani remarks that this policy coincided, largely, with the large corporations' view, as represented by the South African Chamber of Business (SACOB). He also observes that, in the early 90s, South Africa's government "seems determined to shape the domestic, regional and international contexts in which the future post-apartheid government will have to work in order to ensure that there will be little room for manoeuvre and a strong hegemonic position in the region".²⁰ South Africa emphasised its preference for a multi-party system and for a regional economy oriented towards the market, for the primacy of the private sector and for privatisation of non-strategic mixed companies. It intended to play a major political and economic role in the post-apartheid regional context. Rapidly, multinationals and mixed companies, with the help of international financial institutions, attempted to strengthen or expand their positions in Southern Africa. In so far as the ANC, on the contrary, made a point of emphasising its intention of developing non-hegemonic relations in the continent and of joining SADC in the organisation's terms and with the objective of establishing an equitable regional economic development, an area of conflict was created. These initiatives not only made the most of the opportunities available at that moment, but also showed how afraid the national and international "economic establishment" was of ANC's

²⁰ Du Pisani, A. South Africa and the region. Mills, G. (ed.). *From pariah to participant: South Africa's evolving foreign relations 1990-1994*. The South African Institute of International Affairs, 1994, p. 10-36.

guidelines in this field. Hence its wish to strengthen positions before the change of the regime.

The sharpest area of conflict, however, had to do with the sanctions issue and when they would be lifted. The De Klerk government hoped that the embargoes would be annulled as quickly as possible, so that South Africa could be inserted and participate in the international community. The ANC defended a more cautious period, in order to ensure that there would not be any retrogression in the process of negotiated political transition, a necessarily difficult one and subjected to impasses. De Klerk's statement had de-stabilised the plan for negotiations with the government outlined by the ANC, from which had come the Declaration of Harare, adopted in August 1989 by the OAU meeting in that city and also by the Non-Aligned Movement and by the United Nations. In this plan, the ANC sought to make clear that international participation would be determined by the liberation movements and had made the withdrawal of sanctions conditioned to the adoption of a new Constitution and the end of armed hostilities. In another later meeting, in Stockholm, the ANC changed its language and admitted that the sanctions should remain until apartheid had been abolished. The Resolution of the UN's General Assembly on South Africa, in December 1989, determined that the sanctions should be maintained, until "there was evidence of deep and irreversible changes". With his speech in February 1990, De Klerk overtook the ANC in taking the initiative. The ANC then decided to send Mandela in a world tour to regain "momentum" and also to fund raise for the organisation, since its previous funders - the USSR and East Germany - had vanished.

The first initiatives were aimed at Africa. Mandela visited Lusaka for conversations with the ANC's headquarters and then Harare, where he met with Robert Mugabe and his party ZANU, an old ally of the PAC, from which it got support for the ANC's negotiation strategy. Next, Mandela travelled to Angola where ANC's ties with the MPLA are historical and to Abuja, Nigeria, where he was observer at a session of the British Commonwealth Committee on South Africa. He tried then to influence the Commonwealth against the British proposal to relax sanctions. In fact, with Portugal's support, the United Kingdom had taken the initiative to withdraw the EEC's embargo on new investments, immediately after Mandela's release. Various European countries, such as Italy and Spain,

hastened to alleviate South Africa's isolation. Mandela travelled to Europe soon after De Klerk in an attempt to convince - precisely - the EEC to maintain sanctions, and on this had the support of Ireland and Denmark. In June, in Dublin, the EEC paid heed to both sides, maintaining the sanctions and the conditions for their withdrawal, but accepting the possibility of a gradual relaxation as the negotiation process became sturdier.

The following stage took Mandela to Canada and to the United States. In Ottawa, he obtained Canadian support for the maintenance of sanctions in the terms of the UN Resolution and financing from official and non-governmental sources. His stay in the US was extremely useful, though problematic. The American Black Movement was more sympathetic to PAC and its pan-africanism than to the ANC and its non-racialism. Mandela was practically unknown to the North American public. Almost naively, he defended, in his contacts with the media and particularly in a interview to the ABC Network, ANC's historical ties with South Africa's Communist Party, the Soviet Union, East European countries and leaders regarded as pariahs by the United States, such as Fidel Castro, Yasser Arafat and Muammar Kaddafi. To the *New York Times*, he declared that, although the ANC did not have an economic policy, he was in favour of the State's participation in the economy. Reaction was negative. Nevertheless, he was the first negro unconnected with any government and the third private individual to speak to Congress. Before him only the Marquis of Lafayette and Lech Walesa had been granted this privilege. The interview with President George Bush was only partially successful. The ANC was urged to renounce violence, failed to obtain a guarantee of financial help, and was not consulted with regard to the withdrawal of sanctions. At the end, Mandela committed himself to declare the "end of hostilities" if the following round of talks in South Africa were successful, and Bush to consult Congress in consonance with the CAAA. Mandela made yet another trip to Europe, the highlight of which was his visit to London and Prime Minister Margaret Thatcher's recognition of the ANC as "an essential actor in South African politics". He also went to Asia, visiting India, Indonesia and Japan, and to Australia.

In July 1991, President Bush revoked the CAAA thus withdrawing all sanctions - except the arms embargo - and lifting the prohibition of loans by the EXIMBANK and the IMF's veto. By then, the De Klerk

government had already revoked much of the apartheid legislation. Japan took steps identical to those followed by the US. Various African countries decided to re-open the continental air space to South-African aircraft. The International Olympic Committee announced the re-integration of South Africa. In February 1992, the OAU's Council of Ministers recommended the renewal of contacts with Pretoria and the SADCC, that had then become the Community for the Development of Southern Africa (SADC) issued a formal declaration guaranteeing South Africa's integration into the new organisation once the political restructuring had been completed. The European Union's case was more complex, since, besides sanctions, it included a code of behaviour applicable to companies working in South Africa, the objective of which was to reduce the effects of apartheid. Sanctions were withdrawn and the code abolished in 1993. However, the EU maintained and even expanded its Special Programme for the Victims of Apartheid.

The international community's involvement with the South African transition, however, went further than these initiatives, in so far as the process presented numerous obstacles, the most serious of which was the violence. In July 1992, the UN Security Council got together to examine the issue and passed Resolution n° s/765, condemning the violence, urging the negotiating parties to restart the talks that had been interrupted and nominating a special representative to monitor the issue. Resolution n° s/722, in August of the same year, authorised the displacement of a contingent of permanent observers to South Africa and invited other organisations, such as the EEC, the OAU and the British Commonwealth to co-ordinate efforts with the UN.

International interest in guaranteeing South Africa's continuity and the resolution of its problems was evident, in view of the economic interests involved and of South Africa's location in the subcontinent. The fact that the parties agreed to this involvement meant that the "result of negotiations must not only deserve international recognition but also have its implementation guaranteed".²¹ The fact that the South African government modified its traditional position of rejecting UN's interference, under

²¹ Vilalva, Mario, *op. cit.*

allegation of partiality on the part of the organisation, may be explained by the corollary fact that, in virtue of the new configuration of world power, South Africa may have thought that this partiality would now be exercised in its favour. Some observers insisted, at the time, that the NP intended to legitimate a type of solution that would still maintain minority power, by creating a government weakened by the adoption of principles such as “division of power” and federalism. According to Scott Thomas, the convergence of interests between the government and the ANC increased considerably after Mandela’s world tour with the awareness that if the negotiations did not result in significant political change the influence exercised by each of the parties would be eroded. On the other hand, the rhythm of De Klerk’s reforms was determined by the need to reinforce the ANC’s position as negotiator on the part of the opposition. The choice of the ANC was due to the latter’s position as the most organised and less radical of the resistance movements. In 1993, before the UN’s General Assembly, Mandela stated that the sanctions should have been lifted “in order to strengthen the forces of democratic change and to help in the creation of the necessary conditions for stability and social progress”.²²

A crucial test for the “new diplomacy” was the negotiation of pending issues with Namibia in relation to the Walvis Bay and the Penguin Isles and the demarcation of the border in the Orange River, both consequence of the Anglo-German rivalry in the second half of the 19th century extrapolated to the colonial context. According to Graham Evans²³, the two territorial disputes restricted Namibia’s ability to function effectively as an independent State and as an active regional actor. Together with the problem of the inherited debt, these two disputes made up the main axle of the country’s relations with South Africa and could have been the key for co-operation and regional security prospects.

The bay had been occupied by Great Britain in 1878, as no-man’s land, and thus never actually became part of the African Southeast. Its

²² Thomas, S. The diplomacy of liberation: the ANC in defence of sanctions. Mills, G. (ed.). *From pariah to participant: South Africa’s Evolving Foreign Relations 1990-1994*. The South African Institute of International Affairs, 1994.

²³ Evans, G. Across the Orange River: Namibia and the colonial legacies. Mills, G. (ed.). *From pariah to participant: South Africa’s Evolving Foreign Relations 1990-1994*. The South African Institute of International Affairs, 1994.

statutes however, underwent various changes with the subsequent political development, the independence of the South African Union and the mandate the latter received from the League with regard to the German colony. Given its natural characteristics, its geographic location and its modern port facilities, the isles became important from an economic and strategic point of view. Likewise, the demarcation of the border in the Orange River involved aspects related to economic development based on water resources. Its definition, by the 1890 Agreement, that gave Great-Britain the two river banks at that particular point, already conflicted with international parameters regarding borders on rivers. By the Namibian Constitution, the bay and the isles were part of national territory and the border crossed the Orange River. In either case, South Africa defended its position grounded on the historical argument, whilst Namibia and the UN postulated the revision according to the modern juridical understanding of territorial disputes.

The two issues would be eventually dealt with in long bilateral diplomatic negotiations, in which both parties proved to be pragmatic and gradualist. In both, the constitution of technical committees led to advancements. The Walvis Bay issue was a bit more complex, in so far as a mere session on sovereignty could provoke internal reactions and even a debate on the constitution. According to Evans, what made the solution easier, and, in fact, made possible the total transfer of control on 28th February 1994, was SWAPO's development from a radical Marxist movement into a moderate and realist governmental party; and South Africa's interest in compensating a neighbour committed to democratic rule and market economy. In this resolution, the part related to the new diplomacy has to do with a change in emphasis in the foreign policy from an interest in military security to a national interest in internal conciliation and regional interdependence. The ANC supported Namibia's position in a consistent manner.

Two major initiatives adopted by De Klerk's government that would necessarily have consequences later, counted on the ANC's passive acceptance or even on its participation. The first was the dismantling of the nuclear programme and the destruction of weapons, making South Africa the first country in the world to "de-nuclearise" itself voluntarily. This was a public and universal indication that there would not be room for

mass destruction weapons in the new South Africa, what reinforced the African continent's security. In July 1991, South Africa, represented by its Foreign Minister Pik Botha, signed the Treaty of Non-Proliferation, TNP, in Vienna, in the role of a non-nuclear country. The adherence to this international agreement had been previously used as an instrument of bargaining and its implementation would be associated with the threat to lose the benefits resulting from the country's participation in the International Agency of Atomic Energy. At any rate, membership of the Agency was one of the ANC's objectives, included in the party's documents on foreign policy.

The second was the subscription, on 15th April 1994, by the Minister of Industry and Trade, Derek Keys, of the Marrakech Agreement, whereby the country joined the World Trade Organisation. The ANC participated informally in the process of internal negotiation that took place in the National Economic Forum - a forum bringing together government, private sector and trade union representatives - with regard to the offer to be made by South Africa. South Africa's representative, Prof. Kader Asmal, was part of the delegation travelling to Morocco.

The "new diplomacy" projected a new, unqualified type of insertion, in so far as it was limited in range. Its main concern was freeing the trade fluxes in order to overcome the economic bottlenecks that had provoked recession and unemployment in the past. This tendency was manifested in the expression "the flag follows trade". Even its view on regional relations was schematic - except with regard to rejection of violence as a political instrument and the acceptance of interdependence - if compared to that of the ANC. Dopcke, quoting G. Ewans, said that it represented "a change of style rather than of substance". "The notion of dominant power remains, and the definition of hegemony changed from geopolitical to geo-economic".²⁴ Anton du Plessis observed that what became clear in the transition period was the fact that the relationship RSA/Southern Africa needed a re-definition. To a certain extent, the harmony with major currents of Western thought was implicit, paying no attention to the latter's multiple and different formulations, and this could produce, in the post-Cold War context, something similar to an exclusive identification with the anti-

²⁴ Dopcke, W., *op. cit.*, p. 133-59.

communism of the previous period. The problem is that the international environment was then much more complex.

The period from 1994

The new South Africa that was born with the elimination of apartheid and the formation of the government of national unity elected by universal suffrage, was both a new country and the same old country. The negotiating process that permitted the transition to democracy created, from a legal point of view, a new country, where mixed and black populations were granted political rights, thus having the possibility of indicating, through their vote, the type of society in which they wanted to live. However, before the necessary changes were made, the country continued to be, particularly in the economic and sociological fields, the same old country. As it happens with most countries in a process of development, the most clearly perceptible characteristic of this South Africa in transition, is duality. With the nationalists' rise to power in 1948, it was possible for the capital in the hands of the Afrikaner portion of the white population to be invested into the core of the economy, the mining sector. And it was from this sector that accumulation spread to the others, with which it maintained bonds of ownership and control. The concentration of wealth was huge and the state had just a complementary function. With this, it became possible to create a country with obvious First World characteristics. The other side, the underdeveloped one, is the side of apartheid, that institutionalised exclusion. Exclusion was present even among the whites, for, as a whole, income distribution was extremely unequal.

The negotiated transition presented the ANC with the opportunity for a political pact that, in the last instance, was beneficial to that party. The division of power initially imposed with the establishment of a national unity government did not prevent the ANC from progressively monopolising power, and this represented a threat to the democratic process. The economic pact, however, offered much narrower room for manoeuvre, a tendency that was further reinforced by the international economic system. South African economy was strongly connected with external capital. Despite the fact that it was liberal and in some cases, even resisted segregationist practices, the economic establishment wished to keep control of the economic policy, afraid that inflationary policies would be

implemented. Nor was the ANC interested in a massive exodus of capital and of skilled labour that would provoke an economic retrogression similar to the one that had occurred in some African countries after de-colonisation. Thus it put into practice a fairly rigid fiscal and monetary control in order to reduce the public deficit and maintained a positive real interest rate, to attract savings and investments. At first, the result of these policies was a retake of economic growth, at gradually higher rates, until the effects of the international financial crisis led to a slow down. In 1996, the GNP increased by 3.3% in real terms, whilst in 1997 this increase was only of 1.5%.

The deepest concern was with the correction of social inequalities, without which it would not be possible to consolidate democracy. The regime's stability and that of society, would depend, in the medium run, on the success of this process. Nevertheless, how to conciliate a macroeconomic policy that demanded budget cuts and the draining of the monetary base, with a programme of social investments? The first attempt to do this was the Programme of Reconstruction and Development (PRD) a self-financed and self-managed initiative. The obstacles to its implementation were enormous given the inadequacy of provincial and local structures, and the lack of qualified staff and financial experience. Opening the programme to the participation of the private sector and of NGOs improved its performance. Nevertheless, the government decided to put the Treasury in charge of the programme's administration. Next, the PRD was incorporated to a wider economic strategy called Growth, Employment and Redistribution (GEAR), centred on economic growth and job creation. GEAR was heavily criticised and opposed by the main Trade Union COSATU, one of the ANC's allies. Stephan Malherbe believes that GEAR worked as a stabilisation programme in the classical sense and that it was responsible for counteracting some of the evil effects the world crisis had on South Africa's economy.²⁵

The new South Africa's foreign policy must be seen in the context of the internal development described above, as a projection towards the external field of the declared objectives of economic renewal, but also

²⁵ Malherbe, S. GEAR. *South African yearbook of international affairs* 1998/9. The South African Institute of International Affairs, 1998, 273-6.

having in view full participation in the international economic system and the overcoming of the institutional exclusion that had resulted from apartheid. This policy can not, however, be fully appreciated if duly consideration is not given to the ANC's ideal formulations about the type of world insertion it considered suitable for a redeemed South Africa, formulations that are fruit of the organisation's historical experiences as a resistance movement. It is part of the natural order that the orientation of the militant ANC would tend to agree with the points of view of those who, from the early days of the struggle, stayed by its side, considering themselves excluded from the international context and therefore, wishing to give priority to the fight against underdevelopment, to non-alignment - that they tried to modernise - and to South-South co-operation. The promotion of peace, of democratic values and of human rights, not only in the political but also in the social, economic and environmental fields, was also given an equally large space in this agenda. Finally, Africa and, in special, Southern Africa, were regarded as priority areas for the development of relations and co-operation, although other geographical areas were not excluded.

The report of the ANC's work group, published in March 1994 under the title *Foreign policy in a new democratic South Africa* consisting of a programme in the area of international relations, failed, however, in so far as it lacked a clear nuclear policy and seemed unable to make a distinction between principles and objectives. Despite serious and sensible considerations, its proposal was voluntarist and basically concerned with principles. Being a project, these characteristics made it too ambitious, and it set itself objectives that were not adequate for the country's weight or its capacity to implement them. Nor did it take into account the fact that the international setting is a stage for bargaining and that persuasion is a means and not an end. It was, however, sufficiently realist to understand that, except for isolation, there was no alternative to participation in the international system. On each theme, the document quotes agreements, protocols and declarations to which South Africa must subscribe, and in the context of which it must struggle to impose its positions. It affirms the UN's importance and the need to preserve the major role the organisation plays in upholding international law.

Although admitting that South Africa finds itself in the confluence of the underdeveloped with the industrialised world, and that, in this unique

position, it can act as a bridge between them, the report affirms that South Africa is an underdeveloped country. It superposes these economic concepts above the geographic concepts of North and South and aligns itself automatically with the South. Thus it seems to attach itself to the illusion that the North and the South are homogeneous. Therefore, it leaves little room for flexibility in its approach, failing to consider the differences from one sector to the other inside South Africa itself and in other countries, for instance, in the South. In a globalised world, where sectorisation is intense, generalist ideologies hardly ever correspond to real life. The ANC's foreign policy seems to have as reference only the South Africa of exclusion, but hides the duality characteristic of the country it inherited and whose specific weight would be significantly less in the absence of the developed sector. In concrete practice, the new rulers will have to be the arbiters of often conflicting interests. With regard to the economic agenda, the creation of the National Development and Labour Council (NEDLAC) that brought together representatives from the government, the private sector and trade unions, appeared well timed and useful for the formulation of positions on both internal and external issues.

Two other documents are important for the formulation of South Africa foreign policy: the Discussion Document presented by the Department of Foreign Affairs in June 1996 and the internal document prepared for the ANC National Conference in 1997 called "Developing a strategy for South African foreign policy". The Discussion Document was severely criticised by Greg Mills, who considers it an ambitious list of intentions.²⁶ In his view, the document does not take into consideration the international environment in which it must operate and South Africa's limitations in terms of resources and abilities. The ANC's document represents one step forward with regard to the one produced in March 1994 and reflects the experience gained by Pretoria's diplomacy since the rise to power of the Government of National Unity. Its attempts to conciliate the defence of an agenda of principles with the promotion of national interest are more successful. However, like its previous counterpart, it fails to define priorities, although giving more emphasis to economic

²⁶ Mills, G. South Africa's foreign policy: the year in review. *Statistical yearbook of international affairs* 1997. The South African Institute of International Affairs, 1997, p.1-17.

negotiations and a policy for Africa. The suggestion of strategies takes into consideration a more realist assessment of South Africa's specific weight.

In the months that followed the Government of National Unity's inauguration South Africa would have liked to keep control of the process of its re-insertion into world politics. Internal matters, however, occupied a large proportion of its leaders' attention that had to implement the programmes negotiated during the transition. Notwithstanding, international interest was of such order that, in September 1995, Vice-President Thabo Mbeki was able to say to a Conference of South African Ambassadors:

One characteristic distinguishes South Africa and this is the constant interest of the rest of the world in its future. The strength and persistence of the international focus on South Africa places the Government of National Unity under pressure to contribute positively and constructively to the global community.

Indeed, soon after May 1994, South Africa was re-admitted to the British Commonwealth, recovered her seat in the UN and its participation in the specialised agencies such as the ILO, WHO and FAO, and became a member of multilateral organisations such as the Non-Aligned Movement, the Organisation of African Unity (OAU) and the Southern Africa Development Community (SADC). By mid-1995, diplomatic relations had been established with 163 countries. Bilateral and multilateral representations reached a total of 124, four times the number of those existing in 1990. South Africa also joined mechanisms such as the Zone of Peace and Co-operation in the South Atlantic (ZPCSA) and the Indian Ocean Rim - Regional Co-operation Association (IOR-ARC).

The ambitious reinsertion that South Africa's first democratic government hoped to achieve, however, was widely criticised, also internally. Greg Mills speaks of a tendency to "lean to all sides".²⁷ In part, the explanation for this can be found not only in the need to overcome the

²⁷ Mills, G. *Leaning all over the place? The not so new South Africa's foreign policy*. Salomon, H. (ed.). *Fairy god-mother, hegemon or partner? In search of a South African foreign policy*. Institute of Security Studies, 1997, p. 19-34.

confinement to which the country had been submitted for forty years because of apartheid, but also in its desire to develop better objective conditions to participate in the formulation of the new world order. In March 1995, before the World Summit for the Social Development, in Copenhagen, President Mandela said that: "The irony of the democratic South Africa's late entry into international affairs is that we will be able to benefit from the products of a world that is being redefined".

In 1993, still as the ANC leader, Mandela had expressed the fear that South Africa's failure to make part of the major economic-commercial blocks being formed might affect its interests and those of developing countries in general, when he declared that:

The ANC is afraid that, even in the case of a successful Uruguay Round, the formation of commercial blocks may contribute to weaken the position of developing countries and, in special, of those that, like South Africa, do not participate in any of these blocks.

Many observers highlight the contradictory aspects of this attempt to commit itself to the widest possible number of partners and the simultaneous declared intention of prioritising relations with Africa and, in particular, with Southern Africa and the SADC. The then Vice-President Mbeki expressed his view of the continent's expectations with regard to South Africa as follows:

Southern Africa expects a positive contribution from South Africa in terms of its own development. The countries of the region expect we will relate to them as partners and allies. There are also expectations on the part of Africa that South Africa will eventually make a significant contribution towards the peace and development of the continent.

As the most developed country from a political, economic and military point of view, the democratic RSA intends to replace the relations of dominance and dependency existing in the sub-region for a non-hegemonic posture based on peaceful and mutually beneficial co-operation and on economic integration. The ANC's report mentioned above states that "to define the terms, conditions and principles on which (the new relations) will be built is of fundamental importance". The general belief is

that the sub-region's economic integration will depend on the success achieved by the South-African economy and the country's ability to reverse the situation of the nation's excluded majority previously imposed by apartheid.

Getting closer to Europe

Since the new South Africa's first priority was the implementation of the PRD and given the economic difficulties inherited from the previous period that made internal resources insufficient, the government was forced, from the start, to keep ample space in its external agenda for the development of relations with those developed countries able to offer the financial co-operation and technical assistance it needs. In this context, relations with its main partners in Europe and with the US gained special relevance, in so far as their alliance with South Africa of apartheid was instrumental for the regime's survival. From another angle, it was these same countries' decision to break - however partial - ties and to impose effective sanctions that finally permitted the changes in the previous political regime. In Pretoria's interpretation, the industrialised countries have a moral obligation to support the new country, so that the democracy they helped to build may be consolidated. This help has not been lacking. As we have seen, the EU has maintained its special programmes for apartheid victims even after the withdrawal of sanctions. Scandinavian countries have also provided significant resources to alleviate the effects of segregation. Important funds, provided by the foundations connected to the two largest German political parties have financed a series of activities related to the process of transition, such as seminars and meetings assisting with the formulation of positions for the political negotiations. After the new government's inauguration, the United Kingdom, France, the Netherlands, the then West Germany, Belgian and Italy created funds specifically designed for the PRD's social investments programmes in the areas of health, education, governance, rural development and help to small businesses. Also the EU, and later, Japan, made some resources available to South Africa.

Many were the European heads of State that visited South Africa from May 1994 onwards, in order to offer their support to the new government. Of those visits, the most symbolic was that of Queen Elizabeth,

a celebration of RSA's re-integration into the Commonwealth. These were very festive days that ended with a religious service in Cape Town conducted by Archbishop Desmond Tutu. However, President Mandela's visit to Bonn, Paris and London in 1996 provided Pretoria with a more realist view of Europe's interest in South Africa. Although Mandela's objective was to promote bilateral relations as a whole, these relations had a strong economic and fundraising component. In all stages, Mandela devoted part of his time to talking to business men, convincing them of the new RSA's favourable conditions. In Bonn, it became clear that Mandela would not be able to convince his interlocutors as he intended and the honours businessmen were ready to grant him were directed to the exceptional politician and not to the ruler. The policies adopted by South Africa to deal with macroeconomic adjustments received some support but were regarded as insufficient. Local wages were considered too high in relation to productivity and the labour market insufficiently flexible. What these businessmen - many with knowledge and experience of the South Africa - were most interested in was the programme for the restructuring of public and mixed companies, something the government had been reluctant to formalise. Both with regard to labour flexibility and privatisation, the opposing stance of the trade unions, including that of COSATU's, one of the ANC's allies, was well known.

When he travelled to Paris and London, Mandela already had a new element at his favour - the macroeconomic strategic programme - Growth, Employment and Redistribution (GEAR) - that, recently launched, included measures for labour market flexibilisation and a privatisation programme. The French government offered co-operation in the capture of investments. In fact it wished to recover the positions lost by French companies that had left the country during the sanction period. The British government also showed interest. In a trip to Pretoria, a few months before, the then Chancellor of the Exchequer, Kenneth Clark, offered British consultancy services on how to introduce a privatisation programme that included capital raising, new management structures and a campaign to obtain trade union co-operation. Large companies such as Shell and British Petroleum had never left South Africa and others went back in the early stages of the transition. The United Kingdom's capital stock invested in South Africa was in the range of 10 billion pounds sterling and a few new

investments were occurring. However, the largest portion of these investments were indirect, - such as, for instance, the purchase of shares of South African companies - and therefore, volatile. The British Investment in South Africa Scheme, to encourage investments on the part of small and medium businesses was also established. Besides the other causes mentioned above, others, such as the fragility of the country's political and economic development, the growing crime rates and the more attractive opportunities offered by other regions, such as Asia²⁸, also discouraged the entry of foreign capital.

From a political point of view, Mandela's visits to London and Paris were extremely successful. In Paris, he developed a particularly good working relationship with President Jacques Chirac. In London, he spoke to the joint session of the two Houses of Parliament in Westminster Hall, when he reminded his audience that, in 1910, at the time when the South African Union was created, the black leaders had "eloquently and passionately" pleaded for equal treatment and that the British authorities had also "eloquently and passionately" refused to change the agenda of reconciliation between the British and the Boers in order to meet the needs of the blacks. He also remembered and praised British men such as Wilberforce and Harold Macmillan who had fought for the end of apartheid. It was his way to re-state the Europeans' co-responsibility for the success of the democratic regime in South Africa. In Europe's view, with the advent of the new regime, and because of its politico-economic conditions, South Africa should exercise, in the African context, the sort of leadership that will promote the continent's positive insertion into the system of world relations. In the three capitals, Mandela was urged to involve himself more deeply with African issues and with South Africa's active participation in the peace operations. The increasing lack of interest on the part of the superpowers and their allies towards Africa and the perception of this fact on the part of the black leaders had been one of the factors taken into consideration in the formulation and implementation of the new diplomacy. However, for South Africa's new leaders, this neglect means, on the one hand, marginalisation, and on the other, international expectations that, in

²⁸ Barber, J. Anglo-South African relations. *South African statistical yearbook of international affairs 1997*. The South African Institute of International Affairs, 1997, p. 59-66.

their view, are beyond the country's ability.

In the process of getting closer to Europe, the negotiation of new relations with the EU became even more important. In 1995, EU countries provided 42% of all South-African imports (43.5% in 1994) and absorbed 25% of its exports (21% in 1994). Their investment stock represented 50% of all foreign capitals entering the country and their companies installed in South Africa are responsible for a significant number of jobs. South Africa's initial petition was for full access to the Lomé Convention. This would be beneficial even in a symbolic aspect, because the convention was connected with the de-colonisation process. South Africa argued that the underdeveloped characteristics still present in its economy and the ties it maintained with the SADC countries, all of which had benefited from the Convention, would grant it the right to ask for equal treatment. The European negotiators disagreed and decided to grant South Africa only a qualified access to the Convention. Thus, South Africa is not eligible for unconditional and non-reciprocal preferences for industrial products and quantitative preferences in the case of agricultural products, or for the European Fund for Development; however, it does benefit from the accumulation of origin rule, with African and Caribbean products for export to the EU and of the right to take part in tenders for projects financed by the Fund in other Lomé Convention countries. This helps to increase its commercial presence in the whole of Africa. The agreement was finally signed in April 1997.

In consequence, the EU suggested to South Africa the negotiation of a comprehensive agreement covering aspects such as co-operation for development, political dialogue and economic co-operation, besides a free trade area to be achieved in the period of ten years, and extending to some products for 12 years, covering all sectors and potentially even services as well as agricultural products. The negotiation generated problems with regard to its effects on South Africa's economic relations with neighbour countries; in the first place, Botswana, Lesotho, Namibia and Swaziland, with which it forms the South African Custom Union, but also with the other seven countries making up the SADC. South Africa agreed to consult its regional partners and not to grant the EU better conditions of access to the South African market than those offered by the free trade protocol signed in the context of the SADC. The EU explicitly expressed its wish

that South Africa's liberalisation process towards the block should be equivalent to its opening with regard to its neighbours. In Talitha Bertelsmann's interpretation, South Africa proposed a free trade and development agreement to the EU due to the priority it confers to the regional development and it intends to obtain from the EU enough funds to compensate South Africa's neighbours for their losses, particularly those incurred by the SACU countries, that will suffer a reduction in their fiscal income and higher unemployment rates. For this reason and to officialise its commitment, South Africa urged for the signature of the SADC Protocol.²⁹ Negotiations were so complex that the process took approximately four years to be finished, in March 1999.

Getting closer to the USA

Relations between the new South Africa and the USA presented, from the beginning, a difficult balance between co-operation and conflict, due, on South Africa's part, to the interest in obtaining assistance and investments; and on the USA's, to the certainty that South Africa has a role to play in the transformation of Africa. The confrontation of positions occurred both in the political and in the economic fields. If the former seemed to attract more of the media's attention and with this, contributed to a public perception of misunderstanding between the two partners, the latter presented a few somewhat more insidious aspects. Washington's - always on the verge of interfering - disapproval of the relations South Africa has been developing with the States regarded as pariahs, such as Iran, Libya, or Cuba, was always a source of irritation, an irritation President Mandela did not attempt to hide. South Africa rebelled against what it perceived as a North American attempt to dictate its foreign policy. Only in one case, however, did these disagreements have enough power to affect relations. This was when the US opposed the announced sale, to Syria, of a mechanism to improve cannon shots. In turn, South Africa criticised the USA for their unwillingness to take part in an active dialogue with its enemies in order to reach a peaceful resolution of the differences, as prescribed by the UN Charter. Another point of disagreement was the

²⁹ Bertelsmann, T. The EU, AS, and the proposed FTA. *South African yearbook of international affairs* 1997. The South African Institute of International Affairs, 1997, p. 266-73.

issue of the contribution towards the UN. South Africa gives total support to the UN and its affiliated agencies, of which is an active member. Therefore, it feels offended by the North American non-payment that affects South Africa's interests and those of a number of smaller democratic countries that want a strong and effective UN.

John J. Stremlau affirms that "South Africa's increasing concern with the scale and the true value of the commitments the US are prepared to take on for the sake of South Africa's economic and social transformation is at the heart of South Africa/USA relations".³⁰ Bilateral trade in 1998 reached the figure of US\$ 6.65 billion, exchanges grew, but records still indicated a North American superavit. Most important, there were conflicts in the area of patents, particularly in the pharmaceutical industry, pressures for the adoption of the anti-trust legislation, disputes on tariff reduction in the bilateral trade and investigations related to compensatory rights. The US position was made clear in an interview granted by the Trade Representative Charlene Barshefsky, the day before the opening of the US-Africa Ministerial Summit in Washington, already in 1999, when she made serious criticisms of South Africa's commercial policy, in particular its legislation on governmental purchases, patents and intellectual property considered damaging to North American companies. Barshefsky complained that South Africa would not be interested in the negotiation of a free trade agreement with the USA, because its priority would be to agree a similar instrument with the EU. She also showed her discontent with South Africa's allegedly reluctant attitude with regard to the negotiation of an agreement on transparency in governmental purchases in the WTO's ambit.

South African authorities have been equally critical with regard to the adoption of the Africa Growth and Opportunity Act supported by President Clinton and his allies in Congress. This is a legislation that promises to offer those African countries that agree to adopt political and economic reforms better conditions of access to the North American market. The then Vice-President Thabo Mbeki believed that trade was not a substitute for aid, in particular for the majority of low income African

³⁰ Stremlau, J. J. The US and South Africa: Masakhane? *South African statistical yearbook of international affairs 1998/9*. The South African Institute of International Affairs, 1998, p.57-64.

countries. The theme trade versus assistance is also important in the relations RSA/USA. The US announced, soon after the democratic elections in May 1994, a package of US\$ 600 million, to be released in a period of three years, designed to finance the new RSA's priority projects. On the same occasion a US\$ 100 million fund was also created to promote and encourage Southern African development. Half of this fund was allocated to South Africa. The expectation, however, is that the assistance levels to the region, and in particular to South Africa, will decrease in the near future. In a visit to Pretoria, in 1995, USAid administrator, Brian Atwood, affirmed that "this is not a country in need of assistance" and noted that, when the three year package - now extended to five years - finished, the US would gradually withdraw assistance.

In this scenario, the Two-Nation Commission created during President Mandela's visit to Washington, in October 1994, has proven to be a useful instrument for the resolution of controversies and co-operation in issues on which the two countries have different postures. The Commission comprises seven committees at a ministerial level, in the areas of energy, science and technology, business development, agriculture and defence. It is presided by the South African and the US Vice-Presidents and meets twice a year. It is an expensive mechanism and both Americans and South Africans have expressed their doubts as to the profitability of its cost-benefit equation. However, it is a prestigious instrument, signalling to the strategic importance given to relations with South Africa - placed on an equal footing as those developed with Russia - and makes top level contacts easier. According to Stremlau, during the Commission meetings, the US presented so many co-operation initiatives that South Africa, in 1998, was forced to ask for time so that its bureaucracy could examine all the projects. All the same, the talks between Thabo Mbeki and Albert Gore, in their context, were essential for the solution of the struggle against ARMSCOR, involved in the re-exportation of military spare parts, and the co-operation in the South African mediation of the post-Mobutu transition in Zaire. In the first case, the agreement gave South Africa a second opportunity to import military equipment from the USA an extremely relevant initiative for the arming of the National Defence Forces (SANDF) and for the arms industry.

The areas of security and defence were only incorporated to the

Bi-National Commission through the establishment of a committee, in 1997, after the agreement on the ARMSCOR issue. According to Stremlau, “sceptics in Pretoria continue to complain that the Pentagon teams are more interested in lecturing the South Africans about the threat represented by Libya than to discuss South Africa’s concerns about the region immediately around it”. The theme has had its consequences. In 1996, soon after the presidential elections, the then Secretary of State, Warren Christopher, during a tour in African countries, presented to South Africa’s authorities a project for an African Force of Reaction to Crises that comprised a contingent of 10 thousand men chosen among African troops of various nationalities, with the US’ and other countries’ - including Brazil’s - logistic and technical support. Pretoria’s reaction, exposed by Mandela himself, was cold and negative. South Africa did not accept the idea of African troops being sponsored by countries outside the continent. He argued for the need to elaborate, at the regional level, a doctrine on peace operations, their organisation and the joint training of the forces in question.

The US reformulated the project, giving more emphasis to training and equipment, and renamed it African Initiative for Reaction to Crises and presented it once more to the OAU with the United Kingdom’s and France’s co-sponsorship. In 1998, on the occasion of President Clinton’s visit, South Africa began to support the Initiative, but rather unenthusiastically. It seemed that African authorities had also informed Washington that they would try and promote a consensus in the SADC with regard to the Initiative, but would have liked to see the training of civilians included in the project. Nevertheless, having at their disposal the budgetary resources necessary for the project, the US went ahead with the programme with those countries that had agreed to participate in it from the start. In the similar field of disarmament, South Africa expressed its dissatisfaction with the fact that the USA had not signed the Treaty Prohibiting the Production, Exportation and Usage of Anti-Personal Mines. South Africa believed that Washington could have given a good example in the field of arms control through a much quicker reduction of their nuclear arsenal and of their military budget.

In March 1998, President William J. Clinton paid an official visit to South Africa as part of a tour of various African countries. In the previous months, Washington had cancelled the National Commission meeting to

be held in February of that year, under the allegation that President Clinton needed Vice-President Gore's presence in the US just before a decision about the attack to Iraq. There were rumours, however, that the measure was due to his reluctance to send the Vice-President to South Africa when the latter was being so critical of a possible military action. Despite this, Mandela affirmed at the end of Clinton's visit that it had been a landmark among the other visits he had received since 1994. Undoubtedly, the objective was to highlight the importance of a successful transition in South Africa, with the consolidation of democracy and the American commitment to the socio-economic transformation that consolidation implied. Notwithstanding, convergence and divergence were present in the talks between the two presidents and Clinton was able to state that "we've agreed to disagree" a statement that opened positive perspectives of dialogue. Indeed, the Bi-National Commission continued to be the forum for the solution of impasses.

Getting closer to the Asia-Pacific

In its approximation to the countries of the Asian Pacific region, South Africa took into consideration the opportunities in the areas of human resources development and in the services sector, and of transfer of technology, trade and investments. It also discerned some possibilities in the strengthening of political relations with Commonwealth countries and members of the Non-Aligned Movement, who could contribute towards a more intense South-South co-operation and the formulation of common positions, having in view the definition of a new international economic order. On the other hand, the region had lessons to offer, since it had managed to overcome its economic and structural bottlenecks and to compete with success in the international system. Greg Mills also thinks that South Africa could, in future, participate with investments towards the expansion of infra-structural facilities that the region would shortly need, and, given its ample consumerist middle class, also provide trade opportunities. In this context, the numerous missions sent to the region's countries, headed by economy and trade ministers as well as State visits on the part of President Mandela and Vice-President Mbeki were very relevant.

Some aspects of this attempt at getting closer need to be examined

in more detail. Firstly, it is worth examining the renewal of diplomatic relations with the Chinese Popular Republic, which, in the process of South Africa's international re-insertion, may have been its most imperfect operation. It implied the transfer of official recognition from Formosa to the Chinese Popular Republic, in view of the fact that Peking regarded the island as a rebellious province and believed that there was only one China. In the observers' view, the decision should have been taken soon after the inauguration of the Government of National Unity. The ties with Formosa had been formed by the South Africa of apartheid, due to the two countries' position as international pariahs, and also because of the possibilities of arms trading and military co-operation. Formosa, however, made an important financial contribution towards the ANC's electoral campaign, and with this, got the decision postponed. It then organised a strategy to avoid the expected outcome, by increasing investment, making donations towards institutions such as the police and mounting a programme to attract sympathy, inclusive from the press. When Mandela finally decided to recognise the PRC, after a series of contradictory statements, there was heavy criticism all around. The decision was considered opportunistic, and opposed to the high moral values postulated by South Africa's foreign policy.

There is no doubt that the economic aspect was taken into account in the decision to recognise the PRC; the perspective of a market of 1 billion and 200 million people and the promise of more balanced trade relations certainly had their weight. The forthcoming annexation of Hong Kong, an important source of investments and final stop of the most profitable South African airlines - South Africa Airways (SAA), accelerated the implementation of the decision. The main reason, however, was political. The PRC is one of the great world powers, recognised by the UN and by the majority of countries, and a permanent member of the former's Security Council. In this sense, the excuse given by South Africa that the non-recognition of the PRC was inconsistent with the role that, as member of the UN, of the OAU and of the Non-Aligned Movement, it wished to play in the international community is logical in the context of the current world relations system.

Relations with India started to change already during the De Klerk's administration, and reached its present position of strategic partnership after the May 1994 democratic elections. Historical factors such as the

importance of India's independence for the de-colonisation process, the influence of Ghandi's ideas on the resistance movements and the alliance in the anti-apartheid struggle, that also affected Indian citizens, all contributed towards this development. At present, both South Africa and India are members of the British Commonwealth and of the Non-Aligned Movement, have in common an interest to develop a regional identity in the Indian Ocean and, most importantly, defend convergent positions that led to the important Red Fort Declaration, signed in May 1997, by President Mandela and by Prime Minister Gujral. This was a comprehensive document whereby the two countries agreed to develop mutual relations in the most varied areas, to consult each other on issues related to regional and global security, to co-operate in international fora such as the UN and the WHO, and to make full use of their partnership in the Non-Aligned Movement in order to co-ordinate their objectives to develop a new international order based on a more equitable distribution of economic and political power.

During Prime Minister Gujral's visit, in October 1997, President Mandela referred himself to the Declaration as "a flash of light to invite developing countries to mobilise resources in support of a new agenda for economic development, growth, harmony and unity between the nations from the South". South Africa and India intended to develop their relations as an ideal model of the South-South co-operation. The Declaration stated that the economy of the two countries presented certain comparative advantages and certain complementarities and resources that could be optimised in order to promote economic development through co-operation. South Africa and India established a Joint Commission to monitor the development of relations. During the Indian Prime Minister's visit, a Programme of Scientific and Technological Co-operation was agreed, and terms of reference for the Indian-South African Trade Alliance were discussed. The latter would bring together representatives from the governments and private sectors of both countries.

South Africa's economic relations with the main countries of the Asia-Pacific region had been growing even before the coming to power of the Government of National Unity. Japan, China, Hong Kong and Formosa are among South Africa's ten major trade partners. The nominal value of both imports and exports has increased two or three fold in the

period between 1992-1996. Special mention must be made of trade with Malay, for it started at very low levels and achieved exceptional growth rates. Generally speaking, South Africa had a deficit. In terms of investments, those of Formosa, Hong Kong and Malay were responsible for a considerable increase in the Asian share of foreign capital invested in the country. 1966 was the year of Malaysian investments, with the purchase by Petronas of 30% of the shares of Engen, the prestigious oil company. There are further Malaysian interests in the real-estate industry. The rapid expansion of economic ties with the Asia-Pacific region in South Africa transition from apartheid to democracy and the renewal of formal relations with the countries of the region seemed to indicate that both initiatives corresponded to filling existing niches left empty by the previous isolation and international sanctions. The current concern is to find new spaces, open new "windows of opportunities" in case the expansion, for some reason, is detained in the near future.

In terms of relations with the Asia-Pacific region, it is impossible not to mention once more the role played by President Nelson Mandela's personal diplomacy. Since his inauguration, Mandela visited India several times, showing how deep the ties between the two countries are. In March 1996, he went to Singapore, Malay, Brunei and the Philippines, and later, to Thailand and Indonesia. He was also in Dacca for Bangladesh's silver jubilee. By the same token, South Africa was visited by the Indian Prime Minister, I. K. Gujral, by that of Malay, Mahatir Mohamad, of Singapore, Goh Chok Tong, of New Zealand, Jim Bolger; also by the Indonesian President, Suharto and that of Pakistan, Benazir Bhutto. In Singapore, Mandela gave a lecture at the Centre of Strategic Studies of Southeast Asia, in which he outlined the essential aspects of South Africa's foreign policy. Once more, he presented the conception of a RSA as a point of connection and aisle for the trade and relations between Asia, Africa and South America. The same conception was part of the Red Fort Declaration, agreed with India. Mandela also referred to the recently created Indian Ocean Rim - Regional Co-operation Association (IOR-ARC) and suggested that the Zone of Peace and Co-operation in the South Atlantic (ZPCSA) should adopt similar features as an area of multi-disciplinary co-operation. The IOR-ARC aims at economic co-operation, and this is also one of ZPCSA's areas of activity. The idea seemed to be to bring the two

dimensions in which South Africa takes part - the Atlantic and the Indian - closer. The Discussion Document indicated that South Africa must pay special attention to its involvement with the regional blocks in both these areas.

In April 1998, Vice-President Mbeki travelled to Japan, China, Hong Kong and South Korea, a visit that lasted 14 days. The tour had the objective of exploring new trade and investment opportunities and of deepening the political dialogue. It was, therefore, another attempt to continue approximation with Asia. According to the Foreign Office it was hoped that, through the visit, communication channels would be established between Pretoria and the capitals visited, in the same pattern as those already existing with European countries. In Japan, Mbeki left clear that he hoped investments would come to occupy an important position in the bilateral agenda, as was the case with commerce. During his visit, an inter-ministerial commission to deal with the various issues linked to relations - the Forum of the Japan-South Africa Partnership - was established. The trip to China has been invested with an expressive political character, being the first top level visit after the establishment of diplomatic relations. The possibility of creating a Commission of Bilateral Co-ordination was discussed. Contrary to what he tells the press, Mbeki did not discuss human rights issues with his interlocutors. In Seoul, he invited South Korean businessmen to explore the investment opportunities of the African continent, where the presence of Korean companies is small. He also continued the political talks initiated during President Mandela's previous visit to that country.

Getting closer to the Middle East

The new relations with the Middle East presented some particular characteristics recognised by the Discussion Document, i. e. that, good relations should be developed with all States in the region, in accordance with the principles of universality and neutrality. South Africa promised to support, as a neutral party, the peace process in the Middle East in the understanding that a just and lasting solution could only be reached through negotiation. It also committed itself to supporting the UN's resolutions relating to Israel, Palestine, Iran and Iraq. It recognised that the region offered markets for its exports, including technologies, and was a potential

source of funding for the PRD. Economic relations, and, in particular, the demand for energy products deserved its primary attention. An aspect to be considered was the existence in South Africa of large Jewish and Muslim communities, that made contact with their countries of origin easier and even acted as intermediaries. During apartheid, South Africa had already developed special relations with some countries in the area, particularly Israel, Iran and Saudi Arabia, all of which had continued to have significance in the South African agenda. It also gave the Palestinian representative the treatment normally given to ambassadors.

Relations with Iran developed from 1974 to 1979, - year of Shah Reza Palhavi's fall - period in which an important co-operation agreement in the sectors of nuclear energy and oil was signed. Later, the same agreement was extended to include political and security matters such as the Shah's proposal for the formation of a community of non-communist nations in the shores of the Indian Ocean. At present, South Africa continues to import 60% of its raw oil from Iran (in 1979 the figure was 90%). Since trade is unbalanced and leads to large deficits, South Africa has been looking for ways to expand the areas of exchange. In 1995 the two countries subscribed to the controversial agreement foreseeing the stocking of Iranian oil in unused facilities in the Saldanha Bay. This agreement was not implemented because a study to determine its environmental impact was never concluded. The US were against the agreement and did not approve of South Africa's relations with Iran. In 1997, the then President Hasami Rafsanjani paid an official visit to South Africa, and was received in Pretoria during his tour of African countries, with the expressive objective of counterbalancing his country's international isolation. Foreign Minister Kamal Karazi also visited the country and during his stay, agreements on mutual taxation and the promotion of investments were signed.

Until 1973, year of the blockade imposed by the League of Arab countries, the Persian Gulf countries, Iraq and Saudi Arabia supplied a significant part of South Africa's oil needs. According to Yousuf Dadoo, South Africa continued to receive Saudi Arabian oil until the late 70s.³¹ Relations with the Gulf countries focused on the economic aspects.

³¹ Dadoo, Y. Relations with the Middle East and the Arab world. Carlsnaes, W. and Muller, M. (ed.). *Change and South African external relations*. International Thomson Publishing Ltd., 1997, p. 174-89.

President Mandela, Vice-President De Klerk and Foreign Minister Alfred Nzo visited the region to promote investments. South Africa believed that the region could become an attractive market for foodstuff, arms and water resources technology. The relationship was most developed in the case of Saudi Arabia, with exchange of visits, such as that of the Saudi Arabian Oil Minister's to South Africa. In 1997, President Mandela was received in Riyadh.

