THE 'NEW' SOUTH AFRICA IN AFRICA: ISSUES AND APPROACHES

Larry A. Swatuk
SSHRC Post-Doctoral Fellow
Centre for International and Strategic Studies
York University

and

David R. Black Assistant Professor Department of Poltiical Science Dalhousie University

YCISS Occasional Paper Number 30 March 1995

This paper was initially prepared for presentation at the international symposium Of Growth Poles and Backwaters: The New South Africa in Africa,
held 3-4 November 1994 at the Centre for International and Strategic Studies,
York University, Toronto, Canada.
This meeting was made possible by a grant from the
Cooperative Security Competition Program,
Department of Foreign Affairs and International Trade Canada.

Contents

Map of Southern Africa
List of Acronyms
I. Introduction
II. Post-Apartheid Soothsaying: Alternative Scenarios
III. Theoretical Approaches
IV. Security and Prosperity in the "New" South Africa 5 IV.1 Economic Growth and Sustainable Development 5 IV.2 In Search of a Secure Environment I 9 IV.3 In Search of a Secure Environment II 12
V. South Africa in the Region and in the Continent V.1 Together in the Regional "Soup" V.2 Inter-State Cooperation in Southern Africa V.3 Fostering Regional Trade 12 13 14 15 17 17 18 19 19 19 10 10 10 10 10 10 10
VI. Beyond the State: Stakeholders in the Project
VII. Conclusion
References

List of Acronyms

ADB African Development Bank APLA African Peoples' Liberation Army ANC African National Congress

ARMSCOR Armaments Corporation (of South Africa)

AWEPAA Association of Western European Parliamentarians Against Apartheid

BLS Botswana, Lesotho and Swaziland

CBI Cross-Border Initiative

CBOs Community-Based Organisations

CIDA Canadian International Development Agency
COMESA Common Market of Eastern and Southern Africa

COSATU Congress of South African Trade Unions
DBSA Development Bank of Southern Africa
ECA Economic Commission of Africa

ECOWAS Economic Community of West African States

EPZ Export Processing Zone

EU European Union FLS Frontline States

FRELIMO Front for the Liberation of Mozambique

GDP Gross Domestic Product

GEIS General Export Incentives System

GNP Gross National Product

GNU Government of National Unity (South Africa)
IDASA Institute for a Democratic Alternative South Africa

IMF International Monetary Fund

IUCN International Union for the Conservation of Nature

MK Umkhonto we Sizwe
MMA Multilateral Monetary Area
MNCs Multinational Corporations
NICs Newly Industrialised Countries
NIDL New International Division of Labour
NGOs Non-Governmental Organisations
OAU Organisation of African Unity

PAC Pan-African Congress

PTA Preferential Trade Area (for Eastern and Southern Africa)

RDP Reconstruction and Development Programme

SA South Africa

SACU Southern African Customs Union

SADC Southern African Development Community

SADCC Southern African Development and Coordination Conference

SAIRR South African Institute for Race Relations SAMF Southern African Mineworkers' Federation SANCO South African National Civics Organisation

SANDF South African National Defence Force (formerly SADF - South African Defence

Force)

SAP Structural Adjustment Programmes

SARDC Southern African Research and Documentation Centre

SATUCC Southern African Trade Union Coordination Council

UN United Nations

UNDP United Nations Development Programme

USAID United States Agency for International Development

WTO World Trade Organisation

I Introduction

Despite more than a decade of piecemeal sanctions and economic stagnation and "crisis" (Gelb, 1991; Swatuk & Shaw, 1991), South Africa retains the most powerful, industrialised and diversified economy in Sub-Saharan Africa. In the post-decolonisation phase of African history, most African states and international organizations attempted, with varying but often high degrees of resolve, to isolate South Africa and minimize their economic interaction with the "apartheid state". Nevertheless, historical linkages and the continuing strength of South African political and capital interests ensured the persistence of significant economic interchange, regardless of political obstacles.

Today, as South Africans work out their post-apartheid future and as the old political and economic barriers with the rest of the continent crumble, it is probable that there will be a sustained increase in political-economic intercourse between the "hobbled leviathan" of the South and its continental neighbours, near and far. What repercussions will follow from this process? To what extent will it enhance prospects for political and economic development in the rest of the continent, and to what extent may it further constrain them? Who will be the main agents and beneficiaries of this expansion of South African-African interchange, and who will be its casualties? And what security consequences, broadly conceived, will result?

This essay proceeds from the view that the process by which South Africa is more fully integrated into the continental political economy will defy broad generalisation. Rather, there is likely to be a complex pattern of "winners" and "losers", along with other interests which remain essentially unaffected, which must be explored and illuminated through careful, theoretically-informed empirical study. Furthermore, various non-state actors—both powerful MNCs and capital-rich development banks, and the proliferating institutions and associations of civil society—will be leading forces in this process, posing significant challenges of strategy and relevance to state and inter-governmental organisations.

II Post-Apartheid Soothsaying: Alternative Scenarios

The implications of a "new", post-apartheid South Africa for the political economies of the Southern African region and of African countries beyond it is attracting increasing analytical attention, and generating a still small but expanding literature. Simplifying considerably, one can identify two main alternative themes within this literature. On the one hand, there are *optimistic* (usually more "orthodox") analysts who envision the "new South Africa" as a regional "engine of growth", generating trade and investment which will "spill over" (or "trickle down") into African political economies and create new hope for much of the continent (e.g., AWEPAA, 1992). On the other hand, there are *sceptical* (usually more "critical") analysts who view the prospect of a post-apartheid regional and capitalist superpower with trepidation or even alarm. They anticipate prospects for the region to be "more of the same" at best, increasing domination and exploitation

at the hands of a South Africa unchecked by international opprobrium at worst (e.g. Anglin, 1991). A number of analysts have advanced and explored both of these alternative scenarios for the future, and various gradations in between (see Young, 1991, who outlines both potential virtuous and vicious cycles of post-apartheid regional relations; also, Oden, 1993; Stoneman & Thompson, 1991; and the articles on the "new" South Africa in *Third World Quarterly*, 15:2, 1994).

A third alternative, which has received relatively little attention in writing but is an important subtext in thinking about post-apartheid futures, is the strongly *pessimistic* scenario of spreading civil disorder and economic chaos: the "Lebanonisation" of South Africa. Although pessimistic, some would claim that this scenario is also highly realistic. It must therefore be subjected to rigorous analysis (see, for example, Ohlson & Stedman, 1993 & 1994 for a careful articulation of various "scenarios for the future").

Our starting point is the proposition that both optimistic and sceptical alternatives are likely to prove over-simplified and over-generalised, in light of diversity and change within and between national, regional, and global political economies. Given South Africa's early promise of a reasonably orderly transition to a relatively stable post-apartheid regime with a mixed-capitalist economy, it will be suggested that the most probable consequence for other African political economies will be an acceleration of tendencies toward increasing differentiation and fragmentation not only between African countries, but within them. In other words, in those social formations where increasing interaction with post-apartheid South Africa has a significant impact (something which should not be taken for granted), both costs and benefits are likely to be concentrated and uneven. Some groups, sectors and localities will be well positioned to take advantage of new economic opportunities and political alliances, while others will face increasing marginalisation.

The emergence of "winners" and "losers" within and between social formations will produce new inter- and intra-national tensions, as well as new alignments and alliances. These, in turn, will create new pressures and challenges for state and inter-governmental structures, which (particularly given the bureaucratic "build-down" entailed in structural adjustment) they will be hard-pressed to meet. In this context, private sector and civil society institutions, along with decentralised systems of governance, are likely to increase in salience. Over the longer term, strengthened transborder alignments based on ethnic and economic commonalities may ultimately lead towards the reconsideration and realignment of national boundaries—an extremely delicate but quite possibly inevitable process (see Herbst, 1992; g Swatuk, 1994).

Some of the more deleterious consequences of this process can be avoided, and some of the potential benefits embedded in this new fluidity may be realised, through inter-state and non-state cooperative efforts. But any such efforts are likely to be difficult and uneven, underpinned by

political will born of a sense of urgency. We will return to some of these cooperative possibilities in sections IV and V below.

III Theoretical Approaches

Our perspective is informed by two theoretical approaches and literatures. The first is the *historical materialist* approached developed by Robert Cox (see Cox, 1986 and 1987). It has the intellectual virtue of being *holistic and inter-disciplinary* in nature, transcending traditional divisions between politics, economics and history, and between the internal and external conditions of states. It views regional and world affairs (both political and economic) as arising from an interactive relationship between three spheres of activity. These are: *social forces* generated by regional/global processes of *production*; the dominant *world order*, or politico-strategic environment (conceptualised by some as the New International Division of Power; see Swatuk & Shaw, 1994); and individual *forms of state*, or state-society complexes. Cox's approach places primary emphasis on the determining influence of changes in processes of production, but is open to the possibility of change deriving from any of the three spheres. It highlights the manner in which both global production and strategic changes affect state and society structures and interactions; but also, conversely, how changes in crucial state-society relationships can affect regional or even global economic and political structures.

In relation to Southern Africa, this approach should aid in the specification of the impact of global political and economic change on South Africa and its neighbours. It should also guide investigations of how the process and outcome of change in South Africa can be expected to alter the regional political and economic orders. Given substantial change in all three spheres, "more of the same" in South Africa-Africa relations is unlikely.

