

PART 2

**THE OUTLOOK FOR REGIONAL FOREIGN POLICY UNDER
A NEW DEMOCRATIC GOVERNMENT**

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1. INTRODUCTION

This section will deal with the possibilities of new regional policy initiatives in the post-election period. The April 1994 election will be followed by a new government and new state structures. Will these changes result in new regional foreign policies? Who will be the key actors that will make or influence future regional policy? In trying to answer these questions, this section will look at the salient factors that play an important role in shaping a country's foreign policy. These are: the domestic environment; the external environment; current and potential key actors involved in regional policy-making; and their policies. This section ends with an assessment and conclusion.

2. ASSUMPTIONS

Underpinning this chapter are a number of basic assumptions and qualifications which form the basis of arguments advanced in this section. These assumptions are:

- (i) The transition in South Africa will go ahead as broadly understood at the time of writing, that is, relatively peaceful negotiations resulting in a widely accepted settlement. This settlement will provide for a non-racial election in April 1994 and for mechanisms whereby the country will be ruled by a *Government of National Unity* (GNU) for the next five years (1994-1999). The next two years will also see the adoption of a new Constitution by the elected Constituent Assembly.¹
- (ii) Decision-making in the GNU will be dominated by the executive, consisting of the president, two executive Deputy- Presidents, and a multi-party cabinet. Allocation of ministerial portfolios will be in proportion to seats held in the National Assembly. Furthermore, all parties with at least 5% of the national vote shall have a minister.² Based on these (interim) constitutional provisions, and given the broad agreement by a number of recent polls on support for political parties³, it seems safe to assume that the African National Congress (ANC) and the National Party (NP) will be important players in the post-election executive (At the time of writing, there was an outside chance of the Inkatha Freedom Party (IFP) and Afrikaner Volksfront (AVF) participating in the elections). Of these players, the ANC (and allies) and the NP (and allies) will form the two dominant ideological formations, with the ANC as the senior partner in government.

- (iii) Foreign policy will be the result of a process involving a range of actors, each pursuing strategies aimed at securing maximum advantage for their particular interests. Policy-making (between 1994 and 1999) will be complicated by the requirements of coalition government, i.e. consensus-seeking.
- (iv) When considering future policies, attention must be given to the impact of developments in the domestic *as well as* external environment.
- (v) The analysis in this chapter is informed by the theoretical notion that foreign policy can be explained by reference to (i) sources of foreign policy such as orientation and national role concepts, and (ii) links between foreign policy objectives and actions, and (a) political beliefs of individual decision-makers, (b) domestic structures, and (c) events and conditions in the external environment. Domestic structures and foreign policy, in turn, can be understood to encompass bureaucratic needs, values and traditions; social needs and national attributes; domestic (in)stability and type of regime, (iii) size of country and level of development, and public opinion.⁴ Some, or all, of these factors must be taken into account when analysing or trying to explain the objectives, decisions or actions of a particular country's foreign policy.
- (vi) Clearly, the task of analysing the foreign policy of a government yet to be established, and especially within the context of a country in transition from authoritarian practices to democracy, is much more difficult than it would otherwise have been. For these reasons, it will not be possible to examine clearly formulated policies, since they do not exist. Rather, the focus will be on possible regional foreign policy orientations. Also, attention will be given to the degree of continuity and change in South Africa's future regional foreign-policy.

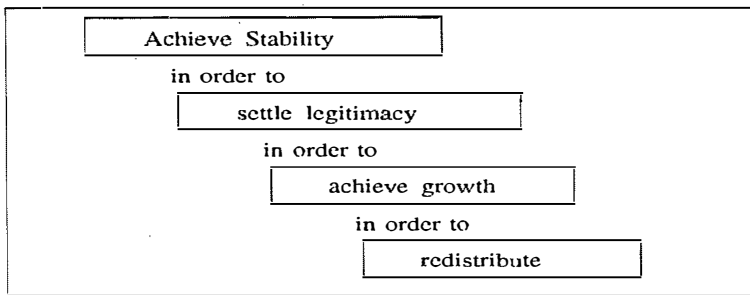
Given these caveats, the discussion will proceed in the following manner: first, the nexus between the domestic environment and foreign policy will be examined. This will be followed by an examination of the impact of the external environment (both regional and global) upon South Africa's new regional foreign policy and then the discussion will end with assessment and conclusion.

stability of the post-election period seems to be the degree to which all major political players will be prepared to accept the outcome. The dilemma for the transition is to make the process as inclusive as possible—that means bringing the White rightwing (organised under the banner of the Afrikaner Volksfront (AVF)) as well as the recalcitrant bantustan elites, especially Inkatha and the Bophuthatswana government, back into the process.

At the time of writing, the main disagreement between the so-called Freedom Alliance (FA) (made up of the above-mentioned political formations) and the other participants in the transition process, revolves around the degree to which regional authorities are to be allowed autonomy. The main threat of political violence before and after the election undoubtedly comes from the IFP. It is also not clear whether the ANC alliance is always in full control of some of its constituencies. Adding fuel to the fire is the potential for conflict amongst the marginalised and alienated sectors of our society that suffers under extremely poor socio-economic conditions. Whether the FA participates fully or not, an escalation of violence is to be expected. However, transitional arrangements allow for the deployment of a sufficiently large contingent of security forces to maintain order during and after the election. It is also to be expected that a newly elected GNU will not allow its newfound legitimacy to be threatened by the radical fringes and strict security action can be expected.

On the issue of redistribution—a key area in the transition to democracy—negotiators find it difficult to reach consensus. Redistribution issues include housing, education, local government, affirmative action, and youth. The difficulty in finding negotiated solutions to these issues reflects, according to political analyst Van Zyl Slabbert⁵, a fundamental contradiction which has to be resolved: a democratic constitution can not be built on an apartheid budget. There is no short-term solution to existing problems in housing, education, health and social services, but it was vital that solutions be found.

A key question is whether a GNU will be able to address these demands in such a manner that the success of the transition will not be jeopardised. On balance, it seems that the priorities for the GNU lie in the following areas:



To what extent will the South African state after April 1994 be able to achieve these goals?

- * Success is possible only with a state that displays a number of consistent strengths. For the South African state to be strong, it will have to have sound public finances, a system of government and politics that is legitimate in the eyes of both the public and key elites, the existence of a 'hegemonic bloc' comprising political, economic and intellectual elites that provides direction and coherence to state policies, and, finally, the capacity to make and effectively carry out public policies promoting economic growth, equity, and stability and security.⁶ At the time of writing, the balance sheet looked mixed:

Public finance has long been a weakness of the South African state, and might continue to be. Between 1980/81 and 1991/92 general government current expenditure as a percentage of GDP grew from 10.5% to 33% and capital expenditure fell from 6% to 3.5% in the same period.⁷ This is a long-term trend, which means that every year the state consumed a growing share of GDP in operations and salaries for its growing workforce, and invested a declining share of GDP in productive capital. Also, general government revenues have been consistently below expenditures, resulting in a steadily growing public debt as a percent of GDP.

It is difficult to predict how these trends will change under a new government. At this point in time, one simply does not know what the fiscal, financial, and economic policies of an ANC-dominated government will be.⁸ However, it is safe to assume that the state after April 1994 will have to deal with the extremely high expectations of the black electorate concerning the delivery of improved social services, housing, etc. Meeting this demand will undoubtedly raise public spending.