The most important phase of the relations with Israel started in 1973, after the Arab-Israeli war and the oil embargo, and culminated with Prime Minister Vorster's visit to Israel in 1976, when various agreements were signed. Armaments was the main focus of co-operation. A programme involving the exchange of military specialists and of intelligentsia information was also developed whereby Israel would co-operate with technological transfer for South Africa's important nuclear programme. Other major areas were investments, scientific activities and joint enterprises in the exploitation of minerals. After the rise to power of the Government of National Unity, co-operation began to include irrigation agriculture, health and scientific and technological development. According to Michel Klen, military relations continued, despite the change in the regime, and the South African Armed Forces are equipped with materials of Israeli origin.³²

According to a document issued by the Department of Foreign Affairs, in the political field, South Africa is "trying to correct the impression that it supports Israel unconditionally in detriment of the Arab world". South Africa has shown itself to be critical of the then Prime Minister Benjamin Netanyahu's attitudes particularly with regard to the new settlement policies, and defends the continuation of the peace process in Oslo. South Africa equally postulates the negotiation of an agreement to create a zone free of nuclear weapons in the Middle East. A contradictory aspect in this scenario was the well publicised sale of the precision mechanism of the cannon shot for Syria, an expensive operation, that, in some commentators' opinion could signify the end of the Israeli superiority

³² Klen, M. La coopération militaire avec l'Afrique Australe. Saint-Paul, M. A. (ed.). *Afrique du Sud/Afrique Australe: interdépendances et antagonismes*. La Documentation Française, October-December 1997.

in this type of armament and, thus, affect the military balance in the region. The news, published in a well-known Sunday paper, was denied later. The true story had to do with authorisation for commercialisation rather than with imminent sales.

Getting closer to Latin America

New relations with Latin America didn't receive the immediate attention of Pretoria's authorities, despite the visit of Argentinean President Carlos Menem to South Africa in the beginning of 1995. Relations with the area existed before the change in the regime, having started in fact at the time of the South African Union and expanded from 1966, with the Minister of Foreign Affairs Hilgard Miller's visit to Brazil, El Salvador, Paraguay and Uruguay, with the economic and strategic objectives mentioned above. At this time, trade with some of the region's countries expanded and in the 70s began the expansion of South African investments on mineral exploitation in South America. According to Leysens and Fourie, relations between the new RSA and Latin American countries could have centred on the fact that the partners "are exposed to a series of domestic and external demands that require political decisions and trades-off related to politico-economic transitional phase they are going through".³³ The authors refer to the reforms attached to the democratisation process, on the one hand and the adaptation to globalisation on the other. In their view, the demands are concentrated into four basic structures: production, finances, security and knowledge. Thus the transition in Latin America would be more significant for South Africa than the situation of Southeast Asia's "miracle economies".

Trade and co-operation have been growing once more. Brazil, Argentina and Chile are, in this order, the largest commercial partners. South African private enterprises have also shown interest in taking part in the privatisation programmes; the biggest example here, was the formation of partnerships between the Anglo-American Company and the Brazilian company Votorantim to offer bids in the tender for the purchase

³³ Leysens and Fourie, P. Relations with Latin America. Carlsnaes, W. and Muller, M. (ed.). *Change and South African external relations*. International Thomson Publishing Ltd., 1997. p. 149-73.

of share control in the Vale do Rio Doce Company. The long-standing presence of RSA's companies in the region means that there are actors capable of exercising some pressure for diplomatic action. All the same, Latin America is being re-discovered with the intensification of mutual visits on the part of top authorities from the respective Ministry of Foreign Affairs as well as from other ministries, in particular to the South Cone, to Mexico and to Cuba. Contacts have increased, including among the military, where opportunities for co-operation also exist. In the field of diplomatic representation, South Africa carried out a restructuring of its missions in the region and opened embassies in Lima and Caracas in the hope of approaching also the Andean Group. It has also been negotiating specific agreements with practically all South American countries, including those aimed at combating the traffic of drugs, that has increased on the routes between the two continents.

Relations with East Europe

South Africa's relations with Central and East Europe, in Dr. Sara Piennar's view were characterised, during the Cold War period, by a certain uniformity, in view of the Soviet block's hostility towards Pretoria and its support of the liberation movements, in particular the ANC. Although diplomatic ties with the USSR had been broken in 1956, the connection between the two countries in the minerals and diamonds trade was maintained. The exchanges with COMECON were not totally interrupted and in 1985 still represented about 1% of South Africa's total trade. Between 1990 and 1992, relations with the majority of Central and East Europe countries were established, first at the level of an office of interests, consular departments, and, finally, embassies. In that period great enthusiasm was generated by the trade and co-operation opportunities that had been opened by the transition process in both countries. Indeed, at the time, the South African Foreign Trade Organisation (SAFTO) even prepared a seminar on East Europe. With the new government's rise to power, there occurred, initially a lack of identity between Pretoria and the region's new governments, but soon relations were again normal. First the Vice-President Mbeki, and later President Mandela visited Moscow.

Relations with Africa

In a historical article published in 1991, the then Director of International Relations of the ANC, Thabo Mbeki, affirmed that South Africa is part of Africa and that its destiny was inextricably linked to whatever happened in the continent. The majority of the world nations see the African continent as a region, despite the fact it is constituted by numerous independent countries. The result is that everything that occurs in Africa affects South Africa, in so far as the foreign perception influences the way the rest of the world relates with each and every one of its parts. What Mbeki really wanted to say is that the new South Africa's position in the concert of nations and its capacity to influence events at the world level, were conditioned to the image the continent projected, by the fact that South Africa is an African country and also because the international community expected it to exercise leadership on the region. In 1994, when the Government of National Unity rose to power, three decades after the de-colonisation process, the civil war in Angola, the crises in Somalia and Liberia, the disrespect of human and political rights in Nigeria, the ethnic conflicts and massacres in Rwanda and Burundi, were indicators that the continent still had not matured and was still caught in the same socio-politico-economic instability that characterised the post-colonial period.

These areas of crises were not the only ones that justified a pessimistic diagnosis in the case of Africa. In his speech to the Cape Town Parliament in March 1998, the US President said that Africa "continues to be the greatest world challenge for development, with some of its areas still infested by poverty, malnutrition, diseases, illiteracy and unemployment". Nevertheless, President Clinton saw other areas in which "democracy gains strength, businesses grow and peace moves forward". The conception of an African Renaissance that has been occupying the centre of South Africa's African policy, operates in this contradictory context of pessimism/optimism. It recognises the effects of colonialism, its legacy that led to countries with arbitrary borders, convulsed by ethnic divisions, with unstable political institutions and precarious economies based on the declining production of raw materials and their exportation; but it also recognises those zones that are starting to open themselves to modernisation. More than a project, however, the African Renaissance, is an aspiration. It still lacks a clear vision of the continent's problems, necessary for the proposal of specific solutions.

The notion of an African Renaissance permits various interpretations. President Mandela emphasises the historical aspect, attempting to imbue his people with a feeling of pride for their pre-colonial past and with the will to overcome present conditions. In his speeches he speaks of an era of large African empires, oriented towards trade and exchange of cultures not only within the continent but also with other regions of the world, of mutual tolerance and co-existence of the various religions. Mandela seems to be concerned with the internal divisions and the need for a project enabling the re-articulation at the continental level. For this purpose he presents the past to them, as a mirror reflecting a possibility for the future. President Mbeki also pays homage to the past, but formulates the present objective in a more direct way, when he says that the *raison d'être* of a renaissance in the African continent is a need to empower the African peoples so they can free themselves from the legacy of colonialism and neo-colonialism and place themselves in the global scenario as equal and respected contributors to and beneficiaries of all achievements of civilisation. In Mbeki's view, this renaissance demands certain pre-conditions: the creation of a unionised working class, interested not just in work conditions and wages, but also in the ownership and management of companies; and the emergence of a large professional and entrepreneurial middle class able to detain the ownership of and to participate actively in the development of small and medium companies.

To a certain extent, Mbeki's positive diagnosis is a reaction to the negative one formulated by the Ugandan President, Yoveri Museveni, in a speech pronounced in the Cape Town Parliament, in 1997, in which he attributes the existence of underdevelopment to the absence of a proprietary middle class, and see in the persistence of tribalism an expression of the subsistence economy in contrast to the integrating tendencies of the market economy. Mbeki also proposes an "integrated action plan to build these minimal factors" including the emergence of more qualified political leaders, a revolution in education, more efficient health services and greater African unity. The role South Africa is reserving for itself in this plan is not clear. Leadership can be exercised both through example and through action. Internally, South Africa seems to have opted for a strategy of stability and postponed the emphasis on social investments. The country is the heir of a concentrating, technology-intensive economy, oriented towards

external competition. On the other hand, in Moeletsi Mbeki's view, "the neo-liberal policies, adopted by a growing number of African countries, inclusive South Africa, seem to indicate that the State is no longer seen as an important vehicle of social change". This role would now be played by the NGOs, the trade unions, the professional associations, the universities and, above all, by the large private corporations.³⁴ In this context, the State's role may be to articulate with the other actors in order to involve them in the "renaissance" process.

In objective terms, the idea of an African Renaissance, puts forward an image of social, political and economic regeneration. In its relations with Africa, both bilateral and multilateral, South Africa has emphasised the observance of democratic values, of good governance and of respect for human rights, in the understanding that political stability is an essential factor in the victory against the components of underdevelopment. South Africa's experience of transition to a society of harmonious coexistence between the various racial and ethnic groups and of cultural and religious diversity may act as an example to the other deeply divided societies in the continent. Hence the promotion of policies of compromise and negotiation as a model for the resolution of internal conflict. At the economic level, the focus is also placed on the adoption of sound policies of macroeconomic stabilisation and of comprehensive reconstruction and development programmes. This was already one of the PRD's objectives, and the expansion of this programme to neighbour countries was already foreseen. These would be the basic conditions for South Africa's insertion in the globalisation process and for its ability to attract increasingly larger fluxes of investment.

The ANC's Discussion Document stated that the new RSA is strongly committed to the promotion of a greater union between all peoples from the African continent and from Southern Africa in particular. It encourages regional co-operation and economic integration in Africa, in the understanding that these will bring benefits to the continent as a whole and will strengthen South Africa's own position in the external economic

³⁴ Mbeki, Moeletsi. The African Renaissance. *South African statistical yearbook of international affairs 1998/9*. The South African Institute of International Affairs. 1998. p. 209-19.

relations. It further stated that South Africa must take into consideration the interests of other countries; the long term interests of the South African economy will be better served by an approach to regional co-operation and integration that promotes balanced growth and development. Despite these principles, David R. Black and Larry Swatuk warn that, at the levels of political formulation, economic policy and even of public opinion, the forces of continuity remain strong.

The two professors believe that, given the central role played by a small number of corporations in the South African economy, and the prescriptions of international financial institutions, “the options involving substantial planning and intervention at a national or regional level” are not encouraged. They are cautious with respect to the perspectives of a qualitatively new and more co-operative and constructive commitment in relation to the region and to the continent. In their view, the private interests are the ones that have increasingly played the main role in the “architecture of trans-social ties between South Africa and the rest of Africa”. Without denying the validity of the arrival of capital, technologies and job creation, Black and Swatuk are, however, afraid that the investments made by large South African companies and also by hundreds of farmers of Afrikaner origin who settled in selected agricultural land in the neighbour countries may in fact worsen the existing disparities by creating pockets of growth in contrast with areas of depression. Moreover, they may encourage clientelism.³⁵

Spatial development initiatives, such as that of the Johannesburg-Maputo corridor, might be an alternative. This is one of the most ambitious and positive projects of across-the-border integration, involving the recovery and expansion of infra-structures and the economic activation of the neighbourhoods, both in South Africa and in Mozambique territory. The initial aspect involves the outlet of the Gauteng’s industrial production through the Port of Maputo. The distance between the productive areas and Maputo is less than half the distance connecting them to the ports of Kwazulu Natal. Before Mozambique’s independence, 40% of the production from the old province of Transvaal flowed through that route,

³⁵Black, D. e Swatuk, Larry A. Gazing into the continental crystal ball: directions and sugestions for South Africa – Africa relations. Salomon, H. (ed.). *Fairy god-mother: hegemon or partner?* In search of a South African foreign policy. Institute of Security Studies, maio de 1997.

whereas today the percentage is less than 5%. Tourism followed the same route. The first phase comprises the construction of a motorway between Witbank and Maputo, the reconstruction of the adjacent railway and the modernisation and expansion of port facilities. The government's financial participation is of approximately 10%, and the other 90% should be raised among private groups. The motorway, built with private funds to be recovered with the help of a concession for a toll road, has been ready since May 1997.

Besides the investments designed for the corridor, a series of other large enterprises, such as the two new dams on the River Zambeze, besides the recovery of the Cahora Bassa transmission lines, an aluminium plant near Maputo and a steel project also in the region have been planned in connection with the project. Some criticism has been made: the lack of a comprehensive assessment of the social, economic and environmental impact, in view of the speed with which the planning and the implementation have been done, and the need to attract labour intensive investments for the creation of jobs. A project such as that of the Maputo Corridor demands total harmony between the authorities of the countries involved. The links between South Africa and Mozambique are intense. South Africa was influenced, in the decision to launch the project, by the desire to redeem the debt incurred through the de-stabilisation it caused in the past and because of its concern with regional security, whereas Mozambique shows a certain pragmatism in accepting this interdependence. The international connection, however, is imperfect, since Swaziland should also have taken part in the project. Other similar projects have been identified such as, for example, the corridors of Beira, linking Harare, in Zimbabwe, to the Mozambican Port of Beira or of Benguela, connecting the Zambian mining areas and those of the Congo Democratic Republic to Angola.

South Africa became a full member of the Organisation of African Unity (OAU), on 25th May 1994. Besides its objectives of uniting the continent, the main purpose of the organisation has been, during its three decades of existence that began in 1963, the struggle for de-colonisation, a struggle that ended with the end of apartheid. This is a good moment, therefore, for a reassessment of its objectives and structures. For James Hamill and Jack Spence, the OAU was "sadly not up to its aspirations" in this period and today is facing realities such as the collapse of the post-

colonial State, the prevalence of politically inept and economically destructive military regimes and the fact that the world tends to marginalise Africa, regarding it as a zone of conflict, instability and stagnation. In this context, South Africa's active participation seeks to give an answer to the new challenges posed to the organisation by the emphasis given to the discussion of a regeneration agenda, consubstantiated in the African Renaissance project. In South Africa's view, the OAU should be leading an effective debate about the socio-politico-economic problems resulting from underdevelopment; seeking agreement on positions of common interest to be defended in international fora and searching negotiated solutions for the conflicts.

In this context, South Africa's role in the organism has been a positive one, promoting the completion of the Treaty that made of Africa an area free of nuclear weapons, when it organised the Pelindaba Conference in 1995; promoting likewise, the African countries' participation in the Agreement for the Prohibition of the Production, Stocking and Exportation of Anti-Personal Mines; the solution of the impasse in the creation of the African Court of Justice and advancement of the conception of an African capacity for the execution of peace operations in the continent under the OAU's sponsorship, in the ambit of the Mechanism for the Prevention, Resolution and Administration of Conflicts (Central Organ). In the last summit meeting held in Algiers, in August 1999, President Mbeki led the debate on Africa's insertion in the globalised market with an appeal to pragmatism. He pointed to the need of making the African Economic Community - created by the Treaty of Abuja in 1991 - a reality, and changing it into an instrument to help the integration of the continent to the world markets. South Africa equally contributed to the OAU's efforts in conflict mediation in the Central Africa's Great Lakes region and played a major role in the post-Mobutu transition in the Congo Democratic Republic, the old Zaire. South Africa also took part in the Election Monitoring Missions sent to various countries and in the training of the Conflict Administration Division having in mind the establishment of an Early Warning System as a crisis prevention measure.

The Southern African Development Co-ordination Conference (SADCC) was formed in 1979 in order to reduce the sub-regional countries' dependence on South Africa's economy and its infra-structural facilities.

In Talitha Bertelsmann's view, it adopted "a purely functionalist approach to integration that promotes co-operation in the formulation and execution of joint projects aiming at overcoming the deficiencies in the production and infra-structural spheres".³⁶ In a more general assessment, and despite its limitations, the SADCC had some success, in particular with regard to the development of infra-structures in the region. In August 1992, at the Summit held in Windhoek, the heads of State and the government subscribed to a declaration and treaty constituting a new sub-regional organisation called Southern Africa Development Community (SADC). Certain that the democratic South Africa would soon join the new organism, the latter decided to adopt a new and wider model of integration for development, here seen in its social, political and economic aspects. South Africa became a full member of SADC in August 1994 and its president in 1996, when, still according to the author quoted above, it shifted its emphasis to the commercial aspect.

With South Africa's access to the SADC, the organisation's main objective changed. The aim now is to channel South Africa's greater development to the entire region. In this, the SADC also became a more ambitious regional project. The question is whether the institution has the capacity to operate an integration process for development. The historical experience presupposes that only countries with compatible levels of development, a regional internal market, a good proportion of intra-zonal trade and a system of interconnected infra-structures could integrate successfully. The SADC does not follow these parameters. South Africa is by far the largest economy in the region. The EU and South Africa are the main commercial partners of the other countries of the Community. In 1990, the intra-zonal commerce represented 4% of all member-countries' trade, whereas the exchanges with South Africa reached 25%.

With South Africa as president, the SADC passed most of the eight protocols on electricity provision, utilisation of water resources, transports, mining, communications and meteorology, commerce, and combat against drug-traffic and also on some immunities and privileges

³⁶ Bertelsmann, T. Regional integration in Southern Africa. *South African statistical yearbook of international affairs* 1998/9. The South African Institute of International Affairs, 1998, p. 177-88.

that formed the legal basis for joint action in these sectors. Later, another protocol on women's situation in the region was also negotiated. In the Summit Meeting in Maputo, in August 1999, two other protocols on the areas of health and environment were also signed. The underlying philosophy is that resources are scarce and can be more efficiently used if used jointly. According to the SADC Treaty, the implementation of these protocols depends on ratification by two thirds of the member countries. Given the differences in the internal legislation with regard to this issue this slows down the process considerably. Thus, the only protocol ratified to date is the one dealing with immunities and privileges, one that interests the organisation's staff expressly.

A fundamental piece in the project is the Trade Protocol signed during the SADC's Summit in Maseru, in August 1996, the objective of which was the establishment of a free trade zone in the region by the year 2004. In November 1999, when the South African Parliament will ratify the Protocol, the number of countries that have completed the ratification procedures will have increased to six. Besides South Africa, these are Botswana, Mauritius, Namibia, Zimbabwe and Tanzania. Thus, two more ratifications are still necessary for the implementation of the Treaty. Gathered in Dar-Es Salam, also in November, the ministers responsible for the SADC's foreign trade decided to set 1st February 2000 as the date in which the implementation of the changes in the regional tariff programme will take place. Since it was signed, the Trade Protocol has been heavily criticised. According to Talitha Bertelsmann, its text is considered vague and the Southern Africa Development Bank (SADB), in a detailed report in March 1997, pointed to the following problems, among others: too much emphasis on tariff barriers, which are not the greatest obstacle to intra-zonal commerce; failing to foresee the need for a different treatment for countries with relatively less development and inadequate provisions to push forward the equitable industrialisation of the region.

The Pretoria government considered the establishment of a free trade zone in the ambit of the SADC as an indispensable step for the promotion of economic growth and political stability in the other Southern African countries, something that will have a positive effect on its own situation. The growing impoverishment of these countries may lead to an increase in the already high fluxes of legal and illegal immigration to South

Africa, with the consequent pressure on an economy facing high unemployment rates. According to Talitha Bertelsmann, South Africa suggests a policy for the region that should include, in addition to commerce, investments and industrial development. The report mentioned above, however, pointed to the existence of obstacles to industrialisation that, in the author's view, would have to be overcome with long term development programmes. At any rate, the free trade agreement should bring benefits in terms of attraction of direct investments that will stimulate the growth of two way trade and industrial development. On the other hand, South Africa's partial access to the Lomé Convention must be an additional incentive to joint productive efforts.³⁷

Thus, South Africa seemed not to be concerned with the effects of the agreement on all the parties involved. To demonstrate its commitment to promoting the development of SADC's other countries, South Africa intended to apply the principle of asymmetry and zero its tariffs at a quicker rate, for the non-members of SACU. In fact, this will be the equivalent of giving them preference, even in relation to the EU, since the tariff reduction will occur in a period of eight years in the case of the SADC Protocol and of 12 years for South Africa, with concentration in the last four years, in the case of the agreement with the EU.

An aspect related to the SADC's operational capacity that has been calling South Africa's attention and incentive is that related to the revision and rationalisation of the Action Plan introduced by the 1992 Windhoek Treaty. The Community operates through each country's specific sectors of responsibility, so that all can co-ordinate one area of co-operation. In each case, it is the country's responsibility to suggest sectorial policies, strategies and priorities, process projects and monitor their execution. There are 18 sectors which, in 1995 covered 470 projects. All sources of financing came from outside the region, brought in by donors. This operational method demands time and effort and does not agree with the SADC's change in emphasis from functional co-operation to integration.

A Consultancy effort carried out at the Council of Ministers' request suggested that these sectors should be congregated into five co-ordination units that would have some flexibility and basically depend on regional

³⁷ Bertelsmann, T., *idem*.

resources. A Directorate of Planning and Co-ordination would direct each unit. The Secretariat would also be restructured and would have four units: co-ordination and policy planning, information, conferences and financial administration. The implementation of this reform is meeting with difficulty, in so far as it means the establishment of supranational functional structures and the countries involved are afraid of losing prestige if they give up some of their responsibilities. The process is slow, because it also involves the organisation of seminars to discuss the national position.

With the end of apartheid, the security issue in Africa gains new contours. The focus is not so much on the military aspect, but also on those non-military threats, resulting from underdevelopment and the opening of frontiers, that might put in risk the countries' and the region's stability. For this reason the White Paper on Defence presented by South Africa's government to Parliament stated that a common approach to security in Southern Africa is needed. In a lecture given at the Institute for Security Studies, in July 1999, the then Director General of the Department of Foreign Affairs, Jackie Selebi, reported that the strategic approach on South Africa's co-operative security is based on three pillars: security of the national States; human security, relating to the welfare of the region's populations, and environmental security referring to the sustainable utilisation of its natural resources. Beginning with such a wide concept of security, its implementation depends on the success of the integration process as a whole.

The White Paper recognises that the majority of the armed conflicts, in the post - Cold War period, are of an internal nature, with the possibility of extending beyond the national frontiers. In virtue of this understanding, South Africa takes an active part in the negotiation of the Protocol that created the organ of the SADC responsible for policies, defence and security, signed in Gabarone in June 1996. This Organ's objectives are: prevention, resolution and administration of conflicts; maintenance and imposition of peace; co-operation in defence and security issues and political and diplomatic co-operation at the regional and international levels. Influenced by South Africa, the peace operations have to be developed in consonance with the OAU and the UN. The organ is not linked to the other SADC's structures and works independently. This characteristic leads to a dispute about who has the final authority over the Organ, if the

Community President, as defended by South Africa, or the President of the Organ itself, as defended by Zimbabwe President, Robert Mugabe, the first to hold this position. The impasse reflects greater differences within the Community between the group that supports a more interventionist stance and another that emphasises diplomatic caution and political resolution of conflicts and therefore prevents the Organ from fulfilling one of its objectives, i. e. that of offering a flexible and immediate response to potentially explosive situations such as the one occurring in the CDR.

Participation in the ZPCSA and in the IOR-ARC

UN Resolution, following a Brazilian initiative, with two currents constituted the Zone of Peace and Co-operation in the South Atlantic in October 1986: maintenance of peace and security and regional co-operation. Thus, the countries pledged to avoid an increase in the superpower rivalry in the region, to establish relations grounded on principles of independence and territorial integrity and to co-operate for social and economic development, environmental protection, the preservation of live resources and the pacific use of oceans. The first two meetings of ZPCSA occurred in Rio de Janeiro in 1988 and in Abuja, Nigeria, in 1990, when the parameters for the actions between the member-countries were established. As Denis Venter reminds us, with the end of the Cold War, the initiative loses a significant part of its motivation and interest. In 1992, Brazil attempted to give it new life and the process ended with the adoption of a new set of priorities emphasising co-operation and the recognition of the possibilities of collective action for development.³⁸

According to the various UN Resolutions that dealt with ZPCSA and reflected the progress of the objectives recognised by member countries during the 90s, ZPCSA is an informal group designed to accelerate political, economic, scientific, technological and cultural co-operation, between the countries surrounding the South Atlantic and an active instrument for the expansion of human rights, fundamental freedoms, racial equality and justice

³⁸ Venter, D. South Africa, Brazil and South Atlantic security: towards a Zone of Peace and Cooperation in the South Atlantic. Guimarães, Samuel Pinheiro (ed.). *South Africa and Brazil: risks and opportunities in the turmoil of globalization*. CNPq/IPRI, 1996. p. 17-43.

at the national and regional levels. It must also develop co-operation in the field of environmental preservation related to the threat of pollution, to the deposit of common toxic or nuclear waste; and to predatory fishing methods and practices. In the 1994 meeting in Brasília, the ZPCSA adopted three Declarations: on the de-nuclearisation of the South Atlantic; on the sea environment and on commercial co-operation.

South Africa joined ZPCSA in 1994 and organised the 1996 meeting in Somerset West, near Cape Town. In the documentation it prepared for the meeting, it recommended that ZPCSA should have two main focuses:

1. The sea environment, through resource management, environmental protection, pollution prevention, sea vigilance and life saving;
2. Expansion of economic ties through the liberalisation of fluxes of capital and through the co-operation in the development of infra-structures, in science and technology, in mineral exploitation, commerce and tourism.

Among the adopted decisions, it is worth mentioning the one that specifically recognises the group as a forum for talks on multilateral issues, another that reaffirms the importance of preventive diplomacy as a means of maintaining peace and security, and yet another inviting the academic, scientific and technological communities from all member countries to participate in the discussions about co-operation. Of great importance is the decision to adopt the Anti-Drugs Initiative and to negotiate with the UN Drug Combat Programme (UNDCP) in Vienna to obtain resources. South Africa, in answer to the Brazilian representative's proposal sought to establish an informal mechanism to monitor the implementation of the adopted initiatives.

In March 1997, the Indian Ocean Rim - Regional Co-operation Association (IOR-ARC) was formed. To a certain extent South Africa was the proponent of the initiative in so far as the original suggestion for the institution was made by the then Minister of Foreign Affairs, Roelof (Pik) Botha, during a visit he made to India, in November 1993, in order to normalise relations between the two countries. In January 1995, President Mandela reiterated the suggestion in his first official visit to New Delhi. The idea, however, is older, and it hadn't been implemented for political reasons. The end of the Cold War, the encouragement given to the formation of regional groups by the globalisation process and South Africa's transition,

created the conditions for the creation of the Association. According to a commentator, as South Africa, India and Australia were the vertices of the strategic triangle surrounding the Indian Ocean, their interest in strengthening mutual ties was a decisive factor. South Africa expects that the Association will work as a kind of show-window for the South-South co-operation, with regard to inter-zonal specialisation and economies of scale.

The decision to participate is not without controversy. On the one hand, there is the Minister of Foreign Affairs that, given the close relationship already established by South Africa with Asian countries, including Indonesia, believes the country will receive potential diplomatic benefits by adhering to the initiative, the strategic partnership with India and the objective of redeeming the Non-Aligned Movement; on the other, there is the Ministry of Industry and Commerce and its concern with the economic implications of the initiative, namely that certain South African industries, such as textiles, are in a weak situation, being submitted to a process of restructuring given the commitments they assumed with the WTO. And the IOR-ARC may compete with the SADC, since only three other countries in the Community, besides South Africa, take part in the Association. The negotiations extended for two years and were led by Mauritius. The first conference, held in 1995, gathered representatives from the government, the private sector and the academic sector of the seven countries that make up the initial core and decided that the new Association will have two currents: a governmental one, and another comprising the business and academic sectors. The Second 1996 Conference passed the IOR-ARC Charter and established an initial participation of 14 members, who would make up the necessary critical mass.

According to the Charter, the Association is a mechanism for dialogues and economic co-operation based on the principle of open regionalism conceptualised by the WTO. Its objectives are better access to the market through commercial liberalisation and facilitating the flow of goods, services and investments through the region. The Charter makes no reference to the constitution of a preferential trade area, a point opposed by some of the Pretoria government's sectors. Two problems may be expected to appear at the Association's horizon: The first has to do with the issue of an ideal number of participants since there is already a list of candidates. A correlated aspect is that of the geographic definition of the area. The second has to do with the security issue. According to Greg

Mills, India and South Africa are against its inclusion under the allegation that it would distract the attention from the central objective, that is economic co-operation. Australia, on the contrary, is in favour of the Association dealing with the issue. It agrees, however, that the theme could be part of the agenda of the second track, since it believes that representatives from the private sector and from academia will be able to look at the subject more impartially.

From the beginning, the connection South Africa intends to make between the two mechanisms is fairly obvious. The Vice-Minister of Foreign Affairs, and head of the South African delegation to the Somerset West meeting, Aziz Pahad, expressed the view that ZPCSA should become another of those “building blocks” in order to achieve a greater co-operation South-South. According to Pahad, it is up to the member countries to “guarantee that the progress we are achieving at ZPCSA will be parallel to the one being achieved in the Indian Ocean region, so that it will strengthen the South’s voice in international fora”. As we have seen, President Nelson Mandela suggested, in a conference pronounced in Singapore, that the ZPCSA should be replaced by an initiative more in the IOR-ARC’s line. In 1998, in his speech on the budget discussion in Parliament, the Foreign Minister Alfred Nzo, stated that, in the context of South-South relations, South Africa’s priorities are: to design ties within the strategic lines with key countries in the South; generate a large number of ties between Asia, Africa and Latin America in air and sea transport, telecommunications and regional commerce and make efforts, together with our partners, to negotiate better terms for developing countries in view of the growing trade barriers, the weight of the debt and marginalisation.

Multilateral relations

In a statement to the Parliament’s Committee of Foreign Affairs, in March 1995, Foreign Minister Alfred Nzo declared that the foreign policy objectives in the multilateral field were to ensure that South Africa would play a role compatible with its status and ability in relation to global issues that concerned the world and South Africa itself. The 1996 Document of Discussion had said that the international community expected from South Africa an important contribution in some organisations and that their

perception was that South Africa detained the power, the ability and the prestige necessary for this purpose. This contribution may be one in which South Africa will act as a bridge so that North-South relations will become more equitable and less antagonistic.

These definitions reflected, in part, South Africa's success in the first really important experience of foreign policy of the Government of National Unity at the international level. This referred to South Africa's decisive participation at the Conference of Extension and Revision of the Non-Proliferation of Nuclear Arms Treaty (NPT), held in February 1995, that permitted the extension, for an indefinite period, of said treaty. Pressurised both by the nuclear powers and by the non-aligned countries, South Africa preferred to adopt a position that answered both parties' interests. It proposed the indefinite extension of the treaty and the passing of a declaration strengthening the revision process and emphasising the fulfilment of the disarmament objectives contained therein. The Declaration also included a call for the creation of a nuclear arms free zone in the Middle East. South Africa took an active part in the Preparatory Committee for the Revision Conference in the year 2000. Also in 1995 South Africa organised the Pelindaba Conference during which the negotiations for the Treaty that made Africa a nuclear arms free zone took place. The treaty took on the name of the area where part of South Africa's nuclear programme was developed. Foreign Minister Nzo subscribed to the Treaty in Cairo, in 1995, and the latter was ratified in November 1997.

In the fields of disarmament and non-proliferation, the following initiatives are also worth mentioning:

1. Together with Brazil, Egypt, Ireland, Mexico, New Zealand and Sweden, South Africa was one of the sponsors, on 9th June 1998, of the Ministerial Declaration called "Towards a world free of nuclear arms: the need for a new agenda", that suggests some practical measures for the rapid elimination of nuclear weapons;
2. South Africa proposed the creation of an *Ad Hoc* Committee on nuclear disarmament next to the Conference on Disarmament in Geneva;
3. South Africa signed and ratified the Treaty of Complete Prohibition

of Nuclear Tests (CTBT);

4. South Africa played an active role in the negotiations to strengthen the Prohibition of Biological Weapons Convention, developed in the ambit of the *Ad Hoc* Committee established in 1994 and the adoption of an additional protocol of verification;
5. South Africa took part in the Ottawa Process that led to the conclusion of the Convention on the Prohibition of Production, Stocking and Exportation of Anti-Personal Mines and promoted the subscription of the Convention by other African countries.
6. South Africa attributed great importance to the discussions on the control of small weapons and light armament. This issue is dealt with in the Defence White Paper proposing the establishment of a regional register of weapons.

In the field of international economic relations, South Africa expected to offer an important contribution in its role as President of the United Nations Conference on Trade and Development (UNCTAD). In April 1996, it was responsible for the organisation of the 9th Ministerial Meeting, held in Midrand, and having as centre of the debate the globalisation and liberalisation process. With the creation of the WTO and its free trade agenda, the UNCTAD's role began to be challenged. The industrialised countries pressurised the UN to narrow its mandate and reduce the Conference's activities and structures. Developing countries, and in particular those of least relative development, needed UNCTAD to assist them in commercial negotiations, particularly in new areas, and reinforce their ability to fulfil their obligations in the WTO's ambit. The Meeting was considered a success, in so far as it achieved a balanced result. It was agreed that there would no longer be duplication with the work of the WTO and UNCTAD's trade commissions were reduced from seven to three. These, however, incorporated in their tasks issues dear to South Africa such as poverty relief, sustained development and empowerment of women. According to Kate Kuper, the Midrand Declaration, based on a South African project, showed that South Africa used its status as middle country to convince the developed countries to include the concept of partnership for development in the document. In practical terms, it meant

inter-governmental co-operation between developed and developing countries, co-ordination between international institutions and a dialogue between government and civil society.³⁹

In December 1996, South Africa also took part in the Ministerial Conference of the WTO. According to the author quoted above, South Africa struggled to obtain a balanced result that benefited its own interests, the SADC's interests and those of the least developed countries. The predominance of the "new themes" indicated that developing countries were not sufficiently able to defend their own agenda, which pressed for a revision of the Marrakech Agreement. The Conference decided to create work groups to have a look at investment, competition and its reflexes on trade and also on governmental purchases. More complex for South Africa was the issue of labour standards, for it was under pressure from its ally COSATU to take them into consideration in the negotiation of commercial agreements that were in accordance with the developing countries' position. Representatives of the private sector and of the trade unions took part in the delegation. Finally, the commitment with regard to the labour clause was maintained, but its use with protectionist objectives was rejected.

South Africa took part in the WTO debates in preparation for the Ministerial Meeting in Seattle as a member of the Cairns Group - a group that seeks access in the market for agricultural products and the elimination of subsidies to exportation. It must assume the Presidency of the Group of the 77, that co-ordinates the position of developing countries with regard to commercial negotiations.

In the area of environmental issues, South Africa came together with the RFA, Brazil and Singapore for the launching, during the 19th Session Extraordinary of the UN General Assembly, in June 1997, the objective of which was to monitor the implementation of the commitments undertaken at the Conference on the Environment and Sustainable Development in Rio de Janeiro, as part of the Joint Initiative for Sustainable Development. The Initiative recommended, among other measures, that the UN Charter

³⁹ Kuper, K. Trade issues in South Africa's foreign policy. *South African statistical yearbook of international affairs* 1997. The South African Institute of International Affairs, 1997, p. 266-73.

should be amended to include environmental protection and sustainable development, more emphasis on the United Nations Programme for the Environment and consideration of the possibility of establishing, in future, a world organisation for the environment. The four countries also issued a Special Declaration for the Kyoto Conference.

South Africa's actions within the Initiative were discreet. It took part in a meeting at the German Chancellery, in November of the same year, to discuss climate changes, reforms in the UN about the environment, the inter-governmental forum on forests and the conference on mega-cities.

At the Kyoto Conference of the Framework Convention on Climatic Changes, South Africa defended the position common to all developing countries which was against any commitment on the part of that category of countries to reduce the gas emissions producing the green house effect. It supported the creation of the clean development mechanism, permitting those countries in the Appendix I (developed and with economies in transition) to obtain credit for reduction of emissions achieved in projects implemented in developing countries. South Africa also sought the approval for the URBAN 21 Conference on Mega-Cities, to be held in Berlin, in June 2000, a project also included in the Initiative.

South Africa also took part in other negotiation mechanisms on issues related to the environment, namely:

1. International Commitment on Phytogenetic Resources, in the FAO;
2. Protocol on Bio-security of the Convention on Biological Diversity;
3. Basilea Convention on the Control of the Across-Frontier Transportation of Dangerous Waste and its Deposit.

South Africa is one of the founder members of the Valdivia Group, created in June 1995, that brings together South Hemisphere countries with a temperate climate. These countries have a similar climate, atmospheric and oceanic connections and share a concern with forests, ozone layer, desertification and bio-diversity preservation. Its objectives are: realisation of periodical consultations on environmental matters of common interest; definition of co-ordinated positions with regard to the environment; elaboration of eventual common strategies and their disclosure

to multilateral organism and promotion of scientific and technological co-operation and of information exchange.

For South Africa, surely the greatest challenge in the field of multilateralism will be the Presidency of the Non-Aligned Countries Movement, which the country joined in 1994 and intends to rescue. South Africa is in charge of organising the 12th Summit Meeting of the Movement, and it hopes that this summit will be a turning point and have a modernising impact, in the sense of giving a more pragmatic and ideological character to its positions, both in the political and economic areas. South Africa would like to make the NAM's message less confrontational and closer to its own intermediary position, capable of conciliating positions so as to achieve those objectives of its particular interest. These efforts are refuted equally by the historically radical countries' positions and by those of countries considered moderate or even progressive. The situation of India and Indonesia does not help South Africa. The partnership with India does not seem to be working, in so far as the two countries disagree in terms of disarmament and in addition, India resists South Africa's pretension to mediate the Cashmere issue. In spite of this, the Summit produced a final Document with 514 paragraphs and the Declaration of Durban for the Next Millennium, that summarises the South African conception of "the peoples of the South's aspirations for a world of peace and security". The Document contains two proposals: for an international conference aiming at producing an agreement about total elimination of nuclear weapons and a summit under the UN sponsorship, to formulate the international community's answer to terrorism.

The strengthening of the United Nations as an organ devoted to guaranteeing world peace and security is one of the objectives of South African foreign policy. In this context, South Africa is in favour of a larger Security Council, so as to make it more representative. Having in mind the country's political and economic weight in the African continent, Pretoria hopes that South Africa will become a permanent member and various countries have shown their willingness to support its candidature. Officially, South Africa supports the OAU's official position, included in the Harare Declaration, that proposes two permanent and two non-permanent seats for Africa, to be allocated by an African regional decision in accordance with a rotation mechanism based on criteria designed by the organisation

itself. It also defends that the new permanent members should have the same powers as the present ones. In recent years, South Africa has abandoned this low-profile position and tried to give indications that it wishes to become candidate as Africa's only representative. For this purpose, it has been developing a responsible foreign policy, as a good citizen of the international community. Nevertheless, the process of the Council's reform has been losing momentum.

Controversial issues

The most common criticism made to South Africa's foreign policy is that it presents two tendencies: one that is idealist and tends towards the affirmation of moral values such as the defence of democratisation and respect for human rights and another, pragmatic-realistic, around which are articulated political and economic interests connected to the fulfilment of economic growth objectives and the training of the black majority marginalised by apartheid. In one of his first speeches about foreign policy, President Mandela declared that human rights would be taken into consideration in South Africa's bilateral relations. How to explain, therefore, in the face of this high principle, the fact that South Africa has been developing significant relations with countries such as Iran, Libya or Cuba? Parliament is the first to complain about the inconsistency of this posture. Similarly, the means of communication severely criticise the re-establishment of diplomatic relations with China in detriment of Formosa. China has one of the most negative records in terms of human rights, whilst Formosa has been implementing democratising reforms. The NGOs in the sector also pressurise the government not to expand co-operation with Indonesia. On the other hand, South Africa sides with Nigeria in the context of the UN Human Rights Commission, to which it was elected in 1997, even at the cost of its isolation with regard to the other African countries in the Commission and of accusations of damaging African solidarity.

Another issue related to the question of moral values and principles defended by South Africa, has to do with the arms sales. The new South Africa inherited from the apartheid period a strong arms industry with exporting capacity. In 1996 the National Committee on Conventional Arms Control was constituted by six Ministers and four Vice-Ministers with the objective of transferring the decision-making power in the case of arms

sales from the ARMSCOR's bureaucrats to governmental representatives. At the same time, complex parameters to be used as guidelines for the NCCAC in the assessment of specific operations were also formulated, according to which this assessment must take into consideration the country's record in terms of respect to human rights and fundamental freedoms, its security situation in relation to regional security, its record of observance of international arms control agreements and the extent to which the sale acts in support of South Africa's internal and external interests. Despite this, the exportation of arms has become one of the most delicate problems faced by the government, a source of contention with countries such as the US and of conflict with the press about the right of confidentiality of the operations. As examples, we just have to quote the intended sale of the precision mechanism for cannon shots to Syria, that raised the US's strong opposition, including the threat of reducing development aid if the sale was carried out, and the sale of arms to Rwanda. In the former, exportation would be in contradiction with South Africa's support of the Oslo peace process in the Middle East and the latter would invalidate South Africa's interest to act as mediator in the conflicts in the Great Lakes region.

South Africa's Foreign Policy: From Internationalisation to Globalisation*

*Luiz Henrique Nunes Bahia***

Introduction

The histories of colonised countries that gained their independence after a series of economic and social transformations have plenty of similarities but are also very rich in terms of their own peculiarities. Before we begin this analysis of South Africa's history and its domestic and foreign policies, it might be worth our while to examine some of the theoretical approaches to the formation of the world orders found in the literature.

The discussion introduced by Bergesen (1994) with regard to the inversion of the world system theory can throw some light on the subject. Bergesen systematises some aspects of two specific theories about the world order. The first, identified as individualist, states that the subunits of the world system acquired their specific properties before their participation in the international system. For this reason, this approach always begins with a group of States and deals with the international order at a second stage. The second theory, known as collectivist, follows the opposite route, that is, starts at the international order and from there deducts something about the presence of the States and their national economies. To these theories, Bergesen adds two elements from classic utilitarianism, both essential to the debate: the Smithsonian division of labour and the Hobbesian social contract. The aim here is to provide a clearer framework to the supposition that national social structures and the development of national economies preceded the formation of a wider network of international relations. It is also with the help of these two elements from utilitarianism that the world order is characterised, considering that contracts are essential to the maintenance of international relations and that this global order takes the form of a division of labour.

* Translated from portuguese by Vera Joscelyne

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Having drawn this theoretical framework, Bergesen then criticises Wallerstein's affirmation, based on utilitarian logic, that the world order corresponds to patterns of unequal exchange and barter. For him, Wallerstein's supposition is a historical inversion, given that the processes that distinguish the centre of the international order from its periphery were created by force, by conquest and by the domination of the European colonial system; and it was only after this process of conquest and subordination that "unequal exchanges" began to take place:

It was the conquests and the colonial relations that structured production in the periphery, thus creating underdevelopment and, once the colonial relationship had become characteristic of most of the world (around 1914, almost 84% of the world was, or had been, under a colonial regime) this made the colonial relationship - rather than the Baltic type of unequal exchange relationship - the main type of relationship between the centre and the periphery for the world economy as a whole. (Bergesen, 1994, p. 84)

Thus, the central States, controlling the relations of production in a world scale and as their owners, made possible both the unequal exchange and the reproduction of this *status quo* for the coming centuries. Grounded on this criticism, Bergesen then argues for the presupposition that there is a dynamic relationship between social formation and world order which sometimes permits the emergence of the States making up the world order and at other times permits the world order to define the conditions for the emergence of the States and their national economies; and there are still other situations in which the emergence of States and the world order are realities that move together:

Since the first State conferences, as part of the last Councils of the Church, until the presence of an extra-State language for diplomacy and the princes' hereditary ties, there was an international order that emerged at the same time as the States, so that one cannot separate one from the other as if the States had emerged first and the international order later. In fact, this international culture often preceded the State's action and certainly made this action possible ... On the other hand, most of the world States emerged after

this system had been established, just as people are born within an existing society, already in operation. This means that the emphasis given to international anarchy has the function of camouflaging the presence of the international structure, just as, in utilitarianism, the individual approach hides the social structure. (Bergesen, 1994, p. 94)

Bergesen's text emphasises the importance of taking into consideration aspects such as historical dynamics, domination structures, power relations between the States and the characteristics of the national economies, among others, in order to be able to carry out consistent analyses within the international relations framework.

An important trend in the understanding and interpretation of international relations has been the application of game theory. The use of games theory in the study of international relations was, at first, attributed to the realist school, in the assumption that the first agent of the international system is the State, a unitary rational agent, concerned with security and power issues and with disposition for conflict and competition. Since the 60s, games such as the prisoner's dilemma and the chicken game have been used to analyse, for instance, security dilemmas in the arms race. In the 70s, the tendency to use game theory for the analyses of negotiation processes in crisis situations continued, although objections were raised to its merely descriptive character. In the 80s, there was a revival of the interest for the application of game theory in international relations, this time in association with Olson's collective action paradigm (1965). In general, in the institutionalists' view, the application of collective action to international relations studies had the purpose of examining the possibility of co-operation in an anarchical environment. The first meaningful application of the game theory in association with Olson's collective action appeared, according to Mello (1997) in:

... the theory of hegemonic stability, associated with the work of the economist Charles Kindleberger. His main argument is that the concentration of power tends to ensure greater stability to the international system, because the hegemonic actor assumes the provision costs of the "collective good" stability - when he provides it to himself the other system participants also benefit (Kindleberger, 1973). (Mello, 1997, p. 105)

It didn't take long until other theoretical currents (neorealism or structural realism and neo-institutionalism) began to criticise Kindleberger's position, calling in to question the hegemonic actor's power to ensure greater stability and benefit the other members of the system. What happens, in fact, is that the great powers make decisions about the international regime and force the other actors to comply with them. According to the neorealists, the actors usually seek relative gains. The followers of structural realism expanded this criticism, stating that co-operation is possible even with the presupposition that the actors are rational and selfish.

In his review of international relations theory and games theory, Mello reports that, during the 80s and 90s, the debate involving rationalists, neorealists and neo-institutionalists, and starting with the idea of co-operation between States, focused on issues such as common gains, distributive conflict and the role of coercion and of the institutions in their attempt to establish and allocate common gains. At the end of the review, Mello points to the currently predominant trend, the two-level game model:

The basic assumption in the two-level games is that, typically, rulers seek to achieve two objectives: to manipulate the home and foreign policies simultaneously. Diplomatic strategies and tactics have constraints determined both by what other states will accept and the constituencies at home will ratify. (Mello, 1987, p. 114)

In the games theory it is possible to identify strategies that can be applied to the international relations theory. What we are dealing with, here, is an attempt to incorporate domestic policy into the rationalist approach through the two-level games. The proposal to analyse international relations through the two-level games started with Putnam (1988), in the assumption that "rulers (or their representatives) play simultaneously at two negotiation tables: the home game and the international game" (Mello, 1997). One of the main conclusions of the two-level games is that certain home adjustments may weaken the country's foreign position and vice-versa. In this scenario, diplomacy is "seen as an interactive process in which the actors simultaneously seek to take into consideration and, if possible, influence, both their own home policy and the foreign policy of their international partner" (Mello, 1997, p. 114).

In Mello's view, the application of two-level games theory leads to some interesting results, although, to date, this application is still incipient. What is worth emphasising, however, is that this analytical perspective of the game theory follows a current trend in international relations theory that argues for the interdependence between home policy and foreign policy. The attempt to analyse the dynamics of South Africa's home policies and the internal and external constraints that have marked that country's recent history bring to light some important nuances for the debate that associates international relations theory and games theory.

As noted by Soares de Lima, the present trend arose from a criticism of neorealism that claimed it did not consider the importance of the "interdependence between foreign policy and domestic policy" (1996, p. 414).

In the same line of discussion, the so-called "nested games" were developed by Tsebelis (1990). The actors' rational game in the main arena is often conditioned by their perception of what is happening in the secondary arenas. The political decision is a permanent function of the contextual factors acting upon the history of a given political process. The strategy to be followed must be that which maximises the actor's reward whilst taking into consideration contextual factors. The analysis of the foreign policies history (quite often secondary arena) needs to be made whilst keeping an eye on the game taking place in the main arena (domestic policy). The interaction between the arenas gives the observer greater analytical precision.

Besides the critical considerations about international relations theories, when analysing foreign policies one must keep in mind yet another horizon. I refer here to the new concepts and terminology that attempt to give support to the new insights about the world order. On this, it is worth mentioning some points raised by Ianni (1998) who, using the term globalism, refers to a new cycle in world history, that encompasses and questions all the social realities and challenges some classic paradigms of the social sciences. Ianni understands by globalism "the relations, processes and structures polarised in terms of integration and accommodation, as well as of fragmentation and contradiction, always involving the conditions and possibilities of sovereignty and hegemony" (1998, p. 1).