More specifically, the "globalisation of production" and the related "internationalisation of the state"—processes highlighted by this approach—have had a profound impact on states throughout Africa (and arguably contributed to the unsustainability and eventual demise of the statist apartheid project). In relation to the former, Africa as a whole has experienced sustained and destabilising marginalisation. With regard to the latter, all states have become increasingly beholden to the exigencies of the changing world economy, mediated through its inter-state institutional structures such as the IMF, World Bank, and WTO. They have thus been "internationalised". This process has been particularly forceful and destabilising in state forms at the margins of the system, such as those in (Southern) Africa, during the era of structural adjustment. South Africa is no exception to this process, and faces a bracing and constraining international economic environment (see, for example, Nattrass, 1994).

Nevertheless, compared with its neighbours, South Africa enjoys substantial advantages in this context. In the short to medium term, a range of powerful extra-continental actors share an interest

in seeing the South African transition succeed, perhaps giving its government a (temporary) degree of "running room" vis a vis world economic institutions. Moreover, South Africa is the home base of several major corporate players in the world economy. These characteristics could increase the asymmetries between segments of South Africa (both spatial and social) and its neighbours, and within South Africa itself.

Closely related to the internationalisation of the state is the growing salience of non-state actors and movements, many of which are increasingly transnational in interest and orientation. While these institutions of civil society have been relatively weak in Africa as a whole, they have been growing in number and prominence as the state's authority and reach has declined. Moreover, they have always been relatively strong in South Africa. Hence, the role of such associations and movements throughout the region, and the interaction between South African organisations and their counterparts elsewhere, will be important issues for analysts in the post-apartheid era. Moreover, their attitudes toward regional relations will be important in determining the prospects for, and nature of, cooperation.

The second theoretical tradition informing this essay is the older literature on regional integration in the South (see Axline, 1977; Mytelka, 1978; Hazlewood, 1985; Ostergaard, 1993). This literature illuminated the fact that in orthodox "Third World" regional integration schemes relying on economic liberalisation and market integration (such as the former East African Community), some trade and wealth creation could and did occur. However, the resultant economic benefits would concentrate around regional "growth poles", with "backwash effects" leading to stagnation and even regression in regional peripheries.

It can be argued that, regardless of the progress of formal regional integration schemes in a post-apartheid Southern Africa (and beyond), the removal of apartheid has meant the removal of significant political barriers to the already substantial flow of capital and other economic activity beyond South Africa itself. Furthermore, in the context of global political and economic conditionalities associated with ubiquitous Structural Adjustment Programmes (SAPs), there will be a de facto process of regional liberalisation and integration in some ways comparable to that previously promoted by formal regional economic communities, irrespective of the region's best known cooperative organisations (i.e. SADC and PTA/COMESA). There is also likely to be a process of decentralisation within African social formations, as a result of both widespread societal alienation from post-colonial state structures, and the weakening of these structures through decay and SAP-induced down-sizing. The upshot is that, as predicted by the literature on Third World regional integration, the removal of political barriers to economic activity in a liberalised and decentralised region is likely to lead to the emergence of growth poles and backwash effects which may strongly benefit some parts of the region, while bypassing and further marginalising others.

In such a context, formal regional organisations such as SADC and PTA (now the Common Market of Eastern and Southern Africa or COMESA)—will face major challenges of strategy and relevance. On the other hand, existing non-state actors possessing *capital and expertise*—particularly South African MNCs and the Development Bank of South Africa (DBSA), along with SACU and the Multilateral Monetary Area—are likely to grow still further in political and economic salience. These latter actors may potentially determine the winners, losers, and shape of the emerging regional political economy largely *unchecked* by state (let alone popular) control, unless governments and regional organisations can develop strategies to organise and channel their activities, and unless organisations within civil society are strong enough to challenge and influence them.

Moreover, particularly (though not only) where new sub-national institutions of government have emerged, as with the nine regions of South Africa, the uneven impacts of *de facto* integration processes may lead to increased sub-national competition and centrifugal forces. More and less favoured regions, clustered around urban growth poles and backwaters, may compete fiercely in a context of continuing overall scarcity and hardship, while the already destabilising effects of formal and informal migration may be exacerbated. We now turn to a fuller discussion of these and related issues facing South Africa, the region and the continent.

IV Security and Prosperity in the 'New' South Africa?

IV. 1 Economic Growth and Sustainable Development

According to Rod Crompton and Alec Erwin (in Cock & Koch, 1991: 87):

The possibility of post-apartheid economic reconstruction offers a unique opportunity—not only to begin correcting the inequity of the past by choosing a new economic growth path, but also to choose a new growth path that will lead South Africa away from the 'dirty and dangerous' economy of the past and towards a 'clean and safe' economy for the future.

Clearly, Crompton and Erwin have staked out the moral and idealistic high ground. To work toward this end, the ANC-dominated government of national unity intends to implement the much debated, discussed and criticized Reconstruction and Development Programme (1994; see also *Southern Africa REPORT*, July 1994 and December 1994). This programme, which appears to be all things to all people, builds on previous and related discussion papers, specifically, the so-called Harare Document of 1990, and the MERG report of 1993 (see Munck, 1994; and Nattress, 1994). Yet, each of these documents glosses over numerous, seemingly intractable problems in South Africa's economy in the late 20th Century. Indeed, as Munck points out:

If the economic crisis was one of the reasons hastening the retreat of the apartheid regime, the ability of any subsequent regime to carry out economic restructuring and to achieve growth through redistribution, will be a key to its own chances (1994: 213).

The ANC-led government inherits a total national debt of some R200 billion, R60 billion of which was incurred by the National Party in its final year of power (SARDC, 1994: 43). The RDP then, which is (conservatively) estimated to cost R3.5 billion ("More money for RDP, plans to hasten reform", Daily Dispatch, 19 August 1994), is to be undertaken within the context of fiscal crisis. The government thus faces contradictory needs and forces: on the one hand it must pursue economic policies which will facilitate growth; on the other hand it must take bold steps to redress the articificial inequalities of the past. In other words it must meet the needs of development.

Ironically, but perhaps unavoidably, the ANC characterises this as a national task wherein all South Africans must pull together, and not one which pits contending class forces against one another. Yet, these contending forces—particularly owners of capital versus the most marginalised within South African society, with variants of "labour" falling somewhere in between—today stand on opposite sides of almost every key issue: education, health, land reform, housing, minimum wage laws, to name a few. And the so-called government of "national unity" finds its members aligned along party-political lines.

More progressive forces within South African society lament the emerging character of the debate, with the discourse clearly dominated by the language of neo-liberalism: fiscal responsibility; bringing inflation under control; stabilising the Rand; cutting public expenditure; ending expensive subsidies for industry and agriculture (interviews with Patrick Bond & Mzwanele Mayekiso, Johannesburg, September 1994). Indeed, as Stephen Gelb notes:

The real issue of the day, is what form South African capitalism will take in the next round, what the bourgeoisie and the working class will look like, and what the nature of their reactions will be. This is what the "great economic debate" is about in the end (quoted in Munck, 1994: 209).

Some see a variant of corporatism emerging, although whether it will be more or less democratic or more or less authoritarian is still to be determined (see Schrire in Shaw, 1994: 246). Others foresee an emergent social contract which goes beyond corporatism. According to Munck,

The trade union movement is becoming a key actor in the process of industrial structuring and transformation in South Africa, in a way which goes beyond the simple label of 'corporatism'. The South African trade unions are engaging in a novel politics of reconstruction with the expectation of being key movers in a new national development strategy. As part of this process they are seeking a new relationship with capital and the state which obviously does not preclude conflict [how could it?] but also finds areas of agreement (1994: 212).

Granted, there are indications of some novel alliances within civil society, e.g. between labour and environmental groups (see Chapter 6 entitled "Reds and Greens" in Cock & Koch, 1991; also, Chapter 8 in Ramphele & McDowell, 1991). However, given the rash of labour strikes in the post-election period—this, in spite of the fact that unit labour costs rose by 1,121 percent between 1980 and 1991 in the manufacturing industry while labour productivity improved by only 22 percent over the same period (see "Early ideas on scarce capital", Business Times, 14 August 1994)—one wonders if labour's relations with government and capital have altered at all.

To this point in time, the ANC finds itself walking a tight rope between not only (big) business and labour, but, more dramatically between the haves and the have-nots in society (see "Mandela's balancing act", Sunday Times, 14 August 1994 and "Mandela placates foreign investors", Daily Dispatch, 11 June 1994). Typical of this balancing act, and indicative of the government's slant toward the needs of business, is the recently released green paper on the RDP prepared by Central Economic Advisory Services and the DBSA under the direction of Minister without Portfolio, Jay Naidoo. That document emphasises "the pivotal role" of the private sector, as opposed to the state, in fuelling the RDP:

Government is committed to promoting an investor-friendly environment by facilitating efficient functioning of markets, rather than intervening to distort them (quoted in "Larger role for market in new RDP", Sunday Times, 4 September 1994).

But in a society where a small fraction of the population controls 80 percent of the total wealth, one doubts the "reconstructive" abilities of policies which make the directors at Anglo American purr like a pride of contented, though perhaps not yet sated, lions. To balance the demands of capital with those most marginalised by the workings of that capital under apartheid, is the continuing ANC commitment to "inward industrialisation", in particular, the perceived boost to the economy to be derived from the building of "at minimum, one million low cost houses... over five years" (RDP, 22; f"RDP 'can launch economy', Business Day, 5 September 1994). Moreover, basic needs will be met, but the government feels compelled to point out that the costs of satisfying these needs will derive from "redirect[ing] government spending, rather than increasing it as a proportion of GDP" (RDP, 143).