- * Lack of governmental legitimacy, particularly regarding the security forces, is one of the prime causes of the violence that has racked the

3. THE NEXUS BETWEEN THE DOMESTIC ENVIRONMENT AND FOREIGN POLICY

3.1. Introduction

This section will examine the domestic factors that will shape the making of future foreign policy, namely the political and economic situation in South Africa in a post-election phase.

3.2. The political and economic situation in South Africa in the post-election period

The political transformation process currently underway in South Africa will culminate in the April 1994 election, which will produce a new Government of National Unity (GNU), as well as a Constitutional Assembly whose task will be to draw up a new Constitution for this country. South Africa's transition will still be far from complete; the post-election transition period will last up to 1999, when the GNU will have to make way for a democratically elected majority government. Until then, the political process in South Africa will be dominated, or frustrated, by the constitutional requirement of *consensus-seeking*, especially in relation to the decision-making procedures of the executive authority (including foreign policy). Closely related to this point will be the most outstanding feature of the new government: that of a power-sharing arrangement between political players with significant electoral support. These features have important consequences for government policies and policy-making – no single political entity will be able to unilaterally impose or enforce its own political programme or policy positions upon the process. Government policy will be a product of consensus-seeking and compromise between different players, depending on the issue at stake at the time.

It is generally recognized that the GNU will face a daunting task of adequately addressing the needs of the country – given the background of decades of damaging apartheid policies. The success of the transition depends on the country's ability to achieve political legitimacy, economic growth, redistribution and stability. Of these challenges, redistribution and stability might turn out to be the most difficult to achieve. Stability, or the lack thereof, could threaten the success of the transition. What are the possibilities of an unstable election outcome? The major factor that will influence the

country since August 1990.⁹ However, expectations are that from April 1994, the adoption of legitimate democratic governmental structures will provide the basis for sound governance of the country. A restructured National Defence Force and Police Force should then be able to deal more effectively with the issue of political violence. It can also be argued that a new legitimate GNU will remove the need for political organisations to continue with violent strategies of change. However, a new state might have to continue to keep a close watch on political organisations on the extremes of the political spectrum, especially if they perceive the election outcome as alienating or threatening. Furthermore, it must be realised that there is no short-term solution to the problems of violence that flows from the poor socio-economic conditions under which most South Africans suffer.

- * For the foreseeable future, the creation of a hegemonic bloc in South Africa is problematic and in the short term, guiding principles and ideas will probably be produced by the various negotiating "Forums" dealing with such matters as the economy, education and housing. The development of a comprehensive, inclusive and widely accepted set of political ideas to guide the process of nation-building (i.e. an ideology) will take years and will probably centre around the core ideas of non-racialism and social democracy. This emerging ideology will be challenged by small groups on the fringes of society: crude versions of racial nationalism by the White rightwing or Black Consciousness Movement and PAC on the one hand, or populist versions of socialism by leftist or 'workerist' organisations.¹⁰

We now turn to a brief economic analysis, focusing on a description of the economic environment within which foreign policy will be shaped.

According to World Bank criteria, South Africa is an upper middle-income developing country.¹¹ In terms of international political-economy, South Africa is a classical semi-peripheral society, exporting raw and semi-processed minerals and agricultural products to the core (advanced industrial societies in North America, the European Union, and Japan) and importing from these core societies machinery, mining and transportation equipment, and electronic equipment. South Africa's exports to the core of the world system are produced in the main by relatively low-wage black labour, although its mining and agricultural industries use relatively advanced technologies of production controlled by the white minority. South Africa's imports from the core are generally technologically advanced, high-wage commodities.

In the intermediate zone of the world economy, semi-peripheral South Africa has historically dominated the peripheral southern African region. Its Gross Domestic Product of some \$90,720 billion in 1990 was nearly three times as large as Nigeria's \$34,760 billion and seventeen times bigger than SADC's largest economy, Zimbabwe (\$5,310 billion). Indeed, its economy is more than three times larger than the combined economies of all of the ten member states of the former SADCC.

In 1991, the Republic exported machinery, processed foods and wine, chemicals, industrial materials, mining equipment and spare car parts to the rest of Africa (mainly southern Africa) worth \$5,04 billion and imported only \$800 million worth of goods from the rest of the continent. With the growing international acceptance of the 'new' South Africa after February 1990, exports to Africa grew 70% between 1989 and 1991, and an additional 22% in 1992. Long a supplier of labour to South Africa's mining industry, southern Africa's economic ties to the Republic increasingly involve providing energy products—electricity and petroleum—and water. Most importantly, South Africa dominates the region's infrastructure of transportation and communications.¹²

However, even though the South African economy might appear strong relative to African economies, all is not well. As McGowan's analysis points out, the performance of the South African economy since the mid-1970s has been terrible, and the causes are multiple.¹³ As a consequence, between 1980 and 1991 South Africa fell from the rank of the 16th largest exporting nation, in value terms, to the 30th.

From the perspective of the international political economy, therefore, analyses like the one by McGowan leads to the conclusion that in global terms South Africa has declined since the mid-1970s, and at an accelerating rate. It is only when the Republic is compared with the rest of sub-Saharan Africa that its strengths appear to be significant. Given the realities of the global economy, South Africa will be fortunate to retain a place among the world's semi-peripheral powers over the next twenty years.

Turning to the short- to medium-term economic outlook, the following brief points can be noted:

* The recession which commenced in South Africa in 1989 has ended, on a statistical basis, with Gross Domestic Product (GDP) growing by real seasonally adjusted annual rates of 1.4% and 5.2% respectively in the first and second quarters of 1993. A major factor at work in restoring economic growth has been the dramatic increase of 150% in farm output in the second quarter of 1993, with a further recovery still awaited

in the output of summer rainfall regions.¹⁴

- * The prospects for a strong revival in the South African economy during 1994 are heavily dependent on future growth in the world economy, and more specifically, the industrialised world (the IMF's World Economic Outlook predicts only modest growth).¹⁵
- * As in the recent past it will be the continued growth in exports which will drive future growth in the South African economy. Given the slow recovery in the world economy, growth prospects for 1994 remain muted.
- * Generally, higher growth targets than that of 2%~ 3% per annum might be achieved, even in the absence of capital inflows, if structural reforms were carried out, so as to improve productivity and to lower capital import dependency. Therefore, the growth objective for 1997 according to the current government's normative macroeconomic model (NEM) would be 4.5% per year.¹⁶ An IMF model for the South African economy suggests a baseline scenario with 3.5% average yearly growth in the period 1991-2000.¹⁷ Similarly, the recently published Macroeconomic Policy Framework, written by the ANC-aligned Macroeconomic Research Group (MERG), argues that "Our aim is for the country's GDP to increase steadily during the 1990s. It should increase by 1.1% in 1994. Between 1995 and 2000 it should rise to an average of 3.8% each year. And within the first few years of the next century the GDP should be growing by almost 5% each year".¹⁸

4. OVERVIEW OF THE EXTERNAL ENVIRONMENT

The intention of this section is to give a very brief overview of global political and economic trends that will, to a large degree, shape South and southern Africa's external environment—an environment which will determine foreign policy as much as domestic factors will influence policy.