Another relevant category for this debate is globalisation, which, according to its analysts' assumptions may be responsible for a new phase in international relations. In Singer's understanding (1996), globalisation means a qualitative change in the internationalisation process that can be verified by the huge leaps forward in the development of communications and transportation and in the establishment of a long period of peace. Such factors were responsible for a financial, economic and cultural integration at new levels. For Singer, globalisation presents negative and positive aspects. Among the negative ones, he describes:

When protectionist customs tariffs are lowered, importation expands, and that is seen as a step forward in globalisation. But this step forward is negative, as it is caused by the overthrowing of a barrier and also because the increased importation replaces a "less competitive" national production, without the simultaneous creation of any body responsible for the defence of the national interest or for the definition of a new map for an international re-division of labour able to guarantee an equal sharing of benefits and costs among all countries involved in the globalisation. (Singer, 1996, p. 468)

The strategy that can, somehow, overcome the negativity of globalisation is grounded on politics and on an international perspective:

It depends on the international solidarity of those classes and groups that tend to become the victims of the negative globalisation; from this solidarity will be generated the political will to encourage the unification of neighbour peoples in order to transform regional blocks of economic integration into projects of full economic and political unification ... At that historical moment, a programme of positive globalisation, that is, a politically guided one, will be made possible in the form of a regional integration oriented towards a total economic and political unification. (Singer, 1996, p. 496 and 498)

On this, it should be worth mentioning here the concept of "triadisation" used by Petrella (1996) referring to the process of

technological, economic and sociocultural integration between the three most developed regions of the world (Southeast Asia - Japan; West Europe and North America). To quantify how important this triadisation is, Petrella reports that 92% of the strategic co-operation agreements between companies, in the period 1980-89, were agreed between companies in those three regions.

Authors such as Petrella (1996) prefer to establish distinctions between internationalisation, multinationalisation and globalisation. Internationalisation introduces the period when the colonies were conquered and the birth of mercantilism occurred:

... internationalisation of the economy and of society refers to the flow of exchange of semi-manufactured and manufactured raw materials for services, monies, ideas and people, between two or more nations. Trade statistics and population movements are the most visible instruments to measure and monitor the nature, scope and direction of internationalisation. (Petrella, 1996, p. 63)

The concept of multinationalisation refers to another phase, at which multinational companies took over the international stage:

Multinationalisation of the economy and of society is basically characterised by the transfer of resources, particularly capital and, to a lesser extent, labour, from one national economy to another. A typical form of economic multinationalisation is the creation of a company's production capacity in another country through subsidies, acquisitions or various types of co-operation (commercial, financial, technological and industrial). The multinational firm is a corporation whose activities have been gradually extended to other countries. (Petrella, 1996, p. 64)

The last chapter of this history is that of globalisation, a term used for the first time in 1972 by George Modelski to characterise a phase in the European expansion devoted to the control of the world communities and to the establishment of a global trade system. For Petrella, the main features of globalisation are the following:

- Globalisation of financial markets;
- Internationalisation of corporate strategies, in particular their commitment to competition and as source of wealth creation;
- Technological diffusion;
- The transformation of consumer patterns in cultural products in the world consumer markets;
- The internationalisation of the regulatory abilities of national societies in global political economic systems;
- A decrease in the national governments' ability to define rules of global validity.

Because of globalisation, the national State is experiencing, in addition to a relative loss of power, a sort of erosion in the foundations of its national markets, as the global movement of capital, the central nerve of the international globalisation, has been causing disturbances and crises without precedent in the national economies. In globalisation, capital flows under three main forms, namely:

- Monetary and financial, linked to businesses and other services;
- Direct foreign investment (financial, human, physical and technological capital);
- Investment of portfolios of various types of financial transactions.

Notwithstanding this negative aspect of globalisation, defined as “erosion” of the national market, Petrella recognises how important the role to be played by the national States still is, since, despite the rhetorical “less State and more market”, companies still expect governments to ensure the conditions for placement of their products on the market and also demand coverage of infra-structural costs, tax incentives and assistance (legal, commercial, diplomatic and political).

According to Petrella, globalisation has dimensions that affect the economy, the politics and the culture. In the economy, globalisation is present:

1. In the finances and in the own capital (deregulating the financial market, altering the mobility of international capital, promoting the birth of business firms and acquisitions and starting the globalisation of shared properties);
2. In the markets, in the articulation of strategies and in competition (integrating the business activities on a world scale, creating strategic alliances).

In the culture, globalisation has:

1. Altered ways of life and consumer patterns (transplanting ways of life, equalising consumption, transforming culture into cultural food, cultural products, creating changes in the media, etc.);
2. Created new perception and awareness patterns (sociocultural processes centred on the notion of “one earth”, action of global movements; awareness of planetary citizens, etc.).

Finally, in politics, the impact of globalisation affects the national States’ regulatory ability and governance and, at the same time, promotes reforms and encourages the creation of organisms with international authority.¹

The globalisation phenomenon, therefore, has both tentacles and cunning, being characteristic of a world order in which the State and the national market have difficulties in terms of gains and controls and consequently become vulnerable to the fluctuations defined by the large global centres’ strategies. Moreover, it involves political, social, cultural and economic dimensions that take on new outlines due to the use of components that haven’t been sufficiently evaluated by the national States,

¹ Source: Petrella, 1996. Pg. 66. Adapted from and based on Rigrok, W. and Tulder, R. Van. Ideology of Independence. Doctorate thesis. University of Amsterdam. June of 1993.

in particular those that have been used to integrate the world through satellite communication (computers, television, cellular telephones) and are responsible today for huge changes in practices and cultural habits throughout the planet. Globalisation has affected States, markets, cultures, educational system models and values, thus deeply modifying the everyday life of ordinary men.

Having made the initial theoretical comments, I now intend to develop this work in three modules. In the first, I analyse South Africa's historico-cultural roots during the internationalisation period (definition according to Petrella's work). In the second, I attempt to interpret the systole and diastole of the foreign policy in the multinationalisation period (Cold War and its crises). In the third and last, I will discuss the problematic of globalisation and South Africa's foreign policy in this context. At the end of each module, I will systematise the actions of South Africa's foreign policy, using conceptual elements from the games theory.

Internationalisation and South Africa's historico-cultural roots

It is possible to fit the birth of social formations such as Brazil and South Africa into similar historical conditions, that is, the two formations have in common the fact that both were inserted into a world order as part of colonial systems. They also share common characteristics in terms of colonisation processes: exploitation of large areas for plantations, use of slave labour, exploitation of mines. They also have in common the strong presence and influence of European cultures, in particular the Portuguese and the Dutch (later replaced, in South Africa, by the British). It is worth remembering that the intensity and scope of the actual contact between coloniser and colonised and of the latter's submission to the former differed considerably. In the Brazilian case, the Portuguese presence was stronger, though we shouldn't forget the Dutch presence in the country for approximately fourty years (17th century). In the South African case, the strongest marks of colonisation were left by the Dutch and, later, by the British, but we cannot deny the huge Portuguese influence that surrounded and still surrounds South Africa's borders (Angola and Mozambique).

The history of South Africa itself and of its foreign relations reveals some similarities with Brazilian history. The first of these refers to the fact that both countries entered the world stage in the colonial mercantile phase. From the 16th to the 19th centuries, whilst Brazil was experiencing the Portuguese colonisation and French and Dutch invasions, the territory currently occupied by South Africa was shared between Afrikaner republics, British colonies and independent native societies. In South Africa, the European colonisation began in 1552, when Jan van Riebeeck (Holland) funded a colony there that was soon peopled by French Huguenots and slaves from Malay and Madagascar (who, once converted to Christianity, were freed). The contact between these groups and the natives gave birth to a mixed community (the coloured), and this fostered racial conflict.

In the early 19th century (1814), through the London Convention, the British replaced the Dutch in the Cape colony and, abolishing slavery, changed the local society. The Boers, descendants of the Dutch and largely devoted to agriculture, were the ones that suffered most with this decision. The large Trek (the exodus towards the Northeast) occurred as a result of the fight between Afrikaners and the British administration. Dissatisfied, the Boers emigrated (1835) to the North (Transvaal), to the East (Natal) and to the West (Orange Free State, that, in 1848 became incorporated with the United Kingdom).

It is important to emphasise that the nationalist Boers later became the Afrikaners, corresponding to two thirds of the white population. At the time, the whites became the only landowners, whilst the blacks were regarded as foreigners in their own territory. The latter were part of indigenous tribal groups coexisting under a white minority's control. This period was marked by wars waged against the Xhosa, Zulu and Sotho populations, in order to take possession of the most productive areas.

In 1865, the discovery of the diamond mines led to disagreements between the Boers and the British and these, in turn, led to the Boer War (1899-1902). The disagreements came to an end with the British victory and the making of the Dutch territories into British colonies. The discovery of both diamond and gold mines took the region from an agricultural-cattle raising stage to a mining-industrial one. This detribalised the natives and gave rise to an industrial boom that exacerbated racial conflict.

With the rapid expansion of urban areas and a huge and rapid increase in the number of wage-earners, a series of economic changes took place. Changes in the economy gave rise to social changes which, in turn, led to a greater demand for social, political and military control on the part of the white supremacy.

It is worth remembering that the apartheid system that was later consolidated had its origin in the doctrine preached by the Dutch Reformed Church according to which the white race was regarded as superior.

In 1909, with the South African Act, the colonies of Cape, Natal, Transvaal and Orange came together to form the South African Union, ruled by the South African Party. During the administration of Louis Botha's (1909-1919) - a general and a politician - the South African Union occupied the German colony of Namibia, in 1915.

In South Africa's colonial history there have been, from the beginning, two important characteristics. The first refers to the strong European presence in the region (Dutch, French, British), disputing and conquering territories, imposing modes of production, types of social relations and cultural and religious patterns. The second refers to the consequences of the interaction between Europeans and natives that was, from a very early stage, marked by tension, subjugation and a tendency towards segregation.

In conceptual terms, therefore, we can notice here the presence of a game being played in the external arena (colonies) but aiming at changes in the internal one. The internal conflict game must be examined if we wish to understand the game played between the arenas. The political actors' rational actions in the main arena interpenetrate the rational actions of the political actors in the secondary arena. It is up to the observer, whenever possible, to identify the game networks in operation.

From Internationalization to Multinationalisation: Systole and Diastole in Foreign Relations

In terms of foreign relations, it is always a difficult task to define periods in which to establish possible comparisons and analyse approaches between countries when these countries are located in continents that went through changes at their own specific historical periods and were

affected by international events in different ways. However, since countries such as South Africa only entered the world stage in the internationalisation period, I use this initial mark to trace back that country's domestic and foreign policies from the 40s to the 90s.

It is worth remembering, however, that this periodisation is in fact appropriate to explain the South African context. This is the phase (1948) when apartheid was institutionalised as the policy that fixed the boundaries of the relations and rights of the white minority and of the black majority, a major factor in the world recognition and disavowal of South Africa.

Apartheid is a social, economic and political constitutional system based on theoretical principles and on *ad hoc* legislation. In this system, differentiation corresponds to the definition of the various social groups and to their individual development. It means the maintenance of a white aristocracy's supremacy, based on a rigid hierarchy of social castes, for which there is a direct correlation between the colour of the skin and the possibilities of access to rights and to social and political power.

The historical origins of apartheid first appeared in the 17th century and were crystallised with the South Africa Act of 31st May 1910 whereby only the population of European descent could be elected to Parliament or elect its members.

The phenomenon of segregation, in South Africa, can be traced back to the Hottentot institutions belonging to Dr. Philips, a missionary of the London Missionary Society (1819). In the Christian sense, it is defined as the need to preserve the indigenous people from the white man's influence. With the creation of the Union, the reservation policy became a tool for the institutionalisation of racial separation and for securing economic and social control over the black workers.

The theoretical roots of apartheid are grounded on the race discrimination legislation of 1948, a true and genuine piece of institutional engineering - and on an authoritarian planning of both behaviours and their implementation. It is also based on a territorial system of a separatist nature. The legislation that gave a definite form to the legal and social subordination of non-whites happened through various acts, namely:

1. Abolition of political and civil rights that still subsisted in the Cape province;
2. Codification of social boundaries;
3. Classification of all individuals in the population according to their racial group;
4. Prohibition of all mixed marriages and unions.
5. Segregation in public administration and in the means of transportation.
6. Territorial definition for the residence of ethnic groups or for their specific ghettos.

These are the general traits that characterise the game in South Africa's domestic arena. Home and foreign policies in every country are always interconnected. In some cases the connections are very obvious; in others, they are hidden under a grey cloud that hinders the observer's analysis. In the case of South Africa, however, based on the review of its history that I will give below, it is possible to state that its foreign policy in the period between 1945 and 1990 was conditioned by actions in defence of the apartheid system.

External constraints, influences, interests or even external conflict between nations condition the formulation of a foreign policy. This can be either more or less co-operative, or more or less conflictive, depending on the specific historical circumstances. The external context, in this period, has as its main characteristic the bipolarity between the United States and the Soviet Union called the Cold War.

According to Raymond Aron, the Cold War consisted of "a period in which war was improbable and peace impossible". In this period, the world was divided into two blocks, one side led by the United States and the other by the Soviet Union. By means of ideological confrontation (capitalism versus communism), the arms race, the space race, the role of the large intelligence agencies (CIA/KGB), collective hysteria and persecution (McCarthyism/Siberian concentration camps), rigid alliances (alignments with the creation, in 1949, of the North Atlantic Treaty

Organisation (NATO) associated with North American interests, and, on the other side, the Warsaw Pact, instituted in 1955 by the Soviet Union), the expansion of terrorism (the Basque group - ETA, the Irish group - IRA, the PLO in the Middle East, the Red Brigades in Italy, the Baader-Meinhof in Germany, etc.) a sort of "equilibrium of terror" was produced. To this context we must add the emergence of the Third World countries.

With regard to its initial mark, there is no consensus: for some the Cold War began with the nuclear explosion in the cities of Hiroshima and Nagasaki, for others it was inaugurated with the launching of the Truman Doctrine (characterised by a relentless struggle against the communist danger) and, finally, there are those that identify its beginning with the division of Germany into two States (October 1949). Likewise, there is no consensus about its end: the overthrow of the Berlin Wall (November 1989), the debacle of the Soviet Union (December 1991); the United States' withdrawal from the Gulf War (February 1991).

Events that are part of the Cold War history: Bretton Woods, the meeting that drew the post-war economic configuration (1944); the creation of the United Nations (1945); the formation of NATO, military alliance led by the United States (1949); the Marshall Plan (channelling resources from the United States for the reconstruction of Europe) and the Truman Doctrine (establishing the bases of the Cold War); the formation of the Warsaw Pact, military alliance led by the Soviet Union (1955); the Treaty of Rome, that started the European Economic Community (EEC - 1957) the building of the Berlin Wall (1961); the oil crisis, precipitating a world recession (1973); the crash in the stock market (1987); the fall of the Berlin Wall (1989); the dissolution of the USSR (1991).

For international relations analysts these events can be fitted into the four most significant characteristics of the Cold War. The first was the bipolarity between the United States and the USSR, marked by a military strategy based on the control of nuclear weapons that ensured a certain degree of stability to the world system. The second characteristic was the economic primacy of the United States, enabling the US to invest its own resources in the reconstruction of post-war Europe. The third was the liberal commitment:

... also called embedded liberalism, that shaped the international political economy so as to permit that the multilateral economic liberalisation, under the auspices of consecutive rounds of GATT, was consistent with the welfare state. Thus, simultaneously with the elimination of tariff barriers and with the economic opening of the advanced countries, the roles of the State were extended, and domestic stability ensured. (Soares de Lima, 1996, p. 399)

The last significant aspect of the Cold War was the emergence of the Third World that began to have some room in the UN, making possible an agenda oriented towards the distribution of resources to developing countries. It is here that we insert the two political actors I have been dealing with.

In the African continent, the Cold War helped to bring about some violent dictatorships, fuelled by the ease with which weapons were bought, by the deflagration of tribal conflict in several countries and by the stirring up of the colonial conflict in the region that, in 1975, led to the end of Portuguese colonialism and the rising of communist regimes in Angola and Mozambique. In Latin America, the Cold War context provoked re-democratisation processes that were followed in the 60s and 70s by the implantation of military dictatorships trained to torture, to kill their enemies and to create situations of censorship and repression of political parties, student movements, artistic expression, etc.

Having examined the international scenario and defined the main aspects of the foreign arena, I return now to the history of the domestic game.

In South Africa, the industrialisation process that started half way through the 30s, continued beyond the end of the World War II (making South Africa one of the richest countries in the world, according to the IMF) and was supported by the gold exploration surplus, began to present some new problems created, in particular, by the speed of the urbanisation process and the consequent flux of labour attracted to the urban areas (in 1945, approximately 2 million Africans lived in the cities of South Africa). The action of communist activists and populist nationalists that incited the mass movements contributed towards the institutionalisation of the segregationist ideology of apartheid. Supported by industrial groups that, under the cover of a new liberalism and of a capitalist type of development,

defended the segregationist practices, the latter gained strength and generated a new and modified form of racist hegemony (although there were already some groups pressing for the democratisation of the society). The period was marked by a brutal repression of the strikes led by the communists and of the African Mineworkers Union, by the end of the United Party's government and the beginning of the Purified Afrikaner Nationalists' power, with apartheid as its key word.

As mentioned above, apartheid was the social engineering tool planned by the white minority to structure the State, and it influenced the structure and direction of South Africa's foreign policy. With apartheid, the racial issue became the main argument in South Africa's socio-political division:

The internal and external challenges to the type of racial domination supported by the State machinery were answered with new arrangements that tended to prevent the de-structuring of the apartheid system. Internal and external threats to the security of the State controlled by a white minority also ordered, in a permanent way, the basic criteria of South Africa's foreign policy. (Alvarez, 1993, p. 253)

The most consistent and coherent architect of the segregationist ideology was the Minister of Native Affairs, Hendrik Frensch Verwoerd, who held the office from 1950. An example of his action was the passing of the Bantu Educational Act (1952) that established separate education for the black population and, in 1959, separate secondary schools for whites and blacks. The apartheid policy, however, had objectives that were not restricted to its domestic aspects (the maintenance of white power), but oriented, also, to the expansion of ties with Western industries, for the defence of the market society and the fight against communism in the region. The passage below gives us a dimension of apartheid and its implications for education:

In the 50s the apartheid government (1948-1994) established the Bantu education for the black population. Since they argued that negroes belonged to an inferior race, the education offered to them should be suited to their inferiority. ... Thus, they got to the extent of not teaching

mathematics to negroes because it wasn't part of their culture. (South Africa wants educational reform. *Folha de São Paulo*, 1995, p. 3)

The data on education that I present in the attached table illustrates the marks that this policy left on one of its most explosive and controlled areas: education. The figures reveal that, in 1993, the percentages of negroes who could read and write was 50%; of mulattos, 62%; of Asians, 62% and of whites, 99%.²

The reaction against this policy came from the African National Congress (ANC), that adopted a programme of resistance to the situation of oppression and, in the 50s, committed itself to peaceful resistance and civil disobedience, inspired by the Gandhian model. The intensification of the apartheid policy and the violence of its police agents in the 60s led to an increase in the number of confrontations between whites and blacks. In 1964, Nelson Mandela, one of the main ANC's leaders, was put into prison. Another important movement of resistance to apartheid was led by the Pan-African Congress (PAC), that, in the 60s, also had one of its leaders put into prison (Robert Mangaliso Sobokwe).

A period of expansion and prosperity of South Africa's industries followed the intensification of apartheid. Crucial for the industrial recovery was the foreign banks' loans and the assistance of the Anglo-American capital. The latter also contributed to a partial recovery of the prosperity in the mining industry. South African industry, however, remained less modern in relation to the advances in the large centres, and to reverse this, the country needed to attract foreign capital. The 60s boom made of industry the most important sector in the economy and was a result of investments by British, American, European and Japanese industrial investors who put into South Africa more money than the rest of the continent had received

² Table 1 - Literacy rates in South Africa (1993).

Alfabetização

Africans (blacks) 50%

Asians 69%

Europeans (whites) 99%

Source: Race / Relation Survey: 1993-94

all together. This transformed the country into a mature importation substitution economy (foreign trade was the source of 50% of the GNP of the period). To a large extent this patronage was due to the strategic role that South Africa played in the African continent, in the Cold War context. The ownership of strategic minerals, the repressive and pro-arms policies, the industrial development and its alignment with capitalist interests, gave South Africa enough credentials to play a strategic role in the Cold War, in particular to confront communism in its neighbourhood.

In the 60s, through a referendum, South Africa left the Commonwealth and established the South African Republic (31st May 1961). The new republic actively promoted the white power's hegemony in the continent, symbolised by apartheid, the Afrikaner term for the preservation of the white race and of Western civilisation under the affirmation that "each man must have his proper place". In order to implant the apartheid policy, a series of acts were promulgated, among them:

1. The Mixed Marriage Act (1949) that forbade marriages between whites and members of other nations;
2. The Amendment to the Immorality Act (1950) that made sexual relations between whites and non-whites a crime;
3. The Law on the Regions of Regrouping (1950) that classified the populations into three races (white, indigenous or Bantu, and mixed) and defined separated residential areas for each racial group;
4. The Colour Bar (1950) establishing a register of each person's marital condition with relation to race. The classification was registered in the ID card, or, in the case of Bantus, in the reference book (sort of work and transit permit);
5. The Registration Law (1967) determining that, for the racial classification the family's classification was also taken into consideration, to avoid mixed blood infiltration in the white race;
6. The Indigenous' Reinstallation Law (1954) allowing the expropriation and transfer of the Bantus' residence.

Together with Namibia, Rhodesia and Portuguese colonialism, South Africa, grounded on the apartheid policy, intended to bring about and lead the region's integration. However, the de-colonisation of Portuguese Africa, in particular of South Africa's neighbours Angola and Mozambique, created a new challenge to the country's power and hopes of integration. The de-colonisation process started in Angola, in 1961, with the so-called Maria's War, a popular rebellion. The second phase took place in the capital, Luanda, and the third and last was the Congo's insurrection (a peasant rebellion in the Northwest) that killed hundreds of Portuguese civilians, and organised the Union of Angolan Populations (União das Populações de Angola - UPA). For 13 years the Portuguese military had to fight in the Angola War. The anti-Portuguese movement split into two tendencies: the UPA, later called the National Front for the Liberation of Angola (Frente Nacional de Libertação de Angola - FNLA), with base on the Kikongo-speaking peoples from the North, and the Popular Liberation Movement of Angola (Movimento Popular de Libertação de Angola - MPLA) that brought together educated black Angolans, the Kimbundu-speaking peoples (among them the movement's leader, the poet Agostinho Neto) with a urban, social, national following and strong ties with the Portuguese, anti-fascist Left, that adopted a socialist orientation. In the 70s, a third group became prominent in the fight for the liberation of Angola, aligned with the Right: the National Union for the Total Independence of Angola (União nacional para a Independência de Angola - UNITA) representing the Umbundu-speaking Angolans and having as leader Jonas Savimbi. Although the guerrilla activities of these movements didn't become a direct threat to most economic and political activities of the Portuguese rule, they were responsible for the draining of huge sums of money for the arming of Angola. South Africa, in 1974, intervened militarily in the area, on the side of FNLA and UNITA.

Also in 1974, with the Portuguese Revolution (The Cravos Revolution) South Africa ended by losing one of its white allies in the region and, moreover, had its economy shaken by the event. It lost the right to use the port facilities in Lourenço Marques, Mozambique, and the air bases of Angola and Cabo Verde and could no longer use electrical power from the Cabora Bassa dam.

Despite the fact that the country had its independence declared on 11th November 1975 (when the Republic of Angola was established, under MPLA's rule) to date Angola is still going through one of the worst humanitarian crises in the African continent, and the end of the crisis depends on internal peace. From 1976 to 1991, Angola was the focal point of guerrilla war and direct attacks from South Africa. South Africa's military intervention ended in 1987-88. However, the US' support of UNITA has grown. Only in 1991, after two years of negotiations, have the Angolan government and UNITA signed a cease-fire agreement providing for the demobilisation of troops and the realisation of elections.

In September 1992, the polls gave the victory to the MPLA (President Jose Eduardo dos Santos) but Savimbi's UNITA refused to accept the result and the war re-started. UNITA had Zaire's and South Africa's help (until 1994, when, with the establishment of the new South Africa, the South Africans stopped providing weapons to the UNITA). Only in 1993, after the United States recognised the elected government in Angola, was the peace process retaken. A new peace treaty was signed in November 1994, and the United Nations sent a mission to Angola for this purpose, but there are no guarantees that peace will be maintained.

In Mozambique, the Front for the Liberation of Mozambique (FRELIMO) began guerrilla attacks in 1964 and brought together a series of programmes related to social services provision that they hoped would be part of its future activities and create the bases for a future national society. Initially the coming together of various political tendencies, FRELIMO was later taken over by leftwing groups (Samora Machel). Its guerrilla movement expanded towards the South (1968) and started to present an effective threat to South Africa's authority. Finally, in 1975, FRELIMO made Mozambique independent, with Samora Machel as head of State. Marxist-Leninist in its orientation, Mozambique's government joined the Front Line States against South Africa and Rhodesia. In the late 70s, there appeared, in Mozambique, the so-called Resistência Nacional Moçambicana (the Mozambiquean National Resistance - RENAMO) and the country plunged into a civil war. In 1986, with the death of Samora Machel in a plane crash, Joaquim Chissano, the new president, brought the country closer to the West once again.

For South Africa, the effects of this independence movement were negative. It lost the Mozambiquean labour that came to work in the gold mines (Mozambique provided approximately 1 million workers yearly). It also lost the previous dialogue it had with its neighbours, and had to confront the MPLA, a sympathiser of Cuba and the Soviet Union. Moreover, independent Mozambique helped to develop movements in aid of the struggle for the liberation of Rhodesia (Zimbabwe). In the late 80s, Mozambique, Zambia, Angola, Tanzania and Botswana came together in a formal alliance, isolating South Africa. However, until Mandela's inauguration, South Africa continued to have military interventionist attitudes towards the recently liberated countries.

Besides the de-colonisation of Portuguese Africa, since the end of the World War II South Africa had been concerned with the incorporation of Namibia - a region rich in diamonds, copper, lead, zinc and vanadium. The Namibian crisis intensified when, in the 80s, the United Nations declared the end of South Africa's rule in the region and recommended that its member countries broke off relations with South Africa. The latter continued the occupation of Namibia and invested in a military offensive to avoid losing its prey. In 1975, with the excuse that Angola was supposedly helping the guerrillas of SWAPO (Southwest African Peoples Organisation) - a body recognised by the United Nations as the legitimate representative of the Namibian people - South Africa carried out a series of attacks against Angola. In 1978, the UN General Assembly decided on four proposals for Namibia that were accepted by South Africa: a cease-fire; the entry of a peace force in the region; the carrying out of elections under UN's supervision and independence on 31st December 1978. Despite this agreement, until 1979, South African troops were still occupying Namibia.

In the 70s, with serious problems on its borders, black consciousness student movements that criticised the Bantu education, the South African regime began to be dismantled, with various changes in the apartheid system. In particular, Mozambique's independence represented the loss of cheap labour for the mines. With internal and external political problems, South Africa began to change in the late 70s. Among the factors contributing to this change were both the failure of the foreign policies of de-stabilisation and invasion of neighbour countries and the domestic

disturbances generated by the popular rebellion movements and by the activities of organisations such as trade unions, clandestine parties, churches, etc. The main popular rebellion movements were those of Shapeville (1960), Soweto (1976) and Townships (1984). With regard to their relevance for the enfeeblement of apartheid it is worth noting Pereira Nunes' (1987, p. 34) suggestion that, as time went by, the rebellions intensified in terms of their duration and depth, and ended by involving people of all races and social classes, extending throughout the country and having an international impact.

The growing trade unions, benefiting from the increased internationalisation of the world economy, also contributed to the downfall of both South Africa's domestic and foreign policies:

Among the facts that gave a new quality to the struggle, there was black trade unionism, made legal since 1979, after a series of extremely violent strikes, related to the growing shortage of skilled labour, since the development and the complexity of South African industry were corseted by the restrictions imposed by apartheid to the negroes' education. (Pereira Nunes, 1987, p. 34)

The internal growth of the anti-apartheid struggle can also be measured by the creation, in 1983, of the UDF (United Democratic Front) a multiracial organisation that brought together almost 700 organisations of various types, with more than 2 million members. Another important element to be considered was the growth of ANC's influence on the black population as well as the strengthening of this party's credibility (African National Congress) among whites.

The crisis generated a sense of threat and risk of governmental instability and this led to fewer foreign capital investments and the imposition of international economic sanctions on a growing scale. Evidence of the consequences of de-investment:

According to a confidential report prepared by a Swiss bankers' commission, capital flight in 1985 reached more than 7 billion dollars, and the forecasts for 1986 were even more drastic. In fact, in the first half of 1986, investments from foreign sources did not represent more than a 4.3% of

the total, while in April 1985, these same investments were as much as 17.3% of the total ... Another analysis, made in the annual report prepared by the United States Foreign Trade Service and publicised in October 1986, says that this country is close to becoming another African State, that is, a chronic debtor, exhausted by its imports, jammed by its ethnic differences and by a repressive regime unable to treat in a positive way its own voters and whose only strength is its ability to manipulate foreign governments and to attract international attention for the best and for the worst. (Pereira Nunes, 1989, p. 36)

From the second half of the 80s onwards, the number of countries prepared to accept the proposal of economic sanctions for South Africa increased (among them, nine of the ten members of the European Economic Community, the United States and Brazil). These actions (in association with the independence of Rhodesia that, in 1980, adopted the name of Zimbabwe), accelerated the changes in South African politics.

The review of South African foreign policy, using games theory concepts, allows me to make a few generalisations:

1. Internally, during the period that goes from the institutionalisation of apartheid (1948) to the years that mark the end of the Cold War, the Afrikaner elite betted in a power system based on desertion, that is, in the games theory jargon, moved in favour of repression, conflict and violence. Universal desertion (D^∞) has always been the predominant strategy of the white Afrikaner elite.
2. Externally, during this same period, we have some strategic variants that are worth mentioning. The game will vary in accordance with the relationship with the other external players. That is to say, the external game goes from co-operation (C) to conflict (D), depending on the other player. If the player is a Western power, the strategy varies from universal attempt to co-operate (C^∞) to total isolation (D^∞). If the player is an adjoining country, the strategy varies from universal co-operation (C^∞) to conflict (D^∞), that is, either invasion or war.³

³ See table in Appendix.

In South Africa's case, the internal game was universal desertion and had in apartheid its ruling strategy. The external game had as possibilities co-operation sometimes, other times conflict. It can be noted that the game played by the Afrikaner elite with regard to the adjoining countries oscillated between isolation, war - expressing the universal desertion - and, in a few cases, integrative co-operation. In the case of foreign relations with the Western powers, or with international organisms such as the UN, the Afrikaner elite also alternated between a policy of isolation (universal desertion) and universal co-operation (seeking recognition through agreements, treaties and commitments). The history of South Africa's foreign policies reveals a permanent systole and diastole in the process of external relationships. That is to say, sometimes isolation, other times co-operation, the latter of either economic or military nature.

When we consider the period from 1945 to 1948 (Jan Smith) historically, South Africa's foreign policy in relation to the Western powers or to the UN, expressed a search for recognition and co-operation and had as a response universal desertion on the part of these powers and organisms. The game's final result is isolation. With regard to the adjoining countries, the foreign policy was of a belligerent nature, i. e. universal desertion.

As for the period between 1948 to 1958 (Daniel François Malan and Johannes G. Stridjon), the foreign policy was to maintain the ruling strategy of apartheid. Whereas the foreign policy towards the Western powers was one of universal co-operation and had as the international community's response a rather ambiguous game that varied from universal co-operation, to universal desertion and ended with a co-operative response on the part of international organisms and First World powers. With regard to the game played in the face of adjoining countries, South Africa initially betted on universal desertion. It had co-operation as a response, but soon after that the conflict re-established itself.

In the period that goes from 1958 to 1966 (Verwoerd) the country's foreign policy distinguished itself by its self-isolation. It betted on arrogance and authoritarianism. Universal desertion became the predominant strategy both with regard to the Western powers and their international organisations and in relation to the adjoining countries - independent or in the process of

becoming independent. In this phase, the Cold War crystallises as the external arena and begins to influence behaviour in terms of domestic policies. Internally, the violence employed against the political agitation reached its highest point with the Shapeville tragedy. The response to self-isolation came under the form of expulsion from South Africa of regional and other international organisms, such as FAO, in 1963, ILO and WHO, in 1974. The seesaw of systole and diastole continued: co-operation alternated with conflict, both on the part of South Africa and on that of the Western powers and adjoining countries.

The period between 1966 and 1974 (Voster) can be summarised by a well known maxim in Latin American countries: security and development. The foreign policy, in its main lines, is marked by a strengthening of commercial and economic relations (outward policy) with other countries of the continent's southern region and by military expansion. That is to say, military relations in defence of the South Atlantic, given the threats offered by the Soviet Union's military power; alliances with Portugal and Southern African countries; The predominant strategy started to be universal co-operation from a military as well as from an economic perspective, and had as response, on the part of the Western powers and of adjoining and interested countries, also universal co-operation. From a domestic point of view, economic development masked the foundations of apartheid: superficial liberal traits attempted to hide the coercive regime behind the country's wealth and prosperity.

The Cold War game continued, and the de-colonisation process reached the Portuguese colonies. This change in the international scenario had perverse consequences for South Africa's foreign policy in the period between 1974 and 1978 (Vorster). Internally, the rise of Soweto, on 16th June 1976, re-edited the scenario of uncertainties provoked by the Shapeville crisis, also creating disturbances and mistrust on the part of international organisms and Western powers. This period's outstanding feature is Vorster's *détente*, an attempt to develop a diplomatic strategy capable of enhancing South Africa's role as regional mediator and also of re-establishing security in the African subcontinent. This would be achieved by the organisation of a federative structure of black States, with moderate governments, but politically and economically dependent on a single white State, from which would come forth both the leadership and the necessary

resources for the development of Southern Africa. However, Angola's military and political crisis forced South Africa to get involved in an intervention that left the country very eroded politically. The *détente* policy was not consolidated, and South Africa had to face a series of difficulties related to the Rhodesian and Namibian issues. The Western powers played an ambiguous policy with the United States, acting either in a co-operative or in a conflictive manner, through the policies developed by Kissinger and Carter. Thus, Vorster's *détente* comes to an end, and from an initial co-operative position in the face of the Western powers, South Africa returns, once more, to universal desertion as its predominant strategy, seeking isolation. The systole and the diastole mark its foreign policy, built around the need to maintain apartheid as its predominant strategy.

In the period from 1978 to 1984 (P. W. Botha), foreign policy is characterised by the apartheid government's various attempts to be recognised through a series of State security measures. The Afrikaner elite followed the Hobbesian logic whereby external security is a function of the internal security. Measures of governmental cohesion were taken. There was the involvement of the defensive military apparatus in all spheres of civil life, and political and constitutional reforms were made also having in view the updating of the apartheid system:

1. Unification of the posts of head of State and head of government;
2. Creation of a three-camera Parliament;
3. Re-creation of the State Security Council.

The national security strategy becomes the major goal and diplomacy, a defence weapon. In short, the foreign policy was developed with the objective of getting closer to Africa, of better relations with the middle powers and defence against external aggression. One can see, from this, that, in a first moment of the Botha administration, South Africa betted on a more military foreign policy, playing the universal desertion as predominant policy and receiving from adjoining countries either co-operation or desertion. The maximum security game took into consideration Soviet expansionism and had the support of the United States that, with the "constructive engagement" policy, did not hide its sympathy for South Africa. The Reagan administration provided enough coverage to the

Pretoria government for its coercive activities in Southern Africa. From the economic perspective, commercial and financial activities received incentives that led them to obtain expressive gains. Desertion implemented as a policy towards adjoining countries moved forward towards greater co-operation, while Angola and Mozambique signed the agreements of Lusaka and Incomati, both in 1984, reverting the pessimistic atmosphere. For Angola and Mozambique these agreements expressed a recognition of South Africa's unrelenting economic and military superiority in exchange for a possible compromise in terms of coexistence. Around this time, there began the globalisation process and the beginning of the end of the Cold War.

From 1984 to 1988 (Botha), South Africa re-started the repressive process internally, and the Afrikaner elite dropped the reformats perspective to return to the traditional policies used by their Boer ancestors: exceptional measures were enacted throughout the country and they returned to internal violence as main policy. Despite the repressive actions, new opposition fronts were created, such as the United Democratic Front (UDF), the Azanian People's Organisation (AZAPO) and the Congress of South African Trade Unions (COSATU). Therefore, from an internal perspective, the policy of apartheid re-adopts universal desertion as its main strategy. At the same time, externally, South Africa develops towards the adjoining countries a policy the predominant strategy of which is the deterioration of bilateral relations. This strategy is characterised by incursions into Angolan territory in pursuit of SWAPO's members or in support of Savimbi's movement. The external process also has a counterpart from the Western powers' perspective: the latter intensified the pressures for more extensive sanctions against the Pretoria government. In the United States and in the European Community, we notice signs of impatience with the apartheid regime. France announces the suspension of new economic and military investments in South Africa. Finally, the predominant strategy drawn by external forces started to be universal desertion. This predominant strategy had a serious economic impact, leading to the non-payment of the foreign debt and the reduction of the country's foreign currency reserves. Internally, economic and financial forces began to pressurise the government towards distension and negotiations with the ANC. Once more, the game of pressures and counter-pressures, of systoles and diastoles marks the apartheid elite's dilemma.

In this final stage of the 80s, fundamental external changes are taking place, with the end of the Soviet power, the birth of new nations in East Europe and the integration of Germany, and the American “peace” seemingly taking shape. The changes in the international scenario have consequences for South Africa’s domestic and foreign policies. The economic sanctions were intensified and moral criticism in defence of human rights became a banner throughout the world. The global boycott produced serious internal economic constraints. From a military point of view, the defeat at the Cuito Cuanavale battle in February 1988, brought to an end the myth of the South African armed forces’ invincibility. Pretoria did not have, from that moment, the economic and military conditions to keep up its strategy in defence of the apartheid system. Isolated, South Africa was forced to rethink the world in this new international scenario.

The period analysed here, in a Cold War context, had as main actors in the internal arena a colonising Afrikaner elite and a segregated black majority. The nation-State of South Africa had within itself several different nations and imposed its laws on various cultural and ethnic groups. The conflict between nationalities is a contemporary world feature and promises to be the *leitmotif* for the wars that have happened or may still happen. Distinct cultures and different religions, if combined, seem to indicate that there will be many years of conflict ahead.

In the external and secondary arena, in the period examined, the main actors were the European Community, the United States and international organisms. The Soviet Union gained strength in the Cold War context, indirectly benefited by the wars South Africa waged against its neighbours. The Cold War atmosphere, associated to the economic interests in South Africa, always caused the Western powers’ political position to be ambiguous: sometimes criticising the apartheid governments, and at other times giving them their support. The foreign policy developed by South Africa’s governments also oscillated between isolation and diplomatic or military expansionism. The game of systole and diastole thus played had an end because of internal reasons resulting from the black majority’s organised actors and due to external issues brought on by the end of the Cold War.

South Africa in the post-Cold War World

Before returning to the logic that prevailed in South Africa's foreign policy from the DEKlerk administration onwards, a theoretical and conceptual clarification with regard to the new established order is necessary.

The characterisation of the post-Cold War international order has been presented by Soares de Lima (1996) on the bases of two bipolar positions. The first, a realist position, assumes that the State, with its policy of power and coercion, is the central element in the international anarchy and that the end of the Cold War suggests a new power distribution in the world order:

... these analysts' concern is with the power mechanisms that would be capable of managing the new international (dis)order. In general, the realist scenarios differ from one another in the choice of geometric shape that will most probably prevail: the triangle (USA, EC and Japan) or the pentagon (those three plus China and Russia, a sort of balance of power similar to that in the late 19th century international politics). Also part of the realist concerns is pointing out the probable candidates in the power transition, i. e., those emerging countries with sufficient (potential or effective) power resources, but that still haven't had the others' recognition. In general, the realist scenarios tend to be more pessimistic with regard to the new order's stability, in particular as a result of the diffusion of nuclear weapons, which, in this case, would no longer function as an instrument of dissuasion between the powers. (Soares de Lima, 1996, p. 402)

The second perspective, the institutionalist, contrary to the former, works with the subject of the decline of the State and with the perspective of qualitative changes in the international order:

... The emergence of sub-national communities and the renewed relevance of demands for self-determination, on the one hand, and the building of transnational and extra-territorial spaces in politics, in the economy, and in the

culture, on the other, are phenomena that have contributed to the erosion of the States' internal and external sovereignty and, as can be concluded, of the very constitutive principle of the States' system. (Lyons and Mastanduno, 1995, *apud* Soares de Lima, 1996, p. 402)

For the followers of this current, it is possible that the overcoming of international anarchy and the initial matrix of an international society are being generated by the building of structures for international interaction and authority.

There is, between the two bipolar perspectives, a point in common with regard to the role of the peripheral countries in the new order: in both perspectives, the periphery is seen with the eyes of "contention" of problems and negative externalities (drugs, poverty/migration, epidemics, environmental degradation, climatic impact of deforestation, social dumping, etc.) all of which would originate in it (Soares de Lima, 1996, p. 403-4). Thus, the tendency is for the relationship between centre and periphery to be perceived as characterised by a wide range of differences, with very little bargaining power.

It is Soares de Lima, once more, who indicates the scenarios most frequently drawn in the specialised literature devoted to the characterisation of the post-Cold War world: decreasing usefulness of military strength; expansion of community spaces and co-operation; emergence of a one-pole system; establishment of a global concert; re-strengthening of the United Nations.

The idea of the decreasing usefulness of military strength presupposes that military power loses strength and tends to be replaced by economic, environmental and societal power. In this perspective, the role to be played by nuclear weapons is reduced, as the development of the powers that control nuclear weapons and the competition between them "reach the condition of **second-strike capability**, beyond which any additional amount of weapons will not contribute to increase the defence already guaranteed by the previous capacity" (Soares de Lima, 1996, p. 404). Soares de Lima also synthesises the criticisms made against the predominance of this type of scenario in the post-Cold War world.

... all indications are that the prevailing parameter is not that of the absolute weapon, but of conventional technology. In this respect it is possible to mention the inter-penetration of military technologies and the technological advances in conventional armaments; the growing influence of movements opposing nuclear weapons; the reduction in the old superpowers' military budgets - in particular with reference to strategic-nuclear weapons -, simultaneous with an increase in some countries' expenditure on conventional military weapons, particularly in the Pacific region; and finally, the return of power diplomacy and demonstrations of military power on the part of - precisely - the nuclear powers - USA and Cuba; China and Formosa; Russia and Chechenya; France and the explosion of nuclear artefacts -, having in view political and economic objectives, in both the domestic and foreign policies. (Soares de Lima, 1996, p. 405)

The following scenario, the expansion of community spaces and co-operation, states that the growing complexity of top economic, political and cultural, etc. relations leads to greater interdependence between groups, institutions and individuals. This interdependence brings, as a result, a certain sense of global society, with the consequent expansion of co-operation, solidarity, etc. Critics of this perspective point to its functionalist and evolutionist character and also to the difficulties faced by the discussion on co-operation and solidarity between peoples when a reasonable solution for a complex conflict such as equal distribution has not been found: ... the erosion of external-internal borders, as a result of economic inter-penetration, can lead to an additional load of distributive conflicts between developed countries, in particular with regard to the selection of standards on which to base the economic convergence. (Soares de Lima, 1996, p. 408).

The third scenario, the idea of a one-pole system, led by the United States, can have complex consequences in terms of stability of the world order, if we take into account, on the one hand, the nations' growth rate and, on the other, the idea of anarchy, supposing that "anarchy induces the search for a balance between the powers and therefore, predominance invariably leads to the emergence of the compensatory power in the form of new powers" (Soares de Lima, 1996, p. 409).

The fourth scenario, assuming a global concert between the superpowers as a means of ensuring economic globalisation, has as background the idea that the world order may be configured as having one single summit. This can be easily criticised, if one takes into account, among other things, the complexity and difficulties that surround possible agreements between superpowers. The rational selection theory provides arguments against this type of scenario:

... the agreements are vulnerable to the gate crusher's problem, as each of the participants values his/her or probably their individual objectives more than those of the alliance and expects that the others, rather than he/she, will sacrifice their respective individual interests. The G-7, an example of economic co-ordination between developed countries, exists since 1975 and to date hasn't been able to stabilise the world economy. (Soares de Lima, 1996, p. 411)

The last scenario points to the strengthening of the United Nations and its possible affirmation as a collective security organisation that, with the end of the bipolar system, may return to its essential objectives of preventing conflict and ensuring world peace and security. Criticisms to the arguments of this kind of scenario are similar to the ones presented in relation to the concert between the powers. Moreover, with reference to the norms regulating the UN's operations, the maintenance of veto rights suggests the impossibility of ensuring that the institution will play the role of a security organisation:

The institution of veto rights for the great powers suggests that the Organisation's founder countries recognise the impossibility of obtaining that disavowal on the part of the strongest countries and pragmatically, of guaranteeing minimum conditions for its operation, avoiding the paralysis of the institution's decision-making processes (Claude Jr., 1962, p. 155-72). The maintenance of veto rights in the post-Cold War period suggests that, independently of the disappearance of the Soviet Union and of bipolarity, the Organisation will not become *de facto* a collective security mechanism. (Soares de Lima, 1996, p. 412)

An aspect frequently neglected or not sufficiently taken into account in these scenarios has to do with the consideration that the post-Cold War world order is dominated by the interdependence between domestic policy and foreign policy. For this reason, any analysis of the international order that involves interaction between countries, must be constantly articulating the domestic policy dynamics with the prevailing globalisation processes.

It is worth reproducing here some - with a few comments - of the definitions of globalisation available in the literature:

Globalisation refers to a multiplicity of ties and interconnections between States and societies that form the new world system. It describes the process whereby events, decisions and activities in one part of the world, present significant consequences for individuals and communities in faraway areas of the globe. Globalisation comprises two distinct phenomena: scope and intensity. On the one hand, it defines a series of processes that have a global impact or operate world widely; the concept has, therefore, a spatial connotation. On the other, it also implies intensification of the levels of interaction, interconnection or interdependence between the States and societies that constitute the world community..." (MacGrew quoted by Petralla, 1996, p. 65)

...growing international integration of goods, services and capital markets. (Qureshi, 1996, p. 3)

... a social process in which geographical borders in the social and cultural organisations recede, where people become increasingly aware that they are receding.

... international integration of communications and economies. (Cable, 1996, p. 133)

Globalisation refers to those processes by which the peoples of the world are incorporated in a world society, a global society. (Albrow, 1990, p. 9)

The global economy is a system generated by the globalisation of production and of finances. Global

production benefits from the territorial divisions of the world economy, playing with the different territorial jurisdictions, so as to reduce costs, save on taxes, avoid anti-pollution regulations and labour controls, as well as being assured of policies of stability and favours. Financial globalisation built an electronic network connected 24 hours a day and without any control. World financial decisions are no longer centralised in the State, but in the global cities - New York, Tokyo, London, Paris, Frankfurt - extending to the rest of the world via computers. (Cox, 1994, p. 48)

In fact, the globalisation process accelerated with the technological leap that occurred in the last fifty years. Statistics show that the number of inventions and patents created in the last decades surpasses the human creation for various centuries. The revolution in electronics, in biology and in general physics, made possible the integration between markets, the integration between cultures and the global consciousness that history acquired in the last decades. Classic political economists, Adam Smith and David Ricardo, for instance, wished that the natural flux of the market integrated societies and cultures. Only now, in a more advanced financial stage, has capitalism succeeded in making true the wishes of the political economy classics. Global society is integrated via computers and the Internet, which permit communication in real time between institutions and governments that are physically and geographically apart.

For the sake of the present work, the globalisation concept is important in so far as the 90s' world is a world integrated by political and economic actors that do not necessarily represent governments. The game of domestic and foreign policies, in this globalised world occurs with the participation of new extra-official actors that are nevertheless significant in the general process of the world order. The new actors, appearing in a Schumpeter's and Michells' world, play roles that are sometimes more essential than those of established governments. The fusion of the contemporary world's large organisations - banks, power companies, telecommunication companies, among others - draws a picture to illustrate how contemporary capitalism has become oligopolistic and oligarchic. On the other hand, we can also notice that in the ambit of the complex

organisations themselves, there is increasing subcontracting, with a multiplicity of small and medium businesses competing in several markets. Thus, contemporary capitalism experiences two fluxes: one, macro-organisational and concentrator, and the other de-concentrator.