Everywhere there seem to be trade-offs and efforts at compromise; yet, the agenda looks more and more to be dominated by neo-liberal considerations, i.e. the prevailing global orthodoxy (see, for

¹According to President Mandela, and as reported in the Daily Dispatch, "Township rebuilding and restoration projects, which comprise the bulk of the RDP, were being finalised for the Cape Flats, the East Rand, East London, Port Elizabeth, Bloemfontein and townships in KwaZulu-Natal. An integrated rural development programme was being launched which included water and sanitation projects for R1.7 million... restitution of land affecting 29,000 people and land redistribution to more than 2,000 families... Electrification projects were proceeding according to plan, with Eskom and municipalities having plans to electrify 250,000 and 100,000 homes respectively ("More money for RDP, plans to hasten reform", 19 August 1994).

example, Gill, 1994; Swatuk, 1995). The business papers exhort labour to "be realistic", and admonish government for contemplating "counter-balancing the distortions of apartheid with other ideologically driven distortions" (see, for example, "Labour 'must be more realistic", Business Day, 27 July 1994; and "RDP can launch economy", Business Day, 5 September 1994), as if economic liberalism itself is non-ideological!

Perhaps most worrisome is the coming physical intrusion of external actors in South Africa's "reconstruction" project: specifically the IMF and the World Bank (see "South Africa to host vital summit talks", Daily Dispatch, 28 May 1994; "Govt already in debt trap, says Meijer", Business Day, 24 June 1994; "SA faces IMF loan, says Stals", Sunday Times, 21 August, 1994; "Nothing so cheap as World Bank's terms", Sunday Times, 21 August 1994; and "Aid with strings attached", Sunday Times (Harare), 17 July 1994). In a sympathetic treatment of IMF intentions in the "new" South Africa, Duncan Wood states:

South Africa presents a somewhat unique opportunity to the IMF, a chance to influence future economic policy before radical and harsh measures are the only recourse available. In sum, the Fund has sought prevention rather than cure; action now by the Fund may prevent reliance on the Fund in the future (1992: 13).

Yet, for many, the Fund itself is part of the disease. To push South African policy makers toward the "logic" of neo-liberalism at a time when forceful state-intervention on behalf of marginalised millions is needed is tantamount to setting the "new" South Africa out on an old trajectory: i.e. toward violence and instability.²

Clearly, the government is in a bind: to placate those at the commanding heights of the global economy, they must pursue policies which meet South Africa's "need to grow"; to placate those at the margins of South African society, that is to say, those who voted them into power, they must pursue policies which meet South Africa's "need to develop". To this point in time, Mandela and cohort have succeeded in balancing these contending forces. Yet, to remain true to the tenets of the RDP, we suggest, the new government must resist the temptation to "go with the global flow". This requires levels of political will and sophistication that are yet to be demonstrated (see below).

IV. 2 In Search of a Secure Environment I

In addition to its economic crisis, South Africa stands at the precipice of widespread domestic and regional violence. In many ways, this duality marks a paradox: economic growth and the alleviation

²See, especially, Patrick Bond's chapter entitled "Solutions' to the crisis" wherein he debunks what he terms are the "econocrats' three myths": i.e. 1) "To grow, South Africa must be tied closer to the world economy"; 2) "There is not enough money in South Africa to support grandiose social programmes. Foreign loans and investment are therefore essential"; and 3) Spending heavily on social programmes will fuel inflation, which is an economic cancer" (1991: 54-55).

of grinding poverty will help dampen violent tendencies; yet economic growth is impossible in conditions of political uncertainty and personal insecurity. Perhaps the most fundamental challenge facing the new government is the question of how to contain spiralling and diffuse forms of violence both within the state and in the region at the same time as it attempts to restructure the economy. This is made more difficult given the history of confrontation and the narrow base of support for the government and the South African "state" in past decades (see Johnston, 1991 for a lucid exposition of the "weakness" of the apartheid state). Given the racially riven nature of society and politics in South(ern) Africa, and the oppressive means by which the "idea" of the apartheid state was enforced, it is a tall order to expect historically alienated individuals, particularly blacks, to demonstrate an *a priori* willingness to accept the "legitimacy" of the "new" government and pledge allegiance to a reconstituted "state" merely because political power is now "shared".

This becomes even more problematic in light of a number of other important variables. First, violence seems endemic to South African society. According to the RDP (1994: 3),

In its dying years, apartheid unleashed a vicious wave of violence. Thousands and thousands of people have been brutally killed, maimed, and forced from their homes. Security forces have all too often failed to act to protect people, and have frequently been accused of being implicated in, and even fermenting, this violence. We are close to creating a culture of violence in which no person can feel any sense of security in their person and property. The spectre of poverty and/or violence haunts millions of our people (#Johnston, 1994: 188-191, 195-6).³

Second, as Alexander Johnston points out, this "violence has become diffuse to the point of incoherence" in the new South Africa (1994: 188). There is a growing and disturbing list of sites of conflict: from taxi "turf wars" to hostel-shanty dweller violence (see, for example, Cowell, 1992: 244-268; and "Warring Taxi Associations", *Business Day*, 13 February); from protection rackets in the townships and squatter settlements⁴ to heightened levels of domestic violence, suicide and murder (interview, Anna-Marie Hendricks, Black Sash, Mowbray, 6 June); from rioting former members of

³According to SARDC (1994: 22-23), "[V]iolence in black townships had reached staggering proportions in the run-up to the elections. Residents in houses and streets, mourners at funerals, workers in factories and mines as well as commuters in trains, buses and taxis fell victims to this scourge. Over 552 people were killed in March 1994, more than double the 245 deaths recorded by the Human Rights Commission in February. The March killings (the highest since 1990) brought to more than 4,000 the number of deaths in political violence since July last year when the election date was announced." With regard to poverty, SARDC highlights these facts: there are 7.7 million homeless people (i.e. 1 for every 3.5 inhabitants); over 2million people living in 864 squatter camps; 53 percent of blacks live below the poverty line; over 50 percent of economically active blacks are unemployed (1994: 44-45).

⁴Johnston (1994: 202, footnote 11) cites one remarkable account of township violence. In "The toilets that caused all the trouble", *Weekly Mail*, 12-18 April 1991, it was reported that "clashes between two squatter camps on the east Rand ... left 15 people dead. The theft of portable toilets by one camp which had no facilities or water, and relied on the other, was central to the outbreak of violence between the two settlements, both of which are aligned to the ANC."

the MK⁵ to numerous random, senseless and certainly gratuitous acts of violence. Caught in the middle are innocent people who find themselves not just the victims of car-jackings, but dead in the boot as well.

Third, with the present porousness of every kind of border in the region and in the country, small arms and drugs traffic proliferate and add to the confusion. Fourth, in a society where black unemployment reaches levels of up to 50 percent, there is an especially ready market for guns; to own a gun is to own what is tantamount to a means of production.⁶

Ordinary South Africans lament the inability of government to deal with spiraling violence. But, given the breadth, depth and durability of social conflict, one wonders how it may be reigned in without imposing a national state of emergency. And once imposed, how would this be perceived by the majority of South Africans: as further evidence of the oppressiveness of the state? or as a necessary step toward building legitimacy in a volatile situation? Paying the price of half-measures are the police themselves, with "[m]urders of SAP members steadily increas[ing] from 71 in 1989 to 224 in 1992" (*Weekly Mail & Guardian*, 1994: 296).

In the search for both security and legitimacy, the government is undertaking the integration and reconciliation of previously sworn enemies—e.g. the ANC's MK and PAC's APLA with members of the SADF—into a reformed South African *National* Defence Force. This process, though clearly necessary and unavoidable, throws up its own contradictions. It enlarges the "civil service"

⁵With regard to the recent, February 1995, riots by former members of the ANC's military wing, Umkhonto we Sizwe, angry at their non-integration into SANDF, Nelson Mandela stated: "It is understandable that some of the former MK members would be dissatisfied with the process of military integration. However, that is no excuse for breaking the country's laws. In fact, people who are supposed to be accustomed to military discipline yet behave the way they did do not deserve a place in the country's defense force" ("Mandela Praised for Acting Against MK", *Beeld*, 8 February 1995.) Mandela's swift response to this challenge to state authority was widely praised in the media.

⁶According to the Annual report of the Commissioner of the South African Police 1992, and as reported by *The Weekly Mail & Guardian* (1994: 296), "The incidence of crime increased to 8,500 crimes per 100,000 population in 1992... The number of murders per 100,000 population was 77 with 176 in Natal and 110 in the Soweto/Witwatersrand area. The rate of armed robbery per 100,000 was 375 and for rape, 116." Drawing from the Mozambican case, Carlos Cardosa, a journalist from Mozambique, offers this trenchant observation: "What do we mean by 'government'. 'Government' means nothing anymore. States are crumbling because they are cannibalized from inside. And while the formal sector attempts to recover predictability in the economy, it is violence which is the fundamental means of production" (comments made at the international workshop "Sources of Instability in Southern African States", University of the Western Cape, 21-23 June 1994, South Africa).