A number of easily discernable, and therefore much discussed, global trends immediately comes to mind: first, in the wake of the Cold War and the demise of the Soviet Union, geo-economics is replacing geo-politics. States in their relations with one another will be guided by economic considerations above all others. A second feature of the world order is the increasing marginalisation of Africa. The loci of power are the three economic power points: North America, the European Union and Japan (together with the Pacific Rim countries). A third feature of the modern world order is that the competing ideologies that drove the Cold War, are no longer pertinent. Economic self-interest is likely to drive states to make bilateral deals whenever national interest so dictates. Self-interest

will undercut bloc solidarity.¹⁹

But what will the emerging new world order hold for this region? A scenario informed by a measure of scepticism about the emergent world order was recently presented by the well-known scholar on South Africa's foreign policy, Sam Nolutshungu.²⁰ In Nolutshungu's view, South Africa will have to deal with a world in which it will have no greater economic or political salience than other semi-industrialised nations, and barring major changes in the international security situation, no particular strategic interest, apart from its minerals. The "new South Africa" may expect no special consideration so far as economic assistance, foreign investment and access to markets are concerned.

Major international crises, provoked by the transformation of states (and the disintegration of some) may be expected to increase in severity. At the same time, despite a growing desire among the major capitalist powers for effective multilateral management of the world economy, all the signs point to less, rather than more, effective co-ordination. This is exacerbated by the declining capacity of the United States to maintain hegemonic control.

This threatening global disorder could remain unreconciled for years. Consider, for example, the contradiction between the facts of economic interdependence and the centralisation of the world economy on the one hand, and regional and national protectionism on the other; or between the emergence of transnational movements and associations and the fragmentation of existing political communities. Also, the polarisation between rich and poor will proceed apace.

While relatively isolated from most of the major conflicts of the great powers, the African continent will not be immune to the effects of the restructuring of world power. Indeed, South Africa will be drawn into an active role on the continent: it will have to define its position in relation to the divisions which emerge among the powers.

Economic topics will dominate a government's foreign policy. Specifically, there is already a conflict that looms large between, on the one hand, the domestic pressure for increased public expenditure to ameliorate the conditions created by apartheid and, on the other hand, the dominant tendency in the leading economies and financial institutions to insist on minimal state intervention, low public spending and borrowing, and lower tax burdens for investors.

In light of these "doctrines of the conjuncture", South Africa's foreign policy will, in Nolutshungu's assessment, be about

negotiating a path between apparent necessity and preference, between domestic needs and external constraints; and about bargaining with other actors, few of whom will, where their vital interests are concerned, submit passively to fate or the dictates of the "market, the "new world order", or whatever else, against the background of the overriding challenges of domestic tasks of state consolidation and legitimation.²¹

5. CURRENT AND POTENTIAL ACTORS INVOLVED IN THE REGIONAL FOREIGN POLICY MAKING PROCESS, AND THEIR POLICIES

5.1 Introduction

In light of the set of assumptions made in the beginning of this chapter, the following actors are identified as being (potentially) influential in the shaping of South Africa's regional foreign policy: (a) state structures, (b) organised business, and (c) the African National Congress.

5.2. State Structures

South Africa's foreign policy system will be radically affected by the set of agreements finally achieved in November 1993 by the Multi-Party Negotiating Process (MPNP). The most important aspects of this agreement that will affect the making of the country's foreign policy are the installation of the Transitional Executive Council (TEC)—a transitional structure that will steer the country through the run-up to the election; a post-election Interim Constitution enshrining a delicate balance of power between a multi-party executive and decision making by majority vote; and, after the country's first democratic election on 27 April 1994, a five-year Government of National Unity (GNU).

The focus of this section will be on the requirements of the post-election Interim Constitution and the functioning of the GNU.

5.2.1 Legislative authority

According to the Interim Constitution, Parliament shall consist of the National Assembly and the Senate, and the legislative authority of the Republic shall vest in Parliament which will make laws for the Republic.²² The National Assembly shall consist of 400 members elected on the basis of proportional representation²³, and the Senate shall be composed of ten members from each of the nine provinces.²⁴

What will the new parliament's role be in making foreign policy? One can only give speculative answers, given the dynamics of this country's transition. Clearly, the influence of the new parliament will depend on a number of issues, including the distribution of political power in the National Assembly, amongst others. For example, if the ANC manages to get overwhelming representation after April 27, it might then numerically dominate the National Assembly, a situation which might tend to constrain debate on foreign affairs and the body's role in it, enhancing the dominance of the executive. It might also be possible for the new body to retain certain features of its predecessor. One example is the convention whereby the Assembly provided for a number of major opportunities for speech-making on foreign affairs, most notably during the annual Foreign Affairs vote. The customary censure debate at the beginning of each new parliamentary session invariably deals with foreign policy matters.²⁵ However, aspects of the previous parliamentary system that will most probably not be allowed to continue, include the NP government's obsession with secrecy concerning aspects of South Africa's foreign relations. This factor effectively circumscribed the House of Assembly's role in the foreign policy-making process.²⁶ The accent of the new parliamentary system will be on democracy, representativeness, openness and accountability.²⁷ These changes should ensure that South Africa's future foreign policy will be a product of a democratic process and not, as in the past, a policy made by an elitist minority.

5.2.2 The Executive: Political Actors

The President, executive Deputy Presidents, and Cabinet will be discussed under this heading. This section will of necessity be rather short, given that there is no clarity (but much speculation) on the personalities that will fill these positions. We can assume, however, that the formulation of foreign policy is first and foremost the function and indeed prerogative of the executive.

According to Chapter 6 of the Interim Constitution, the executive power of the Republic shall vest in the President, who shall be the Head of State.²⁸ His powers and functions include the promulgation of bills passed by parliament; the appointment of ambassadors and other diplomatic representatives; and the negotiation and signing of international agreements.²⁹ For purposes of this chapter, the assumption is made that the leader of the African National Congress, Mr. Nelson Mandela, will be elected by the National Assembly as the first President under the interim

constitution, following the April 27 election. This is based on the assumption that the ANC will, constitute the majority party in parliament after the April election.

In terms of the role of the President in foreign policy making, we can assume that his role will be crucial, for two reasons: first, the interim constitution allows, in fact, requires the president to take responsibility for matters related to foreign policy and secondly, an assessment of the experience and interest of Mr. Mandela in foreign affairs reveals that he will probably have a hands-on approach to the formulation and implementation of foreign policy.

The interim constitution stipulates that every party holding at least 80 seats in the National Assembly shall be entitled to designate an Executive Deputy President from among the members of the National Assembly. Furthermore, should no party or only one party hold 80 or more seats in the National Assembly, the party holding the largest number of seats, and the party holding the second largest number of seats, shall each be entitled to designate one Executive Deputy President.³⁰ These Deputy Presidents shall perform such functions as may be assigned to him/her by the President.

Based upon an understanding of voting trends as highlighted by a number of recent nationwide opinion polls, the President will be elected from ANC ranks, and since the organisation will hold more than 80 seats in the National Assembly, it will designate an Executive Deputy President. It seems unlikely that any other party will hold 80 or more seats in the National Assembly, but the party holding the second largest number of seats —by all accounts the NP —will be able to designate the other Executive Deputy President. Mr. F.W.de Klerk will, in all probability, fill this position.

Finally, members of the new Cabinet will also play a crucial role in foreign policy formulation. In terms of the interim constitution, the Cabinet shall consist of the President, the Executive Deputy Presidents and not more than 27 Ministers appointed by the President. In accordance with the principle of proportional representation, and given the nature of the power-sharing agreement flowing from the negotiating process, every party holding at least 20 seats in the National Assembly shall be entitled to be allocated a number of Cabinet portfolios.³¹

Within Cabinet, the future Minister of Foreign Affairs will undoubtedly play the most important role in foreign policy making. The role and influence of this person, however, will largely depend on the latitude he or she is given by the head of government. Other members of Cabinet who

might influence foreign policy making, could conceivably be the Ministers of Finance; Defence; and Trade and Industry. Since economic relations and trade will become an increasingly important component of South Africa's foreign relations, the Ministers of Finance and Trade and Industry will accordingly play an influential role in foreign policy making.³²

It is furthermore important to note that according to the requirements of the Interim Constitution, decision-making amongst the executive shall be of a consensual nature.³³ The President's responsibility, too, is to provide executive leadership "in the interests of national unity".³⁴

All these above requirements will undoubtedly have a significant impact on the nature of decision-making amongst the executive. These implications will be discussed below.