The foreign policy of any country in this last decade begins to experience the need for a diplomacy able to act efficiently in peaceful times. The economic, financial and bargaining diplomacy replaces the conflict diplomacy, typical of the Cold War period. Weaker States give place to strong and active corporations.

In the globalisation process we are going through, there is a certain consensus with regard to the loss or reduction of the States' decision-making power. The latter often become subordinated to the demands of the large corporation and most importantly, lose the ability to define social policies that are essential if a satisfactory level of development is to be reached and that will give the country more bargaining power abroad. Chesnais (1997) is one of the economists who argues strongly for this type of diagnosis. In his view, *the mondialization* (the term adopted by the French for globalisation) means another stage in the internationalisation of capital, a new modality of the accumulation regime. This is the time when the speculative actions of the financial and real-estate markets and the commercial transactions between countries and groups of countries are being favoured. Among their negative consequences, in the internal plan, these priorities have led to problems of social exclusion, labour market de-structuring, de-stabilisation, loss of trade union power, etc. In the external plan, instead of promoting integration, they tend to create exclusion.

In Chesnais' view, the main features of the *mondialization* are the following:

1. The most important compression factor of the world capitalism movement is located in the financial capital sphere. In the new accumulation regime, the dominant groups have at their disposal mechanisms to distribute and increase profit margins to levels never previously experienced.
2. The more obvious consequences of this new regime are unemployment, and the problems of homelessness and lack of civil rights.

Therefore, the main cause for these problems must not be sought in the technological revolution, but in the process of accumulation itself. Chesnais adds that, given the world character of the financial accumulation regime, we are witnessing a world order that is characterised by a politically differentiated and economically hierarchical totality. Confronted with this scenario, there is nothing left for those countries marked by economies with highly unequal social structures and with weak industrial parks but to adapt themselves to neoliberal policies. Such alternative demands the adoption of internal policies of accelerated privatisation and deregulation and the implementation of severe measures to overvalue their national currencies now anchored on the US dollar.

This new phase of capital accumulation took hold in the 80s when the strategies of the G-7, of GATT and of the IMF began to gain strength. One of its main landmarks was the Uruguay Round, initiated in 1986, in Montevideo, and finally concluded eight years later, with the passing of a large package of trade tariff reductions, an agenda dictated by the rich countries:

... the Uruguay Round went further than the overthrowing of barriers on the exportation of goods. It introduced the so-called new trade areas into the world agenda, in particular the extremely vast field of services. This is an area ranging from telecommunications to sea transportation, via financial services and reaching even governmental shopping, the official label for the tenders that every government seeks in order to buy pencils or build bridges. (Globalização, Special Issue, *Folha de São Paulo*, 1997, p. 8)

For analysts such as Marshall (1999) the Uruguay Round represented a genuine transformation in the management of the world economy. From that moment, the World Trade Organisation (WTO), the institution created to replace GATT, began to have more responsibility and power. The importance of this new initiative for the innovation of the world economy management can be seen by the summary of the Morocco Declaration, adopted on 15th April 1994, that presented the formal conclusions of the Uruguay Round. The most important aspects of this document were as follows:

1. The strengthening of the world trade's legal structure; reduction of global tariffs by 40%, extending the agreements on the open markets of goods.
2. The establishment of a structure of multilateral discipline in services and the trade of intellectual rights ownership and reinforcement to the provision of agriculture and textile products.

These measures made people aware of the need for greater consistency between commercial, monetary and financial policies, including greater co-operation between the WTO, the IMF, and the World Bank. In short, with these measures, the world economy had its management updated on new bases, with the WTO attempting to secure its position as a world wide institution.

It is worth remembering that the WTO's international agenda is full of interdependent aspects and includes economic, social and demographic dimensions; the developing countries dimension, with need of collective and individual assistance; an environmental dimension; and a security dimension. In the developing countries dimension, emphasis falls on inequality and the constraints resulting from poverty, illiteracy, unemployment and social exclusion. These issues have been researched and discussed in the ambit of the United Nations, in a series of world conferences. Moreover, in the case of developing countries, problems related to resource availability and the total foreign debt are taken into consideration.

This new management process implied a new type of international intervention in the countries' economic and social arrangements. It actually means a peculiarity in the post-Cold War world the main objective of which is to protect the strongest markets from possible attacks. International competitiveness is prioritised and attempts are made to preserve it against possible damages resulting from domestic policies.

A consequence of this new type of management, that leads to greater emphasis on privatisation and deregulation of the national economies, may mean the reconstitution of protectionism in the areas where trade management tends to decrease. The sources of this protectionism are varied and range from considerations of economic and social order to

security related aspects. The higher the level of globalisation in the economy, the more consumers and producers who feel hindered in their respective life standards and styles will tend to establish regional alliances to confront world pressures.

Having dealt with this more general theoretical and conceptual analysis, I now begin to present quantitative data and analyses related to South Africa's domestic and foreign policies.

One of the consequences of this new world economic reality has been the increased gap between rich and poor countries, a fact demonstrated by the UN's HDI (Human Development Index) Report, which shows that the difference between the average income of rich countries and that of poor countries in 1993 is three times that prevailing in 1960. Whereas the poorest 20% earned 1.4% of the planet's total income, the richest 20% possessed 85% of the world's wealth. Comparatively, the 1997 HD indexes reveal a South Africa with 0.695, Zimbabwe with 0.560, Nigeria with 0.456, Brazil with 0.739 and the United Kingdom with 0.918.

In this international hierarchy of nations, South Africa is located at the medium point, classified as having medium HDI development, and occupying the 101st place in ranking, given its high levels of social inequality. According to 1993-94 figures, 81% of South Africa's population were literate, but 30% of this population had no access to a safe water supply, and 40% of the households did not have electricity. These figures are enough to illustrate that one of the country's greatest challenges is how to overcome the problems of poverty and inequality. For this purpose, democratic stability and the definition of social policies weigh heavily in the domestic agenda and have consequences for foreign policy, particularly if we take into consideration the priority currently given to the international debate on human rights.

Despite these negative and critical domestic indicators, South Africa has a diversified industrial park, a modern financial and capital markets system and technological development in specific areas. What remains to be seen is to what extent these positive factors can contribute to the efforts to overcome the social problems inherited from the apartheid policy.

Another challenge currently faced by South Africa has to do with the formulation of economic policies that are able to follow the international trend towards globalisation, and the liberation of markets and businesses. Once more, the foreign policy will have to seek bilateral agreements with the blocks of countries that deal economically and financially with South Africa.

In the 80s and 90s, Southeast Africa went through a series of deep transformations, including an emphasis on liberalisation of the economy, democratisation of political institutions and reduction of international aid to the region.

In 1997, in real terms, South Africa's GNP per capita was US\$ 7,380.00, whereas that of Brazil was US\$ 6,480.00 and of the United Kingdom US\$ 20,730.00. Life expectancy at birth in South Africa was around 54 years, in Brazil around 67 years and in the United Kingdom 77 years.

In Southeast Africa, South Africa is the country with the strongest and most diversified economy and the highest GDP. In 1989, its GDP was of US\$ 80 billion, compared to a GDP of US\$ 25 million of nine of the SADC member countries. South Africa's population corresponds to one third of the region's total population. Mozambique comes next, with 15 million inhabitants. Angola, Zambia, Zimbabwe and Malawi have between 7 to 10 million inhabitants, while Lesotho, Swaziland, Botswana and Namibia have less than 2 million each. These figures show that the regional integration process needs to be deepened through the adoption of measures that will promote trade expansion, and others that will concentrate on improving the regional income and the mechanisms for power negotiations between the countries of the region. Another way to promote regional development may be to reduce the dependence relationships that result from the presence of non-specialised internal markets in not very prosperous economies.

South Africa's economic diversification can be illustrated by the following figures: the primary sector represents 6% of the GDP, whilst the remaining 94% come from the industrial (44%) and services (50%) sectors.

⁴ See The Economist Intelligence Unit. United Kingdom. 199-2000, p.18.

The production of other SADC countries is concentrated, predominantly, in the primary sector (mining and agriculture). We must take into consideration that the privileged situation of South Africa's economy can, in large measure, be explained by the fact that - historically - the country has been the beneficiary of the largest share of all foreign investments in Southern Africa.

Having examined some general indicators of South Africa's economy as well as that of other countries of the region, we must now return to the logic developed by Pretoria's foreign policy after 1988, during F. de Klerk's liberal administration. During this period, Namibia became independent and the South African forces were tactically defeated at Cuito Cuanavale. Thus, the military and economic erosion resulting from the war and from the international sanctions, drove Pretoria towards a distension process and the search for peaceful solutions in both the external and internal levels. Internally, the strategy changed to become that of universal co-operation; the same occurred externally, both with regard to relations with neighbouring countries and with the Western powers. With the solution of Namibia's independence, South Africa began to realise that the apartheid regime was worn out. It then developed a strategy to get closer to UNITA and the MPLA in Angola and hastened to re-start a dialogue with Mozambique, thus expanding bilateral economic co-operation.

In less than two years, De Klerk's leadership made possible the following: end of state of exception throughout the country; freedom for the large majority of political prisoners; legalisation of extra-parliamentary oppositions; promotion of exiles' repatriation; rescission of the Reservation of Separate Amenities Acts, of the Group Areas Act, of the Lands Acts and of the Population Registration Act, as well as the abolition of the bantustans statutes. These measures made possible internal distension and a co-operation game between the government and the opposition forces.

With regard to foreign policy, within this new dynamics of strategic co-operation, the De Klerk administration succeeded in recovering the government's international credibility and in rearranging the country's foreign relations. The clearest evidence of this recovery is illustrated by the increase in the volume of direct investments between 1988 and 1990. Still from an external point of view, from 1991, European sanctions began

to be suspended, the United States revoked the CAAA, the veto to the EXIMBANK financing and at the IMF took place, with the same thing happening in Japan, and the members of the old SADCC declared formally that South Africa had become a member of the new Southern African Development Community. (SADC). As we can see, after many years of coercion, the decompression process finally came in this period. The systole and diastole were coming to an end, but, in spite of this, they still persisted in the last apartheid years. This was the end of the isolation. South Africa was now seeking co-operation with its neighbours and with the Western powers, and creating opportunities for the transition that was to occur.

In the 90s, with peace and greater market integration, through the revolution in computing and in communication, the external context acquired new features. The European Union, Mercosul, NAFTA, and ALCA, among others, constituted regional blocks of countries searching for greater integration between their commercial and financial markets. And it is within this globalising and regional logic that the new foreign policies were being developed. The regional power integrated the various countries and imposed co-operation as the predominant strategy. Isolation policies were condemned and tended to disappear, despite the efforts of some international elites that resisted the global integration process.

South Africa's history in this decade has been marked by a permanent search for economic and political closeness to Europe, to the United States, to Asia (Japan), to the Middle East (Iran, Israel), to Latin America (Argentina, Chile, Brazil) and to other African countries. With the rising of the new South Africa, priority was given to this scenario of closeness and search for integration.

In general terms, since 1994, with Nelson Mandela's election, when the country gained a democratic, multiracial and multiethnic profile, the international evaluation of South Africa improved considerably. Article 6 of the Constitution, passed in 1996, recognises the multiracial and multiethnic social fabric and adopts 11 official languages for the country. As Freund points out (1988, p. 244-5), one of the greatest challenges faced by the new South Africa consists precisely in trying to conciliate the cultural, social and economic differences of its population, a fact that the Constitution recognises and attempts to overcome formally.

The laws that created apartheid have been abolished and through negotiations between the ANC's leader (Nelson Mandela) and the SADC (Southern African Development Community), the country inaugurated a new phase in its history. Therefore, the beginning and the end of apartheid are closely related to the Cold War period.

Since 1996, particularly after the establishment of a specific period of peace in Angola, the SADC leaders have subscribed to trade agreements (goods and services) and committed themselves to the establishment of a free trade zone until the year 2004. The whole Southern Africa region, made up by 12 countries, is finally in peace, after three decades. It is hoped that this peace will be followed by economic prosperity based on the free market. The region, rich in natural resources, has a population of 130 million consumers and a combined GDP of US\$ 150 billion. For South Africa, in particular, peace in Angola is important because South Africa depends on the Angolan rivers for the supply of its electricity demand (hydroelectric power stations).

With regard to regionalisation and the role played by South Africa in this respect, some comments must be made. The former process locates South Africa in the Southern region of Africa comprising the States of Angola, Zambia, Malawi, Zimbabwe, Namibia, Botswana, Mozambique, Swaziland, South Africa, Lesotho, Zaire and Tanzania. From 1910 to 1963, some important regional institutions were created in Southern Africa. Among them, I mention:

1. Southern Africa Customs Union - SACU (1910) - At present it brings together South Africa, Botswana, Lesotho, Swaziland and Namibia.
2. Rand Zone - Common monetary zone, a natural extension of the field of action of South Africa's Reserve Bank (modified in 1974).
3. Central African Federation (1953/1965) - It brought together the two Rhodesias and Malawi.

These institutions are important in maintaining some sort of relationship between white power and black power and, at the same time, in indicating the level of tension between these two powers and their ability to come close together:

After 1945, every shift in the borders between the zone of white power and that of black power led to a new configuration of the regional economic institutions. The Central African Federation became independent from South Africa and broke up when the black majority took over in Zambia and Malawi, inducing South Rhodesia to sign a relatively favourable preferential agreement with the South-Africans (1964); South Rhodesia's unilateral declaration of independence (1965) straitened the ties between the two countries, but the actual fusion did not take place then; the rising of Zimbabwe did not force the latter to break the agreement it had with South Africa, but allowed it to become leader in the Southern Africa Development Co-ordination Conference (SADCC); the majority's arrival in power in South Africa is leading to a new regional re-composition in the Southern Africa Development Community (SADC). (Coussey, 1998, p. 167)

We can see, therefore, that even if the region was the stage for the greatest battles between whites and blacks, exchanges and agreements always took place and, in general, tended to be kept up, despite the conflict. According to Coussey, this was due to the following reasons: the high cost of breaking up partnerships and South Africa's need to maintain relations with neighbours that, at various moments, were its political enemies. The conflict unleashed between South Africa and the Front Line countries, in the 80s, illustrates the significance of not breaching:

In a more complex form, South Africa used regional techno-economic relations as a weapon, that is to say, it provoked the destruction of the communication infrastructures in the heart of SADCC, through threats of breaking up relations with the imbedded countries (particularly Zimbabwe), but being careful not to create a permanent rupture, so that some pressure channels could be preserved. (Coussey, 1998, p. 169)

The Reconstruction and Development Programme (RDP) of Nelson Mandela's Party, presents as its major goal a strategy to change

the lives of the deprived black population. The programme, an attempt to gain credibility both internally and externally, also foresees: fighting inflation, maintaining the necessary competitiveness for real exchange rate management and progressive suppression of the financial rand.

These are moves that point to a rupture with the past and to an effort to reinsert South Africa in the Southern African region, and even in the African continent. Since May 1994, South Africa was re-admitted in approximately 16 international organisations, including the UN General Assembly, the Southern Africa Development Community (SADC) and the Organisation of African Unity (OAU). Moreover, international organisms such as the World Bank and the European Union have supported South Africa in specific projects conditioned to an expansion of the co-operation with its neighbour countries.

One of the more immediate results of the internal changes - with consequences abroad - was South Africa becoming a member of SADC, in 1994. SADC is regarded as the most appropriate institution for the promotion of regional economic integration. Its objectives include the attempt to harmonise trade policies with all regional institutions; develop policies that will aid the progressive elimination of obstacles to the free movement of capital, labour, goods and services; promote the co-ordination and harmonisation of the relations between member countries. Since 1992, SADC established a structure that favours the strengthening of co-operation and integration, the establishment of common economic and political systems, as well as a common external economy, to be enforced when an effective trade policy is implemented. The most important sectors of SADC are The Summit, regarded as the instance for political decisions, and the Council of Ministers, an organ of inter-governmental nature.

From the moment it joined SADC, South Africa has been investing in diplomatic efforts to show that it has no intention of adopting a domination posture, although its position as regional leader is indisputable: ... it seems to be well implanted the tradition to surrender implicitly the economic dynamics of regionalisation to the market game organised by conglomerates and by South African administrations with the support of public and private companies. (Coussey, 1996, p. 179)

South Africa's relationship with the other SADC member States will depend on how the internal political actors in each of these countries will understand the co-operation and co-ordination of regional politics. There is a general tendency to perceive Southern Africa as a region dependent on and subordinate to South Africa's hegemony. A basic presupposition of this dependence lies on the political and economic crises suffered by the SADC member countries as these crises were seen as resulting from the destabilising effects of South Africa's foreign policy and from its significant geopolitical power. The argument is based on the thesis that the problems within/among the Southern African States result from a complex interplay of domestic and international factors. Taking this presupposition into account, I think that South Africa's ability to play an outstanding role in the regional development process will depend on its political and economic success in the post-apartheid era and on how the domestic crises of the other States of the region are dealt with. Post-apartheid South Africa must make a strong effort to reduce the tensions resulting from the apartheid era. One of the ways to put this into effect may be the attempt to create an integrated market, the establishment of transnational mechanisms, the improvement of physical infrastructure (roads, telecommunication, air transportation, etc.) and the re-structuring of regional agencies, so that the latter can manage the infrastructure improvement projects.

In the ambit of the SADC, projects related to the common management of water, energy, tourism and the environment, all issues of South Africa's interest, were recovered. With its membership of SADC, South Africa became responsible for the regional institutions' monetary and financial sector. The strengthening of regional institutions, as noted by Spencer (1996, p. 155), reveals one of the international trends of globalisation:

This tendency towards the aggregation of States as a means to counter the declining utility of the State's sovereignty, under the pressure of the globalisation impact. In other words, the Southern African region, by increasing inter-governmental short-term co-operation, and maximising the opportunities for long-term integration, may well avoid the marginality that so threatens the smaller States, with fewer resources, in other areas of the continent. (Spencer, 1996, p. 161)

Another important regional organism is SACU, an entity that brings together South Africa, Namibia, Lesotho and Swaziland. One of SACU's objectives is to promote the economic integration of South Africa and its neighbours. Among the policies developed in SACU's ambit, we have: the search for a monetary union, with currencies linked to the South African rand and under exchange control defined by the South African Reserve Bank; South Africa's use of labour originating from its partners in the SACU.

In this process, it is necessary to take into account the role played by the African National Congress (ANC), in the definition of national and international policies since Mandela's taking office. Its foreign policy, characterised as neorealist (Evans, 1996), is considered ambiguous and contradictory, dependent on international neoliberalism and, at the same time, authoritarian in relation to its neighbours. The foreign policy is driven more by the economic and commercial interests than by ethic and ideological principles.

The main internal political forces are the African National Congress, the Inkatha Freedom Party (IFP), that governed the KwaZulu Reservation since 1974), the Democratic Party, founded in 1989, the New National Party, founded in 1914 by the African nationalists and had its name modernised in 1998, and the United Democratic Movement (UDM), organised in September 1997. The main leaders are the current President, Thabo Mbeki, Mandela's successor at the head of the ANC, Nelson Mandela himself, Tony Leon, the Democratic Party leader, Mangosuthu Buthelezi, leader of the Inkatha Freedom Party, Jacob Zuma, Vice-President of the ANC, Nkosazana Zuma, Minister of Foreign Affairs, and Bantu Holomisa, leader of the opposition's popular forces. This new leadership illustrates how, after decades of apartheid, the South African constitutional power allows the renovation of the black majority's new elite. Stable democracy has permitted two parliamentary elections guaranteeing civil liberties, something that has been giving South Africa a positive external image.

The new foreign relations with neighbouring countries in Southern Africa reveal South Africa's intention to co-operate with them, but, at the same time, instils in them a certain mistrust with regard to South Africa's new elite's real intentions. Businessmen and politicians in these countries

are afraid of South Africa's economic power and of its hegemony. Both Mandela and Mbeki have made efforts to promote peace in Angola, Mozambique and the Congo Democratic Republic but leadership in these countries has received South Africa's approaches with mistrust.

The rebellion against President Kabila, of the Congo Democratic Republic and the political crisis in Lesotho, in September 1998, are examples of how other countries did not trust South Africa's participation in both cases. South Africa's position created divisions between SADC members, something that illustrates how difficult it is for South Africa to lead the countries of the region. It is hoped that the new president and the new Minister of Foreign Affairs, Nkosazana Zuma, will have a clearer foreign policy. South Africa has been more present in the negotiations around the conflict in the Congo Democratic Republic and may have an eventual role in the peacekeeping forces. Its contemporary foreign policy should also consider ways to improve relations with Nigeria.

At present, South Africa's armed forces total 82,400 men, a contingent rather smaller than that of Brazil (313,250 men), but larger than that of Zimbabwe (39,000) and Nigeria (77,000). South African National Defence Force (SANDF) has slowly absorbed the members of ANC's armed faction. Seventy per cent of South Africa's soldiers are non-white (Africans, mixed race and Indians) however, more than 60% of the senior officers are white, and the apparent disorganisation of SANDF's troops during the country's participation in the Lesotho conflict, in September 1998, have been attributed to the lack of cohesion of its members. The current aim should be to accelerate change, maintain professionalism and replace outdated equipment.

These figures lead us to conclude that, despite the end of apartheid, South Africa's military leadership is still active in the region. This allows us to speculate about the end of the military expansionist foreign policy characteristic of the Cold War period. Internal political changes, now with the predominantly black political power, may not mean the end of the dominant strategy of controlling Southern Africa. An exaggerated nationalism, in any of the countries, can become military and/or economic regional imperialism.

In the guise of a conclusion

To conclude, I will try and make a few comments about the possibilities of a closer relationship between Brazil and South Africa in the globalisation context. A brief historical overview of how these relations were built since the end of the World War II will be outlined, as basis for a reflection about this new moment.

With President Dutra, Brazil renewed its interest in the African continent, an interest characterised by the systematic support given to the colonial metropolis and by a discreet approval of South Africa's official policies. In 1947 the first Brazilian representation in Pretoria was established:

The new chapter in Brazil's relations with Western Africa was made official and the space opened for co-operation in the Atlantic between two countries that, during the World War II, had been demonstrating the relevance of the area for the balance of power in the Western world. More than specific interests in the commercial area, it was the ideological and strategic limits created by the conceptual notions of the Cold War that brought the two countries closer together. ... In practice, this explains why Brazil supported South Africa's positions in the post-war period. The Brazilian military, in the founding of the Higher School of War (Escola Superior de Guerra) in 1949, reinforced the idea of Brazilian interest in the region and focused on the natural military co-operation that should exist between the two largest countries in the region. The Southern portion of the Atlantic Ocean should be better protected from the communist presence and in a better condition to respond to the incentives of the Western alliance. (Saraiva, 1996, p. 30)

From then on, the Brazilian position was always that of trying to conciliate the opposing interests that marked, for example, the relationship between South Africa and the United Nations:

... Brazil's special interest for South Africa when the former tried a "conciliatory solution" at the United Nations, at the

moment when the General Assembly was rehearsing some sort of punishment for the discriminatory practices of that African country. In the final text to be passed Brazil included a clause stating that no action could be taken in that case without respecting South Africa's right to regulate its domestic problems. For Brazilian diplomacy, the maintenance of the special ties that united Brazil and South Africa, also a legacy of the post-World War II context, should be preserved. And for Brazilian diplomats this did not mean that the country was ignoring its commitments to the international order. (Saraiva, 1996, p. 34)

In the 50s, Brazil's policy towards Africa as a whole was of little political and commercial value (0.5% of importation of African products and 1.5% exportation of Brazilian products to Africa). It is important to emphasise, however, that the period 1961-64 was significant in terms of Brazil's attempts to intensify relations with the Africans. In 1961, an administrative reform at the Itamaraty (the Brazilian Foreign Office) created an African Department. At the time, reports on various African issues were produced and a working group was formed at Itamaraty to put forward proposals for the opening of new diplomatic missions. The result of this was the installation of consulates in Angola, Maputo, Kenya and Rhodesia.

With regard to the African continent, the policy remained ambiguous: if, on the one hand, Brazil got closer to Black Africa and condemned apartheid, on the other, it maintained trade relations with South Africa (50% of all Brazilian exports to the continent were intended for South Africa).

The post-Vargas foreign policy was clearly one of alignment with the capitalist block and served the interests dictated by the Cold War. It was strongly anti-communist and marked by a search for markets and by geopolitical interests. Its main characteristic was pragmatism (seeking diversified partners) and principles of peoples' sovereignty, equality between nations, and others. The consequence was an expansion and intensification of the trade exchange: in 1970, Brazil exported US\$ 60 million to Africa and imported US\$ 77 million from that continent; in 1979, it exported US\$

670 million and imported US\$ 463 million (Saraiva, 1996, p. 146).

In the late 70s and throughout the following decade, the international scenario of political and economic crisis led to a certain remoteness between Brazil and Africa. As a final balance of the relations between Brazil and the African continent during the Cold War, Saraiva noted:

The first elements of the Brazilian foreign policy towards Africa were drawn in the context of the new perceptions that State managers, diplomats and the men from the commercial and financial sectors had of issues such as international financing for the Latin American and African development, the competition between African and Brazilian primary products in the international market, the perspective of a partnership between Brazil and South Africa in the Atlantic context, the special relations with Portugal, the formulation of the Portuguese-Brazilian Community and the first consequences of the African de-colonisation process for Brazilian interests in the Atlantic region. (Saraiva, 1996, p. 22)

In terms of today's Brazil, the process that leads to the country's greater penetration into the international game started to become more intense with the domestic policy strategy that resulted in the adoption of the Real Plan, in June 1994 (when the now President Fernando Henrique Cardoso was Treasurer). According to Minister Lampreia, during FHC's first term Brazilian foreign policy made serious efforts to promote a new image of Brazil abroad, "based on new elements of the Brazilian internal scenario: stabilisation, economic opening, reforms, growth, consolidation of our credibility" (Lampreia, *Jornal do Brasil*, 26th February 1999).

Our relations with Africa, as Minister Lampreia pointed out, are in the process of being re-dimensioned. As for Brazil's relations with South Africa, the fact that the two countries are now living in democratic conditions makes the search for a partnership easier. In both countries' agenda of interests I would highlight the following: the possibility of acting in the ambit of the ZPCSA (United Nations Resolution n° 41/11, of October 1986) in four fronts: environment, control of the nuclear threat, trade and

economy (free trade zone) and incentives to interpersonal contacts for the development of tourism, sports, academic exchange, etc. South Africa and Brazil have possibilities for economic partnerships in two fronts, namely: via discussions about South Atlantic security and through regional institutions such as the SADC and Mercosul.

SADC and Mercosul are an expression of integrative forces seeking regional economic power. In both areas there is an imbalance, with one State substantially larger than the others: Brazil in Mercosul and South Africa in the SADC. From a relative perspective, SADC is poorer than Mercosul. Whilst both Brazil and Argentina are classified by the World Bank as medium size economies, in the SADC block only South Africa is regarded as a medium size economy.

Besides internal adjustments in its economic policy, Brazil's main external trump when dealing with globalisation is Mercosul, the Common Market between Brazil, Argentina, Uruguay and Paraguay, that had its creation kick off at the Treaty of Asuncion, signed in March 1991.

As pointed out by Amorim (1994), Mercosul came into being to carry out an old South American integration project. Initial talks between Brazil and Argentina with regard to the subject can be traced back to 1941 and were hindered by the rivalry that was always part of the relationship between the two countries. Another initiative aimed at promoting integration was the creation of ECLAC (Economic Commission for Latin America and the Caribbean). In the 50s, even the possibility of integration between Argentina, Brazil and Chile (ABC) was considered. In the late 60s, Brazil launched the Pan-American Operation, that, among other things, turned to the commercial co-operation between the countries of the region. In 1960, in Montevideo, LAFTA (Latin American Free Trade Association) was created. This was the first integration project to be sufficiently ambitious to hope to create an actual common market, and within ten years. Disputes and controversies between countries classified as "developmentist" (Bolivia, Chile, Colombia, Ecuador and Peru) and those called "commercialist" (Argentina, Brazil and Mexico) put off and fragmented the largest integration project.

From the late 60s to 1980 the following regional organisations were created:

1. The Andean Group (Bolivia, Chile, Colombia, Ecuador and Peru), created by the Cartagena Agreement in 1969;
2. CARICOM (1973) - (Caribbean Common Market);
3. Central American Common Market;
4. LAFTA and LAIA (Latin American Free Trade Association and Latin American Integration Association) that brought together Argentina, Paraguay, Brazil, Chile, Mexico, Colombia, Peru, Venezuela and Ecuador, in 1980.

Besides the historical dispute between South American countries, other difficulties, such as the oil crisis and the nationalist dictatorships precluded all regional integration policies that aimed at the creation of free trade zones or common markets.

Of the regional institutions created in the period 1960-1980, LAIA, though far from reaching its objective of creating a common market, was able to deepen the regional integration process that eventually gave birth to Mercosul. The most significant steps for Mercosul's creation were: the signature of the Iguazu Declaration in 1985, bringing together Brazil and Argentina (Sarney and Alfonsín administrations); the signature, in 1986, of the Minutes for the Integration Brazil and Argentina that created the Economic Co-operation and Integration Programme, (Programa de Integração e Cooperação Econômica - PICE); the signature, in 1988, of the Treaty of Integration, Co-operation and Development, between Brazil and Argentina, the objective of which was to define a common space ten years later; the signature, in 1990, of the Buenos Aires Minutes, foreseeing the creation of a common market within four and a half years (for December 1994); the signature, in 1991, of the Treaty of Asuncion that instituted Mercosul's basis, by bilateral agreement (Brazil and Argentina). Only later, were Uruguay and Paraguay inserted into Mercosul.

Mercosul's main objectives are practical regional integration and international competitiveness. Its four member countries have, together, a population of approximately 200 million people, of whom the majority is Brazilian. Brazil emerges as a country of weight in the regional agency. In 1992, the gross amount of Brazilian exports to the region corresponded to three times that of Argentina and thirty times that of Uruguay. Of the four Mercosul members, all have problems with inflation control that were

temporarily avoided with stabilisation plans (Brazil and Paraguay) or convertibility plans (Argentina, that succeeded in lowering its inflation rate from 4,000% to 10% a year). For the analysts, inflation control is crucial for the success of integration via a common market. Through Mercosul, it is possible to establish negotiations with other regional agencies located within or outside the American continent. An example of this type of initiative was the signature, in 1992, of a Treaty for Inter-Institutional Co-operation between Mercosul and the European Union, that had in view the transfer of the EU's knowledge to be used in the constitution of the common market. Thus, if we succeed in avoiding the problems resulting from the frail monetary stability in Argentina and Brazil, as well as the disputes arising from the commercial exchanges, we may consider that the South Cone now has a regional organism at its disposal with which to confront the challenges of globalisation.

Brazilian diplomacy and government have a quite favourable view of Mercosul, which they see as a qualitative advancement in Brazil's relations with the River Plate countries: "Mercosul is a priority area for the Brazilian foreign policy. More than this, it has already consolidated itself as an instrument of economic policy for each of its member States..." (Lampreia, *Jornal do Brasil*, 26th February 1999).

From the above considerations, it is possible to perceive that both Brazil - committed to the building of Mercosul - and South Africa - investing in the SADC - are countries that are making more systematic efforts to find a regional co-operation strategy that will keep them inserted in the globalisation process. Thus, both countries are committed to foreign policies appropriate to this search for commercial and financial co-operation.

As a common legacy to both countries, still in the Cold War scenario, we have the commitment to develop projects in the South Atlantic, focusing on issues consistent with current times, with the anti-drugs crusade, with human rights, with defence of the environment, disarmament, among others. It is worth remembering that South Africa - as well as Brazil - signed the Non-Proliferation of Nuclear Arms Treaty in Cairo, in 1995. Zone for Peace and Co-operation in the South Atlantic - 1988-1990 - emphasises the maintenance of peace, security and regional co-operation. It is part of the new co-operation strategy that involves international, regional

and national organisms. We must remember, however, that with regard to the zone's future, caution is still necessary:

When the moment comes to try and assess the future of the Zone for Peace and Co-operation in the South Atlantic (ZPCSA), it will be prudent to remember that all efforts towards any type of co-operation between Third World countries have always found the same obstacles. The South exhibits as many homogeneities as heterogeneities. The main homogeneity arises from the common legacy of colonialism and asymmetrical relationships with developed industrialised economies. And that is when the homogeneities end and the heterogeneities begin. (Venter, 1996, p. 47)

The future of South Africa's foreign policy, from an economic, commercial or financial point of view, promises greater integration with the member countries of the South American, European, North American and Asian markets. In the eyes of South Africa's neighbours the ambiguities of Mandela's foreign policy still persist. South Africa's wealth is a determining factor of the always propositional behaviour of the Western economic elites; this makes the negotiation process an essential element of the international relations game. With the decreasing power of the national States, in the globalised world, the relevant actors are now the large corporations and the international organisms that mediate the agreements and treaties that have been made.

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Appendix

Strategies developed by South Africa's foreign policies

South Africa

C^{∞}

D^{∞}

Countries C

Limitrophe D

C, C^{∞}	C, D^{∞} Isolation
D, C^{∞}	D, D^{∞} Wars, Invasions

South Africa

C^{∞}

D^{∞}

Western Powers
and
International Organizations

C, C^{∞}	C, D^{∞} Isolation
D, C^{∞}	D, D^{∞} Isolation

NB: - C = unilateral co-operation

D = unilateral desertion

C^{∞} = universal co-operation

D^{∞} = universal desertion

The Foreign Economic Policy of South Africa*

Paul Singer**

Historical Background

Occupation and initial settlement

South Africa developed out of settlement colonies in the same way as the countries of the Americas and Oceania. In contrast to the great majority of African and Asian countries, which were also colonies, South Africa was not only conquered but settled by Europeans. It was discovered by Portuguese navigators who, at the end of the 15th century, managed to round the dreaded Cape of Storms, soon after re-baptised the Cape of Good Hope. The Portuguese were the first to open the sea route to India, but they settled in Mozambique, on the east coast near the Cape.

In the 17th century, the Dutch conquered from the Portuguese the mastery over trade between Europe and the Far East. In 1652, the Dutch East India Company established the Cape colony during this process, as

... as a crucial station on the route between the Republic and the East Indies. The colony's function was primarily strategic and logistical, supplying outward bound, and returning, VOC fleets with water and provisions. Since there was no local supply of black labour suitable for the Company's purposes, white farmers were encouraged to settle and the Cape became the only Dutch colony apart from New Netherland where white colonists laboured with

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their own hands. Tiny at first, the colony slowly expanded. Especially during the governorship of Simon van der Stel (1679-99) farms, orchards and vineyards spread beyond the Cape peninsula itself and a small and but steady, stream of immigration was achieved. (Israel, 1995, p. 938)

Dutch trade with the Indies was expanding and so was the demand for the Company's ships. Between 1652 and 1700, 33 Dutch ships on the average docked annually at Cape Town, a number that more than doubled to 69 between 1715 and 1740. In the 1690s, Dutch agriculture in South Africa had grown so much that it regularly exported wheat to Batavia (Indonesia) to be consumed by the colonists and garrisons there. Gradually the use of black slaves grew. In 1672 there were only 53 slaves in the colony; in 1711, 1,756 whites had 1,781 black slaves. Following the revocation of the Edict of Nantes in 1680, several hundred Huguenots settled in the Cape. (Israel, 1995, p. 938).

Relations between the Dutch and the natives were invariably openly hostile, aggravated by the tenacious resistance of the natives to subjugation by the whites. The latter combined armed struggle and genocide with the destruction of the tribal culture "from the inside", using seductive and co-optative tactics. As Jaffe (1971, p.142) reports:

By means of the exchange for copper, tobacco and brandy and a series of terrestrial wars, the Dutch systematically deprived the Khoi-Khoi of their cattle, one of the cornerstones of the tribal economy, and of their land. At the same time Van Riebeeck [first governor of the Cape] and other later commanders destroyed the links between the tribes and some of their chiefs, corrupting them, or replacing them after they were defeated. The kinship system was also invaded by the use of family members of the chief as interpreters and other agents for the Dutch. A well known case in South African history was that of Eva, niece of Chief Autsumao, who in 1664 married the Dutch Pieter van Oedosoa. The Dutch used his kinship to his brother-in-law in the vain attempt to subjugate the Khoi-Khoi tribe of Cochoqua, in 1658.

One of the roots of apartheid is found in these incessant wars between the white conqueror and the black tribes who lived in the territory.

Slaves and tribespeople frequently made came together against the colonialists. ... This unity between the slaves and the tribes continued during several wars that were fought against the Khoi-Khoi chiefs ... In this way separation by colour began in South Africa. To imports of slaves was added the enslavement of captured members of the Khoi-Khoi tribe. With both these groups the class and colour base of the "white" South Africa was formed. Racial discrimination started in work itself; in schools since 1685; in sexual relations (death penalty for slaves or "pagans" who joined themselves with "Christians"); in marriage; in hospitals since 1755 ... There were many slave rebellions against these laws, in 1660,1686,1707,1713,1719 (as a response to the rebellion aboard an English slave ship anchored in Table Bay), in 1765,1808 and 1825. (Jaffe, 1971, p.143-44)

Precocious irredentism and the first conflicts with Great Britain

Another significant aspect of South Africa's colonial past is the very early rupture of the ties between the Boers¹ and the mother country. At the end of the 18th century, they began to consider themselves no longer Dutch but Afrikaners, pioneers of a new white civilisation in Africa. Israel (1995) believes this Irredentism to be precocious to the ideas of the Enlightenment.

Nevertheless, it was real and exerted a profound influence, especially on the upper strata of colonial society but, through these, more broadly changing burgher attitudes and awareness. A Freemasons' lodge was established in Cape Town in 1772 ... Yet everywhere the influence of Enlightened ideas and toleration in religion slowly gained ground through books, periodicals, clubs and by word of

¹ The word *boer* literally means "peasant" and originally refers to the Dutch farmers and their descendants in South Africa. Currently **Boer** is used generically to refer to all Dutch descendants, who are distinguished for speaking the **Afrikaans** language.

mouth, during the middle decades of the century. ... The first stirrings of political opposition to the colonial regime of the VOC and the WIC began in South Africa in direct response to American Revolution as well as local stresses, with the distribution in Cape Town, in 1778, of copies of a pamphlet written by Elie Luzac many years before, justifying popular action against corrupt and deficient government in the context of the Amsterdam Orangist Rising of 1747-8. (p. 1,059-61)

The dissatisfaction among the white colonists in South Africa was caused by the manner in which the East India Company governed the colony. The company had a monopoly on the imports of merchandise, and fixed their prices at high levels, while they lowered the prices of the local products purchased to supply the Company's ships. Added to the economic damage was the resentment felt from the fact that none of those living there were represented on the Political Council, which performed the government tasks. In this atmosphere, the ideas of the American Revolution were warmly welcomed and adapted and reproduced with fervour.

In 1783, a sensational pamphlet, ... was published in Holland under the title *l'Afrique Holandaise*, the Dutch version following immediately, warning the Dutch regents and public that "*les Anglo-Américains peuvent être imités par les colons des deux Indes; leur exemple peut devenir contagieux*", and that this was especially likely in South Africa. In 1784, the Patriot leadership in Cape Town submitted petitions directly to "our high and lawful sovereign", the States General. (Israel, 1995, p. 1,061)

With the French Revolution, the Dutch ended up losing part of their colonies, including the Cape colony, to Great Britain. South Africa was captured by British troops in September 1795 but was returned to Holland by the Treaty of Amiens in 1802, only to be re-annexed by the English in 1806. As of 1814, the Cape colony became definitively one of Great Britain. These changes provided the occasion for several colonial communities to attempt to declare their independence.

The farmers of Graaf Reinet declared their independence twice: first from the Netherlands in 1795 and later against the British in 1801, when Great Britain took control of the Cape in the name of Holland [then occupied by Napoleon]. The necessary use of force by a government in charge to repress this attempt for independence provoked resentment that exploded into an open challenge with the second British occupation of the Cape, in Slachter's Nek Rebellion of 1815. The hanging of rebel leaders which ended this rebellion became a symbol of British oppression for the Boers. The trust or affection for the British was never again restored. (Pollock, Little Agnew, 1963, p.203-4)

Relations between the British colonial power and the Dutch and their descendants deteriorated even further when Great Britain abolished slavery in its domains in 1833. The Afrikaners accused the English of protecting the blacks and in the next year they began the *Groot Trek* (grand march) leaving the Cape for the north where they tried to expel the native tribes.

After incessant wars, the *Trekboers* settled in vast territories, north of the Cape, where numerous republics surged, precariously unified in the Republic of the Transvaal and in the Orange Free State. From 1852-54 both were recognised by the British as independent republics. But these States never became minimally stable. The Boers established in large territories, forming large farms for cattle raising and were basically self-sufficient, for they only communicated with the rest of the country by animal drive. There was almost no urban life and the market economy was barely developed until mining began (as we will see later). There were therefore no minimum elements for forming viable state entities.

The *trekkers* [the participants of the *Groot Trek*], having learned to overthrow the authority of Great Britain declaring themselves republicans, were now doing the same among themselves declaring themselves separate units. In 1856, there were no less than five Boer republics in the plateau, three British colonies along the marginal lands beneath the slope, two States established by the Gricqua Treaty on the banks of the Orange River and four main tribal

areas centred next to the borders of white occupation. In all there were on that date 14 distinct territories. (Pollock, Litt e Agnew, 1963, p. 206)

Mineral discoveries transform the economy and politics

Up to the mid 19th century, the base of the South African economy was cattle breeding, practised by the white Boers as well as by the black Bantus. All of this, however, changed radically with the discovery of the great diamond and gold deposits. As if they foresaw this feared change, “the Boer attitude was hostile in relation to mineral prospection and the law prohibited the search for mineral deposits” (Pollock, Litt e Agnew, 1963, p. 170). But in the 1850s this attitude changed and President Burghers of the Transvaal began to offer rewards to whoever found gold.

The first important discovery was of diamonds in 1867. The deposits were found at the junction of the borders of the Cape, Orange and the Transvaal. Great Britain made its force prevail and incorporated the area to the Cape. The discoveries multiplied and immediately attracted a large number of prospectors. In 1872 the number of white and black prospectors was estimated at 50,000. In a short time, Kimberley became the second largest city in South Africa: imports during the 1870s tripled, while exports from the ports of Natal and the Cape grew from 3 to 9 million pounds from 1870 to 1882. In 1870 the revenue of the Cape was a little over one half million pounds; in 1881 it was 2.5 million (Pollock, Litt and Agnew, 1863, p. 171-2).

The country had almost no railroads. From Kimberley to the closest ports – Elizabeth and East London – the trip by oxcart took from three to four weeks. The need to discharge diamond production abroad motivated railroad construction.

In 1875 there were 154 miles of tracks in the Cape, in 1878 almost 600 and in 1880 more than 900 miles. A drop in diamond [quoted prices] and the Transvaal War of 1881 reduced the additional mileage but in 1885 there were 1,654 miles and the railway connections to Kimberly were completed. (Pollock, Litt e Agnew, 1963, p. 188)

Mining attracted a large number of immigrants to South Africa. The white population, which was nearly 250,000 in 1870, grew to 600,000 in 1891. Many Africans were also attracted to the mines. At the beginning

of the 1870s, ten thousand blacks worked in the Kimberley mines. Initially the mining was practised on a small scale - at one time there were 1,600 concessionaires, each working separately – using artisanal techniques.

Great problems of loose stones and floods had to be solved. ... In 1878 one fourth of the concessions were covered by debris. ... The problems of increasing costs and of mercantilism were even more severe and the mergers of concessions occurred at once. ... In five years the output increased by 40% and production costs were reduced by around 40%. The consolidation process was forced by Rhodes ... so that in 1890 De Beers Consolidated controlled 90% of diamond production in the Kimberley area. Diamonds are much more subject to market fluctuations and whims than gold; therefore, the mergers were essential for the ordained development of the industry. (Pollock, Litt e Agnew, 1963, p. 175)

The fusion and technical progress reduced jobs in the mines. In 1892 the average number of whites was less than 1,700 and of Africans about 7,400. Another 4,000 were prospecting rivers, but they produced only 2% of the mine production. Fortunately, in 1886 two great gold discoveries were made in Rand so that the workers left over from the diamond exploration were soon thereafter absorbed by gold prospecting.

The Rand gold deposits are the most extensive and yet the poorest ones of the world, with a low gold density ... The greatest problem has been profitability and the continuous exploration of Rand gold deposits has only been possible due to a number of favourable factors. Undoubtedly experience gains in mining techniques, both in mining as well as in management, and the great amount of capital accumulated in Kimberley were of great advantage in the initial stages. A complex financial organisation and a group exploitation system were organised and the exploitation of the gold mines accelerated. The availability of great amounts of cheap African labour was also of great significance. It is questionable if the gold mines would have developed on such a scale if only the more expensive white labour was available. (Pollock, Litt e Agnew, 1963, p. 178-80)

The Rand deposits were found in the Republic of the Transvaal, which at the time of the discovery was financially bankrupt. Overnight its situation changed. The public revenue rose from less than 250,000 pounds in 1885/6 to 1.5 million pounds in 1889/90. From 1883 to 1895 the revenue increased twenty-five times. But the Boers had to pay a high price for this bonanza. The capital that developed the mining and eventually dominated it was mostly British, comprised of the same groups that had consolidated the diamond exploration. In 1893 of the remaining 183 mining companies, 104 were not producing. The concentration process reduced the companies to six, which controlled 53 mines and were associated in the powerful Chamber of Mines.

And for the most part the workers employed in the gold mines also did not come from the country. The white population of the Transvaal totalled only 30,000 in 1872 and rose to 119,000 in 1891. Of this total approximately one half were Boers, one-quarter from the Cape, one-tenth from Orange, 9,000 were British and 5,000 were non-British foreigners. But most of those who produced gold were black. "Almost 100,000 Africans were working in the gold mines before the Boer War."

The economic base of mining was the almost unpaid work of the blacks, brought directly from the tribal reserves. "Maybe the most obvious effects of gold mining can be seen in the tremendous increase in African migrant labour, in the fast dissolution of the tribal system and in the emergence of a poor white class." The Africans earned about one-tenth the salary of a qualified white worker. The unskilled white workers could not subsist on so little and for this reason were unable to compete with the blacks for jobs in the mines. (Pollock, Litt and Agnew, 1963, p. 184/186). Only once other industries developed, which were legally restricted from employing blacks, did the whites find possibilities for work.

The Boer agrarian society experienced the sudden installation of an enormous mining enclave, economically and demographically much larger than it was. Mining provoked the surge of an important urban conglomeration in Johannesburg, quite close to Rand. With it appeared an important domestic market for foodstuffs and manufactured goods, which could not be totally imported. New economic fields developed because of mining, which had nothing to do with the extensive cattle raising.

The Wars Between Great Britain and the Boers

In 1864 Potchesfstroom, the most advanced of the three republics of the Transvaal, taken to the brink of war by Lydenburg, gave a sudden demonstration of force and united under the name of South African Republic the three opposing units of Potchesfstroom, Lydenburg and Zoutspanberg. ... Once the main Transvaal republics and the Free State [Orange] were completely separated in 1864 and the definition of its borders were more precise, the increasing process seen in the creation of small new republics became of political importance in the areas in which the British authority was weak or could be defied. (Pollock, Litter Agnew, 1963, p. 206-7)

Consequently, Great Britain tried to unite all these self-governing republics and colonies, such as the Cape and Natal, into some sort of confederation, at least to organise the white expansion over the tribal territories and minimise the risks of war between them. These risks were far from negligible, as the annexation episode of the Transvaal by Natal shows. In 1877 the Transvaal was on the verge of bankruptcy. As the hinterland of Natal, it connected to the sea through Natal territory. The Transvaal government, always eager to be free from its dependence on the British, coddled the dream of obtaining an exit to the sea via Mozambique. To keep something of this nature from happening, Natal ended up annexing the Transvaal. (Pollock, Litter and Agnew, 1963, p. 218).

Another interpretation of this episode is made by Jarman, 1963, p. 53-4:

The relationship between the Boer colonists in the Transvaal and the native tribes was very bad. Great Britain feared that the Boers, who were bankrupt, would be crushed by the Zulu, a powerful and bold warrior people, and that peace in all South Africa could be threatened. To face the danger, Great Britain annexed the Transvaal, promising self-government to the Boers. When war with the Zulu came, in 1879, they inflicted a serious defeat on the British in Isandhlwana (January, 1879) – the British camp was

destroyed and almost all of its defendants were killed – before they were forced to subdue. ... [In 1880] the Boers rebelled because self-government seemed to be taking too long to occur and they defeated the British forces in Majuba Hill (Natal). Nevertheless, Gladstone [British Prime Minister], continued his peace policy; despite the loss of prestige, British forces were withdrawn and self-government was guaranteed.