⁷In reference to the recent hostage-taking by students seeking admission to Daveyton College, an editorial in *The Star* stated: "This has become vogue in the 'new' South Africa. Underlying this chaos is the tenet that if you don't succeed in your demands (often unreasonable), then feel free to disrupt the lives of others and even break the law with impunity. Ordinary citizens are sick and tired of the tolerance shown by the authorities to this new form of urban terrorism. It has to be stopped, now ("Urban Terrorism", 13 February 1995).

considerably and thereby diverts scarce resources perhaps better used elsewhere (see, "Comment: Numbers game", Business Day, 14 July 1994). By putting weight behind armed forces integration rather than integration of former fighters/ military personnel/etc. into society at large, it maintains a narrow definition of "security" in the Southern African milieu. In other words, the "nation's security" will be enhanced by a strong, integrated military and police force. It will not be enhanced by general disarmament, demobilisation, retraining of forces for civilian life and the freeing up of massive capital and human resources for use in reconstructing society (see, Cock & Nathan, 1989; Hough, 1990). Indeed, the ANC's one progressive plan—i.e. to turns swords to ploughshares via the creation of military "brigades" involved in developmental work—was quickly shot down as uneconomic, inefficient, and beneath the esteem of trained fighters.

This growth in numbers has been accompanied by parallel growth in the military and policing budget. So, the so-called "peace dividend" from which the RDP was to derive much of its funds, has seen like-minded, military "men" protecting their turf at considerable long-term cost to state reconstruction and development. In the mean time, people in South Africa and in the region turn to other sources for their "security": from enhanced "security" systems in the white suburbs, to the emergence of gangs and "big men" in the townships.

IV.3 In Search of a Secure Environment II

Weapons and systems of war-making and control help foster a continuing climate of confrontation in South Africa and the world. For the "new" South Africa this is most unfortunate, for there needs to be more concentration on issues of cooperation and consensus building if anything positive is to emerge out of the new dispensation. There is therefore a need to focus on those sorts of issues that have confidence building potential (see, for example, Nathan, 1993; 1992). One such issue area is the environment (Swatuk, 1995b). Albie Sachs touched a nerve when he argued that the new constitution should include "third generation" or "green rights". Sachs's reasoning is impeccable:

[The struggle against apartheid] is first and foremost a battle for political rights, but it is also about the quality of life in a new South Africa. It is not just playing with metaphors to say that we are fighting to free the land, the sky, the waters, as well as the people. Apartheid not only degrades the inhabitants of our country, it degrades the earth, the air and the streams. When we say Mayibuye Afrika, come back Africa, we are calling for the return of legal title, but also for restoration of the land, the forest and the atmosphere: the greening of our country is basic to its healing ... There is a lot of healing to be done in South Africa (quoted in Cock & Koch, 1991: 17).

As with every other issue in South African society, however, environmental issues are deeply political, conflict generating, and tinged with questions of race (see, especially, Cock & Koch, 1991; and Ramphele & McDowell, 1991). For environmental problems are outcomes of struggles over

resource use: not merely the well-publicized contests between indigenous peoples and corporations as in St. Lucia or Tembe game park, but in the more insidious and intractable philosophies over the use and organisation of space. From processes of modernisation and industrial development to apartheid engineering, one extremely limited perspective has dominated decisions over the social, political and economic organisation of space in South Africa. This must change if the environment is to become a focal point for "healing" rather than "disease". According to Ramphele and McDowell (1991: 14):

[E]nvironmental issues are relevant to all people. It has been argued that they have the potential 'to build alliances across the divides of class and race' as, for example, in the public reaction to the indiscriminate use of pesticides. But in reality, there is no smooth and easy convergence of class and race interests around this issue.

Yet, there is scope for cooperation on many issues. For starters, and as argued by David Fig, an "environmental champion" should be appointed—like Albie Sachs, for example—a person who appeals to a broad base of society and is not associated with middle-class, white, "conservationism" under the old apartheid regime (see Fig in *Southern Africa REPORT*, July 1994). Susan Tanner, director of Friends of the Earth Canada, argues that Vice President Al Gore serves such a role in the U.S. and along with Carolyn Browner, Gore has managed to push ahead with progressive environmental legislation: from mandatory EIAs, to sanctions against Taiwan for their role in the global trade in endangered species (*Atlantic Monthly*, November 1994).

There is also need for an Environmental Council similar to the National Economic Forum, for example. The new government must also work to enhance capabilities of environmental monitoring and analysis; it must also work toward new regulations for business and industry. Clearly, government has a central role in all this, for it is government which sets the regulatory framework within which business and industry operates.

Yet government is not enough. Civil society should be encouraged to organise against common environmental enemies: waste generation, air and water pollution, toxic waste, nuclear power to name but a few of the obvious focal points. Community based organisations should also be encouraged, perhaps with the assistance of international NGOs like the World Conservation Union and the UNDP's Africa 2000 programme, to press for recognition of their rights to equitable resource use. Tembe and St. Lucia types of conflicts should be avoided by a general move toward what the IUCN among others calls "sustainable utilization". That is, shared resource use by all stakeholders in a given geographical space. The CAMPFIRE programme in Zimbabwe is most often put forward as a viable model in this regard (see Mukombe, 1994).

Equally important is the need to involve business and industry in this project of "renewal". To be sure, their interests in resource use differ markedly from many in society; resource use is in many ways a class issue. The numerous conflicts over nuclear power generation, mineral exploitation, and

industrial exploitation and despoilation of *human* resources and *natural* environments—problems seemingly inherent to capitalist, industrial development—are testimony in this regard. Yet, the effort must be made to move business and industry toward a sustainable development model (see Munslow & Fitzgerald, 1994; Yeld, 1993). Indeed, given emerging, particularly post-Rio, pressures from Western donors, investors, interest groups and markets, South(ern) African business is quickly learning that profit and expansion are tied to their being "green" (interviews with Reichardt, Anglo American, Johannesburg, September 1994; Tillet, Lonrho, & Chiura, Delta Corp., Harare, July & September 1994). Government, through creative tax incentives, and civil society, through a combination of confrontation *and dialogue*, must push business in the direction of sustainability (see, for example, Nelson, 1991; Burns & Hobbs, 1992).

There are sure to be numerous setbacks, so entrenched are the problems and programmes of apartheid-based capitalism. But, at the same time, environmental issues seem to hold more promise than almost any other issue area for confidence building and consensus making in the "new" South Africa.

V South Africa in the Region and in the Continent

V.1 Together in the Regional "Soup"

All SADC countries' economies, save for BLS, contracted significantly over the course of the 1980s. Causes of poor economic performance are legion and well known. Resulting debts have led to *de facto* and *de jure* adoption of economic structural adjustment programmes throughout the region. Trends in world production have moved toward a new international division of labour, involving in part, the globalization of production, the exponential increase in the speed and magnitude of finance capital flows, and a general decline in demand for the resources which drove heavy industries in the past.

Southern Africa's states and peoples increasingly find themselves on the periphery of this process: their products poorly developed and in little demand save for limited special preferences vis a vis Lome and limited special performances by a few regionally-based multinationals like Lonrho, Anglo, and De Beers in the areas of sugar, timber, textiles and minerals. Moreover, regional "development" is hampered by capital flight and limited foreign investment: the legacy of apartheid-driven sanctions and regional instability (Swatuk, 1994b). According to Gary Eisenberg, a consultant to the Trade Policy Monitoring Project,

In 1990 total world FDI inflows amounted to \$184 billion—of this amount South Africa received a mere \$444 million, or 0.24 percent... Overall FDI inflows have improved significantly since then ... 'However, even since then it appears that the

impact of FDI on the SA economy has been relatively insignificant' ("Early ideas on scarce capital", Sunday Times, Business Times, 14 August 1994).

Eisenberg states that "FDI inflows are more sensitive to political than economic circumstances" (ibid). He is therefore optimistic that the "new" South Africa will attract more foreign investment as the country returns to "political 'normality" (ibid). However, in the wake of decades of economic and political instability, new threats have emerged in all SADC states including its newest member, South Africa. The feelings of alienation from and abandonment by the state on the part of the majority of the region's peoples, exacerbated in some cases by the negative impacts of structural adjustment, have given rise to sub- and supra-national redefinitions of "security" and "community": from Islam and ethnicity to crime networks and cooperatives.

Everywhere there is increasing incapacity of the state to take remedial actions. As a result, unemployment is increasing and a majority of Southern Africans find themselves engaged in some form of informal sector activity, including some terribly unsavoury pursuits—e.g. drugs, wildlife, and weapons trades—in order to make ends meet.

Given this incredible uncertainty, Peter Vale, for one, has pointed to the possibility that South Africa might be tempted to pursue what he terms "the Rambo option". In other words, to seek its own development through overseas markets and connections, and turn its back on the region and the continent. This perspective appeals to many South Africans for different reasons. Some South Africans from all racial groups have been inclined to display a "metropolitan arrogance" toward their contintental neighbours (Young, 1991: 238; also in discussion with Michael Laidler, Head of EU Delegation in Zimbabwe, July 1994). Others are understandably concerned that pressing *national* needs be met. To quote Ina Perlman, founder and former director of South Africa's "Operation Hunger":

It is ... unforgivable that the first government democratically elected by all South Africans; the first government, which one hoped had been elected to serve all our people, should be looking beyond our borders before it deals with the plight of our own "wretched of the earth" ("Feed SA first then worry about others", Daily Dispatch, 26 June 1994; cf "Mandela backs off foreign adventures", Sunday Times, 19 June 1994).

Given this situation, a central question to be addressed is how policy makers intend to approach issues of security and development in Southern Africa in future.

⁸All of these issues emerged from and were discussed at a recent international workshop on "Sources of Instability in Southern African States" held at the University of the Western Cape, South Africa, 21-23 June 1994. (See Bardill, 1994; also, Ohlson & Stedman, 1993 & 1994 for a fuller discussion of these threats to regional security; and Cheru, 1992, for a concise discussion of problems in the SADC region.)