5.2.3. The Executive: Government Departments

5.2.3.1. The Department of Foreign Affairs (DFA)

The primary function of a foreign office is of a dual nature: it is responsible for the execution of foreign policy, but is also involved in the process of policy making.³⁵ The role of the foreign ministry in the decision-making process normally lies in formulating policy recommendations for the political decision-makers.³⁶ In doing so, officials often influence eventual decisions in a very real sense. It is for these reasons that the current DFA is discussed.

In terms of its structural features, a major re-organisation took place in 1980, whereby the Departments of Foreign Affairs and of Information were merged.³⁷ In the course of the 1980s, a number of changes and additions were made, and since 1990, senior DFA officials have been working on a major restructuring proposal. However, the ANC is similarly engaged with restructuring proposals, and it is envisaged that after April 1994, DFA will formally begin with the process of changing structural, functional and personnel aspects of the Department to reflect the political reality as well as the country's changing relationship with the world.

Currently, however, and for purposes of this study, functional features of DFA include:³⁸

- * The *Ministry of Foreign Affairs*, headed by Minister Pik Botha.
- * The *Departmental Head*, presently Mr. L.H. (Rusty) Evans, Director-General of Foreign Affairs (until late 1992, Mr. Neil van Heerden occupied this position).
- * *Branch: Africa*, headed by Deputy Director-General D.W. (Derek) Auret
- Chief Directorate: TBVC

- Chief Directorate: Southern Africa
- Chief Directorate: Rest of Africa and Middle East
- * *Branch:* Overseas countries, headed by Deputy Director-General A.E. van Niekerk
- * *Branch:* Multilateral Affairs, headed by Deputy Director-General J.B. (Jeremy) Shearer
- * *Branch:* Administration, headed by Deputy Director-General Mr. E.P. Riekert

5.2.3.1.1. Policy

South Africa's current regional foreign policy can essentially be described as a continuation of a strategy of 'neo-realism' and 'new diplomacy'; a strategy that is based on a re-assessment of the nature of the domestic base of policy, as well as changes in the international and regional environments.³⁹ In du Pisani's assessment, DFA's 'new diplomacy' is informed by the understanding that the flag will follow trade. South Africa's Africa policy now targets specific regions and areas that are of geo-political and commercial importance, of which the ten SADC states are given top priority.⁴⁰ Two further aspects of this strategy must be emphasised: Export led growth as opposed to import substitution provides the new economic rationale and as such forms an integral part of South Africa's new diplomacy, also towards Africa. The other aspect of this policy is the extent to which it coincides with the vision of big business, as represented by the South African Chamber of Business (SACOB).⁴¹

Put differently, the regional and global changes of recent years removed the South African government's *raison d'être* for coercion and incorporation. However, much of the earlier functionalist strain remains — notably in an understated emphasis on technical and economic co-operation.

The essence of this strategy still prevails. Neil van Heerden, in a speech in November 1990 on South Africa and the region⁴², highlighted the following aspects of policy:

- * "In southern Africa, a primary task of South African diplomacy is to convince our neighbours that South Africa is committed to peace and stability and has the will, the capacity and most importantly, the heart, to be a good partner.
- * In doing so, however, South Africa will have to guard against creating false expectations or making promises which cannot be fulfilled.
- * South African diplomacy must be honest and realistic. South Africa cannot hope to match the West in development assistance—it has

neither the manpower nor the capital.

- * What South Africa does have is indigenous and therefore acclimatised technical expertise and scientific knowledge...South Africa's contribution to the region's developmental needs will be qualitative rather than quantitative. South African expertise in the fields of health, food production, mining, energy, animal production and veterinary services, engineering and conservation is increasingly being utilised...in Africa. And in our involvement, South Africa follows one simple philosophy, namely that partnership and training is preferable to charity and dependence".

This 'partnership' approach, according to Van Heerden, should form the basis of South Africa's relations with the region, and for the following reasons:

It is essential...for the very survival of the region that we share resources and present a dynamic and stable market to the world. This is the only way in which we will be able to attract the investment needed for our region's economic upliftment.

Furthermore,

South Africa's destiny is inextricably linked to that of its neighbours and it will be dragged down inevitably if, in regional terms, economic revival cannot be achieved.

Finally, according to Van Heerden, the South African government is engaged in persuading Western Europe to co-operate with southern Africa in developing the resources of the region. In this regard, the so-called Development Programme for Southern Africa (DEPSA) is held up as the vehicle to attract development assistance and investments to the region.⁴³

Significantly, one year after Van Heerden's address, in December 1991, the State President, Mr. F.W. de Klerk, in a wide-ranging address on South Africa's international relations, emphasised a similar point. Talking about relations with Africa, he argued that

Our first priority...remains Southern Africa. I look forward to a Southern African economic association or community in which South Africa, with its expertise in the fields of trade, business skills, investment, transport, communications, energy, agriculture, health and veterinary services and technology will play a constructive role. Such an association will, however, require the financial backing of the industrialised countries. South Africa simply does not have the financial and skilled manpower resources to cater for the whole of Southern Africa, let

alone the rest of Africa. I wish to impress upon the countries of Southern Africa the urgency of joining us in such a project...⁴⁴

From the above it is clear that regional economic interaction has become a vital focus point of DFA's regional policy. In this regard, the DFA's Directorate: Africa Multilateral, recently produced a statement which sets out their position more clearly.⁴⁵ According to this statement,

South Africa endorses the objectives of greater economic co-operation in the region, while recognising the existing differences in the level of economic development among the various states and the implications this will hold for future efforts at integration. Co-operation will be encouraged and expanded on a sectoral basis.

Concerning the existence of the three major economic groupings in the region (SADC, PTA, SACU), the document argues that

South Africa will have to carefully and rationally assess the merits of membership of any of the existing regional organisations. Regional political developments may indicate the need for new institutional capacities, possibly demanding that viable components of existing structures be merged into a new multi-disciplinary regional co-ordinating body.

Finally, the statement takes a rather cautious view of future economic developments in the region, suggesting that "...the road towards a Southern African regional economic bloc be regarded as an ongoing long term process rather than an overnight event". It also calls for "constant consultation amongst regional states and external support for this process".

Significantly, this "external support" is nowhere defined in the statement.

5.2.3.2 Other Departments

Foreign policy making in the 1980s was dominated by the State President, the Department of Foreign Affairs and Information, and the military. Following F.W.de Klerk's new initiatives from early 1990, the role of the military has waned considerably, and in line with the new strategy as outlined in the previous section, other state departments became more influential. Because 'new diplomacy' relies on trade and technical co-operation as the main elements of a revived and restructured regional foreign policy, the Department of Trade and Industry (DTI) developed an influential role in policy making.⁴⁶

The role of the DTI in regional foreign policy making should be seen against the wider background of transition and flux in the economic policy

environment. It is quite clear by now that South Africa's transition to democracy involves not only political and social change and transformation, but economic restructuring as well. Key players in the transition are rethinking economic policies because old—and new—internal and external demands cannot be dealt with by conventional, outdated or commandist economic philosophies.