In August, 1881, the Peace of Pretoria was signed, by which Great Britain recognised the independence of the Boer republics. But, five years later, the discovery of gold once again changed the situation. As we saw, the great flow of migrants from other parts of South Africa and from abroad, as well as the from the tribal territories, along with the formation of great British capital enterprises which dominated diamond extraction, inserted a number of interests into the Transvaal which were strange to the Boers. The Boers, however, dominated the government of the Republic and were resolute on taking the maximum economic advantage of the situation that had been created. To do this, they levied a hefty tax on the income of the mining companies.

At the end of the 1890s, there were no more than 30% Boers, even among the Europeans in the Transvaal. In order to avoid losing political hegemony, in 1894 President Kruger promulgated a law restricting the right of the *uitlanders* (foreigners) to vote to those over 40 years of age who had resided in the country for more than 14 years. The political and economic dissatisfaction with the newly arrived capital and the immigrants grew and led to pleas to Great Britain to intervene. The negotiations between Kruger and Great Britain, poisoned throughout the long years of conflict, broken agreements and deceit, ended up failing, leading to the outbreak of hostilities in 1899.

The Boer War was long and bloody and it was replete with political consequences as much for England as for South Africa. In the beginning the Boers took the offensive, invading the Cape and Natal, laying siege to the cities of Mafeking, Kimberley and Ladysmith. The British troops sent to help them were defeated three times. But during 1900, large reinforcements came over from England and volunteer troops were sent

from Canada, Australia and New Zealand. With these developments, the luck of the war changed. The British managed to raise the blockades to their cities and occupy the Boer capitals, Pretoria and Bloemfontain.

The Boers continued the struggle as guerrillas, logistically supported on the farms spread throughout the territory. The commander of the British troops, Kitchener, decided to eliminate the guerrilla bases, burning the farmhouses and placing the Boers and their families in special camps, which later would become known as “concentration camps”.

This was to prove a tragic business, as the management of the camps was badly misshandled. Disease broke out, and mortality among Boer women and children was heavy. Denouncing the camps, the Liberal leader Campbell-Bannerman spoke of “methods of barbarism”. At last the Boers sued for peace. In May 1902, peace was made at Vereeniging. (Jarman, 1963, p.62-63)

The issue of work, the Union and racism

The Boer War marked the culmination of a quarter century of almost interrupted conflicts between the colonial power and the descendants of the first European settlers. The cause of these conflicts consisted in what Jarman (1963, p.62) calls

... a basic antagonism between two ways of life. The Boers had the old-fashioned agricultural society, and they saw it threatened by the alien way of life of the Uitlanders (or outsiders), the British and other foreign settlers who had moved in when the gold was discovered on the Rand in 1886.

What the author does not bother to explain is the way of life that apparently threatened the Boers. It was obviously an urban type of life created by industrial capitalism, which the mineral discoveries were attracting to the heart of South Africa.

British imperialism was at its peak at the time, having been victorious in the hard stalemate with the imperialism of other European powers, provoked by the partition of Africa. The perspective of the British ruling class was basically to “civilise” the tropics to make them adequate

for the demands of progress, represented at the time by industrialisation, urbanisation, liberalism and – in a certain way – social integration. The great capital was not at all loathe to employing workers of any race and the integration of the blacks into the labour market, in the case of Africa, would be looked upon in a favourable light, as long as it made the accumulation of capital and the development of a modern economy viable.

This was what threatened the way of life of the Boers, who above all were not racists. What would later become apartheid - the rigid separation of colours - was a tendency of the frontier farmers, who feared the social integration of ethnic groups which largely outnumbered them and which because of this were potential candidates for political hegemony. The Boer War was ostensibly checked by the independence or annexation of the Republic of the Transvaal and of the Free State of Orange. But beneath this conflict was the presence and the destiny of the blacks, absent from the struggle but aware of all there was at stake.

It should be pointed out that in this process of incessant struggles with the English colonial powers on one hand and the Bantus on the other, the Boers ended up “creating” an ethnic identity for themselves which was crystallised in their language.

During the 19th century, Dutch was the language of the church and of the majority of educated Afrikaners. But the majority of the Afrikaner rural population spoke Taal. Based on a dialect from the 17th century from the south of Holland, Afrikaans acquired its modern form in the mid-18th century, a little more than one hundred years after the foundation of the white settlement in the Cape. But it was not until 1875 that Die Genootskap vir Regte Afrikaner was founded to translate the bible to Afrikaans and to promote the use of the language.

After the Boer War, the Second Language Campaign surged, in response to the policy of Anglicisation of the British governor, which led to the gradual adoption of Afrikaans by the Boers. In 1909 the Afrikaanse Akademie was founded and in the 1920s Afrikaans was accepted as an official language, and is widely spoken throughout the country today. (Pollock, Litt, and Agnew, 1963, p. 201).

The work issue in South Africa was placed on the order of the day of the British election campaign of 1906 by the mining companies.

The time of the people was on its way. This was revealed in the cry of pigtail that echoed in election circles, in the general elections of 1906, in which virulence corresponded to uselessness. The most exploited theory [by the liberal opposition] was that of “Chinese slavery” ... The slaves in question were hired Chinese workers, imported with the authorisation of the Union government for the gold mines of South Africa. The signs were filled with pictures of Chinese men with shackles, of Chinese men being beaten, of Chinese men being whipped. Signs carried by men dressed as Chinese slaves went up and down the streets. Caricatures showed the ghosts of dead English soldiers killed in the Boer War, pointing to the surrounded neighbourhoods where the Chinese lived, asking: “Did we die for this?” (Tuchman, 1962, p. 249)

Importing workers from China revealed not only the preference of the great capital for cheap and docile labour but its refusal to accept racial discrimination. Limiting itself to hiring whites would mean giving in to the growing demands of the workers who, for ethnic reasons, had more rights as citizens, and therefore more political resources to apply pressure and make prevail what they considered their rights to be. Leaving aside ideological principles, which also weighed on the issue, was the elementary economic interest of survival, which dictated the racial labour policy, practised by the mining capital.

... the owners of the Rand mines requested authorisation to import Chinese labour **when the work of the Africans – that had found jobs, after the war, enough to satisfy their small appetites – could not be obtained easily for the mines** [emphasis by this author]. The work contracts had dreadful implications that the government tried to avoid, but the mine owners insisted; some could not continue to mine; investments shrunk, the dividends from the Rand threatened to disappear. As plainly stated by *The Economist*, it was a

problem of pounds, shillings and pennies. "If the English and people from other parts, that benefit from the profits of the Transvaal mines, in the amount of 200 million pounds, wish to obtain their money and their profits, they will have to deal with this labour problem in a reasonable way. (Tuchman, 1962, p. 482-3)

The British government treated the defeated Boers generously: the farmers received government money to recover their properties. They also received the promise that South Africa would soon gain political autonomy. The British elections of 1906 were won by the liberals with a large majority (in part, possibly, out of the indignation provoked by the Chinese coolies issue) and the new government was headed by Campbell-Bannerman who had been opposed to the war and to the mining companies, which in a certain way had provoked it.

The first task was the settlement of South Africa. The recruitment of Chinese workers finally ended.² Afterwards, the Premier started to introduce self-government in the conquered Boer States – he could do this through letters patent and was in no need of a law which the House of Lords would have rejected, for the conservatives opposed it bitterly. Elections in the Transvaal resulted in General Botha for Prime Minister and General Smuts as Deputy Prime Minister. Both of them worked for reconciliation and became great friends with England. The task of re-building South Africa continued, even though Campbell-Bannerman himself did not live to see it finished. A convention met in Durban in October 1908, and delegates of the four South African Parliaments elaborated a constitution for South Africa. In the following autumn, the necessary law was approved by British Parliament – for at this point the conservatives had been convinced by the obvious success of the conciliatory measures – and it came into effect in 1910. (Jarman, 1963, p. 105-6)

² A total of 50,000 coolies were brought over. With the change of government in England, all were repatriated immediately and there is no indication that mining collapsed. The Chinese were replaced by the blacks, largely imported from Mozambique and other neighboring countries.

The constitution created the Union of South Africa formed by the provinces of the Cape, Natal, the Transvaal and Orange. Each province was administered by a governor and an assembly was elected having autonomy to resolve social and educational problems. In the Union the legislative power was formed by deputies, **elected only by Europeans** and appointed senators. The executive power was headed by a governor appointed by London and directed by a cabinet, whose prime minister was the leader of the majority in Parliament.

As we see, in essence, the Boers prevailed. The regime was liberal, the government was representative but the essential political rights, to vote and to be voted for, were restricted to the whites. The blacks and other non-European races, no matter what their culture, their social status, were reduced to the status of “uncivilised”, and therefore politically inept. The Hindus and their descendants, for example, were in this situation, who as of 1860 were brought to Natal to work as temporary servants or for a term judged sufficient to repay the cost of their recruitment and transportation. The apartheid project thus gained an indispensable political base: the political monopoly of the ethnic group favoured by racial discrimination.

It is not an exaggeration to say that the development of the whole economy of the country was supported by unskilled and underpaid black labour. And the new Union rapidly drafted the necessary legislation so that this would be assured. Just one year after it was installed, the *Native Labour Regulation Act* was promulgated, which “codified a rigorous colour barrier in wage employment. Subsequent laws merely lowered the limit of and reinforced this barrier” (Davidson, 1978, p. 116). The barrier excluded the non-Europeans from the jobs above a certain level of skill. The lower the barrier, the greater the number of jobs reserved exclusively for whites.

The results did not take long to appear. In 1912, of the 325,000 workers employed in mining, only 36,000 were white. From that point on, the salaries of the black miners began to fall continuously for decades. At the same time, white agriculture began to diversify and industrial fields auxiliary to mining such as the chemical industry, for example, began to expand in Johannesburg and other cities. The demand for a labour force also grew and was partially met by importing Hindus.

The African work force was basically mobilised by the poll tax, a per capita tax of 10 shillings to be paid by each “capable adult”

so that, as explained by the Prime Minister (of the Cape) Cecil Rhodes, rural producers can be taken away from their lazy and idle lives making them give some profit “for our knowledgeable and gracious government”. The idea caught on fast. To pay taxes in money, the Africans had to earn money: almost always in that period it meant leaving their villages to work for some European. If they did not pay, they naturally had to be punished and therefore would work as prisoners. (Davidson, 1978, p. 110)

This tax was levied for the first time by the Cape government in 1894. Soon after it was adopted under the form of a hut tax by Bechuanaland (1899), Kenya (1901) and East Africa.

The main mining centres, in this way, found their work force without direct coercion and at the lowest price that they decided to pay as wages. The gold and diamond mines of the South African Transvaal were pioneers in this respect. They recruited single men in one year contracts (but details varied during time) not only in South Africa but in all the neighbouring areas: eventually they were attracting workers from all territories in South Africa.

... Stimulated at first by several forms of pressure, long term migrant work slowly acquired its own impulse. The men left their homes to pay taxes. As things developed, they also left – mainly young people – to obtain money to buy things that wages in cities or mines could offer: bicycles, sewing machines, clothes, eventually a radio. There were occasions that “to go to Goli”, to the mines of Witwatersrand became, with all its probation and physical hardships, a type of substitute for initiation rituals by which the young were recognised as adults in village life. Many new ambitions were added to the flow; and a desire for means in which to acquire the power that can derive from having a western education was not always the least of them. (Davidson, 1978, p. 110-2)

But the liberation of the work force of the communities by the poll tax was not sufficient to meet the growing needs of industrial and mineral expansion. In 1913, the Land Act was approved,

which abolished all African land ownership in more than 90% of South Africa. This would become one of the main instruments of segregation and apartheid (separate development). But its immediate motivation was to increase job offers. This was obtained through the prohibition of the existing system of “share cropping” or “Kaffir cultivation”, in which the Africans could use the land in white areas in a system of *métayage* with white land owners, or as partners. It was also a means to reduce rural workers’ wages. Both purposes were achieved. They were maintained, even though the number of Africans was four times that of the white. (Davidson, 1978, p. 116-7)

As Davidson observes (1978, p.117), the territorial segregation of the races served social segregation. Physically restricted to the areas allocated to them as reserves, the blacks could no longer enter into the rest of the territory that had become “white” except in search of work. The institution of the pass-law guaranteed this. The reserves were small for the population they were supposed to hold and their lands were also infertile. In a short time, they were overpopulated, forcing part of those who lived there to look for subsistence elsewhere. And the flip side of the coin of the Land Act was that it offered more territories to the white settlers, whose hunger for land was insatiable, since they used it extensively for cattle raising.

Industrialization promoted by the Mineral Energy Complex

The industrialisation of South Africa initially occurred in function of the export sector, represented by the mining of stones and precious metals. The industrial branches that developed first were upstream or downstream from the mining. Upstream were the branches supplying inputs, such as transport and energy and the chemical and metallurgical industries. Downstream were the mineral transformation industries, mainly metallurgical but also chemical.

As we saw above, diamond exploration brought about a boom in railroad construction to connect Kimberley to the seaports. Once gold was discovered in Rand, the various colonies with ports began to dispute the railway connection with Johannesburg. Before the war, the President of the Transvaal, Kruger, gave preference to the connection with Delagoa Bay in Mozambique. The Cape asked for permission to extend the railroad that had already reached Kimberley to Rand, having obtained the consent of the Orange Free State for the tracks to cross through its territory.

In 1890 the Lourenço Marques (Mozambique) line had only reached the border of the Transvaal, detained by malaria and political problems. Kruger gave the concession for the line in the Transvaal to a Dutch and German syndicate which created the NSA (Netherlands South Railway Company). This company fell into financial difficulties and the Cape took advantage of the occasion to loan it roughly one million pounds as long as the railway joined the Kimberley line. So the Cape won the race when the Cape Town-Orange line reached Johannesburg in September 1892. The NSA proceeded with construction to the north and reached Rand in 1895.

Up to 1896 the Cape railways handled most of the Rand traffic, but in 1894 the Delagoa Bay line was completed followed by the Durban Line in 1895, since these two ports were much closer to Rand than to the Cape. At the beginning of the 1900s, only one-eighth of that traffic travelled on the Cape tracks, which entered into a depression temporarily alleviated by the income made from the war (Pollock, Litt and Agnew, 1963, p. 188-90)

Closely linked to the railroad boom was the discovery of important coal deposits. The coal reserves of the Union were estimated at 75 billion tons, 80% of them located in the Transvaal. The exploration of these deposits made railroad transport economically viable, opening up a wide market for the production of coal (Pollock, Litt, Agnew, 1963, p.180 and 188) South African coal production was 26 million tons in 1948, 35.4 million in 1955, 42.1 million in 1960 and 46.8 million in 1963. Eighty per cent of the coal is used in thermoelectric plants in railways and in the industries of Witwatersrand and the Durban region, and the rest is exported (Battistini, 1967, p.54).

As South Africa has no oil deposits or sources of hydroelectric energy, electrical energy is produced by thermal plants moved by coal.

Electrical energy is one of the major inputs needed for mining, so that coal accounts for two of the most important means of production of mineral extraction (as much for gold as for diamonds): railroad transport and electrical energy.

The electrical industry was created with mining capital in the past century. In 1922 the Electricity Act had already led to the creation of the ESCOM Electricity Supply Commission, which nevertheless remained in a subordinate position, selling the energy it produced to VFTPC (Victoria Falls and Transvaal Power Co.). But in 1948 ESCOM purchased VFTPC with financial help from the AAC Anglo American Corporation, the largest mining company in gold as well as diamonds. At the time, 59% of the energy was consumed by gold extraction. Uncertain about their future, the private generating companies were not investing to expand their capacity, which led to periodical lack of energy crises (Fine and Rustomjee, 1996, p. 137 and 157).

Coal production was dominated by the large mining companies of English capital, which formed a cartel in the TCOA (Transvaal Coal Owners Association). The government controlled the price of coal, keeping it at mouth of the mine at a much lower level than that of other countries, and at the same time restricting the export of coal, subjecting it to licensing grants. Shortly after World War II, only 7.5% of the coal were exported, but it contributed with 46% of the profit of the coal companies. "Coal rationing was introduced in 1952, with TCOA giving priority to the state railways, to energy plants of the central State, municipalities and mines and to the gold mines. With such priorities, the black consumers suffered more with the lack of fuel" (Fine and Rustomjee, 1996, p. 157-8).

As far as the chemical industry was concerned, in 1895 the Nobel explosives monopoly built the largest dynamite factory in the world in South Africa (in Modderfontein), which at the time was the greatest industrial plant in the country. It was built to supply the demand for dynamite by the mining companies, but these companies, aiming to cut costs in 1898 decided to challenge the Nobel monopoly and construct their own dynamite factory in the Cape. In 1903 Kynoch built a plant in Natal. The competition among the three led to diversification, initially downstream. In 1911 the production of a crucial component, glycerine, began, using whale oil. In that year the

chemical industry was the largest branch in the transformation industry, with a capital of 2 million pounds and 3,000 employees.

A detonator factory was built between 1917 and 1920 and the dye manufacture began in 1918. Fusions between the explosives firms in Europe in 1924 inspired fusions among the South Africans in the following year, providing for the introduction of the ammonia synthesis of coal in 1930, which dispensed with the need to import nitrates from Chile. The fusion also made it possible to begin producing fertilisers, although the super-phosphates plant had been forced to close in 1921 because the State refused to protect it from Dutch dumping, for fear of antagonising the farmers. The explosives industry, resulting from the fusion, was the joint property of De Beers and the British ICI (Imperial Chemical Industries), both considered imperial capital.

Other sectors of the chemical industry also developed in order to supply the mining demands. Rand Carbide began to produce carbide in 1926 and Union Corporation, one of the great mining companies headquartered in London, began to produce pulp and paper in 1936. The production of liquid fuels began very early. As early as 1895 the first torbernite plant was built by the Natal Mineral Oil Company, followed by the Oil Shale Development Company in 1913. In 1934, the first oil refinery in South Africa appeared, built by the SATMAR (South African Torbernite Mining and Refining Company), a subsidiary of Anglovaal, one of the six great mining companies (Fine and Rustonjee, 1996, p.138-40).

As far as the downstream mining activities are concerned, those that were developed during the pre-World War II period in South Africa were primarily for the transformation of mineral products by the metallurgy and chemical industry. By the beginning of the 1920s, there was already a steel metallurgy of some importance, which recycled scrap iron. In 1924 it produced 18.8% of the gross production of the transformation industry. In 1922 Smuts tried to implement the project for an iron and steel industry by paying bonuses from the State to any large producer. He got approval from Parliament and tried to convince Ernest Oppenheimer and other gold magnates to make the necessary investments. As the private sector did not respond, a state steel company, ISCOR (Iron and Steel Corporation of South Africa), was later created which required investments of 3.5 million pounds between 1929 and 1933 (Fine and Rustonjee, 1996, p. 129 and 135).

The primary raw material consumed by the downstream mining industries is coal as well as a large amount of electrical energy produced with coal or uranium. Within this case are the fertiliser, plastics and oil factories. The state company, SASOL (South Africa Coal, Oil and Gas Corporation, Ltd.) processes synthetic fuel and chemical products from coal. In 1989 its three plants consumed 35 million tons of coal, nearly 20% of the total production of the country; and the Sasol II and Sasol III use a large part of the 3,600 MW of energy produced by the Kriel plant, which in fact was built for this purpose. The AECI (African Explosives and Chemical Industries), a subsidiary of the AAC transforms 1.1 million tons of coal into ammonia, explosives and methanol in Modderfontein. And so forth and so on. South Africa has a large carbon chemical industry, all made viable by the coal industry and largely capitalised with its profits (Fine and Rustonjee, 1996, p. 80).

What we have been studying in this section up to now is the appearance of what Fine and Rustonjee (1996) call the **Mineral Energy Complex** (MEC), made up of a group of industrial fields and infrastructure services, in some way derived from gold and diamond mining. This may be considered the nucleus of the complex for the following reasons:

1. A large part of the periphery of the complex arose to meet the needs of the companies forming the nucleus
2. The rest of the periphery of the complex appeared as a diversification of the companies in the nucleus, in order to process or transform the products of the nucleus
3. The large majority of the companies on the periphery were created as subsidiaries of the companies in the nucleus. The exceptions, at least until the 1950s, were the state companies.

The dispute between the Afrikaner governments and capitals for hegemony

It happens that the MEC nucleus was for a long time dominated exclusively by British or “imperial” capital which the literature distinguishes from Afrikaner capital and what Fine and Rustonjee (1996) call “national”.

After the superficial gold deposits were exhausted, it was the enormous economies of scale required by the deep mining conditions which led to a premature land concentration. ... The 57 gold mining companies, existing in 1932, were, with minor exceptions, controlled by six houses or financial groups. (Davies, 1979, p. 50, quoting Frankel, 1938)

The forms of conglomerate that developed ever since are extensions of this oligopoly, whose power in part is radicated in the control of the financial sector ... The subsidiaries of the six great mining houses, namely AAC (Anglo American Corp.), General Mining Corp., Anglovaal (Anglo Transvaal), Rand Mines (itself a subsidiary of SA Mutual, the life insurance company), Genmin, Sanlam (the life insurance company), GFSA (Golfields of South Africa) and JCI (Johannesburg Consolidated Investment, a subsidiary of AAC) dominate production and sales of all the individual mineral markets. With the exception of iron ore, the six conglomerates extract more than 70% of all important minerals of South Africa. (Fine and Rustomjee, 1996, p. 98-9)

The predominance of imperial capital was challenged by the Afrikaner nationalists who assumed power in South Africa as of 1924. Milestones in this ascension were the founding in 1913 by James Barry Hertzog of the NP National Party, representative of the Boer aspirations and resentments, and the approval of racial discrimination measures by Parliament, initiated by the United Nationalist Party, led by Daniel François Malan. Hertzog was prime minister from 1924 to 1939. The Afrikaner economy was based on agriculture, but once industrialisation began, an Afrikaner industrial, commercial and financial business community grew outside of the mineral energy complex. Furthermore, rural migration produced a white proletariat, predominantly of Boer extraction.

In 1924 the Pact Government was established as an alliance of the white Labour Party and the Nationalist Party. One of the objectives of this government was to break the hegemony of the imperial capital and replace it with Afrikaner capital. The economic policy used to reach this

objective was on one hand to promote import substitution through tariff protection of the budding fields and, on the other, to create state companies to provide infrastructure services (such as ESCOM) or to form basic industries (such as ISCOR).

After taking a series of legislative and political steps to promote the Afrikaner economically and socially, Hertzog considered the task of equalising the opportunities of the two nationalities completed and in 1933 considered that the time had come to reconcile with the British. He proposed forming a coalition government to his old adversary, Jan Smuts. The proposal was accepted, the parties merged into the United Party and the Fusion Government was established with Hertzog at the head and Smuts as vice. The merger, however, was not accepted by all and a schism in the National Party, led by Daniel Malan created the Purified National Party (Sparks, 1990, p.150-51).

One of the purposes of the governments headed by Hertzog was to answer the aspirations of the Afrikaner proletariat which were basically to exclude the blacks from the skilled labour market and to develop industries, which would increase the demand for this type of work force. The exclusion of black labour was not of interest to all Afrikaners but specifically to those who, because they lacked their own capital, were forced to compete with the Africans in the labour market.

A lucid analysis of these contradictions is made by Fitzgerald (1950, p.209).

The colour bar legislation, aimed at maintaining the natives in servile conditions, indicates a lack of understanding that the Bantu should be introduced *en masse* to the European system – as unfortunately seems inevitable in the absence of a generous native policy – it is better for both races that the economic status of the less favoured is increased. But, for the majority of the South Africans racial fear, with the irrationality of panic, dominates any economic argument, and the governing class will never grant the Bantu, on their own free will, any equality – economic, social or political.

Although the Bantu are not allowed to perform any job or profession that is classified as qualified, they demonstrated, by the fast acquisition of proficiency, that there would be very few professions from which they would be excluded if it was not for the colour bar. In the given conditions, there is a noticeable tendency of the employers to hire inexpensive Kaffir work for occupations that for long are considered reserved for white labour, and no legislation can indefinitely prevent this trend. The growing employment of natives in industries controlled by Europeans will inevitably intensify the competition from which, sooner or later, will come the challenge in which merit and ability – and not race – should be the only basis for discrimination.

The policy of segregation, as practised by the Afrikaner nationalists, was inherently contradictory. On one hand, it intended to isolate and segregate the native, keeping him apart from the white civilisation. On the other hand, therefore, it intended to force him to seek work from white employers, who wanted him precisely because he was so easily exploitable. If the policy of apartheid was taken to its last consequences,

[this] would make it necessary that the Europeans carry out themselves many of the work that nowadays is entirely done by Kaffirs. To make segregation a policy that appeals to the white man it is first necessary to convince him that manual labour is honourable and essential for his physical well-being. (Fitzgerald, 1950, p. 209)

The nationalist governments tried to support the poor whites through systems of assistance to their employment and more generally by reserving jobs for them. But the larger issue was how to obtain and exploit the work of the blacks, which sharpened the rivalries among the capitalist sectors. “A compromise was achieved in the between the wars that privileged the access of agriculture to the national supply period of black labour and simultaneously promoted the access to foreign immigrant [black] labour to the mines” (Fine and Rustomjee, 1996, p. 126-7).

One of the priorities of the governments headed by Herzog was to protect agriculture (which was almost totally Afrikaner) through customs

tariffs and the formation of specific commissions in charge of protecting certain products. Sometimes these tasks were given to organisations that already existed, such as the Central Co-operative for Corn in 1933 and the KWV wine producers co-operative for wine. The sustainability of the prices paid to the farmers harmed the processing industries while the subsidy to agricultural exports made the same raw materials available to foreign companies at much lower prices. Obviously the agricultural policy was incompatible with an industrialising policy.

Despite these conditions, which weakened the effectiveness of the economic policy

the history of the wine industry illustrates how, through the handing over of the power to establish prices, in 1924, to regional interests, particularly of the Cape, it became possible for Afrikaner capital to be accumulated, on a small scale, due to the concentration and centralisation of resources from a relatively small sector of the economy. ... It was mainly from these roots, and similar ones, that the Rembrandt, Sanlam and Old Mutual conglomerates grew until they competed economically with the offspring of imperial capital. (Fine and Rustonjee, 1996, p. 130)

There are no more than 6,000 grape growers in the Cape, but they are the most powerful agricultural group in South Africa: they have always supported the Nationalist Party with votes and money, are strongly represented in Parliament, very well-organised, and also have extraordinarily favourable legal bases. The KWV managed to articulate agriculture with the foodstuffs industry, obtaining in this way success in creating Afrikaner capital on a large scale. Currently 85% of the wine industry is controlled by a firm jointly owned by Rembrandt and the KWV (Fine and Rustonjee, 1996, p. 114 and 130).

The tobacco and cigarette industry has long been dominated by Rembrandt, which later grew to the point of being able to purchase Rothmans, an international cigarette company, in 1953, due to the financial support provided by the Sanlam (South African Life Assurance Company) insurance company and by the Volkskas agricultural credit co-operative.

Rembrandt and its founder Anton Rupert became partners in the financial power of the Cape. Its position as large scale capital was articulated more clearly and openly than any other portion of Afrikaner capital. Together with AAC, he set up the South African Foundation business lobby in the post Sharpeville³ period. After the Soweto riot, in 1976, he created, again with the AAC, the Urban Foundation with the mission to promote "black advancement". (Fine and Rustomjee, 1996, p. 153)

Around 1950, through its industrial branch, Fedvolks (*Federale Volksbeleggings*), Sanlam began to invest in mining, the transformation industry and trade. It penetrated the fishing and the canned foods industry, agricultural implements, chemical and pharmaceutical, coal mining and publishing. In 1950 Sanlam created another subsidiary to invest in industry, Bonuskor, which placed 57% of its funds in industry, 4% in mining, 21% in trade and 18% in finances. In 1953 Fedvolks and Bonuskor merged their mining interests in a firm which today is called Gencor (Fine and Rustomjee, 1996, p.152-53).

The third Afrikaner giant in the business world is Volkskas, created in 1934 as a rural co-operative bank. In 1965, 83% of its agencies were in still the country, in the Transvaal and in Orange. In 1947 the banking market was equally divided between two English banks, the Standard and Barclays, which held 93.4% of the deposits compared to the 2.8% of Volkskas. But ten years later the Volkskas portion had already risen to 9.9% and twenty years later to 18.6%. This growth was due to a decision made by the Malan government (elected in 1948) to break the British financial duopoly by placing the bank accounts of the central government, the municipalities and the state companies such as Iscor, Escom, the Postal System, railroads, Sasol and others in the hands of Volkskas (Fine and Rustomjee, 1996, p.152).

³ In 1960 the National Congress of South Africa ANC and the Pan African Congress PAC organized mass protests against the pass-laws, which required that the blacks have documents to authorize their presence in certain urban areas reserved for whites. In March of that year, in a demonstration in Sharpeville, 67 demonstrators were killed by security forces, which provoked international outrage and new demonstrations in South Africa. The government responded by declaring the ANC and PAC illegal.

Another step taken to break the British hegemony in the capital market was the creation of the IDC (Industrial Development Corporation) in 1940. This is a state agency designed to finance new industries stimulated by import substitution. Its initial activity was concentrated on the non-mining branches of the Mineral Energy Complex, chiefly in the production of synthetic fuels using coal, and in the chemical industry. The projects financed by the IDC were, among others, phosphate production, Sasol I, carbon chemicals and synthetic rubber (Fine and Rustomjee, 1996, p. 159).

The NFC (National Finance Corporation) was created in the same way in 1949 by the Malan government. At the time, the banks re-deposited short-term funds raised in South Africa in London. The NFC invested the raised deposits in South African treasury bonds, channelling resources to the government, which could use them to finance state companies. In addition,

NFC heavily subscribed debentures of the mining houses. In many aspects, NFC was a financial intermediary, channelling profits from diamond sales by De Beers, owned by AAC, in the FSG project [development of new gold mines in the Free State of Orange] by AAC. Of the deposits in NFC of 58 million pounds, in 1958, 21 million had been deposited by De Beers ... By investing through NFC, a mining house could reduce the high risks associated with mining ... With NFC enduring the risks, the financing of mine development followed a very smooth path. (Fine and Rustomjee, 1996, p. 154-5)

In summary, from 1924 to World War II, government power was dominated by Afrikaner coalitions, while economic hegemony was held by imperial capital through its dominant position in the Mineral Energy Complex. As we will see later, the National Party was out of power between 1939 and 1948, but from this last year on (until 1994) it returned with its power doubled. There was therefore a schism in the predominantly Afrikaner political power and the almost totally British great capital. The government launched a policy to promote Boer capital, through industrialisation by import substitution, inspiring the formation of another

complex, the Agribusiness Complex. It was out of this complex that Rembrandt, the most important Boer conglomerate, appeared.

The major instrument used by the government to promote the great Boer capital was the help given to the Boer financing conglomerates, such as Volkskas and Sanlam, and the creation of state financing intermediaries, such as the IDC and the NFC. Cornering part of the capital market in this way, the nationalist governments took advantage of the availability of resources to nationalise the electrical energy system, to create a large state steel industry (ISCOR) and to expand the infrastructure. But nothing indicates that these governments were prepared to antagonise the AAC and other British capital at the helm of the Mineral Energy Complex, which throughout the entire period continued to lead South African industrialisation.

Fine and Rustonjee (1996) go out of their way to show that the promotion of the great Boer capital never implied limiting the continuous development of the Mineral Energy Complex. On the contrary, the IDC and the NFC channelled sizeable resources to develop complementary mining fields and expand the latter through the gigantic FSG project. This

promoted a type of regional decentralisation, developing what was once a relatively unpopulated fortress of the NP (National Party). In 1960, there were 93 thousand workers in the Free State of Orange, about 20% of the 456 thousand workers in all gold mining. It also increased, in 15 years, the voting white population of Orange by 35 times, from 5,500 whites in 1950 to a total estimated at 146 thousand in 1966, increasing, therefore, the number of seats in Parliament and strengthening the NP. (p. 155-6)

All this despite the undeniable antagonism between the NP and the great imperial capital. This was because above this antagonism there was a sort of pact of the elites, fostered by a common interest in the South African model; this model meant the unlimited exploitation of black labour linked to a modern monochromatic democracy, that is, a democracy for the exclusive use and benefit of the “civilised” minority. For there is no doubt that the mining of stones and precious metals in South Africa was only possible due to the super-exploitation of the black and that the

industrialisation of the country occurred as a function of the market and the surplus generated from these activities:-

World War II, nazism and the rise of apartheid

When World War II broke out in 1939, the South African government split in two. Its head, Hertzog, preached neutrality while his vice, Smuts, worked in favour of the country entering the war on the side of Great Britain. Smuts managed to get the majority of Parliament to approve his position and became head of the government. Hertzog and some of the deputies left the United Party and merged with the PN Purified party of Malan. This party offered the presidency of the reunified PN to Hertzog but the partisan congress refused to ratify the choice. The nationalists were becoming radical and preparing to adopt a new doctrine, called apartheid, and in their view Hertzog was too moderate.

“While Smuts had enlisted South Africa on the side of the Allies in the Second World War, the National Party refused to support Great Britain and publicly sympathized with Nazi Germany.”(Mandela, 1994, p.127). The sympathy of the nationalists for Hitler’s Germany had its logic: to begin with, because of the old antagonisms with Great Britain. As Great Britain was the main enemy, her enemy had to be regarded as a potential ally. To this add racism. The Nazi doctrine of Aryan superiority had much in common with the Afrikaner white superiority. As South Africa was a dominion belonging to Great Britain, it would be difficult to become aligned on the side of the Axis countries, but the sheer defence of neutrality was already a clear sign toward which side the NP’s heart was leaning.

After Nazism dominated Germany, numerous Afrikaner intellectuals went to do graduate work at universities in that country, attracted by Hitler’s racial purity doctrine. Once back to South Africa, they nourished the hope that the Nazi victory in the war would bring about the “liberation” of South Africa from the yoke of the British. From this perspective a doctrine of radical separation of the races for the country developed which had the supreme objective of avoiding miscegenation. Since, “in Cronje’s [one of those who studied toward his doctorate in Germany] view, whites were clearly superior – not just culturally but biologically. Separation was therefore necessary to protect the white race from biological degeneration” (Sparks, 1990, p.178).

Cronje's book *'u Tuiste vir die Nageslag (A Home for Posterity)* was the first comprehensive draft of the apartheid ideology, and with remarkable completeness it spelled out the details of the coming system. "The only realistic policy choice, Cronjé declared, lay between what he called "local segregation" and total separation – of which separation was "the most consistent with the Afrikaner idea of racial apartheid". Segregation could only be a temporary palliative. Total separation could solve the problem for all time. It should aim at dividing the country into separate racial nation-states with a large white zone that would have all the harbours – "for the sake of international trade" - and three or four ethnically grouped black areas that should include the territory of the then British protectorates of Swaziland, Basutoland, and Bechuanaland (Sparks, 1990, p.177 and 179).

Apartheid was more than a reformulation of racial segregation, which had been in effect in South Africa for centuries. It took the racist logic to its ultimate consequences, or almost, if we consider that the last ones were the 'Final Solution' of Hitler's genocide. The traditional segregation contradictorily combined the exploitation of the work capacity of the natives with their exclusion from the best work positions, the best residential areas, the best schools, hospitals, hotels, etc., not to mention government jobs and executive positions in public services, companies, etc. By demanding total separation of the races in sexual, territorial and political terms, apartheid makes what we call the South African Economic model, which combines high technology with the underpaid work of social pariahs unviable.

As South Africa was one of the Allies, the country emerged on the side of victory at the end of the war. Had the other course been taken, the country would have been at the end of the war an occupied territory if not devastated by the war operations. For this reason alone, Smuts and his United Party should have been the favourites in the first post-war election in 1948. The opposition was represented by the NP, led by the notorious Dr. Daniel Malan, whose platform was precisely "apartheid".

The expectation of the great imperial capital as well as of the blacks was that the Allied victory in the war would also herald an era of reforms and progress in South Africa.

Commercial and industrial interests, mainly in the hands of English-speaking people, started to argue that, after 1945, there could be some space to loosen some of the most extreme forms of discrimination. Its capitalism flourishing under the extremely inexpensive African labour and under inflows of British capital drawn by the consequent high dividends, industrial production more than doubled during World War II. It should carry on in this manner, but now there could be chances to increase the level of the colour bars in order to guarantee the availability of more qualified workers. (Davidson, 1978, p. 268)

But these expectations were totally dashed at the polls, since Malan and his party were victorious, though by a close margin of only 8 seats. This must have been the only case in the world of a right wing party, sympathiser and in a certain way emulator of Nazism, to have won a democratic election immediately after the war.

Its victory is explained in the first place by the fact that the election was limited to the white population, in which the Afrikaner formed a majority of around 60%. Furthermore, de-colonisation was becoming a perspective, based on the conquest of independence of other colonies, like India, Pakistan, Ceylon and Indonesia, in the immediately preceding years. And in all these cases independence meant the dominion of the native majority, as it could not help being, for these countries were conquered by Europeans but not settled by them.

This prospect was no doubt frightening for the whites and especially for the Boers.

The Nationalists ... were a party animated by bitterness – bitterness towards the English, who had treated them as inferiors for decades, and bitterness towards the African, who the Nationalist believed was threatening the prosperity and purity of Afrikaner culture. (Mandela, 1994, p. 127)

In summary, the Allied victory which led the voters on all continents to vote for parties and candidates with liberal platforms, induced the majority of the white electorate of South Africa to vote for a program of extreme racism with the futile expectation of removing their country from the world-wide tendency to de-colonise and emancipate. What they gained from this was to open the path to a counter-revolution, which increasingly isolated South Africa during thirty years.

Malan and his government immediately began to establish their program. His first gesture was to pardon Robey Leibbrandt who, during the war, had organised uprisings in support of Nazi Germany. The law of Separate Representation of the Voters repressed the representation of the "coloureds" (non-whites, distinct from blacks) in Parliament. The law prohibiting mixed marriages was presented in 1949, soon thereafter followed by the Immorality Law, which made sexual relations between whites and non-whites illegal. The Population and Registration Law designated the entire population of South Africa by colour, making this characteristic the most important factor for the social definition of the individual. And the Group Areas Act created the requirement of separate urban areas for each racial group (Mandela, 1994, p.130).

And the government began to put the policy of racial cleansing of the urban areas into practice. The suburb of Sophiatown, in Johannesburg, had had a mixed population with a black majority for three generations. Since the Group Areas Act had been approved the government did not conceal its plans to remove the entire suburb. But the plans were only ready in 1953 and the government acquired a glebe 13 miles away, which later would become known as Soweto, the abbreviation for South Western Township. During two years the population fought to stay where it was by mobilising and protesting, while those who lived in the neighbouring areas of Westdene and Newlands, the majority of whom were poor whites, applied pressure on the government to evacuate the blacks. Finally in 1955, even before the houses in the new areas were ready, under the threatening presence of 4,000 policemen and soldiers, the evacuation was carried out, without resistance (Mandela, 1994, p.178/181 and 192/3)

Sophiatown remained a symbol because it was the first mass evacuation of 60,000 to 100,000 persons.

Since then more than three million people have been uprooted in this way, living communities shattered and bundled off to strange new soulless places where they are dumped, atomised, and left to begin again as best they may. This social devastation on an appalling scale is wrought in pursuit of the theoretical objective that South Africa is not one country but many ... Blacks may be needed as workers, but a sense of impermanence should be preserved and a social and physical distance maintained. It was not enough simply to segregate living areas: a law of 1954 required that there should be a buffer strip at least five hundred yards wide between any black quarter and the town it served. (Sparks, 1990, p. 189)

The exacerbation of apartheid

The execution of the program aiming to establish apartheid was given new momentum when the head of the government was handed over to Hendrik Verwoerd, who got his doctorate in Hamburg, Leipzig and Berlin, during the time Nazism was officialising its doctrine. During the war he was editor of the daily *Die Transvaler* giving it its clear pro-Nazi and anti-Semitic line. In the Malan government he headed the strategic portfolio of Native Affairs.

Once in power, Verwoerd began to take steps to de-urbanise the blacks and restore the tribal system. In 1952, he had already managed to approve the Native Laws Amendment Act, which gave the right to live permanently in cities only to those blacks who had been born there, been living there continuously for at least 15 years and had worked for the same employer for at least ten years. All the rest were to return to their Bantustans, allotted to them by tribal criteria, only able to return to the city as migrants worker hired for six months or one year. These requirements applied to men and women, which led to the separation of families, for frequently one member of the couple had the right to live in the city but the other did not. All the data pertinent to the right to urbanisation had to be registered in a pass book which the blacks were obliged to carry with them every time they were in the city, under punishment of immediate arrest. "Within a few years of the law's enactment, pass-law arrests were averaging two thousand a day" (Sparks, 1990, p. 194).

The Bantustans were given over to the administration of tribal chieftaincies already in a process of rapid disintegration. It was not difficult for Verwoerd as Minister of Native Affairs to find chiefs ready to be co-opted into the new system, because they also felt threatened by modernisation which undermined the traditional institutions. Constitutionally the minister was the supreme chief of all black tribes, which allowed him to appoint, dismiss, promote and demote any chief in any region.

As head of the government from 1958 to 1966 (when he was assassinated), Verwoerd put into practice a systematic policy of uprooting the black population from the cities. The objective was to make the millions of blacks who lived in the areas designated as white, that is, urban, “return” to their small rural homelands where they would have full rights and could develop their own nationality. The only blacks that were to be tolerated in the cities would be the migrant workers, hired for short periods of time.

It so happens that during this time, South Africa was becoming intensely industrialised, which increased the demand for black workers in the cities. Verwoerd tried to reverse this process by keeping the industries who hired blacks in the cities from expanding and offering them incentives to relocate to the Bantustan neighbourhoods, where the black citizens could cross the international border daily to commute to work. A Physical Planning Act forced the businessmen to obtain permission from the government for any expansion that required more black workers. And a Job Reservation Act prohibited the blacks from having skilled jobs in the cities, but not in the Bantustans.

This policy was clearly biased against the capitalists who went to complain to the Prime Minister. Verwoerd told them: “If South Africa has to choose between being poor and white or rich and multiracial, then it must rather choose to be white”. Sparks (1994) observes that though the business community balked, it never revolted. “Their innate conservatism and dependence on government contracts – and now increasingly on exemption permits to circumvent the new regulations – prevented that” (p. 201).

Despite the duress and prohibitions, capital continued to accumulate in the cities and the urbanisation of the black population intensified. To keep the situation from becoming permanent, Verwoerd prohibited the blacks from setting up businesses in the townships [districts]: the whites

were not allowed to open businesses there and the number of licenses issued for blacks was strictly limited to the provision of articles of primary necessity, such as milk, coal vegetables, etc. There could be no banks, stores or supermarkets and no business could grow under penalty of being relocated to the Bantustan.

As a consequence of this forced de-urbanisation policy outside South Africa's cities huge complexes arose where hundreds of thousands of other blacks lived – with no business centres, no downtowns, no high-rises, just endless sprawls of little grey, drab, uniform matchbox houses; these were not so much townships as gigantic barracks to accommodate an army of workers. (Sparks, 1990, p. 200)

This policy not only made the already existing racial segregation worse, but it made it much more systematic and extreme, eliminating the chances to transgress it, even when it was in the interest of the white sectors. Clearly it would provoke growing resistance from all of its victims, not only from the blacks but also the “coloureds” and Hindus. By that time each one of these groups already had representative organisations: the ANC African National Congress, represented the blacks, the SAIC South African Indian Congress represented the Hindus and the APO African People's Organisation represented the coloureds.

Fighting apartheid: from passive resistance to armed struggle

The ANC was formed in 1912 in the futile attempt to impede approval of the Land Act of 1913 which prohibited blacks from owning land on more than 90% of the territory. In January, 1912 delegates from all parts of the country met in Bloemfontain: chiefs and members of the tribal reserves, lawyers, teachers and church ministers. Congress sent a delegation to London to ask the metropolitan government to impede approval of the law, but the only response it received was that the Union of South Africa was now an independent country and that they should fight for their rights within the constitutional system – in which the blacks were deprived of their political rights (Sparks, 1990, p.144/145)

From that moment on, the black resistance to racial oppression produced significant episodes but nothing that kept the white government from imposing its will: strikes of black miners, civil disobedience of women, boycotts of the mining company shops. In 1919 the Congress sent a

delegation to the Conference of Versailles. On another occasion the Congress organised a passive resistance campaign against the pass book law. But during most of the time, the Congress leadership preferred to follow the advice of its white friends, missionaries and parliamentary liberals, showing patience and moderation. In this way they hoped to provoke "a change of heart [within the white establishment] without which there can be no hope of black advancement" (Sparks, 1990, p. 236).

With the NP victory in 1948 and the growing introduction of apartheid, this type of hope was finally frustrated and the ANC changed its head and its tactics. A young group of leaders appeared – Anton Lembede, Walter Sisulu, Nelson Mandela and Oliver Tambo – who embarked on a series of struggles using Gandhi's passive resistance as a tactic. "For seven months blacks defied the apartheid laws, using whites-only entrances at railway stations, going into restricted areas without passes, defying curfew regulations and other laws. More than 8,500 people went to jail." The government reacted making the repressive laws more severe, making the mere news on a defiance campaign a press crime, and the president of the Congress, Moroka plus Sisulu, Mandela and others were tried in court for having led the campaign (Sparks, 1990, p. 238).

The campaign failed but served to mobilise the political awareness of large masses. The number of members in Congress rose from a few thousand to more than 100,000, becoming increasingly more representative of the black people. More mass protests took place. In June, 1955 the ANC formed an alliance with the Hindu Congress, the Coloured People's Congress and the Congress of Democrats, which had white members. These organisations convoked a People's Congress to which the Liberal Party and the Smuts' United Party were invited.

The latter two did not go but the invitation was an important gesture. Three thousand delegates appeared, 2,000 blacks and the rest more or less evenly divided among Hindus, coloureds and whites. The People's Congress adopted its Freedom Charter, in which they declared that "South Africa belongs to all those who live in it, black and white, and [that] no government can justly claim authority unless it is based on the will of all the people". None of this is new and the objectives of the charter – all shall govern, all groups shall have equal rights, etc. – may seem

commonplace had they not been not formulated in South Africa under the regime of apartheid, as an inter-racial platform of struggle. The Freedom Charter consolidated the common front against the Afrikaner system.

The protests and the uprisings against apartheid and the intensified repression led to a situation in the 1950s in which on the average one in every ten Africans was imprisoned per year (Davidson, 1978, p. 268). This phase of confrontation culminated in the Sharpeville massacre in 1960, already mentioned above, which glorified the positions of both sides.

In the early afternoon, a crowd of several thousands surrounded the police station. The demonstrators were controlled and unarmed. The police force of 75 were greatly outnumbered and panicky. No one heard warning shots or an order to shoot, but suddenly the police opened fire on the crowd and continued to shoot as the demonstrators turned and ran in fear. When the area had cleared, 69 Africans lay dead, most of them shot in the back while they were fleeing. All told, more than seven hundred shots had been fired into the crowd, wounding more than four hundred people, including dozens of women and children. (Mandela, 1994, p. 288-1)

The indignation inside and outside South Africa was enormous. In addition to political protests, the stock market crashed and capital began to flee the country. The United States also protested against the police repression and the massacre and the UN Security Council approved a resolution making the government responsible for the shoot-out and recommending that measures be adopted to establish racial equality in the country. The ANC organised mass demonstrations throughout the country, mobilising hundreds of thousands. There was disarray in many areas and the government responded by declaring a state of emergency, suspending habeas corpus and assuming full powers to repress all attempts at subversion.

From the moment the government outlawed the ANC and other organisations of apartheid resistance, recourse to an armed struggle became inevitable. Either it was this or desist from any active resistance against the continuous racist offensive of the government. Nelson Mandela

defended the need to give up non-violence and prepare for the armed struggle before the ANC leaders in the following way.

At the meeting, I argued that the State has given us no alternative to violence. I said it was wrong and immoral to subject our people to armed attacks by the state without offering them some kind of alternative. I mentioned again, that people on their own had taken up arms. Violence would begin whether we initiated it or not. Would it not be better to guide this violence ourselves, according to principles where we saved lives by attacking symbols of oppression, and not people? If we did not take the lead now, I said, we would soon be latecomers and followers to a movement we did not control.” (Mandela, 1994, p. 322)

The ANC went underground, sent Oliver Tambo abroad to mobilise international support and appointed Nelson Mandela to lead a National Action Council to continue the protests. Mandela called a nation-wide strike of three days for May 31, 1961 against the unilateral proclamation of the republic by the government removing South Africa from the Commonwealth. The strike took place under very heavy repression and was not as large as expected, so on the second day, Mandela called it off.