V. 2 Inter-State Cooperation in Southern Africa

Both the RDP, as cited above, and the ANC's discussion paper on foreign policy (October 1993) put great stock in (future) relations with Southern Africa, the continent, and the South generally. South Africa's recent ascension to membership in SADC, the OAU, and the non-aligned movement are testimony in this regard. Yet, according to the RDP (1994: 116-17), it is the Southern African region which most matters:

[i]n the long run, sustainable reconstruction and development in South Africa requires sustainable reconstruction and development in Southern Africa as a whole... The democratic government must negotiate with neighbouring countries to forge an equitable and mutually beneficial programme of increasing cooperation, coordination and integration appropriate to the conditions of the region. In this context, the RDP must support the goals and ideals of African integration as laid out in the Lagos Plan of Action and the Abuja declaration (116-117).

States will have a central role to play in Southern Africa's future development. At the inter-state level, bilateral trade agreements between Zimbabwe and South Africa, and between Zimbabwe and Botswana will form important *frameworks* for extended regional interaction. Similarly, official cooperation on issues of common concern—e.g. tourism, transportation and communication networks, energy production, water resource management—will also be pursued (see, African Development Bank, 1994). In terms of inter-state security issues, SADC has absorbed the FLS organisation and welcomed South Africa as its eleventh member. South Africa is now party to a regional defence and security committee which will begin looking into ways of moderating if not eliminating some of the region's security problems: from questions of disarmament, peacemaking and peacebuilding to informal sector flows in arms, drugs, endangered species and people⁹ (see "Editorial: Influx control"; "SADC seeks to moderate SA's power"; and "SA poses challenge to regional integration", all in Business Day, 30 August 1994; also, Nathan, 1993; 1992).

Moreover, while SADC has undoubtedly fallen short of its aspirations, it has proven politically resilient, and has retained a high degree of support from regional governments, including South

⁹Migration will prove to be an especially contentious issue and a serious source of future instability in the region—in two ways. First, as South Africa seeks solutions to its own existing and, unfortunately, growing unemployment problems, the temptation exists to abandon the use of migrant labour on the mines, farms and elsewhere in the Republic. This would be a serious blow to the BLS "inner periphery". Second, just as South Africa's cities are now attracting massive inflows of people in the post-apartheid period, from curiousity seekers to economic migrants to criminals, so too is the country attracting illegal migrants from the region and beyond. Initial signals regarding this problem sent by South African policy makers to the rest of the region have not been positive. Just as Alfred Nzo warned OAU member states not to expect South Africa to be the continent's saviour ("Cash-strapped OAU looks to SA", Sunday Times, 12 June 1994), he similarly warned SADC members not to expect South Africa to solve their employment problems ("Editorial: Influx Control", Business Day, 30 August 1994).

Africa's. Thus, there is a fairly durable institutional basis on which to attempt to proceed. Finally, notwithstanding a considerable degree of mutual indifference/ suspicion between South Africans and their neighbours, there is also a degree of mutual fascination, with the ANC clearly on record as favouring a cooperative and non-hegemonic future for the region and for their relations with the continent as a whole (ANC, 1993; 1994).

Many observers have argued against pursuit of binding, overly-ambitious agreements—e.g. a COMESA/SADC/South Africa common market—which are doomed to failure and which will create more animosity than good will in the short to medium term (see, for example, Munck, 1994; Ostergaard, 1993; Davies, 1992; 1993). In terms of formal regional "integration", what is more likely to emerge is a combination of functional, inter-state cooperation on issues of common concern, and increased trade and investment by a few select companies and enterprising individuals at the substate level. Government can create a climate of cooperation by working toward the creation of institutions and the formulation of legislation which facilitates rather than hinders these sorts of regional endeavours. The ADB terms this "variable geometry" (1994), while others describe it as "neo-functionalism" (Ostergaard, 1993).

V.3 Fostering Regional Trade

Despite persistent claims to the contrary, there exists a reciprocal though asymmetrical economic dependence between South Africa and the region, particularly between RSA and its SACU partners plus Zimbabwe. According to data for 1992 assembled by the Africa Institute of South Africa (1994: 66), though Africa absorbed but 16 percent of South Africa's total exports, it took in between 25-30 percent of the Republic's manufactures. Moreover, four very small states—BLSN—accounted for roughly 67 percent of South Africa's total continental exports. Adding the other SADC member states raises this total to 91 percent. Given the small size of this combined market—@5.6 million people (and therefore limited effective demand; see Sandbrook, 1986)—both absolutely and relative to the rest of the continent, there is clearly scope for increased South African exports in Africa.

Given the existence of numerous economic institutions in Southern Africa—SACU, SADC, COMESA, MMA—there exists the possibility that a common tariff policy could be put in place which would further encourage emerging regional complementarities while maintaining some barriers to the entry of cheaper foreign goods. In other words, within SADC (which seeks enhanced production in the region), COMESA (which seeks a liberalized regional trade regime), SACU (which allocates customs revenues based on a negotiated formula) and the MMA (which links the currencies of Lesotho, Namibia and Swaziland to South Africa) lies the foundation for enhanced regional cooperation on a wide variety of economic issues (see, for example, Ostergaard, 1993).

The most immediate priority for the region is a common approach to structural adjustment. SADC economists have argued in favour of a coordinated approach to SAP for years with little positive result (Charles Hove, interview, 17 November 1989, Gaborone). Nevertheless, there seems to be a number of areas in which structural adjustments can take place. First and foremost would be the removal of national or the establishment of regional export licensing arrangements. Similarly, tariff and non-tariff barriers (particularly those due to poor infrastructure) to trade would have to be lessened. Capital flows could be freed via the ending of exchange controls, and the welcoming of South African banks, insurance companies and other financial institutions into the region. This would need to be complemented by relatively stringent fiscal measures throughout the SADC states in order that confidence in and therefore stability of regional currencies would lessen the "financial dualism" which so hinders the ability of states to advance formal economic development on a regional basis.

To entice cross border investment, labour policies would have to be standardized; total or partial privatization of parastatals, perhaps via entry into joint ventures with South African capital, would become a priority; trade and investment packages would be regionalized (including a drastic reduction to the GEIS). The focus would be on enhancing regional industrial development, with designated centres perhaps operating solely as export processing zones. Profits from the EPZs would be channeled into a regional industrial development fund.

Policy makers would also have to force foreign lenders and bilateral donors to accept the regional mandate and to treat the region as a whole. There is some evidence that donors are moving in this direction, via, for example, the US-sponsored Cross Border Initiative (CBI). Leading development institutions, like the Development Bank of South Africa, would work closely with other development banks like the ADB, particularly those from the region, to act as a clearing house for bilateral donor projects and capital.

To be sure, the barriers to a successful transition to regional trade are formidable. A key factor is the ability of South African policy makers to resist the myriad pressures pushing toward both niche development (the prevailing global orthodoxy) and the pursuit of South African job-creation at all costs. In a sense, these positions are antithetical: big capital keen to be assisted in the drive to global competitiveness; big labour, in particular, keen to preserve jobs that may be lost in the process. South African policy makers must be made to see that a nuanced approach to regional development can be a win-win situation. Economic growth within South Africa can be pursued via selective support for enhanced access to regional and continental markets.

VI Beyond the State: Stakeholders in the Project

There is no gainsaying the importance of states and inter-state organisations to the prospects for effective, broadly-based regional cooperation in post-apartheid Southern Africa. Under more accountable, effective, and enlightened regimes, they can also advance these prospects; in more insecure, ineffective and authoritarian forms, states can undermine and limit, if not altogether stymie them. On both theoretical and empirical grounds, however, we would equally insist that "states are not enough". Existing state forms, particularly in Africa, are simply not able on their own to deliver development and security to most people in their societies (see Jackson, 1992; Sandbrook, 1993); neither, perhaps, are they in every case intended to (Bayart, 1993). Thus, analysts and practitioners alike must transcend state-centrism, and build in an emphasis on a variety of crucial non-state actors in assessing the prospects for intra-regional and intra-continental relations.

Susan Strange has argued that students of international relations and political economy need to become much more attuned to firms as actors, giving closer attention to both state-firm and firm-firm diplomacy. In Southern Africa, the role of firms as actors has obvious salience, especially given weak states, pressing economic needs, and wide asymmetries. Left unchecked, South African (and other) firms can induce informal but debilitating bidding wars, as more or less prostrate states seek to create the most appealing conditions for potential investors (see, for example, Saasa, 1992).

Moreover, these effects are also likely to eventuate sub-nationally, heightening regional polarisation and exacerbating centrifugal forces within Southern African societies as regional and urban authorities outbid each other for new investment. They could thus exacerbate regional tensions and insecurity, as pockets of relative prosperity hunker down in the face of surrounding poverty and mounting chaos (comments made by Carlos Cardosa at the symposium "Sources of Insecurity in Southern African States", UWC, June 1994). Regional rivalries are, of course, endemic to most social formations. They need not be pathological; indeed, they can be creative. However, in situations marked by deep poverty, disparities, and social disorder, those who enjoy privileged status—whether regions, classes, or individuals—are likely to respond defensively and thus contrary to the need for creative and cooperative solutions.