In response to these policy challenges, the government released its Normative Economic Model (NEM) in March 1993, the key elements of which are:

- * Increasing Investment/GDP ratios in the public, private and manufacturing sectors.
- * Boosting exports
- * Improving productivity
- * A government "stimulation" package which includes financial discipline, tax relief, industrial reform, etc.

The ANC in turn released a document called The Framework for Macroeconomic Policy, produced by the ANC-aligned MERG. This document is a critique of the governments' NEM but also puts forward a detailed alternative which focuses on:

- * Job creation
- * Training programmes for the unemployed
- * Improving the quality of life of the poor
- * Improving the availability and quality of social services
- * Raising the minimum real wage level

With regard to trade policy, the document suggests that policies and institutions be reformed. A large number of tariffs should be phased out carefully, and trade preference agreements need to be re-negotiated.

The South African government's view on foreign trade and investment was put forward in February 1992 by the then Minister of Trade and Industry and Economic Co-ordination, Mr. Derek Keys (currently Finance Minister).⁴⁷ According to Keys, four imperatives "will be the basic determinants of any government's trade and investment policy". These are:

- * to grow internal markets for decades ahead
- * industrial development for basic internal supply with low tariffs for goods not locally made
- * the need to stimulate exports—through world scale value-added plants and encouraging exports of manufactures, and
- * the benign consequences of our position in the region.⁴⁸

In Keys' view, there was a need for the developed world and South

Africa to form a partnership—which will see South Africans playing crucial economic roles elsewhere in Africa with consequent favourable effects both on South Africa's level of exports to those countries and their level of exports to South Africa and the rest of the world. Indications from both the DFA and the DTI are that this partnership is preferred to be with the EU, probably through a separate arrangement for the region.

5.3. Organised business

Given the focus on trade and economic co-operation, organised business plays a central role in the current government's unfolding regional strategy. Prominent members of the business community that share government's view on regional policy, include the SA Chamber of Business (SACOB), the Afrikaanse Handels-Instituut (AHI), the SA Foreign Trade Organisation (SAFTO), and major banks such as Standard. The extent to which these two key actors—business and the state—agree on regional policy is revealed in a 1990 address by Dr. Conrad Strauss, M.D. of the Standard Bank Investment Corporation, and member of the State President's Economic Advisory Council. According to Strauss,

...it would appear that South Africa's new diplomatic stance will be based on the principles that South Africa must see its future development in large part through Africa; that the problems of the region should...be solved by its own governments, not by outsiders; that ...continued isolation of South Africa is detrimental to African interests; and that South Africa favours a regional and collaborative, rather than a national and independent, approach to the problems that face sub-equatorial Africa.⁴⁹

In his view, the dynamics and infrastructure in South Africa are sufficiently strong to act as a catalyst for the revival of the region as a whole. His vision of South Africa as "a partner in regional development" includes exploiting areas of common interest such as the financial, industrial, mining, agricultural, medicine, telecommunication and power generation sectors.⁵⁰ In fact, Strauss foresees that Johannesburg will probably become the financial hub of the sub-continent, and that the Development Bank of Southern Africa (DBSA) could become a regional development bank, serving "a new Southern African Economic Community".⁵¹

5.4. The African National Congress (ANC)

The ANC is dealt with under a separate heading because it is seen as a

key actor in its own right. Given its history and standing amongst South Africans as the major liberation movement, it will probably play the most influential role in the making of foreign policy of a new government. However, given the dynamics of South Africa's transition, it will not be in a position to unilaterally determine policy. It is nevertheless important to understand its perspectives on South Africa's regional relations after apartheid.

5.4.1. Policy

ANC foreign policy positions are derived from the Freedom Charter, the 1992 policy guidelines called Ready to Govern, and a recently completed, but unpublished, policy document on foreign policy. The ANC's Department of Economic Planning also published a discussion document on regional co-operation and integration in southern Africa after apartheid (undated). In addition, speeches by prominent ANC leadership figures contain elements of current ANC thinking on its regional foreign policy stance.

The essence of the ANC's foreign policy position is perhaps best reflected in a recently published article by Nelson Mandela, president of the organisation.⁵² The following extracts highlight the ANC's position on South Africa and the region. First, ANC foreign policy is based on the following beliefs:

- (1) that human rights are central to international relations,
- (2) the promotion of democracy world wide,
- (3) justice and international law should guide relations between nations,
- (4) where peace breaks down, internationally agreed and non-violent mechanisms must be employed,
- (5) the concerns and interests of Africa should be reflected in the ANC's foreign policy choices,
- (6) economic development depends on growing regional and international co-operation in an interdependent world.

Second, and closer to home, the ANC believes that southern Africa commands a special priority in its foreign policy: "We are inextricably part of southern Africa and our destiny is linked to that region...". Importantly, it argues that "... the forging of closer economic relations can potentially be of great benefit both to a democratic South Africa and the rest of southern Africa. Increased trade with southern Africa and the wider continent could be of considerable significance for our manufacturing industries. Neighbouring countries, too, could benefit by expanding their exports to South Africa". The article continues to argue that "... if the

strong underlying protectionist stance toward potential imports from the region...were to change, agricultural and industrial producers in several neighbouring countries could receive an important boost". Also, "Co-operation in regional construction, infrastructure and resource development projects, as well as in virtually every sector and area, could also be of considerable benefit".

The article cautions, however, that "Southern Africa will only prosper if the principles of equity, mutual benefit and peaceful co-operation are the tenets that inform its future". In particular, "Democratic South Africa will resist any pressure or temptation to pursue its own interests at the expense of the sub-continent".

The ANC argues that it is sensitive to the fact that regional co-operation and integration programmes should take into account the acute imbalances in existing regional economic relations. "It is essential therefore", it argues, "that a programme to restructure regional economic relations after apartheid be carefully calibrated to avoid exacerbating inequities". Specific issues that, in the opinion of the ANC's Department of Economic Planning, need to be addressed in order to promote equitable and mutually beneficial co-operation and integration, include:

- * Utilities, particularly electricity and rail transport
- * Currency convertibility
- * Harmonisation of tax policies and regulatory regimes
- * A regional investment code
- * Co-ordination of regional action internationally
- * The creation of a Southern African Development Bank
- * Infant industry and strategic industry protection
- * A regional resource beneficiation policy, and
- * Initial adjustment subsidisation.⁵³

The ANC furthermore argues that "militaristic approaches to security and co-operation have no place in southern Africa. In partnership with its neighbours, a democratic South Africa will promote the creation of regional structures for crisis prevention and management".

Lastly, the ANC is committed to promoting greater "continental unity", and looks forward to a mutually beneficial association with both the SADC and the PTA. The ANC will seek to democratise the institutions of SACU, within the framework of a broader regional programme, and to remove barriers in the existing arrangement to a more balanced location of industries.

Thabo Mbeki, the ANC's Secretary for International Affairs, took up

some of these points in an important speech in November 1993.⁵⁴ In a wide-ranging address on South Africa's future foreign relations, Mbeki devoted considerable time to the question of South Africa's relations with the region, and Africa. He highlighted the following issues:

- * The ANC is opposed to notions and concepts of South Africa being a regional power. A laissez faire or free market approach to determine relations between South Africa and the region will produce detrimental results to all concerned. Rather, there ought to be an agreement, negotiated within the context of SADC, to produce an outlook for balanced regional economic development.
- * A common regional security system will be an important part of the foreign relations of a democratic South Africa. Re-equipping the new South African national defence force, for example, must be approached from within this context.
- * Given the existing interdependence of the countries of southern Africa, the region needs an agreed system of regional co-operation across borders. This is needed to deal with the questions such as population migration (the movement of people into South Africa).
- * Concerning Africa, the ANC is of the view that the OAU needs to be empowered to be able to address questions which have a continent-wide impact: these include democracy, human rights, stability, peace and security. South Africa should, in the ANC's view, maintain an activist position on these issues, "... because clearly it is better to prevent the outbreak of conflict than to send peace-keeping forces to separate the parties in conflict".