Soon after, the ANC decided to form a guerrilla arm named *Umkhonto we Sizwe* [Spear of the Nation] that would organise sabotage actions against selected targets but would endeavour to avoid the loss of lives. Mandela went abroad, and received military training in Algeria, before returning to South Africa. December 1961 marked the debut of Umkhonto we Sizwe: electricity installations and government offices were blown up in Johannesburg and Port Elizabeth (Sparks, 1990, p. 244).

The apartheid crisis

The armed struggle led by the ANC was rapidly repressed by the government, which managed to infiltrate agents in the underground organisations, resulting in the arrest of Nelson Mandela in 1963 and of all the underground leadership of the congress. A wave of incarcerations of thousands of ANC military activists followed throughout the country. Mandela and other leaders were sentenced to life imprisonment and the

others arrested were sentenced to 12 years or more. At the same time, the government managed to pass legislation permitting keeping in solitary detention for 90 days, a term which could be repeated indefinitely, any person suspected of having information to be “given” to the police. There was no longer any doubt that South Africa had become a police state.

The theatre of the armed struggle was then transferred abroad. De-colonisation had arrived in Africa and a number of independent countries emerged whose governments lent their solidarity to the struggle against the Afrikaner white supremacy regime. The ANC was able to establish training camps for the armed struggle in these countries. Moreover, in the following 30 years, the Congress created refugee camps, farms, schools, scholarship programs, medical clinics, social security, diplomatic and broadcasting services and an administrative structure abroad to co-ordinate such activities.

In fact, it has become South Africa’s government-in-exile ... It has established missions abroad – forty-four, compared to the South African government’s twenty-five embassies and forty-six other missions – staffed by people who have studied at foreign universities, are familiar with world affairs and are fluent in a wide range of languages. In my view, [the Congress] has acquired a global view, and a sophistication superior to that of the Pretoria government, and I am acquainted with both. (Sparks, 1990, p. 276)

The South African government set up a buffer zone at its borders, comprised of friendly states whether these were dominated by white minorities, such as Namibia and Rhodesia or by an European power, such as Angola and Mozambique. In this way it was quite difficult for the ANC guerrillas to receive reinforcements, arms and provisions from abroad. But all of this changed with the *Cravos* Revolution in 1974 in Portugal, which toppled the Salazar regime and promoted the independence of Angola and Mozambique. Black governments surged in these countries, enemies of white supremacy and natural allies of those struggling against apartheid.

The victory against Portuguese colonialism gave new inspiration to the South African resistance. In 1976, students from the Soweto schools,

the large black district of Johannesburg, protested against the then decreed compulsory instruction in Afrikaans. A column of students was arrested by the police and in the ensuing confrontation the police fired on the children. The outraged students began to attack buildings and public offices and bars as well as police cars and white businesses, setting fire to everything. At dusk Soweto was in flames.

Before it ended, the violence had spread to 160 different communities. Within a week 176 people were dead, within a year more than 600. The uprising lasted seventeen months before it was finally quelled in another wave of repressive action, with the government banning twenty-two Black Consciousness organisations. By the end of 1977 Biko⁴ was dead, his movement outlawed, thousands of young activists were in prison and 14,000 people had fled the country for exile abroad. (Sparks, 1990, p. 302-3)

Once again the scene of the struggle was transferred abroad. South Africa took the offensive in the surrounding countries, in order to help the friendly side of the various civil wars going on at the time. It intervened in Mozambique to support a renegade troop, in Angola to support Jonas Savimbi's UNITA. The South African regime became highly militarised during this process, especially after 1978 when Vorster was replaced as head of the government by Botha, who had been Minister of Defence for 12 years.

In order to keep the civil war from invading national territory, the Botha government trampled the south of Africa, transforming the neighbouring states into a war zone. Much larger and economically more advanced than any of its neighbouring states, South Africa became a regional power, responsible for maintaining order in the region, an order naturally compatible with the apartheid project being carried out in its own country.

⁴ Stephen Biko was the major figure in the Black Consciousness Movement, which surged in the 1970s among South African students. It sustained that the struggle to emancipate the blacks should come from the blacks themselves, who needed self-affirmation and self-respect to be able to interact on a equal basis with the whites. The movement began during the Soweto uprising and was repressed. Biko was killed in prison in 1977.

Within the “total war” mentality being established by Botha, military and economic reinforcement of the country was essential which required an alliance between the Afrikaner government and the great British capital. The government still dominated the mineral energy complex, the hub around which the South African industrial economy revolved. The interests of this capital were incompatible with the attempt to de-urbanise and re-tribalise the urbanised black masses. For the great British capital – and also for the Afrikaner – to be able to count on the black work force was vital, also because the white work force (the large majority of which was Afrikaner) was no longer available.

More than anything this meant the removal of the colour barrier in the work world, which actually was already no longer necessary because the poor whites, almost all of which were Afrikaner, had been incorporated into the middle class.

Afrikaner nationalism had looked after its own abundantly. It had operated a system of selective socialism, a kind of extended group nepotism. Everywhere the Afrikaner government intervened to help Afrikaners, and the aid became self-generating ... The nationalised industries established to absorb the poor whites had developed into a form of Afrikaner state capitalism that operated alongside and in alliance with English private capital. ... Out of this a new Afrikaner entrepreneurial and technocratic class was born that made common cause with its English counterparts against the old pre-industrial practices. The notion of sending all the blacks back to the homelands, of the [black] townships withering away, not only looked increasingly improbable but was increasingly anachronistic and inimical to their interests. (Sparks, 1990, p. 316)

In 1946 the average income of those who spoke English was 111% higher than that of the Afrikaner; this difference fell to 56% in 1960 and to 41% in 1976. (Toit, 1995, p. 163). These data give an idea of the relative progress of the Afrikaner in a period when the per capita income was growing increasingly more rapidly in South Africa.

In 1983 Botha introduced a new constitution which gave South Africa a presidential system and the legislative branch was comprised of 3 chambers: one white, with 178 members, one coloured with 85 and one Hindu with 45. The blacks continued to be excluded. Each chamber was to take care of the affairs of its own racial group and its resolutions were subject to presidential approval. Laws of interest to all groups, as well as to the blacks, were to be approved by each one of the chambers and by the president.

The new constitution was approved by a 66% majority in a referendum of whites only, but the “coloured” and Hindu communities were divided. In 1983 those opposed to the participation of the “coloured” and Hindu community in the tri-cameral elections formed the UDF *United Democratic Front*, which rapidly transformed into the major legal opposition to the government. In the elections of August 1984, only 16.6% of the “coloured” electorate and 18% of the Hindu electorate voted, which demonstrated the small popular support for the constitutional reform. The attempt to co-opt the other two racial groups to white power had failed.

On April 25, 1985, the laws prohibiting marriage and sexual relations between persons of different races were revoked. The following month the prohibition of persons of different races belonging to the same party was repealed. In April, 1986 the government promulgated laws that eliminated restrictions to the movement, residence and employment of blacks in white areas. On July 1, 1986, the pass book laws were revoked, creating a single identification document for all South African citizens.

Despite the appearances, Botha was not ending apartheid, he was just changing its form. Political concessions to the “coloured” and the Hindus, economic concessions to the blacks would give new momentum to the white and Afrikaner monopoly of real power.

A black middle class was to be allowed to develop and, with the “coloureds” and Indians, was to be co-opted into a new alliance of insiders, rewarded with a greater share of the economic cake and limited political rights over their own ethnic affairs. The outsiders, meanwhile, the mass of poorly educated and unskilled blacks, would be thrust out to the periphery more rigorously than ever with an intensified

drive of forced removals and tougher enforcement of anti-squatter laws in the cities. It was sometimes called "the Brazilian option", which, by de-racialising the insider group, would give the impression that apartheid had been dismantled. (Sparks, 1994, p. 318)

Despite the restrictions imposed by apartheid, the blacks in reality were rapidly being incorporated into the industrial economy. In 1960 the Africans accounted for 23% of professionals and technicians, 9% of managers and administrators, 6% of office employees and 18% of salesmen. Twenty years later, these percentages were: 31%, 4%, 25% and 40%, respectively. With the exception of managers and administrators, the African participation in the more occupations requiring more skill increased substantially, more than doubling in salesmen and quadrupling in office personnel. Which was reflected, as it had to be, in income distribution. The African contribution in personal income had dropped from 22.2% in 1946/47 to 19.3% in 1970 to rise to 29.1% in 1980. It should be noted that between 1970 and 1980 the individual income of the "coloureds" and Hindus also increased, from 6.5% to 7.6%, and 2.3% to 3.4%, respectively. (Toit, 1995, p. 162-3).

The great manoeuvre failed. The co-optation was rejected by the large majority of the black bourgeoisie, the "coloureds" and the Hindus. The UDF was formed by more than 500 community, religious, professional, workers', feminist organisations etc. and in a few months more than 700 organisations joined the UDF, which represented more than 2 million persons. Meetings were held throughout the country in which the words of order and the chants of the 1950s and 1960s could be heard once again, reinforced by the spirit of the Soweto uprising and by the rising black union movement. The movement took up the Freedom Charter of 1955 and in this way brought the ANC back to centre stage, despite the legal restrictions (Sparks, 1990, p. 332).

If the black bourgeoisie did not show signs of accepting the new subordinated place that the reforms of Botha were offering them, the people of the tenements and black slums on the outskirts of the cities revolted above all against the few blacks who had accepted the "governing" roles. The government decreed that the black districts should establish

self-government by electing councils. Not more than 10 or 15% of those who had the right to vote appeared at the polls. The elected councilmen obviously did not represent any other interests than their own. They grew rich, raising the rent of their tenants' houses and taking over liquor stores, which were a public monopoly, through their gangster-like privatisation. The sudden wealth of these councilmen, at the cost of their neighbours, left the population indignant.

The frustration for having been excluded from the new constitutional design added to the discontentment with the buffoons from their own environment who, in addition to betraying the struggle against apartheid, were literally robbing them. In 1984, the new black cities had become sticks of dynamite. The first protests coincidentally came from Sharpeville, and once again the police attacked demonstrators, wounding people and infuriating everyone. The rage led groups to attack the corrupt councilmen, killing them and mutilating their bodies, burning their luxurious homes and their cars. Which triggered new police brutalities, more victims, more protest demonstrations and so on.

The key word to understanding the events is riot. Riot to designate what occurred between 1984 to 1987 in South Africa is much more a confrontation between oppressed and discriminated majorities and the police, unleashing destructive reactions of rage which were manifested through fires and massacres. Perhaps the correct word to use is "uprising" as long as it is understood to be a series of local, spontaneous, uncoordinated and in some ways self-destructive uprisings.

The riots after Sharpeville in 1960, in Soweto in 1976 and throughout the country from 1984 to 1987 were of the same nature. The political opposition forces organised the discontent of the people, channelling it into political actions of confrontation with the system. In the last case, the great UDF campaign against the new political regime begun in 1983. Though the people manifested their will peacefully as they had beforehand, this in no way changed the action of the government. It is the awareness of this political impotence that instigates protest, challenge to the police, brutal repression and sometimes killing, that produces the next link in this chain of unequal confrontations.

There is no doubt that the breadth and the length of the riots were growing. From all standpoints, the 1984-87 uprising was greater than the

previous ones and its political effect decisive, because apartheid was in crisis and the reformist effort of Botha to save it was unmasked by genocidal repression, which finally quelled the riots.

Among other objectives, the Botha reforms also aimed to improve the regime's image abroad in the eyes of the major capitalist powers, which at the time had conservative governments – Reagan in the USA, Thatcher in Great Britain and Kohl in Germany – and were therefore sensitive to the efforts made by the South African government in terms of eliminating the more rebellious facets of officialised racism. Economic sanctions had been imposed on South Africa, which in turn depended on the international bankers to close its balance of payments.

In 1985 the South African foreign debt was largely short-term and depended on the large American and European banks to be rolled over. These banks created the expectation that due to the incessant uprisings which shook the economic activity of the cities, the Botha government would make new concessions to the blacks, also because at that point racial discrimination had become morally unacceptable throughout the world. The expectation was fuelled by the double talk of the South African government spokesmen and by the wishful thinking of journalists and political analysts. Botha could not and would not live up to the expectation and to justify himself tried to give a show of force, declaring himself immune to pressures from abroad and internal agitation.

Chase Manhattan immediately called in the loans that were due and other creditor banks rapidly followed suit. Up to the end of 1985, South Africa had to pay US\$ 13 billion. In 30 days the rand lost 35% of its value. The government froze the debt, imposed controls on the movement of foreign currency and adopted a multiple exchange system, fixing one commercial rate and another financial rate for its currency. "...the effect of the crisis was to turn South Africa into a siege economy, keep it drained of foreign exchange and development capital, and send white living standards into decline. All of which contributed to the further disintegration of the National party" (Sparks, 1990, p. 350-1).

The end of apartheid and the birth of a new South Africa

At centre stage of the revolution which brought apartheid to an end were the black slums where the popular revolt unmasked the attempts

of the Botha government to make the rest of the world, especially South Africa's investors and the clients, think that racial oppression was over. Thus the state of siege of the South African economy by foreign capital and in part by national capital. The investors sold their assets to deposit their money safely abroad, the creditors did not renew credit. With the chronic lack of foreign currency, the economy stopped growing, which jeopardised the bourgeoisie's expectation for profits and raised unemployment and social exclusion - whose preferential victims were naturally the blacks - to tragic levels.

As there foreign desinvestment occurred in response to the crisis of apartheid and to the sanctions campaigns, subsidiaries became available for purchase. Furthermore, several types of restrictions to the movement of external revenues out of South Africa confined, to some extent, investment funds to the national economy. These have been used to seek and purchase established companies. The lack of commitment to use investment funds as the basis for a vibrant expansion within the national economy, reflects in the extension of capital flight in South Africa, in the form of illegal capital exports, predominantly by firms with national origem. No less than 7% of GNP per year have been subject to such international movements of capital, which occurred at the expense of resources available for national investment. (Fine and Rustomjee, 1994, p. 11)

Thus the Botha government found itself, especially as of 1985, under the pressure of massive capital flight, domestic and foreign. This situation is a common one of leftist governments, but not of extreme right ones, such as the NP, which always collaborated closely with the great capital, whether it was British or Afrikaner. The economic crisis interacted with the social crisis, each making the other worse. Poverty fuelled the revolt of the black urban masses which was repressed with a iron fist, and prompted capital flight, resulting in more poverty.

The concessions that Botha gave to the non-white groups were very badly received by the most radical wing of the NP, which ended up leaving and forming the Conservative Party. The increasingly cruder and

bloodier repression of the riots as of 1984 and their disastrous repercussions on international public opinion and indirectly on the economy ended up alienating the younger and more educated sector of Afrikanerdom (the Afrikaner community) itself. The National Party was divided between the *verligtes* [the enlightened] and the *verkrampes* [the hardcore].

Splits appeared on the left as well as on the right and a ferment of doubt swept the community. Students, scholars, journalists, writers, and professional people, many of them associated with Stellenbosch University, moved radically to the left, outflanking some of the more traditional English liberals in their readiness to negotiate with the ANC and contemplate a future for South Africa under black rule. Others, gripped by a pathological recidivism, moved beyond the Conservative party to form extreme right-wing vigilante groups of the kind that ranged the American South during the civil-rights campaign. (Sparks, 1990, p. 324)

Even the government was divided along the same lines. One wing was convinced that it was necessary to make peace with the majority of the population of the country, even at the cost of considerable concessions; the other thought that it could only negotiate with an advantage after the rebellious blacks were crushed so that other more “moderate” spokesmen could emerge. At the most crucial moments, in 1985 and 1986, Botha gave a strong hand to the latter, which did not keep the former from acting. One of his main agents was the Minister of Justice, Hendrik Coetsee, who shortly after taking office, allowed the newspapers, radio and TV access to the political prisoners on Robben Island, which included Mandela and the former ANC leaders. In 1982, Mandela, Sisulu, Kathrada, Mhlaba and Mlangeni were transferred from the island six miles off the coast of the Cape to a Pollsmoor high security prison, located in a suburb of the city of Cape Town.

The transfer of the prisoners to the continent was done to facilitate secret conversations of the government with them. The occasion for this arose in 1985 when Nelson Mandela had to be hospitalised to undergo surgery. Coetsee went to see him and so established the first personal contact with the major opposition leader to apartheid and the government.

Mandela had written to the minister, asking him to visit him in prison, with the intention of organising a meeting with Botha. He was convinced that the hour had come to negotiate because the continuous increase in the number of riots could only be stopped by some kind of agreement.

After Mandela was released, he was not taken back to Pollsmoor but stayed in a cell in the hospital. Coatsie told the president about the meeting with Mandela and Botha told him to keep in contact with the prisoner. In this way, while on one hand the “Old Crocodile” (as Botha was called) maintained reformed apartheid unilaterally and had any insurrection repressed, on the other hand he opened up a channel of negotiations with the enemy, to be used in case the latter became sufficiently weak.

From that point on, a number of meetings took place between Mandela and Coatsie and the government overlooked the comings and goings of messengers to Lusaka, where Oliver Tambo and the Congress leaders were kept up-to-date on what was discussed. The conversations were kept totally secret by both sides. During the years they lasted, the agendas of the two sides never merged. The government wanted to get Mandela to renounce armed struggle, repudiate communism (the Communist Party was part of the Congress) and show flexibility with the majority government. Mandela, however, was interested in meeting Botha personally and insisted that his colleagues of the ANC leadership be freed. In this dialogue between the deaf, no fewer than 47 meetings were held (Sparks, 1994, p. 48-9).

The government slowly reinserted Mandela in the resistance movement without freeing him. He was installed in the house of a former deputy director of the prison, where he was visited by other political prisoners from Pollsmoor and Robben. His contacts with Lusaka were facilitated, so that the positions he assumed in a certain way represented those of the ANC, although the reserved nature of the procedures even kept the substance of consultations from going beyond a limited circle of leaders. Mandela made it clear that the armed struggle would only be abandoned when the government relinquished the monopoly of power and opened negotiations with the representatives of all people. He also explained that the ANC was not Communist but that he would not dump the

Communist Party, which since the 1920s had taken part in the struggle against racism. And as far as the principle of majority rule was concerned, he observed that even the white regime regarded it as a pillar of democracy throughout the world. "White South Africa simply has to accept that there will never be peace and stability in this country until the principle is fully accepted" wrote Mandela (Sparks, 1994, p. 53).

In March, 1989, Mandela sent a memorandum to Botha with these considerations but ended it in a conciliatory tone, pointing out that there would be concessions on both sides, and Botha finally became convinced that he should see the most important black leader in the country. Mandela was taken to the president, who was recovering from a heart attack and had left the NP leadership to F.W. De Klerk. The meeting was courteous but inconclusive. Within the government, the tendency of the president was unaltered: at the moment of decision-making, stay with the *verkrampptes*.

But this co-relation of forces inside the government no longer corresponded to the one that existed within the white community, even among the Boers. (Sparks, 1994, p.72/75) sustains that the powerful *Broederbond* (Brotherhood Union), the main Afrikaner ideological entity, which strongly influenced the NP and the government, had already accepted by 1984, a full year before Coatssee's first meeting with Mandela – that black South Africans would have to be given the vote and that Afrikaners would have to be prepared for this seismic change ... De Lange [president of the *Broederbond*] says that by early 1986 a majority of the brotherhood's twenty thousand members voted to accept the principle of full citizenship rights for blacks ... Lange reckons it was at least another year before a majority in the cabinet came round to the same conclusion. The only obstacle continued to be Botha.

And this obstacle was removed in August, 1989 under the improbable leadership of F.W. de Klerk, president of the NP and Minister of Education, regarded as a conservative among the ministers. In a meeting convened by the Old Crocodile, all of the ministers called upon him to resign by virtue of his delicate state of health or at least to take a leave of absence until after the elections to be held the following month. An extremely irascible man, Botha struck back with the expected brutality but the same

night went on television and announced his resignation. F.W. de Klerk took his place as head of the government.

In the following elections, the NP under the leadership of De Klerk made a sufficiently conservative campaign, without giving any sign of the changes that were to come. De Klerk later explained that he feared losing votes to the Conservative Party. But one month after winning the elections, De Klerk ordered the release of Walter Sisulu and seven other prisoners, some of the most important leaders of the black movement. Prior to this he had already suspended the prohibition of public demonstrations, putting an end to the bloody cycle of riots.

On February 2, 1990, De Klerk went to the court of Parliament to swear in the new legislature. In this memorable speech, the president announced the legalisation of all banned parties – the African National Congress, the *Umkhonto we Sizwe*, the Pan-African Congress, the UDF and the South African Communist Party – the imminent release of Nelson Mandela and of hundreds of other political prisoners and his readiness to negotiate a new national constitution with all of them in which all would have equal rights. He also announced the imminent repeal of the repressive measures, which restricted freedom of the press and the rights of political prisoners.

The negotiations between the De Klerk government and the ANC had already begun secretly in Switzerland in September, 1989. Gradually the conditions for the rebirth of South Africa as a multiracial democracy were being implemented. On February 11, 1990, Nelson Mandela was freed, having been welcomed as the true hero of his people. Through negotiations, the ANC ended its guerrilla activity and the government released more than 3,000 political prisoners and facilitated the return of roughly 40,000 exiles. Racist laws were revoked and the NP opened its membership to all races.

In July, 1990, the Zulu leader, Buthelezi, formed the IFP *Inkhata Freedom Party* to take part in the constitutional negotiations. At the same time, violent confrontations with much bloodshed began to take place, apparently between the members of the ANC and the IFP, first in Natal where most of the Zulus live and then also in Johannesburg and other locales. While the future constitutional design of a democratic South Africa was being negotiated, political violence kept getting worse.

In April, 1991, the ANC denounced the involvement of the Defence and Law and Order Ministers as well as of the security forces in the massacres and demanded the dismissal of those implicated in the violence. As its demands were not met, the ANC suspended the negotiations, until July when the government admitted having made secret payments to the IFP, without having informed De Klerk and Buthelezi. The Defence and Law and Order Ministers were immediately demoted to secondary posts in the cabinet. In October, a legal investigative commission was formed to determine the causes of the violence. Its report was ready only in December, 1993. It confirmed the ANC denunciations, proving that members of the security forces of the Kwa Zulu kingdom, trained by the armed forces of South Africa, killed members of the ANC apparently with the intention of upsetting the process of constitutional negotiation.

Despite all the difficulties and sabotages, this process managed to assemble the large majority of the political forces of the country. Those who kept one foot in and the other out were those forces that were not resigned to the end of apartheid and insisted that the country be divided into distinct regional political units, with more autonomy. Among these forces were the IFP, the Conservative Party and the Kwa Zulu, as well as numerous small extreme right wing groups. In March 1992, De Klerk held a referendum among the white population, in which the great majority manifested in favour of the continuation of negotiations. The Pan African Congress [PAC] also boycotted the negotiations at certain times and later joined them again.

Despite all the difficulties, in the end the consensus reached among the majority forces of all races prevailed. At the end of April, 1994, the interim constitution entered into effect and the first multiracial elections in South Africa took place. The ANC was the great victor with 62.25% of the votes, followed by the NP with 20.39% and the IFP with 10.54%. In May of the same year, the National Assembly elected Nelson Mandela president. He then immediately appointed Thabo Mbeki first vice-president and Frederic de Klerk second vice-president. Mandela formed a ministry of national unity with 18 members from the ANC, 6 from the NP and 3 from the IFP.

The labor pains of a new country

Adhesion to racial democracy was far from being unanimous. Minority groups among the whites – the “hardcore” Afrikanerdom group – and among the blacks – Buthelezi, the IFP and the traditional chiefs that dominated the Bantustans – continued resisting, entrenched in local or provincial governments or in strategic positions of the state apparatus. The position of these groups was to constitutionally guarantee that the federal branch would have to be exercised consensually, giving the minorities the power of the veto. Not managing to impose any kind of “consensual democracy” (Koelbe, 1998), these groups began to demand the maximum possible regional autonomy, aiming to create ethnic mini-states, in which each culture could preserve, through isolation, the values it considered fundamental.

On May 8, 1996, Parliament approved the new South African constitution. The IFP was absent, boycotting the Constitutional Assembly and the 10 FF (extreme right white) abstained. The only two votes against came from the African Christian Democratic Party. This near unanimity was reached due to the concessions made by the ANC to the NP and to the traditionalists. The Constitution provides for the creation of a Commission to Promote and Protect the Rights of Cultural, Religious and Linguistic Communities, aiming to guarantee the white minority, particularly the Afrikaner.

The Senate was also replaced by a National Provinces Council, aiming to increase the influence of the provinces over the central government. This measure was below the provincial powers demanded by the IFP. Shortly after the new Constitution was ratified, the NP left the government to become the main opposition party. The reasons alleged were the refusal of the ANC to include mechanisms in the constitution to share power, as well as the need to maintain a significant opposition to the government to strengthen democracy.

The two reasons naturally contradict one another, since if the constitution obligated the ANC to share power with the NP (as the latter demanded) there would be no powerful opposition to the government, which would weaken democracy. In reality De Klerk and the NP participated in the government for 2 years according to the agreements made for the

transition to democracy. Having obtained from the ANC the concessions that its modest electoral experience had allowed it, the NP decided it was not interested in remaining in the government and compromising with Mandela and the ANC, since it would have greater possibilities for growing as the opposition.

One of the crucial tasks of the Mandela government was to build a new government apparatus based on those existing in Pretoria and Lusaka. In June, 1994 it was announced that the new armed forces would be formed within a three year term, to give time for the former members of the ANC and PAC guerrilla troops to integrate with the army of the white regime. Two former MK officials [of the ANC] were given prominent positions in the new armed forces, which was commanded by General George Meiring, who had occupied the same position in the armed forces of the apartheid regime.

In October, 1994 a crisis erupted: about 7,500 former guerrillas vanished from the new armed forces and refused to resume service before the government met their claims regarding the delay in their integration to the new army and the discrimination they would fall victims of. Mandela declared that any member of the armed forces who did not present himself in seven days would be considered a deserter and as such would be dismissed. At the beginning of November, the government announced the dismissal of more than 2,000 members of the new armed forces, those who had not presented themselves within the time limit.

At the beginning of January, 1995 the existing National Intelligence Service was dissolved and replaced by two new bodies, also made up of agents from the ANC and the former bantustans. The South African Secret Service was to take care of international affairs and be headed by the former commander of the National Intelligence Agency. The National Intelligence Agency would be commanded by a former ANC security official and would take care of internal affairs.

Similar criteria were followed in the reorganisation of the rest of the public administration sectors, such as the diplomatic corps and the financial technocracy. In this respect it should be noted that the Minister of Finance, July Keys, resigned in July, 1994 and was replaced by Christo Liebenberg, an old prominent banker who had no political affiliation. The

government took the trouble to confirm its fiscal restriction policy to dispel rumours that Keys' resignation would mean a change in the economic policy.

In reality, the economy of South Africa under Mandela was coming out of the state of siege in which the sanctions against apartheid had left it. The restrictions to trade with South Africa were lifted and foreign investment returned to the country. In the words of Chris Stals, governor of the Reserve Bank of South Africa, the central bank of the country:

After a period of economic stagnation, from approximately 1982 to 1992, South African economic performance gradually improved during the last three years⁵ Six of the 11 years preceding 1993 produced a decline in GNP and the few rises during this period, for example in 1984 and 1988, had a short life due to the restrictions on the balance of payments. South Africa could not permit itself any strong expansion of imports as a reaction to the increase of internal expenditures at a time in which it was under the obligation, and forced to by the international community, to repay considerable amounts of external debt.

This situation changed dramatically in the last three years. The political and social reforms in South Africa brought with them the end to international sanctions and trade boycotts, the end to the desinvestment campaigns and to the pressure for the withdrawal of foreign loans. South Africa naturally celebrated the opportunity to re-integrate itself into the world economy.

In this new environment, economic growth increased gradually to a higher level. The rate of variation of GNP went from -2.2% in 1992 to +1.3% in 1993, before increasing to 2.7% in 1994 and to 3.3% in 1995. If it were not for the adverse climatic conditions and for a substantial decline in mineral gold production in 1995, the growth rate could be even better – the growth of the secondary sectors

⁵ Written in 1996.

of the economy exceeded 7%, with a particularly strong contribution from the private transformation industry. (Stals, 1996, p. 16)

For the ANC government, the main task is probably to overcome the social consequences left by almost half a century of apartheid, which implies integrating the black masses formerly segregated in the Bantustans or in the slums and outskirts of the cities into the modern industrial and urban economy. To do this the government chose not to antagonise or expropriate the still predominantly white capitalist class as we saw above. If the Mandela government had opted for a policy not exactly revolutionary but nationalist developmentalist, as its ideological commitments would expect it to do, he probably would have exposed the country to non-public reprisals from the great financial capitals and governments of the industrialised world. Which, given the stability of the foreign accounts of the country, would not necessarily jeopardise the chances of the country for economic growth, if such growth were focused mainly on the domestic market.

Be that as it may, since the beginning of his government, Mandela chose the opposite course. As we saw, when the Finance Minister was replaced almost two months after he took office, the government made a point of calming the “market” (references to the market always mean those who hold the public and external debt, the stocks transacted on the stock market and the financial assets convertible into US dollars). Since then the economic policy has been ostensibly subordinated to IMF guidelines, as its strategy is officially defined: The Government’s Growth, Employment and Redistribution (Gear) strategy, **which is based on the International Monetary Fund (IMF) austerity measures** [this author’s emphasis], envisages a total of 400 000 targeted jobs per annum by the year 2000. (South African Government, Document on the economy, Internet, p.1)

This option led the government to adopt strategies that to some did not lead to the proclaimed goals of social integration and income redistribution. The government explains its adhesion to the precepts of neo-liberalism in the following terms:

... South Africa undertook courageous improvements in relation to the opening of the national economy to international competition and can claim an impressive list of

accomplishments from this point of view. These include a significant reduction of tariff barriers, ahead of the WTO schedule, resulting in the smallest average tariff (weighted by trade) of protection in the SADC [South African Development Community] region; a market related and competitive exchange rate; lack of any restrictions on the type or extension of investments available to foreigners and of requirements of government approval; ... abolishment of exchange controls for non-residents and substantial reduction of the one applicable to residents; a pro-active strategy to attract foreign strategic equity partners in the process of re-structuring state assets; introduction of more flexibility in the labour market; availability of attractive incentives to investments that can improve international competitiveness and technology transfer, in order to facilitate foreign direct investment. (Ibidem, p. 18)

The problem with this economic policy is that the development of the country is entirely subordinated to the availability of globalise capital to be invested in the South African economy. Now, at least since 1997, the great wave of direct investment of this capital in the so-called “emerging” economies declined sharply, which turned into capital flight from the Asian countries, the first to be affected by the financial crisis, and soon moved into Russia and Latin America. South Africa also recently experienced short-term capital flight: 15 million rand in 1993 and (after small positive balances in 1994 and 1995) 4.1 billion rand in 1996 and 9.8 billion in 1997. This capital flight as a percentage of South African export revenues was substantial: 62% in 1993, 13.7% in 1996 and 32.2% in 1997.

The market has reacted positively to the austere policy of the government, but the continuous devaluation of the rand indicates that distrust persists. The following description was taken from *The Economist Intelligence Unit*:

From steady levels of around R3.65:\$1 seen during most of 1995, the rand fell to R4:\$1 in March 1996. Brief rallies were followed by fresh plunges; by mid-December 1996 the currency was trading at slightly over R4.7:\$1, and

lost nearly 30% of its value against the dollar in 1996. The currency declined only slightly between November 1996 and March 1997, but experienced renewed volatility owing to contagion effects from South-east Asian markets crisis, to trade at R4.90:\$1 in December 1997. The value of the rand plummeted to its lowest level of R6.75:\$1 on July 6th 1998 when the financial markets reacted negatively to the appointment of Tito Mboweni as the governor-designate of the South African Reserve Bank (SARB, the central bank). However, it has since recovered to R6.05:\$1 at the end of September. The 6-percentage-point rise in the prime lending rate (repo) to 24% in June helped to stabilise the rand – albeit at the risk of bringing the economy grinding to a halt.(E. I. U., 1998, p. 41)

The option made by the Mandela government to play all its cards on the continuous entrance of foreign capital has cost South Africa a high price. The reputable *Economist Intelligence Unit* states:

Having placed its faith in RDP projects to meet the expectations of the poor, the government alliance must strive to overcome the underlying contradiction between the pressure to ensure macroeconomic balance and earn international financial approval and the immense challenge of tackling poverty. (E. I. U., 1998, p. 20)

The RDP predicts an expenditure of R\$ 37.5 billion during 5 years to

...redress some of the more glaring inequalities in the economy and to revive growth prospects after 1994; ... but actual spending was sluggish and the overall results of the RDP disappointing. The Ministry of Housing, for example, admitted that it would be unable to meet its targets and that it will take at least 20 years to eliminate the housing backlog. (E.I. U., 1998, p.18)

This evaluation is made in more drastic terms by Dr. Vella Pillay, director of the National Institute of Economic Policy:

In a concise form, my evaluation of the status of the South African economy is as follows:

1. Unemployment has worsened notably in the period since 1994, reaching something between 30% and 60% of the economically active population and threatening to increase to higher levels with less than 2% of the 400 thousand who annually enter the labour market finding jobs. I do not see anything in the economic policies of the government that can be even remotely seen as directed to alleviating this problem. On the contrary, with the economic policy dominated by a strict fiscal and monetary positioning, it can be said that economic policy itself significantly contributes to the aggravation of this problem.

2. This problem has been accompanied by one more wealth and income distribution in favour of the higher income strata – a fact that reflects in the difficulty of carrying out what was promised in the RDP. The country, therefore, continues to face the legacy of a vast social dysfunction, by grotesque under-education and by armed rage with around 7 million of our people living their lives in slums. ...

3. The industrial policy of the county – the key to the creation of employment and of a wider internal market, a basis from which exports can gain competitiveness in time – is being permanently undermined by the sudden turn of the country to a program of tariff reduction and of weakening of other protectionist devices of our emerging industries. ...

4. ...

5. Our currency faces an implacable crisis – its depreciation does not result from a set of carefully calculated considerations, administrated to improve the country's export competitiveness and to stimulate economic activity. On the contrary, it comes from what I consider the maladministration of our country's exchange policy. The current system of exchange controls, specially of capital flows, is under mined by inefficiency and by policy changes

made to satisfy the largest insurance companies and others in the use of part of the nation's savings and of their own resources to acquire foreign assets. (Pillay, 1996, p. 25-7)

It is easy to see that the South African economic policy is totally dependent on its foreign economic policy, especially in reference to financial and industrial transnational capital. This could be attributed to the globalisation of the world economy, to which South Africa has been reintegrating. Mandela's dilemma, which continues to be one for his successor, is well put by Koelbe (1998):

During the campaign that preceded the general elections of 1994, the ANC promised important socio-economic reforms. Since then, many of its promises have been modified. The commitment to redistribute land and wealth has been set aside or reverted. The decisive policy of the ANC – the Reconstruction and Development Programme – has been delayed. Instead, the government is trying to rid itself of a vast state bureaucracy in education, health assistance, armed forces and general administration. Privatisation and growing efficiency, be it in the fight against crime or in industrial production, have become the rallying words of the government's economic strategy. By this it is not being suggested that the only reason for the government to adopt neoliberal policies is because of pressure from the World Bank or the International Monetary Fund. The ANC is in need of money and to increase taxes goes against a global trend in favour of less and smaller government. Furthermore, South Africa already has one of the highest rates of taxation in the world. High taxes do not induce foreign investment and also do not encourage domestic investment. In other words, **systemic financial pressures more than institutional ones force the ANC government to reduce its election promises and its redistribution policies** [emphasis by this author]. (p.19)

South Africa's dilemma is the same as all countries, especially those who are semi-developed and have a large social debt. The matter, adeptly expressed by Koelbe, is whether the "systemic financial" pressures

can be confronted and with which consequences. This is not the place to go deeper into this discussion, though it is at the core of the definition of South African foreign and domestic economic policy. Governments from different countries have handled the dilemma in a wide variety of ways. Some are opposed to pressures, do not give in to total freedom to capital movement and in this way assume the command of the financial and economic dynamic of their countries. Others give into the pressures hoping to be compensated with handsome sums of foreign resources. With time, the results of one and the other option may be compared, which no doubt will result in a revision of the postulates that continue today to be widely accepted.

Foreign economic policy

A country going against history

Though South Africa obtained self-government in 1910, its effective independence dates from 1931, when the Balfour Declaration, issued 5 years before, which established that British dominions were to be autonomous, was converted into law by the Statute of Westminster. Thus only as of that year can we actually speak of a South African foreign policy.

Nonetheless, the tariff policy had already been determined before 1931 by the South African government and in 1925 tariff protectionism began to be adopted as an element of an import substitution industrialisation policy (Fine and Rustonjee, 1996, p.141). It is interesting to observe that South Africa adopts protectionism before the 1930s, which was when all the industrialised or industrialising countries resorted to protectionism in a desperate attempt to raise the employment level, even at the risk of cutting employment in its trading partners.

As we saw previously (p.17), South Africa adopted import substitution with the victory of the coalition of the Nationalist Party with the white Workers' Party, whose alliance hoisted Hertzog to power in 1924. The national developmentist strategy was adopted by Hertzog and by the later Afrikaner governments as a strategy to promote the growth of Boer capital, centred on the domestic market, in detriment to British capital, invested primarily in the Mineral Energy Complex.

The foreign economic policy pursued by South Africa, continuous until recently, consisted in taking advantage of the export potential of the Mineral Energy Complex to finance, through the taxes paid, the construction of the infrastructure and to generate the foreign currency needed to import the means of production to make import substitution viable. This was the policy followed by Brazil and other Latin American countries as of the 1930s and had as a necessary condition the transfer of the political power of the primary export complex – the coffee complex, in the case of Brazil – to the set of interests connected to the domestic market.

This power transfer, which in many countries had a revolutionary connotation, was made possible because the primary export complex was economically weakened due to the international crisis and the depression, which began in 1930 and only ended with World War II, a period during which international trade showed little recovery. Up to 1930, the primary export oligarchy was politically dominant and subordinated to their interests the social classes - the industrial business community and the proletariat – vitally interested in industrialisation. When, however, the volume and value of the exports dropped sharply, ruining the oligarchy, the socio-political equilibrium changed, triggering the political transformations which led to industrialisation by import substitution.

The case of South Africa was somewhat different. The transfer of power preceded and was due to the rules of the political game, which included only the Europeans and their descendants among which the Afrikaner formed the majority. When this majority decided to disassociate its interests from those of the great British capital and those of the English-speaking whites, the priority changed from opening to closing the domestic market and promoting national industry.

Here is where South African specificity appears if we compare it to Latin American countries, such as Brazil and Argentina, which also originated from settlement colonies. In Latin America, the class and race lines are distinct, although it is undeniable that the whites are generally wealthier and less poor than the “coloured” groups. And though the whites come from different European countries, their descendants speak the same language and their differences rapidly dissolved through assimilation to

the national culture. During the first half of the 20th century, the upper class in South Africa was British, the petite bourgeois and the “civilised” proletariat were predominantly Afrikaner and the ultra-exploited proletariat was African.

The primary export oligarchy in Brazil was not ethnically different from the industrial, trade business community, etc., which has less economic power, which imported or sold on the domestic market. This is the reason why the transfer of power brought about by the Revolution of 1930 was so ambiguous in terms of class. Its substance was only revealed years later, when import substitution was no longer a mere circumstantial contingency and became a deliberate development strategy. In South Africa, this same strategy had clear ethnic objectives: it tried to undermine the economic and social hegemony of British capital by deliberately promoting the growth of Afrikaner capital.

As Fine and Rustonjee (1996) show, however, the antagonism between Afrikaner capital and British capital should not be exaggerated. The Afrikaner governments, prior to and after 1948, did not intend to debilitate the Mineral Energy Complex because they knew it was a chicken with golden eggs of the developmentist project, which favoured Afrikaner capital. Which means, in foreign economic policy terms, that import substitution was not promoted in detriment to the growth of the export sector. In this respect it is worth recalling the development of gold mining in the Orange Free State, led by British capital and financed by state entities (p. 27)

In summary, during some good fifty years, from the mid-1920s to the mid-1970s, the Afrikaner policy was simultaneously to promote import substitution and expand exports, making use of the great and varied mineral wealth of the country. As we will see later on, this wealth will be used by the South African governments to try to legitimise apartheid with the great capitalist powers.

The South African situation changed radically when, in 1948, the NP won the elections and stayed in power for 46 years. During a large part of this almost half century, the successive Boer governments tried to ensure that the non-white groups – “coloureds”, Hindus and Africans – would remain segregated by this monstrous political monster called

apartheid and which consisted in the forced re-tribalisation of the black majority of the population (p.22-4). Apartheid, as an ideology was conceived in the 1930s when racism was in fashion, especially in its anti-Semitic form propagated by Nazism.

It so happens that Nazism was defeated in the war and since then has been universally repudiated. The neo-Nazi gangs never acquired political importance in any country except in South Africa. The NP clearly never assumed that it was neo-Nazi, but some of its most important leaders, including Vorster who headed the government from 1966 to 1978, were “interned” during World War II for openly being Nazi sympathisers. As much as apartheid may be disguised, its exacerbated racism can never be concealed.

The Allied victory in the war heralded a new era marked by universal support for human rights. Evidently there was no lack of violation of these rights but those who committed them never admitted this. The most atrocious authoritarian governments always disguised themselves as “democracies” with some adjective, trying to excuse the disrespect for human rights with inescapable yet transitory needs. All promised that at some time full respect for human rights would be restored.

The South African Boer governments were the great exception to this rule. They justified the violation of human rights not as an imposition to passing circumstances but as a deliberate policy whose justification required the reformulation of what is understood by “human”. The ideology of apartheid sustains that “men” in general do not exist, but are ethnically determined beings, and that by divine law the ethnic groups must not mix and have relations. Each ethnic group should define the rights of its members. The superior ethnic group (!) has the right to order the allocation of territory and the resources existing on it to the diverse national ethnic entities.

Apartheid probably re-surged from the grave as an anticipated reaction to the colonial revolution recently initiated in 1948. Its adoption by the South African governments, as of that year, placed the country in ostracism as the natives of the Asiatic, African and Central American colonies were throwing off the yoke and assuming their human rights. One should not forget that the colonial revolution had the support of the

two super powers – the USSR and the United States – and of the large majority of public opinion in the first, second and third worlds. Those opposed to the emancipation of the dependent peoples were a minority, including in the big cities.

In some cases the liberation of the colonies led to lengthy and bloody wars. Coming to mind are those in Indonesia, Vietnam, Algeria, Kenya and the Portuguese colonies of Africa. But even in these cases those who opposed liberation disguised their reasons, generally accusing the freedom fighters of being Communists. The idea that the dependent peoples should be liberated was not in dispute. Those who in practice opposed liberation in general defended its coming into being at other times, by other forces.

The decisive fact that shows how white supremacy was unsustainable outside southern Africa is that the large majority of the colonies were liberated by the initiative – or at least with the consent – of the cities. There were very few liberation wars in which the colonialists had to cede by the force of arms. As typically happened in Indonesia, Algeria, Vietnam, etc., the colonialists were defeated in the city: the governments, under pressure from public opinion, ended up negotiating the withdrawal of troops and the independence of the new nations.

The imposition of apartheid by the Malan government was rapidly transformed into an international scandal thanks to non-violent mass resistance, initially organised by the African National Congress (p.36/37). The matter was taken to the UN for the first time in 1952 by the new Arab and Asian nations.

From that point on a number of resolutions against South Africa would be adopted annually in a general way although moderated and with a conciliatory tone, “recommending”, “urging”, or “inviting” their government to take steps to revoke the apartheid laws and for the submission of Southwest Africa to the system of trusteeship of the organisation. (Vilalva, 1993, p. 24)

The conciliatory sense of the first UN resolutions against apartheid is explained in the first place because in the 1950s the proportion of former

colonies among the member states was still small. The Cold War had already begun and South Africa made a point of showing itself anti-Communist. Which did end up generating some sympathy for it among the more conservative governments and among those who felt most threatened by communism.

There was also the importance of the minerals exported by South Africa. "The main concern of the West lay in the control over the South African reserves of chromium, vanadium, antimony and platinum. South Africa and the USSR were responsible for almost the total world production of these minerals"(Vilalva, 1993, footnote 15, p. 176). Gold would have to be added to this, because its production was dominated by South Africa, with the Soviet Union as the other great producer. Up to 1973, gold guaranteed the value of dollar, the key currency of the international monetary system established at Bretton Woods. Gold production was, at least in theory, essential for guaranteeing the liquidity of the international payments system, whose rapid expansion required increasingly greater quantities of reserve currency (gold).

It began to become clear that the capitalist powers as well as the great capitalist companies had a more than a negligible economic interest in the political stability of South Africa, no matter how much apartheid was offensive to them. One part of them certainly gave credit to the Afrikaner governments' allegation that all the opposition to them was dominated by Communists, directly commanded by Moscow, and that if the resistance to apartheid was victorious, the territory and the mineral deposits would fall into Soviet hands.

As of the 1950s, South African economic foreign policy increasingly becomes an instrument to acquire legitimacy for or at least tolerance of apartheid. South Africa by that time was the most advanced economy on the continent, and its rapid development with time turned it into an increasingly more valuable trading partner as well as a haven for capital investment. By creating closer economic ties with the great capitalist powers and with the major multinationals, South Africa created a sort of political wall around itself, which protected it from the attacks of the critics of its white supremacy system. (Vilalva, 1993, p. 29/30)

ITs back to the wall: from Sharpeville to Soweto

The international situation of South Africa changed after the Sharpeville massacre in 1960 (p. 38). Protests were considerably great inside as well as outside the country and capital fled the country. The composition of the General Assembly had changed as a consequence of the progress of the colonial revolution and the reaction in the UN was much more vehement. In 1946 the Afro-Asian members accounted for only 30% of the total; in 1965 they already accounted for 58.4% (Vilalva, 1993, p. 173, footnote 6) This time, the approved resolutions asked for severing diplomatic and economic relations with Pretoria and “deplored the attitude of some member-states which, indirectly provide momentum to the policy of racial segregation.” In 1963, the Security Council recommended an embargo on the supply of arms to South Africa (Vilalva, 1993, p. 44).

As a reaction to Sharpeville, South Africa was becoming increasingly isolated. In 1961, South Africa was almost expelled from the Commonwealth. As of 1963, the AUO (African Unity Organisation) prohibited flights over and landings of South African airplanes on the continent. The International Olympics Committee suspended South Africa and in the next year the International Football League did the same. During the same period, the FAO (UN Food and Agriculture Organisation), the ILO (International Labour Organisation) and the WHO (World Health Organisation) also expelled the South African government.

It should be remembered that the Sharpeville massacre was the response of the South African government to the intensification of the protests against apartheid. A chain of causes and consequences was developing which could have pushed the white regime against the wall. The pressure to contain and expel the blacks from “white” Africa brought about increasingly more threatening mass protests, from the point of view of the authorities in charge of security who at some degree of tension gave the order to shoot to kill.

The slaughter produced in this way provoked a scandal within the country and abroad, which makes the enemies of the white supremacy regime capable of politically and economically isolating South

Africa. So, if the domestic resistance could be drowned in blood, the outside was vulnerable to the repressive violence and possessed a lethal weapon: embargoes.

The Afrikaner regime could withstand the political isolation but not the economic one. The South African economy was – and continues to be – one of the most dependent on exports and imports. In 1997, South Africa imported non-factor goods and non-factor services amounting to 27.3 % of its GDP. It was and continues to be vulnerable to any measure that harms its foreign trade. So, it became vital to the regime to break any causal chain, which turned each step taken to establish apartheid into a reason for imposing new measures of economic isolation.

An economic policy adopted by the government to face this danger was to make the economy more self-sufficient and therefore more resistant to possible embargoes. A result of this policy was, for example, the Armscor Armament Corporation of South Africa and its subsidiary, the Atlas Aircraft Corporation, created in 1964, with financing from the IDC (p.26-7) Other examples are the Sasol I (1951), Sasol II (1976) and Sasol III (1979) plants, also financed by the IDC and which produce liquid fuels from carbon. They were built to lower the country's dependence of the country on oil imports (Fine and Rustonjee, 1996, p. 159).

As we saw, Verwoerd was resigned to the fact that apartheid would require economic sacrifices (p.34-5). To add to this, as of 1965 with the outbreak of the Vietnam War, the cold war entered a phase of great intensity with the United States increasingly willing to avoid the colonial revolution which would enlarge the Soviet bloc in Asia and Africa. Now as South Africa was a bastion of anti-Communism, the regime created the expectation that the perception of increased communist danger would bring about greater tolerance for it.