Yet, the potential benefits of corporate and parastatal investment projects, in the form of capital, technology, organisation, and employment, are undeniable. One is reminded of the axiom that the only thing worse than being exploited is *not* being exploited. The challenge is to create conditions in which the beneficial effects of corporate activities are maximised, while their costs are minimised. Clearly, a cooperative regional approach to dealing with South African firms is to be favoured. A Spoornet-led "Food for Southern Africa" project during the most recent regional drought demonstrated the potential benefits of state-firm regional cooperation ("Food Project", 1994). However, achieving such an approach in non-crisis circumstances will obviously be extraordinarily difficult.

Relying exclusively on states and inter-state organisations to take a consistently enlightened and cooperative approach in dealing with large firms is clearly unrealistic. The temptations to "defect" from regional agreements and cut separate deals, and the privileged relationship which capital generally enjoys with the state in Africa and elsewhere are but two of the reasons for this. Both states and firms must be held accountable, and pushed toward a more regional approach. This points to the salience of stakeholders in civil society—particularly trade unions (see below).

VI.1 MNCs and Finance for Regional Reconstruction and Development

Global trends point to the increasing use of domestic savings for investment in Third World countries (*Economist*, special report, "War of the Worlds: a survey of the global economy", 1 October 1994). According to Patrick Bond (1991: 54), there is a great deal of money in South Africa which can be mobilised for productive investment:

The Johannesburg Stock Exchange attracts billions of rands that could go into productive investments. Indeed, hundreds of billions of rands were misallocated in this fashion during the 1970s and 1980s, through over-accumulation. As a result, control of resources by financial fund managers is so fickle and irrational that on just two days in September 1990, nearly R30-billion was shed from the JSE during a market crash. Had it been invested instead, that R30-billion could have provided—twice over—electrification for the 70 percent of South Africans who have no supply.

In spite of South Africa's tiny share of global wealth, there are some positive signs to be taken from figures recently released by the IMF (the following data are taken from IMF, 1994: 126-7). For example, Third World bond and, particularly, equity markets have emerged as lucrative sources of finance capital. International bond issues by developing countries jumped from \$12.4 billion in 1991 to \$23.8bn in 1992 and \$59.4bn in 1993. (Equity issues figures for the same years were \$5.4bn, \$9.3bn, and \$11.9bn respectively). This compares with the figures for global bond issues of \$308.7 billion in 1991; \$333.7bn in 1992; and \$481bn in 1993. (Corresponding equity issues: \$15.5; \$22.6; and \$51.7 billions respectively.)

So, Third World shares of global bond markets increased from 4.0 percent in 1991 to 7.1 percent in 1992; whereas its share of the equity markets increased from 35 percent to 41 percent over a similar time period. South Africa was the only African country to record either bond or equity issues for 1991 and 1992 (no figures were reported for 1993). And whereas RSA's share of these markets is infinitesimal in absolute terms (bond issues totalling \$236mn in 1991 and \$725mn in 1992; equity issues totalling \$143mn in 1991 and \$279mn in 1992) the relative *growth* of these markets was much higher than either developing world or global totals. Whereas developing country bond issues doubled between 1991 and 1992; South African issues *tripled*; and while developing country equity

issues nearly *doubled*, so too did South African. World totals increased by a mere 10 percent in bonds and a more impressive 45 percent in equities.

In South Africa these changes are only partly due to positive political changes. Rather, it reflects the diversified nature of the South African economy relative to the region and the continent, the strength of its leading sectors and companies, and increasing domestic and international interest in South Africa's reconstruction and development. Clearly, Patrick Bond's observations are correct: economic growth and restructuring can and will be led by South African and South African-based MNCs and parastatals.

While a handful of South African firms remained major players in parts of Africa throughout the apartheid era, the demise of apartheid-based political inhibitions combined with the liberalising effects of structural adjustment has unleashed a new wave of South African private sector and parastatal interest in the continent (interviews with Reichardt, Anglo American, Johannesburg, various June & September, 1994; also, *Interface*, 1994). While much of this interest has been oriented toward immediately-profitable trading opportunities, there is also substantial longer-term interest in capital investments by such giants as Anglo American and De Beers.¹⁰

Given the paucity of extra-continental corporate interest in Africa in the 1990s, South African firms will enjoy a high degree of political leverage as they explore continental opportunities. Indeed, the prospects for and shape of post-apartheid regional development will likely be influenced as much by the decisions of the likes of Anglo, Eskom and Transnet, as by those of SADC and its member-states.

The same may be said for the role of South African private investment in regional and continental development. Again, according to the Africa Institute (1994: 66-67), between 1956 and 1991, South African "assets in Africa declined from 30.6 percent of total foreign assets ... to only 6.4 percent". Clearly, South African firms are conducting their international business elsewhere. In the post-apartheid period this is already changing—but not always in a regionally constructive way! (see "SA arms exports 'likely to double', Business Day, 27 May 1994; "Armscor aiming for exports of over R3bn", Business Times, 10 July 1994; "Cabinet to review policy on arms exports—Mbeki", Business Day, 11 August 1994; and "State-owned arms firm a Mandela dilemma", The Toronto Star, 9 October 1994).

Armscor, however, is not the only South African business to step out into the continent. The South African Navy, according to Ronnie Kasrils, wants "to help develop the ports of Luanda, Mombasa and Dar es Salaam" (Daily Dispatch, July 1994); a De Beers subsidiary, Diamond Corporation of

¹⁰For an extended discussion of potential South Africa-other Africa linkages see Swatuk, 1995.

Sierra Leone, has been granted "an exclusive prospecting license by the Sierra Leone government" (Business Day, 17 August 1994); Eskom recently started construction "of a major power line linking [its] network to Zimbabwe and Botswana" (The Star, Johannesburg, 5 September 1994); and there is evidence that South Africa is "fast becoming a shipping redistribution hub for the region". According to Africalink manager Brian van Reenen:

Sea freight to West African countries—mostly comprising consumable goods such as beer, flour, cold drinks and soap—was growing at an annualised rate of more than 15 percent, with the latest month-on-month statistics showing 40 percent growth (Business Day, 7 September 1994).

Many observers in the South African business community view this as but the tip of the iceberg. According to Reed Exhibition's Patrick Robinson:

The local market is small in world terms, but it is a growth market with access to the rest of Africa ... [N]ow that the market is opening up many new companies are starting to look at SA (Business Day, 24 June 1994).

Joe Brady of TML Reed points to the coming interest of the Far East:

The attention China is giving SA is out of all proportion to the size of our market ... China has set its sights on the African market. Through the Great Wall Group, the Chinese government has already spent about R13m on setting up an office base and forging links with SA, because we offer the basic infrastructure from which it can reach the rest of sub-Saharan Africa (ibid).

One should be careful not push this belief in business- and capital-led positive change too far. Profits made under apartheid are testimony in this regard. What is also needed is a strengthened role for civil society in South(ern) Africa's reconstruction and development.

VI.2 Beyond the Firm: Civil Society's Role in the Transition

It is widely recognised that organisations in civil society remain relatively weak throughout Africa, despite growing numbers and relevance in tandem with the declining "reach" of the state (Ohlson & Stedman, 1993: 101). However, it is also clear that they have been comparatively strong (certainly by African standards) in South Africa. South African trade unions in particular have developed formidable organisational and strategic capacity. While civil society in South Africa has been weakened of late by the departure of many of its leaders into the service of the government of national unity, its relative strength is still beyond question. Hence, the approach which South African unions and others take to Southern African regional relations and issues will be of great importance.

South and Southern African trade unionists, alert to the possible negative and divisive implications for labour embedded in a *de facto* (unregulated) regional integration process, are on record as

favouring a regional regulatory framework harmonising employment conditions and labour rights. This aspiration is set out in the Social Charter on the Fundamental Rights of Workers in Southern Africa drawn up by the Southern African Trade Union Coordination Council (SATUCC), premised largely on the goal of regional tripartism between business, labour and the state (see Shaw, 1994). Furthermore, recognising the financial and organisational weaknesses of their regional counterparts, COSATU and its affiliates have taken steps to promote "twinning" between South and Southern African sectoral unions, exemplified by the Southern African Mineworkers' Federation (SAMF; see Keet, 1994).

This is a promising approach. Indeed, SADC itself has actively encouraged trans-societal SADC federations—of Chambers of Commerce, architects, and the like. For trade unions, these efforts to promote regional goals and organisational alliances constitute a sophisticated effort to come to grips with the resolutely transnational nature of much contemporary business activity. Yet, as Keet notes, such cooperative efforts are highly vulnerable to "chauvinistic and nationalistic" responses. Leaving aside the potential for tension over South African domination, real and perceived, trade unions in Zambia or Mozambique, for example, will be reluctant to forego their strategic advantages in competing for desperately needed job-creating investment. Similarly, South African trade unionists confronted with close to 50 percent unemployment in their own society will be sorely tempted to adopt a narrowly chauvinistic stance vis a vis regional migrant labour (Keet, 1994: 126-7). Thus, there are imposing obstacles to effective regional cooperation at the level of civil society, its promise notwithstanding.

VI.3 Stakeholders in the International Arena

The struggle against apartheid gave to the country and to the region a status on the world stage grossly disproportionate to its material base. Yet the struggle in South Africa strikes a singular chord in the global cacophony. For it raises enduring questions about modernity, culture, race and class. In all probability, South Africa's global profile will fade with time. For the moment, however, there are numerous stakeholders committed to various and contending visions of a "successful" South Africa. These stakeholders, we have suggested, are many and varied.