6. SOUTH AFRICA IN THE REGION: KEY AREAS IN FUTURE REGIONAL CO-OPERATION

6.1. Trade

Trade is one area in which a democratic South Africa stands directly to benefit from greater economic co-operation both with the region and wider continent. Indeed, as Davies recently pointed out, if South Africa is to have any future as an exporter of manufactured goods, African markets will be of particular importance.⁵⁵ How does the trade picture look?

The reality is that 48% of South African (non-gold) merchandise exports go to Europe, followed by Asia at 25%. The Americas and Africa each take about 13%, and Oceania 1%.⁵⁶

In 1992, total South African exports grew by about 5% while exports to Africa rose 39%.

Table 1: Top Twenty Traders with South Africa - 1992
(South Africa's Top Twenty Export destinations)

RANK SA EXPORTS	SA EXPORTS (Rbillion)	SA IMPORTS (Rbillion)	TOTAL TRADE	RANK TOTAL TRADE
2 USA	4.8	7.1	11.9	1
5 Germany	3.0	8.6	11.6	2
3 United Kingdom	4.5	5.4	9.9	3
4 Japan	3.7	5.6	9.3	4
1 Switzerland	5.4	1.2	6.6	5
6 Taiwan	2.1	1.8	3.9	6
9 Italy	1.6	1.8	3.4	7
8 Netherlands	1.9	1.2	3.1	8
13 France	1.0	2.1	3.1	9
7 Belgium	2.0	1.1	3.1	10
10 Zimbabwe	1.6	0.8	2.4	11
11 Hong Kong	1.5	0.8	2.3	12
14 South Korea	0.9	0.7	1.6	13
15 Spain	0.9	0.4	1.3	14
16 Israel	1.0	0.3	1.3	15
12 Zambia	1.1	0.04	1.1	16
17 Malawi	0.7	0.13	0.8	20+
18 Mozambique	0.7	0.05	0.7	20+
19 CIS	0.6	0.07	0.7	20+
20 Norway	0.5	0.03	0.5	20+

Source: Trade Monitor, No.3, August 1993.

Recent figures indicate that South Africa's market share in Africa is fairly modest. In 1990, South African exports to non-SACU African countries were about 15% of the total. For the rest of the PTA it was less than 2%.⁵⁷

However, an analysis done by Maasdorp⁵⁸ shows that the proportion of total imports which are supplied by South Africa is over 90% for Lesotho and Swaziland, about 80% for Botswana, 75% for Namibia, about 40% for Malawi, about 20% for Zimbabwe and Zambia, and nearly 25% for Mozambique.

The proportion of total exports taken by South Africa is 54% for Lesotho, 47% for Swaziland, 37% for Malawi, and almost 20% for Zimbabwe and Namibia. South Africa is the leading exporter of goods to its SACU partners as well as to Zimbabwe, Malawi, Zambia and Mozambique. It is the main market for exports from Lesotho and Swaziland and it ranks second for Namibia, third for Zimbabwe and fourth for Malawi. Of South Africa's non-gold exports, 20% goes to the SADC countries.

South Africa appears to have a competitive advantage in supplying Africa with three broad categories of commodities, namely, machinery and appliances, transport equipment and building materials, and chemicals, pharmaceuticals, mining supplies and metal products.⁵⁹

Africa, including southern Africa, is therefore a strategic and potentially important market for South Africa. But, as the University of Cape Town's Trade Monitor notes, there is concern about the quality of that trade. Most trade is in the form of manufactured exports—the one area where, because of the inward-looking, protectionist and import substitution path followed for the last 70 years, South Africa is generally agreed to be most uncompetitive.⁶⁰

At the same time, there has been a fairly protectionist regime towards imports from other southern African countries. There have been tariff restrictions, particularly on agricultural imports from neighbouring countries, as well as non tariff barriers.

Industrial development in SACU states has also been inhibited by a clause in the customs union agreement which is supposed to offer infant industry protection for eight years.

Another factor contributing to the imbalance in regional trade has been the decline in the invisible earnings of neighbouring states from South Africa. Historically, regional imports from South Africa were at least partly financed by remittances from migrant labour and service payments by South Africa for transport or electricity.⁶¹

Finally, a major problem in expanding intra-regional trade is that of foreign exchange. The currencies of the region outside the CMA and Botswana are not convertible, and the region suffers from a shortage of foreign exchange.⁶² Thus, although South Africa may be well placed to increase its exports to the region, the problem is how to get paid. One way of circumventing this is through counter-trade, and a number of South African firms are already engaged in such trade.

Present unequal trade relations with Africa are not seen as being either equitable or sustainable in the longer term.⁶³ Many believe that

multi-lateral negotiations are needed to place regional relationships on a new basis. This would have to involve, in addition to securing benefits for South Africa, South Africa making some significant concessions to other countries, primarily granting other countries greater access to the domestic South African market. Suggestions by the *Trade Policy Monitoring Project* at UCT on the way forward include:

- * ending the discrimination and protectionism which have been applied towards neighbouring countries;
- * lifting a number of non tariff barriers;
- * addressing the issue of revenue from invisible services, partly through projects that are established in other countries, partly through addressing the tariffs payable for existing services;
- * adopting a regional approach towards issues like migrant labour. Suggestions made by Maasdorp include the following:
- * The imbalance in interregional merchandise trade in favour of South Africa could be at least partially offset by a greater flow of services—such as water and power—from its neighbours.
- * Apart from water and energy, the fields of transport, tourism and agricultural and technical co-operation also offer opportunities for close regional co-operation.⁶⁴

6.2 Migrant labour

Migrant labour will be one of the thorniest questions of regional relations to be confronted after apartheid. For over 100 years, the mines, farms and industries of South Africa have provided employment for men and women from all over the region. By 1970 over 500,000 foreign migrant workers were in South Africa; by 1986 the number had fallen to 303,000.⁶⁵

The majority are male (97%) and are employed in the mining industry (81%); most of the others are in agriculture and industry. Thus the future of labour migration is irrevocably bound to the future of the mining industry. Maasdorp argues that without government intervention, the level of employment of foreign workers will decline in a controlled manner as a result of the contracting mining industry.⁶⁶ In fact, there are many factors, including South Africa's unemployment crisis, that will tend to militate against the continued employment of large numbers of foreign miners. In Davies' view, however, a broader regional approach to migrant labour will have to recognise that supplier states cannot, without considerable economic and social disruption, immediately withdraw from the system.⁶⁷ In the short term, new agreements on the supply of migrant labour

will have to be based on at least the following considerations:

- (1) The contribution of "foreign" migrant workers to the creation of wealth in the South African mining industry will have to be recognised.
- (2) The policy of manipulating the flow of migrants from any country at the whim of mining capital will have to be terminated. The importance to supplier states of stability of employment and earnings from this source during an interim period at least will have to be recognised.
- (3) The whole system of benefit and compensation payments will have to be re-examined.⁶⁸

Finally, the long term aim ought to be to create conditions which will enable the migrant labour system to be phased out in a way which benefits both the working class of South Africa, and the populations of former labour reserve areas.