Verwoerd did not live to see this hope materialise, since he was assassinated in 1966. His successor, Vorster launched an offensive of superficial modifications to apartheid patently to disarm resistance and muster support in the rest of the world. At the same time, foreign investment returned to the country, lured by a South African "economic miracle". "Between 1966 and 1974, the average growth of the South African GDP was 12.4%. In 1973 alone, growth reached a rate of 22.1% (Vilalva, 1993,

p. 175, footnote 1). It is interesting to observe that the period almost coincides with the Brazilian “economic miracle”. The extremely high economic growth in South Africa probably gave back an excellent rate of return on investments, which must have been an irresistible attraction to multinational investments.

To reconcile investing in South Africa with the disgust for apartheid, an ingenious argument was developed according to which

economic development would be at the medium and long terms, the major peaceful way toward the gradual abolition of apartheid. ... defended was not only the psychological perception that development would tend to liberate the biases of the mind but also in practical terms the idea that the integration of the native population in the productive activity would weaken the force of repulsion between the two sides in question. (Vilalva, 1993, p. 63)

Obviously this was a rationalisation but in the end not an entirely absurd one. Economic growth occasioned the multiplication of blacks living on the outskirts of the cities which ended up becoming the stage of mass resistance to apartheid. Isolated in the bantustans, the dissatisfaction or even the desperation of the blacks had no way to come to the fore in a politically aggressive way. But in the cities, it did.

Be that as it may, Vorster began to adopt a policy of openness to foreign capital and this hastily came.

...old and new partners came to collaborate with the economic development and with the expansion of South African foreign relations. Among the traditional ones, not only did trade grow but so did investments, especially during this period from West Germany, with huge high technology capital transfers (which would put it in third place after Great Britain and the US) and France with its contractors participating in the great infrastructure works, including the construction of the Koeberg nuclear plant and with the association of the *Compagnie Française du Pétrole* to the South African Financial VOLKSKAS Group in oil exploration and refining in Africa. (Vilalva, 1993, p. 71)

In direct violation of the embargo on weapons sales, the European powers became involved in arming the apartheid regime. France became the largest military supplier of South Africa, associating with the Atlas Aircraft Corporation to assemble 100 “Mirages” and development a land-air missile system. Italy promoted the assembly of the Impala bomber and Germany offered equipment to the Silvermine communications and observations centre (Vilalva, 1993, p. 74).

The intense economic development, with wide participation of European capital, put to the test the thesis of the peaceful means to the gradual abolition of apartheid. In fact the colour barrier to the entrance of blacks to more highly skilled jobs was lowered and there was what Lipton and Simkins (1993) call

redistribution of wealth in favour of the coloured people, Asians and blacks, and a growing cost for the State with them. Starting in 1970, their wages increased more than those of the whites and this tendency continued, even during successive recessions that occurred beginning in mid-1970s. ... from 1972 to 1989, real wages of the whites in fact declined, while the real wages of the blacks almost doubled and the ratio of wages of whites to those of blacks fell from 5.5 to 3.1. (p. 8)

So a part of the thesis – the integration of the native population to productive activity – was in fact verified. The only problem was that the road to the abolition of apartheid was not at all peaceful. For the Afrikaners in the government, the narrowing of the economic gap among the races and the deepening of roots of the growing black population must have been alarming, since the probability of racial mixing increased. Thus their reactive action, removing more black urban communities to the Bantustans and imposing more restrictions on the townships. Which could result in nothing other than the resurgence of black militancy, which exploded in the Soweto uprising in 1976 (p. 40-1).

Once again, the black insurgence was victoriously beaten by the white regime at the end of almost a year and a half of continuous riots. But the damage that these conflicts caused in South Africa's relations with its trading partners was irreparable.

Barred from access to the United Nations General Assembly since 1974, punished by the compulsory arms embargo as of 1977, stripped of the old Portuguese solidarity [due to the end of Salazarism in 1977], its regime sentenced for a "crime against humanity", and the ANC and the PAC recognised as the "legitimate representatives of the South African people", South Africa found itself more and more isolated, with its defences gradually debilitated. (Vilalva, 1993, p. 93)

When the Botha government (1978-89) begins, all the work Vorster had done to obtain economic support from the European powers and capitals, was destroyed. As Vilalva writes (1993, p.92) "economic power did not become political power". If this was true in relation to the industrialised world, we must now see how the same policy came about on the African continent.

South Africa as a regional power in Southern Africa

Seen from the safe perspective of aggregated data, South Africa is a heavy weight among light weight neighbours. Several of the nearby States governed by blacks (Zimbabwe, Angola, Zambia and Mozambique) have the potential to improve their economic performance significantly. As a group, they will be able to challenge the economic domination of South Africa over the region. But, for the time being, their efforts to re-structure their economies seem to be inadequate for this challenge. ... Some examples will illustrate the deepness and extension of South Africa's economic advantages:

- In 1969, South Africa's GNP made up 65.5% of the GNP of the set of 12 States of the region. In 1978, this proportion increased to 70.7%. The rate for 1988 was 84.4%.

- South Africa continues to be the only industrialised country of the region. Although Zimbabwe has started to industrialise itself, the other countries are, in general, producers and exporters of primary products. In the majority of the cases, only one or two goods dominate their trade. In

one or two cases, the export of labour to South Africa is the largest foreign source of foreign exchange for the national economies.

- With the exception of Botswana – that changed from a cattle breeding economy to one propelled mainly by mining – and Angola – that went from agriculture to oil – there were few fundamental transformations in the national economies since 1970.

- Before 1982, 95% of overseas trade from Malawi went through Mozambican ports. In 1986, 95% went through South Africa.

- Botswana, Lesotho and Swaziland have formal trade treaties with South Africa through a regional tariff agreement. (Grundy, 1991, p. 98-9)

South Africa is the most developed country in Africa, perhaps the only widely urbanised and industrialised one. Its social and economic indicators are similar to those of Brazil. Except that, in contrast to Brazil in Latin America, there are no parallels between the development of South Africa and the rest of the continent. One only needs to remember that South Africa is the only African country with a considerable European economic, cultural, ethnic implant and which for this reason was granted self-government monopolised by whites as early 1910. The de-colonisation of most of Africa only began at the end of the 1950s or, almost a half century later. The maintenance of colonialism, particularly in black Africa, meant the maintenance of a primary export economy surrounded by a vast area of subsistence economy.

This delay in independence was greater in the southern African countries. While most of the other countries gained their independence around 1957 and 1963, Angola, Mozambique, Zimbabwe and Namibia only gained theirs from 1975 on. The anti-colonial revolution was delayed in southern Africa because of the long survival of Salazarism in Portugal and of the South African foreign policy, which extended apartheid, by the use of force, into Zimbabwe (the former Rhodesia) and Namibia (the former Southwest Africa). The latter was a German colony until World War I and later was ceded as a protectorate of South Africa by the League of Nations.

After Sharpeville (1960), when the ANC and the PAC were outlawed and took up armed struggle with bases abroad, the apartheid regime waged war with the African anti-colonial revolution. This meant the imposition of the white minority regimes in Namibia and in Zimbabwe as well as military intervention in the civil wars of Angola and Mozambique, as of 1975. The South African governments managed in this way to check the consolidation of black majority regimes in these four countries until 1980, when international pressure forced Botha to allow the Robert Mugabe to establish his ZANU government in Zimbabwe. The same would happen in Namibia only in 1990.

Economic relations between South Africa and the other countries of southern Africa reflect the imbalance described above. South Africa is an important market for work and transportation services for the neighbouring countries. As the white regime feared becoming isolated, in case the black majorities came into power in these countries, it practised a policy of import substitution.

... the number of people employed in mines that belonged to countries of the SADCC [Southern Africa Development Coordinating Conference] fell from more than 220 thousand in 1975 to around 165 thousand in 1991 (Mine Chamber, 1991). In the transportation area, there was, in the same period, a reduction of South Africa's use of the facilities offered by other States of the region and also an attempt by the South African Transport Services (SATS) to deviate traffic from land-locked countries, that traditionally used the services of other States in the region. The traffic from Maputo was reduced to around 15% of the current levels before independence; while the regional traffic that went through the South African ports in 1984 and 1985 were 150% more intense than in 1981 and 1982. (Davies, 1996, p. 571-2)

The SADCC was created in 1980 in order to promote economic co-operation among its members – Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia, and Zimbabwe – to reduce their economic dependence on South Africa. Namibia joined in 1990. The SADCC was the response to the efforts of the Vorster government to use the economic

foreign policy to extend the influence of the white regime over southern Africa. Vorster promoted more intense regional trade, direct economic support and large joint investments, such as “the hydraulic use of the Cunene (the Calueque dam) on the border between Namibia and Angola, and the Cabora Bassa hydroelectric plant, in Zambezi, on the border with Mozambique, both in association with Portugal.” (Vilalva, 1993, p.66).

Outside southern Africa, Vorster’s policy was to try to lure

the countries which were willing to accept the generosity of the South African vaults – such as Kofi Busai’s Ghana, Philibert Tsiranana’s Malgaxe Republic, James Mancham’s Seychelles and Omar Bongo’s Gabon – or that might be willing to place themselves within the reach of the dialogue levered by a generation of more moderate African leaders concerned with political instability on the continent, the most representative of whom would be, in addition to Hastings Banda of Malawi, Jomo Kenyatta of Kenya, Leopold Senghor of Senegal and Felix Houphouet-Boigny of the Ivory Coast. (Vilalva, 1993, p. 67)

It was this last leader who ended up taking the bait when he publicly proposed in 1971 beginning a dialogue with Pretoria. But the agreement and collaboration among the fifteen African nations and the white regime of Pretoria was short lived. The *Cravos* revolution of 1974 in Portugal paved the way for the independence of Angola and Mozambique, which took the anti-colonial revolution to the borders of South Africa and transformed the tactic of economic good will into military intervention in the domestic conflicts of the neighbouring countries.

Add to these the new wave of riots led by the internal resistance to apartheid as of the Soweto uprising in 1976. South African intervention in Angola, via Namibia, provoked the intervention of Cuban troops with the internationalisation of the war. In 1980 the South African government felt constrained to suspend its support to Ian Smith’s government in Rhodesia, which paved the way for the birth of Zimbabwe and the formation of the Front Line States to combat apartheid. What the Pretoria foreign policy always tried to avoid ended up happening: the black revolution knocked at the doors of South Africa and ensnared the apartheid regime

into a web of hostile states, which in principle could host the armed struggle bases of the ANC and the PAC.

In the mid-1980s, the thesis of a peaceful way to suppress apartheid through economic collaboration began to be questioned, despite the political and social reforms of Botha. And as of 1985, the white regime was experiencing the worst and most extensive wave of riots with the usual negative repercussion abroad and at the same time promoted military attacks on the neighbouring countries on the pretext of hitting the ANC and PAC bases. The repercussion of these events created the climate necessary for the approval of strict economic embargoes for real, by South Africa's major trading partners.

From Washington to Brussels to Tokyo, steps were taken to suspend bank loans, exports of sensitive and high technology material, arms, ammunition and gold coin imports as well as to interrupt cultural programs and official sponsorship of business missions. (Vilalva, 1993, p.126)

Where curiously the embargo on economic (and political, cultural etc.) relations advanced more was in the United States: in 1986 Congress rejected the veto to the Comprehensive Anti-Apartheid Act, which extended the prohibition to a wide range of imports from South Africa, as well as suspended new investments in the country, the EXIMBANK loans, and the right of access to the IMF (Vilalva, 1993, p.128).

The European community counter argued that the economic sanctions against South Africa would be damaging to the neighbouring countries, because of their dependence on the South African economy.

... joining a number of other nations, it developed a technical, commercial and financial co-operation policy with the SADCC countries, also supporting the military training programs of the Zimbabwe, Mozambique, Lesotho and Swaziland defence forces. It gave special attention to the development and execution of projects in the area of transports, which resulted in the re-establishment of the Porto de Beira transport line, reducing the percentage of foreign trade of the region via South Africa (in the case of Zimbabwe alone, it dropped from 90% to 50% in mid-1989). (Vilalva, 1993, p. 130-1)

The reversal in the economic relations in southern Africa was dramatic. Previously, the white regime of Pretoria used the dependence of the countries in the area to exchange economic support for political good will; now the old economic partners of Pretoria intervened in an organised fashion in the region to eliminate the economic dependence on South Africa and thereby politically and militarily reinforce the opposition to the regime of apartheid in these countries.

The external situation of the white regime became totally unsustainable on the continent because of the defeat of the armed forces by the Cuban troops in Cuito Cuavale in February, 1988. Which also forced the South African government to withdraw its troops from Namibia, leading to agreements for the withdrawal of all foreign troops from Angola and Namibia, sponsored jointly by the United States and the Soviet Union. Another positive outcome of the Cuito Cuavale victory was the resumption of economic co-operation of South Africa with Mozambique. The former once again bought energy from Cabora Bassa and both established a committee to pave the way for maintaining and developing economic relations. (Vilalva, 1993, p. 141-3 and 187, footnote 2)

Foreign economic policy after apartheid

When in February, 1990, Fredrik de Klerk announced from South African Parliament that as head of the government he would give equal political rights to all living in the country and legalise all political parties, he in fact announced the end of a nation and the birth of another. The South Africa being born since then is, from the standpoint of its international role, the opposite of that which began to disappear on that day. The South Africa of apartheid has become the untouchable pariah of nations. Democratic and multiracial Africa is the Benjamin and favoured son of the anti-colonial revolution, which at least in its first years was enthusiastically supported and admired by peoples throughout the world.

The foreign economic policy of democratic South Africa is not the legacy the South Africa of apartheid because its objectives are normal, no longer distorted by the need to avoid ostracism. They are summed up in six major guidelines reflecting the commitment to:

- the promotion of human rights.
- the promotion of democracy.
- justice and international law in the conduct of relations between nations.
- international peace and internationally agreed-upon mechanisms for the resolution of conflicts.
- the interests of Africa in world affairs.
- economic development through regional and international co-operation in an interdependent world.

The first four of these principles are common to all democratic nations. The last two warrant an analysis based on the vision and the practice of the South African government. The government justification for the fifth principle is as follows: "Since South Africa is an inextricable part of Africa, the official connection with the other countries of the continent is a priority. In the last six years, the representation of South Africa in Africa doubled and in May 1998 it had official relations with 49 African countries. Offices were opened in 24 of these countries".

During the 1997/98 financial year, South Africa was involved in 86 projects in 20 African and Middle East countries in the fields of education and skills training, health care (including medical research), emergency aid, agricultural development, nature conservation, safety and security, demining, democratisation (assisting in the provision of an election infrastructure) and law and order. (South African Government, *Foreign Relations*, Internet)

Without a doubt the scope and the variety of the projects which the new South Africa has become involved in so few years are admirable. More advanced than the other countries on the continent, one would suppose that South Africa would be offering technical and scientific support to partners in the majority of these projects. In the same way of greater integration on the continent, South Africa became a full member of the OAU (Organisation of African Unity) in May 1994.

The most important focus during the OAU's first 30 years of existence was on Africa's de-colonisation and liberation which has been achieved. The body has thus shifted its focus to the continent's underlying crisis of political conflict, genocide, poverty and famine, the establishment of a conflict-resolution mechanism... (Ibidem)

In the beginning of 1977, South Africa helped with the transition of the Democratic Republic of Congo to democracy, and since 1994 participates regularly in the monitoring programs of the OAU elections.

The 33rd annual meeting of the heads of States and Government of the AUO took place in June, 1997, in Harare (Zimbabwe) and President Mandela attended. The summit was made up of the AEC African Economic Community, an economic and political union of all Africa, which was thus launched officially. It was resolved that the Economic and Social Commission would be the governing body of the AEC just as the Ministers Council is of the AUO. "The AEC will establish itself in the next 33 years through a gradual process that will involve the co-ordination, harmonisation and progressive integration of activities of existing and future regional economic communities in Africa." (Ibidem)

Relations with Southern Africa

South Africa gives priority in its relations on the continent to southern Africa and within this region to the three countries more closely connected to South Africa: Botswana, Lesotho and Swaziland. Lesotho is entirely contained in South Africa, Swaziland only has borders with South Africa and Mozambique and the longest border of Botswana is with South Africa. South Africa maintains the following bilateral projects with the BLS countries, The Lesotho Highlands Water Project, the completion of the first phase of which was commemorated by President Nelson Mandela and King Letsie III in January 1998; Memorandum of Understanding on air traffic control with Swaziland, and a Joint Water-Co-operation Committee with Botswana, created in 1995.

Mozambique is another country closely tied to South Africa.

Mozambique remains the second biggest importer of South African goods in Africa, and the rail and road links

between the two countries serve as the main arteries linking the respective economies. The upgrading of the road, sea and rail links that form part of the corridors between Gauteng, the Northern Province and Mpumalanga and Mozambique are central to the economies of both countries. ... The development of the Maputo Corridor Development project has already attracted more than R\$ 20 billion of new investments in Mpumalanga and is expected to equally boost the Mozambican economy. ... South Africa is extensively involved in the reconstruction of the Cahora Bassa project. (Ibidem).

Another neighbouring country of great importance to South Africa is Zimbabwe. Steps were taken to improve and harmonise the regulations and procedures relating to the flow of freight traffic between the two countries. A contract of 103 million rand between the National Railways of Zimbabwe and the South African Union Carriage and Wagon was signed in August, 1997 and should be completed in 20 months. An international consortium led by the Nedbank Investment Bank is investing 450 million rand in the construction of a railway from Beit Bridge on the South African border to Bulawayo in Zimbabwe. The construction was due to start in January, 1998. The consortium obtained a 30-year concession from the South African and Zimbabwe governments to build and operate the line after which time the assets will be transferred to the respective states. The new line will cut the transport time by days from Beit Bridge to Harare.

The governments of the two countries played an important role in the organisation of the Southern African Power Pool, which aims to generate energy to sell to utilities and to share technical research information.

Namibia is another important neighbour of South Africa. A consortium was established between the electrical companies of Namibia Nampower and of the South African Eskom in conjunction with Namibia Shell to build a power plant in Oranjemund, in southern Namibia, using the Kudu gas fields located in the sea along the most southern coast of Namibia's most southern coast. A toll road is scheduled to start in 1999 at a cost of 1.5 billion rand, to transport platinum, connecting Gauteng to Walvis Bay in Namibia through the Trans-Kalahari Highway.

The South African government supports mutual co-operation with Angola as well as trade in goods, services and investment initiatives and facilitates the co-operation and engagement of the South African private sector in the economic reconstruction and re-industrialisation process of Angola, including the agriculture, mining and energy sectors.

Trade between South Africa and Zambia grew due to an improvement in political relations between the two countries. In 1997 South Africa surpassed Great Britain as the largest investor in Zambia with total investments of more than US\$ 180 million. In 1997 South Africa exported goods worth roughly 1 billion rand to Zambia and imported from Zambia goods worth 67 million rand (South African Government, *The Economy*, Internet).

The South African government maintains bilateral and multilateral relations with Tanzania and Malawi, which it considers sound, with an emphasis on the expansion of trade with these countries. During 1997 South Africa exported goods worth 364 million rand to Tanzania and imported from Tanzania goods worth almost 10 million rand. In March, 1997 a bilateral agreement was signed with Malawi with terms saying registered goods and passenger vehicles will require only one permission, which will be valid for trans-border operations. In 1997 South Africa exported 624 million rand to Malawi and imported from the country 219 million rand in goods.

The South African development strategy for southern Africa is expressed in the following terms:

Technical assistance is rendered on a government-to-government basis. In consultation with neighbouring states, South Africa endeavours to encourage co-ordinated industrial development throughout the region, in an effort to develop the capacity of its neighbours to export manufactured goods to South African markets. The government also envisages contributing towards the development of regional and industrial strategies for specific sub-sectors, such as mineral beneficiation, automobile components and textiles. The development of joint mutually beneficial projects to develop Southern Africa's regional

water resources, electricity and energy supply, transport and telecommunications as well as agricultural and food production, is also encouraged. (Ibidem)

It is important to point out that South Africa's trade with its neighbours is highly unbalanced. In 1983-86, the SADCC member states imported from South Africa five and a half times more than they exported to her. South Africa polarises the economy of the region. "Eight of the ten countries of the SADCC have more proportional interdependence with South Africa than with each other in terms of transportation, trade, energy and investments" (Thompson, 1992, p. 244-5). This is why it makes all the sense for the South African government to strive to develop the exporting capacity of its neighbours for its own market. If this effort is successful, bilateral trade between South Africa and its neighbours will be more balanced which should facilitate its expansion.

In August, 1992 the SADCC was substituted by the SADC Southern Africa Development Community, with the inclusion of South Africa. The other founding members were: Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe. In August, 1995, Mauritius adhered to the SADC and in 1997 the Democratic Republic of the Congo and the Seychelles did the same. South Africa entered formally into the SADC only in August, 1994. Before South Africa became a member of the Community, only 4% of the trade of its members were among them, while 25% was with South Africa (The Economic Intelligence Unit, *South Africa 1998-99*, p.43). It is clear that despite all the efforts of the SADCC and help from the European Community, the commercial dependency of South Africa did not significantly decrease.

There is also a customs union in Southern Africa, the SACU Southern African Customs Union, comprised of South Africa, Botswana, Lesotho, Namibia and Swaziland. The SACU was formed in 1910 and is administered by South Africa. The SACU collects taxes on local production and customs tariffs on the imports from countries that are not members of the Union. Imports are subject to high tariffs - in some cases more than 100% - in order to protect those industries belonging to the member countries of the Union, which above all means South Africa. A formula to divide

income regulates the allocation of the resources collected from the member states. The budgets of Lesotho and Swaziland rely heavily on the funds distributed by the SACU. There is a proposal to dilute the SACU into a customs union project which would include all of the SADC, but some SACU members fear that the expansion of the area without tariffs may harm them due to greater competitiveness from the new entrants (The Economist Intelligence Unit, *South Africa 1998-99*, Internet, p. 44).

The South African government offers financial and technical assistance to neighbouring states and others, based on significant knowledge on African conditions, which was accumulated by South Africa over the years. It includes agriculture extension, organisation of training centres, environment conservation, medical assistance and combat of trans-border crime. In order to raise more funds the South African government is promoting a trilateral co-operation program, involving the receiving country, the donor and South Africa.

The assistance program aims to promote the RDP [the Reconstruction and Development Program] (see p. 58-9) in a regional context, co-operation for economic development on a regional basis in southern Africa, the economic and social development of the countries in question, bilateral and trilateral co-operation and stability and peace in the region by specifically raising the economic and social level of the population in general and improving the standard of living. It also aims to create job opportunities to alleviate high unemployment and give permanent employment to those entering the work market.

The South African government strives to promote regional economic development through the SADC, which established the bases on which the planning and regional development in southern Africa can be implemented. Despite the great disparities in the development levels and in the structural features of the 14 members of the Community, their economies are interdependent, so that all can benefit from regional economic co-operation and integration.

Since 1994, the national South African line and function departments have actively participated in the SADC sectoral meetings and seminars, with the Finance and Investment Sector a special responsibility of South Africa. Between 1997 and 1999 South Africa presides over the SADC.

The Nationalists (...) were a party animated by bitterness – bitterness towards the English, who had treated them as inferiors for decades, and bitterness towards the African, who the Nationalist believed was threatening the prosperity and purity of Afrikaner culture. (South African Government, *Foreign Relations*, Internet).

The long-term objective will be to commission a regional resources assessment programme to create an all-encompassing resource data base for the SADC region on, *inter alia*, the infrastructure and services as a fundamental requirement for the long-term planning of reconstruction and development in the region. Using the database, comprehensive infrastructure reconstruction and development plans for the region can be drawn up, covering all relevant sectors. (Ibidem)

Relations with North Africa

North Africa is increasingly becoming a more important trading partner to South Africa as well as to the OAU. Eight agreements were begun by South Africa and Algeria in a number of areas including aviation, tourism and science and technology. The Joint South Africa-Egypt Bilateral Commission promoted five agreements on tourism, science and technology, arts and culture, double taxation and air services. In 1997 South Africa exported goods worth 106 million rand to Egypt and imported in return 174 million rand.

Despite the antagonism of the USA and other Western powers, South Africa has proved its loyalty to friends and allies in the struggle against apartheid. President Mandela visited Libya, where he met with Muammar Gaddafi. South Africa and Libya signed a general co-operation agreement. A South Africa-Morocco joint bilateral commission was created in 1996.

Relations with the Middle East and Asia

Since 1992, when the only South African diplomatic mission in the Middle East was located in Israel, the Government has pursued a policy of even-handedness and has embarked on a process of establishing formal relations with almost all of the countries in the Gulf and the Levant.

At present, South Africa has diplomatic missions in Israel, Palestine, Jordan, Saudi Arabia, the UAE, Iran and Kuwait. It has non-residential accreditation in Lebanon. Iraq is currently the only country in the region with which South Africa does not maintain diplomatic relations. With the exception of Bahrain, Syria and Qatar, all the countries in the region are now represented in South Africa. ... The Ministry of Foreign Affairs is putting effort into promoting South African trade in the Gulf where the oil-rich countries are importing 90% of what they consume. (Ibidem)

Currently, the majority of South Africa's non-oil imports from the Middle East originate in Israel, and Israel receives more than half of South Africa's exports in the region. South Africa perceives Israel as an important trading partner in the Middle East. Exports to Israel in 1997 totalled more than R1 billion while imports from Israel came to R521 million.

"Exports to Saudi Arabia totalled more than R428 million in 1997 while imports came to some R562 million" (Ibidem). Since diplomatic relations between the two countries were re-established in 1994, bilateral trade has quadrupled. A memorandum of understanding was signed in 1997 to expand oil exports from Saudi Arabia to South Africa and to negotiate a viability study of the construction of an oil refinery in South Africa.

South Africa formed a Joint Commission with Iran, whereby agreements were signed to abolish triple taxation and to protect investments. The two countries also initiated a memorandum of understanding to sign a broad agreement to facilitate exports of capital goods to Iran. (South African Government, *The Economy*).

South Africa is geographically part of the Indian Ocean Rim (IOR) countries, which encompasses the eastern African coastal countries, the Arabian peninsula, Indonesia, Western Australia and India, one of the strongest members of this potential trade bloc. The IOR is an important regional economic entity and the IOR Initiative backed by 15 countries in the Indian Ocean, including South Africa, should create a new paradigm for the countries of the South

to serve their economic and trade interests and to be a counterweight to the Asia Pacific Economic Co-operation, the North American Free Trade Agreement and the EU, which represent the interests of the developed countries of the North. (Ibidem)

In 1997 Indonesia and South Africa signed double taxation agreements in trade and services. Bilateral trade between the two countries grew from almost zero five years ago to 1.24 billion rand in 1996 with a favourable balance for South Africa. South Africa maintains agreements against double taxation, protection against fiscal evasion, air services and visa exemption with Thailand, which is South Africa's third trading partner (after Singapore and Malaysia).

Bilateral trade with India is constantly growing and at the end of 1997 reached more than 2 million rand per year. In 1997 India and Asia signed a trade alliance agreement aiming to strengthen bilateral trade and economic co-operation. Agreements in the field of mineral resources and tourism were also signed as well as a co-operation program in science and technology (Ibidem).

Since the beginning of South Africa's transition to democracy in 1990, the South African and Japanese Governments have attached increasing importance to high-level exchanges. Apart from a two-year Japanese governmental assistance programme to South Africa, announced in 1994 and amounting to 1.3 billion US dollar, agreement has been concluded in several project areas, including water supply and an urban commuter railway modernisation programme. In June 1997 ... signed an agreement in terms of which the Japanese Government committed R59.13 million in grant aid for buying medical equipment at one provincial hospital in each South Africa's nine provinces.

Between April 1994 and mid-1997 Japanese investments in South Africa totalled 1.6 billion rand.

The concept of a strategic partnership between East Asia and Africa should start developing for the 21st. Century. The economic development of Asia, as it has spilled over from Japan into other Asian countries, is reaching the continent of Africa slowly but surely. In this regard, a closer relationship between the Association of South-East Asian Nations (ASEAN) and the SADC will be explored in years to come. (South African Government, *Foreign Relations*, Internet)

On 1st January 1998, South Africa established full diplomatic relations with the People's Republic of China and at the same time broke off official relations with the Republic of China (Taiwan) ... The decision was justified as being the normalisation of South African foreign policy following "international legislation, diplomatic practice and UN Resolution n° 2,758 of 1971 . The South African government expressed its expectation that "South Africa and Taiwan would continue, nevertheless, to maintain trade, scientific and other relations and Taiwanese investors in South Africa would continue to benefit from the full protection under South African law and all other benefits offered to foreign investors" (Ibidem).

Trade with China increased to more than one billion rand per year since it gave South Africa most favoured nation status. The two countries signed an investment protection agreement aimed to protect South African companies against discrimination in China. In November, 1997 the Vice Minister of Trade of China heading a trade delegation of 100 members, signed 18 trade and investment contracts worth 2.5 billion rand with South Africa's five largest companies. The Chinese companies should export to South Africa goods ranging from electrical generation equipment to agricultural equipment while the South African companies should sell to China among other goods, diamonds, steel, coal, copper and iron ore, as well as other goods.

In 1997, for the first time, South Africa exported coal to the Philippines and Malaysia. In the same year an investment contract was signed in South Africa by Malaysia, "the largest ever undertaken by Malaysia" (South African Government, *The Economy*, Internet).

Relations with the Americas

The United States has been the greatest source of foreign direct investment in South Africa since 1994, as well as one of its largest trading partners. At the end of 1997, US direct investments surpassed 18 billion rand. From the beginning of 1996 to May, 1997, US companies invested more than 5.9 billion rand in South Africa.

The US approved a long-awaited tax treaty with South Africa on 3 November 1997. Although the treaty does not protect intellectual property rights, it covers aspects of South African corporations trading in the US and vice versa, and creates safeguards on corporations being taxed twice, at home and abroad. It also provides reduced tax rates on royalties received by US pharmaceutical companies. (South African Government, *The Economy*, Internet)

South African exports to the US rose from US\$ 1.078 billion in 1993 to US\$ 1.940 billion in 1997. In the same period South African imports from the US rose from US\$ 2.391 billion to US\$ 3.353 billion. The trade balance during the period went from US\$ - 1.313 billion to US\$ -1.413 billion.

In 1995 the BNC [South Africa-US Bi-national Commission] was established under the joint chairmanship of the vice-presidents of the two countries, Mbeki and Al Gore. Gore was in South Africa in February, 1997 for the third Annual BNC Plenary Meeting, and in July 1997 Mbeki, heading a delegation of 150 members, attended the Fourth BNC Plenary Summit held in Washington.

The BNC consists of seven committees and is an institutional forum in which government officials and business leaders from both countries guide and inform each other on policies and aspects helpful to their countries' relations, particularly business. It is also designed to strengthen bilateral relations in a broad range of areas. Since the establishment of the BNC, much progress has been reported by the committees in promoting US investment in South Africa, improving bilateral trade, building free markets, reducing pollution, conserving water, managing waste,

protecting the environment, improving agricultural practices, and empowering and educating young people. (South African Government, *Foreign Relations*, Internet)

In October, 1997 USAid donated 200 million rand to assist South Africa in areas it considers crucial: justice, education, health assistance, economic policy, housing and urban and development and to the private sector.

South Africa and Canada maintain good relations and its trade is growing. Canada is one of the main suppliers of assistance to South Africa in areas such as good governance, human resources development, strengthening civilian society, economic development, education and training, the environment and justice, etc.

South Africa has diplomatic relations with all Latin American countries, and maintains diplomatic missions in Argentina, Brazil, Chile, Cuba, Mexico, Peru, Venezuela and Uruguay. South Africa has honorary consuls in the other Latin American countries. Diplomatic missions were recently opened in Peru and Venezuela with the hope of forging closer visible and invisible relations with the Andean community. There is a similar interest in relation to Mercosul.

With South Africa chairing the SADC, there is a great potential for co-operation with the well established MERCOSUR trading bloc in South America which consists of Argentina, Brazil, Paraguay and Uruguay, with Bolivia and Chile having associate status. Co-operation in the South Atlantic is further enhanced through the Zone for Peace and Co-operation in the South Atlantic (ZPCSA), which South Africa currently chairs, followed by Argentina during the course of 1998. The aims and objectives of the ZPCSA include the protection of the marine environment and resources, the promotion of the South Atlantic as a nuclear-free zone and joint business ventures. (South Africa, *Foreign Relations*, Internet).

In 1995 Brazil exported US\$ 323.6 million to the SADC countries, US\$ 260.9 million of which went to South Africa, US\$ 20.7 million to

Angola and US\$ 16.1 million to Mauritius, and imported US\$ 387 million from the SADC countries, or US\$ 333.1 million from South Africa and US\$ 39.2 million from Angola. In the same year, Argentina exported US\$ 399.5 million to the SADC countries, US\$ 337.7 million of which went to South Africa, US\$ 19.8 million to Angola, US\$ 16.8 million to Mozambique and US\$ 14.2 million to Mauritius, and imported US\$ 134.2 million from the SADC countries, or US\$ 124.5 million from South Africa and US\$ 5.8 million from Angola (Markwald, 1996, p. 554-5).

Curiously, Brazil is the only American country along with the US that appears as one of the major South African export markets. Brazilian imports grew from US\$ 101.1 million in 1993 to US\$ 262.8 million in 1995, indicating great expansion, probably because of the opening of the Brazilian market promoted as of 1994 by the Real Plan. Brazil does not figure among the major exporters to South Africa. The only American countries that appear in this context are the United States and Canada.

Relations with Europe

For historical and geographical reasons, Europe is South Africa's major market as well as its most important foreign investor. These facts are recognised by the South African government in highly expressive terms:

South Africa is critically dependent on its business and economic relations with the outside world, particularly the industrialised world, to meet the growing demands of South Africans for a better life, and to ensure the successful implementation of the reconstruction and development of South Africa to the benefit of all its people. Europe remains South Africa's predominant trading and investment partner. It is also South Africa's primary source of finance, technology and tourism.

South Africa's policy and objectives in relation to Europe are therefore essentially an outward projection of the country's domestic imperatives – economic and social development. Since the end of South Africa's isolation and the gradual easing of exchange control, Europe has become an important destination for South African investment and a vehicle for effective integration into the global economy.

At the same time, European investment in South Africa has assumed a larger and more important dimension.

...A new dimension of political goodwill from Europe has also come into play. It is directed at the stabilisation and development of all the elements supporting democratic development in South Africa and is recognisable in a range of formal bilateral agreements which are intended to coordinate and expand co-operation as well as search for a meaningful role in developing the region through interregional co-operation. **Relations with Europe, with the EU as the pivot, are historically substantial, economically crucial, expanding in range and gaining in momentum** [emphasis by this author PS]. (South African Government, *Foreign Relations*, Internet)

The long quote is necessary above all to show the emphatic expression of the consciousness manifested by the South African government of its dependence on European capital and good political will. Though it highly regards its relations with the neighbouring African countries, with the United States and Japan, it is from Europe that it derives its best hopes for collaboration with and support for the South African government. It may be sheer rhetoric, but it is impressive to read that the domestic imperatives of the country are projected toward Europe, the only place where its government expects decisive responses.

In the context of South Africa's economic relations with European countries, the negotiation process of the South African government with the European Community stands out because of its importance (and for what it reveals) Prior to the 1994 elections, the Union had already promised to help South Africa in its transition to democracy, offering the perspective of concluding a long-term trade and co-operation agreement with the country. South Africa opened the negotiation soliciting as a provisional measure that the European Union concede it standard beneficiary agricultural and industrial status under its General System of Preferences. In October, 1994, a provisional agreement was signed in which the European Union committed itself to granting loans with favourable interest rates and ceded to South Africa the industrial benefits of its General System of Preferences from that date and the agricultural benefits as of January, 1997. But soon after the negotiations became repeatedly deadlocked.

The South African government proceeded with the negotiations soliciting access to the Lomé Convention, since all of its neighbours were parts of it. In June, 1995, however, the European Union Ministers Council rejected South Africa's request for access to the Lomé Convention, offering instead the opening of progressive trade liberalisation negotiations with the idea of establishing a free trade area among the parts. The South African government considered the offer, weighing the adjustments such an agreement would impose on its industry as well as the impact it would have on the countries associated to the SACU [the South African Customs Union] and on the region as a whole.

Meanwhile, the European Union initiated an internal consultation to elaborate a detailed trade offer to South Africa, which took nearly eight months. Presented in March 1996, from the beginning it excluded almost 40% of the South African agricultural exports to the European Union. During the same time, the South African government took the matter before NEDLAC (National Economic Development and Labour Council), where the business community, the workers' unions and the Parliament commissions are represented. It also extended consultations to the SACU and the SADC (South African Development Conference) countries.

South Africa is inextricably linked to the countries of Southern Africa. Because of the different levels of development between South Africa and the EU, and the fact that South Africa, Botswana, Lesotho, Namibia and Swaziland (BLNS) and the whole of the Southern African Development Conference (SADC) will have to bear the burden of massive adjustment costs in the case of reciprocal trade liberalisation, a longer phase-in period for tariff reduction should be granted to South Africa. In addition the EU should open up a far greater percentage of its market to South Africa than South Africa is required to open to the EU.

The South African economy cannot be viewed in isolation from the Southern Africa region as a whole. Recognition of the degree of economic integration that exists within the region, as well as the severe developmental needs of the countries of Southern Africa, leads to the conclusion

that South Africa must consider its Trade and Development needs within the context of the region's needs. The BLNS countries could lose considerable customs revenue from the process of tariff liberalisation. These losses in some cases could amount to a very significant part of government revenue. The BLNS states have also sensitive sectors in their economies which will be adversely affected if they are not considered in the event of the liberalisation of trade between South Africa and the EU. (South African Department of Foreign Affairs, Background briefing on negotiations with the European Union, 24 January 1997, Internet)

It is interesting to observe that it is not a question of concession or not of the "associated" status of the European Union to a sole country, but to a SACU customs union, or the negotiation in reality involves the relation between a bloc of 15 European nations and a bloc of 5 African nations, led by South Africa. The Department of Foreign Affairs is entirely right in observing that a trade liberalisation process among radically different partners in terms of development level requires asymmetric reciprocity because the apparent equitable symmetry would have adverse effects on the weaker part, which is what always happens when the unequal are treated as if they were equal.

Speaking of South Africa as a regional power, attention is drawn to the fact that the country offers opening not only its own domestic market but that of the five other countries which form the SACU and a potential nine more, as the SADC becomes integrated to the economies of its members as is expected. And it is evident that the other countries are much less developed than South Africa, which reinforces the requirement of asymmetry in that referring to the implementation schedule of the liberalising measures as well as their extension.

The Department of Foreign Affairs document reports that in August, 1996 a protocol was signed in Lesotho by which the SADC will attempt to establish a free trade area among its members, including a tariff reduction program which is asymmetric in terms of schedule as well as content. The asymmetry favours the other SADC members in relation to South Africa.

“It is SA’s view that any reciprocal tariff concession to the EU would need to be phased in so that they do not negate tariff concession made to SADC countries. This concern arises out of South Africa’s awareness of the need for greater regional economic integration and economic development. (Ibidem)

Until the briefing data of the Department of Foreign Affairs, the deadlock in the negotiations between South Africa and the European Union was not overcome. Which did not keep South Africa from forging closer political and economic ties with the European countries. Among these, interestingly the one warranting more closeness is not Great Britain, even though it is the largest trading partner, the largest market for South African exports and the largest foreign investor in the country.

The country that deserved the greatest effort for closer ties was Germany. In October, 1997, the German-South African Bi-national Commission was launched, chaired by Vice-President Mbeki and the Minister of Foreign Affairs of Germany, Klaus Kinkel. The Commission will forward its activities through five committees, to reinforce the political, scientific and economic ties between South Africa and Germany. In 1997 South Africa exported to Germany merchandise worth almost 5 billion rand and imported from Germany goods worth 17.3 billion rand. As we can see, the trade balance between South Africa and Germany is largely negative.

South Africa created a bilateral forum with Great Britain, focused primarily on trade and investment. The two countries also signed a Investment Promotion and Protection Agreement to stimulate the growing investment of British companies in South Africa.

In 1997 South Africa established a South African and French forum with France for political dialogue. South Africa is also forging closer ties with Russia, Central and Eastern Europe, committed to pursuing the conclusion of a wide number of agreements with the countries of this region.

Final considerations on South African foreign economic policy

The foreign economic policy of a country is s meeting point between the economic policy as a coherent whole, domestic and foreign, and the relations of the said country with what the economists call “the rest of the

world". This meeting point condenses the contradictions between the interests and the aspirations of the dominant social coalition of the said country, which translates into the economic policy in effect, and the interests and aspirations of the governors of other countries with whom the first maintains political and economic relations.

Evidently there are coincidences and contradictions in international relations. Economically the coincidences are expressed as complementarities, which give space to trade and financial exchange. The contradictions consist in the "mercantilist" desire of the majority of nations to sell more to than what they buy from the rest of the world, so that they will have a positive balance in their current accounts.

Ultimately, the political autonomy of each country results from its independence from foreign creditors which results from the balances accumulated in the current account over the years. Negative balances lead to foreign debt and to a stock of foreign investments within the country, while positive balances lead to reserves in foreign exchange and to stocks of investments in other countries. The political autonomy of a country, referred to above, has as a base the value of the foreign debts compensated by the values of the international bonds in the hands of the Central Bank and of the residents of the country in question.

South Africa, as well as the other countries, follows a foreign economic policy on two levels: **politically**, through diplomatic relations with other countries, during which conditions are defined which govern the trade and financial interactions of private citizens; and **commercially and financially**, through legislation and regulations which govern, within national territory, the inter-relation between non-residents and residents. The two levels affect each other, but should be conceptually separated because they are different – and more and more so in the globalise world of today. The globalisation of the productive companies underlines the importance of the second level, to the extent that a growing portion of the economic activity within the country is dominated by multinationals.

By what has been seen, the new South Africa on the political level, as it emerges from the victory over apartheid, launches itself with vitality and enthusiasm to re-do and expand its relations with all the nations of the world. This reinsertion is translated into a notable expansion of its

foreign trade. According to estimates made by the International Monetary Fund, between 1993 and 1997, exports grew from US\$ 24.1 billion to US\$ 30.4 billion and imports from US\$ 18.3 billion to US\$ 28.4 billion. During this period South African exports more than doubled to Great Britain, Zimbabwe, Italy, South Korea and China.

But the greatest effort made by South Africa, as we have seen, has been to attract foreign investment, as area where it has been successful. The foreign direct investment balance in 1993 was negative but as of the following year it was positive and progressively greater: US\$ 334 million in 1994, US\$ 933 million in 1995, US\$ 758 million in 1996 and US\$ 1,725 in 1997. Foreign portfolio investment (basically in stocks) grew even more sharply: US\$ 1.097 million in 1993, US\$ 3.076 million in 1995 and US\$ 12.856 million in 1997.

When one considers that portfolio investments largely dominate the amount of direct investments and that the former are much more liquid (and therefore more volatile) than the latter, the growing importance of the aforementioned second level becomes evident, where the financial and trade relations between residents and non-residents take place. This point carried the decisive weight in the turn taken by the economic policy in the Mandela government, a turn which probably began in 1994 and materialised when the macroeconomic strategy known as GEAR (Growth, Employment and Redistribution) was adopted in 1996 (See p. 55-60).

South African foreign economic policy; on the commercial and financial level, wagers on the continuous entrance of foreign capital, aiming to finance the accelerated growth of the economy of the country. All of the economic policy measures announced emphasise this gamble. GEAR sets out 13 nuclear elements in its integrated strategy, at least six of which are designed to attract foreign capital: the exchange policy that pursues stability on "a competitive level"; the gradual relaxation of exchange controls; the reduction of tariffs, in part to "compensate for the depreciation of the exchange rate" (which means offering an advantage to the exporters of other countries in relation to the South Africa competitors in the country's domestic market); tax incentives to stimulate new investments; "to accelerate the restructuring of the State assets to optimise funds for investment" (that is, to accelerate the privatisation of public companies);

“an expansion of the trade and investment flows to South Africa”. (South African Government, *Growth, Employment and Redistribution – A Macroeconomic Strategy*, Internet)

Unfortunately South Africa lost the wager in the same way as other emerging economies, including Brazil. As was evident above (p.58-60), a series of financial crises, which began in Mexico at the end of 1994 and continued in 1997 devastating Southeast Asia and then Russia and Latin America did not spare South Africa. It became evident that it does not work to found economic growth on the entrance and permanence of global capital, which retains its liquidity in order to be able to pursue the perspective of maximum gain dislocating among dozens of “emerging markets”.

This is obviously a hypothesis, but everything leads us to believe that the future of South Africa will depend much more on the options made in trade and finance than those made politically. Thus, for example the negotiation recognised as crucial between South Africa and the European Union should define economic relations between Europe and southern Africa for a long time. But, whatever the outcome of this negotiation, it is unlikely that it will significantly change the economic relations between the two continents in the next few years, because the coincidences and the contradictions of interests, side by side, are already well known and for this reason narrow the latitude to be altered.

But the changes in the global capital market tend to be broad and deep at the short term. A boom occurred in this market in 1994-77 in relation to certain semi-developed countries, like China, Brazil and South Africa, as well as others. It was under the impact of this boom that governments such as Mandela’s (as well as Fernando Henrique’s) decided to wager on development not “to the outside” (to exports) but “from the outside” (in the form of investments and global financing). They did perceive that the priorities of the financial investors do not coincide with those who need to grow intensely, in order to redistribute income, because they fear inflationary pressures and fiscal imbalances.

In summary, South Africa opted for a type of economic policy in which the relations between the government and globalised capital (resident or non-resident) determines or over-determines the other aspects of the

economic policy. Which hardly means a negligible sacrifice on the part of the political autonomy of the country. The vulnerability to capital flight and the desired dependence of those holding the financial wealth are the price of this option, which up to now has not produced the expected benefits. Neither growth nor redistribution was attained and no one is able to predict if they will be in the future.

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The agreement on trade, development and co-operation between the European Union and the Republic of South Africa – Implications for Brazil and Mercosul*

*Durval de Noronha Goyos Jr.***

As the democratisation of South Africa was achieved with a degree of political support from the international community at large, in 1994, when this process resulted in the election of a representative government, it was expected by observers in general, as well as all parties involved in the process, that massive economic co-operation would follow suit. Accordingly, it was widely recognised that the daunting task of reconstruction of the country after the appalling heritage of the apartheid regime could not be achieved with South Africa's own resources alone, however plentiful, as naturally expectations of the population at large were enormous, proportional to the abject situation to which it had been relegated. This co-operation, however, failed to materialise in any substance in the aftermath of the inauguration of the new regime led by President Nelson Mandela. In the years that followed democratisation, South Africa struggled to consolidate its democracy not only without effective economic assistance, but also in the midst of an adverse, if not exclusionary, situation with respect to access to the markets of its main trade partners.¹

The European Union (EU), as the prosperous common market re-uniting both of South Africa's former colonial powers, the United Kingdom and the Netherlands, which were largely responsible for the political heritage leading to the apartheid, was expected to be the first international agent to come forward with tangible co-operation measures, in addition to significant trade liberalisation. This was not to be so, even if

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¹ Particularly in the area of agricultural products.

the EU is South Africa's main trade partner and the source of approximately 50% of the foreign investments in the country.²

Although negotiations started early enough, they soon floundered in the traditionally petty protectionism the EU spouses in the agricultural sector³, to the despair and misery of all developing world. To complicate matters further, the format chosen for the agreement mixed trade with development and co-operation, and thus urgent assistance that was required in many areas was held dependent on progress achieved in the substantive commercial negotiations, always difficult. This was more so in view of the relative lack of experience of South Africa's negotiators in international trade matters (as compared to those of the UE), due not only to the unusual situation of an incoming new democratic administration returning from exile, but also as a result of the boycott which for many years excluded the country from the multilateral trade fora of the General Agreement on Trade and Tariffs (GATT) and World Trade Organisation (WTO).

Typically enough for negotiations with the EU, the talks only made substantive progress when South Africa resignedly acceded to conditions that would in fact preserve, in the bilateral relations, the protectionism in the agricultural sector devastatingly put into practice by the EU multilaterally. As a result, the Agreement on Trade, Development and Co-operation between the EU and South Africa was signed on the 13th October, 1999, Its objectives are:

- a) To provide an appropriate framework for dialogue;
- b) To support the efforts made by South Africa to consolidate the economic and social foundations of its transition progress;
- c) to promote regional co-operation and economic integration in the Southern African region and to its harmonious and sustainable economic and social development;
- d) to promote the expansion and reciprocal liberalisation of mutual trade in goods, services and capital;
- e) To encourage the smooth and gradual integration of South Africa into the world economy; and
- f) To promote co-operation between the EU and South Africa.