Internationally, those Western governments who supported the apartheid regime throughout the destabilisation period through "constructive engagement" and/or sanctions busting, in particular the U.S., Britain, Germany and Japan, have a strong desire to see a multi-racial democracy take root and flower in South Africa (see Wood, 1992). As prominent members in the IFIs, these states, according to Duncan Wood, have a further desire to turn South Africa into a

'show-case' for Fund prescriptions. It would show that the Fund, should its help be requested early enough, can help to put an ailing economy back on its feet... To have a success in South Africa would lend legitimacy to much of the work the Fund is conducting in developing countries (1992: 13).

As a result, these and many other states are (i) creating various trade and investment incentives for their own companies to do business in South Africa and vice versa¹¹; (ii) establishing similar incentives—e.g. the cross-border initiative—at the regional level¹²; and (iii) offering substantial aid and development fund packages.¹³

At least some external organisations and agencies, such as Canada's CIDA, are firmly committed to the promotion of regional integration through its *Africa 21* program (interview with Art Wright, Canadian High Commissioner in Zimbabwe, July 1994; also, see CIDA, 1992). Others, like the European Union and Britain in particular, have long roots in the region as a whole, and could usefully serve as "bridge-builders" between South Africa and its neighbours. Given the understandable fears of South African domination by other African states, and a tendency among

¹¹Taiwan, for example, "is committing R1,105 billion to increasing its trade with and investment in SA" ("Taiwan commits R1 billion to SA", The Star, 6 September 1994). In late August, the EU established a "package of temporary trade concessions for South Africa" which "should boost the export of SA manufactured and semi-manufactured goods by R1.7 billion... The concessions will allow almost 2,000 more SA-made industrial and semi-industrial products to enter the EU duty-free" ("R1.7bn EU boost for exports", Sunday Times, 21 August 1994). These preferences are to last only until January 1995, "when the EU introduces a whole new Generalized System of Preferences" ("Finally, exports to EU to take off", Business Day, 21 August 1994). And while some in South Africa are sceptical as to the significance of this deal (see "List of SA goods to get EU preference finalised", Business Day, 2 September 1994), the EU has made it clear that South Africa will "benefit fully from the revised GSP, which will begin from January 1. [And] [u]nlike the temporary deal... the new agreement will extend also to some agricultural products" ("EU announces trade concessions for SA", Business Day, 8 September 1994). Somewhat more controversially, both the US, through AID, and Britain, through a group of private black business people, have established programmes to aid black business in South Africa ("USAID's racist fund is a wast of good millions", Business Day, 6 September 1994; "Black delegation seeks SA partnerships", Business Day, 27 July 1994).

¹²For example, the EU and SADC recently concluded the Berlin Declaration which "set out principles for supporting democracy, human rights and good government, disarmament and integrated economic development". The agreement states, in part, "The effective exercise of human rights and fundamental freedoms is the legitimate concern of the international community and inseparable from the pursuitof international peace and security ... [Peace and security are] essential prerequisites for sustainable economic and social development" ("SADC seals cooperation pact with EU", 7 September 1994; see, also, "Spotlight falls on Europe's African links", Business Day, 5 September 1994). German Foreign Minister, Klaus Kinkel, pointed out that EU-SADC cooperation was a natural step: "[I]n the past 20 years 4.6bn ecus (\$5.6bn) had been made available and increasingly large amounts of untied resources were on the way. 'In addition to bilateral assistance, the EU has made 362 million ecus available to the SADC itself, which shows the importance attributed by the union to regional cooperation" ("Nzo appeals to Berlin summit", Business Day, 6 September 1994).

¹³By early July, approximately R3.2 billion in foreign aid had been pledged by international donors (Sunday Times, Business Times Survey "Investing in the New South Africa", 10 July 1994). Much of this aid focussed on assisting with the implementation of the RDP. For example, the UK pledged L100 million in aid, most of which was to be targeted at "projects to reduce poverty and improve education and health care" ("UK pledges SA L100m in aid", Daily Dispatch, 5 May 1994). Similarly, the EU pledged 137.5 million ECUs and the Danes US \$125 million, with both targeting RDP projects ("EU to consider more aid to SA", Daily Dispatch, 23 August 1994; "Danes pledge \$125m in aid to RDP projects", Business Day, 30 August 1994).

many South Africans toward indifference, if not arrogance, toward the continent north of the Limpopo, this external bridge-building function could be important (interview with Laidler, EU Head of Delegation, Harare, July 1994).

Nevertheless, IOs and Northern donors remain a distinctly mixed blessing in the promotion of regional development and security. They are numerous and frequently competitive, creating major challenges of donor coordination for each recipient state, let alone those engaged in cooperative endeavours like SADC which themselves entail difficult challenges of coordination. They are self-interested, with certain priorities and policies to peddle. Their largesse creates challenges for already limited absorptive capacities in a manner which reduces, rather than entrenches, external dependence (see Katsouris, 1994). And, given donor fatigue and varying degrees of fiscal distress among some of the more historically-generous donors to Southern Africa, such as Sweden and Canada, Southern African NGOs and states will have to be cautious about building their longer term plans around external sources of support.

In addition, international involvement extends far beyond inter-state bi- and multi-lateral cooperation, however. Numerous elements of global civil society—e.g. NGOs, Church and business groups—are involved in South Africa's reconstruction, for better or worse.¹⁴

In sum, the process of building cooperation in Southern Africa, as well as between the region and the continent, has to be understood as a complex and uneven one, involving a considerable range of actors. We would do well to remember, however, that it is not neighbours who make revolutions (Chester Crocker's claims notwithstanding!): (Southern) Africa's future will be determined, ultimately, by (Southern) Africans themselves.

VII Conclusion

It is imperative that we not let the euphoria of the April 1994 election cloud perceptions of the opportunities and possibilities facing the "new" South Africa. If nothing else, to have read this essay to this point should have cleansed the reader of such lofty illusions. South Africa is a small, indebted, ecologically threatened, economically undiversified, peripheral actor in the global political

¹⁴In terms of "better", two examples will suffice. First, the All African Council of Churches, in cooperation with a small, Zimbabwe-based NGO, MWENGO, is looking into ways of increasing dialogue and formalising networks of NGOs and community based organisations indigenous to the SADC region. Second, the World Conservation Union (IUCN), is involved in numerous regional initiatives which seek to increase inter-governmental and non-governmental cooperation on environmental issues. In terms of "worse", according to Shelagh Gastrow of IDASA, post-apartheid South Africa "is being colonized by US 'civil society'. Americans are stealing staff, are setting up in direct competition with our own work, and we have no way of responding to this 'wave" (comments made at the international symposium, "Sources of Instability in Southern African States, UWC, Cape Town, 21-23 June 1994).

economy. It is located in a region populated by fragile democracies and unstable economies dominated by numerous vested secular and spiritual interests dedicated to the mainenance of the status quo. Having said that, one should also not lose sight of the unique opportunity facing the country and the region.

Many elements of South(ern) African civil society—from Earthlife to IDASA, from various chambers of commerce to innumerable church groups, from SANCO to small, issue specific, community based organizations seeking the satisfaction of all manner of grievances—are active in mapping out their visions of the "new" South(ern) Africa. In spite of the numerous problems highlighted above, South(ern) Africa's people are engaged and energized. It is ultimately they who will determine the future prospects for the region. And it is they who will determine if and how they will link up with groups acting similarly throughout the continent.

It is vital that government assist in this project: through implementation of the RDP; through enhanced regional cooperation; through dialogue and cooperation with all elements of civil society. This will take a mammoth dose of political will on the part of the ANC-led government of national unity. It will mean standing up for principles of equity now threatened by the global capitalist agenda; it will mean following through on highly controversial national policies, like land reform and the truth commission, each of which is certain to increase racial tensions; it will mean taking unpopular decisions—on dismantling GEIS, on trade preferences for SADC states, on unbundling elements of monopoly capital, on gun control, on peacekeeping and peacemaking commitments beyond South Africa's borders. Many of these are similar to issues governments in much more stable societies remain unwilling to address. Resisting the status quo, therefore, is an awesome task for policy makers in the region.

To be sure, progress on each and every one of these issues will be difficult. The region is marked by a history of suspicion, conflict, and unequal economic development. In the short term, then, it is a wise government which focuses its attention of what is possible (the "is") and not merely desireable (the "ought"). This means pursuing small victories through functional cooperation at regional and national levels; and building confidence through vigorous dialogue with all those who are actively concerned in a peaceful and prosperous future.

References

Africa Institute of South Africa, 1994, South Africa in Sub-Equatorial Africa: Economic Interaction, (Pretoria: April, 1994).

African Development Bank, 1994, Economic Integration in Southern Africa: Executive Summary, mimeo, Harare.

African European Institute, 1992, Post-Apartheid Regional Cooperation: International Support for Transforming Southern Africa, Conference Report, Gaborone, Botswana, 27-29 April 1992, (The Hague: AEI).

African National Congress, 1994, *The Reconstruction and Development Programme*, (Johannesburg: Umanyano Publications).

African National Congress, 1993, Foreign Policy in a New Democratic South Africa, a discussion paper, (ANC Department of International Affairs, October).

Anderson, Benedict, 1983, *Imagined Communities: Reflections on the Origin and Spread of Nationalism*, (London: Verso).

Anglin, Douglas G., 1991, "South African Relations with Southern Africa: Continuity or Change?", paper presented at the 20th annual meeting of the Canadian Association of African Studies, York University, May.

Atlantic Monthly, various.

AWEPAA, 1992, Post-Apartheid Regional Cooperation. International Support for Transforming Southern Africa, conference report, (Gaborone, 27-29 April).