6.3. Fostering confidence, economic growth and security

In light of southern Africa's history of struggles of liberation, post-independence crises of political governance and economic collapse, and destabilisation, states in the region are concerned that a non-racial and democratic South Africa will itself be unable to contain forces capable of devastating the sub-continent. Foreign Policy specialist Peter Vale recently argued that one way to allay these fears would be to embark on a series of multilateral talks along the lines of the CSCE.⁶⁹ In the case of southern Africa, the following segments or "baskets" can be identified to deal with difficult Third World issues:

- * Health issues
- * Women's issues
- * Technology and educational issues
- * Migration and borders
- * Law and Human Rights
- * Security questions
- * Economic options
- * Agricultural development, including food security, soil erosion and environmental degradation.

Increasingly, the informed view from both the region and South Africa is that security has to be seen broadly or holistically along lines now becoming accepted worldwide and enunciated for Africa in the Kampala Document of 1991. That is, security concerns cannot be confined to political and military dimensions or even to issues of crime and other

civil violence; rather, they have to encompass core aspects of the economic and social well-being of entire populations.⁷⁰ For southern Africa, future relations between South Africa and its neighbours will clearly have to be based on an approach that emphasizes the promotion of security issues, widely defined. The region will not prosper if economic and trade issues are promoted at the cost of social peace. The institutionalisation of relations in this region, whether through SADC, the PTA or a new arrangement, will have to take account of this.

7. CONCLUSION

South Africa's future regional foreign policy will not be easily decided. Nor will that policy, when it is eventually made, clearly reflect the preference of one actor above others. Rather, foreign policy, as Nolutshungu eloquently argued, will be about negotiating a path between necessity and preference; between domestic needs and external constraints; and about bargaining with other actors. This study identified the major background factors that will influence future regional foreign policy. They are:

- * The nature of South Africa's transition which will determine, to a great extent, the shape of the new state structures, including the foreign policy making process.
- * The outcome of the April 1994 national election which will produce a new balance of political forces which will have a determining impact on the question of which political actors will be dominant in policy making.
- * Domestic economic developments which will likewise influence the country's regional foreign policy. Vigorous economic growth can result in new regional opportunities; stagnation or economic failure will seriously limit regional foreign policy options.
- * The global political and economic environment produces the broad parameters within which policy is set. Also, global economic developments is forcing domestic policy options in similar directions. Consider, for example, the impact of GATT, or the development of trade blocs and its impact on the southern African region.

Research furthermore identified the following current and potential key actors involved in the regional foreign policy making process, as well as key aspects of their policies:

- * New state structures after April 1994 which will allow for more democratic, open and accountable policy making processes.

- * Key state departments are the current Department of Foreign Affairs and the Department of Trade and Industry. Their influence will not wane in the short to medium term.
- * Organised business, which is strongly supportive of current government strategy towards the region.
- * The African National Congress. ANC regional policy is the product of a number of inputs from different sections of the movements' structure. Nevertheless, it is coherent and differs in important aspects from government thinking. However, there is agreement on a number of issues regarding future regional relations.

On what aspects are these key actors in agreement and on which do they differ?

- * There is recognition amongst all key actors of the necessity to promote regional co-operation and eventual integration. The economic and trade imperative features most prominently. In terms of institutionalised regional co-operation, although ANC policy tends to favour closer relations with the SADC, there is no clear preference among any of the key actors for either the SACU, PTA or SADC. Rather, the thinking seems to be that perhaps an altogether new or transformed structure will be needed for this purpose.
- * There is general agreement that a mercantilist trade and development situation should not form the basis for the sustainable growth and development of the region. In this respect, DFA and government thinking focuses on a "partnership" approach, which seems to be a version of 'new diplomacy', which favours a functionalist approach to regional relations. ANC thinking insist that the region will only prosper if the principles of equity, mutual benefit and peaceful co-operation are the tenets that inform its future.
- * The current government, supported by organised business, is keen to capture larger regional markets. The ANC is much more careful and will attempt to resist any such pressure to pursue own interests at the expense of the sub-continent.
- * Given government's "partnership" or "new diplomacy" approach, it is perhaps not surprising that its vision is devoid of any major consideration for the warmth of closer or improved human relations amongst the peoples of the region and their interests. The ANC, on the other hand, articulates a much more human-centred approach to regional relations. This approach is evident in its concern for issues such as the importance of rebuilding trust in the region; the problems of

under-development in countries of the region; the necessity for a new security regime; and the future role of the OAU.

Finally, it can be argued that although South Africa's future regional policy will be a product of consensus decisions at executive level, it will be contested terrain. It is clear that the various key actors all have agendas and priorities of their own, some of which differ sharply from each other. Policy making will consequently be a dynamic and at times vigorously challenging process. Policy outcomes will depend on the balance of political—and economic—forces prevailing at specific times. In the final analysis, it appears that the global political economy will tend to favour the current government's quantitative "partnership" approach, whilst the region might want to prefer the ANC's "qualitative, equitable and mutually beneficial" approach.

ENDNOTES

1. For details on the settlement that was finally adopted on the 18 November 1993, see *Negotiation News*, No.13, IDASA, Cape Town, 15/12/1993, pp.3-11.
2. *Negotiation News*, *op.cit.*, p.8.
3. According to recent polls, the ANC might receive approximately 60%— 67% of the vote, the NP up to 20% and the IFP between 5% and 10%. Projections of white rightwing support varies widely, whilst the PAC and DP might just make the 5% cut-off point for representation in parliament. (*The Citizen*, 26/11/93, and 24/11/1993).
4. Holsti, K.J., *International Politics: A Framework for Analysis*. Prentice-Hall, 1988. pp.314-358.
5. Van Zyl Slabbert, "We're doing okay", *Democracy in Action*, Vol.7(7), 15 December 1993, p.1 and p.8.
6. McGowan, P., "The 'New' South Africa: Ascent or Descent in the World System?" in *The South African Journal of International Affairs*, Vol.1(1), Spring 1993, pp.46-50.
7. *Ibid.*
8. The current wide-ranging debate on future economic policy is being informed by, amongst others, perspectives from organised business, the financial media, and policy documents from government (their so-called "Normative Economic Model") and the "Framework for Macroeconomic Policy", produced by MERG, a thinktank supported by the ANC, the SACP, and organised labour.
9. As of early August 1993, more than 11,000 people had died since the transition began in February 1990.
10. For a discussion of the dynamics of democratisation and nation-building, see Gagiano, G., "The Contenders" in Esterhuysen, W. and P. du Toit, *The Myth Makers: The Elusive Bargain for South Africa's Future*, Southern, Pretoria, 1990, pp.10-35.
11. McGowan, *op.cit.*, p.35.
12. For comparative statistics of countries in southern Africa, see Esterhuysen, P., *Africa At a Glance: Facts and Figures*, Africa Institute, Pretoria, 1992, Section Two: Facts and Figures, pp.26-37.
13. These include: apartheid and its anti-development policies; political instability and, increasingly, a lack of clarity regarding the next government's economic policies; miserable macro-economic and fiscal policies by past and present governments and public authorities discouraging investment, distorting relative factor prices, and producing inflation and a growing public debt; a terrible record in the development of human capital resources; management and business leadership that is privileged and on the evidence of declining productivity, inefficient and incompetent; and an inward-looking, import-substitution industrialisation (ISI) trade and development strategy that has denied South Africa the opportunity to use trade as an engine of growth. (McGowan, *op.cit.*, p.58).
14. Some of the factors that favoured a sustained recovery of the economy in the course of 1993 were:
 - (a) An exceptional performance on the export front. The value of merchandise exports rose by almost 19% in the second quarter of 1993. The ratio of exports to DGP rose in the second quarter of 1993 to 22.5% from 16% in 1985, and 20.7% in 1992.
 - (b) The downward trend in the consumer price index (CPI) which continued during 1993.