² See *South Africa Official Yearbook – 1998*, edited by D. Burger. Pretoria: GCIS, p. 219.

³ Where the chief, but by no means the only tool, is the Common Agricultural Policy (CAP), a pillar of the UE.

The Agreement, which is signed with an indefinite period of validity⁴, starting as of the 1st January 2000, for all practical purposes, can be divided into the following categories:

- a) Trade in industrialised products;
- b) Trade in agricultural goods;
- c) New areas, comprising trade in services, investments, intellectual property and government procurement;
- d) Resolution of disputes; and
- e) Financial and technical support.

With respect to the trade part of its framework, the Agreement is a classic example of the standard negotiation pattern of the EU⁵, in that it offers substantial percent reductions of tariffs in the area of trade in industrialised products, because they are already so low that further reductions make hardly any difference.⁶ The average post Uruguay Round tariff practised by the EU⁷ for industrialised products is approximately 1.7%. However, reciprocity by a developing country, such as South Africa in the instant case, often proves trade diversionary in general and exclusionary to other trading partners, because their tariffs are normally much higher.⁸

In addition, the Agreement vies to maintain the *status quo* in the agricultural sector, deferring liberalisation for the long term, with a view to subordinate any concessions made in regional trade pacts to the commitments to be made in multilateral negotiations within the ambit of the WTO.⁹ Accordingly, lists of products marked for progressive liberalisation¹⁰, culminating with the total abolition of tariffs over a period

⁴ But with a built-in review clause in five years of its signature.

⁵ And, for that matter, of the USA, whose regional trade agreements the EU has used as models.

⁶ For instance, 88% reduction of a tariff of one percent.

⁷ See *Post-Uruguay Round tariff Regimes – Achievements and Outlook*, by the OECD, Paris, 1999.

⁸ It was the case of Mexico within NAFTA.

⁹ These tactics were used by the EU during the Uruguay Round of the GATT with success. A similar attempt at the preliminary negotiations for the Millenium Round was not so successful, facing the stern opposition of many developing and developed countries, including South Africa.

¹⁰ For such products thus marked, an average tariff reduction of 16% will apply for the first year of the Agreement.

of ten years, were annexed to the agreement. By no means all agricultural products are thus itemised. Regional safeguards were, in any case, reserved by the EU, because quite extraordinarily, France, Spain, Italy, Portugal and Greece felt threatened by the puny concessions in the agricultural sector made to South Africa, a developing country with limited competitiveness in the area, under the Agreement. This situation became so acrimonious that the efficacy of the Agreement was threatened, even after it had been signed, by virtue of opposition from Italy and Greece, which allowed for the extraction of further concessions from South Africa, in the denomination of certain alcoholic beverages. A balance of the agricultural dispositions of the Agreement does reveal, to some bemusement, that South Africa made more concessions in the agricultural sector to the EU, when the contrary was to be expected.

In connection with the so - called new areas, the EU has endeavoured to adopt, in regional trade agreements with developing countries, the same methodology used by the United States of America (USA), in that they both strive to obtain the free convertibility of currencies for current accounts payment to its nationals¹¹; look for full access to the internal markets of the trading partner, including the area of financial services; try to ensure that current intellectual property norms are accepted¹²; privilege a favourable legal treatment of competition and anti-trust matters¹³; and make certain that government procurement is open to companies domiciled in the EU.¹⁴ At this point, it is worthwhile mentioning

¹¹ This provision was first utilised in the North American Free Trade Agreement (NAFTA), which was signed in 1994. Immediately after its execution, this provision caused a major liquidity crisis in Mexico, of such great proportions that it threatened the stability of the US financial sector. A rescue package arranged by multilateral institutions followed with a greater magnitude than the Marshall Plan.

¹² During the Uruguay Round of the GATT, developing countries negotiated very poorly the matter of intellectual property, where substantial (and highly detrimental) waivers to sovereignty were made.

¹³ This is again after the NAFTA model. The US and the EU are pursuing, with considerable vigour, hegemonic structures in competition law. As this has not been yet possible in the multilateral system, both ensure that bilateral trade agreements deal with the matter.

¹⁴ The area of government procurement is in the same situation as competition law. The major trade partners wish to have it fully covered by the multilateral trade system. Whilst this is not possible, the USA and the EU make sure that the area is within the scope of regional trade agreements.

that South Africa, similarly to Brazil and India, is a signatory of Article XIV¹⁵ of the International Monetary Fund Agreement of 1944 (the Bretton Woods Agreement) and thus enforces exchange controls.

The rules of origin of the Agreement are particularly noteworthy as they are not only harsh but unmistakably and most abundantly trade exclusionary.¹⁶ Protocol 1 of the Agreement defines the concept of originating products, an euphemism for rules of origin, which have been hailed internationally as the cutting edge of protectionism. The Agreement is substantially more restrictive in non-originating materials than both NAFTA and the Common Market of the South (MERCOSUL), as it allows only for a total value of 10% or 15% of the ex-works price of the product, depending on the case. For the same category, NAFTA allows for 60% in non-originating materials¹⁷, whereas Mercosul permits a content of external materials of between 40% and 50% of the final price of the product. NAFTA's rules of origin, based in a much higher threshold, were responsible for a major diversion of historic currents of trade in favour of the USA in the commercial relations with Mexico, to the detriment of Mexico's traditional partners.

The co-operation package is the compensation for major concessions made by South Africa in the aforementioned trade areas, which was received with enthusiasm by its population. The Agreement is very broad in the area of economic and industrial co-operation and this part, if proven effective, could in the medium and long term be highly beneficial not only for South Africa and its people, but for the whole African continent. Co-operation includes support in the area of industrial modernisation; economic empowerment; environmental protection; investment protection; trade development; strengthening of small and medium sized enterprises; information technology; energy; health and safety standards; transportation; tourism; agriculture; and services. However, the multilateral trade implications of such package are that it could also prove

¹⁵ Also known as the "transitory clause", as opposed to the "standard clause" that enshrines the principle of free convertibility of currencies.

¹⁶ See *A OMC e os tratados da Rodada Uruguai*, by Durval de Noronha Goyos Jr., São Paulo: Observador Legal Editora, 1995, p. 103.

¹⁷ See "Essays on International Law", by Durval de Noronha Goyos Jr., Legal Observer, Inc., Miami: 2000, p. 356.

to be trade diversionary, as developing countries may not be able to match the financial package offered by the EU and thus be alienated from the South African market¹⁸, not only in government procurement, but in trade in services as well.

Co-operation partners eligible for financial and technical assistance shall be national, provincial and local authorities and public bodies, non-governmental organisations and community based organisations, regional and international organisations, institutions and public or private operators, in addition to any other body designated by both parties. Any such project will be covered by a loan or finance agreement between the EU and South Africa, which makes the latter a necessary guarantor whenever the interested party is from the private sector.¹⁹ Unfortunately, the Agreement does not specify the resources available for all such highly meritorious purposes, and subjects the funding thereof to the budget of the EU.²⁰ It is expected that the materialisation of the benefits contemplated therein does not prove excessively burdensome.

Article 104 of the Agreement deals with the matter of dispute settlement, which has become increasingly important in a world that demands more juridicity in multilateral as well as in bilateral trade relations. Private economic agents have pressed for access to the dispute resolution systems of bilateral trade pacts. NAFTA, for one, has paid heed to this clamour and its arbitration procedures allow for a private agent to bring a claim therewith against any government, including its own. This has been hailed as a model of governance and transparency, as it permits access to jurisdiction without censorship and prevents, what is disgracefully normal in trade negotiations, that a government, by means of trade concessions and for reasons of its own, will sacrifice an economic sector for another. Conversely, Mercosul has justifiably been vehemently criticised for the maintenance of control over jurisdiction for private agents. It also paid an enormous price for this posture.²¹

¹⁸ The matter of financial dumping is now being analysed by many in the developing world. It would not be surprising if the subject is brought before the WTO in the not so distant future.

¹⁹ By this provision, the EU has ensured that the Republic of South Africa is not only the guarantor of exchange conversion for current account payments to its nationals, but is also the primary obligor of the financing.

²⁰ Article 97.

²¹ When trade tensions intensified within Mercosul in early 1999 encompassing a wide spectrum of economic areas, the lack of an efficient system for resolution of disputes put enormous pressure on the diplomatic agents, which resulted in the loss of dialogue. For particulars of the system within Mercosul, see *GATT, Mercosul & NAFTA*, by Durval de Noronha Goyos Jr., São Paulo: Observador Legal, 1996, p.103.

Similarly to what prevails in Mercosul, the Agreement allows for control by the parties over what is going to be subjected to the dispute settlement mechanism. Thus, it reserves the system for disputes between the signatories, whilst preserving all rights and obligations under the WTO agreements. Any dispute may be referred to the Co-operation Council, which is the *de facto* secretariat of the Agreement. Each party will appoint an arbitrator and a third will be appointed by the Co-operation Council. A decision will be made by the panel between three and six months. After the report is made known, the losing party will have sixty days to advise all of its intentions about implementation, to be effected at the most within fifteen months from the date of submission of the findings thereof.

For South Africa's other trade partners in the developing world, such as Brazil, the Agreement should be regarded as trade exclusionary. Even the USA felt its commercial interests threatened and immediately suggested to South Africa the execution of a free trade agreement between the two countries. Therefore, it is of utmost importance that Brazil and/or Mercosul enter into a separate bilateral trade agreement with South-Africa, in order to neutralise the many advantages granted the EU in its relations with that country, in services as well as in market access. For South Africa, it would be also important to have such an agreement with Brazil and/or Mercosul, as for its agricultural sector access to the markets of the EU became a specious proposition and the huge internal Brazilian market offers many opportunities for South African industrialised products and services. Additionally, South Africa is more dependant on external trade (16.7% of GDP) than both Brazil (7.3%) and Argentina (8.6%).

Unfortunately, bilateral relations between Brazil and South Africa, since democratisation, have been excellent only on a political level, on account of the consistent, if not proverbial, deficits of efficiency demonstrated by Brazil in negotiating external trade matters. Efforts to have a candid and very basic agreement to avoid double taxation, encouraged by the business sectors of both countries since 1994, have floundered in the quagmire of bureaucracy in Brasília²². Similarly,

²² The USA and Iran were more efficient and signed tax treaties with South Africa on the 3rd November, 1997. Indonesia preceded both and signed its tax treaty with South Africa in July of 1997

negotiations for an agreement for protection of investments have been making very slow progress. The lack of such an agreement will cause a Brazilian private party to incorporate in Europe in order to establish a commercial presence in South Africa, in view of the preferential exchange treatment, among others.

Bilateral trade between Brazil and South Africa has been growing steadily in the recent past, even if it is reflected by a modest volume of approximately US\$ 800 million only. At the moment, this is represented by transportation equipment; minerals; textiles; chemicals; and machinery. However, one should not be discouraged by the absolute numbers and by the puny participation in the US\$ 53 billion, US\$ 26.2 and US\$ 23.5 billion total volume of exports of Brazil, Argentina and South Africa, respectively.²³ The potential for growth is definitely there, as it was in the Mercosul countries when of the execution of the Treaty of Asuncion in 1991.

Recently, South Africa took the initiative of proposing negotiations for such a bilateral trade pact with Brazil and/or Mercosul, which was very warmly received indeed by the parties concerned. In the words of the South African ambassador to Brazil, “my sense is that enough of love declarations have been made, perhaps it is time we leveraged action out of love for one another”.²⁴ In a recent visit to South Africa in March of 2000, the Brazilian Minister of Foreign Relations²⁵, representing all Mercosul countries, proposed that a preferential trade agreement between the South African Customs Union (SACU) and Mercosul be signed before the end of the year. For that purpose, both trade blocs agreed to start preparing lists of sensitive areas to be excluded from such agreement. Subsequently, over a period of years, this agreement could evolve into a customs union.

²³ See charts on the economic profile of Brazil, Argentina and South Africa.

²⁴ Speech made by HE Ambassador Mbulelo Rakwena, for the Boe Investment Bank, on the 27th November 1999, in Rio de Janeiro.

²⁵ Ambassador Luiz Felipe Lampreia.

Appendix

Table 1. Brazil's Economic Profile

Area	8.511,965 km ²
Capital	Brasilia
Population:	163.7 million
Urban population	78 %

GDP	US\$820 billion
Origins of GDP	
Agriculture	10.7 %
Industry	39.3 %
Services	50 %

Main Trade partner:	EU
Principal exports:	
Manufactures:	US\$ 32.7 billion
Transport Equipment:	US\$ 6.8 billion
Soybeans:	US\$ 5.7 billion
Coffee:	US\$ 3.1 billion
Minerals:	US\$ 3.1 billion
TOTAL	US\$ 53 billion (including others)

Table 2. South Africa's Economic Profile

Area:	1225,815 km ²
Capital:	Pretoria
Population:	38.8 million
Urban:	50 %

GDP:	US\$140 billion
Origins of GDP:	
Agriculture:	4.5 %
Industry:	34.6 %
Services:	60.9 %

Principal exports:	
Metals + metal products:	US\$ 6.3 billion
Gold:	US\$ 6.0 billion
Diamonds:	US\$ 2.9 billion
Machinery + transport:	US\$ 2.6 billion
TOTAL	US\$ 23.5 billion (including others)

South Africa between Globalization and Regionalisation: a brief review*

*Fernando A. Albuquerque Mourão***

At a time when the abuse of anti-dumping initiatives could be regarded as a threat to free trade and when, for areas to be competitive, they need to resort to multinational direct investment, in which companies seek across-border positions, South Africa is trying to prepare a strategy that will include not only the country's adhesion to "globalism", with the USA at the head, - through measures designed to expand the process of integration in the ambit of the Southern African Development Community (SADC) as far as the real circumstances will permit - but also through a series of alignments with the South.

The new strategy, conceived by President Thabo Mbeki, foresees closer relations between South Africa and Egypt, Nigeria, India and Brazil. At the same time that this bright new scenario was announced, Pretoria and the European Union finally arrived at a trade agreement that has taken a very long time to be negotiated and that may include other areas besides trade.

The launching of the Indian Ocean Rim Regional Co-operation Association (IOR-ARC) which, besides other countries of the region, gives a prominent position to India and to Australia, is yet another factor promoting trade diversification and co-operation.

The recent visit of Brazilian Foreign Minister Luis Felipe Lampreia (March 2000) to Pretoria, to discuss a trade agreement between the Mercosul and South Africa, is not only a response to one of Pretoria's manifest aspirations, but also part of a process to strengthen Mercosul itself, in the face of the creation of NAFTA (North American Free Trade Area) in the USA. The North American Free Trade Area intends to expand several of its sectors, as is the case, for example, of services themes. In this latter area, an agreement has already been signed between the four Mercosul members, which, at present, seems to be more suitable for the member countries.

* Translated from Portuguese by Vera Joscelyne.

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Regional agreements, like the newly-born inter-regional agreements, may indeed be a road towards **globalism**, but will never be much more than a gradual road, a scale with different speeds. To a certain extent, it was a process inspired by the European Union's experience, but it could also represent a certain revitalisation of a more realistic and more pragmatic conception of a South-South agreement, at a time when an organisation such as the WTO (World Trade Organisation) has recently faced some difficulties at its Seattle meeting and when the United Nations Conference on Trade and Development (UNCTAD) has just launched, at its Bangkok meeting, a reflection agenda to discuss the challenges of globalisation and maybe the creation of a new paradigm.

For some years now I have been thinking about the possibility of a relationship between Mercosul and the SADC, an expanded relation with the North's interests, a relation that I called "a triangular arrangement": Mercosul/SADC/EU¹; as a product, on the one hand, of the South's political will and on the other, of the growing internationalisation of the economy and through the evolution and application of the Third Industrial Revolution paradigms. In order to boost a trade streamline within the vast area of co-operation in its widest sense - be it scientific-technological, economic or political - it will be necessary to build certain complementary niches.

The South African decision-makers know very well that the development of their foreign policy will involve first the development of a regional integration scenario, in other words, the SADC (that, in its first phase, The Southern African Development Co-ordination Conference - SADCC - became a forum in opposition to South Africa), and second, other inter-regional agreements such as the IOR-ARC and the Mercosul. All this will have to occur in a complex and wavering world, in a double political and economic watershed, designed to increase South Africa's weight in the international and regional context.² In the ordering of its global and regional priorities, Pretoria bypasses its dilemmas and difficulties.

¹ Mourão, Fernando Augusto Albuquerque. A União Européia e o Mercosul: um relacionamento em construção.. Casella, Paulo Borba (ed.). *Contratos internacionais e direito econômico no Mercosul*. São Paulo: LTR, 1996. p. 518-44.

² Mourão, Fernando Augusto Albuquerque. A política externa brasileira e sul-africana para a África Austral. Guimarães, Samuel Pinheiro (ed.). *Brasil e África do Sul: riscos e oportunidades no tumulto da globalização*. Brasília: CNPq/IPRI, 1996. p. 81-97.

At the regional plan, South African diplomacy, along with some successes, such as the role it played in Mozambique, where, during the last election, it managed to dissuade RENAMO from its intentions to create obstacles to the electoral process, has faced some difficulties with Harare. Also, for a country that hopes to take the leading role, Angola's recent prominence in the Central Africa's regional scenario - a revival of Angola's importance in the area - must not be forgotten. After its intervention in the Congo-Kinshasa and in the Congo-Brazzaville, and in face of Luanda's legitimate government's recent military victories against UNITA's forces, Angola has realised that it can draw a non-excluding foreign policy at the regional level, in relation to Central Africa or to the SADC or even more clearly, with regard to South Africa.

Angola's potential as leader of the Central African region, a fact that certainly doesn't go unnoticed by Pretoria's authorities, represents the emergence of an extremely new scenario, on a par with the SADC, although, characteristically, the latter's process of integration is still incipient.

Relations between Angola and South Africa show periodic tensions resulting from a certain mistrust on the part of Pretoria, afraid of an increase in the importance of Angola's weight in the regional scenario and also due to a certain vagueness, again on the part of Pretoria, with regard to the repression of UNITA's activities in the area, or better still, with regard to the continuity of support by individual and institutional entities to the Angolan rebels' cause. UNITA, which has been undergoing several military losses including the control of extensive areas, not least the emblematic Jamba, its greatest centre of political and military activities, has launched, in recent months, an international campaign in defence of the re-opening of political talks with the Angolan government. In this, it has been making use of its traditional allies and of the power of persuasion it derives from the use of resources it obtains from the illegal sale of diamonds. In their turn, Luanda's authorities do not trust UNITA's intentions, since the latter, as soon as it finds itself in a weak military situation, rapidly agrees to sit at the negotiation table, but, as soon as it is able to re-arm itself, is ready to break off those negotiations just as quickly. Therefore Luanda continues to demand compliance with the sanctions imposed by the UN's Security Council. For this plausible reason, Angola reacted against ex-president Nelson Mandela's recent declarations in which he showed himself to be in favour of creating a channel for re-starting the

talks, thus provoking a strong reaction on the part of the Angolan president, José Eduardo dos Santos (14th February 2000). Pretoria shows some concern with the regional security, such as, for instance, in relation to Namibia's attitude authorising the entry of Angolan troops in its territory to fight UNITA's troops infiltrated into the area near the south border with Angola. Pretoria reached the point of sending its Defence Vice-Minister, Ms. Noziwe Madlala Reutledge, to the North of Namibia, as a sign of its concern with the internal security of South Africa itself.

Despite President Thabo Mbeki's (2nd February 2000) recent declarations stating that relations with Angola are excellent and that he understood Luanda's refusal to negotiate with UNITA, he admitted the presence of certain insurmountable tensions with regard to the differences in the points of view of the two capitals with respect to the way the war should end. Note that, a week later, Pretoria announced repressive measures, suing South African citizens involved in helping Jonas Savimbi's rebellious group. Recently, the British Minister of Foreign Affairs, Peter Hain, has recommended that South Africa should act against those South African citizens involved in supporting UNITA. As for Zambia, a country that has borders with Angola, and that permitted the development of actions in support of UNITA, according to its Defence Minister, Mr. Shitalu Sampa, has now committed itself to implement the resolutions of the UN, the OAU and the SADC against UNITA, although it has not adopted Namibia's position of actually allowing Luanda's central government's troops to enter its territory to fight the guerrillas.

Putting into operation a large number of instruments to expand its presence, South Africa has been able to make the most of its difficulties: extremely serious social problems, economic problems deriving, among other things, from the fall in the price of gold, and from the lack of control of its armed forces that are still led by cadres from apartheid days. Not speaking of other problems that weaken the country, but that have not been systematically exposed. An exception to this is the criminality issue, exposed thanks to an image created by Nelson Mandela's government.

Several sources refer to the flight of entrepreneurs and capitals, although unable to specify the extent to which this is happening, in a context in which the multinationals' direct investments are reflecting an increase in productivity and exports.

Harsh criticism of the consequences of the financial dimension, particularly in the case of the so-called volatile capitals, of the derivatives, of the financial boosting operations, of the growing unemployment in the developing countries, of the loss of the value of commodities - even through the replacement of traditional raw materials by light products of different origins.

Other voices add, in opposition, that there are not enough savings internally to boost development and that the environment is not sufficiently attractive to foreign capital.

The UNCTAD-10, held in Bangkok last February, called the attention of the press not just because of its humanistic speeches, such as that of Michel Camdessus, in his farewell as the IMF director, but also by the proposal that we should study a new paradigm, **a phenomenon of extraordinary complexity; development requires flexibility, gradualism, adaptability, diversity of politics and therapies, an appropriate sequence of reforms**, all according to Ambassador Rubens Ricupero, UNCTAD's Secretary General.³

This entire economic-financial panorama worries all nations, particularly those of the South, but not just those: in Seattle some NGOs actually defended some protectionist measures to safeguard jobs in the North, and it is in this context that we have to try and understand some recent positions.

It is in a wide scenario of dilemmas that we have to understand Pretoria's diplomatic posture. In the regional context, what we can see is the other countries' difficulty in accepting any expansion of South Africa's protagonist role made evident by Pretoria's interest in leading a regional block. Difficulties that, in the context of generalised criticism of globalisation, South African diplomacy is being wise enough to make use of, by proposing closer relations with Egypt, Nigeria, India and Brazil, in a wider context and in a non-excluding perspective. In the regional field, South Africa's increase in its budgetary forecasts for defence, has been drawing its neighbours' attention. Is this higher expenditure, in the context of a tense

³ Ricupero, Rubens. Bangkok, year nought. *Folha de São Paulo*, 13th February 2000. p. 22.

social picture, aiming at internal order or at an expansion of South Africa's regional protagonist role?

Realistically we can notice the development of synergetic co-operation between the business sectors and Pretoria's diplomacy in a strategic move that may ease or overcome differences and that, allied to good neighbourhood elements, and through an intensification of the regionalisation process - albeit limited by the lack of resources and by internal social problems - can both boost and be boosted by external action.

An Attempt at a Politically Realistic Review of Brazil-South Africa Relations*

*Ovídio de Andrade Melo***

In 1975, I was acting as Brazilian Special Representative in Luanda, Angola, at the time when an invasion of South African tanks, followed by UNITA and FLNA troops, struggled to reach the capital before the date planned for the country's independence. Their aim was to oust the MPLA from power and install Savimbi and/or Holden Roberto as rulers of the new country freed from Portugal.

From 1975 to date, with the MPLA still at the head of independent Angola, the latter was subject to various other South African interventions that were repelled, up to a certain period, with the help of Cuban military support. The fact is, during all those years, Angola has not had a single day of peace. And this was mostly due to South Africa's insistence in supporting Savimbi's guerrillas against the MPLA's government, providing them with troops and armaments and, above all, supporting them financially by purchasing the diamonds Savimbi extracted from the Angolan territories he assailed. On 8th October 1999, a Brazilian newspaper reported that Savimbi, having, for years, raised numerous obstacles to and hindered any aspirations of co-operation between Brazil and Angola, "had declared war against Brazil and chosen Brazilian installations in Angola as object of his attacks".¹ The following day, (9th October), the same newspaper reported that De Beers, a multinational company working mainly in South Africa, but with subsidiaries in Brazil, and holder of the world monopoly in diamond purchases, finally decided to "no longer buy diamonds from Savimbi". Thus, the public admission of something that until then had been a mere open secret. However, as diamonds do not carry a certificate of origin, De Beers' declaration is not conclusive: Savimbi can easily sell diamonds through loyal middlemen.

I started this paper pointing to a latent contradiction that has lasted for 24 years between South Africa and Brazil, with regard to their

*Translated from portuguese by Vera Joscelyne.

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¹ *Jornal do Brasil*, 8th and 9th October, 1999.

respective interests in Southern Africa. I did this, because in my view it seems very strange that South Africa, having gone through so many internal transformations since it abolished apartheid, has continued, directly or indirectly - for instance, through De Beers - to pursue a foreign policy of de-stabilisation of its neighbours. But this situation is even more astonishing, if we consider that the MPLA has always been against apartheid, having in fact helped the African National Congress in its struggle. Whilst Savimbi, on the contrary, already under UN sanctions, had become nationally and internationally unacceptable as possible government for Angola precisely because he had allied himself with the white racists who imposed apartheid in South Africa, and who probably intended to expand their racially discriminatory regime to Angola, as they had already done in Namibia which, at the time, they illegally occupied.

Such inconsistency between South Africa's recent domestic and foreign policies can only be explained if we take into account not only the fact that Mandela has been in power for a very short period, but also the probability of the following hypotheses: either

- 1) The foreign policy that Mandela's party logically and consistently should adopt - that of not helping Savimbi - still has not been adopted by the South African Ministry of Foreign Affairs because there remain in it old vestiges, influences and even personalities of apartheid; or
- 2) South Africa's foreign policy, be it during the apartheid regime or in the democratisation resulting from the negotiations between Mandela and De Klerk, is an interventionist policy, outlined by the multinational companies, under the influence of Europe and the United States - that, during the Reagan administration, openly supported Savimbi - and tends to de-stabilise Southern Africa, in search of a type of hegemony for South Africa that will increase the profitability of European and North American capital throughout the region.

Given the admiration I personally hold for Mandela and for the ANC's continuous struggle against racism and against the exploration of South Africa's black population, I am inclined to believe the first hypothesis, i. e. that Mandela's government has not had sufficient time to take genuine

control of the country and erase the last remains of apartheid, particularly in terms of the reflections these have on South African foreign policy.

However, nor can I totally dismiss the other hypothesis - that democratic South Africa was created to stay posted in Southern Africa as a sentinel of European and North American capitalist interests - because that may have been the basis for the white racists' reasoning when they made the concessions that led to the end of apartheid. South Africa's growing internal conflict during the last years of apartheid had made the country an international pariah, unable to influence other countries in a peaceful manner, in particular in the African continent. On the contrary, the reduction of the internal conflict and the concession of a formal democracy, with all that bombastic favourable publicity it was granted by the international media, would theoretically invert the situation, making of South Africa a focus of influence and attraction for the entire African continent.

Indeed, it seems to me that it is with regard to these two hypotheses that South Africa's domestic and foreign policy are at variance during this extremely difficult and precarious transitional phase. The mere concession of the vote to the negroes, without a more equitable distribution of health, housing, educational and wealth opportunities, made possible the formation of a black majority government. Black majority governments exist in many other countries that once were European colonies in Africa, but not one of them can set itself up as a model for their counterparts in the African continent. What distinguishes South Africa is the authenticity of the black majority government that installed itself there, an authenticity proven in long years of struggle against the huge colony of white racists who, until very recently, imposed the apartheid regime by force, in benefit of the multinational companies. It is from the persisting clash between, on the one hand, this black majority government and, on the other, the white racists and colonialists who give their support to - and in turn are supported by - the multinationals, that a truly democratic South Africa will emerge. However, this requires time. We may say South Africa is a newly born country, but a country that is far from free from colonialism. And the reason for this is that South Africa's colonialism was internal, it exploited the negroes from inside, being imbedded in the very heart of governmental structures. This was the essential characteristic of apartheid and what distinguished it from classic colonialism.

Since South Africa rid itself of apartheid, international relations specialists are inclined to find great similarities between that country and Brazil and foresee very promising relations between the two nations. In my view, the main characteristic of these similarities is that they deal with negative aspects of the present reality of both countries, such as the marginality and poverty in which the black populations of the two countries live, the size of their respective economies by comparison to their immediate neighbours, the extremely unequal distribution of wealth both countries present, the illiteracy of a large part of their respective populations, and so on. These are not common positive factors that can contribute towards promising international relations; on the contrary, they merely point to a growing threat of extreme internal turmoil that is common to the two countries, and which may be more pressing in South Africa.

It is my opinion that the **differences** existing between South Africa and Brazil are, for our purposes, much more important and significant.

Since 1822, Brazil has had independent participation in the international life, although, for some long periods it was subjected to the neo-colonial influences of both Great Britain and the United States. In contrast, South Africa was first a Dutch and later a British colony, but in both cases, the colonisers' objective was not only to exploit the colony but also to use it for the emigration of citizens from the mother countries; and, as History records, the Dutch and the British never quite got on over there and in fact, went to war to dispute preponderance one over the other. It was in South Africa, fighting against the Boers that the British General Kitchener invented the concentration camps and the razed land that would be adopted in future by other bellicose nations. Indeed, in independent South Africa, the dispute between the Dutch and the British continues to date. One and the other, in their colonising designs, faced the brave resistance of black tribes, such as the Zulus, huge in numbers and characterised by their bellicosity even today. Although, after independence from Britain, South Africa became a member of the British Commonwealth, with an independent international life, when the whites of Dutch origin, who later installed the apartheid regime, came to power, the country soon left the organisation. With apartheid, South Africa's international relations gradually became more and more restricted: the country was eventually

subjected to international sanctions, and became a pariah-State, until the day that, at long last, it came to terms with the majority of its people who were neither Dutch, nor British, but African. It was only from that moment on, that South Africa really began to have a genuine international experience. In fact, we could actually say it has just started being a country. Previously, it was a colonial *entrepôt* in Africa, protected by a - also colonial - carapace, imposed to its neighbour countries.

Thus, in all these characteristics, South Africa differs radically from Brazil. And it differs also from its fellow members of the Commonwealth such as Canada, Australia and New Zealand. It was a rowdy colony. It was a rebellious member of the Commonwealth. It was a pariah country in the international community because of apartheid. With such a history, no one can now guarantee that its recent democratisation will not give origin to new turmoil and new conflicts. Having achieved formal democratisation, South Africa begins now to crawl towards a genuine democracy. And there is no guarantee that it will reach this genuine democracy without much obstinate fighting.

In the West, Brazil was the last country to abolish slavery, a system that, in practice, and in a restored and revamped form, would correspond to the apartheid regime of almost a century later, in South Africa. When it abolished slavery, Brazil did nothing towards raising the slaves' living standards. It just left the now free workers in the hands of God, and rapidly organised their replacement importing European immigrants to work as cheap agricultural labour. For almost a century, it was easily influenced by the racist theories that the colonisers of Africa and Asia developed to assuage their own consciences, guilty with the crimes they were committing around the world. However, little by little, reality took over theory in the new multiracial Brazil. To explain this miscegenation, a new theory was then developed in Brazil itself, suggesting that the Portuguese were the "ideal colonisers" for the tropics, precisely because they mixed easily. Yet another new theory stated that miscegenation was in fact beneficial, because it "whitened the race". However unfounded and unsupported by statistical data, and still containing a large dose of racism, these fatuities had a unintentional but useful side effect: they weakened racial barriers, even encouraged the mixture of races, and thus made possible the development

of a unified, mixed nationality, speaking one single language and having as its best known sex symbol the *mulata Globeleza*.²

In South Africa, the tendency was for the opposite to happen. From the type of racism common to all European colonialists, white South Africans jumped directly onto the theories of superior race preached by Nazism and in them sought the grounds to justify the creation of apartheid. The result is that today's South Africa is a country divided by conflicting ethnic groups, using ten official languages. Even after apartheid was formally abolished, even after Mandela's government was installed, in the rural areas, where the Boers still predominate, Brazilians who visited the country tell me that they found clear remains of racial separation still in full use, such as segregated public urinals: some for whites and others for negroes. The former, well built and thoroughly clean. The latter in torrid zinc cubicles, filthy holes dug in the ground, genuine pig sties. It is also common knowledge that in present South Africa's rural areas the murderers of negro victims have been treated benevolently by the white police and judiciary system.

South Africa, with a population of almost 40 million inhabitants, has a huge contingent of recent immigrants, legal or illegal.³ Among these immigrants, there is a large proportion of Portuguese, a group that those who defend the Brazil-South Africa commercial exchanges point as ideal middlemen for the trade that, in their view, should take place between the two countries. Grounded on my experience of the war and of the exodus of whites that happened in Angola, I feel I must make clear that these Portuguese immigrants received by South Africa, are, to a large extent, the *crème de la crème* of the most obstinate colonialism in the world, that

² T.N.:For the last 9 years, Brazil's TV Globo, has been using as vignette of Carnival-related programmes, a beautiful mulatto woman whose perfect body is only partially covered by bright coloured designs painted on her naked flesh. She also dances sensually to the Carnival rhythms and has thus become a very Brazilian sex symbol.

³ According to the 1996 Census, total population is of 39,806,598; approximately 1 million people now residing in the country was not born in South Africa. Out of them, about 530 thousand came from SADC countries and a little more than 20 thousand from the other African countries. Since these figures are official, it is almost certain they will not include the contingents of illegal immigrants from neighbour countries (Source: South Africa's 1996 population census on the Internet - www.statssa.gov.za/census96).

of Portugal in Africa. Whites and *mestizos* that wouldn't - or did not have the strength to - survive in Angola after independence, under a black government, ran away to South Africa. The same thing happened in the old Rhodesia, in Mozambique, in all South Africa's neighbours that became independent. In the eyes of these dogged colonialists and racists, South Africa, still under the apartheid regime, seemed a safe sanctuary. As South Africa now changes, under a government that is also black, those immigrants that sought refuge there will be inclined to pack their bags once more and move towards places that, in their view, will be safer. If we give them the chance, they may even try Brazil. However, given their colonialist and racist point-of-view, it is evident that these Portuguese immigrants could not be good middlemen in whatever trade is initiated between Brazil and South Africa, for they will not even be able to understand the Brazilian reality.

The civilisation model that, in the conditions of a unipolar world, with rules dictated by the US, was applied to South Africa, was the American Way of Life model.⁴ South African cities, that, at the time of apartheid, as soon as the sun went down, expelled their negroes from the urban centre towards the faraway peripheries, see, today, the urban centres occupied by negroes at any time of the day or of the night. It is the whites, now, that leave town at night, accelerating their cars to full speed towards the still exclusive suburbs. Those negroes that now are brave enough to act as pioneers and come to the town centres at night, are, almost surely, those who mostly rebelled against apartheid and, for this very reason, tend to be the unemployed, loafers or prostitutes. The same happened in Nairobi in Kenya, after independence from Britain, or in Kinshasa, in the Congo, after independence from Belgium. They both become extremely violent towns, as soon as the sun goes down. And this is what suddenly happens also in Johannesburg, Pretoria, in South Africa, and still frightens away the multinational companies. It is a racially oriented violence, and oriented against the white man, for it could not be otherwise. And as it happened in the United States, it is a violence that will tend to increase when the emerging

⁴ On the American Way of Life, see an interview given by the well-known historian John Hope Franklin to *Jornal do Brasil* on 23rd October 1999, under the title "Try and be a negro and catch a taxi in New York". As the title suggests, the interview reveals the extent to which racial discrimination is still an integral part of North American life.

black bourgeoisie, now that apartheid has ended, will try and fulfil their aspirations to live in the same exclusive suburbs where, today, the whites lock themselves up twice over. In South Africa, the racial conflict of the American Way of Life is being reproduced.

Brazilian violence and criminality have a different origin and come from the period Brazil was still a colony. The city slaves, called “negroes of gain” gathered around the cities’ fountains for their evenings of enjoyment and pleasure. Small riots occurred, negroes against negroes. The police intervened. *Capoeira*, the Brazilian equivalent of a martial art was the means used by the rioters to resist the police. But this method of fighting known as *capoeira* was not a privilege of the blacks. The negroes taught the whites how to fight, in the games children played together in the *Casa Grande*, the plantation owner’s large house. As a curiosity, it is worth mentioning that José Maria da Silva Paranhos, the Baron of Rio Branco, in his youth, in the late 19th century, was an expert in *capoeira* fighting. And today, *capoeira* is taught in smart middle-class keep-fit gyms throughout the country.

Abolition came later, and with it the complete neglect of negroes. The largest contingent of slaves in Brazil worked and lived in the coffee plantations of the Paraíba Valley. Roofless after the abolition, many of them took the road to Rio de Janeiro, usually by the Central - the first railway system - trains. The first hill where they built their huts was Providence Hill, at the farthest end of the railway in the centre of the capital. Soldiers returning from the Canudos War, who also went to live there, called the hill a *favela* because it reminded them of the military camp opposite the Northeastern town that, in the war, had been razed to the ground by the military. From then on, with the arrival of new contingents of poor people, most of them blacks dismissed from the plantations, the *favelas* spread to most of Rio de Janeiro hills, and now, interspersed with the richer areas of town, have come to be as many as eight hundred.

Also noticeable is the huge difference between the habitat of negroes living in Brazilian towns and those in the towns of South Africa. Here, from an early period, negroes lived in the “down town” areas of the developing *urbes* where they mingled and coexisted with poor whites (soldiers, immigrants, etc.) and with all kinds of half-casts. There is no doubt that the poverty in which this mob, recently settled in the city, lived,

usually in slums and old tenements, created violence. But it was not a racially oriented violence. The *favela* population could come and go and wonder in city at any time of day or night, and in this coexistence with the whites, the *favela* was often idealised in popular songs: “*Favela* of my loves/ *Favela* close to the sky/ My hut made of zinc, with holes in the ceiling from which starlight spreads onto the ground”. Would a similar idealisation be imaginable in Sharpeville or Soweto? Undoubtedly not.

In South Africa, the process was different. The negroes were concentrated in suburbs only for negroes, 40, 50 kilometres away from the white city. Their right to visit the city was restricted to working hours. Once work was over, at sunset, they had to return to their shacks in Sharpeville, or Soweto, where, the white police, at the slightest sign of turmoil or rebellion, carried out massacres with international repercussions. Worse still, governments did all they could to deter negroes from adopting South African nationality, and confined them to their “Bantustans”, in accordance with the tribe to which they belonged. With the end of apartheid, the negroes now, suddenly and *en masse*, flow to the cities. There is no doubt that the violence in South Africa has underlying motives not unlike those that generate the Brazilian violence: poverty, destitution. But it also has a new ingredient much more similar to the violence in large North-American cities, i. e. it is racially oriented. Its counterparts are the violence in Watts, Los Angeles, or the violence in New York’s Harlem. In this, South Africa will follow the American Way of Life. Brazil only needs a better distribution of wealth to eliminate the poverty that assails a large part of its black, mixed or white population. A task that will certainly need much effort, but will not be as difficult as the one South Africa will have to tackle.

Another cultural ingredient that strongly distinguishes the South African negro from the Brazilian negro is religion. The Catholic religion we inherited from Portugal is a peasant religion, illiterate, of oral tradition, interpreted by the priests and that does not demand from the faithful the reading of the Bible. On the contrary, it discourages them from it. The Protestant religions that were impressed upon the negroes in South Africa command them to read the Bible. There is a fundamental significance in this, because the negroes’ interpretation of the Bible is different from that of the whites. The Egyptian Pharaohs’ slaves were white Jews. The Pharaohs, with all their power and greatness, were black. Salomon was

enchanted with the beauty and wealth of the Queen of Sabbath, who happened to be Ethiopian and therefore, black. According to the Protestant negroes, what happened is that, at a given historical moment, there was an inversion of values, the plundering of negroes by whites, a plundering that sooner or later has to be reversed.

This different reading of the Bible, that in fact led to the creation of a mythical Ethiopia, perfectly characterised in the Rastapharian Jamaica⁵, is the common trait between all English speaking protestant negroes, be it in the rebellions of the anglophone Caribbeans, in the efforts for the ennoblement of black Americans and British, in the old British colonies in Africa. Marcus Garvey's biography reflects this: he was expelled from Jamaica, where he preached resistance to the white man, then went to New York where he continued his preaching. Also expelled from New York, he ended up to England where he became a mentor and source of inspiration of Nkrumah, Nyerere, Kaunda and other African leaders who promoted the liberation of their countries. The Church of England that, in the United States and in the Caribbean never had much political relevance, due, in part, to its participation in the old rivalry between British and Dutch settlers, in South Africa contributed to the end of apartheid, with leaders such as Bishop Desmond Tutu and Reverend Alan Boesak.

South Africa is thus a country that arrived late at the international setting and more than any other had a series of birth traumas. Apartheid was untenable and De Klerk had the good political sense to end it through peaceful dealings with the black leaders. He also was wise enough to perceive that when a rope is over-stretched, it breaks. But the scars left by apartheid are still very open. And the negroes' claims for better living conditions will be much stronger and sudden than those the world has already seen in the United States, in the Caribbean, and in all countries where colonialism propagated slavery, being careful enough to meticulously

⁵ When the Ras (duke) Tafari was raised to the throne in Ethiopia under the name of Haile Selassie, with the titles of King of Kings, Lion of Judah, etc., the Jamaican negroes saw in this the confirmation of the biblical prophecy about the coming of a Messiah "who would save the black race". Thus, they hailed the new Ethiopian Emperor as God and no matter how hard the British tried to quash this belief, a new religion was born and continues to expand at great speed in the English speaking Caribbean world, with enormous influence on the Caribbean culture and music.

dose out the slave contingents in terms of numbers and tribal origin, so as to avoid greater risks for the whites. And such claims will be stronger and faster because there is already a linguistic identity in the United States, the Caribbean and in the old British colonies in Africa, at this moment in which world communications accelerate with television, the Internet and globalisation.

The negotiations between De Klerk's good sense and Mandela's heroism, the subsequent election of Mandela to the Presidency, the creation of the Government of National Unity, the institution of a court presided by Bishop Tutu to review the crimes of apartheid and forgive them if they were admitted, all this generated an atmosphere of euphoria, exaggeratedly hailed by the international media as heralding the birth of a pacified country, where multinational companies can operate in safety. Mandela's huge charisma also contributed towards this optimism. Notwithstanding, some fraying is beginning to appear in some areas of this skilful patchwork. De Klerk and his supporters have already left the Government of National Unity. On the other hand, trade unions and communists are also starting to move away from the ANC, accusing it of failure to deal effectively with the serious problems of economic inequality between the wealthy whites and the destitute negroes. With this, Mandela's charisma is being eroded. Moreover Mandela is no longer young and has already left the stage in favour of his successor, Thabo Mbeki, now nominated, elected and installed in office.

Thus, Thabo Mbeki, uncontested leader of the ANC, nominated by Mandela as presidential candidate but without the reputation and charisma of his predecessor, started to govern the country. If the confrontations that led to the peaceful end of apartheid were the cause for an emigration from South Africa of a hundred thousand whites and a thousand multinational companies, the uncertainties of this new transition within a transition may induce an even greater exodus, if, in fact, Mbeki decides to fight the poverty that assails the large majority of the population and forgets all about the neoliberal policies prescribed until now by the IMF and followed by South Africa.

Therefore, South Africa's future is still a mystery in terms of its economic and social policy. We have to wait and see. But while we wait,

we will have to coexist and trade with it, always taking into consideration that our policy towards Africa does not require middlemen; that South Africa, with its own domestic problems is in no condition to play such a role; and, above all, that our main point of exchange with Africa is Angola and not a South Africa that for the last 24 years has been helping Savimbi. Savimbi who, apparently neglected by De Beers, has now “declared war to Brazil”. A fact about which we must constantly remind ourselves because it certainly does not contribute towards peaceful relations between Brazil and South Africa.

We must also be aware of the fact that the Anglo-American multinationals sponsored and applauded the transformations South Africa is going through, but their intention is that these changes should happen under their control, dosed in accordance with a specific prescription. Except in the case of formalities, this model is no longer the one prescribed by the British Commonwealth. Now the American model prevails. The mere electoral democratisation of “one man, one vote” is already a gigantic step if compared to the archaic and excluding racism of apartheid. We must remember, however, that, at least in theory, the American negroes had the vote since Lincoln. But in practice, this meant nothing for their standards of living, until black movements, normally religiously based, succeeded in imposing themselves as a political force. And this only occurred during the Kennedy administration, a century later. In South Africa, the African National Congress was created in 1912 and has its military arm. Moreover, proportions between negroes and whites are totally different, and the forces that are left from apartheid have no conditions to transform themselves into some kind of Ku-Klux-Klan. All this induces us to suppose that the changes South Africa is now undergoing are irreversible and will be much more violent and much more rapid than those the United States went through during the Civil War.

However, as it happened in the United States, internal transformations, in the sense of an expanding genuine internal democratisation may not necessarily reflect themselves on the foreign policy; there is nothing to stop the multinational companies’ vested interests from driving South Africa towards an imperialist policy with regard to its African neighbours. And when I say neighbours, I’m not referring to the “false” neighbours, the Bantustans that South Africa herself created

and that depend on her for everything. I mean here the other countries that emerged from the de-colonisation of Southern Africa, that is to say, Namibia, Angola, Zambia, Zimbabwe, Mozambique. In Namibia, South Africa has tried to manipulate the elections and until the last minute tried to maintain under its control the only deep-water port through which Namibia could maintain commercial exchanges with the rest of the world, Walvis Bay. Today, Zambia's exchange with the world goes necessarily through South Africa, since Savimbi's guerrilla in Angola turned the Benguela railway into scrap. The same happened to Zimbabwe, since the Beira railway became inoperative, thanks to the action of RENAMO guerrillas under South Africa's sponsorship. As for Mozambique, the country lives largely off the labour it provides to South Africa's gold mines and now the latter intends to make the port of Maputo, old Lourenço Marques, the main outlet for the industrial production of the area around Johannesburg. All this means greater dependence on South Africa on the part of its neighbours. Is this the right policy to be followed after apartheid? Will the multinationals be able to imbue South African negroes with those same notions of a nation designed to dominate the others that, like a disease, affected, for instance, the United States when they began to intervene in the Caribbean, in Mexico and in Central America? Gulf War against Iraq demonstrated that threats of interrupting the oil supply can be solved in the Middle East itself. Currently, Brazil is far more interested in the supplies of Angolan oil. Therefore, it is a contradiction for us to concern ourselves with the Middle East oil that has to go through the Cape, at the time when South Africa, even if internally democratised, continues to help Savimbi in his efforts to de-stabilise Angola whilst Savimbi "declares war to Brazil".

In sum, while we wait for South Africa to develop further and to clearly define its domestic and foreign policies, we have to work on our relations with Angola. Angola has the oil that South Africa lacks. And oil is useful both as a product and as a currency to pay for the incipient trade we have with Southern Africa. Therefore, let us thread carefully, and leave the trade with South Africa in the hand of multinational corporations, where it has always been. With regard to commercial policies, however, we must expand the trade we have with South Africa's neighbours, if nothing else, to strengthen them in their dealings with a country that has shown itself to be aggressive towards its neighbours in Africa, even in its late, post-apartheid phase.

As a sign of this aggressiveness - that in certain moments may be used to reduce internal contradictions - we have the fact that South Africa is arming itself. The government's programme, adopted by Mandela and continued with Mbeki, foresees Growth, Employment and Redistribution (of wealth) as its initials indicate (GEAR). But South Africa has been following the IMF's precepts, it looks well after the stability of its currency, the governmental deficit, the effectiveness of the economy, privatisations. In these conditions, there are not enough resources to attend to the urgent needs in the areas of health, housing, education, and job creation of the majority of its black population, until recently humiliated, offended and excluded by apartheid.

With all this, the news published in the *New African Revue* (November 1999), that also quotes the *Washington Post*, is surprising, if not alarming: South Africa has contracted the purchase of three submarines and four corvettes from Germany; 40 state-of-the-art helicopters from Italy; and 28 fighter planes from England, a bill adding up to the colossal sum of 5 billion dollars.

What are these armaments for? Against whom will they be used eventually, if even South Africa's Defence Minister, Mosilloa Lekota, when asked in Congress, was unable to identify any danger threatening the country's security, or name any country as a possible aggressor of South Africa?

Finally, we must have in mind an undeniable fact: South Africa is a new country, giving its first steps in democracy and in international coexistence. Nobody can foresee to which direction these first steps will lead. And while we wait to see what will become of South Africa in the future, we must act - and very urgently - to improve the living conditions of our own people, of mixed race and very poor. Alas, this is another problem, not directly connected with our relations with South Africa and, therefore, not to be dealt with in this paper.

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Brazilian views on

South African foreign policy

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