Axline, W. Andrew, 1977, "Underdevelopment, Dependence, and Integration: the politics of regionalism in the Third World", *International Organisation*, 31:1 (Winter).

Bardill, John, 1994, Sources of Domestic Instability in Southern African States, a conference report, Backgrounder #12, (Bellville: Centre for Southern African Studies, University of Western Cape).

Bayart, Jean Francois, 1993, The State in Africa: the politics of the belly, (London & New York: Longman).

Beeld, (Johannesburg), various.

Bond, Patrick, 1991, Commanding Heights & Community Control. New Economics for a New South Africa, (Johannesburg: Ravan).

Burns, D.G. & J.C.A. Hobbs, 1992, "Business and Environment in South Africa—Opportunities and Constraints", unpublished paper, April.

Business Day, Johannesburg, various.

Cheru, Fantu, 1992, *The Not So Brave New World! Problems and Prospects of Regional Integration in Post-Apartheid Southern Africa*, Bradlow Series Number Six, (Johannesburg: South African Institute of International Affairs, May).

Cock, Jacklyn & Eddie Koch, eds., 1991, Going Green: people, politics and the environment in South Africa, (Cape Town).

Cock, Jacklyn & Laurie Nathan, eds., 1989, War and Society. The militarization of South Africa, (New York: St. Martin's).

Cole, Ken, ed., 1994, Sustainable development for a democratic South Africa, (London: Earthscan).

Cowell, Alan, 1992, Killing the Wizards, (New York: Simon & Schuster).

Cox, Robert W., 1987, Power, Production and World Order, (New York: Columbia University Press).

Cox, Robert W., 1986, "Social Forces, States, and World Orders: Beyond International Relations Theory", in Robert Keohane, ed., *Neorealism and Its Critics*, (New York: Columbia University Press).

Daily Dispatch, East London, various.

Davies, Rob, 1993, "Emerging South African Perspectives on Regional Cooperation and Integration after Apartheid", in Oden, ed., Southern Africa After Apartheid.

Davies, Rob, 1992, comments made to the AWEPAA conference on Post-Apartheid Regonal Cooperation, Gaborone, 27-29 April.

Gill, Stephen, ed., 1993, *Gramsci, Historical Materialism and International Relations*, (Cambridge: Cambridge University Press).

Government of South Africa, 1994, White Paper on Reconstruction and Development, September, (CTP Printers: Cape).

Harvey, Charles & Derek Hudson, 1992, "Post-Apartheid Regional Financial and Monetary Cooperation," in Oden, ed., Southern Africa After Apartheid.

Hazlewood, Arthur, 1985, "The End of the East African Community: What are the lessons for Regional Integration Schemes?", in Ralph Onwuka & Amadu Sesay, eds., *The Future of Regionalism*, (New York: St. Martin's).

Herald (Harare), various.

Herald (Port Elizabeth), various.

Herbst, Jeffrey, 1992, "Challenges to Africa's Boundaries in the New World Order", *Journal of International Affairs*, 46:1 (Summer).

Hough, M., 1990, "Security, war and the environment", *Strategic Review for Southern Africa*, 12:2 (November):1-13.

Jackson, Robert H., 1992, "The Security Dilemma in Africa", in Brian L. Job, ed., *The Insecurity Dilemma: National Security of Third World States*, (Boulder: Lynne Rienner).

Johnston, Alexander, 1994, "South Africa: the election and the transition process", *Third World Quarterly*, 15:2 (June): 187-204.

Johnston, Alexander, 1991, "Weak states and national security: the case of South Africa in the era of Total Strategy", Review of International Studies, 17:2 (April): 149-166.

Keet, Dot, 1994, "Labour issues in southern Africa: critical choices for trade unions", in Minnie Venter, ed., *Prospects for Progress*.

Makombe, Kudzai, 1993, Sharing the Land: Wildlife, People and Development in Africa, IUCN/ROSA Environmental Issues Series No. 1, (Gland, Switzerland: IUCN).

Mandela, Nelson, 1994, "State of the Nation Address", reproduced in full in *Daily Dispatch*, 25 May 1994.

Moyo, Sam, Phil O'Keefe & Michael Sill, eds., 1993, *The Southern African Environment: profiles of the SADC States*, (London: Earthscan).

Munck, Ronaldo, 1994, "South Africa: the great economic debate", *Third World Quarterly*, 15:2 (June): 205-218.

Munslow, Barry & Patrick Fitzgerald, 1994, "South Africa: The Sustainable Development Challenge", *Third World Quarterly*, 15:2, prepublication draft.

MWENGO & AACC, 1993, Civil Society, the State and African Development in the 1990s, Report of a Workshop on the Receding Role of the State in African Development and Emerging Role of NGOs, (Nairobi: Central Graphics Services).

Mytelka, Lynn, 1978, Regional Development in a Global Economy: The MNCs, Technology and Andean Integration, (Trenton: Africa World Press).

Nathan, Laurie, 1993, "With Open Arms': Confidence- and Security-Building Measures in Southern Africa", paper prepared for the Seminar on Confidence- and Security-Building in Southern Africa, United Nations Office for Disarmament Affairs, Windhoek, February.

Nathan, Laurie, 1992, "A Framework and Strategy for Building Peace and Security in Southern Africa", unpublished working paper, (Cape Town: Centre for Intergroup Studies, October).

Nattrass, Nicoli, 1994, "South Africa: the economic restructuring agenda, a critique of the MERG report", *Third World Quarterly*, 15:2 (June): 219-226.

Nelson, Joan, 1991, "The Financial Sector and Sustainable Development", presentation to the South African Industrial Environmental Forum, 1 July.

Oden, Bertil, ed., 1993, Southern Africa After Apartheid. Regional Integration and External Resources, Seminar Proceedings No. 28, (Uppsala: Nordiska Afrikainstitutet).

Ohlson, Thomas & Stephen John Stedman, 1994, *The New is Not Yet Born. Conflict and Conflict Resolution in Southern Africa*, (Washington: The Brookings Institute).

Ohlson, Thomas & Stephen John Stedman, 1993, "Towards Enhanced Regional Security in Southern Africa?, in Oden, ed., Southern Africa After Apartheid.

Ostergaard, Tom, 1993, "Classical Models of Regional Integration—what Relevance for Southern Africa?", in Oden, ed., Southern Africa After Apartheid.

Ramphele, Mamphela, with Chris McDowell, eds., Restoring the Land: Environment and Change in Post-Apartheid South Africa, (London: Panos, 1991).

Saasa, Oliver S., 1994, "The effectiveness and dependability of southern Africa's ports and trade routes", in Minnie Venter, ed., *Prospects for Progress*.

SAIIA & CSAS, 1992, South Africa and the World: A New Vision, conference report, Johannesburg, 28-31 August.

Sandbrook, Richard, 1993, *The Politics of Africa's Economic Recovery*, (Cambridge: Cambridge University Press).

Sandbrook, Richard, 1986, *The Politics of Africa's Economic Stagnation*, (Cambridge: Cambridge University Press).

SARDC, 1994, Unfinished Business: South Africa's March to Democracy. Election Special, (Harare, May).

Shaw, Timothy M., 1994, "South Africa: the corporatist/ regionalist conjuncture", *Third World Quarterly*, 15:2 (June): 243-256.

Southern Africa REPORT, Toronto, various.

Stoneman, Colin & Carol B. Thompson, 1991, Southern Africa after Apartheid: Economic repercussions of a free South Africa, UN Africa Recovery Briefing Paper, No. 4 (December).

Sunday Times, (Harare), various.

Sunday Times, (East London/National), various.

Swatuk, Larry A., 1995, Of "Growth Poles" and "Backwaters": The "New" South Africa in Africa, conference report, (Toronto: York University, Centre for International and Strategic Studies).

Swatuk, Larry A., 1995b, "Grasping at Straws? New Regionalisms, Social Movements and Environmental Cooperation in Southern Africa", paper presented at the annual meeting of the International Studies Association, 21-25 February, Chicago.

Swatuk, Larry A., 1994, "Security Beyond Sovereignty: Southern African Social Formations and Prospects for Regional Integration," in Denham & Lombardi, eds., *Problems Without Borders*, (London: Macmillan).

Swatuk, Larry A., 1994b, "Prospects for Southern African Regional Integration after Apartheid", *Journal of the Third World Spectrum*, 1:2, (Fall): 17-38.

Swatuk, Larry A. & Timothy M. Shaw, eds., 1994, The South at the End of the Twentieth Century: Rethinking the Political Economy of Foreign Policy in Africa, Asia, the Caribbean and Latin America, (London: Macmillan).

The Star, Johannesburg, various.

The Sunday Times & Sunday Business Times, national, various.

The Toronto Star, Toronto, various.

The Weekly Mail & Guardian, Johannesburg, various.

The Weekly Mail & Guardian, 1994, A-Z of South African Politics. The Essential Handbook, (London: Penguin).

Venter, Minnie, ed., 1994, Prospects for Progress: critical choices for Southern Africa, (Cape Town: Maskew Miller Longman).

Wood, Duncan, 1992, Engagement in South Africa: International Monetary Fund Involvement 1990-92, SAIIA Occasional Paper, Johannesburg, October.

Yeld, John, 1993, Caring for the Earth: South Africa. A strategy for sustainable living, (Stellenbosch: SANF).

Young, Tom, 1991, "South Africa's Foreign Relations in a Post-Apartheid World", South Africa International, 21:4 (April).