- The inflation rate has dropped from an annualised high of recent years of nearly 17% in September 1991 to 9.3% in August 1993.
- (c) A final agreement to terminate the debt standstill with international banks. Repayment of the debt caught in the net has been agreed over a period of eight years. Care has been taken in the rescheduling to ensure that the repayments dovetail with the repayment of other loan commitments and will not constrain economic recovery in the South African economy. This agreement will allow South Africans access once again to normal international borrowing.
- (d) A US\$850 million Compensatory and Contingency Financing Facility has been negotiated with the IMF, also involving the government, ANC and IFP (McGrath, M. & M. Holden, "Economic Outlook", in *Indicator SA*, Vol.11(1), Summer 1993, pp.26-28).
15. According to the IMF, world output should increase from growth of 2.2% in 1993 to 3.2% in 1994, while growth in the industrialised countries is predicted to increase from 1.1% in 1993 to 2.2% in 1994 (McGrath & Holden, *op.cit.*, p.27).
 16. Mainardi, S., "Building Blocs: Growth Patterns in Southern Africa", in *Indicator SA*, Vol.11(1), Summer 1993, pp.29-33.
 17. *Ibid.*, p.33.
 18. *Making Democracy Work: A New Economic Policy for South Africa*, MERG, Braamfontein, 1993, p.2.
 19. For further discussion, see *South Africa and the World: A New Vision*, SAIIA and CSAS, Johannesburg, 1992, pp.3-19.
 20. Nolutshungu, S., "Foreign policy and domestic policy after apartheid" in *South Africa and the World: A New Vision. Ibid.*, pp.41-50. For similar arguments, see Spicer, M. and M. Reichardt, "Southern Africa: The International Community and Economic Development in the 1990s" in Benjamin, L. and C. Gregory, *Southern Africa at the Crossroads?*, Justified Press, Rivonia, 1992, pp.255-280.
 21. Nolutshungu, S., *Ibid.*, p.48.
 22. Clauses 37 and 38 of the Interim Constitution.
 23. Clause 40(1) and (2).
 24. Clause 47(1).
 25. Geldenhuys, D., *The Diplomacy of Isolation: South African Foreign Policy-Making*, Macmillan, Braamfontein, 1984, p.47.
 26. *Ibid.*, p.56-59.
 27. For discussion, see Van Nieuwkerk, A., *Where is the people's voice? Public Opinion and Foreign Policy in South Africa*, unpublished research paper, SAIIA, January 1994.
 28. Clauses 70 and 71.
 29. Clause 76.
 30. Clause 77.
 31. Clause 80.
 32. For discussion, see Nolutshungu, S., "Foreign Policy and Domestic Politics after Apartheid", in *South Africa and the World: A New Vision*, SAIIA and CSAS, Braamfontein, 1992, p.45.
 33. Clause 81(2).
 34. Clause 75(2)

35. Geldenhuys, *op.cit.* p.121.
36. *Ibid.*
37. *Ibid.*
38. Department of Foreign Affairs List, Pretoria, October 1993, pp.7-20.
39. Du Pisani, A., "Ventures into the interior: Continuity and change in South Africa's regional policy, 1948- 1991", in Van Nieuwkerk, A. and G. van Staden, *Southern Africa at the Crossroads: Prospects for the Political Economy of the Region*, SAIIA, Johannesburg, 1991, p.213-220.
40. *Ibid.*, p.217.
41. *Ibid.*, p.218.
42. Van Heerden, N., *Developments in Southern Africa*, Occasional Paper, SAIIA, Johannesburg, December 1990.
43. According to Van Heerden, to achieve the objective of DEPSA, the South African government is arguing that:
 - * Investment and development aid is necessary for the region;
 - * Southern Africa can be a coherent and viable economic and commercial entity;
 - * the South African economy, its technology, management and skills; resources are available for the benefit of all in the development of the region;
 - * co-ordinated infrastructural development programmes should be designed to improve economic prosperity within the countries of the region;
 - * there is an existing infrastructural interdependence in the region which should be better utilised for the benefit of the region and its people; and
 - * trilateral development projects and investment for the economic benefit of the region as a whole are called for.
44. De Klerk, F.W., *The International Road Ahead for South Africa*. Occasional Paper, SAIIA, Johannesburg, December 1991, p.4.
45. "Regional Economic Interaction", unpublished document by the Department of Foreign Affairs, Pretoria, January 1994.
46. Other government departments also play an important but less influential role in regional foreign policy making.
These include the Department of Mineral and Energy Affairs, the S.A. Transport Services, the Department of Manpower Utilisation, the Department of Agriculture, and others.
47. Keys, D., "The S.A. Government's view on foreign trade and investment", in *South Africa International*, April 1992, pp.169-171.
48. *Ibid.*, p.170.
49. Strauss, C., *South Africa in a Southern African Context*, Occasional Paper, SAIIA, Johannesburg, August 1990, p.9.
50. *Ibid.*, p.8.
51. *Ibid.*, p.8.
52. Mandela, N., "South Africa's Future Foreign Policy", *Foreign Affairs*, Vol.72(5), December 1993, pp.86-97.
53. ANC Department of Economic Planning, *Regional Co-operation and Integration in southern Africa after Apartheid*, Discussion document, undated, pp.4-6.
54. Address by Thabo Mbeki to the SA Institute for International Affairs, Johannesburg,

25/11/1993.

55. Davies, R., *Key issues in reconstructing South-southern African economic relations after apartheid*. Southern African Perspectives, No.2., CSAS, Bellville, November 1990, p.7.
56. *Trade Monitor*, Trade Policy Monitoring Project, UCT, Cape Town, Number 3, August 1993, p.14.
57. *Ibid.*, p.14.
58. Maasdorp, G., "Economic prospects for South Africa in southern Africa", *South Africa International*, January 1992, p.123.
59. *Ibid.*, p.123.
60. *Trade Monitor*, *op.cit.*, p.14.
61. *Ibid.*, p.14.
62. Maasdorp, *op.cit.*, p.123.
63. For discussion, see Davies, *op.cit.*
64. Maasdorp, *op.cit.*, p.123. On water and electricity, minerals, and transport, see Davies, *op.cit.*, pp.8-13.
65. Maasdorp, G. and A. Whiteside, "Implications of closer regional co-operation: South Africa", in *Regional Economic Integration and National Development*, Protocol of proceedings, Symposium organised by the Konrad Adenauer Stiftung and SAFER, Harare, May 1991, pp.90-94. Note that there is also a considerable flow of clandestine migrants.
66. *Ibid.*, p.91.
67. Davies, *op.cit.*, pp.13-17.
68. *Ibid.*
69. Vale, P., "The case for a Conference for Security and Co-operation in southern Africa (CSCSA)" in Van Nieuwkerk and Van Staden, *op.cit.*, pp.148-153. For a discussion of a wider initiative involving the African continent, see Nathan, L., "Towards a Conference on Security, Stability, Development and Co-operation in Africa", in *Africa Insight*, Vol.22(3), 1992, pp.212-217.
70. Herskovits, J., *Towards sustainable peace and stability in southern Africa*. Report of a conference convened by the Southern African Peacekeeping and Peacemaking Project, Harare, July 1993, p.5.